

# **LIME CHEMICALS LIMITED**

***43rd***  
***ANNUAL REPORT***  
***2012-2013***

## LIME CHEMICALS LIMITED

### **BOARD OF DIRECTORS**

H.I.Dawoodani - Retired by rotation w.e.f 30/07/2013

A.H.Dawoodani - Managing Director

B. A. Mujawar

A.R. Somjee - Resigned w.e.f. 07/03/2013

M. M. Gadgil

K. Srinivasa Varadhan

Mrs. S.A. Dawoodani

### **REGISTERED OFFICE**

Light House Building, Ground Floor

Sitafalwadi, Mazgaon

Mumbai – 400 010

### **CORPORATE OFFICE**

Neco Chambers, Plot No. 48

Sector 11, C.B.D Belapur

Navi Mumbai – 400 614

### **AUDITORS**

M/s. Divakar Hari & Associates

Chartered Accountants, Mumbai

### **BANKERS**

Bank of Baroda

Development Credit Bank Ltd.

Axis 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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# LIME CHEMICALS LIMITED

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## NOTICE

NOTICE IS HEREBY GIVEN THAT the Forty Third 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 Monday, the 30<sup>th</sup> September, 2013 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 31<sup>st</sup> March, 2013 and the Balance Sheet as on that date and the reports of Auditors and Directors thereon.
2. To take note of Mr. H.I.Dawoodani, Director who retires by rotation and does not offer himself for reappointment.
3. To appoint a Director in place of Mr. B.A. Mujawar, who retires by rotation and offer himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and fix their remuneration.

### SPECIAL BUSINESS

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

#### 5. APPOINTMENT OF DIRECTOR

RESOLVED THAT Mrs. Shahnaz A. Dawoodani, who was appointed as an additional Director of the Company on 30<sup>th</sup> May 2013 and who in terms of Section 260 of the Companies Act, 1956 hold office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable to rotation.

#### 6. 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. Ahmed H. Dawoodani be and is hereby re-appointed as Managing Director of the Company for a further period of three years with effect from 1<sup>st</sup> August, 2013 on the terms and conditions including remuneration as set out in the explanatory statement of the Notice, 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 Mr.Ahmed H. Dawoodani.

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

#### ITEM NO. 4

Mrs. Shahnaz A. Dawoodani was appointed as a Director of the Company at the meeting of the Board of Directors held on 30<sup>th</sup> May 2013. Mrs. Dawoodani holds the office of Director upto this Annual General Meeting.

The Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member signifying their intention to propose candidature of Mrs. Shahnaz A. Dawoodani for the office of the Director. Detailed profile of Mrs. Shahnaz A. Dawoodani is given in the Corporate Governance Report forming part of Directors Report.

The Board of Directors recommends the resolution for approval of the members. Mrs. Dawoodani is the wife of Mr. Ahmed H. Dawoodani, the Managing Director of the Company. None of the Directors other than Mr. Ahmed Dawoodani and Mrs. Shahnaz A. Dawoodani are concerned or interested in this resolution.

#### ITEM NO. 5

The present term of Mr. A. H. Dawoodani as Managing Director is upto 31<sup>st</sup> July 2013. The Board of Directors at their meeting held on 30<sup>th</sup> July 2013 reappointed Mr.A. H. Dawoodani as Managing Director of the Company

with effect from 1st August 2013 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 27<sup>th</sup> September, 2013 to 30<sup>th</sup> September, 2013 (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: 30<sup>th</sup> July, 2013.

**A.H.DAWOODANI**  
Managing Director

# LIME CHEMICALS LIMITED

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## DIRECTORS' REPORT

The Directors present their 42<sup>nd</sup> Annual Report on the business and operations of the Company and the financial accounts for the year ended on 31<sup>st</sup> March, 2013.

### FINANCIAL RESULTS

(Rs. In lac)

Particulars	For the year ended on 31/03/2013	For the previous year ended on 31/03/2012
Gross Profit (before interest, depreciation & taxation)	(243.41)	(608.07)
Less: Interest	26.96	37.98
Depreciation	198.52	196.07
Miscellaneous expenses written off	0	--
Profit before tax	(468.89)	(842.12)
Deferred Tax Liability	(27.41)	(23.42)
Profit / Loss after Tax	(441.48)	(818.70)
Add: Balance brought from previous year	(5725.93)	(4907.23)
Profit / (Loss) available for appropriations	(6167.41)	(5725.93)
<b>APPROPRIATIONS / TRANSFERS</b>		
Profit/(loss) carried to Balance Sheet	(6167.41)	(5725.93)

### 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 24<sup>th</sup> 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 turnover has increased to Rs. 27.63 crores against Rs. 13.99 crores in the previous year. The Company's manufacturing plant at Roha and at Paonta Sahib, Himachal Pradesh are working at normal capacity. The Company has taken various steps to boost better working results and operating profit, which will result in the coming years. The management hopes to achieve better results on account of increased turnover and the measures to increase profitability in the years to come.

As per the One Time Settlement approved by the Consortium Banks for restructuring of its existing Long Term Working Capital Facilities, the Company is making payments on installments to the Banks. This will enable the Company to reduce the cost of finance and will improve working of Company's manufacturing plants. During the year the Company has credited a sum of Rs. 323.79 lacs to Capital Reserve Account on account of unpaid interest saved on One Time Settlement with the Banks.

### **DIRECTORATE :**

Mr. H.I. Dawoodani, the Founder Director of the Company, who retires by rotation does not offer himself for re-appointment due to his bad health. The Board of Directors place on record their sincere appreciation and gratitude for his long vision and guidance given, since inception of the Company. Mrs. Shahnaz A. Dawoodani has been appointed as Director with effect from 30<sup>th</sup> May, 2013.

### **EXPORTS**

During the year under review, the Company exported its products to various countries. Total exports during the year on FOB basis was Rs.24.24 lacs against Rs. Nil 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.

### **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 ;

# LIME CHEMICALS LIMITED

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- 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. Divakar Hari & Associates, Chartered Accountants, will retire at the forthcoming annual General Meeting and is eligible for re-appointment. Members are requested to appoint M/s. Divakar Hari & Associates, as Statutory Auditors of the Company.

The Auditors M/s. Divakar Hari & Associates have referred to certain qualifications to their Audit Report and to notes forming part of Accounts in their report to the members. The qualifications and 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 : 30<sup>th</sup> July, 2013

**A.H. Dawoodani**  
Managing Director

**M. M. Gadgil**  
Director

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Overview**

Management discussion and analysis of financial condition and results of operations include forward looking statements based on certain assumptions and expectations of future events. The Company cannot assure that these assumptions and expectations are accurate. Although the management has considered future risks as part of the discussions, future uncertainties are not limited to the management perceptions.

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. The Management of the Company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the Company's state of affairs and profits for the year. The following discussion may include forward looking statements, which may involve risks and uncertainties, including but not limited to the risks inherent to Company's growth strategy, dependency on certain clients, dependency on availability of qualified technical personnel and other factors discussed in this report.

**Industry structure and developments**

The Company is engaged in the manufacturing Calcium Carbonate, which is used as input material in various industrial sectors such as Tooth Paste, Pharmaceuticals, PVC products, Rubber, Plastic, Polymer, Cable, Leather, Paper and Paints etc. The Calcium Carbonate Industry comprises organized and un-organized sectors. The unorganized sector consists of small and tiny units which are out of the purview of paying Excise Duty etc.

Your Company is one the largest producer of Calcium Carbonate in the Country and operating in the sector since 1976. The Company operates two manufacturing plants one in Raigad District, Maharashtra and in Paonta Sahib, Himachal Pradesh.

**Opportunities and Threats**

The Company's products are well accepted in the market. The cost reduction plans of the company have provided an edge to the company to compete with unorganized sector. The company continues to face competition from other big players and other unorganized players in calcium carbonate industry.

The high cost of funding and the competitors from the existing players could affect the profitability and growth of the company to a certain measure.

**Outlook**

The Company is exploring overseas market for its products and optimistic to achieve good results. The growth in industrial output and increase in investment in core and infrastructure sector should improve the sentiments of Economy. The growth in other sectors would also follow which in turn would increase the prospects of the Company.

**On behalf of the Board of Directors**

PLACE: MUMBAI  
DATE : 30<sup>th</sup> July 2013

A. H. Dawoodani  
Managing Director

M. M. Gadgil  
Director



# LIME CHEMICALS LIMITED

## REPORT ON CORPORATE GOVERNANCE

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

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company has adopted good corporate governance practices and ensures compliance with all relevant laws and regulations. It has led to the satisfaction and transparency to the shareholders. Company's philosophy is concerned with ethics, values, morals and social responsibility of the Company. The Company remains accountable to shareholders and other beneficiaries for their actions. The Company conducts its activities in a manner that is fair and transparent and perceived to be such by others.

