



CHAIRMAN MESSAGE 2010

OPTIMIZING THROUGH STRATEGY

Less. And More.

The entire world is experiencing changes as never witnessed before. They are in the form of scale, scope and speed that have not been anticipated demanding ingenuity and resource optimization to cope up with the issues that have emerged. There is a need balance the forces of the macro level environment sensitively with the micro level goals and resources of the organization to not only survive but even thrive in today's fiercely globally competitive market.

Strategic thinking and action bring about changes in organizations that control the present and shape the future. Sometimes, difficult decisions can mean one ending but it can also mark another beginning. A rocket sheds some of its parts to escape the earth's gravity and gain greater momentum and movement to fulfill its mission. Companies are no different. They have to continuously monitor and evaluate the situation to decide how much to carry and what to unload at appropriate time in the interests of the larger and long term objectives.

Your company is in the business of continuing to do business with the clear and complete vision of taking decisions and action that propel it towards achieving this goal with the resources it has or those with whom it can network. With this strategy, it has taken steps to ensure the optimum path that will lead it to the future that it wants to create.

During the year under review the Company has demerged its Baroda division to Baroda Textile Effects limited after obtaining the court's order under section 391 to 394 of the Companies Act, 1956 The business was subsequently acquired by Huntsman International (India) Private limited. The Honorable High Court of Gujarat has sanctioned the scheme of demerger on 15th May, 2009. A Certified copy was received on 11th June, 2010 and the scheme becomes effective from 22nd June, 2010. As per the terms of the non –compete clause, the remaining Vatva plants will be operated under tolling arrangements for exclusive supplies to Huntsman Group Companies for a period of three years.

The Company has obtained the approval of Shareholders of the Company for Change of its Main Objects by Postal Ballot on 30th September, 2009.

The Company has diversified its activities during the year and entered into realty and infrastructure business. The company as a partner in Metro Samved Engineers launched a Multi Storied Scheme named " Alpine Hights " near Income-tax in the prime location of the City. The company has made investments in land in three other locations. The Company has focused on realty and infrastructure business as one of its strategic areas for future growth. It is also exploring new manufacturing/trading business for its growth.

The Company is pleased to inform you that it is once again in the list of dividend paying Companies for the year 2009-10.

Your company will continue its bold and strategic decisions and actions that enable it to fulfill its commitments and aspirations as it has a very clear focus on stakeholder satisfaction. It has always been fortunate to receive the full support of all its directors, management team, employees, shareholders, customers, supply and distribution networks, institutions, associates and moves ahead with confidence on the basis of this support in the future. I express my sincere and heartfelt gratitude to all of them and look forward to a brighter and more optimistic future to-gether.

Ahmedabad
28th August, 2010



Gautam M. Jain



METROCHEM INDUSTRIES LIMITED

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METROCHEM INDUSTRIES LIMITED

BOARD OF DIRECTORS	: Gautam M. Jain Chairman & Managing Director Anil M. Jain Deputy Managing Director Rahul Jain Executive Director Sudhir N. Doshi (upto 22-08-2009) Nilesh Desai Sandip S. Bhandari Mahendra G. Lodha (w.e.f. 19-2-2010)
COMPANY SECRETARY	: Nitin S. Shah
AUDITORS	: Deepak Soni & Associates Chartered Accountants Ahmedabad
BANKERS	: Indian Bank
REGISTERED OFFICE	: Plot No. 491, G.I.D.C., Phase II, Vatva, Ahmedabad - 382 445.
ADMINISTRATIVE OFFICE	: 505/506, "SURYA RATH" Near White House, Panchwati, Ellisbridge Ahmedabad - 380 006
CORPORATE OFFICE	: 508/509 "SHILP" C.G. Road, Navrangpura, Ahmedabad - 380 009
WORKS	: (I) Unit : 2, Plot No. 472-475 and 489-492, Phase II, G.I.D.C., Vatva, Ahmedabad - 382 445 (II) Unit : 3, Plot No. 407-408, Phase II, G.I.D.C., Vatva, Ahmedabad - 382 445
REGISTRARS AND TRANSFER AGENTS	: Link Intime India Pvt. Ltd. 221, Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009

NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the members of Metrochem Industries Limited will be held on Wednesday, the 29th September, 2010, at 11.30 a.m. at the Registered Office of the Company at Plot no 491, GIDC, Phase II, Vatva, Ahmedabad-382445 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Nilesh R.Desai who retires by rotation and being eligible, offers him self for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

ORDINARY RESOLUTION:

5. **To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution.**

“RESOLVED THAT Shri Mahendra G.Lodha, who was appointed by the Board of Directors as an additional director on the Board of Directors of the Company on 19/02/2010 and hold the holds office up to the date of this Annual General Meeting under the provisions of section 260 of the Companies Act, 1956 and in respect of whom the Company has, as required, under section 257 of the Companies Act, 1956 received notices in writing from the members of the Company signifying their intention to propose him as a candidate for the office of the Director of the Company, liable to retire by rotation.”

SPECIAL RESOLUTION:

6 REAPPOINTMENT OF SHRI RAHUL G. JAIN AS EXECUTIVE DIRECTOR

To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution.

RESOLVED THAT subject to the provisions of Sections 198,269,309 and other applicable provisions of the Companies Act,1956, if any, the approval of the Company be and is hereby accorded to the reappointment of Shri Rahul Jain, as Executive Director of the Company for a period of three years with effect from 1st June,2010 on the terms and conditions as the Board may consider appropriate, provided, however that the terms of remuneration of Shri Rahul Jain shall not exceed the ceiling as set out in Schedule XIII to the Companies Act,1956 as amended from time to time and such other guidelines as may be issued hereafter in this behalf.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all necessary and desirable steps of effecting this appointment and matter incidental thereto.”

By the Order of the Board
For Metrochem Industries Limited

Nitin S. Shah
Company Secretary

Place : Ahmedabad
Date : 28/08/2010
Registered Office : Plot No 491,GIDC, Phase II,
Vatva,Ahmedabad-382445

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him and the proxy need not be a member of the Company. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 18th September, 2010 to Saturday the 25th September, 2010 (both days inclusive).
3. Members who hold the shares in dematerialised form are requested to bring their Client ID and DP ID for easier identification of attendance at the AGM.
4. Members holding the shares in physical mode are requested to notify immediately for change of their address and bank particulars to the Company or its Share Transfer Agent. In case their shares are held in dematerialized form then information should be passed on directly to their respective Depository Participants and not to the Company / Share Transfer Agent without any delay.
5. The dividend as recommended by the Board, if declared at the meeting , will be payable to those members whose names appear on the Company's Register of Members as on 18th September,2010.
6. Any request by demat holders for change of bank particulars after despatch of Dividend Warrant should be accompanied by copy of Client Master list showing the changed bank details.
7. In terms of Section 205A and 205C of the Companies Act, 1956, any dividend remaining unclaimed for a period of seven years from the due date of payment is required to be transferred to the ' Investors' Education and Protection Fund (IEPF). Accordingly, the unclaimed dividend for the financial year 2002-03 has been transferred to the said fund. The dividend for the financial year 2003-04 and thereafter, which remain unclaimed for a period of seven years will be transferred by the Company to the IEPF. Members, who have not encashed their dividend warrant so far, for the financial year 2003-2004 and the subsequent years, are requested to make their claims to the office of the Registrars Transfer Agents, Link Intime India Limited, 221, Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad-380009. It may be noted that once the unclaimed dividend is transferred to the IEPF as above, no claim shall lie against the Company or the said fund in respect of any amounts which were unclaimed / unpaid for a period of seven years from the dates that they first become due for payment and no payment shall be made in respect of any such claims.
8. As required under the Listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be appointed / re-appointed are as per attached Annexure 1.

By the Order of the Board
For Metrochem Industries Limited

Place : Ahmedabad
Date : 28/08/2010
Registered Office : Plot No 491,GIDC, Phase II,
Vatva,Ahmedabad-382445

Nitin S. Shah
Company Secretary

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN ANNUAL GENERAL MEETING TO BE HELD ON 29th SEPTEMBER, 2010

Name of Director	Mr. Nilesh R. Desai
Date of Birth	06/07/1960
Date of Appointment	05.05.2007
Qualification Expertise in specific functional areas	Insurance Consultant & Advisor and having vast experience of different Industries
List of Companies in which outside Directorship held	1. Electrotherm (India) Limited 2. Sahajanand Laser Technology limited
Chairman / Member of the Committee of the Board of Directors of the Company	1. Chairman of Remuneration Committee 2. Member of Audit Committee 3. Member of Investors Grievance Committee
Chairman/Member of the Committees of Directors of other Companies in which he is a Director	NIL
Chairman / Member of the Committee of the Board of Directors of the Company	NIL
Chairman/Member of the Committees of Directors of other Companies in which he is a Director	NIL

* Shri Anil.M. Jain has shown his unwillingness to continue as a Director who is liable to retire by rotation during this Annual General Meeting

ANNEXURE TO NOTICE**Explanatory Statement pursuant to Section 173(2) of the Companies Act,1956 in respect Special Business of item no.4 to 5 of the notice.****Item No.4**

Shri Mahendra G.Lodha has been appointed as Additional Director on the Board of Directors with effect from 19th February,2010. As per the provisions of section 260 of the companies Act, 1956 all the above directors shall hold the office up to the date of the ensuing 23rd Annual General Meeting of the Company. As required by the section 257 of the Companies Act, 1956. Notices have been received by the Company from the members of the Company along with the deposits of Rs.500/- signifying their intention to propose Shri Mahendra G.Lodha as candidate for the office of the Directors of the Company.

Shri Mahendra G.Lodha aged 54 years is a Practicing Chartered Accountants.. He has varied experience in the area of Finance, taxation, accounts and legal matters. He is having more than 30 years experience of working with different types of Industries.

In the interest of the Company, your Directors recommend the appointment of Shri Mahendra G.Lodha as Director of the Company.

None of the Directors of the Company are concerned or interested in the resolution.

Item 5

Shri Rahul G.Jain has been appointed as Executive Director of the Company with From 1st June,2007 for a period of three years.The remuneration payable to Shri Rahul Jain,as a Executive Director is approved by Remuneration Committee and Board of Directors of the Company.

Shri Rahul Jain being relative of Shri Gautam Jain and Shri Anil Jain, his reappointment as Executive Director is governed by section 198, 269,309 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII and other applicable provisions, if any, of the companies Act, 1956

Pursuant to the provisions of section 198, 269,309 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 Shri Rahul Jain is reappointed as Executive Director For a period of three years w.e. f. 1st June, 2010 on the terms and conditions as Board may consider appropriate.

The Present term of appointment of Shri Rahul Jain as a Executive Director shall end on 30th May,2013.

1. Monthly Remuneration by way of salary, dearness allowance, perquisites and other allowances not exceeding of Rs. 50000/- (Rupees Fifty Thousand Only.) per month i.e. 1st June, 2010 in the pay scale of Rs.50000-10000-70000.

a) Perquisites.

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent singly or put together are not taxable under the Income-tax Act,1961
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- c. Encashment of leave at the end of tenure.

b) The Executive Director shall be entitled to other perquisites as are allowed to executives in the Company based on the approval of the Board of Directors From time to time.

Your Directors recommend this resolution.

None of the Directors of the Company except Shri Gautam Jain is concerned and interested in the resolution.

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their Twenty Third Annual Report together with the audited Statement of Accounts for the year ended 31st March, 2010

FINANCIAL RESULTS

PARTICULARS	YEAR ENDED 31-03-2010	YEAR ENDED 31-03-2009
		(Rs. Lacs)
Sales & Other Income	5962.57	22342.21
Profit Before Interest, Depreciation and Tax	4460.39	1055.48
Less : Interest	3.53	711.61
Depreciation	118.49	868.17
Profit / (Loss) Before Taxes	4338.37	(524.30)
Less : Provision for Tax		
Current Tax	0.00	0.00
Deferred Tax	0.00	(204.00)
Fringe Benefit Tax	0.00	6.00
Short Provision Earlier Years	268.55	
Profit / (Loss) After Tax	4069.82	(326.30)
Balance brought forward from the previous year	764.94	1091.24
Profit Available for Appropriation	4834.76	764.94
Appropriations:		
Transfer to General Reserve	406.98	0.00
Proposed Dividend on Equity Shares	228.67	0.00
Tax on Dividend	38.86	0.00
Total	674.51	0.00
Balance Carried to Balance Sheet	4160.25	764.94

OPERATIONS

During the year under review, sales and other income amounted to **Rs. 1900.19 Lacs (Previous Year Rs. 22342.21 Lacs) and Gain on Demerger of Vadodara Unit of Rs. 4062.38 lacs** (Previous Year Rs.Nil). In view of the de-merger the figures for the current year are not comparable with those of the previous year.

Against Net loss of Rs. 326.30 lacs during the previous year, there was a Net profit of **Rs. 4069.82 lacs** (including Gain on Demerger of Vadodara Unit) during the year under review.

There was no sale of Iron Ore during the year as well as during the previous year.

DIVIDEND

The Board of directors have recommended dividend @20% (Previous Year Nil) on paid up capital of the Company for the year ended on 31st March, 2010, subject to approval of shareholders at the Annual General Meeting.

CAPITAL EXPENDITURE

Your Company have made a net addition of **Rs. 95.77 lacs** to various manufacturing fixed assets (Previous Year Rs. 936.80 lacs) during the year under review. Further, all fixed assets of Vadodara Unit becomes Nil due to demerger of the same unit during the year under review.

INSURANCE

The fixed assets and stocks of the Company are adequately insured.

ENVIRONMENT AND POLLUTION CONTROL MEASURES

The Company continues to embark upon the environment and pollution control measures. In order to keep the plants environmental friendly, natural plants and trees are developed in and around the manufacturing area and all measures to keep pollution in control are taken.

DEMERGER SCHEME

The Hon'ble High Court of Gujarat was pleased to sanction the scheme of De-merger on 15th May, 2009. With filing of necessary form with office of Registrar of Companies, the scheme has become effective from 17th June 2009 and accordingly Baroda Division of Company has been transferred to Baroda Textile Effects Limited a company owned by Huntsman International (India) Private Limited. As per the Agreement necessary tolling arrangement for Vatva units have also been entered into by Company.

Company has given undertaking that they shall not for a period of three years from the Closing Date by itself or through its affiliates (directly or indirectly) engage in activities competing with the Business.

Company has diversified its business in investment in Infrastructure and real estate business during the year under review. Company has acquired the land in partnership and put residential Scheme namely "Alpine Heights" Near Income tax, Ahmedabad-380009.

AMALGAMATION -MERGER

Company has signed the Merger Agreement and approved a Composite Scheme of Arrangement in its Board meeting held on 25th August, 2010- in the nature of Amalgamation for merger of Metrochem Industries Limited (MCIL) with Global Boards Limited (GBL). This is proposed in order to have efficient working, explore business possibilities for the benefit of the Shareholders and public at large. The Amalgamation of Metrochem Industries Limited would be subject to requisite approval of the shareholders and creditors of the Company, Statutory authorities including Approval/ Intimation to Bombay Stock Exchange, honourable High Court of the applicable jurisdiction.

POSTAL BALLOT

Details of voting by means of postal ballot process conducted during the year under review for seeking approval of Shareholders are as under:

Resolution No as given in the Postal Ballot Notice dated 22 nd August, 2009	Type of Resolution	Description of the Resolution	Results
1.	Special Resolution Date of Result: 30th September, 2009	Special Resolution pursuant to the Section 17 of the Companies Act, 1956 for insertion of the new Sub-clause no 2 to 11 to the Clause III (A) under the head Main Objects Clause of the Memorandum of Association of the Company.	Total number of votes in favour of the resolution were 8414227 as against 400 the. Resolution was passed as a Special resolution.
2.	Special Resolution Date of Result: 30th September, 2009	Special Resolution pursuant to the Section 17 A read with section 146 of the Companies Act, 1956 for Shifting the Registered office from Village : Umraya, Vadodara to Plot No: 491, GIDC, Phase-II, Vatva, Ahmedabad	Total number of votes in favour of the resolution were 8414227 as against 400 the resolution. Resolution was passed as a Special resolution.

POSTAL BALLOT

Special Resolution under section 17 of the Companies Act, 1956 for addition to the New Object to the Main Object Clause and to make investment and loans in excess of the limit prescribed under Section 372A of the Companies Act, 1956 is proposed through Postal Ballot.

COST AUDIT

Your Company has appointed Kiran J. Mehta & Co., Cost Auditors, a firm of Practising Cost Accountants, for the financial year 2010-11 for the cost audit of the Company's cost records pursuant to an order of the Department of Company Affairs, Company Law Board, and New Delhi.

CONSOLIDATED ACCOUNTS

As required under Clause 32 of the Listing Agreement with the Stock Exchanges, audited consolidated financial statements form part of the Annual Report.

SUBSIDIARY COMPANIES

As required under section 212 of the Companies Act, 1956, the Audited Balance Sheet and Profit and Loss Account along with the Reports of Directors and Auditors of Metrochem Capital Trust Limited, Subsidiary of the Company, are annexed hereto

DIRECTORS

Shri Nilesh R. Desai and Shri Anil M. Jain, Directors of the Company, retire by rotation and being eligible offer themselves for reappointment. Shri Anil M. Jain has shown his unwillingness to continue as a Director. So Shri Anil M. Jain will vacate his office as Director w.e.f 29th September, 2010.

FIXED DEPOSITS

The Company has not accepted/renewed fixed deposit during the year under review .

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under the Listing Agreement with the Stock Exchanges is enclosed as **Annexure II**.

CORPORATE GOVERNANCE

A separate report on Corporate Governance, along with Auditors Certificate on its compliance, is enclosed as **Annexure III**

DIRECTORS RESPONSIBILITY STATEMENT

In compliance of Section 217 (2AA) as incorporated by the Companies (Amendment) Act, 2000 in the Companies Act, 1956, your Directors confirm that:

- a) The company has followed the applicable accounting standards in the preparation of the Annual Accounts and there had been no material departure.
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the Profit of the Company for the year ended on that date.
- c) The directors had 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.
- d) The directors have prepared the Annual Accounts on a going concern basis.

AUDITORS AND AUDITORS REPORT

M/s. Deepak Soni & Associates, Chartered Accountants, Ahmedabad, the Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have expressed willingness to serve, if reappointed.

Observations of the Auditors are self-explanatory.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The statement containing the necessary information required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure and forms part of this Report.

"GROUP" FOR INTER-SE TRANSFER OF SHARES

As required under Clause 3 (e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) regulation ,1997 , persons constituting " Group" (within the meanings as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulation(s) 10 to 12 of the aforesaid SEBI Regulations are given in **Annexure IV** attached herewith and said Annexure forms part of the report.

PARTICULARS OF EMPLOYEES

There was no employee drawing salaries exceeding the limit stipulated under Section 217 (2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules 1975.

INDUSTRIAL RELATIONS

During the year under review, the industrial relations remained harmonious and cordial. The Directors wish to place on record the unstinted efforts and dedicated services extended by the employees at all levels. With their support the Company looks forward to a brighter future.

ACKNOWLEDGEMENT

The Directors extend their sincere thanks to the Bankers, Central and State Government Authorities, Customers, Shareholders and all other who have been associated with the Company, for their co-operation, continued support and for the confidence reposed in the management of the Company.

For and on behalf of the Board

Ahmedabad
28th AUGUST, 2010

GAUTAM M. JAIN
Chairman & Managing Director

ANNEXURES TO DIRECTORS' REPORT

ANNEXURE I

Information as required Under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

The Company is making continuous effort for energy conservation. Effective measures have been taken to monitor generation & consumption of energy during the process of manufacture.

Total energy consumption and energy consumption per unit of production:

From A is annexed.

B. TECHNOLOGY ABSORPTION

Form B is annexed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings and Outgo:

In view of the de-merger the figures for the current year are not comparable with those of the previous year.

		(Rs. Lacs)
	2009-10	2008—09
Earnings	358.57	9599.59
Outgo	2.53	2138.74

FORM 'A'

In view of the de-merger of Vadodara manufacturing unit, the figures for the current year are not comparable with those of the previous year.

A. POWER AND FUEL CONSUMPTION

(Rs. Lacs)

PARTICULARS	2009-10	2008-09
1. Electricity		
a) Purchased		
Units (kwh/Lacs)	1.61	62.04
Total Amount (Rs.Lacs)	13.45	392.63
Rate/Unit (Rs.)	8.35	6.33
Own Generation		
Through Power Plant		
Units (kwh/Lacs)	-	18.93
Total Amount (Rs. Lacs)	-	126.11
Rate/unit	-	6.66
b) Own Generation		
Through Diesel Generator		
Unit (kwh/Lacs)	-	0.13
Unit per litre of diesel oil	-	1.32
Rate/unit (Rs.)	-	9.95
2. Light Diesel Oil (LDO) and Furnace Oil		
Quantity (ltr/Lacs)	0.05	18.77
Total Cost (Rs. Lacs)	2.24	509.59
Average Rate (Rs/Ltr)	44..80	27.15
3. Fire wood		
Quantity (M.T.)	-	2348.04
Total Cost (Rs. Lacs)	-	52.97
Average Rate (Rs. Lacs/MT)	-	2.35

B. CONSUMPTION PER UNIT OF PRODUCTION

In view of the de-merger the figures for the current year are not comparable with those of the previous year.

Production of Dyes & Dyes Intermediates (MT)	669.69	10241.81
(i) Electricity (Units/MT)	161.14	791.93
(ii) LDO and Furnace Oil (per MT)	10.59	183.25
(iii) Firewood (Units per tonne)	-	0.23

Note : There are no separate standards available for each product since the product range consists of various products with different consumption.

FORM 'B'

Form for disclosure of particulars with respect to:

RESEARCH AND DEVELOPMENT (R&D)

1) Areas in which R & D is being carried out :

In view of de-merger of Vadodara Unit Company is pursuing alternate business opportunities.

2) Benefits derived as a result of above R & D :

In view of de-merger of Vadodara Unit Company is pursuing alternate business opportunities So there is no R & D activities during the year under review.

3) Future plan of action :

Company is exploring good business opportunities.

4) Expenditure on R & D.

(Rs. Lacs)

PARTICULARS	2009-10	2008-09
i) Capital	0.00	0.00
ii) Recurring	0.00	12.67
iii) Total	0.00	12.67
iv) Total R & D Expenditure as percentage to turnover	0.00	0.06

A. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

In view of de-merger of Vadodara Unit Company is pursuing alternate business opportunities So there is no technology absorption, adaptation and innovation during the year under review.

ANNEXURE II - MANAGEMENT DISCUSSION AND ANALYSIS

A. INDIAN ECONOMY & THE REAL ESTATE SECTOR

In recent years, India has been amongst the fastest growing economies in the world. The productivity growth rate of Indian economy is estimated to be around 8% and it is expected to sustain until 2020. Moreover, at this rate of GDP growth, India is poised to become the second largest economy in the world after China. Further, the World Bank has ranked India as one of the top economic reformers worldwide in the last decade. India has simplified business registration procedures, cross-border trade and payment of taxes. It has eased access to credit and strengthened investor's interest. Factors like rapid industrial growth, Foreign Institutional Investments and Foreign Direct Investments in flow, balance-of-payments metrics, merchandise exports, invisible accounts and foreign-exchange-reserves have made a substantial contribution towards the growth rate of Indian GDP.

