KILBURN CHEMICALS LTD.

ANNUAL REPORT AND ACCOUNTS 2010-2011

DIRECTORS	B. P. JALAN	–	*Chairman*
	S. K. JALAN	–	*Managing Director*
	V. VANCHI		
	A. D. NANAIYA		
	R. CHAUDHRI		
	A. CHATRATH		
	P. K. BHATTACHARJEE		
PRESIDENT	P. S. VENKATESH		
BANKERS	STATE BANK OF TRAVANCORE AXIS BANK LIMITED		
AUDITORS	G. P. KEJRIWAL & ASSOCIATES CHARTERED ACCOUNTANTS KOLKATA		
REGISTERED OFFICE	NEW NO. 23, OLD NO. 12 NEELAKANTA MEHTA STREET T. NAGAR CHENNAI - 600 017		
FACTORY ADMINISTRATION	A-81 SIPCOT INDUSTRIAL COMPLEX MILAVITTAN THOOTHUKKUDI - 628 002		
REGISTRAR & SHARE TRANSFER AGENT	MAHESHWARI DATAMATICS PVT. LTD. 6, MANGOE LANE, 2ND FLOOR KOLKATA - 700 001 PHONE NO. : (033) - 22435809 / 5029 FAX NO. : (033) 2248 4787 EMAIL : mdpl@cal.vsnl.net.in		

NOTICE FOR THE 21ST ANNUAL GENERAL MEETING

NOTICE is hereby given that the 21st Annual General Meeting of the Company will be held on Monday, the 19th day of September, 2011, at Narada Gana Sabha (Mini Hall), 314, T. T. K. Road, Alwarpet, Chennai 600018, at 3.30 p.m. to transact the following :

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To declare dividend on Equity and Preference Shares.
3. To elect a Director in the place of Shri.Ranjit Chaudhri who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in the place of Shri Parag Keshar Bhattacharjee, who retires by rotation and being eligible, offers himself for re-election.

AS SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of the section 225(1) and applicable provisions, if any, of the Companies Act, 1956 M/s G.P. Kejriwal & Associates, Chartered Accountants (Firm Registration No.FRN 302201E) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company."

Registered Office :
New No. 23, Old No.12
Neelakanta Mehta Street
T. Nagar
Chennai - 600 017
Dated : 30th May, 2011

By Order of the Board
KILBURN CHEMICALS LTD.
S. K. JALAN
Managing Director

NOTES

1) A member entitled to attend and vote at the meeting may appoint a proxy to attend, and to vote in his place. A Proxy need not be a member of the Company.

2) The Proxy Form to be valid, should be duly stamped, executed and deposited at the Registered office of the Company at least forty eight hours before the time fixed for the commencement of the meeting.

3) The Register of Members and Share Transfer Books of the Company will remain closed from 13th September, 2011 to 19th September, 2011 (both days inclusive).

4) Members are informed that consequent to the issue of Notification by the Department of Company Affairs, they can now avail the nomination facility in respect of their Shares/ Debentures/Deposits held in the Company. Members may kindly send the Nomination Form to the Share Transfer Agents of the Company at the earliest.

THE EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT,1956

ITEM NO.3

Shri Ranjit Chaudhri, Director, retires by rotation and being eligible, offers himself for re-appointment. Pursuant to requirement of the Listing Agreement of the Stock Exchanges relating to Corporate Governance, a statement furnishing details of the above Director is attached herewith.

ITEM NO.4

Shri Parag Keshar Bhattacharjee, Director, retires by rotation and being eligible, offers himself for re-appointment. Pursuant to requirement of the Listing Agreement of the Stock Exchanges relating to Corporate Governance, a statement furnishing details of the above Director is attached herewith.

Directors seeking appointment/re-appointment in the Annual General Meeting scheduled to be held on 19th September, 2011.

Name of the Director(s)	Shri.Ranjit Chaudhri	Shri Parag Keshar Bhattacharjee
Age	45 years	72 years
Date of Appointment	30th June, 2003	29th January,2007
Expertise in specific Functional Areas	Industrialist	Retired Dy.Managing Director & Chief Financial Officer, State Bank of India
Qualification	Bachelors Degree in Economics from Brandeis University, USA & the London School of Economics	M.A (Economics), CAIIB
List of outside Directorship held	1. Holtzman Systems Ltd. 2. Holtzman international Ltd.	1. Kanco Enterprises Ltd. 2. Cheviot Company Ltd. 3. Quipo Telecom Infrastructure Ltd. 4. Stesalit Limited 5. M.S.M. Energy Limited 6. Global Invesment Trust Ltd. 7. Kaushalya Infrastruture 8. Srei Mutual Fund Trust Pvt Ltd. 9. Suryachakra Power Corporation Ltd. 10. Stesalit System Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	Chairman Audit Committee	Member : Audit Committee
Chairman/Member of the Committees of Director of other Companies in which he is a Director (a) Audit Committee	NIL	1. Kanco Enterprises Ltd 2. Cheviot Company Ltd 3. Suryachakra Power Corporation Ltd
(b) Remuneration Committee	NIL	NIL
(c) Shareholders/ Investors Grievance Committee	NIL	NIL

DIRECTORS' REPORT

Your Directors take pleasure in presenting the 21st Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2011

FINANCIAL HIGHLIGHTS

	(Rs. in lacs)	
	2010-11	2009-10
Turnover (Gross)	**12538**	11154
Gross Profit (PBIDT)	**1671**	1622
Interest	**467**	492
Depreciation for the year	**495**	461
Profit Before Tax (PBT)	**709**	669
Provision for Income Tax	**127**	73
Provision for Deferred Tax	**6**	254
Net Profit After Tax (PAT)	**575**	342
Add : Surplus/(Loss) brought forward from previous year	**1678**	1523
Profit available for Appropriation	**2253**	1865
Transfer to Preference Share Capital Redemption Reserve	**117**	–
Transfer to General Reserve	**50**	50
Proposed Dividend	**117**	117
Dividend Tax	**19**	20
Balance carried forward to next year	**1950**	1678

OPERATIONS

The Company's production during the year was severely impacted due to non-availability of adequate power and water supply. Though the Company endeavoured to sustain production by buying power and renting D.G. Sets, the overall production of Anatase Grade Titanium Dioxide during the year was lower by over 8% compared to the previous year. Besides, non-availability of these utilities resulted in high operating costs and hurt operating margins.

Product	**Production** (In Tonnes)	**Sales** (In Tonnes)
Anatase Grade Titanium Dioxide	11441.00 (12460.00)	11776.025 (12438.550)
Ferrous Sulphate Hepta Hydrate	29697.00 (26330.00)	20545.200 (25692.700)

Aided by higher unit sales realization, the gross Turnover of the Company however registered about 12.5% increase over the previous year. A gross turnover of Rs.125.38 crores was achieved compared to Rs.111.54 crores in the previous year. The profit before interest, depreciation and tax (PBIDT) was marginally higher at Rs.16.71 crores as against Rs.16.22 crores in the previous year. Profit before tax (PBT) was 6% higher at Rs.7.09 crores vis-à-vis Rs.6.69 crores in the previous year. However, the net Profit after Tax at Rs.5.76 crores registered a substantial rise of 68.42% over the previous year due to lower provision for Deferred Tax.

Your Directors are pleased to inform that during the year, the Company was able to get the ISO 9001 : 2008 Certification.

PREFERENCE DIVIDEND

Your Directors recommend Dividend of 11% on the Cumulative Redeemable Preference Shares for the period from 1st April, 2010 to 31st March, 2011 amounting to Rs.42.93 lacs.

EQUITY DIVIDEND

Your Directors are pleased to recommend a Dividend of 10% on the equity shares of Rs.10/- each subject to the approval of the shareholders in the Annual General Meeting.

FUTURE OUTLOOK

The demand for Titanium Dioxide Pigments continue to be encouraging due to ambitious growth plans of the major consuming industries like Paints, Plastic, Rubber, Paper etc. However, the Company is deeply concerned with regard to availability and pricing of its major raw materials of input, viz. Ilmenite and Sulphuric Acid. Both availability and pricing of these basic raw materials has been volatile and erratic in the recent years. Furthermore, supplies of Ilmenite from the public sector

undertaking, M/s. Indian Rare Earths Ltd., with whom it has a tie-up arrangement, has been dropping continuously and is proving to be a major cause of concern.

Your Company is a low-cost pigment producer and this will definitely help in being competitive in the export markets in time to come. Your Company is also pursuing R&D on routine basis and has been able to come up with customized value added products for specific applications, which will help to improve its competitiveness and viability.

CONSERVATION OF ENERGY

The required information with regard to energy conservation and technology absorption as required under Section 217(i)(e) of the Companies Act is given in Annexure-A attached to this report.

CORPORATE GOVERNANCE

Pursuant to the provisions contained in the Listing Agreement with Stock Exchanges, a Management Discussion and Analysis Report and a Report on Corporate Governance together with the Auditors' Certificate on the compliance of the conditions of the Corporate Governance are annexed.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed :

(1) That in the preparation of the Annual Accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(2) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for year under review;

(3) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.;

(4) That the Directors have prepared the Annual Accounts on a going concern basis.

COST AUDITOR

The Board of Directors have appointed Shri.R.Subramanian, Cost Accountant, Tirunelveli, to audit the cost accounts of the Company related to manufacture of Titanium Dioxide for the financial year ended 31st March, 2011, in compliance with the Central Government directives in this regard.

DIRECTORS

Shri Ranjit Chaudhri and Shri Parag Keshar Bhattacharjee retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-election.

AUDITORS

M/s.G.P. Kejriwal & Associates, Chartered Accountants, retire at the conclusion of this meeting and being eligible, offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES

Industrial relations in the Company continued to be cordial and satisfactory. A Statement pursuant to the provisions of Section 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules, 1975 is given in Annexure "B".

ACKNOWLEDGEMENT

Your Directors are grateful for the co-operation and continued guidance and support extended by Industrial Development Bank of India Ltd., State Bank of Travancore, Axis Bank Ltd., TamilNad Mercantile Bank Ltd. and the State Industries Promotion Corporation of TamilNadu Ltd. The Directors greatly appreciate the dedicated and sincere services rendered by the employees at all levels. Finally, the Directors express their gratitude to all the Shareholders for their support.

For and on behalf of the Board,

Place : Kolkata **S. K. JALAN**

Date : 30th May, 2011 *Managing Director*

ANNEXURE - A

FORM – A

(See Rule 2)

Disclosure of particulars with respect to conservation of energy

A) Power and Fuel Consumption :	**Current Year 2010-2011**	Last Year 2009-2010
1) Electricity :		
a) Purchased :		
Units	**3515810**	5186448
Total amount	**Rs. 2,29,16,534**	Rs. 2,96,41,580
Rate/unit	**Rs. 6.52**	Rs. 5.72
b) Own Generation :		
(i) Through Diesel Generator		
Units	**2928512**	3847498
Units per litre of Fuel	**3.92**	3.44
Cost per Unit	**Rs. 11.57**	Rs. 9.92
(ii) Through Steam	**–**	–
Turbine/Generator (Units)	**1068780**	1035260
(iii) Wind Power (Unit)	**7245558**	5844217
2) Coal :		
Quantity (MT)	**12948.60**	13785.90
Total Amount	**Rs. 7,27,32,300**	Rs. 7,74,24,281
Average Rate	**Rs. 5,617.00**	Rs. 5,616.19
3) Furnace Oil/Kerosene:		
Quantity (K.Ltrs.)	**4261.068**	4116.930
Total amount	**Rs. 1,08,31,83,967**	Rs. 9,06,59,614
Average Rate	**Rs. 25,420.48**	Rs. 22,021.17
4) Others:		
Firewood:		
Quantity (MT)	**493.55**	1544.40
Total Amount	**Rs. 16,74,850**	Rs. 51,04,196
Average Rate	**Rs. 3,393.48**	Rs. 3,304.97
B) Consumption per unit of production:		
i) Titanium Dioxide		
a) Power	**1046 Units**	1056 Units
b) Furnace Oil/Kerosene	**372 Ltrs.**	330 Ltrs.
c) Fire Wood	**0.043 Tonne**	0.124 Tonne
d) Coal	**1.132 Tonne**	1.106 Tonne
ii) Ferrous Sulphate Hepta Hydrate		
Power	**94 Units**	105 Units

ANNEXURE – B

Statement required to be furnished under Section 217 (2A) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1988 and read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year 2010-2011

1) Employees of the Company who was employed throughout the year and in receipt of remuneration which in the aggregate was not less than Rs. 24 lacs per annum.