### 2. BOARD OF DIRECTORS

The present strength of Board consist 5 Directors comprising 1 Executive and 4 non-executive Directors. During the financial year ended on 31.3.2013, 9 Board meetings were held on 30.04.2012, 19.5.2012, 30.5.2012, 30.07.2012, 29.09.2012, 30.10.2012, 20.11.2012, 30.01.2013 & 09.02.2013. 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	9	Yes	2	1	Nil	Nil
Mr. A.H. Dawoodani Promoter / Non Independent / Executive	9	Yes	3	2	Nil	Nil
Mr. M. S. Chandani Non Executive / Independent	0	No	Nil	Nil	Nil	Nil
Mr. B. A. Mujawar Non Executive / Independent	1	No	Nil	Nil	Nil	Nil
Mr. A. R. Somjee Non Executive / Independent	1	No	2	Nil	Nil	Nil
Mr. M. M. Gadgil Non Executive / Independent	7	Yes	Nil	Nil	Nil	Nil
Mr. K. S. Varadhan Non Executive / Independent	7	Yes	Nil	Nil	Nil	Nil

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

Particulars	Mr. B. A. Mujawar
Age	63 years
Qualification	Doctorate in Chemical Engineering
Expertise in specific function area and no. of years of experience	Morethan 30 years of experience in the field of Engineering Education activities..
Directorship held in other public & private companies	Nil
Number of shares held	Nil

Particulars	Mrs. Shahnaz A. Dawoodani
Date of Birth	31/08/1966
Date of Appointment	30/05/2013
Qualification	Undergraduate

Expertise in specific function area and no. of years of experience	More than years of experience in administration and related activities.
Directorship held in other public & private companies	Silvo Liacal Chemicals Limited Himachal Polyolefins Limited
Chairmanship/Membership of Board Committees of other companies	Nil
Number of shares held	385710

#### 4. REMUNERATION OF DIRECTORS

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

The details of remuneration paid to Managing Director during the financial year 2012-2013 are as under:

Name	Salary and Provident Fund	Perquisites	Total
Mr. Ahmed H. Dawoodani	Rs. 11,25,000	Nil	Rs. 11,25,000

#### 5. AUDIT COMMITTEE

The Audit Committee comprised 4 Directors viz. Mr. M.M.Gadgil, Mr. K. S. Varadhan, Mr. B.A. Mujawar & Mr. A.H. Dawoodani. Mr. M.M. Gadgil 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 30.04.2012, 19.05.2012, 30.07.2012, 30.10.2012 & 30.01.2013.

#### 6. SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE

The Share Transfer and Investors' Grievance Committee till the year ended 31<sup>st</sup> March, 2013 comprises of 3 Directors viz. Mr. A.H.Dawoodani, MD, Mr. M. M. Gadgil & Mr. A.R. Somjee. 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.

#### 7. 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
30.09.2012	AGM	Registered Office at 10, Light House Ground Floor, Sitaphalwadi, Mazgaon, Mumbai – 400 010	10.00 a.m.	3
30.09.2011	AGM	Registered Office at 10, Light House Ground Floor, Sitaphalwadi, Mazgaon, Mumbai – 400 010	10.00 a.m.	2
30.09.2010	AGM	Registered Office at 10, Light House Ground Floor, Sitaphalwadi, Mazgaon, Mumbai – 400 010	10.00 a.m.	2

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

#### 8. CODE OF CONDUCT

The Board of Directors has adopted a Code of Business Conduct and Ethics which is applicable to the Members of the Board and all employees in the Management grade.

The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to conflict of interests, bribery and corruption, integrity of accounting and financial reporting, fair competition, Corporate Social Responsibility, concern for sustainable development / sustainable performance, concern for occupational health and safety, use of licensed software, email and internet connectivity and corporate communications.

# LIME CHEMICALS LIMITED

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All the Board Members and the senior management personnel have confirmed compliance with the Code.

## 9. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company. The Compliance Officer is responsible for implementation of the Code. All Directors and the designated employees have confirmed compliance with the Code.

## 10. DISCLOSURES:

- a) There was no transaction of material nature with the Promoters, Directors, Management or their relatives during the financial Year of the Company, which could have potential conflict with the interests of the Company at large. However, the transactions detailed in Note no. 10 of Schedule 18 annexed to the Accounts may be considered as related party transactions.
- b) The Company does not have a Whistle Blower Policy. All the same, no personnel of the Company have been denied access to the grievance redressal mechanism of the Company.
- c) The Company is in Compliance with all the mandatory Provisions of Clause 49 of the Listing Agreement.
- d) During the last three years no penalties or strictures were imposed by the Stock Exchanges or any other authorities.
- e) None of the Non Mandatory requirements has been adopted by the Company

## 11. MEANS OF COMMUNICATION:

- a) The Annual, half Yearly and quarterly results are regularly submitted to the Stock Exchange and published in accordance with the Listing Agreement.
- b) Management Discussion and Analysis forms part of the Director's Report.

## 12. GENERAL INFORMATION FOR SHAREHOLDERS

i) AGM: Date, Time & Venue	30 <sup>th</sup> September, 2013 at 10.00 a. m Registered Office at Light House Building, Ground Floor Sitafalwadi, Mazgaon, Mumbai – 400 010
ii) Financial Year	1 <sup>st</sup> April 2012 - 31 <sup>st</sup> March, 2013
iii) Book closure	27.09.2013 to 30.09.2013
iv) Dividend payment date	No dividend recommended
v) Listing on Stock Exchange	The Bombay Stock Exchange (BSE)
vi) Listing fees paid for the year	2013-2014
vi) Dematerialisation of shares	As on 31.03.2013, 77.71% 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

## 13. MARKET PRICE DATE: HIGH / LOW DURING EACH MONTH IN 2012 – 2013 ON BOMBAY STOCK EXCHANGE

Month	High – Rs.	Low – Rs.
April 2012	4.60	4.60
May 2012	4.60	3.90
June 2012	4.30	3.43
July 2012	4.23	3.50
August 2012	4.51	4.30

September 2012	4.65	4.10
October 2012	4.25	4.00
November 2012	3.85	2.69
December 2012	3.55	2.83
January 2013	3.03	2.51
February 2013	2.43	1.94
March 2013	2.07	1.35

**14. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2013**

No. of Equity Shares Held	No. of Shareholders	No. of Shares	% Total
1 - 500	4,766	6,54,154	19.88
501 - 1000	245	1,99,528	6.06
1001 - 2000	93	1,46,014	4.44
2001 - 3000	34	87,129	2.65
3001 - 4000	19	65,411	1.99
4001 - 5000	17	80,059	2.43
5001 - 10000	22	1,62,639	4.94
10001 and above	40	18,95,342	57.61
<b>TOTAL</b>	<b>5,284</b>	<b>32,90,276</b>	<b>100.00</b>

**15. SHAREHOLDING PATTERN AS ON 31.03.2013 IS AS FOLLOWS :**

SR.NO	CATEGORY	NO.OF SHARES HELD	% OF SHARE-HOLDING
1.	Promoters Holding		
	Indian Promoters and Persons Acting in concert	13,78,268	41.89
	- Foreign Promoters	--	--
	Banks, Financial Institutions / Insurance Cos.	64,000	1.95
	Mutual Funds & UTI	360	0.01
2.	Private Corporate Bodies	3,59,141	10.92
3.	NRIs/OCBs	56,550	1.72
4.	Clearing Members	00	0.00
5.	Trust	50	0.00
6.	Indian Public	14,31,907	43.51
7.			
	<b>TOTAL</b>	<b>32,90,276</b>	<b>100.00</b>

On behalf of the Board of Directors

**A.H. DAWOODANI**  
Managing Director

MUMBAI  
DATED : 30<sup>th</sup> July 2013

**ANNEXURE TO CORPORATE GOVERNANCE REPORT**

Declaration regarding affirmation of Code of Conduct

In terms of the requirements of the Clause 49 of the Listing Agreement, this is to confirm that all the members of the Board and the senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2013.

**A.H. DAWOODANI**  
Managing Director

Mumbai  
Dated: 30<sup>th</sup> July, 2013

# LIME CHEMICALS LIMITED

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## **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 31<sup>st</sup> March 2013, 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.

**P.V.Ramaswamy**  
Company Secretary  
Membership No. 1708 C.P. No. 2087

Mumbai  
Date: 30<sup>th</sup> July 2013

**AUDITORS' REPORT TO THE MEMBERS OF LIME CHEMICALS LIMITED**

To  
The Members of Lime Chemicals Ltd

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of M/s Lime Chemicals Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, and subject to the limitations of the audit as indicated in paragraph 1 to 5 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.

# LIME CHEMICALS LIMITED

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- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, we have to report that two of the directors are disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
- (f) Attention is invited to the following:
  - i. The company continues to disclose its results on the concept of going concern in spite of the fact of erosion of 100% of its net worth, relying on the possible outcome of the BIFR application, one time settlement reached with lender banks and financial institutions and creditors and resumed operations of the new manufacturing unit. In addition the management explanations in this regard have been relied upon. (refer para x of CARO report).
  - ii. (a) Trade receivables Rs. 55,793,519/-, and Trade Payables Rs. 130,633,963/-, are subject to confirmations from the respective customers/suppliers.
  - iii. Note No. 39, in respect of deposits u/s. 58A of Companies Act, 1956 without complying various provisions referred in para vi of CARO report.
  - iv. Note No. 40, regarding payment of remuneration to managing directors, as the company is not eligible for payment of Remuneration considering the provisions of Schedule XIII of the Companies Act, 1956.
  - v. No interest, if any, in respect of Trade payable under MSMED Act is provided by the Company as a Company has not identified the Trade payables under MSMED Act for the Year ended 31<sup>st</sup> March 2013. (Refer note 9)

Consequential impact of the above cannot be quantified and fully ascertained and thus not provided for.