Real Estate sector witnessed a complete turnaround with signs of economic stabilization and moderate growth in global economic performance in second and third quarter of 2009. Property markets in India began to exhibit signs of revival during this time. With the return of liquidity in the real estate sector and firm prices in the recent months, cash flows of realty players improved- resulting in renewed construction of stalled projects and a few new launches as well.

The investment environment, however, remains challenging. Private equity transactions in 2009-10 fell by over 60-70% compared to peak volumes reported in 2008-09. Activity in 2009-10 remain focused primarily towards residential, with disappointing flows into commercial properties.

With the liberalization and opening of the economy, larger numbers of companies have entered into the housing construction activities. In the changing scenario the players in the housing industry have become not only highly competitive but also customer-centric, which has enormously benefited the ultimate consumer. Using the latest technology, methods and providing superior service to clients has become concomitant of the Real estate industry.

Your Company has also diversified and made investments in the Realty and Infrastructure business. Your company has acquired land and entered into partnerships with established Realty developers to launch new residential projects. Your Company has increased its investment allocation to the Realty and Infrastructure business.

B. INDUSTRY STRUCTURE AND DEVELOPMENT

The year 2009-2010 has been an eventful year in which your company has de-merged its major manufacturing unit of Padara, Vadodara to Baroda Textiles Effects Limited and subsequently it has been acquired by Huntsman International India (Private) Limited w.e.f. appointed date April 01, 2009 and Scheme becoming effective on June 22, 2009.

India's investment in infrastructure business during the last three years is about 3 % to 4% of the nation's GDP. The government has now plans to take it up to 12% by the end of 2012.

Your Company has changed its Main Object Clause and added new business of Realty and Infrastructure development, manufacturing of paper and its products, manufacturing of soft drinks, etc. by way of special resolution passed by postal ballot on September 30, 2009.

Your Company has made investments in the Realty and Infrastructure business. It operates its Realty business through Special Purpose Vehicles (SPV) and also by partnering with renowned and established developers in the same field.

Your Company has acquired land at prime location off CG Road, Navrangpura, Ahmedabad and launched luxurious 4-BHK residential apartment project under the name of "Metro Luxuria". Your Company has also made investment in land at prime location at Bhat Village on Gandhinagar Highway through a SPV named "Ornet Infrastructure Private Limited" whereby it holds a stake of 35.34%. Your company has also entered in partnership with Metro-Samved Engineers and launched 2-BHK high-rise residential apartment project under the name of "Alpine Heights" at the prime location near Income Tax office on Ashram Road, Ahmedabad. Your company has also acquired land at Village Gota (Town Plan-32), Ahmedabad in partnership with Simandhar Construction Private Limited for putting up a residential apartment project under the name of "Simandhar Metro".

C. OPPORTUNITIES AND THREATS

Your Company has given an undertaking while de-merging its Vadodara facility that they shall not for a period of three years from the Closing Date by itself or through its affiliates (directly or indirectly) engage in activities competing with the Business. So there is no scope available for the development in Dyes and dyes intermediates industry.

Your Company's business may be subject to many other significant Opportunities and Threats including the following:

Real Estate — Opportunities:

Despite the slowdown which plagued economies across the world, the current economic environment offers new windows of opportunities. India's realtors see an impetus in this segment from renewed home buying and government infrastructure contracts and from public and private sector banks announcing attractive package for home loan borrowers in various categories.

In recent years, various reforms have been initiated at the Central as well as State level which have led to greater organization and transparency in the real estate sector. Some of these reforms include the liberalization of Land Laws, modifications in the rent control statutes, rationalization of property taxes in a number of States and the permission of FDI in the real estate sector.

Accelerated growth of the Indian economy combined with the revival of the global economy and improvement in the liquidity scenario are the key factors that are expected to signal a revival in demand for residential real estate. A large proportion of the demand for residential developments, especially in urban centers is likely to be for high-rise residential buildings which shall in turn lead to a faster growth rate than the traditional urban housing segments.

Real Estate – Threats:

The instability of the economy coupled with a cautioned approach of the buyers has resulted in a major shift in the buying patterns of the end customers.

In India, land ownership is usually fragmented with multiple owners resulting in low availability of large contiguous land parcels with a single owner and reduced availability of land with a clear title.

The Indian real estate sector is highly fragmented with many small builders and contractors accounting for a majority of the housing units constructed. As a result, there is less transparency in dealings or sharing of data between players.

The legal and regulatory framework for land acquisition is complex. Inconsistent and overlapping state and union government laws lead to further complications and delays.

Acquisition of land is essential for Realty Development business. Due to increasing number of entrants into the Realty & Infrastructure segment, the land prices have increased to exorbitant levels. Any fluctuation in market economy can cause a meltdown in the land prices causing a major threat to Realty development.

Real estate developers face challenges in generating demand for projects. The factors that influence a customer's choice of property is not restricted to quality alone, but is dependent on a number of other external factors, including proximity to urban areas, amenities such as schools, roads, water supply, electricity & other infrastructure, each of which is often beyond the developer's control. Demand for housing units is also influenced by policy decisions relating to housing incentives.

The real estate sector is dependent on a number of raw materials such as cement, steel, bricks, wood, sand, gravel, paints etc. As the revenues from sale of units are predetermined, adverse changes in the price of any raw material directly affect the profitability of the developers.

D. OUTLOOK

Since Your Company has given an undertaking of non-compete to Huntsman Group while demerging the Vadodara unit, the turnover of its Dyes and dyes intermediates is very limited. Your Company entered into an exclusive toll manufacturing agreement with Huntsman Group. Hence Your Company is having turnover in Dyes and dyes intermediates only related to the Huntsman Group in the year under review.

Your Company has also signed a Merger Agreement and approved a Composite Scheme of Arrangement in its Board meeting held on August 25, 2010 in the nature of Amalgamation for merger of Metrochem Industries Limited (MCIL) with Global Boards Limited (GBL). This is proposed in order to have efficient working, explore business possibilities for the benefit of the Shareholders and public at large. The Amalgamation of Metrochem Industries Limited would be subject to requisite approval of the shareholders and creditors of the Company, Statutory authorities including Approval/ Intimation to Bombay Stock Exchange, Honourable High Court of the applicable jurisdiction.

The Company has also proposed to change its name in case of amalgamation to "METRO GLOBAL LIMITED"

Your Company will continue to focus on the Realty Development business. It will continue to acquire land in prime locations and also continue to partner with established and prominent developers for development of new residential as well as possible commercial projects. Your Company is currently exploring opportunities of investing in to properties in other prime cities like Mumbai.

E. SEGMENT WISE PERFORMANCE

The Company was engaged in the business of Dyes and dyes intermediates, Realty and Infrastructure and trading of Iron ore during the financial year under review.

Dyes and Dyes Intermediates:

The turnover of the Dyes and dyes intermediates during the year under review is Rs.12.12 crores as against Rs. 223.19 crores during the previous year due to the demerger of its Vadodara division to Baroda Textile Effects Limited. Hence the turnover figures of the current years are not comparable with the figures of the previous year. During the year Your Company has had Gain of Rs. 40.62 crores on account of de-merger of Vadodara Unit.

Realty and Infrastructure :

Your Company has made an investment of Rs. 32.29 crores in the Realty and infrastructure business during the year under review. Your Company has an income of Rs. 1.36 crores from the Realty and Infrastructure Segment during the year under review. It is hopeful to see better returns on the investments made and results in the coming years.

Iron Ore :

There was no sale of Iron Ore during the year as well as during the previous year.

Others :

Your Company has made in Investment of Rs. 89.30 crores in the Shares, Mutual Funds and Loan and Advances as Investments during the year under review. Your Company has an Income of Rs. 3.83 crores from the Shares, Mutual Fund and Loan and Advances as Investments during the year under review. The Investment in Shares are subject to Market Risk.

F. RISKS AND CHALLENGES

Many issues like competition with similar business players which leads to price cuts and low operating margins, high instability in prices of major raw material such as cement, steel, etc. and labour shortage is the major risk in the Realty and Infrastructure business.

In order to minimize the risks and smooth functioning of the company, planning and risks management becomes the main objective of Your Company. To minimize the risks and to keep cost escalation minimum, Your Company has entered in to long term arrangement with suppliers for requisite raw materials for each projects, thus ensuring continuous flow.

The company also endeavours to maintain a healthy work environment and positive relationship with all employees.

The Company ensures that the risks it undertakes are commensurate with better returns. The management is positive about Your Company's long term outlook.

G. INTERNAL CONTROL SYSTEMS AND ADEQUACIES

Your Company has adequate internal controls for its business across departments to ensure efficiency of operations, compliances with internal policies and applicable laws and regulations, protection of resources and assets and accurate reporting of financial transactions.

The internal control system is supplemented by extensive internal checking system, regular reviews by management and standard policies and guidelines to ensure the reliability of financial and all other records.

H. HUMAN RESORCES

Your Company believes that it is the employee's skills and capabilities which will provide the necessary cutting edge to face challenges and market competition. Your Company re-emphasizing philosophy that employee well-being is extremely important, welfare activities have been given a boost. Your Company strives to maintain a professional work environment where every employee feels satisfied and appreciated.

I. CAUTIONARY STATEMENT

Certain statements in this report may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local, political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements.

The Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

ANNEXURE III - REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is an integral element of Metrochem's value system, management ethos and business practices. The Company's Corporate Governance initiatives are based on:

- i) Commitment to excellence and customer satisfaction,
- ii) Commitment to maximizing long term value for stakeholders,
- iii) Commitment to corporate conduct ; and
- iv) Concern for environment and sustainable development.

Towards this the Company consistently evaluates and defines its management practices aimed at enhancing its commitment and delivery of these basics of Corporate Governance.

Thus at Metrochem, the basic Corporate Governance norms have been recognized as an enabling and facilitating business process at the Board, Management and Operational levels. These norms are reviewed and reaffirmed on an ongoing basis to ensure that the Company operates beyond the regulatory framework.

In line with the requirement providing a "Report on Corporate Governance" as per clause 49 of the Listing Agreement of the Stock Exchanges, as applicable, the Report is presented as under:

2. BOARD OF DIRECTORS

a) Composition and Category of Directors:

The Company has an optimum combination of Executive and Non-executive directors/ independent Directors having a wide range of skills and experience. The Board comprises of three Executive Directors – the Chairman & Managing Director, who is a promoter director, another Dy. Managing Director and Executive Director and three independent Directors. The independent Directors comprise 50% of the Board.

The Chairman of the Board is an Executive Director and 50% of the Board comprises of independent directors.

The Composition of the Board and other relevant details relating to Directors are given below:

Name of the Director	Designation	Category of Directorship	No. Of other Directorships*	No.of other Committee memberships	
				Chairman	Member
Mr. Gautam M. Jain	Chairman & Managing Director	Executive	1	-	-
Mr. Anil M. Jain	Dy.Managing Director	Executive	-	-	-
Mr. Rahul G. Jain	Executive Director	Executive	-	-	-
Mr. Sudhir N. Doshi *	Director	Independent	-	1	2
Mr. Nilesh R. Desai	Director	Independent	-	1	1
Mr. Sandeep S. Bhandari	Director	Independent	-	1	2
**Mr Mahendra G.Lodha	Director	Additional Director			

* Resigned from 22nd August, 2009.

** Appointed additional director w.e. f. 19th February,2010

(*Directorship in Private Companies is excluded.)

b) Reappointment of Directors :

- i) Mr. Nilesh R Desai

Mr. Nilesh R.Desai is a Commerce Graduate and having vast experience of Insurance Business

- ii) Mr Anil M.Jain

Mr. Anil M.Jain has shown his unwillingness to continue as a director who is liable to retire by rotation during the Annual General Meeting.

c) Board Meetings and Annual General Meeting:

During the financial year 2009-10 Eleven (11) Board Meetings were held on viz 8th June, 2009, 18th June, 2009, 22nd June, 2009, 31st July, 2009, 22nd August, 2009, 14th October, 2009, 28th October, 2009, 9th December, 2009. 30th January, 2010, 8th February, 2010 and 19th February, 2010.

The attendance record of each director is as under:-

Name of the Director	No. of Meetings held	No. of Board Meetings Attended	Attendance at last Annual General Meeting***
Mr. Gautam M. Jain	11	11	Present
Mr. Anil M. Jain	11	11	Present
Mr. Rahul M. Jain	11	11	Present
Mr. Nilesh R. Desai	11	7	Present
*Mr. Sudhir N. Doshi	5	4	Absent
Mr. Sandeep S. Bhandari	11	7	Present
**Mr Mahendra .Lodha			N.A.

* Resigned from 22nd August, 2009.

** Appointed additional director w.e. f. 19th February, 2010

*** Annual General Meeting (AGM) held on September 30, 2009.

3. AUDIT COMMITTEE

The Company has an Audit Committee, comprising of three directors, Mr. Sudhir N. Doshi (Chairman), Mr. Nilesh R. Desai, Mr. Sandeep S. Bhandari

Mr. Sandeep S. Bhandari has been appointed Chairman of the Audit Committee w.e f. 22nd August, 2009.

Shri Anil M. Jain has been appointed as a member w.e.f 22nd August, 2009.

The Audit Committee met four times during the financial year on July 31, 2009, August 22, 2009, October 26, 2009 and January 30, 2010. The attendance of the members of the Committee are as under:

Name of the committee members	Designation	No. of Meetings held	No. of Meetings Attended
*Mr. Sudhir N. Doshi	Chairman	2	2
Mr. Nilesh R. Desai	Member	4	4
**Mr. Sandeep S. Bhandari	Chairman/ Member/	2 2	2 2
Mr. Anil M. Jain	Member	2	2

* Resigned from 22nd August, 2009

** Appointed Chairman of Audit Committee

Attendees :

The Audit Committee invites such of the executives, as it considers appropriate to be present at its meetings. The statutory auditors, cost auditors and internal auditors are also invited to these meetings.

Mr. Nitin S. Shah Company Secretary act as the Secretary of the Committee.

The Terms of Reference of the Audit Committee:

The terms of reference of the Audit Committee as defined by the Board are as under :-

- i) Hold discussions with the auditors periodically about internal control system, the scope of audit including the observations of the auditors and review quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- ii) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- iii) Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment for any other services.
- iv) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:-
 - Any changes in accounting policies and practices.

- Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with Stock Exchanges and legal requirements concerning financial statements.
 - Any related party transactions, i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
- v) Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- vi) Reviewing the adequacy of internal audit function including the structure of internal audit department staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- vii) Discussion with internal auditors on any significant findings and follow up thereon.
- viii) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- ix) Discussion with the external auditors, before the audits commence, on the nature and scope of the audit as well as have post-audit discussion to ascertain any area of concern.
- x) Reviewing the Company's Financial and risk management policies.
- xi) To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividend) and creditors.

Powers of the Audit Committee:

The Board delegated the following powers to the Audit Committee:

- i) Investigate any activity within its terms of reference as above or in relation to the items specified in section 292A of the Companies Act, 1956 or as may be referred to it by the Board, from time to time and for this purpose, it shall have full access to information contained in the records of the Company and external professional advice, if necessary.
- ii) Seek information from any employee.
- iii) Obtain outside legal or other professional advice, if necessary.
- iv) Secure attendance of outsiders with relevant expertise, if it considers necessary.

4. REMUNERATION COMMITTEE :

The Company has a Remuneration Committee, comprising of three directors, Mr. Nilesh R. Desai (Chairman), Mr. Sandeep S. Bhandari and Mr. Anil M. Jain

The Remuneration Committee met one time during the financial year, on March 27, 2010. The attendance of the members of the Committee is as under:

Name of the committee members	Designation	No. of Meetings held	No. of Meetings Attended
Mr. Nilesh R. Desai	Chairman	1	1
Mr. Sandeep S. Bhandari	Member	1	1
Mr. Anil M. Jain	Member	1	1

* Mr. Sudhir Doshi Resigned from 22nd August, 2009 and in his place Mr. Anil M. Jain has been appointed

Terms of Reference:

The Committee to conduct periodic reviews of the remuneration payable to the Senior Management of the Company.

Remuneration Policy :

- i) Management Staff :

Remuneration of employees largely consists of basic remuneration, perquisites. The components of the total remuneration vary for different grades and are governed by industrial patterns, qualifications and experience of the employees, responsibilities handled by him, his individual performance, etc.

ii) Independent Directors :

The Company do not pay commission to any of the Independent Directors. Sitting fees is paid to them.

iii) Executive Directors:

One Managing Director, Dy. Managing Director and Executive Director are the only Executive Directors in the Company. Their remunerations are approved by the Board of Directors and subsequently approved by the shareholders at the General Meeting as required by the Companies Act, 1956.

Remuneration to Managing Director :

Reappointment of Mr. Rahul G. Jain as a Executive Director:

Shri Rahul G. Jain was appointed as a Executive Director of the Company with effect from 1-06-2007 for a period of 3 years and his term of office as Executive Director of the Company was expired on 31-05-2010. In view of his qualification, experience and the performance, his re-appointment has been proposed for the next three years with effect from 1-06-2010

The terms and conditions of reappointment of Mr.Rahul G. Jain governed by the Draft Agreement signed by Mr. Rahul G. Jain and by the Company. The Remuneration Committee has approved reappointment Mr. Rahul G. Jain as per the terms and conditions of Draft Agreement.

Remuneration to Managing Director:

Details of remuneration paid to the. Managing Director of the Company for the year ended March 31, 2010 is given below :-

Particulars	Amount (Rs./Lacs)
I Salary and Bonus	11.93
II Estimated monetary value of perquisites	2.62
Total	14.55

Remuneration to Dy. Managing Director :

Details of remuneration paid to the Dy. Managing Director of the Company for the year ended March 31, 2010 is given below :-

Particulars	Amount (Rs./Lacs)
I Salary and Bonus	10.85
II Estimated monetary value of perquisites	1.80
Total	12.65

Remuneration to Executive Director :

Details of remuneration paid to the Executive Director of the Company for the year ended March 31, 2009 is given below:-

Particulars	Amount (Rs. /Lacs)
I Salary and Bonus	5.26
II Estimated monetary value of perquisites	0.64
Total	5.90

The above Directors have decided to forgo the commission for the year 2009-2010

5. SHAREHOLDERS GRIEVANCE COMMITTEE :

The Company has a Shareholders Grievance Committee, comprising of three directors, Mr. Sandeep S. Bhandari (Chairman), Mr. Nilesh R. Desai and Mr.Anil. M. Jain. The Shareholders Grievance Committee met one time during the financial year, on March 27 2010. The attendance of the members of the Committee is as under:

Name of the committee members	Designation	No. of Meetings held	No.of Meetings Attended
Mr. Sandeep S. Bhandari	Chairman	1	1
Mr. Nilesh R.desai	Member	1	1
Mr Anil M.Jain	Member	1	1

* Mr Sudhir Doshi Resigned from 22nd August,2009 and in his place Mr Anil M.Jain has been appointed.

Mr. Nitin S. Shah the Company Secretary, is also the Compliance Officer for the Committee.

The Committee meets at intervals whenever find necessary to consider shareholder's complaints.

At the commencement of the year 2009-10, there was no pending complaints.

8 (Eight) new complaints were received from shareholders/investors during the year, most of them were relating to change of address, non- receipt of dividends and for issue of Duplicate Share Certificates. All the complaints were solved forthwith and no complaints are outstanding as on the date of this report.

All valid share transfers received during the year 2009-10 have been acted upon by the Company and there are no pending share transfers.

6. CODE OF CONDUCT AND BUSINESS ETHICS

The Company has laid down code of conduct and business ethics for its board members and senior management. This code of conduct and business ethics lays down various principles and guidelines for board members and senior management of the company, aimed at improving and enhancing the corporate relations with its stakeholders. The said code has been communicated to the directors and the members of the senior management and they have confirmed compliance with the said code.

7. DISCLOSURES

- a. There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with interests of the Company at large. The related party transactions are duly disclosed in the Notes to the Accounts.
- b. There were no cases of non-compliance by the company and no penalties imposed, strictures passed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.
- c. No treatment different from the Accounting Standards, prescribed by the Institute of Chartered Accountants of India, has been followed in the preparation of Financial Statements.
- d. The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.
- e. The Company at present has adopted the non-mandatory requirement in regard to constitution of Remuneration Committee, which has been constituted to determine the remuneration package of the whole-time Directors.

8. SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL

A qualified practicing Company Secretary carried out quarterly secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirmed that the total issued / paid-up capital was in agreement with the aggregate of the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

9. CEO/CFO CERTIFICATION :

Managing Director (CEO) and Chief Finance Officer (CFO) Certification

We Gautam M. Jain, Chairman & Managing Director and Sumit Mehta, DGM (F&A) of Metrochem Industries Limited, to the best of our knowledge and belief, certify that :

1. We have reviewed the balance sheet as at 31st March 2010 and Profit & Loss account, and all its schedules and Notes on accounts, as well as the cash flow statement and the Director's Report for the year ended on that date;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or do not contain any statement that might be misleading;
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as on and for the year presented in this report and are in compliance with the existing accounting standards and /or applicable laws and regulations;
4. To the best of our knowledge and belief , no transaction entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have;
 - a. evaluated the effectiveness of the Company's disclosure, controls and procedures pertaining to financial reporting;

- b. disclosed in this report any change in the Company's internal controls over financial reporting that occurred during the Company's most recent accounting year that may have materially affected, or is reasonably likely to affect, the Company's internal control pertaining to financial reporting.
6. We have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors;
- a. Deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors, any material weakness in internal control over financial reporting including any corrective actions with regard to such deficiencies, if any;
- b. Significant changes in internal controls during the year covered by this report, if any;
- c. All significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statements;
- d. No instances of significant fraud of which we are aware, involving management or other employees who have significant role in the Company's internal control system;
7. We further declare that all the Board Members and senior management personnel have affirmed compliance with the code of conduct during the year.

Place : Ahmedabad
Date : 28th August, 2010

Gautam M. Jain
Chairman & Managing Director

Sumit Mehta
DGM (F&A)

10. GENERAL BODY MEETINGS :

A) Details of Annual General Meetings

a) Date, time and location where Annual General Meetings were held in last 3 years:

Financial Year	Date	Time	Location of the Meeting
2006-2007	September 22, 2007	11.30 a.m.	Village Umraya, Taluka Padra, Distt. Baroda - 391 440.
2007-2008	September 27, 2008	11.30 a.m.	Village Umraya, Taluka Padra, Distt. Baroda - 391 440.
2008-2009	September 30, 2009	11.30 a.m.	Village Umraya, Taluka Padra, Distt. Baroda - 391 440.

b) POSTAL BALLOT

Details of voting by means of postal ballot process conducted during the year under review for seeking approval of Shareholders are as under:

Resolution No as given in the Postal Ballot Notice dated 22 nd August, 2009	Type of Resolution	Description of the Resolution	Results
1.	Special Resolution Date of Result: 30th September, 2009	Special Resolution pursuant to the Section 17 of the Companies Act, 1956 for insertion of the new Sub-clause no 2 to 11 to the Clause III (A) under the head Main Objects Clause of the Memorandum of Association of the Company.	Total number of votes in favour of the resolution were 8414227 as against 400 the. Resolution was passed as a Special resolution.
2.	Special Resolution Date of Result: 30th September, 2009	Special Resolution pursuant to the Section 17 A read with section 146 of the Companies Act, 1956 for Shifting the Registered office from Village : Umraya, Vadodara to Plot No: 491, GIDC, Phase-II, Vatva, Ahmedabad	Total number of votes in favour of the resolution were 8414227 as against 400 the resolution. Resolution was passed as a Special resolution.