Sl. No.	Name of the Employee	Designation/ Nature of Duties	Remuneration including benefit (Rs.)	Qualifications	Experience in employment (in years)	Date of commencement of Employment	Last Employment held designation and organisation	Age (Years)
1.	Shri Sandeep Kumar Jalan	Managing Director	Rs.37,90,559/-	B. Com., M.B.A. (USA)	25	14.11.2000	Chairman & Managing Director - Kilburn Reprographics Ltd.	48

The Employment is contractual for a period of 3 years.

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Clause 49 of the Listing Agreement]

A. MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company firmly believes in transparency, professionalism and accountability in its dealings and lays emphasis on integrity and compliance of regulatory provisions and has constantly endeavoured to practice good Corporate Governance. The above policies adopted by the Company recognize the accountability of the Board and assist its top management in the efficient conduct of the business of the Company and at the same time in meeting its social obligations.

The Company has taken a series of steps to put in place appropriate Corporate Governance Policies for your Company and to comply with many of the regulations framed in this regard by the Securities & Exchange Board of India.

2. BOARD OF DIRECTORS

The Board of Directors of your Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance management, legal and marketing. The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors, meets with the requirements of Clause 49(1)(A) of the Listing Agreement.

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

The composition, status, attendance at the Board Meetings and the last Annual General Meeting (AGM), outside Directorships and other Board Committees as at 31st March, 2011 is as under :-

Name of the Director	Status i.e., Executive, Non Executive and Independent	No. of Membership in other Boards or other Committees as a Member or Chairman (other than Private Limited Companies and Kilburn Chemicals Ltd.)		Number of Board Meetings		Whether attended last A.G.M.
		Board	Committee	Held during the year	Attended during the year	
Mr. B. P. Jalan	Non Executive Chairman	7	—	4	4	No
Mr. S. K. Jalan	Executive Managing Director	7	1	4	4	Yes
Mr. V. Vanchi	Non Executive Director	5	1	4	4	Yes
Mr. A. D. Nanaiya	Non Executive Independent Director	1	—	4	3	No
Mr. Ranjit Chaudhri	Non Executive Independent Director	2	—	4	4	No
Mr. Anand Chatrath	Non Executive Independent Director	1	2	4	4	No
Mr. Parag Keshar Bhattacharjee	Non Executive Director	9	3	4	4	No

Four Board Meetings were held on 10.05.2010, 06.08.2010, 02.11.2010 and 07.01.2011 during the year

3. CODE OF CONDUCT :

Board of Directors of the Company have laid down the Code of Conduct for all its Members and Senior Management Personnel who have affirmed their compliance therewith. The Code has also been displayed on the Company's Website.

CEO/CFO CERTIFICATION

In terms of Clause 49 of the Listing Agreement, the certification by the Managing Director & CEO and Chief Financial Officer on the financial statements and internal controls relating to financial reporting has been obtained.

4. AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company, inter-alia, provides assurance to the Board on the adequacy of the Internal Control Systems and financial disclosures.

The terms of reference of the Audit Committee covers the matter specified for Audit Committee under Clause 49 of the Listing Agreement and the Companies (Amendment) Act, 2000 and is vested with the following powers :

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advices.
- To secure attendance of outsiders with relevant expertise, if considered necessary.
- Review of Company's Financial reporting process.
- Review of Half yearly and annual financial statements, before submission to the Board.
- Review with External Auditors, on areas of concern.
- Review the adequacy of internal control systems.

The Audit Committee while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) issued by The Institute of Chartered Accountants of India. Compliance of the AS as applicable to the Company has been ensured in the Financial Statements for the year ended March 31, 2011

The Board of Directors of the Company had constituted an Audit Committee comprising of Shri.Ranjit Chaudhri, (Chairman); Shri.A.D. Nanaiya; Shri.Anand Chatrath & Shri.Parag Keshar Bhattacharjee.

The Audit Committee is constituted in accordance with the provisions of Clause 49(II)(A) of the Listing Agreement and Section 292A of the Companies Act, 1956. Shri Anand Chatrath is a Chartered Accountant and possesses knowledge of corporate finance, accounts and company law. The Statutory Auditor, Internal Auditor are also invited to the Meetings. The quorum for the Audit Committee Meetings is two members. Mr.J. Thangadurai, acts as the Secretary of the Committee.

Date of Audit Committee Meeting held and attended by the Members	Mr. Ranjit Chaudhri	Mr. A. D. Nanaiya	Mr. Anand Chatrath	Mr. Parag Keshar Bhattacharjee
10.05.2010	YES	–	YES	YES
06.08.2010	YES	YES	YES	YES
02.11.2010	YES	YES	YES	YES
07.01.2011	YES	YES	YES	YES

INTERNAL AUDIT

The Company has appointed Mr.Shyamal Kumar Banerjee, Chartered Accountant as Internal Auditor to review the internal control systems of the Company and to report thereon. The report of the Internal Auditor is reviewed by the Audit Committee.

5. REMUNERATION COMMITTEE

The Board of Directors has constituted the Remuneration Committee which includes Mr.V.Vanchi (Chairman), Mr.A.D. Nanaiya and Mr.Anand Chatrath.

REMUNERATION TO DIRECTORS

The Details of Remuneration paid to Directors for the year ended 31st March, 2011 are as follows :

Name of the Director	Sitting Fees (Rs.)	Salaries & Perquisites (Rs.)	Commission (Rs.)	No. of Shares held	
				Equity	Preference
Mr. B. P. Jalan	16,000/-	–	–	100	–
Mr. S. K. Jalan	–	37,90,559/-	–	25455	–
Mr. V. Vanchi	16,000/-	–	–	8805	–
Mr. A. D. Nanaiya	24,000/-	–	–	–	–
Mr. Ranjit Chaudhri	32,000/-	–	–	–	–
Mr. Anand Chatrath	32,000/-	–	–	–	–
Mr. P. K. Bhattacharjee	32,000/-	–	–	–	–

The Company does not have any Employee Stock Option Scheme.

The agreement with the Managing Director is for a period of three years, notice period is of 6 months and Service Contract is from 14th November, 2009 to 13th November, 2012.

The remuneration of the Managing Director is determined by the Board within the statutory limits subject to shareholder's approval and on the basis of recommendation of the Remuneration Committee.

6. SHARE TRANSFER COMMITTEE (INVESTORS/SHAREHOLDER'S GRIEVANCE COMMITTEE)

The Committee is headed by Mr.V. Vanchi, Non Executive Director. The other members of the Committee include Mr.S.K. Jalan, Executive Managing Director and Mr.A.D. Nanaiya, Non Executive Independent Director.

The Committee looks into redressal of investor's grievances, various matters relating to the transfer and transmission of shares, issue of duplicate share certificates, approving of split and consolidation requests and other matters relating to transfer and registration of shares. All valid requests for share transfers received during the year have been acted upon and there were no shares pending for transfer as on 31st March, 2011

The Committee generally meets once a month.

A	No. of Pending Complaints as on 01.04.2010	NIL
B	No. of complaints received from Stock Exchanges/SEBI/Investors	21
C	No. of complaints resolved	21
D	No. of pending complaints as on 31.03.2011	NIL

Mr. J. Thangadurai is the Compliance Officer.

7. GENERAL BODY MEETINGS

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

AGM/EGM	Date	Venue	Time	No.of special resolutions Passed
AGM	30.09.2010	The Music Academy, Kasturi Srinivasan Hall, (Mini Hall) New No.168,(Old No.306) T.T.K. Road, Chennai – 600 014	10.00 A.M.	NIL
AGM	14.09.2009	The Music Academy, Kasturi Srinivasan Hall,(Mini Hall) New No.168,(Old No.306) T.T.K. Road, Chennai – 600 014	10.00 A.M.	1
AGM	04.08.2008	The Music Academy, Kasturi Srinivasan Hall,(Mini Hall) New No.168,(Old No.306) T.T.K. Road, Chennai – 600 014	10.00 A.M	NIL

8. DISCLOSURES

i) There are no materially significant related party transactions except those mentioned in Schedule 26 on notes on accounts.

ii) There were no non-compliances, penalties, strictures imposed on the Company by Stock Exchange, SEBI, or any Statutory Authority, on any matter related to Capital Markets during the last three years.

iii) There is no Whistle Blower Mechanism in the Company.

iv) The Company has complied with all the applicable mandatory requirements and adopted some Non – mandatory requirements stipulated under Clause 49, such as requirements with regard to Remuneration Committee.

9. MEANS OF COMMUNICATION

Quarterly and half yearly results are published in Business Line, Business Standard and DinaBoomi. The annual results are mailed to every shareholder of the Company.

Website where displayed:www.kilburnchemicals.com

The Management Discussion and Analysis Report is a part of Annual Report, refer annexure.

10. GENERAL SHAREHOLDER INFORMATION

i) Next Annual General Meeting

DATE - 19th September, 2011
TIME - 3.30 P.M.
VENUE - Narada Gana Sabha (Mini Hall)
314, T. T. K. Road, Alwarpet
Chennai - 600018

ii) FINANCIAL CALENDAR : (tentative) for the year 2011-2012

a)	First Quarter Results	-	1st Week of August, 2011
b)	Second Quarter Results	-	1st Week of November, 2011
c)	Third Quarter Results	-	1st Week of February, 2012
d)	Results for the year ending March, 2012	-	May, 2012

iii)	Date of Book Closure	-	13th September, 2011 to 19th September, 2011 (both days inclusive)
iv)	Dividend Payment Date	-	On or before 18th October, 2011
v)	Listing on Stock Exchange	-	The Stock Exchange, Mumbai Listing Fee for the financial year 2011-2012 paid to the Stock Exchange, Mumbai

STOCK CODE :

The Stock Exchange, Mumbai	-	524699
Demat ISIN No. for NSDL & CDSL	-	INE655C01027

MONTHLY STOCK PRICE DATA :

Month	Highest Rate (Rs.)	Lowest Rate (Rs.)
April, 2010	52.20	39.40
May, 2010	46.70	35.30
June, 2010	44.10	36.00
July, 2010	41.95	36.60
August, 2010	51.00	37.15
September, 2010	61.45	40.00
October, 2010	56.40	50.15
November, 2010	63.00	50.00
December, 2010	62.50	50.50
January, 2011	66.00	42.50
February, 2011	49.25	41.60
March, 2011	66.00	34.15

(relates to trading in The Stock Exchange, Mumbai)

REGISTRAR & SHARE TRANSFER AGENT	:	MAHESHWARI DATAMATICS PVT.LTD. 6, MANGOE LANE, 2ND FLOOR KOLKATA 700 001.
Share Transfer System	:	Share Transfers in physical Form are processed by the Share Transfer Agent and approved by the Share Transfer Committee which meets at regular intervals. Share Transfers are registered and returned generally within 15 days from date of receipt, provided the documents are complete in all respects.