- vi. During the year under report, a sum of Rs. 2,53,35,636.00 representing the principal outstanding balance waived in the cash credit facility enjoyed with Bank of Baroda and 70,42,944.00 representing the balance outstanding waived in the term loan account with Bank of Baroda have been transferred to General reserves. In the opinion of the management, the company stands absolved of the above liability pursuant to the repayment of principal amount due and payable in terms of one time settlement entered into with the bank. However no dues certificate in respect of the said accounts settled with the bank is yet to be obtained by the company.
3. Subject to para 2 (e) & (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 others notes thereon, give the information 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 Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013 and
  - ii. in the case of Statement of Profit & 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 DIVAKAR HARI & ASSOCIATES**  
( Chartered Accountants )

**Place** : MUMBAI  
**Date** : 30<sup>th</sup> May 2013

DIVAKAR S. KOTIAN  
PARTNER  
MRN 039125  
Firm Regn No: 122057W

**ANNEXURE REFERED TO IN PARAGRAFH (1) OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS TO THE MEMBERS OF LIME CHEMICALS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013**

- i. In respect of its Fixed Assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except in respect of Roha factory, where details are maintained from 1<sup>st</sup> July, 1981. In case of Poanta factory, we are informed that assets register was under preparation upto 31<sup>st</sup> March, 1998 and the same has been misplaced upto this date. However Assets Register is duly maintained from 1<sup>st</sup> April 1998.
  - b) The Fixed assets have been physically verified by the management as program of verification followed by the company. In our opinion, the frequency of the verification of the fixed Assets by the management is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - c) No fixed assets of the company have been disposed off during the year so as to have any impact on the going concern status of the company. (To be read with 2f(i))
- ii. In respect of its Inventories:
  - a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. In respect of the loans, secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - a) According to information and explanations given to us, the Company has not granted any secured and unsecured loan to parties covered in the registered maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(iii)(a), (b) and (c) of the Companies ( Auditor's Report) Order, 2003 are not applicable to the Company.
  - b) According to information and explanation given to us, the company has taken interest free loan of Rs.15, 39, 27,309/- from parties covered in the registered maintained under section 301 of the companies Act, 1956. In respect of the said loan, the maximum amount outstanding at any time during the year is Rs.16,27,66,938/-
  - c) 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.
  - d) There is no stipulation as regards repayment in respect of unsecured loan during the year.
- 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 purchases of inventory and fixed assets and for the sale of goods.
- 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 explanation given to us:
  - (a) The particulars of transactions referred to in Section 301 of Companies Act, in the register required to be maintained have been so entered.
  - (b) Such transactions have been made at prices which are reasonable in relation to the prevailing market prices.
- vi. In our opinion and according to the information and explanations given to us, the Company has not complied with the provisions of sections 58A and 58AA of the Companies Act, 1956 and Companies



# LIME CHEMICALS LIMITED

(Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public in respects of acceptance/renewal of deposits, maintenance of liquid asset, advertisements, statement in lieu of advertisement, return of deposit, etc.

- vii. In our opinion and according to the information and explanations given to us, no internal audit function is carried out during the year. Even though the company is having an average annual turnover exceeding required limits, the company has not appointed any internal auditor.
- viii. According to information and explanation given to us, the provision of 'The Companies ( Cost accounting Regards) Rules, 2011' published by the Central Government under Clause (d) of Sub-Section (1) of Section 209 of the Companies Act, 1956 for the maintenance of cost records is applicable to the company as the company is engaged in the manufacturing activity. However the Company has not maintained the cost records during the year.
- ix. In respect of statutory dues

- a) According to the information and explanations given to us, the Company has defaulted in depositing undisputed statutory dues as stated in Note no. 28, and other material statutory dues with appropriate authorities during the period.

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 31<sup>st</sup> March, 2013 for a period of more than six months from the date they became payable, except sales Tax amounting to Rs. 3,44,16,389/- Provident Fund amounting to Rs.37,75,473 /-, Income Tax/TDS amounting to Rs. 12,42,925/- & Staff Professional Tax amounting Rs. 8,72,555/-, ESIC amounting to Rs. 6,55,905/-.

- b) According to the information and explanation 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 31<sup>st</sup> March 2013 on account of any dispute are given below

Name of statute	Nature of the dues	Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961.	Income Tax	2,017,000/-	A.Y 1994-95	Delhi High Court
Income Tax Act, 1961.	Income Tax	469,000/-	A.Y 1997-98	Delhi High Court
Income Tax Act, 1961.	Income Tax	6,410,000/-	A.Y 2005-06	Income Tax Appellate Tribunal
Bombay Sales Tax Act, 1959/ Central Sales Tax Act, 1956	BST/CST	9,134,000/-	F.Y 2004-05	Joint Commissioner of Sales Tax (Appeals)
Income Tax Act, 1961.	Income Tax (penalty u/s271(i)(C)	25,15,770/-	A.Y 2005 -06	Commissioner of Income Tax (Appeals)
Professional Tax	Professional Tax	8,72,555/-	F.Y 2005-06 to 2009-10	Joint Commissioner of Prof Tax (Appeal)

- i. The accumulated losses as at the end of the financial year are not less than 50% of the net worth of the company. Also, the company has incurred cash losses Rs. 27,036,785/- during the financial year covered by our audit and the Rs 64,605,232/- during the immediately preceding financial year. However accounts of the company continues to be prepared on the going concern basis for the reason mentioned in clause 2 (f) (i) of our report of even date.
- ii. In our opinion and according to the explanations and information given to us, and in terms of the One Time Settlement with financial institutions and banks, there is a delay in repayment of dues including interest to financial institutions and banks, particularly with reference to the amounts payable to Bank of Baroda, Development Credit Bank Ltd and Pegasus Assets reconstruction Pvt Ltd.. The company has no dues to debenture holders during the year. The amounts involved in question as on 31<sup>st</sup> March 2013 is a sum of Rs. 69.00 lacs in respect of interest payable to Bank of Baroda on OTS and 20.45 lacs in respect of principal and interest payable to Pegasus Assets reconstruction Pvt Ltd.
- iii. In our opinion and according to the explanations and information given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other

securities. Accordingly, the provisions of clause 4 (xii) of the Company's (Auditor's report) Order, 2003 are not applicable to the company.

- iv. In our opinion, the company is not a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4 (xiii) of the Company's (Auditor's report) Order, 2003 are not applicable to the company.
- v. In our opinion and according to the explanations and information given to us, the company is not dealing in or trading in shares, securities or other investments. Accordingly, the provisions of clause 4 (xiv) of the Company's (Auditor's report) Order, 2003 are not applicable to the company.
- vi. According to the explanations and information given to us, the company has given corporate guarantee for loan taken by Himachal Polyolefin's Ltd from ICICI Bank; However terms and conditions thereof are not prejudicial to the interest of the company.
- vii. To the best of our knowledge and belief and according to the information and explanations given to us , no term loans from banks/financial institutions have been obtained during the year under report.
- viii. According to the explanations and information given to us, and on an overall examination of the balance sheet of the company, funds raised on short term basis have, prima facie, not been used during the year for long term purpose. No long term funds have been used to fund short term assets, other than temporary deployment pending application.
- ix. 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 sec 301 of the Companies Act, 1956
- x. In our opinion and according to the information and explanations given to us, The Company does not have any debenture 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
- xi. 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
- xii. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company was noticed or reported during the year.

**For DIVAKAR HARI & ASSOCIATES  
(Chartered Accountants)**

**Place:** MUMBAI  
**Date:** 30<sup>th</sup> May 2013

**DIVAKAR S. KOTIAN  
PARTNER  
MRN NO.039125  
Firm's Regn No: 122057W**

# LIME CHEMICALS LIMITED

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## Compliance Certificate

The Members

Lime Chemicals Limited  
10, LightHouse 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 31<sup>st</sup> March 2013.

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 9 (Nine) times on 30.04.2012, 19.05.2012, 30.05.2012, 30.07.2012, 29.09.2012, 30.10.2012, 20.11.2012, 30.01.2013, & 09.02.2013 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 26th September 2012 to 29th September 2012 (both days inclusive) during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2012 was held on 29th September 2012 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 transactions entered with the related parties are in the normal course of business and there were no contracts to be entered during the financial year falling within the provisions of Section 297 of the Act.
10. It was informed that necessary entries have made wherever applicable 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 amount lying in unclaimed dividend account and has not completed seven years from the date of payment 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 renewed deposits including unsecured loans falling within the purview of Section 58A of the Act during the financial year and no filings has done in respect of the same.

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

## 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 31<sup>st</sup> March, 2012

S.No.	Form/Return No.	U/S.	Description	Date of filing
1	Form 32	303(2), 264(2)	Director appointment/resignation	25.07.2012
2	Form 66	383A	Compliance Certificate	23.11.2012
3	Form 20B	159	Annual Return	27.11.2012
4	Form 23 AC & 23 ACA XBRL	220	Balance Sheet and Profit & Loss Account for the year ended 31.3.2012	11.01.2013
5	Form 32	303(2), 264(2)	Director appointment/resignation	06.03.2013
6	Form 32	303(2), 264(2)	Director appointment/resignation	25.06.2013
7	Form 1	Rule 3	Investor Education & Protection Fund (Awareness and Protection of Investors) Rules 2001	27.11.2012
8	Form 5	Rule 3	Investor Education & Protection Fund (Uploading of Information regarding unpaid and unclaimed amount lying with Companies) Rules 2012	31.10.2012

P.V.Ramaswamy  
Company Secretary  
Membership No. 1708 C.P. No. 2087  
Place: Mumbai  
Date: August 6, 2013

# LIME CHEMICALS LIMITED

## Balance Sheet as at 31st March, 2013

Particulars		Note No.	As at 31st March, 2013	As at 31st March, 2012
			Rupees	Rupees
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	2	3,25,66,005	3,25,65,505
	(b) Reserves and surplus	3	-49,79,44,792	-48,61,75,489
	(c) Money received against share warrants			
			-46,53,78,787	-45,36,09,984
<b>2</b>	<b>Share application money pending allotment</b>		0	0
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	4	24,81,00,857	17,56,43,034
	(b) Deferred tax liabilities (net)	5	1,59,10,506	1,86,51,432
	(c) Other long-term liabilities	6	4,00,000	14,00,000
	(d) Long-term provisions	7	44,23,583	50,86,936
			26,88,34,946	20,07,81,402
<b>4</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	8	4,59,16,190	12,91,86,553
	(b) Trade payables	9	13,06,33,963	9,23,37,019
	(c) Other current liabilities	10	23,65,46,239	23,21,16,844
	(d) Short-term provisions	11	38,56,146	52,72,065
			41,69,52,538	45,89,12,481
			22,04,08,697	20,60,83,899
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	12	11,86,60,939	13,45,18,682
	(ii) Intangible assets	12	93,801	-
	(iii) Intangible assets under development		-	1,17,251
			11,87,54,740	13,46,35,933
	(b) Non-current investments	13	89,203	89,203
	(c) Long-term loans and advances	14	1,07,72,064	1,46,39,217
			12,96,16,007	14,93,64,353
<b>2</b>	<b>Current assets</b>			
	(a) Current investments		-	-
	(b) Inventories	15	2,89,02,747	2,23,66,998
	(c) Trade receivables	16	5,57,93,519	2,95,40,060
	(d) Cash and cash equivalents	17	33,83,429	28,61,956
	(e) Short-term loans and advances	18	25,29,929	16,43,521
	(f) Other current assets	19	1,83,066	3,07,011
			9,07,92,690	5,67,19,546
			22,04,08,697	20,60,83,899
	<b>Significant Accounting Policies and Notes on Accounts</b>	<b>1-45</b>		

In terms of our report attached.