- c) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, Directors or the management, their subsidiaries or relatives etc that may have potential conflict with the interests of the Company at large :

There are no material transactions with any related party which may have potential conflict with the interests of the Company at large.

- d) Details of non compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any authority, on any matter related to capital markets, during the last three years:

Neither any non compliance by the Company with any of the legal provisions of law has been made by the Company nor has any penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any authority, on any matter related to capital markets, during the last three years.

11. MEANS OF COMMUNICATION :

The quarterly, half-yearly and annual results are published in the Western Times (English and Gujarati Edition) Ahmedabad.

12. GENERAL SHAREHOLDER INFORMATION :

- a) Annual General Meeting:
- Date : 29th September, 2010
 - Time : 11.30 a.m.
 - Venue : Plot No 491, GIDC Phase II, Vatva, Ahmedabad-382445
- b) Financial Calendar : The Company follows April – March as its financial year. The results for every quarter beginning from April are declared in the month following the quarter.
- c) Book Closure date : 18th September, 2010 to 25th September, 2010 (both days inclusive)
- d) Listing on Stock Exchanges : Equity shares are listed on the following Stock Exchanges :
- Bombay Stock Exchange Limited**
Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI -400 001.
- f) Stock Code / Symbol : **BSE 524683**
ISIN No. **INE 723B01018**
- g) Market Price Data : As per Appendix A.
- h) Registrar and Share Transfer Agents : **Pinnacle Shares Registry Pvt. Ltd. Up to 14th June,2010**
Link Intime India Private Limited from 15th June,2010
221, Sudarshan Complex, Near Mithakhali Under Bridge,
Navrangpura, Ahmedabad-380009
Telephone & Fax No: (079) 26465179
Email: ahmedabad@linkintime.co.in
- i) Share Transfer System : Applications for transfer of shares held in physical form are received at the office of the Registrar and Share Transfer Agents of the Company. The Share Transfer Committee attends to share transfer formalities usually once in 15 days, depending upon the number of applications for share transfers received.
- Shares held in the dematerialized form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records and to send all corporate communications, dividend warrants, etc.
- Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.
- j) Shareholding pattern by ownership as on March 31, 2010 : As per Appendix B.
- k) Shareholding pattern by size-classes as on March 31, 2010 : As per Appendix C.

- l) Dematerialisation of Shares and Liquidity : About 82.31% of the shares have been dematerialized as on March 31, 2010. The equity shares of the Company are traded on the Bombay Stock Exchange, Mumbai
- m) Plant locations : The Company's plants are located at the following :
1. Plot No 491, GIDC Vatva, Phase II, Ahmedabad. (Unit II)
2. Plot No 407-408, GIDC Vatva, Phase II, Ahmedabad. (Unit III) (Plant Shutdown)
- n) Address for Correspondence : For any assistance regarding dematerialization of shares, share transfers transactions, change of address, non-receipt of dividend or any other query relating to shares, please write To :

Link Intime India Private Limited from 15th June, 2010

221, Sudarshan Complex, Near Mithakhali Under Bridge,
Navrangpura, Ahmedabad-380009
Telephone & Fax No: (079) 26465179
Email: ahmedabad@linkintime.co.in

For General Correspondence :

Metrochem Industries Limited,
Administrative Office and Secretarial Department, 505 - 506, 'Suryarath',
Near White House, Panchwati, Ellisbridge, Ahmedabad 380 006.
Telephone : 2644 0251, 2656 0367 Fax : 91-79-2656 1119.
The Company's web-site is www.metrochemgroup.com.
The Secretarial Department's E-Mail ID is nitin.shah@metrochem.in

ADDITIONAL SHAREHOLDERS INFORMATION

1) FINANCIAL RESULTS

In the financial year 2009-10, the interim results were announced on :

- 22nd August, 2009 : First quarter results.
26th October, 2009 : Second quarter and half year results.
30th January, 2010 : Third quarter results.
14th May, 2010 : Fourth quarter results.

2) UNCLAIMED DIVIDEND

Unclaimed Dividend for the year 2003-04 Rs.166715/- will be transferred to the Investor Education and Protection Fund of Central Government during the year. 2010-11

Unclaimed Dividend: Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years automatically get transferred to the Investor Education and Protection Fund administered by the Central Government. Table 1 gives the dates of dividend declaration or payment since 2003-04 and the corresponding dates when unclaimed dividend are due to be transferred to the Central Government. Table 2 gives the unclaimed dividend amount since 2003-04

Mandatory requirements: Clause 49 of the listing Agreement.

Your Company is fully complied with the applicable mandatory requirements of the clause 49 of the listing Agreement. The table shows the Compliance Report status.

Particulars	Clause of Listing Agreement	Compliance Status (Yes/ No)	Remarks
I. Board of Directors (A) Composition of Board 49 (IA) (B) Non Executive Directors' Compensation and disclosures (C) Other provisions as to Board and Committees 49 (IC) (D) Code of Conduct 49 (ID)	49 I 49 (IB)	YES YES YES YES	
II. Audit Committee (A) Qualified & Independent Audit Committee 49 (IIA) (B) Meeting of Audit Committee 49 (IIB) (C) Powers of Audit Committee 49(IIC) (D) Role of Audit Committee 49(IID) (E) Review of Information by Audit Committee 49 (IIE)	49 (II)	YES YES YES YES YES	
III. Subsidiary Companies 1. Metrochem Capital Trust limited	49 (III)	YES	Subsidiary is a listed Company.
IV. Disclosures (A) Basis of related party transactions 49 (IV A) (B) Board Disclosures 49 (IV B) (C) Proceeds from public issues, rights issues, preferential issues etc. (D) Remuneration of Directors 49 (IV D) (E) Management 49 (IV E) (F) Shareholders 49 (IV F)	49 (IV) 49 (IV C)	YES YES YES NIL YES YES	Note 1 Company has not issued any Shares, Right Issue & Preferential Issue Note 1 Note 1
V. CEO / CFO Certification	49 (V)	YES	Taken at the time of audited accounts.
VI. Report on Corporate Governance	49 (VI)	YES	Note 1
VII. Compliance	49 (VII)	YES	Certificate from auditors obtained.

Note 1 : Matters incorporated in the Annual Report in the financial year 2009-10

TABLE - 1
DATES WHEN UNCLAIMED DIVIDEND TO BE TRANSFERRED TO THE CENTRAL GOVT.

Year	Type	Date of declaration	Date of proposed transfer to Central Government
2003-04	FINAL	25-Sep-2004	25-Oct-2010
2004-05	FINAL	30-Sep-2005	30-Oct-2011
2005-06	FINAL	29-Sep-2006	29-Oct-2012
2006-07	FINAL	28-Sep-2007	28-Oct-2013
2007-08	FINAL	27-Sep-2009	27-Oct-2014

TABLE - 2
UNCLAIMED DIVIDEND AS OF 31ST MARCH, 2010

Year	Type	Dividend Unclaimed (Rs.)
2003-04	FINAL	1,65,715
2004-05	FINAL	3,20,782
2005-06	FINAL	3,25,322
2006-07	FINAL	3,87,467
2007-08	FINAL	6,17,462

APPENDIX A

The monthly high and low quotations of shares traded on the Bombay Stock Exchange during each month in last financial year :

Month	High (Rs.)	Low (Rs.)
April 2009	34.90	26.70
May 2009	42.75	27.05
June 2009	62.95	36.60
July 2009	59.00	44.00
August 2009	56.35	47.65
September 2009	52.95	47.10
October 2009	54.60	35.30
November 2009	43.90	33.90
December 2009	45.65	35.00
January 2010	47.90	40.00
February 2010	56.45	38.25
March 2010	42.85	36.00

APPENDIX B

Shareholding pattern by ownership as on March 31, 2010

Categories	No.of shares	%
Companies in Promoter Group	6324361	55.32
Gautam M. Jain, Relatives and friends	1932718	16.90
Other Body Corporate	955614	8.36
Foreign Mutual Funds / FII	1100	0.01
Banks / Financial Institution	37280	0.32
Mutual Funds	500	0.01
Non Resident Indians	5255	0.05
General Public	2176505	19.03

APPENDIX C

Shareholding pattern by ownership as on March 31, 2010

Categories	No. of Shareholders	No. of Shares held
1-500	6489	840240
501-1000	203	167082
1001-2000	119	171054
2001-3000	44	109638
3001-4000	14	49382
4001-5000	16	73885
5001-50000	71	1406645
50001 and above	36	8615407
TOTAL	6992	1,14,33,333

ANNEXURE IV

The following is the list of persons constituting "Group" within the meanings as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulation(s) 10 to 12 of the aforesaid SEBI Regulations, 1997 (the said Regulations"), as provided in Clause 3 (e) of the said Regulations.

Sr No	Particulars	Sr No	Particulars
1	Gautam Mithalal Jain	29	Ritu Anil Jain
2	Rahul G. Jain	30	Ritu Anil Jain
3	Ekta G. Jain	31	Anil Mithalal Jain
4	Nitu G. Jain	32	Mahendrakumar M. Shah (Anil Mahendra HUF)
5	Gautamkumar M. Jain (Rajendra Gautam HUF)	33	Anil M. Jain
6	Bhavna Gautamkumar Jain	34	Yash A. Jain
7	Gautam M. Jain (Gautam Mithalal Jain HUF)	35	Mnr Yash A. Jain By his Guardian Anil M. Jain
8	Gautamkumar M. Jain	36	Anil Mithalal Jain
9	Neetu G. Jain	37	Mithalal M. Shah (M.G. & Sons Small HUF)
10	Rahul G. Jain	38	Mithalal M. Shah (Bigger HUF)
11	Ritu G. Jain	39	Mithalal M. Shah (Small HUF)
12	Gautamkumar Mithalal	40	Mahendrakumar M. Shah
13	Gautamkumar Mithalal Jain	41	Mithalal M. Shah (Mithalal Rajendra HUF)
14	Nitu Jain	42	Mithalal M. Shah (Mithalal Gautamkumar HUF)
15	Rajendrakumar M. Jain (Rajendra Anil HUF)	43	Mithalal M. Shah (Mahendra Anil HUF)
16	Rajendrakumar M. Jain (Rajendra Mithalal HUF)	44	Mithalal M. Shah (Gautam Rajendra HUF)
17	Ankit Rajendrakumar Jain	45	Mahendra Mithalal
18	Rajendra Mithalal Jain (Rajendra Jain HUF)	46	Santosh Mahendrakumar Shah
19	Rajendrakumar M. Jain (Rajendra Mahendra HUF)	47	Sumitradevi M. Shah
20	Arun Rajendrakumar Jain	48	Mithalal M. Shah (Gautam Anil HUF)
21	Rajendrakumar M. Jain	49	Mithalal M. Shah
22	Asha Rajendrakumar Jain	50	Mithalal M. Shah
23	Arun Rajendrakumar Jain	51	Mithalal M. Shah
24	Arun Rajendrakumar Jain	52	Mithalal Mukanchand
25	Ankit Rajendrakumar Jain	53	Mahendrakumar M. Shah
26	Rajendrakumar M. Jain	54	Mithalal M. Shah
55	Mithalal M. Shah	63	Eximco Electronics (India) Pvt. Ltd.
56	Mithalal M. Shah	64	Sparkling Tradefin Pvt. Ltd.
57	Maiden Tradefin Pvt. Ltd.	65	Progressive Invatrade Pvt. Ltd.
58	Search Invatrade Pvt. Ltd.	66	Precision Footcare Pvt. Ltd.
59	Cheer Trading And Investment Pvt. Ltd.	67	Charm Trading And Investment Ppvt. Ltd.
60	Worship Trading And Investment Pvt. Ltd.	68	Anil Dyechem Industries Pvt. Ltd.
61	Amaze Trading And Investment Pvt. Ltd.	69	Minerva Dyechem Industries Pvt. Ltd.
62	Spring Trading And Investment Pvt. Ltd.	70	Bloom Investment And Trading Pvt. Ltd.

AUDITOR'S CERTIFICATE

To
The Members of
Metrochem Industries Limited

We have examined the compliance of conditions of Corporate Governance by METROCHEM INDUSTRIES LIMITED for the year ended on March 31, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 based on the representations made by the Directors and the Management, we certify that the Company complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders / Investor's Grievance Committee.

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

For, **DEEPAK SONI & ASSOCIATES**
CHARTERED ACCOUNTANTS

Ahmedabad
August 28 ,2010

DEEPAK SONI
(PROPRIETOR)
Membership No. 31138
Firm Reg. No. 102250W

REPORT OF THE AUDITORS TO THE MEMBERS

- 1.0 We have audited the attached Balance Sheet of **Metrochem Industries Limited** as at 31st March, 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2.0 We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3.0 As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a Statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4.0 Further to our comments in the annexure referred to above, we report that :
- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for purpose of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv) 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;
 - v) On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act, 1956;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statement 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:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - b) in the case of the Profit & Loss Account, of the profit/loss for the year ended on that date; and
 - c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For, **DEEPAK SONI & ASSOCIATES**
Chartered Accountants

Ahmedabad
28th August , 2010

DEEPAK SONI
(PROPRIETOR)
Membership No. 31138
Firm Reg. No. 102250W

Annexure referred to in paragraph 3 of the Auditor's Report of even date on the accounts for the year ended 31st March, 2010 of Metrochem Industries Limited On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:

- (i) (a) The Company has generally maintained proper records showing particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the Management at reasonable intervals, in a phased verification-programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business.
- (c) The Company in Scheme of Demerger of its Industrial undertaking at Umraya has disposed off substantial part of the fixed assets during the year under review. The going concern status of the Company has however not been effected.
- (ii) (a) During the year, the inventories have been physically verified by the management, except for stock lying with outside parties, which have, however, been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the record of inventories, we are of the opinion that, the Company is maintaining proper records of inventories. Discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) (a) (I) According to the information and explanations given to us, the Company has not granted loans to firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (II) According to the information and explanation given to us, the Company had taken loans from the parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 39.66 crores and the year end balance of loan taken from such parties was Rs 13.78 crores.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from the companies and other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (c) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- (d) There is no overdue amount in respect of loans taken from or granted to companies and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) (a) On the basis of the audit procedures performed by us, and according to the information, explanations and representations given to us, we are of the opinion that, the transactions in which directors were interested, and which were required to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of rupees five lacs in respect of any party during the year have been made at price which are reasonable having regard to prevailing market prices at that time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and its Rules, and also the directives of Reserve Bank of India. The Company has not defaulted in repayments of deposits and therefore compliance of Section 58AA or obtaining any order from the National Company Law Tribunal does not arise
- (vii) On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that, coverage of internal audit functions carried out by the internal audit department constituted by the management is commensurate with the size of the Company and the nature of its business.

- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of the Company's products to which the said rules are made applicable, and are of the opinion that, prima-facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate .
- (ix) (a) According to the records of the company and according to explanations given to us, the statutory dues payable by the Company comprise of provident fund, investors education and protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess, octroi, entry tax, purchase tax, municipal tax, service tax and other applicable statutory dues. According to the records of the Company, the Company is regular in depositing undisputed statutory dues with the appropriate authorities. There are no undisputed statutory dues as referred to above as at 31st March, 2010 outstanding for a period of more than six months from the date they became payable.
- (b) On the basis of our examination of the documents and records and representations made by the Management, the statutory disputed dues which have not been deposited with the appropriate authorities are as under :

Name of Statute	Nature of the dues	Amount (Rs.inLacs)	Forum where dispute is pending
The Income Tax Act, 1961	Variations made in regular assessment	38.53	The Commissioner of Income Tax (Appeal)/ITAT
The Sales Tax Act	Variations made in regular assessment	33.09	The Jt.Commissioner of Sales Tax (Appeals)

- (x) The Company has neither accumulated losses at the end of the financial year nor has it incurred cash losses, both, in the financial year under report and in the immediately preceding financial year.
- (xi) On the basis of the records examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) In our opinion and 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 or any other securities;
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society and therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In respect of investments dealt or traded by the Company, proper records are maintained in respect of transactions and contracts and timely entries have been made therein. All the investments are held by the Company in its own name;
- (xv) According to the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution;
- (xvi) In our opinion, the Company has not raised any term loan during the year under review.
- (xvii) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short terms basis have not, prima facie, been used during the year for long terms investment and vice versa.
- (xviii) The Company during the year under review has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) On the basis of the records and documents examined by us, the company has not issued any secured debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year and therefore paragraph 4(xx) of the Order is not applicable.
- (xxi) According to the information and explanations given to us and to the best of our knowledge and belief, no fraud on or by the Company has been noticed or reported during the course of our audit during the year .

For, **DEEPAK SONI & ASSOCIATES**
Chartered Accountants

Ahmedabad
28th August , 2010

DEEPAK SONI
(PROPRIETOR)
Membership No. 31138
Firm Reg. No. 102250W

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	As at March 31, 2010 (Rs./lacs)	As at March 31, 2009 (Rs./lacs)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	1143.33	1143.33
Reserves & Surplus	2	11761.08	7689.72
		12904.41	8833.05
Loan Funds			
Secured	3	-	3091.76
Unsecured	4	1455.46	4770.50
		1455.46	7862.26
Deferred Tax Liability (Net)			
Deferred Tax Liability		91.57	746.73
Less : Deferred Tax Asset		-	0.09
		91.57	746.64
TOTAL		14451.44	17441.95
APPLICATION OF FUNDS			
Fixed Assets :			
Gross Block	5	3257.58	20251.02
Less : Depreciation		2746.90	11862.72
Net Block		510.68	8388.31
Capital Work in Progress		70.96	70.96
		581.64	8459.27
Investments	6	755.54	152.24
Current Assets, Loans and Advances :			
	7		
Inventories		251.37	3045.25
Sundry Debtors		724.25	5233.37
Cash & Bank Balances		4130.33	63.52
Loans and Advances		8599.96	2193.63
		13705.91	10535.77
Less : Current Liabilities & Provisions			
	8		
Current Liabilities		396.70	2088.09
Provisions		267.53	-
		664.23	2088.09
Net Current Assets		13041.68	8447.68
Miscellaneous Expenditure	9	72.58	382.76
(to the extent not written off or adjusted)			
TOTAL		14451.44	17441.95

Notes to the Accounts

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As per our report of even date

For Deepak Soni & Associates

Chartered Accountants

Deepak Soni

Proprietor

Membership No. 31138

Firm Reg. No. 102250W

Ahmedabad

August 28, 2010

Nitin Shah
 Company Secretary

For & on behalf of the Board
Gautam M. Jain

Chairman & Managing Director

Rahul Jain

Executive Director

Sandeep S. Bhandari

Director

Ahmedabad

August 28, 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	Year Ended March 31, 2010 (Rs./lacs)	Year Ended March 31, 2009 (Rs./lacs)
INCOME			
Income From Operations			
SALES - Domestic (including Indirect Exports)		934.02	13628.93
- Exports		358.57	9599.59
		1292.59	23228.52
Less Excise Duty		(81.02)	(909.65)
Sales (Net of Excise Duty)		1211.57	22318.87
Gain on Demerger of Baroda Unit		4062.38	-
Other Income	10	169.66	2.90
Interest and Dividend	11	518.96	20.44
TOTAL		5962.57	22342.21
EXPENDITURE			
Purchase of Products for Sales		249.49	3008.19
Manufacturing & Other Expenses	12	1250.78	18392.05
(Increase)/Decrease in Finished and Process Stock	13	1.91	(113.50)
Interest	14	3.53	711.61
Depreciation		118.49	868.17
TOTAL		1624.20	22866.51
Profit Before Tax		4338.37	(524.30)
Provision For Tax			
Current Tax		-	-
Deferred Tax		-	(203.50)
Fringe Benefit Tax		-	5.50
Short provision of Income Tax for earlier years		268.55	-
Profit After Tax		4069.82	(326.30)
Balance in Profit & Loss Account brought Forward		764.94	1091.24
Profit Available for Appropriation :		4834.76	764.94
APPROPRIATIONS :			
Transfer to General Reserve		406.98	-
Proposed Dividend on Equity Shares		228.67	-
Tax on Distributed Profits		38.86	-
		674.51	-
Balance Carried Over to Balance Sheet		4160.25	764.94
Earning per share Rs. (Face value of Rs. 10/- each) (Basic and diluted)		35.60	-
Notes to the Accounts	15		

As per our report of even date

For Deepak Soni & Associates

Chartered Accountants

Deepak Soni

Proprietor

Membership No. 31138

Firm Reg. No. 102250W

Ahmedabad

August 28, 2010

Nitin Shah
Company Secretary

For & on behalf of the Board
Gautam M. Jain

Chairman & Managing Director

Rahul Jain

Executive Director

Sandeep S. Bhandari

Director

Ahmedabad

August 28, 2010

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

	As at March 31, 2010 (Rs./lacs)	As at March 31, 2009 (Rs./lacs)
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
20000000 (20000000) Equity Shares of Rs. 10/- each	2000.00	2000.00
25000000 (25000000) Cumulative/Non-Cumulative, Redeemable, Convertible/Non-convertible Preference Shares of Rs. 10/- each	2500.00	2500.00
	4500.00	4500.00
Issued, Subscribed & Paid Up		
11433333 (11433333) Equity Shares of Rs. 10/- each	1143.33	1143.33
TOTAL	1143.33	1143.33

Notes :

- (1) Of the above, 1003333 (1003333) Equity Shares of Rs. 10/- each were allotted on 5th April, 1995 as fully paid up pursuant to the Scheme of Amalgamation without payment being received in cash.
- (2) Of the above, 67250 (67250) Equity Shares of Rs. 10/- each were allotted on 9th March, 1993 as fully paid up pursuant to the Scheme of Amalgamation without payment being received in cash.
- (3) Of the above, 6460000 (6460000) Equity Shares of Rs. 10/- each were allotted on 28th Feb., 1994 as fully paid up bonus shares by capitalising Rs. 323 lacs from balance in Profit & Loss Account and Rs. 323 lacs from Revaluation Reserve.