Distribution of Shareholding as on 31.03.2011

No. of Equity Shares held	No. of Folios	%	No. of Shares	%
1 to 500	19511	98.0403	1390098	18.7218
501 to 1000	201	1.0100	165681	2.2314
1001 to 2000	83	0.4171	125295	1.6875
2001 to 3000	32	0.1608	81852	1.1024
3001 to 4000	19	0.0955	65572	0.8831
4001 to 5000	17	0.854	82512	1.1113
5001 to 10000	21	0.1055	173322	2.3343
10001 and above	17	0.0854	5340668	71.9282
	19901	100.0000	7425000	100.0000

Shareholding Pattern as on 31.03.2011 is as follows :

Category	No. of Folios	No. of shares	%
Promoters	10	3459537	46.5931
Mutual Fund	7	10550	0.1421
Bank, Financial Institutions	5	1000	0.0135
Private Corporate Bodies	204	1748782	23.5526
Indian Public	19653	2191525	29.5155
NRI/OCBs	22	13606	0.1832
	19901	7425000	100.0000

DEMATERIALISATION OF SHARES AND LIQUIDITY

As on 31st March, 2011, 64,71,318 shares were converted from physical to electronic form. Over 87% equity shares have been dematerialised upto 31st March, 2011. Trading in Equity Shares of the Company is permitted only in dematerialised form with effect from 29.1.2000 as per notification issued by the Securities and Exchange Board of India. (SEBI).

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	:	Not Applicable.
PLANT LOCATION	:	THOOTHUKKUDI, TAMILNADU
ADDRESS FOR CORRESPONDENCE	:	A-81, SIPCOT INDUSTRIAL COMPLEX SOUTHVEERAPANDIAPURAM POST MILAVITTAN, THOOTHUKKUDI 628 002.

B. NON-MANDATORY REQUIREMENTS :

1. Shareholder rights:

The half-yearly declaration of financial performance including summary of the significant events in last six months should be sent to each household of shareholders –

As the Company's Quarterly/half-yearly results are published in English Newspapers having circulation all over India and in a Tamil Newspaper (having circulation in Chennai) the same is not being sent to the shareholders separately.

2. Postal Ballot : No resolution has been passed through postal ballot.

Place : Kolkata
Date : 30th May, 2011

S. K. JALAN
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, the Auditors' Certificate is given as annexed to the Directors Report.

ANNEXURE TO THE DIRECTORS' REPORT

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

TO THE MEMBERS OF
KILBURN CHEMICALS LTD.

We have examined the compliance of conditions of Corporate Governance by Kilburn Chemicals Ltd., for the year ended 31st March, 2011 as stipulated in Clause 49 of the listing agreement of the said Company with Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, except that the Chairman of Audit Committee could not attend the Annual General Meeting held on 30th September, 2010.

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

For **G. P. KEJRIWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 302201E
K. K. SINGHAL
Partner
M. No. 50140

5, Clive Row
Kolkata – 700 001
Dated : 30th May, 2011

MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

Titanium dioxide (TiO2) finds use in a variety of industrial and consumer products such as Paints, footwear, Rubber Products, Plastics, Paper, Textiles, Cosmetics, etc. Its extreme whiteness, perfect non-toxicity and chemicals inertness makes it an ideal choice as a white pigment. This Chemical is available in two crystalline forms viz., Anatase and Rutile, which are of much commercial significance. In Kilburn Chemicals Ltd., the Anatase pigment of various Grades customized for different end applications is produced by using the Sulphate Technology.

India is one of the major producer of Ilmenite. Depending on the source of deposit, Titanium Dioxide content varies from 48% to about 60% which is extracted either through the chloride or sulphate process. There are four producers of Titanium dioxide in the country. Travancore Titanium Products in Kerala and Kilburn Chemicals Ltd. in Tamil Nadu produce Anatase Grade Titanium Dioxide through the sulphate process whilst Kerala Minerals & Metals Ltd., Kerala and Kolmak Chemicals Ltd., West Bengal, produce the Rutile grade of pigment. Total production in the country is estimated at around 65,000 tonnes.

Ferrous Sulphate Hepta hydrate (FSH) another important chemical salt produced by the company as a bye-product finds extensive application as a micro nutrient, for water treatment, soil amendment and for manufacture of iron oxide.

OPPORTUNITIES AND THREATS, TRENDS AND STRATEGIES

TiO2 is a speciality chemical with multiple product specifications. Use of TiO2 pigment in various grades of paint applications account for around 60% of the total consumption. Though various substitute products/pigments have been tried out, there is as yet no ideal competitive product to substitute TiO2 pigment usage. Besides there is also an increasing trend of shifting manufacturing bases from the more advanced global regions to the Asia Pacific Regions due to various stringent measures on pollution. This gives rise to fair opportunity for export growth.

As per industry sources, India requires about 1,50,000 MT of Titanium Dioxide currently and domestic production being much lower, the dependency on imports is expected to continue.

The major threat to the company is the dependency on limited sources for its main raw materials of input viz. Ilmenite and Sulphuric acid. Further the industry is highly utilities dependent and generates a fair amount of effluents requiring treatment at high costs.

Volatility of the Indian Rupee is also a threat for exports. These threats have in turn made many a Anatase pigment producer unprofitable leading to closure of some of the smaller inefficient producers. Substitution of Anatase Grade pigment by the Rutile grade by users poses a real challenge for Companies like Kilburn who are dependent on the Sulphate process of manufacture.

The strategy for future largely depends on the Company being able to transform its operation to be a low-cost producer of the pigment and flexibility of producing both Rutile and Anatase Grades of pigments. The Company is pursuing the said objective by taking all necessary steps to optimize its cost of production, adhere strictly to environmental standards & controls and regular systematic investment in R&D.

OUTLOOK

The outlook for the Titanium Dioxide pigment industry is encouragingly judging the wide application base and the growth potential of the end user industries like Paints, Rubber, Plastics, Paper etc.

Besides, the Company is working aggressively on identifying new application opportunities in niche markets for better value addition. The Company is also exploring plans to increase exports to advanced markets during the year. Besides, the Company is pursuing its efforts towards further rationalization of its operation in terms of output volume, product cost and quality. The depleting availability of Ilmenite, the basic raw material of input world-wide, is a serious cause of concern.

RISK MANAGEMENT

The Company's operations are subject to risks, which can impact business performance, essentially with regard to prices of basic materials of inputs viz. Sulphuric Acid, Scrap Iron and fuel oils. The Management is seized of assessing such risks and is taking appropriate timely measures to address the same including fixing of Sales Price realization on a monthly basis.

INTERNAL CONTROL SYSTEM

The Company has adequate internal control procedures commensurate with its size and nature of business. The objective of these procedures is to ensure efficient use and protection of the company resources, accuracy in financial reporting and due compliance of statutes and company polices & procedures. Checks & balances exist in the system to ensure that all transactions are adequately authorized and reported correctly. Besides, Internal Audit is conducted at regular intervals to cover the key areas of operations. The Company has implemented an advanced ERP package, which further aids Internal Control Systems.

HUMAN RESOURCES DEVELOPMENT

The Company's constant endevour has been to attract, retain and nurture human resources by developing a culture of values. The Company appreciates that human assets constitute the driving force behind the Company's growth plans.

The Company, as on 31st March, 2011, had 209 employees on its rolls drawn from diverse academic background to suit their job profiles. The Company continues to have good industrial relations with its employees. Many employees were sent for selected external training programmes. Your company would like to record the whole-hearted support and participation received from the employees at all levels.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's position and expectations may be "forward looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the market in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of Kilburn Chemicals Ltd, as at 31st March, 2011 and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us and the books and records as produced and examined by us in the normal course of audit and to the best of our knowledge and belief, we give in the attached Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in Paragraph 3 above:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;

(c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account as submitted to us;

(d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.

(e) On the basis of written representations received from the Directors of the Company, as on 31st March, 2011, and taken on record by the Board of Directors of the Company, none of the Directors of the Company is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

(f) In our opinion and to the best of our information and according to the explanations given to us the annexed accounts, subject to and read together with the Notes in Schedule 26 and the Notes and Observations thereon and attached thereto, 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 the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

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

(iii) In the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

For **G. P. KEJRIWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 302201E

5, Clive Row
Kolkata-700001.
Dated : 30th May, 2011

K. K. SINGHAL
Partner
M. No. 50140

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph (3) of our Report of even date of KILBURN CHEMICALS LTD. as at and for the year ended 31st March, 2011).

(i) (a) The Company is, in our opinion, maintaining proper records in computer, to show full particulars including quantitative details and situation of fixed assets.

(b) In accordance with a programme, of verifying, the fixed assets, once in three years, the fixed assets as informed have been physically verified by the management during the year/year end and the discrepancies noticed on such physical verification, which in our opinion, were not material, in relation to the operations of the company, have been properly dealt with in the books of accounts. The periodicity of physical verification, in our opinion, is reasonable having regard to the size of the company and the nature of its assets.

(c) In our opinion, and according to the information and explainations given to us, the fixed assets disposed off during the year were not substantial part of fixed assets so as to affect the going concern status of the company.

(ii) (a) The inventories lying with the Company, as informed, have been physically verified by the management during the year/year end.

(b) In our opinion, 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, the Company is maintaining proper records of inventories and according to the records of the Company, the discrepancies noticed on physical verification of stocks as compared to book records, which in our opinion, were not material, in relation to the operations of the Company, have been properly dealt with in the books of accounts.

(iii) (a) According to the records of the Company, the Company has neither granted nor taken any loans, secured or unsecured, during the year, to and from the Companies, firms or other parties covered in the register maintained under Section 301 of the Act.

(b) In view of our comments in paragraph (iii) (a) above, clauses (iii) (b) to (g) of Paragraph 4 of the aforesaid order, are, in our opinion, not applicable to the Company for the current year.

(iv) In our opinion and on the basis of test checks carried out by us, and considering the explanations given by the management that alternative sources not being available for certain purchases/services, it appears that there are adequate internal control system commensurate with the size of the Company and the nature of its business with respect to major purchases of inventory and fixed assets and for the sale of goods and services. Further, during the course of our audit we have neither come across nor have we been informed by the management or the internal auditors of the Company, of any instance of major weaknesses in the aforesaid internal control system.

(v) (a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of accounts, we are of the opinion that the contracts or arrangements that need to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956 have been entered in the said register.

(b) In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions exceeding the value of five lakh rupees in respect of any party during the year that need to be entered in the register in pursuance of Section 301 of the Companies Act, 1956 and therefore, Clause v(b) of Paragraph 4 of the aforesaid order, is in our opinion, not applicable to the Company for the current year.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year under the provisions of Sections 58A, 58AA or any other relevant provisions of the Act.

(vii) In our opinion, the internal audit system is by and large commensurate with the size of the Company and nature of its business.

(viii) On the basis of the records produced, we are of the opinion that, prima facie, the cost accounts and records as prescribed by the Central Government under Clause(d) of Sub-

section(1) of Section 209 of the Act have been made and maintained. However, we have not carried out a detailed examination of the said accounts and records.

(ix) (a) According to the records of the Company, the Company has been generally regular in depositing during the year undisputed statutory dues (to the extent applicable) including Provident Fund, Investor Education and Protection Fund *(read with note no. 6(viii) in schedule 26)*, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.

According to the records of the Company there were no arrears of outstanding statutory dues which have remained outstanding as at 31.3.2011 for a period of more than six months from the date they became payable.

(b) According to the records of the Company and as per the information and explanations given to us, the dues outstanding of sales tax / wealth tax/ service tax / custom duty / excise duty / cess / Income Tax which have not been deposited on account of any dispute are as follows:

Name of Statute	Nature of Dues	Amount (Rs)	Period to which it relates to	Forum where dispute is pending
Central Excise Act	Service Tax	8.22 Lacs	January, 2005 to Sept., 2008	The commissioner of Central Excise (Appeals), Madurai
Income Tax Act,1961	Income Tax	92.97 Lacs	Year ended 31-03-2007	The commissioner of Income Tax (Appeals), Chennai

We have been informed that except as stated above there are no other amounts which have not been deposited on account of disputes.

(x) The Company has no accumulated losses as at 31st March, 2011 and has not incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.