**For DIVAKAR HARI AND ASSOCIATES**

Chartered Accountants  
Firm Reg No : 122057W

**Divakar S Kotian**

Partner  
Membership No.: 039125  
Place : Mumbai  
Date : 30/05/2013

For and on behalf of the Board of Directors

**A.H. Dawoodani**  
Managing Director

**M. M. Gadgil**  
Director

Place : Mumbai  
Date : 30/05/2013

Statement of Profit and Loss for the year ended 31st March, 2013

	Particulars	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
			Rupees	Rupees
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
<b>1</b>	Revenue from operations (net)	20	27,54,47,908	13,98,28,132
	Other Income	21	8,39,335	1,67,112
	<b>Total Revenue</b>		<b>27,62,87,243</b>	13,99,95,244
<b>2</b>	<b>Expenses</b>			
	Cost of materials consumed	22	17,98,03,190	8,49,59,447
	Purchases of stock-in-trade		-	3,37,126
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	-61,32,132	19,57,907
	Employee benefits expense	24	2,86,79,970	3,92,24,659
	Finance costs	25	26,95,929	37,98,148
	Depreciation and amortisation expense	12	1,98,52,023	1,96,06,880
	Other expenses	26	9,82,77,070	7,43,23,188
	<b>Total</b>		<b>32,31,76,051</b>	<b>22,42,07,356</b>
<b>3</b>	<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		<b>-4,68,88,808</b>	-8,42,12,112
<b>4</b>	Exceptional items	25.a	-	-
<b>5</b>	<b>Profit / (Loss) before extraordinary items and tax</b>		<b>-4,68,88,808</b>	-8,42,12,112
<b>6</b>	Extraordinary items	25.b	-	-
<b>7</b>	<b>Profit / (Loss) before tax</b>		<b>-4,68,88,808</b>	-8,42,12,112
<b>8</b>	<b>Tax expense:</b>			
	(a) Current tax			
	(b) Deferred tax		-27,40,926	-23,41,643
			-27,40,926	-23,41,643
<b>9</b>	<b>Profit / (Loss) for the year (7 ± 8)</b>		<b>-4,41,47,882</b>	-8,18,70,469
<b>10</b>	<b>Earnings per share (Face Value of Rs 10/- each):</b>			
	(a) Basic and Diluted earnings per share		-13.56	-24.88
	<b>Significant Accounting Policies and Notes on Accounts</b>	<b>1-45</b>		

In terms of our report attached.

**For DIVAKAR HARI AND ASSOCIATES**

Chartered Accountants  
Firm Reg No : 122057W

**Divakar S Kotian**

Partner  
Membership No.: 039125  
Place : Mumbai  
Date : 30/05/2013

**For and on behalf of the Board of Directors**

**A.H. Dawoodani**  
Managing Director

**M. M. Gadgil**  
Director

Place : Mumbai  
Date : 30/05/2013

# LIME CHEMICALS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

PARTICULARS	(Amount in Rs. )	
	2012 - 13	2011 - 12
<b>A. Cash flows from operating activities</b>		
Net profit before taxation	(4,68,88,808)	(8,42,12,112)
<u>Adjustments for:</u>		
Depreciation	1,98,52,023	1,96,06,880
Miscellaneous Expenditure written off	587	-
Interest on borrowings	26,95,929	37,98,148
Interest income	(10,607)	(1,66,073)
Dividend Income	(82)	(1,039)
	2,25,37,850	2,32,37,916
<b>Operating profit before working capital changes</b>	<b>(2,43,50,958)</b>	<b>(6,09,74,196)</b>
<u>Adjustments for:</u>		
Increase / (Decrease) in Other Long Term Liabilities	(10,00,000)	(9,50,717)
Increase / (Decrease) in Long Term Provisions	(6,63,353)	8,59,454
Increase / (Decrease) in Other Current Liabilities	4,27,26,339	2,91,50,676
Increase / (Decrease) in Short Term Provisions	(14,15,919)	(49,57,668)
(Increase)/ Decrease in Long Term Loans & Advances	38,67,153	38,26,267
(Increase)/ Decrease in Inventories	(65,35,749)	90,64,384
(Increase)/ Decrease in Trade Receivables	(2,62,53,459)	58,94,773
(Increase)/ Decrease in Short Term Loans & Advances	(8,86,408)	70,48,933
(Increase)/ Decrease in Other Current Assets.	1,23,945	(20,851)
	99,62,550	4,99,15,251
<b>Cash generated from operations</b>	<b>(1,43,88,408)</b>	<b>(1,10,58,945)</b>
Cash flow before extraordinary item	(1,43,88,408)	1,10,58,945
<b>Net cash from operating activities (A)</b>	<b>(1,43,88,408)</b>	<b>(1,10,58,945)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets/addition to Capital Work in Progress	(39,70,830)	(35,90,275)
Interest received (Net of TDS)	10,517	1,66,073
Dividend Income	82	1,039
	(39,60,231)	(34,23,163)
<b>Net cash used for investing activities (b)</b>	<b>(39,60,231)</b>	<b>(34,23,163)</b>
<b>C. Cash flows from financing activities</b>		
Increase / (Decrease) in Long Term Borrowings	7,24,57,823	2,74,88,359
Increase / (Decrease) in Short Term Borrowings	(8,32,70,363)	(80,40,516)
<u>Interest paid</u>		
Increase in Short Term borrowing on account of Interest	(26,95,929)	(1,35,08,468)
	(1,35,08,468)	1,56,49,695
Cash Flow From Extraordinary Item	3,23,78,580	
<b>Net cash from financing activities (C)</b>	<b>1,88,70,112</b>	<b>1,56,49,695</b>
<b>Net increase in cash and cash equivalents (A+B+ C)</b>	<b>5,21,473</b>	<b>11,67,587</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>28,61,956</b>	<b>16,94,367</b>
<b>Cash and cash equivalents at end of period</b>	<b>33,83,429</b>	<b>28,61,956</b>
Foot Note: i) Cash Flow statement is prepared under indirect method as prescribed in AS -3 'Cash Flow Statements'		

In terms of our report attached.

**For DIVAKAR HARI AND ASSOCIATES**

Chartered Accountants

Firm Reg No : 122057W

**Divakar S Kotian**

Partner

Membership No.: 039125

Place : Mumbai

Date : 30/05/2013

**For and on behalf of the Board of Directors**

**A.H. Dawoodani**  
Managing Director

**M. M. Gadgil**  
Director

Place : Mumbai  
Date : 30/05/2013

## Note 1 Significant Accounting Policies

a) **Basis of preparation of financial statements:**

The financial statements have been prepared on the basis of historical cost convention in accordance with generally accepted accounting principles and comply with the accounting standard issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956, adopted consistently by the Company. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except for insignificant value.

b) **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 recognized in the period in which the results are known /materialized.

c) **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.

d) **Intangible Assets:**

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

e) **Investments:**

Investments intended to be held for more than one year are classified as long term investments and are carried at cost of acquisition inclusive of other attributable expenses. Diminution in the value of such investments is written off / provided for, as the case may be if such diminution is of other than temporary nature. Current Investments are carried at lower of cost or net realizable value.

f) **Inventories:**

Inventories are valued at cost or net realizable value whichever is less. Cost is determined by using the FIFO formula. By-products are valued at net realizable value. Cost comprises all cost of purchase, cost of conversion, and cost incurred to bring inventories to present location and condition. Finished goods are valued based on work certified.

g) **Provisions, Contingent Liabilities and Contingent Assets:**

Provision are recognized for liabilities that can be measured only by using substantial degree of estimation, if

- a. The Company has a present obligation as a result of past event.
- b. A probable outflow of resources is expected to settle the obligation, and
- c. The amount of the obligation can be reliably estimated.

Reimbursement expected in respect of the expenditure required to settle a provision is recognized only when it is virtually certain that reimbursement will be received.

Contingent Liability is disclosed in the case of:

- a) A present obligation arises from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
- b) A present obligation when no reliable estimate is possible, and
- c) A possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognized, nor disclosed. Provision, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

h) **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.

i) **Revenue Recognition:**

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

Export benefits are accounted when realized / received.

Dividend income is recognized when right to receive is established.



# LIME CHEMICALS LIMITED

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## j) Retirement Benefits:

- a. The Company's contribution to Provident fund is charged to the Profit and Loss Account
- b. Leave encashment benefit at the time of retirement/cessation of service as calculated which is a defined benefit plan, is provided on the basis of actuarial valuation as on balance sheet date and same is unfunded is charged to the Profit and Loss Account. Till Financial year 2010-11, the Leave encashment provision was made in the books of Accounts and it was the practice of the company to account for the same on Cash basis.
- c. The Gratuity liability, which is a defined benefit plan, is provided on the basis of actuarial valuation as on balance sheet date and same is unfunded.

## k) 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 Companies Act, 1956.
  - (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 Companies Act, 1956.
    - (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 Companies Act, 1956.
    - (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 amortized over the balance period of lease.