	As at March 31, 2010 (Rs./lacs)	As at March 31, 2009 (Rs./lacs)
SCHEDULE 2		
RESERVES & SURPLUS		
a. Capital Reserve :		
Balance as per last Balance Sheet	14.31	14.31
Sub Total	14.31	14.31
b. Capital Redemption Reserve		
Balance as per last Balance Sheet	1500.00	1500.00
Sub Total	1500.00	1500.00
c. Securities Premium		
Balance as per last Balance Sheet	3940.68	3940.68
Sub Total	3940.68	3940.68
d. General Reserves :		
Balance as per last Balance Sheet	1469.79	1469.79
Add : Deferred Tax Liability written back	655.07	-
Add : Transfer from Profit & Loss Account	406.98	-
Less : Provision for doubtful debts and advances	(386.00)	-
Sub Total	2145.84	1469.79
e. Surplus :		
Balance in Profit & Loss Account	4160.25	764.94
Sub Total	4160.25	764.94
TOTAL	11761.08	7689.72

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

As at
March 31, 2010 As at
March 31, 2009
(Rs./lacs) (Rs./lacs)

SCHEDULE 3
SECURED LOANS

I. Cash Credit/Export Credit/Working Capital Demand Loan From Scheduled banks	-	2621.66
II. State Bank of India - Corporate Term Loan	-	141.02
III. State Bank of India - FCNRB Term Loan	-	329.08
TOTAL	-	3091.76

SCHEDULE 4
UNSECURED LOANS

From Corporate Bodies	1455.46	4340.88
From Others - Fixed Deposits	-	429.62
TOTAL	1455.46	4770.50

SCHEDULE 5
FIXED ASSETS

(Rs./lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS AT 01.04.09	ADDI- TIONS	DEDUC- TIONS	AS AT 31.03.10	AS AT 01.04.09	FOR THE YEAR	ADJUST- MENT	UPTO 31.03.10	AS AT 31.03.10	AS AT 31.03.09
Land	269.59	-	177.43	92.16	-	-	-	-	92.15	269.59
Factory Building	2740.19	-	2480.77	259.42	794.68	9.24	(673.93)	129.99	129.43	1945.51
Office Building	296.45	-	146.39	150.06	37.31	4.44	(3.47)	38.27	111.79	259.14
Plant & Machinery	15298.94	9.10	13249.78	2058.26	9829.11	59.07	(7838.64)	2049.54	8.72	5469.83
Electric Installation	831.44	-	730.54	100.90	580.25	5.44	(495.22)	90.47	10.43	251.19
Laboratory Equipments	273.51	0.23	85.49	188.25	221.53	10.09	(47.74)	183.88	4.37	51.98
Office Equipments	159.12	0.85	53.49	106.48	121.20	7.44	(34.66)	93.99	12.49	37.92
Furniture & Fixtures	120.08	0.86	68.00	52.94	73.51	3.24	(32.45)	44.30	8.64	46.57
Vehicles	261.70	118.85	131.43	249.12	205.15	19.53	(108.23)	116.46	132.66	56.55
	20251.02	129.89	17123.33	3257.58	11862.74	118.49	(9234.34)	2746.90	510.68	8388.28
Capital Work in Progress	70.96	-	-	70.96	-	-	-	-	70.96	70.96
TOTAL	20321.95	129.89	17123.33	3328.54	11862.74	118.49	(9234.34)	2746.90	581.64	8459.24
Previous Year	(19385.18)	(5027.78)	(4090.98)	(20321.98)	(11046.70)	(868.17)	(52.15)	(11862.72)	(8459.27)	(8338.48)

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

	As at March 31, 2010 (Rs./lacs)	As at March 31, 2009 (Rs./lacs)	
SCHEDULE 6			
INVESTMENTS (AT COST) (LONG TERM)			
(a) In Subsidiary Company (Quoted)			
570000 (570000)	Equity Shares of Metrochem Capital Trust Ltd. each of Rs.10/- fully paid up	114.00	114.00
(b) Other Investments (Quoted - Fully paid up)			
Nil (7200)	Equity Shares of Associated Alcohols & Breweries Ltd. of Rs. 10/- each fully paid up	-	2.16
2000 (2000)	Equity Shares of ABG Heavy Industries Ltd. of Rs. 10/- each fully paid up	1.40	1.40
Nil (1500)	Equity Shares of BPL Ltd. of Rs. 10/- each fully paid up	-	1.73
Nil (5000)	Equity Shares of I. G. Petro Ltd. of Rs. 10/- each fully paid up	-	5.43
1300 (1300)	Equity Shares of Ganipitak Yakshraj Caplease Ltd. of Rs. 10/- each fully paid up	0.13	0.13
400 (400)	Equity Shares of Kalpataru Power Transmission Ltd. of Rs. 10/- each fully paid up	0.14	0.14
8800 (8800)	Equity Shares of Metazinc (India) Ltd. of Rs. 10/- each fully paid up	4.40	4.40
2500 (2500)	Equity Shares of Punjab Woolcombers Ltd. of Rs. 10/- each fully paid up	2.25	2.25
1000 (1000)	Equity Shares of Sol Pharma Ltd. of Rs. 10/- each fully paid up	1.72	1.72
4500 (4500)	Equity Shares of Balmer Lawrie Freight Containers Ltd. of Rs. 10/- each fully paid up	2.25	2.25
1429 (1429)	Equity Shares of Indian Bank Ltd. of Rs. 10/- each fully paid up	1.32	1.32
5000 (5000)	Equity Shares of Industrial Development Bank of India Ltd. of Rs. 10/- each fully paid up	4.07	4.07
2000 (2000)	Equity Shares of Mideast Integrated Steels Ltd. of Rs. 10/- each fully paid up	0.42	0.42
11200 (11200)	Equity Shares of Canway Chemicals Ltd. of Rs. 10/- each fully paid up	1.20	1.20
10000 (10000)	Equity Shares of Saket Projects Ltd. of Rs. 10/- each fully paid up	1.00	1.00
Nil (10)	Equity Shares of Sabero Organics Ltd. of Rs. 10/- each fully paid up	-	0.01
6500 (Nil)	Equity Shares of Standard Ind. Ltd. of Rs. 10/- each fully paid up	1.69	-
2716 (Nil)	Equity Shares of Nesco Ltd. of Rs. 10/- each fully paid up	30.33	-
2775 (Nil)	Equity Shares of Bajaj Holding & Invt.Ltd. of Rs. 10/- each fully paid up	16.34	-
5000 (Nil)	Equity Shares of IDBI Bank Ltd. of Rs. 10/- each fully paid up	6.63	-
3050 (Nil)	Equity Shares of Haryana Capfin Ltd. of Rs. 10/- each fully paid up	1.44	-
1339 (Nil)	Equity Shares of Empire Ind. Ltd. of Rs. 10/- each fully paid up	5.95	-
5290 (Nil)	Equity Shares of Riddhi Siddhi Gluco Boils Ltd. of Rs. 10/- each fully paid up	10.66	-
4500 (Nil)	Equity Shares of Celestial Labs Ltd. of Rs. 10/- each fully paid up	1.58	-
2000 (Nil)	Equity Shares of Rei Agro Ltd. of Rs. 10/- each fully paid up	1.02	-
2000 (Nil)	Equity Shares of Uniphos Enterprises Ltd. of Rs. 10/- each fully paid up	0.66	-
3000 (Nil)	Equity Shares of Nector Lifescience ltd. of Rs. 10/- each fully paid up	1.13	-
300 (Nil)	Equity Shares of Vardhman Holding Ltd. of Rs. 10/- each fully paid up	0.92	-
81000 (Nil)	Equity Shares of Atlanta Ltd. of Rs. 10/- each fully paid up	143.72	-
50000 (Nil)	Equity Shares of Punjab Chemicals Ltd. of Rs. 10/- each fully paid up	84.45	-
100000 (Nil)	Equity Shares of Lumax Auto Technologies limited of Rs. 10/- each fully paid up	71.83	-
2500 (Nil)	Sun BNP PSU Fund Units of Rs. 1000 each Fully paid up	25.00	-
5621 (Nil)	L & T Finance Ltd. Non convertible Debentures of Rs. 1000/- each Fully paid up	56.21	-
		593.86	143.62
(c) Trade Investments (Unquoted fully paid up)			
170 (170)	Equity Shares of Anil Dyechem Ind. Pvt. Ltd. of Rs. 1000/- each fully paid up	3.42	3.42
200 (200)	Equity Shares of Green Environment Services Co-op Society Ltd. of Rs. 100/- each fully paid up	0.20	0.20
Nil (5000)	Equity Shares of Baroda Textile Effects Ltd. of Rs. 100/- each fully paid up (Subsidiary Company)	-	5.00
500 (Nil)	Rural Electrification Corporation Ltd. Bonds of Rs. 1000/- each Fully paid up	51.69	-
357540 (Nil)	Equity Shares of Ornet Infrastructure P.Ltd. of Rs. 10/- each fully paid up	106.37	-
		161.68	8.62
(d) Investments in the Capital of the Partnership Firms as Fixed Capital			
		Nil	Nil
TOTAL		755.54	152.24
Notes :			
1. Aggregate Value of Investments			
Quoted : Cost		593.86	143.62
Market Value		629.80	90.56
Unquoted		161.68	8.62

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

	As at March 31, 2010 (Rs./lacs)	As at March 31, 2009 (Rs./lacs)
SCHEDULE 7		
CURRENT ASSETS, LOANS & ADVANCES		
Inventories :		
Stores & Spares (at lower of cost or net realizable value)	2.96	231.24
Packing Materials (at lower of cost or net realizable value)	2.23	30.10
Stock in Trade :		
Finished Goods (at lower of cost or net realizable value)	5.29	412.24
Traded Goods (at lower of cost or net realizable value)	162.93	167.77
Raw Materials (at lower of cost or net realizable value)	32.07	596.33
	205.48	1437.68
Work in Process (at cost)	45.89	1607.57
Sub-Total	251.37	3045.25
Sundry Debtors (Unsecured) :		
Due over six months	365.01	617.16
Others	476.04	4616.21
Provision for doubtful debts	(116.80)	-
Sub-Total	724.25	5233.37
Cash & Bank Balances :		
Cash on Hand	1.57	5.82
Balances with Scheduled Banks :		
In Current Accounts	164.45	57.70
In Fixed Deposit Accounts	900.00	-
Balance in Liquid Funds	3064.31	-
Sub-Total	4130.33	63.52
Loans and Advances : (Unsecured)		
Deposits with Other Companies	1600.00	33.48
Advances to Suppliers, Contractors & Others	6277.83	196.26
Balances with Government & Others	209.60	1275.32
Prepaid Expenses	Nil	5.66
Advance Payment of Income Tax (Net of provision)	699.10	352.24
Export Benefits Receivable	82.74	330.67
	8869.27	2193.63
Less : Provision for Doubtful Loans	269.31	-
Sub-Total	8599.96	2193.63
TOTAL	13705.91	10535.77
Notes :		
(a) Debts due by Directors, Firms or Private Companies in which a Director is a Partner or a Director or a Member :	Nil	Nil
(b) Advances to Private Companies in which any Director is a Director or a Member :	Nil	Nil
(c) Debts considered :		
Doubtful :	116.80	88.93
Good :	724.25	5144.44
(d) Loans & Advances considered :		
Doubtful :	269.31	Nil
Good :	8599.96	2193.63
(e) Advances and Loans to Partnership Firms in which the Company is a partner:	1430.71	Nil

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

	As at March 31, 2010 (Rs./lacs)	As at March 31, 2009 (Rs./lacs)
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
(a) Sundry Creditors for goods etc.	226.05	1820.66
(b) Other Liabilities for expenses and tax deducted at source	152.48	245.19
(c) Unpaid Dividend	18.17	22.24
Sub-Total	396.70	2088.09
Provisions		
For Dividend	228.67	-
For Dividend Distribution Tax	38.86	-
Sub-Total	267.53	-
TOTAL	664.23	2088.09

	Year Ended March 31, 2010 (Rs./lacs)	Year Ended March 31, 2009 (Rs./lacs)
SCHEDULE 9		
MISC. EXPENDITURE (To the extent not written off or adjusted)		
Deferred Revenue Expenditure	72.58	382.76
TOTAL	72.58	382.76

	Year Ended March 31, 2010 (Rs./lacs)	Year Ended March 31, 2009 (Rs./lacs)
SCHEDULE 10		
OTHER INCOME		
Profit / (Loss) on Sale of Fixed Assets (Net)	(3.53)	(15.84)
Export Incentives	6.27	16.04
Miscellaneous	126.71	2.70
Profit / (Loss) on Sale of Investments (Net)	(10.35)	-
Qty. Sale of Effluent Treatment (GESL)	50.56	-
TOTAL	169.66	2.90

	Year Ended March 31, 2010 (Rs./lacs)	Year Ended March 31, 2009 (Rs./lacs)
SCHEDULE 11		
INTEREST AND DIVIDEND INCOME		
Dividend Income	217.03	8.48
Interest Income (Gross)	301.93	11.96
(Tax Deducted at Source Rs. 31.92 Lacs) (Previous Year Rs. 2.07 Lacs))		
TOTAL	518.96	20.44

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

	Year Ended March 31, 2010 (Rs./lacs)	Year Ended March 31, 2009 (Rs./lacs)
SCHEDULE 12		
MANUFACTURING & OTHER EXPENSES		
Raw Materials Consumed	817.15	13631.71
Sub-Total	817.15	13631.71
Manufacturing Expenses		
Water, Power & Fuel	29.74	1872.30
Stores Consumed	2.78	142.88
Machinery Repairs	5.79	20.55
Electric Repairs	0.96	9.42
Building Repairs	0.09	3.64
Consumptions of Ice	26.21	232.41
Contract Labour Expenses	25.92	230.64
Laboratory Expenses	0.26	7.21
Job Charges	-	96.36
Lease & Shed Rent	6.72	6.18
Effluent Treatment Expenses and Pollution Expenses	34.01	334.32
Other Misc. Factory Expenses	2.26	(2.09)
Sub-Total	134.74	2953.82
Payments to & Provisions for Employees :		
Salaries, Wages and Bonus	104.48	482.72
Gratuity	1.53	14.88
Provident Fund & Family Pension Fund	8.69	36.32
Workers & Staff Welfare Expenses	4.40	27.49
Sub-Total	119.10	561.41
Establishment Expenses :		
Rates & Taxes	7.96	9.08
Insurance	2.35	29.53
Postage, Telephone & Stationery	19.52	38.61
Legal & Consultancy Expenses	31.57	25.81
Bank Charges	10.69	169.58
Other Administration Expenses	30.85	368.57
Audit Fees	4.00	4.00
Donation	8.70	1.16
Deferred Revenue Expenditure	8.49	14.21
Misc. Balances written Off	(0.55)	(0.15)
Sub-Total	123.59	660.40
Selling & Distribution Expenses :		
Packing Expenses	9.57	317.83
Export Expenses	5.92	80.35
Sales Promotion Expenses	15.84	35.68
Inland Freight & Cartage	24.58	137.10
Sales Commission	0.30	13.83
Sub-Total	56.21	584.79
TOTAL	1250.78	18392.13

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

	Year Ended March 31, 2010 (Rs./lacs)	Year Ended March 31, 2009 (Rs./lacs)
SCHEDULE 13		
(INCREASE)/DECREASE IN FINISHED AND PROCESS STOCK		
Stock at the Commencement :		
Finished Goods (manufactured products)	5.29	759.83
Finished Goods (traded products)	167.77	188.00
Work in Process (at cost)	43.06	1126.25
	216.02	2074.08
Stock at the End :		
Finished Goods (manufactured products)	5.29	412.24
Finished Goods (traded products)	162.93	167.77
Work in Process (at cost)	45.89	1607.57
	214.11	2187.58
TOTAL	1.91	(113.50)

Note :-

Stock at commencement (i.e., 1st April 2009) do not include stock which was lying at Baroda Unit as on 31st March 2009 because on demerger of Baroda Unit such stock has been transferred and considered in arriving at profit on demerger of Baroda Unit

SCHEDULE 14
INTEREST

On Bank Borrowings for Working Capital	-	380.58
On Term Loan	-	58.25
To Others	3.53	272.78
TOTAL	3.53	711.61

SCHEDULE 15
NOTES TO THE ACCOUNTS**1. Significant Accounting Policies**

- a) The accounts are prepared on historical cost convention in accordance with the generally accepted accounting principles as adopted consistently by the company and comply with the accounting standards issued by the Institute of Chartered Accountants of India referred to in section 211(3C) of the Companies Act 1956. The preparation of financial statements in conformity with Accounting Standards requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period.
- b) It is the practice of the Company to state the Fixed Assets at cost of acquisition/construction less accumulated depreciation. In the case of fixed assets acquired for new projects / expansion interest cost on borrowings and other related expenses up to the date of completion of projects incurred towards acquiring the fixed assets are capitalised. Advances paid towards acquisition of the fixed assets and cost of the assets not put to use before end of the year are disclosed under capital work in progress.
- c) Inventories are valued as under :
- I. Raw materials at cost (net of CENVAT & State VAT Credits) (First in First out-FIFO) or Market Value, whichever is less.
 - II. Work in process at raw material cost.
 - III. Finished goods at cost or net realizable value, whichever is less.
 - IV. Packing materials and stores & spares at cost or net realizable value, whichever is less.
 - V. Traded goods at cost. (First in First out-FIFO/Specific identification of the individual costs- as the case may be) or net realizable value whichever is less.
- d) Depreciation :
- Depreciation has been provided on the fixed assets on straight line method u/s 205(2)(b) of the Companies Act, 1956 consistent with the Company's accounting policy, at the rates and in the manner laid down in Schedule XIV to the Companies Act, 1956 read with the relevant circulars issued by the Department of Company Affairs. Depreciation on the fixed assets added or sold during the year has been calculated on pro-rata basis from the month of such addition or upto the month of sale.
- e) Excise Duty :
- i) Excise duty paid in respect of raw materials purchased and used for manufacture does not form part of consumption of raw materials to the extent of the CENVAT credit availed. Such duty is debited to Central Excise Duty Account and adjusted against excise duty payable on the finished goods.
 - ii) Excise duty payable on stock of finished goods not cleared from excise bonded warehouse is included in closing inventory.
- f) Revenue in respect of insurance, interest, commission and other claims etc. is recognized only when it is reasonably certain that the ultimate collection will be made.
- g) Compensation to employees who have opted for retirement under the Voluntary Retirement Scheme of the Company is amortized equally over ten years.
- h) Long Term Investments are stated at cost. Provisions for diminution in value of long term investments is made only if such decline is other than temporary in opinion of the management.
- i) Retirement Benefit :
- Defined Contribution Plan:**
- i) Provident Fund and Pension Fund : The Company contributes towards provident and pension fund which is administered by the Central Government and are charged against revenue every year.
- Defined Benefit Plan:**
- ii) Gratuity Fund : Liabilities for payment of gratuity to employees are covered through Group Gratuity Scheme and are charged against revenue every year. Provision for gratuity is made on basis of the actuarial valuation. Actuarial gain or loss is recognized immediately in the statement of profit and loss account as income or expense. The company has employee gratuity fund managed by Reliance Life Insurance Company Ltd.

- j) The expenditure on research & development is expensed out under the respective heads of accounts in the year in which it is incurred. Expenditure which results in creation of Capital Asset is treated in the same way as the expenditure on other Fixed Assets.
- k) Foreign Currency Transactions :
- i) Initial Recognition
Transactions denominated in foreign currencies are recorded at the average exchange rate for all the transactions during the week in which the transactions occur.
 - ii) Conversion
At the year end, monetary items denominated in foreign currencies, other than those covered by forward contracts, are converted into rupees equivalents at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is recognized during the year.
 - iii) Exchange Differences
All exchange differences arising on settlement and conversion of foreign currency transaction are included in the Profit and Loss Account, except in cases where they relate to the acquisition of fixed assets, in which case they are adjusted in the cost of the corresponding asset.
 - iv) Forward Exchange Contracts
In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate at the date of the transaction is recognized as income or expense over the life of the contract, except where it relates to fixed assets, in which case it is adjusted in the cost of the corresponding asset.
- l) Contingent liabilities are disclosed by way of notes to the accounts. Provision is made in the accounts in respect of those liabilities which are likely to materialise after the year end till the finalisation of accounts and have material effect on the position stated in the accounts.
- m) Deferred taxation
- (i) In accordance with Accounting Standard 22 – Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book profit and the tax profit for the year is accounted by using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date.
 - (ii) Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty that the assets can be realized in future. Net outstanding balance in deferred tax account is recognized as deferred tax liability/asset. The deferred tax account is used solely for reversing timing difference as and when crystallised.
- n) Prior period items
Prior period expenses/income are accounted under the respective heads. Material items, if any, are disclosed separately by way of note.
- o) Related party transactions
Disclosure of transactions with related parties, as required by Accounting Standard 18 “Related Party Disclosures” has been set out in separate statement annexed to this schedule. Related parties as defined under clause 3 of the Accounting Standard have been identified on the basis of representations made by key managerial personnel and information available with the Company.
- p) Leases
The Company’s significant leasing arrangements are in respect of cancellable operating leases for machineries and premises. The leasing arrangements which are cancellable are renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent including lease rentals.
- q) Earning per share
The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard-20 issued by the Institute of Chartered Accountants of India. The basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year.

- r) Export Incentives
Export benefits under duty entitlement pass book and duty draw back are accounted for on accrual basis to the extent considered receivable.
- s) Proposed Dividend
Dividend proposed by the Directors is provided for in the books of account pending approval at the Annual General Meeting.
- t) Impairment of Assets
An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.
- 2) Consequent upon the amendment to Schedule XIV to the Companies Act, 1956 vide the notification dated 16th December 1993 issued by the Department of Company Affairs, the Company has provided for depreciation on all the fixed assets at the straight line method at the rates as prescribed in the amended schedule XIV.
- 3) Sundry creditors, sundry debtors and loans and advances include certain items for which confirmations are yet to be received and include certain long outstanding balances which are considered payable/realizable, as the case may be.
- 4) In the opinion of the directors, current assets, loans and advances, other than doubtful, have the value at which they are stated in the Balance-Sheet if realised in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- 5) The company during the financial year under review has disposed off its industrial undertaking of Baroda in Scheme of demerger and accordingly all the fixed assets, current assets, liabilities etc. held by the said industrial undertaking as on 1st April 2009 have been transferred to the transferee company. The scheme of demerger was approved by the Hon'ble High Court of Gujarat vide its order dated 15th May 2009. The Company had filed the requisite documents with the office of the Registrar of Companies, Gujarat, Ahmedabad on 17th June 2009. The Company has derived Profit of Rs.4062.38 lacs being difference between the considerations received on demerger and the amount of networth which has been credited to the Profit & Loss Account for the financial year under review.
- 6) Duty drawback receivable amounting to Rs.2.62 lacs (Rs. 12.21 lacs as at 31st March, 2009) for which credit has been taken is subject to the acceptance of the Company's claim by the Duty Drawback Directorate, New Delhi. The total receivable for the earlier years included in duty drawback receivable account amounts to Rs0.66 lacs (Rs. 10.32 lacs as at 31st March 2009).
- 7) The benefits under the Duty Entitlement Passbook Scheme (DEPB) are accounted for on accrual basis and accordingly estimated benefits aggregating to Rs.5.09 lacs (Previous Year Rs. 374.80 lacs) against exports effected during the year under review have been taken into account for the year as benefits accruing to the Company. Out of the above benefits aggregating to Rs.Nil (Previous Year Rs. 215.94 lacs till 31st July, 2009) have been realized up to 28th August 2010 and the balance remains to be realized as on that date. The total receivable for the earlier years included in DEPB receivable account amounts to Rs. 75.62 lacs (Rs. 309.21 lacs as at 31st March, 2009)
- 8) The management is of the view that shortfall of Rs. Nil (Previous year Rs. 53.06 lacs) between the aggregate book value of quoted investments and the aggregate market value thereof held by the company as long term investment as on 31st March 2010 is temporary and therefore no provision has been made.
- 9) The company has made provision of Rs.116.80 lacs (Previous Year Rs. NIL) in respect of book-debts of Rs.116.80 lacs (Previous Year Rs.88.93 lacs) considered doubtful of recovery. The Company has also made provision of Rs. 269.31 lacs (Previous Year Rs. Nil) in respect of advances considered doubtful of recovery. Aggregate provision of Rs. 386.11 lacs (Previous Year Rs. Nil) has been made out of General Reserve.
- 10) There were no amount overdue and remaining outstanding to small scale and/or ancillary industrial suppliers on account of principal and/or interest as at the close of the year. This disclosure by the Company is based on the information available with the Company regarding the status of the suppliers. In absence of necessary information relating to suppliers registered as Micro, Small and Medium enterprises under the Micro, Small and Medium Enterprises (Development) Act 2006, the company has not been able to identify such suppliers and the information required under the said Act could not be compiled and disclosed.