(xi) According to the records of the Company and as per the information and explanations given to us, *there have been some delays in repayment of Rs. 43,75,449 in term loans and interest relating to the months April'10 to June'10 to a bank during the year* and there were no outstanding overdues as on 31.03.2011.

(xii) According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities during the year.

(xiii) In our opinion, the provisions of any Special Statute applicable to Chit Fund/Nidhi/Mutual Benefit Fund/ Societies are not applicable to the Company.

(xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year.

(xvi) According to the records of the company, no fresh term loans were taken by the company during the year.

(xvii) On the basis of review of utilisation of funds on overall basis as on 31.3.2011, related information, explanations and statements as made available to us and as represented to us by the Management, funds available as Short Term during the year have not been used for Long Term application.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act during the year.

(xix) The Company has not issued any Debentures during the year.

(xx) The Company has not raised any money by way of public issue during the year.

(xxi) During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management or the internal auditors of the Company.

For **G. P. KEJRIWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 302201E

5, Clive Row
Kolkata-700001.
Dated : 30th May, 2011

K. K. SINGHAL
Partner
M. No. 50140

BALANCE SHEET AS AT 31st MARCH, 2011

	Schedule	31.03.2011 Rs.	31.03.2011 Rs.	31.03.2010 Rs.	31.03.2010 Rs.
I. SOURCES OF FUNDS					
1. Shareholders' Funds:					
a. Capital	1	**10,16,50,000**		11,33,72,000	
b. Reserves and Surplus	2	**33,09,29,513**		28,69,92,197	
			43,25,79,513		40,03,64,197
2. LOAN FUNDS					
a. Secured Loans	3	**35,32,34,579**		39,89,80,235	
b. Unsecured Loans	4	**5,45,02,264**		6,76,94,989	
			40,77,36,843		46,66,75,224
3. Deferred Tax Liability (Net)	5		**2,33,60,516**		2,27,32,412
TOTAL			**86,36,76,872**		88,97,71,833
II. APPLICATION OF FUNDS :					
1. FIXED ASSETS	6				
a. Gross Block		**1,01,24,58,704**		98,75,40,586	
b. Less : Depreciation		**41,36,38,169**		36,58,44,192	
c. Net Block		**59,88,20,535**		62,16,96,394	
d. Capital work-in-progress		**3,22,18,819**		2,76,91,345	
			63,10,39,354		64,93,87,739
2. INVESTMENTS	7		**–**		7,50,000
4. CURRENT ASSETS, LOANS AND ADVANCES :					
a. Inventories	8	**15,88,90,936**		16,17,72,587	
b. Sundry Debtors	9	**10,31,26,668**		8,85,46,646	
c. Cash and Bank Balances	10	**3,30,75,588**		6,15,89,513	
d. Other Current Assets	11	**2,35,85,117**		2,20,92,783	
e. Loans and Advances	12	**4,49,30,220**		3,46,93,807	
		36,36,08,529		36,86,95,336	
Less : CURRENT LIABILITIES AND PROVISIONS :					
a. Liabilities	13	**11,37,22,455**		11,22,71,480	
b. Provisions	14	**1,72,48,556**		1,67,89,762	
		13,09,71,011		12,90,61,242	
Net Current Assets			**23,26,37,518**		23,96,34,094
			86,36,76,872		88,97,71,833
Notes on Accounts	26				

As per our attached Report of even date.
For **G. P. KEJRIWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 302201E
K. K. SINGHAL
Partner M. No. 50140
5, Clive Row, Kolkata - 700001
Dated : 30th May, 2011

B. P. JALAN *Chairman*
S. K. JALAN *Managing Director*
V. VANCHI *Director*

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	Schedule	31.03.2011 Rs.	31.03.2011 Rs.	31.03.2010 Rs.	31.03.2010 Rs.
I. INCOME					
Turnover (Gross)	26(11)	**1,23,49,91,551**		1,10,03,07,379	
Less: Excise Duty		**9,72,19,122**		6,77,30,977	
Turnover (Net)			**1,13,77,72,429**		1,03,25,76,402
Increase in stocks	15		**83,75,949**		–
Other Income	16		**1,87,69,640**		1,50,51,211
			1,16,49,18,018		1,04,76,27,613
II. EXPENDITURE					
Decrease in Stocks	15		**–**		26,97,838
Purchases	26(11)		**42,48,114**		–
Raw materials consumed	17		**40,96,39,397**		31,68,65,961
Stores & Spare Parts etc. consumed	18		**7,15,54,994**		5,01,69,174
Power, Fuel and Water Charges	19		**25,99,28,551**		26,48,22,035
Salaries, Wages and Amenities	20		**5,52,16,314**		4,84,23,105
Repairs and Maintenance etc.	21		**7,25,43,296**		4,90,09,979
Effluent Disposal			**5,66,75,203**		7,39,58,256
Interest	22		**4,66,64,843**		4,92,40,171
Excise Duty	23		**49,40,353**		49,43,660
Selling and Distribution Expenses	24		**3,55,53,941**		4,71,16,473
Other Expenses	25		**2,75,79,688**		2,74,53,985
Depreciation	06		**4,95,04,998**		4,60,71,317
			1,09,40,49,693		98,07,71,954
Profit for the year before taxation			**7,08,68,325**		6,68,55,659
Less : Provision for Taxation					
Income Tax					
For the year		**1,42,00,000**		1,15,00,000	
For earlier years		**(15,15,841)**		(41,83,616)	
		1,26,84,159		73,16,384	
Deferred taxation		**6,28,104**		2,53,80,177	
			1,33,12,263		3,26,96,561
Profit for the year after taxation			**5,75,56,062**		3,41,59,098
Add : Surplus brought forward			**16,77,65,806**		15,23,28,373
			22,53,21,868		18,64,87,471
Appropriations					
Transfer to Preference Share Capital Redemption Reserve			**1,17,22,000**		–
Transfer to General Reserve			**50,00,000**		50,00,000
Proposed Dividends :					
On 11% Cumulative Redeemable Preference Shares		**42,92,822**		43,03,420	
On Equity Shares		**74,25,000**		74,25,000	
			1,17,17,822		1,17,28,420
Tax on proposed dividends			**19,00,924**		19,93,245
Surplus carried to Balance Sheet			**19,49,81,122**		16,77,65,806
			22,53,21,868		18,64,87,471
Notes on Accounts	26				
Earnings per share					
Basic/Diluted (Schedule 26 Note 7)			**Rs. 7.08 P.**		Rs. 3.92 P.

As per our attached Report of even date.
For **G. P. KEJRIWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 302201E
K. K. SINGHAL
Partner M. No. 50140
5, Clive Row, Kolkata - 700001
Dated : 30th May, 2011

B. P. JALAN *Chairman*
S. K. JALAN *Managing Director*
V. VANCHI *Director*

SCHEDULES TO ACCOUNTS

Schedules "1" to "26" forming part of the Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date.

		31.03.2011 Rs.	31.03.2011 Rs.	31.03.2010 Rs.	31.03.2010 Rs.
SCHEDULE - 1					
SHARE CAPITAL					
Authorised :					
1,60,00,000	Equity shares of Rs.10/- each		**16,00,00,000**		16,00,00,000
4,00,000	Cumulative Redeemable Preference Shares of Rs.100/- each		**4,00,00,000**		4,00,00,000
			20,00,00,000		20,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP					
74,25,000	Equity shares of Rs.10/- each		**7,42,50,000**		7,42,50,000
2,74,000	(P.Y.3,91,220) - 11% Cumulative Redeemable Preference Shares of Rs.100/- each (A) (B)		**2,74,00,000**		3,91,22,000
			10,16,50,000		11,33,72,000

(A) These shares were issued initially for a period of 10 years and redeemable in two equal instalments at the end of the 9th and 10th year from the date of allotment i.e. 23.04.1999. During an earlier year, the redemption had been postponed to 20th year or earlier at the sole discretion of the company.

(B) 117220 shares have been redeemed at par on 28.03.2011.

SCHEDULE - 2					
RESERVES AND SURPLUS :					
Capital Reserve :					
State Subsidies			**19,76,000**		19,76,000
Preference Share Capital Redemption Reserve Transfer from Profit & Loss Account			**1,17,22,000**		–
General Reserve :					
As per last Account		**11,72,50,391**		11,22,50,391	
Transfer from Profit & Loss Account		**50,00,000**		50,00,000	
			12,22,50,391		11,72,50,391
Surplus :					
As per annexed Profit & Loss Account			**19,49,81,122**		16,77,65,806
			33,09,29,513		28,69,92,197

	31.03.2011 Rs.	Rs.		31.03.2010 Rs.	Rs.

SCHEDULE - 3

SECURED LOANS

1. Term Loans					
From Banks	**18,72,12,254**			23,58,30,687	
Interest accrued and due on above loans	**6,40,067**			28,59,119	
		18,78,52,321	**(a)**		23,86,89,806 (a)
2 Working Capital Loans from Banks		**16,53,82,258**			16,02,90,429
		35,32,34,579			39,89,80,235

(a) Includes Rs.532.86 Lacs (P.Y. Rs. 320.69 Lacs) due within one year

Notes :

1. Term Loans from Banks are secured by a first mortgage and charge (including joint first charge ranking pari-passu) in favour of the lenders of all the Company's immovable properties by way of deposit of title deeds (leasehold land), both present and future and first charge by way of hypothecation in favour of lenders, of all the Company's movables (save and except book debts), including movable plant and machinery, machinary spares, tools and accessories and other movables, present and future, subject to prior charges created and / or to be created in favour of the Company's bankers on the Company's stock of raw-materials, semi-finished and finished goods and consumable stores for securing the Company's borrowings for Working Capital requirements.
2. Working Capital Loans from banks are secured by hypothecation of Raw materials, semi-finished and finished goods, consumable stores and spares (present and future), stock in transit and book debts and by way of second mortgage created and/or to be created over all the immovable properties both present and future ranking subject and subservient to the first mortgage created and/or to be created in respect of Term Loans.
3. The nature of securities and other information as stated, above, under Notes 1 and 2 are subject to confirmations of respective lenders.

SCHEDULE - 4

UNSECURED LOANS

From a body corporate	**2,00,00,000**			2,00,00,000	
Interest accrued and due on unsecured loans	**38,85,633**			23,67,482	
		2,38,85,633			2,23,67,482
Interest free Sales Tax Loan		**3,06,16,631**	**(a)**		4,53,27,507 (a)
		5,45,02,264			6,76,94,989

(a) Collected on Sales made upto 31-10-2003 and being repaid after 9 years from the month in which commercial production commenced i.e 14-11-1994.