## l) 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 recognized in Profit and Loss account, except in case where they relate to acquisition of non-monetary assets in which case they are adjusted in carrying cost of such assets.

## m) Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized 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 recognized as an expense in the period in which they are incurred.

## n) 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 capitalized 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 are adjusted against the lease liability and the interest components are charged to profit and loss account.

## o) Earnings per share:

The Company reports basic earnings per share in accordance with the Accounting Standard 20 'Earnings per share' issued by the Institute of Chartered Accountants of India. Basic earnings per share is computed by dividing the net profit or loss attributable to the equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

## p) Taxes on Income:

Current tax is determined as the tax payable in respect of taxable income of the year, in accordance with the provisions of The Income Tax Act, 1961.

Deferred Tax for the year is recognized 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 as on the Balance Sheet date. Deferred tax assets are recognized and carried forward only if there is a reasonable / virtual certainty of its realization.

Notes on Accounts for the year ended 31st March 2013

Note 2 Share capital

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares		Number of shares	
(a) Authorised				
7500000 Equity shares of Rs 10/- each with voting rights	75,00,000	7,50,00,000	75,00,000	7,50,00,000
(b) Issued	32,90,276	3,29,02,760	32,90,276	3,29,02,760
3290276 Equity shares of Rs 10 each with voting rights				
(c) Subscribed and fully paid up				
Equity shares of Rs 10/- each with voting rights	32,90,276	3,29,02,760	32,90,276	3,29,02,760
Less : Calls Unpaid (Refer foot note (iii) )	62,898	3,36,755	62,898	3,37,255
<b>Total</b>	<b>32,27,378</b>	<b>3,25,66,005</b>	<b>32,27,378</b>	<b>3,25,65,505</b>

(i) Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Hussein Ismail Dawoodani	5,42,122	16.48%	5,21,602	15.85%
S. H. Dawoodani	1,90,530	5.79%	1,90,530	5.79%

(ii) Reconciliation of the number of shares and amount outstanding as at the beginning and at the end of the reporting period:

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares		Number of shares	
Equity shares with voting rights				
Opening balance	32,90,276	3,29,02,760	32,90,276	3,29,02,760
Fresh Issue	-	-	-	-
Buy Back	-	-	-	-
Closing balance	32,90,276	3,29,02,760	32,90,276	3,29,02,760

(iii) Details of calls unpaid

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	Amount (In Rs.)	Number of shares	Amount (In Rs.)
Equity shares with voting rights				
Aggregate of calls unpaid *				
- by directors	-	-	-	-
- by officers	-	-	-	-
- by others	62,898	3,37,255	62,898	3,37,255
Closing balance	62,898	3,37,255	62,898	3,37,255
* Pertains to financial year 2004-05				

# LIME CHEMICALS LIMITED

## Notes on Accounts for the year ended 31st March 2013

### Note 3 Reserves and surplus

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
(a) Capital reserve		
Opening balance	17,22,225	17,22,225
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	17,22,225	17,22,225
(b) Securities premium account		
Opening balance	3,05,81,351	3,05,81,351
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year	-	-
Closing balance	3,05,81,351	3,05,81,351
(c) General reserve		
Opening balance	5,13,28,862	5,13,28,862
Add :Addition during the Year : *	3,23,78,580	
Less: Utilised / transferred during the year	-	
Closing balance	8,37,07,442	5,13,28,862
(d) State Subsidy Reserve		
Opening balance	27,86,000	27,86,000
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	-	-
Closing balance	27,86,000	27,86,000
(e) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	-57,25,93,927	-49,07,23,459
Add: Profit / (Loss) for the year	-4,41,47,882	-8,18,70,468
Closing balance	-61,67,41,810	-57,25,93,927
<b>Total</b>	<b>-49,79,44,792</b>	<b>-48,61,75,489</b>
* On account of Waiver of Principal under OTS with Bank of Baroda		

**Note 4: Long-term borrowings**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
(a) Term loans		
<u>From banks</u>		
Secured *	6,20,98,450	3,64,31,329
Unsecured	-	-
<u>From other parties</u>		
Secured **	22,98,342	97,07,342
Unsecured	23,80,000	23,80,000
(b) Deferred payment liabilities		
Secured	-	-
Unsecured	2,55,88,820	2,55,88,820
(c) Deposits		
Secured	-	-
Unsecured	27,50,000	27,50,000
(d) Loans and advances from related parties		
Secured	-	-
Unsecured	15,06,40,206	9,26,40,420
(e) Long-term maturities of Public Deposit		
Secured	-	-
Unsecured #	23,45,038	61,45,122
<b>Total</b>	<b>24,81,00,857</b>	<b>17,56,43,034</b>

Foot Note :

\* Includes Rs Nil/- thousands ( PY Rs 7043 thousands) from Bank of Baroda ( BOB ) 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 upto Rs 101400 thousands including term loan and demand loans is guaranteed by two Directors of the Company.

\*Includes 2098 thousands ( PY Rs14104 thousands) from Development Credit Bank Ltd ( DCB ) 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 upto Rs 148200 thousands including term loan and demand loans is guaranteed by two Directors of the Company.

\*Includes 60000 thousands ( PY Rs 60000 thousands) from Axisl Bank Ltd 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 upto Rs 60000 thousands is guaranteed by two Directors of the Company.

\*\* Rs 2298 thousands ( PY Rs 9707 thousands) from Pegasus Assets Reconstructions P Ltd Secured by Equitable Mortgage of Company Office Premises at New Delhi and upto Rs 13500 thousands is guaranteed by one Director of the Company.

# Public Deposit repayable wit in three years

# LIME CHEMICALS LIMITED

## Default Statement :

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
<b>Term loans from banks</b>		
<b><u>Secured</u></b>		
Principal	6,20,98,450	3,64,31,329
Interest	5,03,92,709	5,03,92,709
<b>Term loans from other parties</b>		
<b><u>Secured</u></b>		
Principal	22,98,342	97,07,342
Interest	37,43,399	37,43,399
<b>Deferred payment liabilities</b>		
<b><u>Unsecured</u></b>		
Principal	2,55,88,820	2,55,88,820
Interest	-	-
<b>Deposits</b>		
<b><u>Unsecured</u></b>		
Principal	27,50,000	27,50,000
Interest	85,675	85,675
	14,69,57,396	12,86,99,275
<b>Note 5: Deferred Tax Liabilities (Net)</b>		
Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
Deferred Tax Liabilities		
On account of timing difference in depreciation	1,59,10,506	1,86,51,432
<b>Total</b>	<b>1,59,10,506</b>	<b>1,86,51,432</b>
Foot Note :		
- Company has the accumulated losses and unabsorbed depreciation as on 31-3-2012. Also, the Company has registered itself under BIFR. Considering the same and in the absence of virtual certainty about future profit earning, no provision for deferred tax asset is made in the books as per AS 22- 'Taxes on Income'.		
<b>Note 6: Other long-term liabilities</b>		
Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
Others:		
(i) Trade / security deposits received	4,00,000	4,00,000
(ii) Advances from customers	-	10,00,000
<b>Total</b>	<b>4,00,000</b>	<b>14,00,000</b>

**Note 7 : Long-term provisions**

Particulars	As at 31 March, 2013	As at 31 March, 2012
Provision for employee benefits:		
(i) Provision for Leave Encashment	20,44,495	20,79,478
(ii) Provision for gratuity	23,79,088	30,07,458
<b>Total</b>	<b>44,23,583</b>	<b>50,86,936</b>

**Note 8: Short-term borrowings**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
<b>(a) Loans repayable on demand</b>		
From banks Cash Credit		
Secured *	3,30,74,868	11,23,94,069
Unsecured	-	4,18,913
From other parties		
Secured	-	-
Unsecured	8,99,751	60,21,025
<b>(b) Loans and advances from related parties</b>		
Secured	-	-
Unsecured	14,82,621	33,38,936
<b>(c) Deposits</b>		
Secured	-	-
Unsecured **	1,04,58,950	70,13,610
<b>Total</b>	<b>4,59,16,190</b>	<b>12,91,86,553</b>

Foot Note

\* includes ₹

Rs. NIL(₹ 74,336 thousand) Bank of Baroda ₹19,413 thousand (PY ₹ 35,882 thousands) 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. In respect of DCB upto ₹ 1,48,200 thousands including term loan and demand loans is guaranteed by two Directors of the Company.

\*Includes ₹13,661 thousands ( PY ₹ 12,415 thousands) from Axis Bank Ltd 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 upto ₹15,000 thousand is guaranteed by two Directors of the Company.

\*\* Public Deposit repayable with in one Year

# LIME CHEMICALS LIMITED

## Default Statement :

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
<b>(a) Loans repayable on demand</b>		
<b>From banks Cash Credit</b>		
<b><u>Secured</u></b>		
Principal	3,30,74,868	11,23,94,069
Interest	5,98,31,959	5,98,31,959
<b><u>Unsecured</u></b>		
Principal	-	4,18,913
Interest	-	-
<b>From other parties</b>		
<b><u>Unsecured</u></b>		
Principal	8,99,751	60,21,025
Interest	-	-
	9,38,06,578	17,86,65,966
<b>Note 9 Trade payables</b>		
Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
Under MSMED	-	-
Others	13,06,33,963	9,23,37,019
<b>Total</b>	<b>13,06,33,963</b>	<b>9,23,37,019</b>
Foot Note :		
- Micro, Small and Medium Enterprise Development Act, 2006 :		
The Company has not identified the information as required under the Micro, Small and Medium Enterprise Development Act, 2006 and accordingly, no provision for interest, if any, payable to the parties registered under MSEMD Act has been provided during the year.		
<b>Note 10 Other current liabilities</b>		
Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
Current maturities of long-term debt	31,65,098	4,47,15,423
Current maturities of finance lease obligations	-	1,46,697
Interest accrued but not due on borrowings *	11,39,68,067	11,39,68,067
Interest accrued and due on Public Deposit	3,23,133	8,18,314
Unpaid dividends	3,98,746	3,98,746
Application Money received for allotment pending for Refund	20,300	20,300
Other payables		
Statutory Dues	4,93,81,668	5,08,04,699
Security deposits received	52,785	63,095
Advances from customers	5,47,02,534	28,64,622
<b>Total</b>	<b>23,65,46,239</b>	<b>23,21,16,844</b>

Foot Note :

\* on account of interest on the Loans which are presently under OTS scheme. No provision for the Interest on the said borrowing is made during the year. Management is of the opinion that no further provision for interest on the said borrowings is required to be made considering the OTS scheme finalized between the Company and concerned bank before the balance sheet date and under implementation.