		(Rs. in Lacs)	
11)		2009-10	2008-09
	Payment to auditors		
a)	Statutory Auditors :		
	i) Audit Fees	4.00	4.00
	ii) As Adviser, or in any other capacity in respect of:		
	(i) Taxation matters	0.75	0.75
	(ii) Certification and other matters	0.20	0.30
	iii) Tax Audit Fees	0.50	0.50
	iv) Reimbursement of Service Tax	0.15	0.60
	Total	5.60	6.15
		(Rs. in Lacs)	
12)		2009-10	2008-09
b)	Cost Auditors:		
	i) Audit Fee	0.25	0.50
	ii) Certification and other Matters	0.38	0.05
	iii) Reimbursement of Service Tax	0.04	0.08
	iv) Reimbursement Expenses	0.00	0.11
	Total	0.67	0.74
a)	No commission (Previous Year Rs. NIL) has been paid to the Managing Director / Dy. Managing Director for the year under review in view of resolution passed by the Board of directors at the meeting held on 31 st July, 2009 and as agreed by the Managing Director / Dy. Managing Director. Computation of Net Profit as per Section 349 read with Section 309(5) and section 198 of the Companies Act, 1956 therefore has not been furnished for the year under review.		
b)	The Profit & Loss Account includes remuneration paid to the Managing Director and Deputy Managing Director as under :		(Rs. in Lacs)
		2009-10	2008-09
	Salary	28.05	26.80
	Contribution to Provident & other funds	1.81	1.60
	Other Perquisites	3.23	2.20
	Total	33.09	30.60
i)	Major components of deferred tax assets and liabilities arising on account of timing difference are :		(Rs. in Lacs)
		As at March 31, 2010	As at March 31, 2009
		Assets	Liabilities
		Assets	Liabilities
a)	Depreciation	-	91.57
b)	Deferred Revenue Exp.	-	-
c)	Other Deferred Tax Assets	-	-
	Total	-	91.57
ii)	Total income of the company chargeable to tax is being determined by the company in accordance with provisions of the Income Tax Act, 1961 after considering allowances, claims and reliefs available to the Company and the Company normally accordingly provides for taxation on the total income so determined. However, in view of composite Scheme of Arrangement / Amalgamation approved by the Board of Directors of the Company in its meeting held on 25 th Aug, 2010 and further in view of signing of the Merger Agreement, the company has decided to get amalgamated with Global Boards Ltd. with effect from 1 st April 2009. Global Boards Ltd. has accumulated losses and unabsorbed depreciation as per books of account and also under the Income Tax Act, 1961. The company has been advised that on it getting amalgamated its profit for the year under review will be set off against the accumulated losses and unabsorbed depreciation of Global Board Ltd. The company has been advised that under the circumstances it shall have no liability under the Income Tax Act, 1961 and therefore no provision has been made in books of the company. The proposed amalgamation with effect from 1 st April 2009 is subject to approval by shareholders, the creditors, the statutory authorities and also the Hon'ble High Court of Gujarat and the Hon'ble High Court at Mumbai.		

iii) In accordance with the Accounting Standard-22, Accounting for taxes on Income issued by the Institute of Chartered Accountant of India the deferred tax for the year is accounted in respect of depreciation and admissible deductions as computed under the Income tax Act, 1961 and profits as per the books of account by using the tax rates and law that have been enacted or substantively enacted as of the balance sheet date.

- 14) Rs. 77.52 lacs being net loss (Previous year Rs. 330.71 Lacs being net loss) on account of exchange difference have been adjusted in the respective heads of account in the profit & loss account.
- 15) Earning per share (EPS) – EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity shares are stated below :

	For the year ended	
	March 31, 2010	March 31, 2009
1. Profit / (Loss) before tax & exceptional items (Rs. in Lacs)	275.99	(524.30)
2. Exceptional items (Rs. in Lacs)	4062.38	Nil
3. Profit / (Loss) after tax (Rs. in Lacs)	4069.82	(326.30)
4. No of shares (Rs. in Lacs)	114.33	114.33
5. EPS before exceptional items (Rs.)	2.41	(4.59)
6. EPS (Rs.)	35.60	(2.85)
7. F.V of shares (Rs.)	10/-	10/-

16. Accounting Standard (AS-15) on Employee benefits

Provident Fund Contribution by the Company:

Contributions are made to Recognised Provident Fund/Government Provident Fund, Family Pension Fund, ESIC and other Statutory Funds which covers all regular employees. While both the employees and the Company make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to Rs. 12.71 Lacs (Previous Year Rs.63.81 lacs). Figures for the current year under review are not comparable due to demerger of the Vadodara Unit.

	Year ended 31 st March 2010 (Rs.in lacs)	Year ended 31 st March ,2009 (Rs.in lacs)
Contribution to Provident Fund	7.27	36.32
Contribution to Employees State Gratuity Benefits Insurance Scheme (E.S.I.C.) & Contribution to Labour Welfare Fund	5.44	27.49

Gratuity Benefits :

In respect of Gratuity, the Company has taken policy No.40000192 from Reliance life insurance Co.Limited. The Defined Benefit Obligation as at 31-03-2010 works out to Rs.1936931/-. Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made for all regular employees on the basis Actuarial Valuer's certificate.

Defined Benefit Plan -Gratuity (As per Actuarial Valuation as on 31st March 2010)

Rs lacs

**GRATUITY
(Fully Funded) Reliance Life
Insurance Co Ltd. Policy**

I Change in Obligation during the year ended 31st March 2010

After Demerger from Appointed Day

1 Present Value of obligation as at 01-04-2009	26.55
2 Interest Cost	0.00
3 Current service Cost	1.53
4 Actuarial (gain)/loss on obligation	1.65
5 Benefits paid	8.88
6 Present Value of obligation as at 31-03-2010	19.32

II Change in Assets during the year ended 31st March 2010

1 Plan assets as at 01-04-2009	26.55
2 Expected Return on Plan assets	0
3 Contribution by the Employer	1.53
4 Actual benefits paid	8.88
5 Actuarial Gains/(Losses)	1.65
6 Plan assets as at 31-03-2010	19.32

III Net Asset/(Liability) recognized in the Balance Sheet as at 31-03-2010

1	Present Value of defined obligation as at 01-04-2010	19.32
2	Fair value of plan assets as at 31-03-2010	19.32
3	Fund status (Surplus/(deficit)) as at 31-03-2010	(1.53)
4	Net Assets/(Liability) as at 31-03-2010	20.87

IV Expenses recognized in Profit & Loss Account for the year ended 31-03-2010

1	Current service cost	1.53
2	Interest cost	0
3	Expected return on plan assets	0
4	Net Actuarial (gain)/loss (net of Opening Actuarial Gain (Loss) adjustment)	1.65
5	Expenses recognized in Profit & Loss Account	1.53

V The major categories of plan assets as a percentage of total plan

Not applicable as the plan is administered by Reliance Life Insurance Company Limited	100%
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VI Method of Valuation
Projected unit Credit Method
VII Actuarial Assumptions

1	Discount Rate	7.50% per annum
2	Expected rate of return on plan assets	0
3	Mortality Table	LIC I1994-96 Ultimate Table At Age X-3 for management and at Age X-1 for Non management
4	Retirement Age	58 years
5	Salary escalation	5%

- 17) a) The Company during the year under review has enter into Partnership as per following details :

Name of Firm	Share in Profit / Loss Percentage (%)
---------------------	--

Metro-Samved Engineers	80
Simandhar Metro Estate	45

- b) The Company is engaged in the business of Dyes and Dyes Intermediates, trading of iron ore, Infrastructure and Reality Segment during the financial year under review, which in the context of Accounting Standard 17 are considered reportable business segments. Business segment information in pursuance of Accounting Standard 17 have been reported as below:

INFORMATION ABOUT BUSINESS SEGMENTS
(Rs. in Lacs)

	Dyes & Intermediates		Iron Ore		Infrastructure & Reality		Others		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
REVENUE										
1 External Sales	1211.57	22318.87	0.00	0.00	0.00	0.00	0.00	0.00	1211.57	22318.87
2 Inter Segment Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3 Interest & Dividend Income	0.00	0.00	0.00	0.00	136.00	0.00	382.96	0.00	518.96	0.00
4 Total Revenue	1211.57	22318.87	0.00	0.00	136.00	0.00	382.96	0.00	1730.53	22318.87
5 Interest expense	3.53	699.65	0.00	0.00	0.00	0.00	0.00	0.00	3.53	699.65
6 Operating profit	(242.97)	(524.30)	0.00	0.00	136.00	0.00	382.96	0.00	275.99	(524.30)
7 Income taxes	268.55	(198.00)	0.00	0.00	0.00	0.00	0.00	0.00	268.55	(198.00)
8 Profit from ordinary activities	(242.97)	(326.30)	0.00	0.00	136.00	0.00	382.96	0.00	275.99	(326.30)
9 Capital Gain	4062.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4062.38	0.00
10 Net Profit	3550.86	(326.30)	0.00	0.00	136.00	0.00	382.96	0.00	4069.82	(326.30)
11 Total assets	1721.57	18896.06	497.83	497.83	3229.00	0.00	8930.46	0.00	14378.86	19393.89
12 Segment liabilities	91.57	10041.86	0.00	0.00	0.00	0.00	1455.46	0.00	1547.03	10041.86
13 Capital expenditure	581.64	8664.01	0.00	0.00	0.00	0.00	0.00	0.00	581.64	8664.01
14 Depreciation	118.49	868.43	0.00	0.00	0.00	0.00	0.00	0.00	118.49	868.43
Other Information										
Non cash expenses other than Depreciation	45.47	14.21	0.00	0.00	0.00	0.00	0.00	0.00	45.47	14.21

Note :

Previous Year figures have been regrouped/reclassified wherever necessary to correspond with the figures for the year under review. Infrastructure and Reality business has been started during the financial year under review and therefore it has no figures for the previous year. Previous Year figures, in view of demerger of Baroda undertaking and commencement of new business viz Infrastructure and reality, are not comparable with figures for the financial year under review.

- 18) Related party disclosures as required by Accounting Standard AS-18 issued by the Institute of Chartered Accountants of India are given below

Name of the related party and nature of relationship where control exists :

Sr. No.	Name of the related party		
I	Subsidiaries companies		
1	Metrochem Capital Trust Limited		
II	Associates Companies		
1	Worship Trading And Investment Pvt. Ltd.	2 Search Invatrade Pvt. Ltd.	
3	Spring Trading And Investment Pvt. Ltd.	4 Amaze Trading Investment Pvt. Ltd.	
5	Maiden Tradefin Pvt. Ltd.	6 Cheer Trading And Investment Pvt. Ltd.	
7	Sparkling Tradefin Pvt. Ltd.	8 Precision Footcate Pvt. Ltd.	
9	Eximco Electronics (I) Pvt. Ltd.	10 Anil Dyechem Industries Pvt. Ltd.	
11	Ornet Infrastructure Pvt. Ltd.		
III	Key Management Personnel		
1	Shri Gautam M. Jain	2 Shri Anil M. Jain	
3	Shri Rahul Jain		
IV	Relatives of Key Management Personnel and their Enterprises		
1	Mahendra Mithalal HUF	2 Mahendra Anil HUF	3 Gautam Anil HUF
4	Rajendra Anil HUF	5 Gautam Rajendra HUF	6 Rajendra Mithalal HUF
7	Mishal M. Shah	8 Arun R. Jain	9 Suhani M. Shah
10	Yash Anil Jain	11 Mithalal Mukanchand HUF	12 Nitu G. Jain
13	Ankit Rajendra Jain	14 Rajendra Jain HUF	15 Mithalal Rajendra HUF
16	Rajendra Mithalal HUF	17 Rajendra Gautam Bros. HUF	18 M. G. & Sons HUF
19	Bhavna G. Jain	20 Anil Mahendra HUF	21 Mithalal Mukanchand B. HUF
22	Mithalal Gautamkumar HUF	23 Gautamkumar Mithalal HUF	24 Anil M Jain HUF
25	Mithalal M. Shah	26 Mahendra M. Shah	27 Sumitradevi M. Shah
28	Ritu A. Jain	29 Santosh M. Shah	30 Asha R. Jain
31	Ritu (Ekta) G. Jain	32 Metrochem Industries	33 Aarti P. Jain

Related Party Disclosures :

In accordance with Accounting Standard 18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the company has compiled the required information in the table below.

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

(Rs. in Lacs)						
Sr. No.	Nature of Transactions	Subsidiaries	Associates Companies	Key Mangt. Personnel	Relative of Key Management Personnel	Total
1	Remuneration/Sitting Fees	-	-	28.22	-	28.22
2	Lease Rent/ Shed Rent paid	-	0.78	1.32	1.32	3.42
3	Reimbursement of expenses	-	-	3.23	-	3.23
4	Professional Fees	-	-	-	-	-
5	Interest expenses on intercorporate deposits taken	5.03	114.56	-	-	119.59
6	Interest expenses on Fixed deposits taken	-	-	-	8.92	8.92
7	Intercorporate deposits taken during the year	4.25	288.06	-	-	292.31
8	Intercorporate deposits Repaid during the year	-	1668.20	-	429.62	2097.82
9	Outstanding intercorporate deposits payable	103.99	1273.75	-	-	1377.74
10	Outstanding fixed deposits payable	-	-	-	-	-
11	Investment in shares of associate companies	-	106.37	-	-	-
12	Loan given	-	1596.21	-	-	-
13	Interest receivable	-	105.65	-	-	-
14	Outstanding loans receivable	-	1701.86	-	-	-
Total		113.27	6855.44	32.77	439.86	7441.34

There are no write offs/write back of any amounts for any of the above parties

- 19) Disclosure as required by Accounting Standard 19, on "Leases" issued by the Institute of Chartered Accountants of India are given below. The company is a lessee.
- The Company's significant operating leasing arrangements are in respect of premises. The aggregate lease rental payable are charged to the profit and loss account as lease rent in the schedule
 - The leasing arrangements are cancellable at any time on month to month basis and are renewable by mutual consent on mutually agreeable terms.
- 20) Contingent Liabilities :
- Liability in respect of export bills purchased/negotiated with the banks and remaining unrealized at the close of the year is Nil (Previous Year Rs. 323.03 lacs)
 - Income Tax matters disputed in appeals Rs. 38.53 lacs (net of payments) (Previous Year Rs. 38.53 lacs).
 - Sales tax disputed in appeals Rs. 33.09 lacs (Previous Year Rs. 33.09 lacs).
 - Central Excise Duty demand disputed Rs.18.71 lacs (Previous Year Rs. 18.71 lacs)
 - Certain claims/show cause notices disputed have neither been considered as contingent liabilities nor acknowledged as claims based on the opinions obtained from legal counsels.
 - No amounts are due to for deposits as at the balance sheet date to the investor's education and protection Fund.
 - Bank Guarantees issued by the banks Rs. 15.90 lacs (Previous Year Rs. 15.90 lacs)
- 21) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. NIL (Previous Year Rs. NIL).
- 22) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the figures for the year under review. The Company has however disposed off its Industrial undertaking at Vadodara w.e.f. 1st April, 2009 in Scheme of Demerger and therefore figures for the year Financial Year Under review are not comparable with figures for Previous Year. The Company has also entered into new business segment viz. Infrastructure and Reality and therefore also the figures for the Financial Year under review are not comparable with figures for the Previous Year.
- 23) The amounts in the Balance Sheet and Profit and Loss Account are rounded off to the nearest thousand and indicated in lacs of rupees.
- 24) Additional information pursuant to provisions of para 3,4C and 4D of part II of Schedule VI to the Companies Act,1956:
- Licensed & installed capacity and production as certified by the management:

	Year ended March 31, 2010 (MT)	Year ended March 31, 2009 (MT)
I. At Vatva, Ahmedabad		
1. Licensed Capacity	N.A.	N.A.
2. Installed Capacity	2700.00	2700.00
3. Production (Real)		
Dyes	66.06	1241.29
Intermediates	603.62	374.74
TOTAL	669.69	1616.03
II. At Umraiya, Baroda		
1. Licensed Capacity	N.A.	N.A.
2. Installed Capacity	N.A.	24660.00
3. Production (Real)		
Dyes	N.A.	4898.60
Intermediates	N.A.	3727.17
TOTAL	N.A.	8625.78

b) Sales & Stock of Finished Goods :-

	Year ended March 31, 2010		Year ended March 31, 2009	
	M T	Rs./Lacs	M T	Rs./Lacs
i) Trading :				
a) Dyes & Intermediate				
Opening Stock	3.00	4.84	14.80	25.07
Purchase	251.76	249.49	147.01	107.94
Sales				
Local	240.41	239.76	113.51	68.25
Export	14.35	27.87	45.30	77.03
Closing Stock	0.00	0.00	3.00	4.84
b) Iron Ore				
Opening Stock	11613	162.93	11613	162.93
Purchase	NIL	NIL	NIL	NIL
Sales				
Local	NIL	NIL	NIL	NIL
Export	NIL	NIL	NIL	NIL
Closing Stock	11613	162.93	11613	162.93

ii) Manufacturing (Figures in Bracket Indicate previous year's figures)
Statement showing details of Manufacturing during 2009-10

	Dyes		Intermediates	
	M T	Rs./Lacs	M T	Rs./Lacs
Opening Stock	-	-	2.17	5.19
	(327.16)	(579.37)	(93.43)	(180.45)
Production (Real)	66.06		603.62	
	(6139.89)		(4101.92)	
Captive Consumption and Inter Unit Transfer	-		-	
	(573.28)		(1580.65)	
Sales				
Local Sales (including Job charges)	12.41	24.42	396.04	588.82
	(1910.75)	(4605.46)	(1992.59)	(5875.12)
Export Sales	53.65	89.03	207.59	241.67
	(3905.01)	(7616.64)	(609.22)	(1704.16)
Closing Stock	-	-	2.17	5.29
	(78.01)	(402.62)	(12.89)	(9.61)

(c) Raw Materials Consumption	Year ended March 31, 2010		Year ended March 31, 2009	
	QTY. Mts.	VALUE Rs./Lacs	QTY. Mts.	VALUE Rs./Lacs
Aniline Oil (IMP)	-	-	229.52	456.69
6 Nitro 1:2:4 Diazo Acid (6 Nitro 1 Diazo 2 Napthol)	-	-	17.90	59.46
Acetic Anhydride	-	-	4.55	3.30
Acetanalide	-	-	852.77	688.47
Aniline Oil (IMP)	-	-	1.89	1.47
Beta Napthol (IMP)	-	-	54.94	73.89
Cast Iron Powder	-	-	1214.20	323.20
Caustic Soda Flakes	2.99	1.50	2707.38	586.26
C.S. Lye (Asis) & C.S. Lye (Real)(Dyes)	9.86	0.32	2138.10	369.17
Chloro Sulphonic Acid	-	-	3784.50	638.07
Crude Napthelene	-	-	1211.10	642.41
Cynauric Chloride	-	-	40.90	59.68
Dilute Sulphuric Acid 80%	-	-	7675.90	570.57
Ethylene Oxide	-	-	380.35	273.90
Gamma Acid	-	-	9.94	28.59
H. Acid	-	-	329.19	875.14
J. Acid	-	-	61.78	255.56
K. Acid	-	-	39.07	78.15
M.P.D. (IMP)	-	-	21.41	34.35
Nitric Acid	-	-	1382.63	107.81
Oleum 23% & 65%	538.62	24.35	4256.63	679.37
Ortho Nitro Tolune	-	-	149.70	65.44
Para Cresol (IMP)	-	-	735.40	1178.10
Soda Ash	-	-	1177.23	191.82
Sodium Bi Sulphite	-	-	363.92	101.73
Sodium Sulphate	0.57	0.06	89.80	11.56
Sulpho Tobias Acid	-	-	28.83	66.67
Sulphuric Acid	671.23	16.15	370.50	38.35
Tobias Acid	-	-	30.43	66.11
Re. Black G Crude	1.18	1.94	-	-
Cibacron Black WNN	19.08	28.04	200.00	271.64
Re. Black RJ Crude	2.15	3.76	-	-
Hydrated Lime	31.89	1.73	-	-
Re. Turq. Blue (Re. Blue 21)	0.19	0.23	-	-
Refined Salt	376.85	35.05	190.10	11.13
Re. Blue 221	0.10	0.44	-	-
Re. Red 195	1.00	2.59	-	-
Re. Orange 72 UN. STD. Crude	0.15	0.25	0.86	1.50
Re. Black 5 150%	1.23	2.08	-	-
Re. Black 5 133%	1.47	2.50	-	-
Re. Blue 222	0.10	0.11	-	-
Re. Black SR Crdue	16.42	28.73	-	-
Sandodust Oil	0.15	0.20	0.05	0.05
Re. Blue 220 (Crude RM)	1.23	3.00	21.90	69.00
V. S. Of Aniline	554.440	654.92	78.59	89.49
Re. Yellow 145	0.49	0.91	-	-
Re. Yellow 160	0.25	0.44	-	-
Others	-	7.85	-	4663.62
Total Raw Material Consumed		817.15		13631.71

d) Value of Imports on C.I.F. Basis

	Year ended March 31, 2010 (Rs./Lacs)	Year ended March 31, 2009 (Rs./Lacs)
Raw Materials	181.48	2087.81
Capital Goods	-	4.43

e) Consumption of Raw Materials

	Year ended March 31, 2010		Year ended March 31, 2009	
	(Rs./Lacs)	%	(Rs./Lacs)	%
Imported (including import duty content)	13.29	1.63	2245.46	16.47
Indigenous	803.76	98.37	11386.25	83.53
Total	817.05	100.00	13631.71	100.00

f) Expenditure in Foreign Currency incurred during the year.