SCHEDULE - 5

DEFERRED TAX LIABILITY/ASSETS (NET)

Deferred tax Liability					
Difference between book and tax depreciation	**2,41,69,671**			2,33,47,262	
Deferred tax Assets					
Disallowances u/s 43B	**8,09,155**			6,14,850	
		2,33,60,516			2,27,32,412

SCHEDULE - 6

FIXED ASSETS **(FIGURES IN RUPEES)**

Particulars	GROSSBLOCK(ATCOST)				DEPRECIATION				NETBLOCK	
	As at 31.03.2010	Additions	Adjustments/ Deductions	**As at 31.03.2011**	As at 31.03.2010	**Provided during the year**	**Adjustments/ Deductions**	**As at 31.03.2011**	**As at 31.03.2011**	As at 31.03.2010
Freehold land and development	49,00,000	–	–	**49,00,000**	–	**–**	**–**	**–**	**49,00,000**	49,00,000
Leasehold land and development	31,59,294	–	–	**31,59,294**	4,86,205	**32,570**	**–**	**5,18,775**	**26,40,519**	26,73,089
Buildings	12,37,43,405	5,66,146	–	**12,43,09,551**	4,15,26,797	**38,40,461**	**–**	**4,53,67,258**	**7,89,42,293**	8,22,16,608
Plant & Machinery	51,52,25,683	2,22,99,573	11,63,969	**53,63,61,287**	23,42,91,011	**2,74,31,673**	**10,03,022**	**26,07,19,662**	**27,56,41,625**	28,09,34,672
Wind Mills	20,95,59,442	–	–	**20,95,59,442**	2,75,45,813	**1,10,64,739**	**–**	**3,86,10,552**	**17,09,48,890**	18,20,13,629
Pipes & Fittings	3,93,22,335	5,42,286	5,75,474	**3,92,89,147**	2,28,85,334	**20,82,536**	**4,57,285**	**2,45,10,585**	**1,47,78,562**	1,64,37,001
Electrical installations etc.	7,24,18,795	21,80,542	24,618	**7,45,74,719**	2,87,06,917	**34,57,736**	**19,208**	**3,21,45,445**	**4,24,29,274**	4,37,11,878
Material Handling Equipments	2,96,441	–	–	**2,96,441**	1,54,348	**13,662**	**–**	**1,68,010**	**1,28,431**	1,42,093
Office Equipments	50,70,813	5,18,774	–	**55,89,587**	32,76,350	**3,58,119**	**–**	**36,34,469**	**19,55,118**	17,94,463
Furniture & Fittings	37,71,686	1,69,373	–	**39,41,059**	33,09,300	**1,92,067**	**–**	**35,01,367**	**4,39,692**	4,62,386
Vehicles	34,74,226	5,39,217	4,44,701	**35,68,742**	8,74,863	**2,76,469**	**2,31,505**	**9,19,827**	**26,48,915**	25,99,363
Engineering & Laboratory Equipments	32,00,866	–	–	**32,00,866**	9,77,438	**1,50,797**	**–**	**11,28,235**	**20,72,631**	22,23,428
Intangible assets:-										
Computer Software	23,29,880	59,650	–	**23,89,530**	17,03,044	**4,69,473**	**–**	**21,72,517**	**2,17,013**	6,26,836
CDM-PROJECT (a)	10,67,719	2,51,320	–	**13,19,039**	1,06,772	**1,34,696**	**–**	**2,41,468**	**10,77,571**	9,60,947
Total	98,75,40,585	2,71,26,881	22,08,762	**1,01,24,58,704**	36,58,44,192	**4,95,04,998**	**17,11,020**	**41,36,38,169**	**59,88,20,534**	62,16,96,393
Capital work-in-progress										
Capital advances (Unsecured, considered good by the management)									**–**	26,85,035
Other capital work-in progress									**3,22,18,819**	2,50,06,310
Total									**3,22,18,819**	2,76,91,345
Grand Total	98,75,40,585	2,71,26,881	22,08,762	**1,01,24,58,704**	36,58,44,192	**4,95,04,998**	**17,11,020**	**41,36,38,169**	**63,10,39,353**	64,93,87,738
Previous Year	86,53,89,958	1,26,219,680	40,69,052	**98,75,40,586**	32,29,46,493	**4,60,71,317**	**31,73,618**	**36,58,44,192**	**64,93,87,739**	55,47,26,721

(a) Refer Note 1(viii)(c) in schedule 26.

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	31.03.2011 Rs.	Rs.	31.03.2010 Rs.	Rs.
SCHEDULE - 7				
INVESTMENTS				
Other than trade (Long Term)				
Unquoted :				
75,000 Equity Shares of Rs. 10/- each fully paid up of Kilburn Software Technologies India Limited.	**7,50,000**		7,50,000	
Less : Provision for diminution in value	**7,50,000**		–	
		–		7,50,000

SCHEDULE - 8			
INVENTORIES (as taken, valued and certified by the management)			
Raw materials	**1,97,36,655**		3,89,07,616
Stores & Spare Parts etc.	**5,54,31,599**		4,75,18,238
Finished goods	**3,70,39,835**	**(a)**	3,93,44,934 (a)
Stock in process	**4,60,84,145**		3,52,53,422
Traded Goods	**5,98,702**		7,48,377
	15,88,90,936		16,17,72,587

(a) Includes materials of Rs.81,26,497/- (P.Y. Rs.2,53,531/-) lying with outside parties and in transit.

SCHEDULE - 9				
SUNDRY DEBTORS				
(Unsecured, considered good by the management)				
Debts outstanding for a period				
Within six months	**10,16,45,631**		8,80,99,724	
Exceeding six months	**14,81,037**		4,46,922	
		10,31,26,668		8,85,46,646

	31.03.2011 Rs.		31.03.2010 Rs.
SCHEDULE - 10			
CASH & BANK BALANCES			
Cash, Demand Drafts and Cheques in hand (as certified)	**2,01,05,447**		4,25,68,933
Balances with Scheduled Banks			
On Current Accounts	**6,15,938**	**(a)**	81,62,880 (a)
Fixed Deposit Accounts	**84,94,197**	**(b)**	74,31,574 (b)
On Unpaid Dividend Accounts (as per contra)	**38,60,006**		34,26,126
	3,30,75,588		6,15,89,513

(a) Includes Rs.5,701/- on no lien account.

(b) Fixed Deposit Receipts lodged as security wih Sales Tax Department and with Banks against Letters of Credit/Guarantees and includes interest accrued Rs. 1,42,336/- (P.Y. Rs.98,425/-)

SCHEDULE - 11		
OTHER CURRENT ASSETS		
(Unsecured, considered good by the management)		
Excise duty, Cenvat, Service Tax , Sales tax, Vat and Export Benefits Receivable	**2,35,85,117**	2,20,92,783

SCHEDULE - 12		
LOANS AND ADVANCES		
(Unsecured, considered good by the management)		
Loans	**2,62,37,377**	81,13,443
Advances recoverable in cash or in kind or for value to be received or pending adjustments	**78,18,872**	87,50,625
Taxes paid, tax deducted at source and refundables (net of provisions Rs. 1,42,00,000/-) (P.Y.- Rs. 1,15,00,000/-)	**9,26,744**	34,16,903
Balance in Current account with		
Excise Department	**4,713**	4,713
Deposits	**99,42,514**	1,44,08,123
	4,49,30,220	3,46,93,807

	31.03.2011 Rs.		31.03.2010 Rs.	
SCHEDULE - 13				
CURRENT LIABILITIES				
Temporary Bank (Book) overdraft	**7,54,539**		–	
Sundry Creditors	**8,09,39,228**	**(a)(b)**	8,39,72,825	(a)(b)
Security Deposits	**1,02,00,000**		1,22,00,000	
Advances	**47,73,182**		56,40,594	
Investor Education and protection fund to be credited by :				
Unpaid Dividends (as per contra)	**38,60,006**	**(c)**	34,26,126	(c)
Other Liabilities	**1,31,95,500**		70,31,935	
	11,37,22,455		11,22,71,480	

(a) Refer Note-6 (iii) in Schedule-26

(b) Includes Rs. 8,800/- (P.Y. Rs.55,862/-) due to Managing Director.

(c) The figure reflect the position as on 31-03-2011. The actual amounts to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates also refer Note 6(iii) in Schedule-26.

	31.03.2011 Rs.	Rs.	31.03.2010 Rs.	Rs.
SCHEDULE - 14				
PROVISIONS				
Retirement Benefits		**36,29,810**		30,68,097
Proposed Dividends				
Preference shares	**42,92,822**		43,03,420	
Equity shares	**74,25,000**		74,25,000	
		1,17,17,822		1,17,28,420
Tax on proposed dividends :		**19,00,924**		19,93,245
		1,72,48,556		1,67,89,762

	31.03.2011			31.03.2010	
	Rs.	Rs.	Rs.	Rs.	Rs.
SCHEDULE - 15					
INCREASE / (DECREASE) IN STOCKS					
Closing Stock					
Finished Goods		**3,70,39,835**		3,93,44,934	
Stock-in-process		**4,60,84,145**		3,52,53,422	
Traded Goods		**5,98,702**		7,48,377	
			8,37,22,682		7,53,46,733
Less : **Opening Stock**					
Finished Goods		**3,93,44,934**		3,80,35,138	
Stock-in-process		**3,52,53,422**		3,92,61,056	
Traded Goods		**7,48,377**		7,48,377	
			7,53,46,733		7,80,44,571
			83,75,949		(26,97,838)
SCHEDULE - 16					
OTHER INCOME					
Interest on Fixed Deposits with Banks (TDS Rs.57,760/- P.Y.Rs.45,309/-)			**5,80,846**		3,80,291
Miscellaneous sales, receipts and realisations			**34,77,411**		20,59,064
Exchange Difference (net of loss)			**24,92,602**		1,82,944
Export benefits			**1,05,68,243**		1,24,28,912
Unspent liabilities, Excess provisions and Sundry Balances written back					
Less : Debts, Advances and other balances written off			**16,50,538**		–
			1,87,69,640		1,50,51,211
SCHEDULE - 17					
RAW MATERIALS CONSUMED					
Opening Stock	**3,89,07,616**			3,90,68,777	
Purchases and Incidental	**39,04,68,436**			31,67,04,799	
Expenses (net of Cenvat)		**42,93,76,052**		35,57,73,576	
Less: Closing Stock		**1,97,36,655**		3,89,07,616	
			40,96,39,397		31,68,65,961

	31.03.2011 Rs.		31.03.2010 Rs.	
SCHEDULE - 18				
STORES & SPARE PARTS ETC. CONSUMED				
General Stores and spare parts etc.	**5,41,01,544**		3,68,81,101	
Packing materials	**1,74,53,450**		1,32,88,073	
	7,15,54,994		5,01,69,174	
SCHEDULE - 19				
POWER, FUEL AND WATER CHARGES				
Electricity Charges	**2,29,16,534**	**(a)**	2,96,41,580	(a)
Fuel	**21,66,01,636**		21,13,43,843	
Water charges	**2,04,10,381**		2,38,36,612	
	25,99,28,551		26,48,22,035	

(a) After adjustments of Rs.3,31,81,571/- (P.Y. Rs.2,22,08,940/-) towards deductions / realisations for wind power generation.

SCHEDULE - 20				
SALARIES, WAGES AND AMENITIES				
Salaries, Wages and Bonus etc.	**4,38,83,806**		4,03,79,849	
Provision for Gratuity	**24,16,947**		9,61,264	
Provision / payments for Leave encashment benefits	**5,09,947**		1,73,382	
Contribution to Employees State Insurance	**9,92,733**		2,59,181	
Contribution to Provident and Other Funds and charges	**27,28,349**		23,29,449	
Leave Travel Assistance	**7,96,400**		7,66,900	
Welfare Expenses	**38,88,132**		35,53,080	
	5,52,16,314		4,84,23,105	
SCHEDULE - 21				
REPAIRS & MAINTENANCE ETC.				
Buildings	**1,11,40,629**		52,69,346	
Machinery	**3,29,80,704**		2,10,11,077	
Others	**2,84,21,963**		2,27,29,556	
	7,25,43,296	**(a)**	4,90,09,979	(a)

(a) Excluding stores and spares parts etc., and salaries and wages etc.