**Note 11 Short-term provisions**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
Provision for employee benefits:		
Provision for bonus	5,93,204	6,26,823
Provision for Leave Encashment	2,38,455	1,23,462
Provision for gratuity	3,42,427	3,54,853
Provision - Others:		
Provision for tax (net of advance tax )	19,09,927	19,09,927
Provision for other contingencies	7,72,134	22,57,000
<b>Total</b>	<b>38,56,146</b>	<b>52,72,065</b>

**12. NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013**

SR.	ASSETS	GROSS BLOCK				DEPRECIATION				NET BOOK	
		AS AT	ADDITIONS	DE- DUC- TION	AS AT	AS ON	FOR THE	DELE- TION/ DIS- POSAL	AS ON	AS ON	
NO.		01.04.2012	DURING	DUR- ING	31.03.2013	1.4.2012	YEAR		31.03.2013	31.03.2013	31.03.2012
A	<u>Tangible Assets</u>										
1	FREE HOLD	7,680.00	-	-	7,680.00	-	-	-	-	7,680.00	7,680.00
2	FREE HOLD LAND	1,499,442.00	-	-	1,499,442.00	258,401.00	16,878.00	-	275,279.00	1,224,163.00	1,241,041.00
3	BUILDING	41,031,800.00	268,398.00	-	41,300,198.00	16,977,565.00	1,321,256.00	-	18,298,821.00	23,001,377.00	24,054,235.00
4	PLANT & MACHINERY	305,171,929.00	2,257,948.00	-	307,429,877.00	207,750,689.00	16,394,602.00	-	224,145,291.00	83,284,585.00	97,421,239.00
5	FURNITURE & FIXTURE	9,628,027.00	834,297.00	-	10,462,324.00	6,340,038.00	510,045.00	-	6,850,083.00	3,612,240.00	3,287,988.00
6	VEHICLES	15,180,332.00	114,827.00	-	15,295,159.00	12,351,798.00	811,393.00	-	5,123,863.00	2,131,969.00	2,828,535.00
7	OFFICE EQUIPMENTS	12,318,190.00	372,486.00	-	12,690,676.00	9,305,780.00	457,870.00	-	9,518,550.00	2,927,025.00	3,012,409.00
8	ELECTRICALS EQUIPMENTS	7,615,868.00	122,874.00	-	7,738,742.00	4,950,313.00	316,528.00	-	5,266,841.00	2,471,900.00	2,665,554.00
	TOTAL	392,453,268.00	3,970,830.00	0.00	396,424,098.00	257,934,584.00	19,828,572.00	0.00	269,478,728.00	118,660,939.00	134,518,681.00
B	<u>Intangible Assets</u>										
1	COMPUTER SOFTWARE	175,346.00	-	-	175,346.00	175,346.00	-	-	175,346.00	-	-
2	WEB DESIGNING, DOMIAN	117,251.00	-	-	117,251.00	-	23,450.00	-	23,450.00	93,801.00	117,251.00
	TOTAL	292,597.00	0.00	0.00	292,597.00	175,346.00	23,450.00	0.00	198,796.00	93,801.00	117,251.00
	GRAND TOTAL	392,745,865.00	3,970,830.00	0.00	396,716,695.00	258,109,930.00	19,852,022.00	0.00	269,677,524.00	118,754,740.00	134,635,932.00
	PREVIOUS YEAR	389,065,143.00	3,563,470.00	-	392,628,613.00	238,503,049.00	19,606,879.00	-	258,109,930.00	134,518,681.00	150,562,093.00
C.	CAPITAL WORK IN PROGRESS	0	0	-	-	-	-	-	-	-	-
	PREVIOUS YEAR	90446	26805	0	117,251.00	0	0	0	0	117,251.00	90,446.00



# LIME CHEMICALS LIMITED

## Note 13 Non-current investments

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
<b>Non Trade Investments</b>		
<b>Investment in equity instruments</b>		
<b>Quoted</b>		
In subsidiaries	-	-
In Other entities		
<b>In Fully Paidup</b>		
60 (PY 60) Equity Shares of 10/- each of Reliance Industries Limited	1,000	1,000
6300 (PY 6300) Equity Shares of 10/- each of Lloyd Finance Limited	2,60,490	2,60,490
1200 (PY 1200) Equity Shares of 10/- each of Development Credit Bank Limited	74,400	74,400
8,39,700 (P Y 839700) shares of Regent Chemicals Ltd. of Rs.10/- each	1	1
<b>Partly paidup</b>		
5000 (PY 5000) Equity Shares of 10/- each Gold Crest Finance (Rs. 5/- Paid Up )	50,000	50,000
<b>Unquoted</b>		
In subsidiaries		
314750 (PY 314750) Equity Shares of 10/- each Silvo Liacal Chemicals Limited	30,05,700	30,05,700
In Other entities		
250 (PY 250) Equity Shares of of 30/- each Bombay Mercantile Co-op. Bank Limited	7,500	7,500
<b>Total</b>	33,99,091	33,99,091
<b>Less: Provision for diminution in value of investments</b>	33,09,889	33,09,889
<b>Total</b>	<b>89,203</b>	<b>89,203</b>
Foot Note :		
Aggregate amount of quoted investments	3,85,891	3,85,891
Aggregate market value of listed and quoted investments	1,02,855	1,24,189
Aggregate amount of unquoted investments	30,13,200	30,13,200
Aggregate amount of provision on investments	33,09,889	33,09,889

## Note 14 Long-term loans and advances

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
Security deposits		
Unsecured, considered good	1,07,72,064	1,46,39,217
<b>Total</b>	1,07,72,064	1,46,39,217

<b>Note 15 Inventories</b> (As certified by Management)		
<b>Particulars</b>	<b>As at 31 March, 2013</b>	<b>As at 31 March, 2012</b>
	<b>Rupees</b>	<b>Rupees</b>
Raw materials	89,74,938	93,30,210
Finished goods	71,52,718	8,22,430
Stock-in-trade	-	1,98,156
Stores and spares	83,84,366	83,69,391
Packing Material	43,90,725	36,46,811
<b>Total</b>	<b>2,89,02,747</b>	<b>2,23,66,998</b>
<b>Note 16 Trade receivables</b>		
<b>Particulars</b>	<b>As at 31 March, 2013</b>	<b>As at 31 March, 2012</b>
	<b>Rupees</b>	<b>Rupees</b>
More than Six months		
Unsecured, considered good- Others	1,75,39,417	1,30,91,079
Unsecured, considered good	3,82,54,102	1,64,48,981
<b>Total</b>	<b>5,57,93,519</b>	<b>2,95,40,060</b>
<b>Note 17 Cash and cash equivalents</b>		
<b>Particulars</b>	<b>As at 31 March, 2013</b>	<b>As at 31 March, 2012</b>
	<b>Rupees</b>	<b>Rupees</b>
Balances with banks		
In current accounts	13,68,663	15,20,297
In deposit accounts	7,59,837	6,30,130
Unpaid dividend accounts	3,98,522	3,98,522
Cash on hand	8,56,406	3,13,007
<b>Total</b>	<b>33,83,429</b>	<b>28,61,956</b>
<b>Note 18 Short-term loans and advances</b>		
<b>Particulars</b>	<b>As at 31 March, 2013</b>	<b>As at 31 March, 2012</b>
	<b>Rupees</b>	<b>Rupees</b>
Security deposits		
Unsecured, considered good	4,19,500	4,49,693
Loans and advances to employees		
Unsecured, considered good	18,91,424	8,79,376
Prepaid expenses - Unsecured, considered good	2,19,005	93,536
Balances with government authorities		
Unsecured, considered good		
CENVAT credit receivable	-	2,20,917
<b>Total</b>	<b>25,29,929</b>	<b>16,43,521</b>

# LIME CHEMICALS LIMITED

## Note 19 Other current assets

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
Interest accrued on deposits	-	25,945
Insurance claims Receivable	1,83,066	1,83,066
Other Claim Receivable	-	98,000
<b>Total</b>	<b>1,83,066</b>	<b>3,07,011</b>

## Note 20 Revenue from operations

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rupees	Rupees
Manufactured Goods		
- Domestic Sales	28,41,45,039	14,93,56,941
- Export Sales	24,24,389	-
DEPB License	3,75,315	2,81,811
Sale of Scrap	4,61,787	6,79,800
Job Work Charges	1,17,19,795	13,97,000
Other Operating Revenues	1,25,56,897	23,58,611
	29,91,26,325	15,17,15,552
Less: Excise duty	2,36,78,417	1,18,87,420
<b>Total</b>	<b>27,54,47,908</b>	<b>13,98,28,132.00</b>

## Note 21 Other income

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rupees	Rupees
Interest income	10,607	1,66,073
Dividend Income	82	1,039
Sundry income	7,73,390	-
Balance written back	55,256	-
<b>Total</b>	<b>8,39,335</b>	<b>1,67,112</b>

## Note 22 Cost of materials consumed

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rupees	Rupees
Opening stock	93,30,210	1,37,75,383
Add: Purchases	17,94,47,917	8,05,14,274
	18,87,78,128	9,42,89,657
Less: Closing stock	89,74,938	93,30,210
<b>Cost of material consumed</b>	<b>17,98,03,190</b>	<b>8,49,59,447</b>