	Year ended March 31, 2010 (Rs./Lacs)	Year ended March 31, 2009 (Rs./Lacs)
Foreign Bank Charges	1.35	36.76
Foreign Travelling	1.18	9.59
Other Expenses	-	0.15

g) Earnings in Foreign Currency during the year.

Direct Exports (FOB Value)	358.57	9599.59
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Signatories to Schedules 1 to 15

As per our report of even date
For Deepak Soni & Associates
Chartered Accountants
Deepak Soni
Proprietor
Membership No. 31138
Firm Reg. No. 102250W
Ahmedabad
August 28, 2010

Nitin Shah
Company Secretary

For & on behalf of the Board

Gautam M. Jain Chairman & Managing Director
Rahul Jain Executive Director
Sandeep S. Bhandari Director
Ahmedabad
August 28, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Submitted in terms of Part IV and Schedule VI to the Companies Act, 1956)

1. REGISTRATION DETAILS

Registration No. : L24110GJ1987PLC009484
 State Code : 04
 Date of Balance sheet : 31.03.2010

(Rs. in Lacs)

2. CAPITAL RAISED DURING THE YEAR

	31.03.2010	31.03.2009
Public Issue	Nil	Nil
Right Issue	Nil	Nil
Bonus Issue	Nil	Nil
Private Placement	Nil	Nil
On Amalgamation	Nil	Nil

3. POSITION OF MOBILIZATION & DEPLOYMENT OF FUNDS

Total Liabilities	14451.44	17441.95
Total Assets	14451.44	17441.95
a) Source of funds		
Paid up Capital	1143.33	1143.33
Reserve & Surplus	11761.08	7689.72
Secured Loan	0.00	3091.76
Unsecured Loan	1455.46	4770.50
Deferred Tax Liability (Net)	91.57	746.64
Total	14451.44	17441.95
b) Application of funds		
Net Fixed Assets	581.64	8459.27
Net Current Assets	13041.68	8447.68
Investments	755.54	152.24
Miscellaneous Expenditure	72.58	382.76
Total	14451.44	17441.95

4. PERFORMANCE OF THE COMPANY

Total Income	5962.57	22330.25
Total Expenditure	1624.20	22854.55
Profit /(loss) Before Tax	4338.37	(524.30)
Profit /(loss) After Tax	4069.82	(326.30)
Earning Per Share (Rs.)	35.60	-
Dividend Rate	20%	-

5. GENERIC NAME OF THREE PRINCIPAL PRODUCTS OF THE COMPANY

(as per monetary terms)

Item Code	Products	Products
a) 282221-06	H-Acid	H-Acid
b) 320416-08	Re. Blacks	Re. Blacks
c) 292141-09	Vinyl Sulphone Ester of Aniline & its Derivatives	Vinyl Sulphone Ester of Aniline

As per our report of even date

For & on behalf of the Board

For Deepak Soni & Associates

Chartered Accountants

Deepak Soni

Proprietor

Membership No. 31138

Firm Reg. No. 102250W

Ahmedabad

August 28, 2010

Nitin Shah
Company Secretary

Gautam M. Jain

Chairman & Managing Director

Rahul Jain

Executive Director

Sandeep S. Bhandari

Director

Ahmedabad

August 28, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Year Ended March 31, 2010 Year Ended March 31, 2009
(Rs. in lacs) (Rs. in lacs)

A. CASH FLOW FROM OPERATING ACTIVITIES

Profit / (Loss) before Tax	4338.37	(524.30)
Adjustments for		
Depreciation	118.49	868.17
Gain on Demerger of Baroda Unit	-4062.38	-
Misc. Expenditure w/off	7.94	14.06
Interest paid	3.53	711.61
Dividend Income	0.00	-8.48
Loss on Sale of Fixed Assets	3.53	15.84
Loss on Sale of Investments	10.35	0.00
Interest Income	0.00	-11.96
	-3918.55	1589.24
Operating Profit before Working Capital Changes	419.82	1064.93
Adjustments for		
Trade Receivables (Incl. export bills purchased/negotiated)	661.17	3384.62
Other Receivables	387.65	2495.67
Inventories	24.07	435.90
Trade Payables	-301.00	-762.72
FBT Payment	0.00	-5.50
	771.89	5547.97
Cash generated from Operations	1191.71	6612.90
Direct Taxes paid	-615.41	-54.61
Cash flow before Extraordinary items	576.30	6558.29
Deferred Revenue Expenditure incurred	0.00	-355.78
Depreciation on Adjustments	0.00	-52.13
	0.00	-407.91
Net Cash flow from Operating Activities	576.30	6150.38
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (net of Sale proceeds)	-95.77	-952.66
Proceeds from demerger of Baroda unit	13604.71	0.00
Long Term Investments	603.30	0.00
Dividend Received	0.00	8.48
Net Cash used in Investing Activities	12905.64	-944.18

Year Ended March 31, 2010 Year Ended March 31, 2009
(Rs. in lacs) (Rs. in lacs)

C. CASH FLOW FROM FINANCING ACTIVITIES

Interest Received	0.00	11.96
Secured Loans	0.00	-4355.61
Advances to Suppliers, Contractors & Others	-6417.24	0.00
Unsecured Loans	-1394.36	-150.94
Deposit with Other Companies	-1600.00	177.37
Dividend paid	0.00	-228.67
Interest paid	-3.53	-711.61
Net Cash Flow from Financing Activities	-9415.13	-5257.50

**D. NET CASH INCREASE/DECREASE IN CASH AND
CASH EQUIVALENTS (A+B+C)**

	4066.81	-51.30
Opening Balance of Cash & Cash Equivalents	63.52	114.82
Closing Balance of Cash & Cash Equivalents	4130.33	63.52

This is the Cash flow statement referred in our report of even date

For Deepak Soni & Associates

Chartered Accountants

Deepak Soni

Proprietor

Membership No. 31138

Firm Reg. No. 102250W

Ahmedabad

August 28, 2010

Nitin Shah
Company Secretary

For & on behalf of the Board

Gautam M. Jain Chairman & Managing Director

Rahul Jain Executive Director

Sandeep S. Bhandari Director

Ahmedabad
August 28, 2010

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statements of Metrochem Industries Ltd. and its subsidiary Metrochem Capital Trust Ltd. for the year ended on the 31st March 2010. The statement has been prepared in accordance with the requirements of Listing Agreement Clause No.32 with Ahmedabad Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Accounts and the Balance Sheets of both the companies covered by our report of even date to the members of the Companies.

For, **DEEPAK SONI & ASSOCIATES**
Chartered Accountants

Ahmedabad
28th August , 2010

DEEPAK SONI
(PROPRIETOR)
Membership No. 31138
Firm Reg. No. 102250W

STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT, 1956

(A)	Subsidiary Company	METROCHEM CAPITAL TRUST LIMITED
(B)	Holding Company's Interest	70% Equity Share Capital
(C)	Financial Year of the subsidiary Company ended on	31st March, 2010.
(D)	Net aggregate amount of the Subsidiary Company's Profit/Loss not dealt with in the Company's Accounts	
	(i) For the Subsidiary Company's Financial Year ended 31st March, 2010.	Rs. 1.94 Lacs
	(ii) For the Subsidiary Company's previous Financial Years, since it became the holding Company's subsidiary	Rs. 108.97 Lacs
(E)	Net aggregate amount of the Subsidiary Company's profit dealt with in the Company's Accounts	
	(i) For the Subsidiary Company's Financial Year ended 31st March, 2010	NIL
	(ii) For the Subsidiary Company's previous Financial Year, since it became the holding Company's subsidiary	Rs. 28.66 Lacs

Note:

Amount shown under items (d) and (e) above are those attributable to direct holding in the subsidiary.

For & on behalf of the Board

Nitin Shah
Company Secretary

Gautam M. Jain Chairman & Managing Director

Rahul Jain Executive Director

Sandeep S. Bhandari Director

Ahmedabad
August 28, 2010

The Board of Directors

M/s. Metrochem Industries Limited

Regd. Office : Plot No. 491,

G.I.D.C., Phase II,

Vatva, Ahmedabad - 382 445.

Dear Sirs

**Report on the Consolidated Financial Statements of Metrochem Industries Limited –
for the Year ended March 31, 2010**

- 1.0 We have examined the attached Consolidated Balance Sheet of **METROCHEM INDUSTRIES LIMITED** and its one subsidiary (i.e. METROCHEM CAPITAL TRUST LIMITED) as at March 31, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date.
- 2.0 These Consolidated financial statements are the responsibility of the management of M/S. METROCHEM INDUSTRIES LIMITED. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
- 3.0 We have conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 4.0 We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of METROCHEM INDUSTRIES LIMITED and its one subsidiary included in the consolidated financial statements.
- 5.0 On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of METROCHEM INDUSTRIES LIMITED and its aforesaid one subsidiary we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Consolidated Balance Sheet of the state of affairs of METROCHEM INDUSTRIES LIMITED and its subsidiary as at 31st March, 2010,
 - b) In the case of the Consolidated Profit & Loss Account profit/loss of METROCHEM INDUSTRIES LIMITED and its subsidiary for the year ended on that date; and
 - c) In the case of the Consolidated Cash Flow Statement, of the cash flows of METROCHEM INDUSTRIES LIMITED and its subsidiary for the year ended on that date.

For, **DEEPAK SONI & ASSOCIATES**
Chartered Accountants

Ahmedabad
August 28, 2010

DEEPAK SONI
(Proprietor)
Membership No. 31138
Firm Reg. No. 102250W

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	As at March 31, 2010 (Rs./lacs)	As at March 31, 2009 (Rs./lacs)
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	1143.33	1143.33
Reserves & Surplus	2	11798.26	7731.68
		12941.59	8875.01
Loan Funds			
Secured	3	-	3091.76
Unsecured	4	1455.46	4851.17
		1455.46	7942.93
Minority Interest	5	225.52	217.97
Deferred Tax Liability (Net)			
Deferred Tax Liability		91.57	746.73
Less : Deferred Tax Asset		-	0.09
		91.57	746.64
TOTAL		14714.14	17782.55
APPLICATION OF FUNDS			
Fixed Assets :			
Goodwill on Consolidation		12.56	12.56
Other Fixed Assets :			
Gross Block	6	3265.70	20259.14
Less : Depreciation		2753.24	11868.79
Net Block		512.46	8390.36
Capital Work in Progress		70.96	273.65
		583.42	8664.01
Investments	7	667.02	55.90
Current Assets, Loans and Advances :			
Inventories	8	251.46	3045.34
Sundry Debtors		730.89	5239.28
Cash & Bank Balances		4131.01	70.13
Loans and Advances		8929.95	2448.09
		14043.31	10802.84
Less : Current Liabilities & Provisions	9		
Current Liabilities		397.22	2137.79
Provisions		267.53	-
		664.75	2137.79
Net Current Assets		13378.56	8665.05
Miscellaneous Expenditure			
(to the extent not written off or adjusted)	10	72.58	385.03
TOTAL		14714.14	17782.55
Notes to the Accounts	16		

As per our report of even date

For Deepak Soni & Associates
 Chartered Accountants

Deepak Soni
 Proprietor
 M. No.31138
 Firm Reg. No. 102250W
 Ahmedabad
 August 28, 2010

Nitin Shah
 Company Secretary

For & on behalf of the Board
Gautam M. Jain Chairman & Managing Director

Rahul Jain Executive Director

Sandeep S. Bhandari Director

 Ahmedabad
 August 28, 2010

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	Year Ended March 31, 2010 (Rs./lacs)	Year Ended March 31, 2009 (Rs./lacs)
INCOME			
Income From Operations			
SALES - Domestic (including Indirect Exports)		934.02	13628.93
- Exports		358.57	9599.59
		1292.59	23228.52
Less : Excise Duty		(81.02)	(909.65)
Sales (Net of Excise Duty)		1211.57	22318.87
Gain on Demerger of Baroda Unit		4062.38	-
Other Income	11	170.38	3.68
Interest and Dividend	12	524.19	28.25
TOTAL		5968.52	22350.80
EXPENDITURE			
Purchase of Products for Sales		249.49	3008.19
Manufacturing & Other Expenses	13	1253.69	18395.14
Increase/(Decrease) in Finished and Process Stock	14	1.91	(113.50)
Interest	15	3.53	699.65
Depreciation		118.76	868.43
TOTAL		1627.38	22857.91
Profit Before Tax		4341.15	(519.07)
Provision For Tax			
Current Tax		-	-
Deferred Tax		-	(203.50)
Fringe Benefit Tax		-	5.50
Short provision of Income tax for earlier years		268.55	-
Profit After Tax		4072.60	(321.07)
Balance in Profit & Loss Account brought forward		842.41	1163.48
Profit Available for Appropriation :		4915.01	842.41
Appropriations :			
Transfer to General Reserve		406.98	-
Proposed Dividend on Equity Shares		228.67	-
Tax on Distributed Profits		38.86	-
		674.51	-
Balance Carried Over to Balance Sheet		4240.49	842.41

Notes to Accounts 16

As per our report of even date

For Deepak Soni & Associates

Chartered Accountants

Deepak Soni

Proprietor

M. No.31138

Firm Reg. No. 102250W

Ahmedabad

August 28, 2010

Nitin Shah
Company Secretary

For & on behalf of the Board

Gautam M. Jain

Chairman & Managing Director

Rahul Jain

Executive Director

Sandeep S. Bhandari

Director

Ahmedabad

August 28, 2010

**SCHEDULES FORMING PART OF THE CONSOLIDATED
BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

	As at March 31, 2010 (Rs./lacs)	As at March 31, 2009 (Rs./lacs)
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
20000000 (20000000) Equity Shares of Rs. 10/- each	2000.00	2000.00
25000000 (25000000) Cumulative/Non-Cumulative, Redeemable, Convertible/Non-convertible Preference Shares of Rs. 10/- each	2500.00	2500.00
	4500.00	4500.00
Issued, Subscribed & Paid Up		
11433333 (11433333) Equity Shares of Rs. 10/- each	1143.33	1143.33
TOTAL	1143.33	1143.33

Notes :

- (1) Of the above, 1003333 (1003333) Equity Shares of Rs. 10/- each were allotted on 5th April, 1995 as fully paid up pursuant to the Scheme of Amalgamation without payment being received in cash.
- (2) Of the above, 67250 (67250) Equity Shares of Rs. 10/- each were allotted on 9th March, 1993 as fully paid up pursuant to the Scheme of Amalgamation without payment being received in cash.
- (3) Of the above, 6460000 (6460000) Equity Shares of Rs. 10/- each were allotted on 28th Feb., 1994 as fully paid up bonus shares by capitalising Rs. 323 lacs from balance in Profit & Loss Account and Rs. 323 lacs from Revaluation Reserve.

	As at March 31, 2010 (Rs./lacs)	As at March 31, 2009 (Rs./lacs)
SCHEDULE 2		
RESERVES & SURPLUS		
a. Capital Reserve :		
Balance as per last Balance Sheet	14.31	14.31
Sub Total	14.31	14.31
b. Capital Redemption Reserve :		
Balance as per last Balance Sheet	1500.00	1500.00
Sub Total	1500.00	1500.00
c. Securities Premium :		
Sub Total	3940.68	3940.68
d. General Reserves :		
Balance as per last Balance Sheet	1434.28	1441.45
Add : Transfer from Profit & Loss Account	406.98	-
Add : Differed Tax Liability Write Back	655.07	-
Less : Provision for Doubtful Debts created out of General Reserve	(386.00)	-
Less : Cumulative dividend related to Preference shareholders	(8.00)	(8.00)
Less : Share of Minority in Profit of Metrochem Capital Trust Ltd.	0.44	0.83
Sub Total	2102.77	1434.28
e. Surplus		
Balance in Profit & Loss Account	4240.49	842.41
Sub Total	4240.49	842.41
TOTAL	11798.26	7731.68

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

As at
March 31, 2010 As at
 March 31, 2009
 (Rs./lacs) (Rs./lacs)

SCHEDULE 3
SECURED LOANS

I. Cash Credit/Export Credit/Working Capital Demand Loan		
From Scheduled banks	-	2621.66
II. State Bank of India FCNRB Term Loan	-	329.08
III. State Bank of India - Corporate Loan	-	141.02
TOTAL	-	3091.76

SCHEDULE 4
UNSECURED LOANS

From Corporate Bodies	1455.46	4421.55
From Others - Fixed Deposits	-	429.62
TOTAL	1455.46	4851.17

SCHEDULE 5
MINORITY INTEREST

Shares held by Minority Shareholder in Metrochem Capital Trust Limited	24.50	24.50
Share in Share Premium of Metrochem Capital Trust Limited	17.13	17.13
Share in General Reserve of Metrochem Capital Trust Limited	11.24	11.24
Share in Profit (loss) of Metrochem Capital Trust Limited	8.32	8.76
8% Cumulative Redeemable Preference Share Capital	100.00	100.00
Cumulative dividend related to Preference shareholders	64.33	56.33
TOTAL	225.52	217.97

SCHEDULE 6
FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.09	ADDI- TIONS	DEDUC- TIONS	AS AT 31.03.10	AS AT 01.04.09	FOR THE YEAR	ADJUST- MENT	UPTO 31.03.10	AS AT 31.03.10	AS AT 31.03.09
Land	269.88	-	177.43	92.44	-	-	-	-	92.45	269.88
Factory Building	2747.03	-	2480.77	266.26	799.80	9.47	(673.93)	135.34	130.92	1947.23
Office Building	296.45	-	146.39	150.06	37.31	4.44	(3.47)	38.27	111.79	259.14
Plant & Machinery	15298.94	9.10	13249.78	2058.26	9829.11	59.07	(7838.64)	2049.54	8.72	5469.83
Electric Installation	831.79	-	730.54	101.25	580.59	5.46	(495.22)	90.82	10.43	251.20
Laboratory Equipments	273.51	0.23	85.49	188.25	221.53	10.09	(47.74)	183.88	4.37	51.98
Office Equipments	159.12	0.85	53.49	106.48	121.20	7.44	(34.66)	93.99	12.49	37.92
Furniture & Fixtures	120.72	0.86	68.00	53.58	74.13	3.26	(32.45)	44.93	8.64	46.59
Vehicles	261.70	118.85	131.43	249.12	205.15	19.53	(108.23)	116.46	132.66	56.55
Total (A)	20259.14	129.89	17123.33	3265.70	11868.81	118.76	(9234.34)	2753.23	512.47	8390.33
Capital Work in Progress	70.96	-	-	70.96	-	-	-	-	70.96	70.96
GRAND TOTAL	20330.10	129.89	17123.33	3336.66	11868.81	118.76	(9234.34)	2753.23	583.43	8461.29
Previous Year	(19550.33)	(5078.64)	(4096.18)	(20532.79)	(11055.16)	(868.43)	(54.79)	(11868.79)	(8664.01)	(8495.17)

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

		As at March 31, 2010 (Rs./lacs)	As at March 31, 2009 (Rs./lacs)
SCHEDULE 7			
INVESTMENTS (AT COST) (LONG TERM)			
(a) Investments (Quoted - Fully paid up)			
Nil	(7200)	Equity Shares of Associated Alcohols & Breweries Ltd. of Rs. 10/- each fully paid up	- 2.16
2000	(2000)	Equity Shares of ABG Heavy Industries Ltd. of Rs. 10/- each fully paid up	1.40 1.40
Nil	(1500)	Equity Shares of BPL Ltd. of Rs. 10/- each fully paid up	- 1.73
Nil	(5000)	Equity Shares of I. G. Petro Ltd. of Rs. 10/- each fully paid up	- 5.43
1300	(1300)	Equity Shares of Ganipitak Yakshraj Caplease Ltd. of Rs. 10/- each fully paid up	0.13 0.13
400	(400)	Equity Shares of Kalpataru Power Transmission Ltd. of Rs. 10/- each fully paid up	0.14 0.14
8800	(8800)	Equity Shares of Metazinc (India) Ltd. of Rs. 10/- each fully paid up	4.40 4.40
2500	(2500)	Equity Shares of Punjab Woolcombers Ltd. of Rs. 10/- each fully paid up	2.25 2.25
1000	(1000)	Equity Shares of Sol Pharma Ltd. of Rs. 10/- each fully paid up	1.72 1.72
4500	(4500)	Equity Shares of Balmer Lawrie Freight Containers Ltd. of Rs. 10/- each fully paid up	2.25 2.25
1429	(1429)	Equity Shares of Indian Bank Ltd. of Rs. 10/- each fully paid up	1.32 1.32
5000	(5000)	Equity Shares of Industrial Development Bank of India Ltd. of Rs. 10/- each fully paid up	4.07 4.07
2000	(2000)	Equity Shares of Mideast Integrated Steels Ltd. of Rs. 10/- each fully paid up	0.42 0.42
11200	(11200)	Equity Shares of Canway Chemicals Ltd. of Rs. 10/- each fully paid up	1.20 1.20
10000	(10000)	Equity Shares of Saket Projects Ltd. of Rs. 10/- each fully paid up	1.00 1.00
Nil	(10)	Equity Shares of Sabero Organics Ltd. of Rs. 10/- each fully paid up	- 0.01
6500	(Nil)	Equity Shares of Standard Ind. Ltd. of Rs. 10/- each fully paid up	1.69 -
2716	(Nil)	Equity Shares of Nesco Ltd. of Rs. 10/- each fully paid up	30.33 -
2775	(Nil)	Equity Shares of Bajaj Holding & Invt.Ltd. of Rs. 10/- each fully paid up	16.34 -
5000	(Nil)	Equity Shares of IDBI Bank Ltd. of Rs. 10/- each fully paid up	6.63 -
3050	(Nil)	Equity Shares of Haryana Capfin Ltd. of Rs. 10/- each fully paid up	1.44 -
1339	(Nil)	Equity Shares of Empire Ind. Ltd. of Rs. 10/- each fully paid up	5.95 -
5290	(Nil)	Equity Shares of Riddhi Siddhi Gluco Boils Ltd. of Rs. 10/- each fully paid up	10.66 -
4500	(Nil)	Equity Shares of Celestial Labs Ltd. of Rs. 10/- each fully paid up	1.58 -
2000	(Nil)	Equity Shares of Rei Agro Ltd. of Rs. 10/- each fully paid up	1.02 -
2000	(Nil)	Equity Shares of Uniphos Enterprises Ltd. of Rs. 10/- each fully paid up	0.66 -
3000	(Nil)	Equity Shares of Nector Lifescience ltd. of Rs. 10/- each fully paid up	1.13 -
300	(Nil)	Equity Shares of Vardhman Holding Ltd. of Rs. 10/- each fully paid up	0.92 -
81000	(Nil)	Equity Shares of Atlanta Ltd. of Rs. 10/- each fully paid up	143.72 -
50000	(Nil)	Equity Shares of Punjab Chemicals of Rs. 10/- each fully paid up	84.45 -
100000	(Nil)	Equity Shares of Lumax Auto Technologies limited of Rs. 10/- each fully paid up	71.83 -
2500	(Nil)	Sun BNP PSU Fund Units of Rs. 1000 each Fully paid up	25.00 -
5621	(Nil)	L & T Finance Ltd. Non convertible Debentures of Rs. 1000/- each Fully paid up	56.21 -
11600	(11600)	Equity shares of Morepan Laboratories Ltd.of Rs. 2/- each fully paid up	3.43 3.43
74000	(74000)	Units of Morgan Stanley Growth Fund of Rs.10/-each fully paid up	7.40 7.40
525	(525)	Equity shares of Surya Roshni Ltd.of Rs. 10/- each fully paid up	0.44 0.44
1000	(1000)	Equity shares of Reliance Ind. Ltd.of Rs. 10/- each fully paid up	0.66 0.66
70	(70)	Equity shares of Reliance capital ventrue Ltd.of Rs. 10/- each fully paid up	0.02 0.02
1400	(1400)	Equity shares of Reliance communicatio ventrue Ltd.of Rs. 5/-each fully paid up	0.67 0.67
105	(105)	Equity shares of Reliance energy venture Ltd.of Rs 10/-each fully paid up	0.13 0.13
1400	(1400)	Equity shares of Reliance natural resources Ltd.of Rs 5/-each fully paid up	0.01 0.01
5000	(5000)	Equity shares of Shamken Spinners Ltd.of Rs.10/- each fully paid up	0.50 0.50
300	(300)	Equity shares of Indian Petrochemicals Ltd.of Rs.10/- each fully paid up	- -
800	(800)	Equity shares of Varun Siccon Ltd.of Rs.10/-each fully paid up	0.24 0.24
300	(300)	Equity shares of Hindustan Alluminium Co. Ltd.of Rs.1/- each fully paid up (Previous year Rs.10/- each fully paid up)	0.18 0.18