	31.03.2011 Rs.	Rs.	31.03.2010 Rs.	Rs.
SCHEDULE - 22				
INTEREST				
Fixed Loans	**2,65,87,960**		2,75,97,884	
Others	**2,36,44,881**		2,39,52,811	
	5,02,32,841		5,15,50,695	
Less: Interest on loans, debts and deposits etc. (TDS Rs.37,022/- P.Y. Rs.1,27,336/-)	**35,67,998**		23,10,524	
		4,66,64,843		4,92,40,171
		4,66,64,843		4,92,40,171
SCHEDULE - 23				
EXCISE DUTY				
On stocks	**49,38,407**		49,38,013	
Other payments	**1,946**		5,647	
		49,40,353		49,43,660
SCHEDULE - 24				
SELLING AND DISTRIBUTION EXPENSES				
Commission		**1,47,35,867**		1,91,67,097
Packing and Forwarding		**1,61,43,477**		1,55,67,496
Freight (net of realisations)		**44,60,297**		1,20,01,440
Advertisement and Sales promotion		**2,14,300**		3,80,440
		3,55,53,941		4,71,16,473
SCHEDULE - 25				
OTHER EXPENSES				
Rent		**39,80,750**		32,09,750
Rates and Taxes		**11,80,840**		12,55,083
Insurance (net of realisations)		**7,93,029**		7,34,051
Directors Fees		**1,52,000**		1,52,000
Exchange Difference (net of gain)		–		–
Loss on Sales of Fixed Assets		**2,75,564**		4,99,280
Provision for diminution in value of long term Investment		**7,50,000**		–
Miscellaneous Expenses		**2,04,47,505**		2,16,03,821
		2,75,79,688		2,74,53,985

SCHEDULE - 26

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis Of Preparation of Financial Statements:

The Financial Statements are prepared on going concern assumption and under the historical cost convention, in accordance with generally accepted Accounting principles in India and the provisions of the Companies Act, 1956.

(ii) Use of Estimates:

The preparation of financial statements requires estimates and assumption to be made that effect 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 results and estimates are recognized in the period in which results are known/materialized.

(iii) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost (net of CENVAT, VAT and Service Tax credits) is inclusive of freight, duties and levies and any directly attributable cost of bringing the assets to their working condition for intended use. Interest and other borrowing costs on borrowed funds used to finance the acquisition of fixed assets, upto date the assets are ready for use, are estimated and capitalised and included in the cost of the asset.

(iv) Depreciation

(a) The cost of leasehold land is amortised yearly over the balance period of the lease proportionately from the date of commercial production.

(b) Depreciation on other fixed assets is provided pro-rata to the period of use on straight line method in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956.

(c) Assets of value not exceeding Rs.5000/- are fully depreciated in the year of purchase.

(v) Investments

a) Investments are stated at cost.

b) Provision for diminution is made to recognize decline, other than temporary, in the value of such investments.

(vi) Valuation of Inventories

(a) Inventories are valued at lower of cost (net of Cenvat/VAT Credits) and net estimated realisable value, as certified by the management. Cost for the purpose of valuation of :

(i) Raw-materials and stores and spare parts etc., is computed on weighted average method.

(ii) Finished goods and Stock-in-process is computed on the basis of estimated cost of materials, labour, conversion and other costs for bringing the inventories to their present location and condition.

(iii) Traded goods is computed on the basis of actual cost paid.

(b) There are no other significant machinery spares lying in stock which can be specifically used to a particular item of fixed assets or their use is expected to be irregular.

(c) There are no obsolete/slow moving stocks for which provisions need to be made in accounts.

(vii) Excise Duty and Cenvat/VAT/Service Tax Credits

a) The value of closing stock of finished goods lying in factory premises are inclusive of excise duty.

b) Benefits of Cenvat/VAT and Service Tax Credits (to the extent claimed/availed) are accounted for by adjusting to the cost of relative fixed assets/materials/expenses.

(viii) Revenue Recognition

(a) Income and Expenses considered receivable and payable respectively, are accounted for on accrual and prudent basis.

(b) Interest on refunds of Government dues and disposal of Scrap/residual materials are accounted for when the amounts are finally determined and or materials disposed off.

(c) Self-generated Certified Emission Reductions (CERS) under the Clean Development Mechanism(CDM) :

United Nations Framework Convention on Climate Change (UNFCCC) has Registered the Company's "CDM" project on 21-04-2009. Considering the "Exposure Draft of Guidance Note on Accounting for Self-generated Certified Emission Reductions (CERS)" issued by ICAI, "CERS" income are to be recognised in the accounts only when the "CERS" are issued/credited sold/certified by "UNFCCC". The Expenditure incurred on "CDM" project has been considered by the company as "Intangible Assets-CDM Project" and included in Schedule 6 of Fixed Assets and amortised over a period of Ten years (life of the CDM Project).

(ix) Retirement benefits

(a) The liability for Gratuity is covered under Group Gratuity Scheme with Life Insurance Corporation of India.

(b) Liability for Leave Encashment benefits is accounted for on basis of actuarial valuation

(c) The disclosures required under AS-15 (revised) are set out in Note 10 below.

(x) Turnover/Sales

(a) Domestic Sales are recognized on despatch of goods and are inclusive of excise duty but excluding sales tax/Vat.

(b) Export Sales are recognized on the basis of dates of Bills of Lading and are exclusive of excise duty as such Export Sales are being made without payment of excise duty.

(xi) Foreign Currency Transactions

(a) Transactions arising in foreign currency are accounted for at rates of exchange prevailing on the dates of transactions.

(b) Foreign currency monetary items at the Balance Sheet date are translated at the exchange rate prevailing on the date of the Balance Sheet.

(c) Exchange rate differences resulting from foreign exchange transactions on revenue account, settled during the year, including on year end translation of monetary items, are recognized in the Profit & Loss Account.

(d) There were no exchange rate differences resulting on capital account.

(xii) Export Benefits

Consideration/Benefits for transfer of DEPB licences and benefits (including for entitlements in hand as on the close of the year and to be received) are accounted for on accrual basis and are being valued at estimated and/or at net estimated realizable value. Adjustments for short/excess realizations, if any, are to be made on actual dates of realizations.

(xiii) Borrowing Costs

Interest and other costs on borrowed funds used to finance the acquisition of fixed assets, upto date the assets are ready for use, are estimated and capitalised under respective fixed assets.

Other interest and costs incurred on borrowed funds are recognised as expense in the year in which they are incurred.

(xiv) Taxation

a) (i) Provision for taxation (MAT) Rs.142 lacs (P.Y. Rs.115 lacs) made in accounts is as estimated. The final tax liability is to be determined only on filing of Tax returns.

(ii) The Company is entitled to credit in respect of Minimum Alternate Tax (MAT) under the provisions of the Income Tax Act, 1961. However, read with Note 3(v)below and keeping in view the consideration of prudence and the probability of availability/availing the MAT Credit (which is based on convincing evidence of realization as envisaged by the Guidance Note issued by ICAI), MAT Credits (including for earlier years), the amount, whereof is not presently ascertainable, has not been considered by the Company.

b) The deferred tax liabilities or assets are recognised using current tax rates, to the extent the management feels that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets/liabilities can be realised. Such assets/liabilities are reviewed as at each balance sheet date, to reassess realization / liabilities.

(xv) Research and Development

Routine expenditure considered as of revenue nature are charged to revenue under the natural heads of account in the year in which it is incurred. The Expenditure of capital nature, if any, is capitalized as fixed assets.

(xvi) Intangible Assets

Intangible assets (Computer Software) are recognized at cost and amortized over a period of five years (read also para (viii)(c) above).

(xvii) Impairment of Assets

As required by AS-28 issued by the Institute of Chartered Accountants of India, provision for impairment loss of Assets is not required to be made as in view of the management, the estimated realizable value of such assets will be more or equal to the carrying amount stated in the Balance Sheet and the Auditors have relied on the certificate of the management in this regard.

(xviii) Provisions, Contingent Liabilities and Contingent Assets

a) Provisions are recognised in respect of obligations where, based on the evidences available and their existence at the Balance Sheet date are considered probable.

b) Contingent liabilities are shown by way of Notes on Accounts in respect of obligations where, based on the evidences available, their existence at the balance sheet date are considered not probable.

c) Contingent Assets are neither recognized nor disclosed in Accounts.

2) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances Nil (P.Y. : Rs. 26.85 lacs) Rs.10.50 lacs (P.Y. Rs.36.25 lacs)

3) Contingent liabilities not provided for in respect of (i) bills discounted with banks Rs.114.56 Lacs/- (P.Y. Rs.188.91 Lacs), (ii) Unexpired letters of credit Rs.495.50 Lacs (P.Y.Rs.504.30 Lacs), (iii) Guarantees given by Banks Rs.27.50 Lacs (P.Y. Rs.27.50 lacs) (iv) Income Tax demands of Rs.92.97 lacs(P.Y.Rs.92.97 Lacs) for an earlier year, in view of pending appeals (v) Disputed service tax demands Rs.8.20 Lakhs (P.Y. Rs.9.66 lacs) pending in appeals and (vi)Disputed labour demands of Rs.3.13 Lakhs (P.Y. Rs.3.13 lacs) pending appeal in court and (vii) Obligation to export towards custom duty saved on purchase of capital goods under Export Promotion Capital Goods Scheme Rs.40.73 Lacs(P.Y. NIL).

Except as stated herein, there are no other pending cases and or claims against the company.

4) In the opinion of the Board of Directors, the Current Assets, Loans, Advances and Deposits are approximately of the value stated, if realised, in the ordinary course of business unless otherwise stated. The provisions for liabilities are adequate and not in excess of the amount reasonably necessary.

5) (i) Managerial Remuneration under section 198 of the Companies Act, 1956.

	31.03.2011 Rs.	31.03.2010 Rs.
Managing Director		
(a) Salary	**30,88,333**	28,48,333
(b) Contribution to Provident Fund	**3,85,600**	3,51,400
(c) Perquisites and benefits	**3,16,626**	3,17,594
	37,90,559 (a)	35,17,327 (a)

a) Excluding leave encashment Benefits and Gratuity (Separate details not ascertainable as actuarial valuation is done on an overall company basis and hence not included above)

(ii) Since no commission is payable to the Managing Director, the computation of Net Profit under Section 349/ 198(1) of the Companies Act, 1956 for the purpose of Managing Director's Commission is not given.

	31.03.2011 Rs.	31.03.2010 Rs.
(iii) Directors' Fees	**1,52,000**	1,52,000

			31.03.2011 Rs.	31.03.2010 Rs.
6)	(i)	Amount paid/payable to Auditors.		
		a. Statutory Audit fee	**2,30,000**	2,30,000
		b. Tax Audit Fee	**45,000**	45,000
		c. Limited Review of Quarterly Un-audited results	**40,000**	47,500
		d. Certification for Corporate Governance and others	**25,000**	32,500
		e. For reimbursement of expenses	**30,697**	29,374
		f. Service tax/cess	**35,020**	36,565
			4,05,717	4,20,939

(ii) Prior period items adjusted under respective account heads in the profit & Loss Account.

	Particulars	31.03.2011 Rs.	31.03.2010 Rs.
(a)	At Debit		
	Stores & Spares Parts etc. consumed	**78,942**	–
	Salaries, Wages and Amenities	–	720
	Repairs & Maintenance etc.	–	1,79,559
	Miscellaneous Expenses	–	24,093
	Commission	**2,58,532**	–
		3,37,474	2,04,372
(b)	At Credit		
	Export Benefits	–	72,516

(iii) The management has confirmed that the Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures, if any, relating to total outstanding dues of Micro Enterprises and Small Enterprises and the principal amount and interest due thereon remaining unpaid and the amount of interest paid/payable as required under amended schedule VI of the Companies Act, 1956 could not be compiled and disclosed.

(iv) Advances as per Schedule 12 includes Rs.1.90 Lacs (P.Y. Rs.3.97 Lacs) (Maximum Amount due Rs.3.34 Lacs (P.Y. Rs.8.41 Lacs) (interest free) due by Officers of the company.

(v) Accounts in respect of loans, current liabilities, debtors, other current assets, loans ,advances and deposits are subject to confirmation of respective parties.

(vi) (a) **Movements for Provisions for Retirement Benefits**

	Rs.(in lacs)	Rs.(in lacs)
Balance as on 1.4.2010/1.4.2009	**30.68**	19.50
Additions during the year	**19.62**	11.35
Reversals/adjustments during the year	**14.00**	0.17
Balance as at 31.3.2011/31.3.2010	**36.30**	30.68

(b) No Reimbursement is expected in the case of Contingent Liabilities and Liabilities shown respectively under Note No. 3 and (a) above.