**Note 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rupees	Rupees
<u>Inventories at the beginning of the year:</u>		
Finished goods	8,22,430	21,84,442
Work-in-progress	-	-
Stock-in-trade	1,98,156	7,94,051
	10,20,586	29,78,493
<u>Inventories at the end of the year:</u>		
Finished goods	71,52,718	8,22,430
Work-in-progress	-	-
Stock-in-trade	-	1,98,156
	71,52,718	10,20,586
<b>Total</b>	<b>61,32,132</b>	<b>19,57,907</b>

**Note 24 Employee benefits expense**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rupees	Rupees
Salaries and wages		
-Directors	9,90,000	30,00,000
-Others	2,51,04,720	3,21,01,593
Contributions to Provident and other funds		
-Directors	1,35,000	2,68,056
-Others	16,30,313	33,37,666
Staff welfare expenses	8,19,938	5,17,344
<b>Total</b>	<b>2,86,79,970</b>	<b>3,92,24,659</b>

**Note 24 Employee benefits expense**

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rupees	Rupees
Salaries and wages		
-Directors	9,90,000	30,00,000
-Others	2,51,04,720	3,21,01,593
Contributions to Provident and other funds		
-Directors	1,35,000	2,68,056
-Others	16,30,313	33,37,666
Staff welfare expenses	8,19,938	5,17,344
<b>Total</b>	<b>2,86,79,970</b>	<b>3,92,24,659</b>

# LIME CHEMICALS LIMITED

## Note 25 Finance costs

Particulars		For the year ended	For the year ended
		31 March, 2013	31 March, 2012
		Rupees	Rupees
Interest expense on			
Borrowings- Others		9,98,026	21,30,818
- Interest on delayed / deferred payment of statutory dues- Others		2,66,976	10,35,362
Interest on Fixed Deposit		14,30,927	6,31,968
	<b>Total</b>	<b>26,95,929</b>	<b>37,98,148</b>

## Note 26 Other expenses

Particulars	For the year ended	For the year ended	
	31 March, 2013	31 March, 2012	
	Rupees	Rupees	
Consumption of stores and spare parts	81,21,523	55,52,729	
Consumption of packing materials	83,87,208	38,27,310	
Increase / (decrease) of excise duty on inventory	1,05,733	8,14,116	
Power and fuel	2,38,83,681	2,76,27,626	
Water	10,58,158	13,15,163	
Rent including lease rentals	17,31,637	8,49,300	
Repairs and maintenance - Buildings	96,064	7,000	
Repairs and maintenance - Machinery	15,91,747	1,63,038	
Repairs and maintenance - Others	11,15,725	4,72,754	
Insurance	1,81,296	5,13,255	
Rates and taxes	8,69,065	5,39,317	
Export Expenses	2,30,412	-	
Telephone and Postage	16,04,790	13,71,584	
Travelling and conveyance	60,22,074	45,11,590	
Printing and stationery	7,89,711	3,27,085	
Freight and forwarding	2,22,93,726	11,22,175	
Factory Expenses & Office Expenses	21,06,189	3,24,702	
Sales commission	12,88,405	12,02,150	
Sales discount	20,92,214	12,94,682	
Business promotion	25,91,067	14,80,030	
Bank Charges & Commission	5,18,353	5,07,927	
Donations and contributions	44,702	68,809	
Legal and professional	18,53,667	20,00,779	
Payments to auditors (Refer foot note (i) below)	3,41,982	2,50,000	
Bad trade and other receivables, loans and advances written off	3,30,163	1,00,12,142	
Net (gain) / loss on foreign currency transactions and translation	21,254	3,55,025	
Sales tax demand provision	-	31,67,103	
VRS Benefit Written off	-	7,50,000	
Prior period items (net) (Refer foot note (ii) below)	-	62,421	
Miscellaneous expenses	90,06,525	38,33,376	
	<b>Total</b>	<b>9,82,77,070</b>	<b>7,43,23,188</b>

Foot Notes:

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rupees	Rupees
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors	3,00,000	2,00,000
For company law matters	-	-
For management services	-	-
For other services	-	50,000
Reimbursement of expenses	41,982	-
	3,41,982	2,50,000
(ii) Details of Prior period items (net)		
Prior period expenses	-	-
Advance Tax Prior to 2007-2008	-	4,20,464
Hyderabad Branch deposit	-	18,035
CST / VAT Prior to 2007-2008	-	71,991
Godown Deposit	-	75,000
Group Gram Panchayat	-	23,108
Interst on Vat / CST 2010-2011	-	1,65,916
Service Tax & Excise	-	68,392
Industrial Area Development Area Tax 2010-11	-	-
Provision for Gratuity for earlier years	-	-
Provision for Leave Encashment for earlier years	-	-
Income Tax Adustments for earlier years	-	-
	-	13,38,861
Prior period income written back		
Interest Accrued	-	35,819
Deposit with MIDC	-	1,03,657
Gratuity Payable 2010-11	-	9,41,480
TDS	-	1,34,594
	-	60,889
	-	-
Water charges	-	12,76,440
	-	62,421

**27. Contingent Liability not provided for in respect of :**

- (i) Uncalled liability on shares of Rs.1,50,000 (Previous year Rs.1,50,000)
- (ii) Income Tax demand for AY 1994-95 and AY 1997-98 Rs. 24,86,000 (Previous year Rs.24,86,000) is disputed and appeal filed in High Court.
- (iii) Income Tax Demand for A.Y. 2005-06 of Rs. 64,10,000 (Previous year Rs. 64,10,000) is disputed and appeal filed in Tribunal.
- (iv) Corporate Guarantee given to ICICI Bank on behalf of Himachal Polylefins Ltd. US \$ 2.20 million equivalent to approx Rs.11,95,26,660 (Previous year Rs.11,25,30,000).
- (v) Bombay Sales Tax and Central Sales Tax Demand for F.Y. 2004-05 of Rs.91,34,000 (Previous year Rs.91,34,000) is disputed and appeal filed in Tribunal.

# LIME CHEMICALS LIMITED

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28. The overdue statutory dues are as follows: -

<b>Particulars</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
Staff Profession Tax	9,41,680	10,02,105
Provident Fund	47,35,252	44,32,566
Employees State Insurance Scheme	6,98,631	11,28,349
Sales Tax Payable	38,418,073	22,421,737
Income Tax	10,66,057	19,09,927
<b>Total</b>	<b>45,859,693</b>	<b>30,894,684</b>

29. The company is engaged in manufacturing of Calcium Carbonate which is considered the only reportable business segment, as per Accounting Standard 17 - 'Segment Reporting'; hence segment reporting is not given.

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

- a) Name of related parties and description of relationship:
- 1) Associates:  
SilvoLiacal Chemicals Limited  
Diamond Jubilee Stores  
Pearl Enterprises  
Himachal Polylefins Ltd.  
Sahid Investment & Trading Company 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)

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

Nature of Transaction	Silvo Liacal Chemicals Limited (Associates)	Other Associates	Key Management personnel	Relatives of Key Management Personnel	Total
<b>Purchases of Goods</b>	---- ( ---- )	81,96,799 ( 11,14,773)	---- ( ---- )	---- ( ---- )	81,96,799 ( 11,14,773)
<b>Sale of Goods</b>	---- ( ---- )	5,41,40,088 (2,60,57,554)	---- ( ---- )	---- ( ---- )	5,41,40,088 (2,60,57,554)
<b>Rent paid</b>		360,000 (360,000)	---- ( ---- )	---- ( ---- )	3,60,000 (3,60,000)
<b>Rent Received</b>		6,00,000 (NIL)			6,00,000 (NIL)
<b>Interest received</b>	---- ( ---- )	---- ( ---- )	---- ( ---- )	---- ( ---- )	---- ( ---- )
<b>Investments</b>					
Opening balance	30,05,700 (30,05,700)	---- ( ---- )	---- ( ---- )	---- ( ---- )	30,05,700 (30,05,700)
Purchases	---- ( ---- )	---- ( ---- )	---- ( ---- )	---- ( ---- )	---- ( ---- )
Closing balance	30,05,700 (30,05,700)	---- ( ---- )	---- ( ---- )	---- ( ---- )	30,05,700 (30,05,700)
<b>Loans Given</b>					
Opening Balance	---- ( ---- )	---- NIL (NIL)	---- ( ---- )	---- ( ---- )	---- (NIL)
Add Given during the year	---- ( ---- )	---- ( ---- )	---- ( ---- )	---- ( ---- )	---- ( ---- )
Less Repaid during the year	---- ( ---- )	---- NIL (NIL)	---- ( ---- )	---- ( ---- )	---- (NIL)
Closing Balance	---- ( ---- )	---- ( ---- )	---- ( ---- )	---- ( ---- )	---- ( ---- )
<b>Loans Taken</b>					
Opening Balance	5,50,020 (5,56,206)	26,45,387 ( ---- )	4,65,55,762 (2,62,69,782)	4,45,34,638 (1,51,73,638)	94,285,807 (41,999,626)
Add Given during the year	---- (NIL)	54,73,833 (39,61,600)	5,04,54,822 (2,84,08,065)	2,25,26,765 (3,03,26,000)	78,455,420 (62,695,665)
Less Repaid during the year	23,758 (6,000)	38,32,117 (13,16,213)	1,26,13,543 (81,22,084)	23,44,500 (9,65,000)	18,813,918 (1,04,09,297)
Closing Balance	5,26,262 (5,50,020)	42,87,103 (26,45,387)	8,43,97,041 (4,65,55,762)	6,47,16,903 (4,45,34,638)	153,927,309 (94,285,807)
<b>Remuneration</b>	---- ( ---- )	---- ( ---- )	11,25,000 (30,00,000)	6,75,000 ( 9,90,000)	18,00,000 (39,90,000)
<b>Rent Deposit Given</b>					
Opening Balance	---- ( ---- )	NIL	---- ( ---- )	---- ( ---- )	NIL
Less : Refunded during the year	---- ( ---- )		---- ( ---- )	---- ( ---- )	
Add: Given during the year	---- ( ---- )		---- ( ---- )	---- ( ---- )	
Closing Balance	---- ( ---- )	(NIL)	---- ( ---- )	---- ( ---- )	---- (NIL)