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

		As at March 31, 2010 (Rs./lacs)	As at March 31, 2009 (Rs./lacs)
143	(143) Equity shares of Hindustan Alluminium Co. Ltd.of Rs.1/- each partly paid up	0.14	0.14
300	(300) Equity shares of Oriental Bank of Commerce Ltd.of Rs.10/- each fully paid up	0.18	0.18
2500	(2500) Equity shares of K.J. International Ltd.of Rs.10/-each fully paid up	0.63	0.63
800	(800) Equity shares of Samrat Ashoka Exports Ltd.of Rs.10/-each fully paid up	0.48	0.48
1200	(1200) Equity shares of Punjab Woolcombers Ltd.of Rs.10/-each fully paid up	1.08	1.08
700	(700) Equity Shares of P.G. Foils Ltd.of Rs.10/-each fully paid up	0.33	0.33
3300	(3300) Equity Shares of Balmer Lawrie Freight Containers Ltd.of Rs.10/- each fully paid up	1.65	1.65
6000	(6000) Equity Shares of Morepan Finance Ltd. of Rs.10/- each fully paid up	1.20	1.20
1000	(1000) Equity Shares of Pokarna Grainites Ltd. of Rs.10/- each fully paid up	0.25	0.25
10000	(10000) Equity shares of Saket Projects Ltd.of Rs.10/- each fully paid up	1.00	1.00
3500	(3500) Equity shares of Maruti Infrastructure Ltd.of Rs.10/- each fully paid up	0.02	0.02
600	(600) Equity Shares of Melstar Information Technolgy Ltd.of Rs.10/- each fully paid up.	0.43	0.43
500	(500) Equity Shares of Geomatic Software Solution Ltd. of Rs.10/- each fully paid . Converted into Rs 2 per share	0.15	0.15
1200	(1200) Equity Shares of Shri Rama Multitech Ltd. of Rs. 5/- each fully paid up.	1.44	1.44
1500	(Nil) Equity Shares of BPL Limited of 10/- each fully paid up.	0.57	-
5000	(Nil) Equity Shares of IG Petro of Rs. 10/- each fully paid up.	2.25	-
Sub-Total		505.34	52.28
(b)Trade Investments (Unquoted)			
170	(170) Equity Shares of Anil Dyechem Ind. Pvt. Ltd. of Rs. 1000/- each fully paid up	3.42	3.42
200	(200) Equity Shares of Green Environment Services Co-op Society Ltd. of Rs. 100/- each fully paid up	0.20	0.20
500	(NIL) Rural Electrification Corporation Ltd. Bonds of Rs. 1000 each fully paid up	51.69	-
357540	(Nil) Equity Shares of Ornet Infrastructure P.Ltd. of Rs. 10/- each fully paid up	106.37	-
Sub-Total		161.68	3.62
(c)Investments in the Capital of Partnership Firms as Fixed Capital		Nil	Nil
TOTAL		667.02	55.90

Note :
1. Aggregate Value of Investments

Quoted : Cost	505.34	52.28
Market Value	639.80	96.92
Unquoted :	161.68	3.62

**SCHEDULES FORMING PART OF THE CONSOLIDATED
BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

	As at March 31, 2010 (Rs./lacs)	As at March 31, 2009 (Rs./lacs)
SCHEDULE 8		
CURRENT ASSETS, LOANS & ADVANCES		
Inventories :		
Stores & Spares (at lower of cost or net realizable value)	2.96	231.24
Packing Materials (at lower of cost or net realizable value)	2.23	30.10
Stock in Trade :		
Finished Goods (at lower of cost or net realizable value)	5.29	412.24
Traded Goods (at lower of cost or net realizable value)	163.02	167.86
Raw Materials (at lower of cost or net realizable value)	32.07	596.33
	205.57	1437.77
Work in Process (at cost)	45.89	1607.57
Sub-Total	251.46	3045.34
Sundry Debtors (Unsecured) :		
Due over six months	365.01	617.16
Others	482.68	4622.12
Provision for doubtful debts	(116.80)	-
Sub-Total	730.89	5239.28
Cash & Bank Balances :		
Cash on Hand	1.66	5.92
Balances with Scheduled Banks :		
In Current Accounts	165.04	64.21
In Fixed Deposit Accounts	900.00	-
Balance in Liquid Funds	3064.31	-
Sub-Total	4131.01	70.13
Loans and Advances : (Unsecured)		
Deposits with Other Companies	1600.00	363.37
Advances to Suppliers, Contractors & Others	6746.36	259.55
Balances with Government & Others	209.60	1275.72
Prepaid Expenses	-	5.66
Advance Payment of Income Tax (Net of provision)	707.23	359.79
Export Benefits Receivable	82.74	330.67
	9345.93	2594.76
Less : Provision for Doubtful Loans	415.98	146.67
Sub-Total	8929.95	2448.09
TOTAL	14043.31	10802.84
Notes :		
(a) Debts due by Directors, Firms or Private Companies in which any Director is a Partner or a Director or a Member :	Nil	Nil
(b) Advances to Private Companies in which any Director is a Director or a Member :	Nil	Nil
(c) Debts considered :		
Doubtful :	116.80	88.93
Good :	614.09	5150.35
(d) Loans & Advances considered :		
Doubtful :	638.08	368.77
Good :	8707.85	2225.99
(e) Advances and Loans to Partnership Firms in which the Company is a Partner	1430.71	NIL

**SCHEDULES FORMING PART OF THE CONSOLIDATED
BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

	As at March 31, 2010 (Rs./lacs)	As at March 31, 2009 (Rs./lacs)
SCHEDULE 9		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
(a) Sundry Creditors for goods etc.	226.21	1870.07
(b) Other Liabilities for expenses and tax deducted at source	152.84	245.48
(c) Unpaid Dividend	18.17	22.24
Sub-Total	397.22	2137.79
Provisions		
For Dividend	228.67	-
For Dividend Distribution Tax	38.86	-
Sub-Total	267.53	-
TOTAL	664.75	2137.79
SCHEDULE 10		
MISC. EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)		
Deferred Revenue Expenditure	72.58	385.03
TOTAL	72.58	385.03
	Year Ended March 31, 2010 (Rs./lacs)	Year Ended March 31, 2009 (Rs./lacs)
SCHEDULE 11		
OTHER INCOME		
Shed Rent	0.72	0.78
Profit / (Loss) on Sale of Fixed Assets (Net)	(3.53)	(15.84)
Export Incentives	6.27	16.04
Miscellaneous Income	126.71	2.70
Qty. Sale of Effluent Treatment (GESL)	50.56	-
Profit / (Loss) on Sale of Investments (Net)	(10.35)	-
TOTAL	170.38	3.68
SCHEDULE 12		
INTEREST AND DIVIDEND INCOME		
Dividend Income	217.23	8.70
Interest Income (Gross)	306.96	19.55
(Tax Deducted at Source Rs. 32.42 Lacs (Previous Year Rs. 3.79 Lacs))		
TOTAL	524.19	28.25

**SCHEDULES FORMING PART OF THE CONSOLIDATED
BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

	Year Ended March 31, 2010 (Rs./lacs)	Year Ended March 31, 2009 (Rs./lacs)
SCHEDULE 13		
MANUFACTURING & OTHER EXPENSES		
Raw Materials Consumed	817.15	13631.71
Sub-Total	817.15	13631.71
Manufacturing Expenses		
Water, Power & Fuel	29.74	1872.22
Stores Consumed	2.78	142.88
Machinery Repairs	5.79	20.55
Electric Repairs	0.96	9.42
Building Repairs	0.09	3.64
Consumptions of Ice	26.21	232.41
Contract Labour Expenses	25.92	230.64
Laboratory Expenses	0.26	7.21
Job Charges	-	96.36
Lease & Shed Rent	6.72	6.18
Effluent Treatment Expenses and Pollution Expenses	34.01	334.32
Other Misc. Factory Expenses	2.26	(2.09)
Sub-Total	134.74	2953.74
Payments to & Provisions for Employees :		
Salaries, Wages and Bonus	106.47	485.10
Gratuity	1.53	14.88
Provident Fund & Family Pension Fund	8.69	36.32
Workers & Staff Welfare Expenses	4.39	27.49
Sub-Total	121.08	563.79
Establishment Expenses :		
Rates & Taxes	7.96	9.08
Insurance	2.35	29.53
Postage, Telephone & Stationery	19.52	38.61
Legal & Consultancy Expenses	31.88	25.85
Bank Charges	10.69	169.59
Other Administration Expenses	31.02	368.73
Audit Fees	4.22	4.22
Donation	8.70	1.16
Deferred Revenue Expenditure	8.49	14.21
Misc. Balance written Off	(0.55)	(0.15)
Sub-Total	124.29	660.83
Selling & Distribution Expenses :		
Packing Expenses	9.57	317.83
Export Expenses	5.92	80.35
Sales Promotion Expenses	16.06	35.96
Inland Freight & Cartage	24.58	137.10
Sales Commission	0.30	13.83
Sub-Total	56.43	585.07
TOTAL	1253.69	18395.14

**SCHEDULES FORMING PART OF THE CONSOLIDATED
BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

	Year Ended March 31, 2010 (Rs./lacs)	Year Ended March 31, 2009 (Rs./lacs)
SCHEDULE 14		
INCREASE/(DECREASE) IN FINISHED AND PROCESS STOCK		
Increase/(Decrease) in Stock of Finished Goods And Work in Process :		
Finished Goods (manufactured products)	5.19	759.83
Finished Goods (traded products)	167.86	188.09
Work in Process (at cost)	43.06	1126.25
	216.11	2074.17
Stock at the End :		
Finished Goods (manufactured products)	5.29	412.24
Finished Goods (traded products)	163.02	167.86
Work in Process (at cost)	45.89	1607.57
	214.20	2187.67
TOTAL	1.91	(113.50)

Note :-

Stock at commencement (i.e., 1st April 2009) do not include stock which was lying at Baroda Unit as on 31st March 2009 because on demerger of Baroda Unit such stock has been transferred and considered in arriving at profit on demerger of Baroda Unit

SCHEDULE 15

INTEREST

On Bank Borrowings for Working Capital	-	380.58
On Term Loan	-	58.25
To Others	3.53	272.78
TOTAL	3.53	699.65

SCHEDULE 16
NOTES TO THE ACCOUNTS**1) Statement of Accounting Policies****A. Basis of Accounting**

The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles as adopted consistently by the company and comply with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India referred to in Section 211 (3C) of the Companies Act, 1956. The preparation of financial statements in conformity with Accounting Standards requires Management to make estimates and assumptions that effect the reported amounts of assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period.

B. Principle of consolidation

The Consolidated financial statements relate to Metrochem Industries Limited (MCIL) and its subsidiary company Metrochem Capital Trust Limited (MCTL). The consolidated financial statements have been prepared on the following basis.

- The financial statements of the company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- The excess cost of the company of its investments in the subsidiary Company is recognised in the financial statements as goodwill.

C. Other Significant Accounting Policies :-

These are set out in the notes to accounts under 'Statement of Accounting Policies' of the financial statements of the companies MCIL and MCTL.

- 2) Consequent upon the amendment to Schedule XIV to the Companies Act, 1956 vide the notification dated 16th December 1993 issued by the Department of Company Affairs, the Company has provided for depreciation on all the fixed assets at the straight line method at the rates as prescribed in the amended schedule XIV.
- 3) Balances of sundry debtors, sundry creditors, loans and advances are subject to confirmation.
- 4) The Company has made provisions of Rs. 116.80 lacs (Previous Year Rs. Nil) in respect of book-debts of Rs. 116.80 lacs (Previous Year Rs. 88.93 lacs) considered doubtful of recovery.
- 5) Loans / advances, debtors etc. aggregating to Rs. 638.08 Lacs (Rs. 368.77 Lacs at 31st March, 2009) have been classified as doubtful of recovery. The aggregate provision for bad debts and advances amounting to Rs.415.98 lacs till 31st March, 2010 (Rupees 146.67 lacs till 31st March, 2009) have been made in books of account.
- 6) In the opinion of the directors, current assets, loans and advances, other than doubtful, have the value at which they are stated in the Balance Sheet if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- 7) MCIL has during the financial year under review has disposed off its industrial undertaking of Baroda in Scheme of demerger and accordingly all the fixed assets, current assets, liabilities etc. held by the said industrial undertaking as on 1st April 2009 have been transferred to the transferee company. The schemer of demerger was approved by the Hon'ble High Court of Gujarat vide its order dated 15th May 2009. MCIL had filed the requisite documents with the office of the Registrar of Companies, Gujarat, Ahmedabad on 17th June 2009. MCIL had derived Profit of Rs.4062.38 lacs being difference between the considerations received on demerger and the amount of networth which has been credited to the Profit & Loss Account for the financial year under review.
- 8) Duty drawback receivable amounting to Rs.2.62 lacs (Rs. 12.21 lacs as at 31st March 2009) for which credit has been taken is subject to the acceptance of the Company's claim by the Duty Drawback Directorate, New Delhi. The total receivable for the earlier years included in duty drawback receivable account amounts to Rs. 0.66 lacs (Rs. 10.32 lacs as at 31st March 2009).
- 9) The benefits under the Duty Entitlement Passbook Scheme (DEPB) are accounted for on accrual basis and accordingly estimated benefits aggregating to Rs.5.09 lacs (Previous Year Rs. 374.80 lacs) against exports effected during the year under review have been taken into account for the year as benefits accruing to the Company. Out of the above benefits aggregating to Rs.Nil (Previous Year Rs. 215.94 lacs till 31st July, 2009) have been realized up to 28th August 2010 and the balance remains to be realized as on that date. The total receivable for the earlier years included in DEPB receivable account amounts to Rs. 75.62 lacs (Rs. 309.21 lacs as at 31st March, 2009)

- 10) There were no amounts overdue and remaining outstanding to small scale and/or ancillary industrial suppliers on account of principal and/or interest as at the close of the year. This disclosure by the Company is based on the information available with the Company regarding the status of the suppliers as defined under the Interest on Delayed Payments of Small Scale and Ancillary Industrial Undertaking Act 1993.

		Rs. in Lacs	
		2009-10	2008-09
11)	Payment to auditors		
	a) Statutory Auditors :		
	i) Audit Fees	4.20	4.30
	ii) As Adviser, or in any other capacity in respect of:		
	(i) Taxation matters	0.75	0.84
	(ii) Certification and other matters	0.20	0.22
	iii) Tax Audit Fees	0.50	0.50
	iv) Reimbursement of Service Tax	0.17	0.68
		5.82	6.54
	b) Cost Auditors:		
	i) Audit Fees	0.25	0.35
	ii) Certification and Other Matters	0.38	0.05
	iii) Reimbursement of Service Tax	0.04	0.07
	iv) Reimbursement of Expenses	0.00	0.16
		0.67	0.63

- 12) a) No commission (Previous Year Rs. NIL) has been paid to the Managing Director / Dy. Managing Director for the year under review in view of resolution passed by the Board of directors at the meeting held on July 31, 2009 and as agreed by the Managing Director / Dy. Managing Director. Computation of Net Profit as per Section 349 read with Section 309(5) and section 198 of the Companies Act, 1956 therefore has not been furnished for the year under review.
- b) The Profit & Loss Account includes remuneration paid to the Managing Director and Deputy Managing Director as under :

		Rs. in Lacs	
		2009-10	2008-09
		Rs.	Rs.
	Salary	28.05	26.80
	Contribution to Provident & other funds	1.81	1.60
	Other Perquisites	3.23	2.20
	Total	33.09	30.60

- 13) i) Major components of deferred tax assets and liabilities arising on account of timing difference are:

		Rs. in Lacs			
		As at March 31, 2010		As at March 31, 2009	
		Assets	Liabilities	Assets	Liabilities
a)	Depreciation	-	91.57	-	724.46
b)	Deferred Revenue Exp.	-	-	-	22.27
c)	Other deferred Tax Assets	-	-	0.09	-
	Total	-	91.57	0.09	746.73

- ii) Total income of the company chargeable to tax is being determined by the company in accordance with provisions of the Income Tax Act, 1961 after considering allowances, claims and reliefs available to the Company and the Company normally accordingly provides for taxation on the total income so determined. However, in view of composite Scheme of Arrangement / Amalgamation approved by the Board of Directors of the Company in its meeting held on 25th Aug, 2010 and further in view of signing of the Merger Agreement, the company has decided to get amalgamated with Global Boards Ltd. with effect from 1st April 2009. Global Boards Ltd. has accumulated losses and unabsorbed depreciation as per books of account and also under the Income Tax Act, 1961. The company has been advised that on it getting amalgamated its profit for the year under review will be set off against the accumulated losses and unabsorbed depreciation of Global Board Ltd. The company has been

advised that under the circumstances it shall have no liability under the Income Tax Act, 1961 and therefore no provision has been made in books of the company. The proposed amalgamation with effect from 1st April 2009 is subject to approval by shareholders, the creditors, the statutory authorities and also the Hon'ble High Court of Gujarat and the Hon'ble High Court at Mumbai.

- iii) In accordance with the Accounting Standard-22, Accounting for taxes on Income issued by the Institute of Chartered Accountant of India the deferred tax for the year is accounted in respect of depreciation and admissible deductions as computed under the Income tax Act, 1961 and profits as per the books of account by using the tax rates and law that have been enacted or substantively enacted as of the balance sheet date
- 14) Rs. 77.52 lacs being net loss (Previous year Rs. 330.71 Lacs being net loss) on account of exchange difference have been adjusted in the respective heads of account in the profit & loss account.
- 15) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. NIL (Previous Year Rs. NIL).
- 16) a) The Company during the year under review has enter into Partnership as per following detailed :

Name of Firm	Share in Profit / Loss Percentage (%)
Metro-Samved Engineers	80
Simandhar Metro Estate	45

- b) The Company is engaged in the business of Dyes and Dyes Intermediates, trading of iron ore, Infrastructure and Reality Segment during the financial year under review, which in the context of Accounting Standard 17 are considered reportable business segments. Business segment information in pursuance of Accounting Standard 17 have been reported as below:

INFORMATION ABOUT BUSINESS SEGMENTS

(Rs. in Lacs)

	Dyes & Intermediates		Iron Ore		Infrastructure & Reality		Others		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
REVENUE										
1 External Sales	1211.57	22318.87	0.00	0.00	0.00	0.00	0.00	0.00	1211.57	22318.87
2 Inter Segment Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3 Interest & Dividend Income	0.00	0.00	0.00	0.00	136.00	0.00	382.96	0.00	518.96	0.00
4 Total Revenue	1217.52	22318.87	0.00	0.00	136.00	0.00	382.96	0.00	1736.48	22318.87
5 Interest expense	3.53	699.65	0.00	0.00	0.00	0.00	0.00	0.00	3.53	699.65
6 Operating profit	(240.20)	(524.30)	0.00	0.00	136.00	0.00	382.96	0.00	278.76	(524.30)
7 Income taxes	268.55	(198.00)	0.00	0.00	0.00	0.00	0.00	0.00	268.55	(198.00)
8 Profit from ordinary activities	(240.20)	(326.30)	0.00	0.00	136.00	0.00	382.96	0.00	278.76	(326.30)
9 Capital Gain	4062.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4062.38	0.00
10 Net Profit	3553.63	(326.30)	0.00	0.00	136.00	0.00	382.96	0.00	4072.59	(326.30)
11 Total assets	2085.71	18896.06	497.83	497.83	3229.00	0.00	8930.46	0.00	14743.00	19393.89
12 Segment liabilities	91.57	10041.86	0.00	0.00	0.00	0.00	1455.46	0.00	1547.03	10041.86
13 Capital expenditure	583.42	8664.01	0.00	0.00	0.00	0.00	0.00	0.00	583.42	8664.01
14 Depreciation	118.76	868.43	0.00	0.00	0.00	0.00	0.00	0.00	118.76	868.43
Other Information										
Non cash expenses other than Depreciation	45.47	14.21	0.00	0.00	0.00	0.00	0.00	0.00	45.47	14.21

Note :

Previous Year figures have been regrouped/reclassified wherever necessary to correspond with the figures for the year under review. Infrastructure and Reality business has been started during the financial year under review and therefore it has no figures for the previous year. Previous Year figures, in view of demerger of Baroda undertaking and commencement of new business viz Infrastructure and reality, are not comparable with figures for the financial year under review.

- c) The Company was engaged in the financial activities during the financial year under review, which in the context of Accounting Standard 17 are considered the business segment. The informations is as under.