(vii) The year end foreign currency exposures that have not been hedged by derivative instrument or otherwise are given below :

		31-3-2011		31-3-2010	
		Rs.	**US DOLLARS**	Rs.	US DOLLARS
a)	Amounts receivable in Foreign currency on account of receivables towards export of goods	**1,78,52,820**	**4,02,000**	1,97,57,741	442,671
b)	Amount payable in foreign currency towards expenditure	**–**	**–**	3,41,630	8,177
c)	Advances received	**9,32,556**	**20,990**	–	–

(viii) The amount of Rs. 5,72,212/- lying in Unpaid Dividend Account of the company is still to be transferred to the Investor Education and Protection Fund as per provisions of Section 205C of the Companies Act, 1956 though the due date for transfer was 15.10.2010.

7) Earnings per share (EPS)

The numerators and denominators used to calculate basic and diluted earnings per share.

		31.03.2011	31.03.2010
(i)	Profits (after tax and dividend on preference shares) attributable to the equity share holders (subject to notes on accounts) (A)	**Rs. 5,25,66,837**	Rs. 2,91,24,312
(ii)	Basic / weighted average number of Equity Shares outstanding during the year (B)	**74,25,000**	74,25,000
(iii)	Nominal value of Equity Shares	**Rs.10/-**	Rs.10/-
(iv)	Basic / Diluted Earnings per share (A)/(B)	**Rs. 7.08 P.**	Rs. 3.92 P.

8) **Segment Reporting**

a) Identification of Segments : The Company is primarily engaged in the business of manufacture and sale of chemicals.The Company has identified two primary business segments, namely Chemicals and Power(used mainly for self consumption),which in the context of Accounting Standard-17 on " Segment Reporting" may constitute reportable segment.

i) Information about Primary Business Segments

(Rupees in lacs)

	Year ended 31.03.2011			Year ended 31.03.2010		
Particulars	**Chemical**	**Power**	**Total**	Chemical	Power	Total
Revenue						
External Sales	**11,377.72**	**45.89**	**11,423.61**	10,325.76	4.06	10,329.82
Inter Segment Revenue	**–**	**285.93**	**331.82**	–	218.03	222.09
Total Revenue	**11,377.72**	**331.82**	**11,755.43**	10,325.76	222.09	10,551.91
Segment Results						
Segment/ Operating Results	**404.78**	**116.21**	**520.99**	447.65	70.40	518.05
Un-allocated Items:						
Income			**187.69**			150.51
Provision for Taxation			**133.12**			326.97
Net Profit			**575.56**			341.59

(Rupees in lacs)

Particulars	Year ended 31.03.2011 Chemical	Power	Total	Year ended 31.03.2010 Chemical	Power	Total
Other Information						
Segment Assets	**8,248.67**	**1,823.84**	**10,072.51**	8,300.54	1,887.79	10,188.33
Total Assets			**10,072.51**			10,188.33
Segment Liabilities	**4,648.76**	**563.52**	**5,212.28**	4,991.78	656.89	5,648.67
Un-allocated Liabilities & Provisions			**4,860.23**			4,539.66
Total Liabilities			**10,072.51**			10,188.33
Depreciation	**384.40**	**110.65**	**495.05**	373.19	87.52	460.71
Total Cost incurred during the year to acquire Segment Assets	**271.27**	**–**	**271.27**	350.05	912.15	1,262.20

Notes:

1. Inter Segment transfer from the power segment is measured at the rate at which power is purchased/ sold/ to the respective Electricity Board.

ii) **Geographical Segment**

The analysis of Geographical Segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows :

i) Sales within India include Sales to customers located within India.

ii) Sales outside India include Sales to customers located outside India.

b) **Information pertaining to Geographical Segment**

(i) **Gross Revenue as per Geographical locations**

	31.03.2011 Rs.	31.03.2010 Rs.
Within India	**1,07,76,38,807**	88,37,75,772
Outside India	**16,73,52,744 (a)**	21,65,31,607 (a)
	1,23,49,91,551	1,10,03,07,379

(a) Includes Rs. 66,39,650/- (P.Y. Rs. 18,78,600/-) Exports through Export Houses/ Merchant Exporters.

ii) **Fixed Assets as per Geographical locations**

The company has common fixed assets for producing goods for domestic as well as overseas market. Hence, segmentwise information for fixed assets / additions to fixed assets cannot be furnished.

9) **Related Party Disclosures**

(Particulars identified by the Company on the basis of information available and have been relied upon by the Auditors)

i) List of related parties :

A. Key Management Personnel and their relatives

1) Mr. S. K. Jalan (Managing Director)
2) Mr. B. P. Jalan (Father of Mr.S.K. Jalan)(Director)
3) M/s.Bajarang Prasad & Son (HUF) [Mr. B. P. Jalan (Father of Mr. S. K. Jalan) is Karta]

B. Enterprise over which Key Management Personnel and relative of such Key Management Personnel exercise significant influence

1) Kilburn Office Automation Limited
2) Kilburn Software Technologies Limited

ii) A. Transactions with related parties (Key Management Personnel and relatives of Key Management Personnel)

	31.03.2011 Rs.	31.03.2010 Rs.
Nature of Transactions		
1. Rent paid	**12,60,000**	12,60,000
2. Managerial Remuneration	**37,90,559**	35,17,327
3. Amount due (at credit)	**8,800**	55,862
4. Proposed Dividend on Equity Shares	–	25,355
5. Proposed Dividend on Preference Shares	**1,85,463**	1,87,000
B. Transactions with parties referred to in para B above		
1. Loans given	**3,42,00,000**	2,71,00,000
2. Refund of loans	**1,76,00,000**	2,33,81,900
3. Amount outstanding	**2,62,37,377**	81,13,443
4. Interest Received/Receivable	**31,97,778**	16,73,844
5. Service charges paid	**21,00,000**	21,00,000
6. Sales of goods	**41,44,845**	–
7. Outstanding Debtors	**41,44,845**	–
8. Investments made	**–**	–
9. Outstanding Investments	**7,50,000**	7,50,000
10. Provision for diminution in value of Investments	**7,50,000**	–

iii) No amounts were written-off or written-back during the period in respect of debts due from or to related parties.

10) The disclosures required as per the revised Accounting Standard (AS) 15 – Employee Benefits notified under the Companies (Accounting Standards) Rules, 2006 are as under.

Defined-Contribution Plans

The Company offers its employees defined contribution plan in the form of provident fund (PF), family pension fund (FPF) and Employees Insurance Scheme (ESI). Provident Fund, family pension fund and Employees State Insurance Scheme cover substantially all regular employees. Contributions are paid during the year into separate funds under certain fiduciary-type arrangements. Both the employees and the company pay predetermined contributions into the provident fund, family pension fund and the Employees State Insurance Scheme. The contributions are normally based on a certain proportion of the employee's salary.

Contribution to Defined Contribution Plans, recognized and charged off for the year are as under (excluding for on contractors payments)

	Rs.	Rs.
Provident Fund	**11,47,153**	10,65,639
Family Pension Fund	**8,98,469**	8,63,773
Employees State Insurance Scheme	**8,35,035**	92,609

Defined-Benefit Plans

The Company offers its employees Defined-Benefit Plans in the form of a gratuity scheme. Benefits under the defined benefit plan is typically based either on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. The Company contributes funds to Life Insurance Corporation of India, which is irrevocable Commitments are actuarially determined at year-end. The actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the profit and loss account. The obligation for leave encashment is recognized in the same manner as gratuity.

		Gratuity (Funded)		Leave Encashment (Unfunded)	
		31-3-2011 Rs.	31-3-2010 Rs.	**31-3-2011 Rs.**	31-3-2010 Rs.
a.	Reconciliation of opening and closing balances of Defined Benefit Obligation				
	Defined Benefit obligation at beginning of the year	**53,98,998**	44,58,320	**18,08,915**	17,71,553
	Current Service Cost	**5,20,880**	3,80,876	**3,36,676**	24,96,681
	Interest Cost	**4,31,920**	3,56,666	**1,39,061**	1,27,766
	Actuarial gain/(loss)	**19,18,049**	5,60,540	**34,210**	(2,51,065)
	Benefits paid	**7,23,582**	3,57,404	**1,41,306**	1,36,020
	Defined Benefit obligation at year end	**7,54,62,265**	53,98,998	**21,77,556**	18,08,915
b.	Reconciliation of opening and closing balances of fair value of plan assets				
	Fair value of plan assets at beginning of the year	**41,39,816**	38,14,972	**–**	–
	Expected return on plan assets	**4,53,902**	3,36,818	**–**	–
	Actuarial gain/(loss)	**–**	–	**–**	–
	Employer contribution	**22,23,875**	3,45,430	**1,41,306**	–
	Benefits Paid	**7,23,582**	3,57,404	**1,41,306**	1,36,020
	Fair value of plan assets at year end	**60,94,011**	41,39,816	**–**	–
	The Plan Assets of the Company are managed by the LICI and the composition of investments relating to these assets are not available with the Company.				
c.	Reconciliation of fair value of Assets and obligations				
	Fair value of plan assets as at 31.3.2011/31.3.2010	**60,94,011**	41,39,816	**–**	–
	Present value of obligation as at 31.3.2011/31.3.2010	**75,46,265**	53,98,998	**21,77,556**	18,08,915
	Amount recognized in Balance Sheet	**14,52,254**	12,59,182	**21,77,556**	18,08,915
d.	Expenses recognized during the year (Under the head Salaries, Wages and Amenities – Schedule – 20)				
	Current Service Cost	**5,20,880**	3,80,876	**3,36,676**	2,96,681
	Interest Cost	**4,31,920**	3,56,666	**1,39,061**	1,27,766
	Expected return on plan assets	**4,53,902**	3,36,818	**–**	–
	Actuarial gain/(loss)	**19,18,049**	5,60,540	**34,210**	(2,51,065)
	Net Cost	**24,16,947**	9,61,264	**5,09,947**	1,73,382

e. The actuarial calculations used to estimated defined benefit commitments and expenses are based on the following assumptions which if changed, would affect the defined benefit commitment's size, funding requirements.

Particulars				
	31.3.2011	31.3.2010	**31.3.2011**	31.3.2010
Discount Rates	**8%**	8%	**8%**	8%
Salary Escalation	**3%**	3%	**8%**	3%
Expected Rate of return on plan assets	**8%**	3%	**–**	–
Mortality Rate (LIC)	**1994-96 duly modified**	1994-96 duly modified	**1994-96 duly modified**	1994-96 duly modified

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors such as demand and supply in the employment market. The above information is as submitted and or obtained from LICI/Actuary and relied upon by the Auditors.

The contribution expected to be made by the Company for the year ending 31-03-2011 (P.Y.31.3.2010) cannot be readily ascertainable and therefore not disclosed.

11) INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3, 4C AND 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

		31.03.2011 Rs.	31-03-2010 Rs.
(i)	C.I.F Value of Imports		
	Raw materials	**1,63,87,770**	NIL
	Capital Goods	**24,66,680**	NIL
		1,88,54,450	NIL
(ii)	Expenditure in Foreign Currency		
	Travel (purchase of travellers cheques / foreign currencies/ exchange)	**12,16,315**	4,24,263
	Commission(on remittance basis)	**7,29,913**	12,70,449
	Others	**2,10,722**	2,86,752
		21,56,950	19,81,464

(iii) Value of Raw-materials and stores and spare parts etc. consumed and percentage to total consumption:

	Rs.	**%**	Rs.	%
(a) Raw materials				
Indigenous	**39,32,51,627**	**96.00**	31,68,65,961	100.00
Imported	**1,63,87,770**	**4.00**	–	–
	40,96,39,397	**100.00**	31,68,65,961	100.00
(b) Stores and spare parts	–	**100.00**	6,94,14,359	100.00

(iv) Amount remitted during the year in foreign currency on account of dividend :

(a) Number of Non-Resident Shareholders	**21**	22
(b) Number of Shares held by them	**13021**	12813
(c) Amount of Dividend Paid(Gross)	**Rs. 13021/-**	Rs. 6404/-
(d) Year to which Dividend relates	**31.03.2010**	31.03.2009

(v) Earnings in Foreign Exchange

Export of Goods calculated on FOB basis	**16,18,13,094 (a)**	21,46,53,007 (a)

(a) Excluding Rs. 55,39,650/- (P.Y Rs.18,78,600/-) exports through Export Houses/Merchant Exporters.