Note: Figures in brackets represents previous year's amount



# LIME CHEMICALS LIMITED

## 31. Earnings per share (AS 20) :

Particulars	31.3.2013	31.3.2012
Net Profit / ( Loss ) attributable to equity shareholders (Rs.)	(4,41,47,882)	(8,18,70,468)
<u>Weighted average number of shares (in no's)</u>		
Outstanding Shares as at year end	32,90,276	32,90,276
<u>Less</u> : Proportionate no. of shares on which allotment / call money are in arrears	33726	33726
Weighted average no. of shares for basic EPS	3256550	3256550
Basic and Diluted EPS (Rs.)	(13.56)	(25.14)
Face Value of Equity Shares	Rs.10/-	Rs. 10/-

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

(Rupees)

Due	Total Lease Payments Outstanding		Future Interest on outstanding		Present Value of Minimum Lease Payments	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Within one year	1,46,967	1,46,967	8,000	8,000	1,46,967	146,967
Later than one year and not later than five years	NIL	146,967	NIL	8,000	NIL	146,967
Later than five years	NIL	-	NIL	-	NIL	-
Total	1,46,967	293,934	8,000	16,000	1,46,967	293,934

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

## 33. Earnings in Foreign Currency (On accrual basis)

(Rupees)

	31.3.2013	31.3.2012
FOB value of exports	24,24,389	0

## 34. Value of Imports calculated on C.I.F basis in respect of (Rupees)

	31.3.2013	31.3.2012
Cal. Carbonate (Semi Finished)	0	68,85,000

## 35. Defined Benefit Plans

The Employee's Gratuity Fund Scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Liability for Leave Encashment is made also based on the Actuarial Valuation using the above method. Company has obtained actuarial services for computing Leave Encashment liability first time during this year.

a) **Reconciliation of opening and closing balances of defined benefit obligation Gratuity (Rupees `)**

	Gratuity (Un-funded)		Leave Encashment (Un-funded)	
	2012-13	2011-12	2012-13	2011-12
Defined Benefit obligation at beginning of year	33,62,311	19,67,269	22,02,940	19,32,490
Current Service Cost	147,249	1,37,124	616,526	6,42,937
Interest Cost	268,985	1,57,382	176,235	1,54,599
Past Service Cost – Vested Benefits	0	0	0	0
Actuarial (gain)/loss on obligation	(10,57,030)	11,00,536	(7,12,751)	(5,27,086)
Benefit Paid	0	0	0	0
Defined Benefit obligation at year end	27,21,515	33,62,311	22,82,950	22,02,940

b) **Reconciliation of fair value of assets and obligations**

	Gratuity (Un-funded)		Leave Encashment (Un-funded)	
	2012-13	2011-12	2012-13	2011-12
Fair value of Plan Assets	0	0	0	0
Present value of obligation	27,21,515	33,62,311	22,82,950	22,02,940
Amount recognized in Balance sheet	27,21,515	33,62,311	22,82,950	22,02,940

c) **Expenses recognized during the year**

	Gratuity (Un-funded)		Leave Encashment (Un-funded)	
	2012-13	2011-12	2012-13	2011-12
Current Service Cost	1,47,249	1,37,124	6,16,526	6,42,937
Interest Cost	2,68,985	1,57,382	1,76,235	1,54,599
Expected Return on Plan Assets	0	0	0	0
Actuarial (Gain)/Loss	(10,57,030)	11,00,536	(7,12,751)	(5,27,086)
Net Cost	(6,40,796)	13,95,042	80,010	2,70,450

d) **Actuarial Assumptions**

	Gratuity (Un-funded)		Leave Encashment (Un-funded)	
	2012-13	2011-12	2012-13	2011-12
Discount Rate	8.00%	8.00%	8.00%	8.00%
Rate of increase in Compensation levels	10.00%	10.00%	10.00%	10.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

36. 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.5,273,000 and Rs. 454,000 respectively. Company had Rs. 457,000 net provisions standing in the books against the Mat Liability for AY 2006-07. Company has filed rectification application to Income Tax Department for non allowance of carry forward losses as it was allowed to the Company vide ITAT order dated 21.11.08 i.r.o. AY 2002-03. Considering the above, the Management is of the opinion that no further provision need to be made in these respect.

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37. The Balances of Trade Receivables Rs.5,57,93,519 , Trade Payables Rs.13,06,33,963, Long Term Loans and Advances Rs.1,07,72,064 Short Term Loans and Advances Rs.25,29,929 ,Long Term Borrowings Rs.24,81,00,857, Short Term Borrowing Rs. 4,59,16,190, Other Long Term Liabilities Rs. 4,00,000 , and Other Current Liabilities Rs. 23,65,46,239, are subject to confirmation, reconciliation and adjustment, if any. The Management is of the opinion that any adjustment on the above may not have a material effect on the account.
38. No provision for Income tax for the current year is made considering the accumulated losses of the Company and also, it is being registered with BIFR as a sick Company.
39. Deposits u/s 58A outstanding as on 31.3.2013 are Rs.1,28,03,988 of which Rs. 1,04,58,950 are due within one year.
40. Considering the provisions of the Companies Act 1956, and Schedule XIII thereto, Managing Directors/ Managers of the Company are not eligible for any remuneration as the Company has not complied with the proviso to clause C of section II of Part II to the Schedule XIII to the Companies Act 1956 for payment of Minimum Remuneration to the Managing Directors. Total remuneration paid during the year Rs.11,25,000 (PY Rs. 32,68,056 )
41. As on 31.3.2013, Mr Husain I Dawoodani (Director) and Mr Ahmed H Dawoodani (Managing Director) is disqualified to be appointed as a director of the Company in terms of provision of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956. Further, both directors are disqualified to be appointed as a director of any other Public Company in terms of provision of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 for a period of 5 years from the date of disqualification.
42. 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. 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.
43. The Company has not appointed full time Company Secretary during the year. Consequent to above accounts are not signed by Company Secretary.
44. During the year under report, a sum of Rs.2,53,35,636 representing the principal outstanding balance waived in the cash credit facility enjoyed with Bank of Baroda and ` 70,42,944 representing the balance outstanding waived in term loan account with Bank of Baroda have been transferred to General Reserve. In the opinion of the management, the company stands absolved of the above liability pursuant to the repayment of principal amount due and payable in terms of one time settlement entered into with the bank. However no dues certificate in respect of the said accounts settled with the bank is yet to be obtained by the company.
45. Previous year's figures have been regrouped, rearranged and/or recasted wherever necessary to correspond to the figures of current year and are in line with Revised Schedule VI.

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In terms of our report attached  
For **DIVAKAR HARI AND ASSOCIATES**  
Chartered Accountants

For and on behalf of the **Board of Directors**

Divakar S Kotian  
Partner  
Membership No. : 039125

**A.H.Dawoodani**  
(Managing Director)

**M.M. Gadgil**  
(Director)

Place : Mumbai  
Date : 30th May 2013

**LIME CHEMICALS LIMITED**

Registered Office : 10, LightHouseBuilding, 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 43<sup>rd</sup> Annual General Meeting of the Company to be held on Monday, the 30<sup>th</sup> September, 2013.

Affix One  
Rupee revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

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, LightHouseBuilding, 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 42nd 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, 2013 at 10.00 a.m.

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

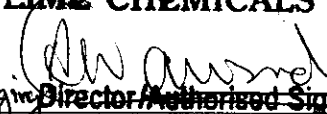
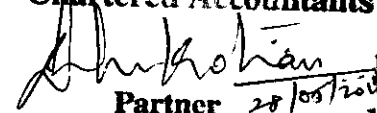

**BOOK – POST**

*If undelivered please return to :*

**LIME CHEMICALS LIMITED  
LIGHTHOUSEBUILDING, GROUND FLOOR  
SITAFALWADI, MAZGAON  
MUMBAI – 400 010**

**FORM A**

Covering letter of the annual audit report filed with the Stock Exchanges

1	Name of the Company	LIME CHEMICALS LIMITED
2	Annual financial statements for the year ended	31 <sup>st</sup> March 2013
3	Type of Audit qualification/ attention drawn	<p><b>Matter of Emphasis</b></p> <p>1) The Company continues to disclose its results on the concept of going concern in spite of the fact of erosion of 100% of its net worth, relying on the possible outcome of the BIFR application</p> <p>2) Trade receivables Rs. 55793519/- and Trade payables Rs. 130633963 are subject to confirmation from the respective customers/ suppliers</p> <p>3) In respect of deposits u/s. 58A of the Companies Act, 1956 without complying various provisions</p> <p>4) Payment of remuneration to managing directors, as the company is not eligible for payment of remuneration considering the provisions of Schedule XII of the Companies Act, 1956</p> <p>5) No interest, if any in respect of Trade payable under MSMED Act is provided, as the Company has not identified the Trade payables under MSMED Act for the year ended 31/03/2013.</p>
4	Frequency of qualification	Since last year
5,	Signed by: Managing Director/CFO	<p><b>For LIME CHEMICALS LTD.</b></p> <p>  <del>Managing Director/Authorised Signatory</del></p>
	Auditor of the Company	<p><b>For Divakar Hari &amp; Associates</b>  <b>Chartered Accountants</b></p> <p>  <b>Partner</b> 28/05/2013  <b>Divakar S. Kotian</b>  <b>M. No. 39125</b></p>
	Audit Committee Chairman	<p>  <b>M. M. GARGIL</b></p>