(vi) Raw Materials Consumed:

	31-3-2011		31-3-2010	
Description of materials	**Qty. (M.T.)**	**Rs.**	Qty. (M.T)	Rs.
Ilmenite	**2799039.000**	**16,38,92,392**	30420.879	15,44,57,984
Scrap Iron	**2431.250**	**5,82,99,654**	2719.670	5,38,14,775
Sulphuric Acid	**41796.500**	**16,73,35,002**	46075.100	8,54,06,228
Others		**2,01,12,349**		2,31,86,974
		40,96,39,397		31,68,65,961

(vii) Licensed and Installed Capacities :

(a) Licensed Capacity (Capacity under the Industrial Entrepreneurs memorandum filed with the Government of India and duly acknowledged under the scheme of de-licensing notified by the Government).

	31.03.2011 M.T	31.03.2010 M.T
Titanium Di-oxide (Both Anatase and Rutile Grades)	**25,000**	25,000
Ferrous Sulphate Salt	**8,580**	8,580
Mixed Sulphate Salt	**9,000**	9,000
(b) Installed Capacity (as certified)		
Titanium Di-oxide	**11,550**	11,550
Ferrous Sulphate Salt	**17,580**	17,580
Wind Power	**4,000 KW**	4,000 KW

(viii) Detailed Quantitative Information :

Description of goods	Opening Stock		Production(b)	Purchases		Turnover/Sales		Closing Stock	
	Qty. (M.T)	Rs.	Qty. (M.T)	Qty. (M.T)	Rs.	Qty. (M.T)	Rs.	Qty. (M.T)	Rs.
Titanium Dioxide	442.950 (405.950)	3,32,77,505 [3,25,03,900]	11441.000 [12460.000]	NIL (NIL)	NIL (NIL)	11776.025 (12438.550)	1,14,80,33,997 [98,47,12,371]	107.925 [442.950]	1,04,17,467 [3,32,77,505]
Ferrous Sulphate	2708.190 [2070.890]	60,67,429 [55,31,238]	29697.000 [26330.000]	NIL (NIL)	NIL (NIL)	20545.200 [25692.700]	8,28,13,811 [11,55,95,008]	11859.990 [2708.190]	2,66,22,368 [60,67,429]
Wind Power (c)	NIL (NIL)	NIL (NIL)	8970922 [5844217 Units]	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Traded Goods :									
Titanium Dioxide Rutile	8.025 [8.025]	7,48,377 [7,48,377]	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	8.025 (8.025)	5,98,702 (7,48,377)
Digital Franking Machines	NIL (NIL)	NIL (NIL)	NIL (NIL)	50 (NIL)	38,55,365 (NIL)	50 (NIL)	41,43,743 (NIL)	NIL (NIL)	NIL (NIL)
		4,00,93,311 (3,87,83,515)			38,55,365 (NIL)		1,23,49,91,551(a) (11,00,30,739(a))		3,76,38,537 (4,00,93,311)

Figures in brackets are for previous year.

(a) After rebate and discount etc. Rs. 2,34,06,068/- (P.Y. Rs. 3,02,95,716/-)

(b) Net of samples issued.

(c) Refer Note-a(in Schedule-19)

12) The position of Company Secretary of the Company has been vacant from 17-06-2006 till date.

13) Previous year's figures have been regrouped, rearranged and recasted wherever considered and found necessary to confirm with this year's classification.

14. CASH FLOW STATEMENT PREPARED PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES FOR THE YEAR ENDED 31st March, 2011.

		31.03.2011 (Rs. in lacs)	31.03.2010 (Rs. in lacs)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit before Tax and extraordinary Items	**708.68**	668.56
	Adjustments for:		
	Depreciation	**495.05**	460.71
	Interest received	**(41.49)**	(26.91)
	Interest paid	**502.33**	515.51
	Loss on assets Sold	**2.76**	4.99
	Exchange difference(Net)	**(24.93)**	(1.83)
	Provision for diminution in value of investment	**7.50**	–
	Operating Profit before Working Capital Changes	**1649.90**	1621.03
	Adjustments for:		
	Trade and other receivables	**(287.99)**	284.81
	Inventories	**28.81**	(114.37)
	Trade payables and other liabilities	**20.13**	133.94
	Cash Generated from Operations	**1410.85**	1925.41
	Taxes Paid	**(102.40)**	(136.59)
	Net cash from operating Activities	**1308.45**	1788.82
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Acquisition of Fixed Assets / Capital Work in progress	**(316.55)**	(1416.28)
	Sale of Fixed Assets	**2.22**	3.96
	Acqusition of Investments	**–**	–
	Interest Received	**41.49**	26.91
	Exchange difference (Net)	**24.93**	1.83
	Net Cash used in Investing Activities	**(247.91)**	(1383.58)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Redemption of Preference Shares	**(117.22)**	–
	Proceeds from Borrowings	**(582.37)**	443.85
	Interest paid	**(509.33)**	(542.05)
	Dividend paid (including dividend tax)	**(136.76)**	(93.78)
	Net Cash used in Financing Activities	**(1345.68)**	(191.98)
	Net Increase / (Decrease) in Cash & Cash equivalents	**(285.14)**	213.26
	Cash & Cash equivalents at start of year	**615.90**	402.64
	Cash & Cash equivalents at close of year	**330.76**	615.90

Notes:

(1) The above statement is subject to and read together with the notes and observations on Accounts and Schedules attached thereto.

(2) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

(3) Cash & Cash equivalents at start and close of year includes balances on unpaid dividend accounts.

(4) Previous year's figures have been regrouped, rearranged and recasted wherever found necessary.

This is the Cash Flow Statement referred to in our Report of even date.

Signatures to Schedules “1” to “26”

As per our attached Report of even date.

For **G. P. KEJRIWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 302201E
K. K. SINGHAL
Partner M. No. 50140
5, Clive Row, Kolkata - 700001
Dated : 30th May, 2011

B. P. JALAN *Chairman*
S. K. JALAN *Managing Director*
V. VANCHI *Director*

PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 (AS AMENDED) BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No	:	1 9 5 9 1	State Code	:	18
Balance Sheet Date	:	31.03.2011			

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	:	NIL	Right Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

III. Position of Mobilisation and Deployment of Fund (Rs.)

Total Liabilities	:	86,36,76,872	Total Assets	:	86,36,76,872
Sources of Funds					
Paid up Capital	:	10,16,50,000	Reserves & Surplus	:	33,09,29,513
Secured Loans	:	35,32,34,579	Unsecured Loans	:	5,45,02,264
Application of Funds					
Net Fixed Assets	:	63,10,39,354	Investments	:	NIL
Net Current Assets	:	23,26,37,518	Deferred Tax Liability (Net)	:	2,33,60,516
			Misc Expenditure	:	NIL

IV. Performance of the Company

Turnover/Other Income	:	1,16,49,18,018	Total Expenditure	:	1,09,40,49,693
Profit before tax	:	7,08,68,325	Profit After Tax	:	5,75,56,062
Earning per Share	:	7.08	Dividend Rate	:	10%

V. Generic Name of Three Principal Products/Services of Company (as per monetary items)

Item Code No. (ITC Code)	:	2 8 2 3 0 0 0 1
Product Description	:	Titanium Dioxide
Item Code No. (ITC Code)	:	2 8 3 3 2 9 0 1
Product Description	:	Ferrous Sulphate Salts
Item Code No. (ITC Code)	:	2 8 3 3 2 9 0 9
Product Description	:	Mixed Sulphate Salts

Place: Kolkata
Date: 30th May, 2011

B. P. JALAN *Chairman*

S. K. JALAN *Managing Director*

V. VANCHI *Director*

KILBURN CHEMICALS LTD.

Registered Office :

New No. 23, Old No. 12, Neelakanta Mehta Street, T. Nagar, Chennai – 600 017

PROXY

Regd. Folio No. / DP ID / Client ID ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

I/We .....

..... of ..... being

a member / members of KILBURN CHEMICALS LTD. hereby appoint .....

..... of .....

of failing him .....

of .....

as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting to be held on Monday the 19th day of September, 2011 at 3.30 P.M. at the Narada Gana Sabha (Mini Hall), 314, T. T. K. Road, Alwarpet, Chennai 600018 at any adjournment thereof.

Dated this.....day.....2011.

Signature

Affix Revenue Stamp

Note : The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding of the meeting.

KILBURN CHEMICALS LTD.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

Regd. Folio No. / DP ID / Client ID ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Name of the Share held

Name & Address ☐☐☐☐☐☐☐☐☐☐☐☐

I hereby record my presence at the Annual General Meeting held on Monday the 19th day of September, 2011 at 3.30 P.M. at the Narada Gana Sabha (Mini Hall), 314, T. T. K. Road, Alwarpet, Chennai 600018.

Signature of the Shareholder / Proxy

Note : Shareholder / Proxyholder desiring to attend the meeting are requested to bring their copy of their Annual Report for reference at the meeting.

KILBURN CHEMICALS LTD.

New No. 23, Old No. 12, Neelakanta Mehta Street
T. Nagar, Chennai 600 017

Dear Shareholder,

Sub: Green Initiative

Ministry of Corporate Affairs (MCA) has recently issued Circulars regarding 'Green Initiative' in Corporate Governance by allowing paperless compliances by serving documents through electronic mode. Accordingly, we propose to send all future shareholders' communications like Notices, Company's Annual Reports etc. through electronic mode. This will ensure prompt receipt of communication, avoid loss in postal transit and most importantly, will enable your Company to help in conservation of forest resources.

If you are holding shares in electronic form, we would request you to register your e-mail address with your Depository Participant at the earliest, in case you have not already done so. You are also requested to intimate to the Depository Participant the changes, if any, in your registered addresses, e-mail id and/or changes in your bank account details. You are not required to re-register unless there is a change in your e-mail address etc.

If you are holding shares in Physical form, you may kindly provide your e-mail address to our Registrar & Share Transfer Agents at the following address for receiving the documents in electronic mode.

Maheshwari Datamatics Private Limited
6, Mangoe Lane (Surendra Mohan Ghosh Sarani)
2nd Floor, Kolkata 700 001
Phone: +91 (033) 2243-5809/5029, 22482248
Fax No: +91 33 22484787
E-mail: mdpl@cal.vsnl.net.in/mdpldc@yahoo.com

We appreciate the 'Green Initiative' taken by MCA and trust you would help in implementing the e-governance initiative of the Government.

With best wishes,

Thanking you,
Yours faithfully,

KILBURN CHEMICALS LTD.
S. K. JALAN
MANAGING DIRECTOR

The Director
Maheshwari Datamatics Private Limited
Unit: Kilburn Chemicals Ltd.
6, Mangoe Lane, Surendra Mohan Ghosh Sarani
2nd Floor, Kolkata 700 001

Sub: E-mail updation

Dear Sir,

In view of the MCA Circulars bearing no. 17/2011 dated 21st April 2011 and No. 18/2011 dated 29th April 2011 I, ……, Son of/Daughter of/Wife of …….. holding …… shares of ……. ('the Company") bearing Folio No. …… /DP ID ……. Client Id …… do hereby wish to receive all future communications/requisite documents of the Company at the following E-mail id:

E-mail id : .....

You are requested to please undate the same in your Book of Records.

Signature:-

Name of Sole/First holder **Name of second holder** **Name of Third holder**