	Financial Activities Dyes & Intermediates (Rs. in Lacs)	
	2009-10	2008-09
Opening Balance	0.09	0.09
Cost of Goods sold	0.00	0.00
Sales (Revenues)	0.00	0.00
Closing Balance	0.09	0.09

- 17) Related party disclosures as required by Accounting Standard AS-18 issued by the Institute of Chartered Accountants of India are given below

Name of the related party and nature of relationship where control exists:

Sr. No.	Name of the related party		
I	Subsidiaries company		
1	Metrochem Capital Trust Limited		
II	Associates Companies		
1	Worship Trading And Investment Pvt. Ltd.	2	Search Invatrade Pvt. Ltd.
3	Spring Trading And Investment Pvt. Ltd.	4	Amaze Trading and Investment Pvt. Ltd.
5	Maiden Tradefin Pvt. Ltd.	6	Cheer Trading And Investment Pvt. Ltd.
7	Sparkling Tradefin Pvt. Ltd.	8	Precision Footcate Pvt. Ltd.
9	Eximco Electronics (I) Pvt. Ltd.	10	Anil Dyechem Industries Pvt. Ltd.
11	Ornet Infrastructure Pvt. Ltd.		
III	Key Management Personnel		
1	Shri Gautam M. Jain	2	Shri Anil M. Jain
3	Shri H. C. Jain	4.	Shri Rahul Jain
IV	Relatives of Key Management Personnel and their Enterprises		
1	Mahendra Mithalal HUF	2	Mahendra Anil HUF
3	Gautam Anil HUF	6	Rajendra Mithalal HUF
4	Rajendra Anil HUF	5	Gautam Rajendra HUF
7	Mishal M. Shah	8	Arun R. Jain
9	Suhani M. Shah	11	Mithalal Mukanchand HUF
10	Yash Anil Jain	12	Nitu G. Jain
13	Ankit Rajendra Jain	14	Rajendra Jain HUF
15	Mithalal Rajendra HUF	17	Rajendra Gautam Bros. HUF
16	Rajendra Mithalal HUF	18	M. G. & Sons HUF
19	Bhavna G. Jain	20	Anil Mahendra HUF
21	Mithalal Mukanchand B. HUF	22	Mithalal Gautamkumar HUF
23	Gautamkumar Mithalal HUF	24	Anil M Jain HUF
25	Mithalal M. Shah	26	Mahendra M. Shah
27	Sumitradevi M. Shah	28	Ritu A. Jain
29	Santosh M. Shah	30	Asha R. Jain
31	Ritu (Ekta) G. Jain	32	Metrochem Industries
		33	Aarti P. Jain

Related Party Disclosure

In accordance with Accounting Standard 18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the company has compiled the required information in the table below.

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

(Rs. in Lacs)					
Sr. No.	Nature of Transactions	Associates Companies	Key Mangt. Personnel	Relative of Key Management Personnel	Total
1	Remuneration/Sitting Fees	-	28.22	-	28.22
2	Lease Rent/Shed Rent paid (net of received)	0.78	1.32	1.32	3.42
3	Reimbursement of expenses	-	3.23	-	3.23
4	Professional Fees	-	-	-	-
5	Interest expenses on intercorporate deposits taken	114.56	-	-	114.56
6	Interest expenses on Fixed deposits taken	-	-	8.92	8.92
7	Intercorporate deposits taken during the year	288.06	-	-	288.06
8	Intercorporate deposits Repaid during the year	1668.20	-	429.62	2097.82
9	Outstanding intercorporate deposits payable	1273.75	-	-	1273.75
10	Outstanding fixed deposits payable	-	-	-	-
11	Investment in shares of associate companies	106.37	-	-	106.37
12	Loan given	1596.21	-	-	1596.21
13	Interest receivable	105.65	-	-	105.65
14	Outstanding loans receivable	1701.86	-	-	1701.86
	Total	6855.44	32.77	439.86	7328.07

- 18) Disclosure as required by Accounting Standard 19, on "Leases" issued by the Institute of Chartered Accountants of India are given below. The company is a lessee.
- The Company's significant operating leasing arrangements are in respect of premises. The aggregate lease rental payable are charged to the profit and loss account as lease rent in the schedule
 - The leasing arrangements are cancellable at any time on month to month basis and are renewable by mutual consent on mutually agreeable terms.
- 19) Contingent Liabilities :
- Liability in respect of export bills purchased/negotiated with the banks and remaining unrealized at the close of the year is Nil (Previous Year Rs. 323.03 lacs)
 - Income Tax matters disputed in appeals Rs. 38.53 lacs (net of payments) (Previous year Rs. 38.53 lacs).
 - Sales tax disputed in appeals Rs. 33.09 lacs (Previous Year Rs. 33.09 lacs).
 - Central Excise Duty demand disputed Rs.18.71 lacs (Previous Year Rs. 18.71 lacs)
 - Certain claims/show cause notices disputed have neither been considered as contingent liabilities nor acknowledged as claims based on the opinions obtained from legal counsels.
 - Bank Guarantees issued by the banks Rs. 15.90 lacs (Previous Year Rs. 15.90 lacs)
 - Liability in respect of 8% Cumulative Redeemable Preference Shares Dividend Rs. 64.33 lacs (Previous Year Rs. 56.33 Lacs).
 - No amounts are due to for deposits as at the balance sheet date to the investors education and protection fund.
- 20) The amounts in the Balance Sheet and Profit and Loss Account are rounded off to the nearest thousand and indicated in lacs of rupees.
- 21) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the figures for the year under review. The Company has however disposed off its Industrial undertaking at Vadodara w.e.f. 1st April, 2009 in Scheme of Demerger and therefore figures for the Financial Year Under review are not comparable with figures for Previous Year. The Company has also entered into new business segment viz. Infrastructure and Reality and therefore also the figures for the Financial Year under review are not comparable with figures for the Previous Year.
- 22) Consolidated Earning Per Share is calculated by dividing the consolidated profit attributable to the equity shareholders outstanding during the year. Numbers used for calculating basic and diluted earnings per equity shares are as stated below:

	For the Year ended	
	March 31, 2010	March 31, 2009
1) Profit / (Loss) before tax & exceptional items (Rs. in Lacs)	278.77	(519.07)
2) Exceptional items (Rs. in Lacs)	4062.38	Nil
3) Profit / (Loss) after Tax (Rs. in Lacs)	4072.60	(321.07)
4) Number of Shares (In Lacs)	114.33	114.33
5) EPS before exceptional items (Rs.)	2.44	(4.54)
6) EPS (Rs.)	35.62	(2.81)
7) Face Value per share (Rs.)	10	10

- 23) Additional information pursuant to provisions of para 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956:

- a) Licensed & installed capacity and production as certified by the management :

	Year ended	Year ended
	March 31, 2010 (MT)	March 31, 2009 (MT)
I. At Vatva, Ahmedabad		
1. Licensed Capacity	N.A.	N.A.
2. Installed Capacity	2700.00	2700.00
3. Production (Real)		
Dyes	66.06	1241.29
Intermediates	603.62	374.74
TOTAL	669.69	1616.03

	Year ended March 31, 2010 (MT)	Year ended March 31, 2009 (MT)
II. At Umraiya, Baroda		
1. Licensed Capacity	N.A.	N.A.
2. Installed Capacity	N.A.	24660.00
3. Production (Real)		
Dyes	N.A.	4898.60
Intermediates	N.A.	3727.17
TOTAL	-	8625.78

b) Sales & Stock of Finished Goods :-

	Year ended March 31, 2010		Year ended March 31, 2009	
	M T	Rs./Lacs	M T	Rs./Lacs
i) Trading :				
a) Dyes & Intermediate				
Opening Stock	3.00	4.84	14.80	25.07
Purchase	251.76	249.49	147.01	107.94
Sales				
Local	240.41	239.76	113.51	68.25
Export	14.35	27.87	45.30	77.03
Closing Stock	Nil	Nil	3.00	4.84
b) Iron Ore				
Opening Stock	11613	162.93	11613	162.93
Purchase	Nil	Nil	Nil	Nil
Sales				
Local	Nil	Nil	Nil	Nil
Export	Nil	Nil	Nil	Nil
Closing Stock	11613	162.93	11613	162.93
	No. of Shares	Rs./Lacs	No. of Shares	Rs./Lacs
c) Share & Securities				
Opening Stock	2200	Nil	4700	0.45
Purchase (Others)	Nil	Nil	Nil	Nil
Securities	Nil	Nil	2500	1.76
Closing Stock	2200	Nil	2200	0.00

ii) Manufacturing (Figures in brackets indicate previous year's figures)
Statement showing details of Manufacturing during 2009-10

	Dyes		Intermediates	
	M T	Rs./Lacs	M T	Rs./Lacs
Opening Stock	-	-	2.17	5.19
(Excluding Stock of Baroda Unit)	(327.16)	(579.37)	(93.43)	(180.45)
Production (Real)	66.06		603.62	
	(6139.89)		(4101.92)	
Captive Consumption and Inter Unit Transfer	-		-	
	(573.28)		(1580.65)	
Sales				
Local Sales (including Job charges)	12.41	24.42	396.04	588.82
	(1910.75)	(4605.46)	(1992.59)	(5875.12)
Export	53.65	89.03	207.59	241.67
	(3905.01)	(7616.64)	(609.22)	(1704.16)
Closing Stock	-	-	2.17	5.29
	(78.01)	(402.62)	(12.89)	(9.61)

(c) Raw Materials Consumption	Year ended March 31, 2010		Year ended March 31, 2009	
	QTY. Mts.	VALUE Rs./Lacs	QTY. Mts.	VALUE Rs./Lacs
Aniline Oil (IMP)	-	-	229.52	456.69
6 Nitro 1:2:4 Diazo Acid (6 Nitro 1 Diazo 2 Naphthol)	-	-	17.90	59.46
Acetic Anhydride	-	-	4.55	3.30
Acetanalide	-	-	852.77	688.47
Aniline Oil (IMP)	-	-	1.89	1.47
Beta Naphthol (IMP)	-	-	54.94	73.89
Cast Iron Powder	-	-	1214.20	323.20
Caustic Soda Flakes	2.99	1.50	2707.38	586.26
C.S. Lye (Asis) & C.S. Lye (Real)(Dyes)	9.86	0.32	2138.10	369.17
Chloro Sulphonic Acid	-	-	3784.50	638.07
Crude Napthelene	-	-	1211.10	642.41
Cynauric Chloride	-	-	40.90	59.68
Dilute Sulphuric Acid 80%	-	-	7675.90	570.57
Ethylene Oxide	-	-	380.35	273.90
Gamma Acid	-	-	9.94	28.59
H. Acid	-	-	329.19	875.14
J. Acid	-	-	61.78	255.56
K. Acid	-	-	39.07	78.15
M.P.D. (IMP)	-	-	21.41	34.35
Nitric Acid	-	-	1382.63	107.81
Oleum 23% & 65%	538.62	24.35	4256.63	679.37
Ortho Nitro Tolune	-	-	149.70	65.44
Para Cresol (IMP)	-	-	735.40	1178.10
Soda Ash	-	-	1177.23	191.82
Sodium Bi Sulphite	-	-	363.92	101.73
Sodium Sulphate	0.57	0.06	89.80	11.56
Sulpho Tobias Acid	-	-	28.83	66.67
Sulphuric Acid	671.23	16.15	370.50	38.35
Tobias Acid	-	-	30.43	66.11
Re. Black G Crude	1.18	1.94	-	-
Cibacron Black WNN	19.08	28.04	200.00	271.64
Re. Black RJ Crude	2.15	3.76	-	-
Hydrated Lime	31.89	1.73	-	-
Re. Turq. Blue (Re. Blue 21)	0.19	0.23	-	-
Refined Salt	376.85	35.05	190.10	11.13
Re. Blue 221	0.10	0.44	-	-
Re. Red 195	1.00	2.59	-	-
Re. Orange 72 UN. STD. Crude	0.15	0.25	0.86	1.50
Re. Black 5 150%	1.23	2.08	-	-
Re. Black 5 133%	1.47	2.50	-	-
Re. Blue 222	0.10	0.11	-	-
Re. Black SR Crdue	16.42	28.73	-	-
Sandodust Oil	0.15	0.20	0.05	0.05
Re. Blue 220 (Crude RM)	1.23	3.00	21.90	69.00
V. S. Of Aniline	554.440	654.92	78.59	89.49
Re. Yellow 145	0.49	0.91	-	-
Re. Yellow 160	0.25	0.44	-	-
Others		7.85		4663.62
Total Raw Material Consumed		817.15		13631.71

d) Value of Imports on C.I.F. Basis

	Year ended March 31, 2010 (Rs./Lacs)	Year ended March 31, 2009 (Rs./Lacs)
Raw Materials	181.48	2087.81
Capital Goods	-	4.43

e) Consumption of Raw Materials

	Year ended March 31, 2010		Year ended March 31, 2009	
	(Rs./Lacs)	%	(Rs./Lacs)	%
Imported (including import duty content)	13.29	1.63	2245.46	16.47
Indigenous	803.76	98.37	11386.25	83.53
Total	817.05	100.00	13631.71	100.00

f) Stock in trade (Shares)

	Quantity		Value (Rs./lacs)	
	As at 31.03.2010	As at 31.03.2009	As at 31.03.2010	As at 31.03.2009
Equity Shares				
Zillion Pharma Ltd.	2200	2200	9000	9000
Total	2200	2200	9000	9000

g) Expenditure in Foreign Currency incurred during the year.

Particulars	Year ended March 31, 2010 (Rs./Lacs)	Year ended March 31, 2009 (Rs./Lacs)
Foreign Bank Charges	1.35	36.76
Foreign Travelling	1.18	9.59
Other Expenses	-	0.15

h) Earnings in Foreign Currency during the year.

Direct Exports (FOB Value)	358.57	9599.59
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Signatories to Schedules 1 to 16

As per our report of even date

For Deepak Soni & Associates

Chartered Accountants

Deepak Soni

Proprietor

Membership No. 31138

Firm Reg. No. 102250W

Ahmedabad

August 28, 2010

Nitin Shah
Company Secretary

For & on behalf of the Board

Gautam M. Jain

Chairman & Managing Director

Rahul Jain

Executive Director

Sandeep S. Bhandari

Director

Ahmedabad

August 28, 2010

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	Year Ended March 31, 2010 (Rs./lacs)	Year Ended March 31, 2009 (Rs./lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before Tax	4341.14	(519.07)
Adjustments for		
Depreciation	118.76	868.43
Gain on Demereger of Baroda Unit	-4062.38	0.00
Misc. Expenditure w/off	7.94	14.06
Interest paid	3.53	711.51
Dividend Income	-0.20	-8.70
Loss / (Profit) on Sale of Fixed Assets	3.53	15.84
Loss / (Profit) on Sale of Investments	10.35	0.00
Interest Income	0.00	-11.96
	-3918.48	1589.18
Operating Profit before Working Capital Changes	422.56	1070.11
Adjustments for		
Trade Receivables (Incl. export bills purchased/negotiated)	656.67	3384.62
Other Receivables	387.65	2492.91
Inventories	24.07	435.90
Trade Payables	-301.00	-750.52
FBT Payables	0.00	0.00
	767.39	5562.91
Cash generated from Operations	1190.05	6633.02
Direct Taxes paid (net of refunds)	-615.92	-62.97
Cash flow before Extraordinary items	574.13	6570.05
Deferred Revenue Expenditure incurred	0.00	-355.78
Depreciation on Adjustments	0.00	-54.80
	0.00	-410.58
Net Cash flow from Operating Activites	574.13	6159.57
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (net of Sale proceeds)	-95.77	-998.31
Proceeds from demerger of Baroda Unit	13604.71	0.00
Long Term Investments	-606.12	0.00
Dividend Received	0.20	8.70
Net Cash used in Investing Activities	12903.02	-989.61

	Year Ended March 31, 2010 (Rs./lacs)	Year Ended March 31, 2009 (Rs./lacs)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Received	0.00	11.96
Secured Loans	0.00	-4355.61
Advances to Suppliers, Contractors & Others	-6417.24	0.00
Unsecured Loans	-1394.36	-150.94
Deposit with Other Companies	-1600.00	175.24
Dividend paid	0.00	-228.67
Interest paid	-3.53	-711.61
Net Cash used in Financing Activities	-9415.13	-5259.63
D. NET CASH INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		
	4062.01	-89.67
Opening Balance of Cash & Cash Equivalents	69.00	158.67
Closing Balance of Cash & Cash Equivalents	4131.01	69.00

This is the Cash flow statement referred in our report of even date

For Deepak Soni & Associates

Chartered Accountants

Deepak Soni

Proprietor

Membership No. 31138

Firm Reg. No. 102250W

Ahmedabad

August 28, 2010

Nitin Shah
Company Secretary

For & on behalf of the Board

Gautam M. Jain Chairman & Managing Director

Rahul Jain Executive Director

Sandeep S. Bhandari Director

Ahmedabad

August 28, 2010

AUDITOR'S CERTIFICATE

We have examined the attached Consolidated Cash Flow Statements of Metrochem Industries Ltd. and its subsidiary Metrochem Capital Trust Ltd. for the year ended on the 31st March 2010. The statement has been prepared in accordance with the requirements of Listing Agreement Clause No.32 with Ahmedabad Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Accounts and the Balance Sheets of both the companies covered by our report of even date to the members of the Companies.

For, **DEEPAK SONI & ASSOCIATES**
CHARTERED ACCOUNTANTS

Ahmedabad
28th August , 2010

DEEPAK SONI
(PROPRIETOR)
Membership No. 31138
Firm Reg. No. 102250W

METROCHEM CAPITAL TRUST LIMITED

BOARD OF DIRECTORS

Gautam M. Jain
Hanumanchand C. Jain
Vijay B. Shah

AUDITORS

Deepak Soni & Associates
Chartered Accountants
Ahmedabad

REGISTERED OFFICE

505/506, "SURYA RATH"
Near White House, Panchwati,
Ellisbridge, Ahmedabad - 380 006

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their 26th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2010

FINANCIAL RESULTS

	(Rs./Lacs)	
	YEAR ENDED 31-03-2010	YEAR ENDED 31-03-2009
Income from operations	5.95	8.59
Profit before Depreciation and Tax	3.04	5.50
Less : Depreciation	0.27	0.26
Provision for Taxation	0.00	0.00
Profit After Tax	2.77	5.24
Less: Balance/Deficit brought Forward from previous year	85.48	80.24
Profit/-Loss carried to Balance Sheet	88.25	85.48

DIVIDEND

Due to inadequate profits and future fund requirements your Directors do not recommend any dividend for the year 2009-2010

OPERATIONAL REVIEW

During the year under review, total income amounted to Rs. 5.95 Lacs (Previous Year Rs.8.59 Lacs). The result of the year under review, shows a net profit of Rs. 2.77 Lacs as against a net profit of Rs. 5.24 Lacs for the previous year.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits from the public.

POSTAL BALLOT

Ordinary Resolution under Section 293(1)(A) of the Companies Act, 1956 for sell / lease and or dispose of undertaking including lands, buildings, furniture-fixtures and equipments situated at GIDC, Vatva, Ahmedabad - 382 445 is proposed through Postal Ballot.

DIRECTORATE

Shri Vijay B. Shah retires by rotation and being eligible offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217 (2AA), as incorporated by the Companies (Amendment) Act, 2000, in the Companies Act, 1956, your directors confirm that:-

- a) The Company has followed the applicable accounting standards in the preparation of the Annual Accounts and there had been no material departure;
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for the aforesaid period;

- c) The directors had 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 frauds and other irregularities;
- d) The directors have prepared the Annual Accounts on a going concern basis.

PAYMENT OF LISTING FEE

Your Company is listed at Ahmedabad Stock Exchange. Listing for the year 2010-11 has been paid.

AUDITORS

M/s. Deepak Soni & Associates, Chartered Accountants, Ahmedabad, the Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have expressed their willingness to serve, if reappointed.

Observations of the Auditors are self explanatory.

CONSERVATION OF ENERGY

Since your Company has not undertaken any manufacturing activities, the disclosure in respect of conservation of energy and technology absorption as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is not applicable. There are no foreign exchange earnings or outgoing, during the year under review.

PARTICULARS OF EMPLOYEES

The Company had no employees covered under Section 217(2A) of the Companies Act, 1956.

COMPLIANCE CERTIFICATE

The compliance certificate pursuant to proviso to Section 383-A(1) of the Companies Act, 1956 is attached alongwith this Report.

ACKNOWLEDGEMENT

The Directors sincerely acknowledge the co-operation and assistance extended by Shareholders, Bankers and others associated with the Company. The Directors also wish to place on record their deep sense of appreciation for the services rendered by the employees of the Company at all levels.

For and on behalf of the Board

Ahmedabad
14th August, 2010

Gautam M. Jain
Chairman

COMPLIANCE CERTIFICATE

[Pursuant to proviso to Section 383-A(1) of the Companies Act, 1956 read with Companies (Compliance Certificate) Rules, 2001]

Registration No. : L65910GJ1984PLC007181

Nominal Capital : Rs. 10,00,00,000/-

To

The Members

Metrochem Capital Trust Limited

505-506, Suryarath,

Near White House, Panchwati, Ahmedabad.

We have examined the registers, records, books and papers of METROCHEM CAPITAL TRUST LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, We certify that in respect of the aforesaid financial year :

1. the Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. the Company has filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies within the time mentioned in the said annexure, in accordance with the provisions of the Act and the rules made there under . The Company was not required to file any forms and returns with Regional Director, Central Government, Company Law Board or other authorities.
3. the Company being a Public Company no comments is required to be made.
4. the Board of Directors duly meet 5 (five) times on 28.6.2009, 30.7.2009, 21.8.2009, 29.10.2009 and 30.1.2010 in respect of which meetings proper notice were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. However, as informed to us the Company has not passed any circular resolutions.
5. the Company has closed its Register of Members from 22nd September 2009 to 29th September 2009 and necessary compliance of Section 154 of the Act has been made.
6. the annual general meeting for the financial year ended on 31st March, 2009 was held on 29th September, 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. the Company has not held any Extra Ordinary General Meeting.
8. the Company has not advanced any loan to its directors and/or persons or firms or companies referred in the Section 295 of the Act.
9. the Company has not entered into any transaction to which provisions of Section 297 of the Act of the Act are applicable.
10. the Company has made necessary entry in the Register maintained under Section 301 of the Act.
11. the Company was not required to obtain approvals from the Board of Directors, members and previous approval of the Central Government pursuant to Section 314 of the Act as there were no instances falling within the purview of the said Section.
12. the Company has not issued any duplicate share certificates.
13. the Company :
 - i. was not required to deliver certificates as there was no allotment nor any application for transfer or transmission of shares.
 - ii. has not declared any dividend and hence the provisions as to depositing the amount of dividend in a separate Bank Account are not attracted.

- iii. has not declared any dividend and hence no payment / posting of warrants for dividend to any of the members.
 - iv. there was no unpaid or unclaimed dividend for any of the previous years nor any amount on account of application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years and hence the Company is not required to transfer the same to Investor Education and Protection Fund.
 - v. the Company has duly complied with the requirements of Section 217 of the Act.
14. Board of Directors of the Company is duly constituted and appointment of all directors have been duly made. The Company has not appointed any alternate directors and directors to fill casual vacancies.
 15. the Company has not appointed any Managing Director / Whole time Director / manager during the financial year.
 16. The Company has not appointed sole-selling agents.
 17. the Company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
 18. the Directors have given notices in regard to disclosures of their interest in other firms / companies.
 19. the Company has not issued any shares / debentures during the financial year.
 20. the Company has not bought back any shares during the financial year.
 21. the Company has not redeemed preference shares / debentures during the year.
 22. the Company has not kept in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. the Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A and 58AA read with Companies (Acceptance of Deposits) Rules, 1975, during the financial year.
 24. the amount borrowed by the company from directors, members, public financial institutions, banks and others during the financial year ending 31.3.2010 is within the borrowing limits of the Company and that necessary resolution as per Section 293[1][d] of the Act have been passed in duly convened general meeting.
 25. the Company has not made any loans to or investments in other bodies corporate. Further the Company has not given any guarantee nor provided security to any body corporate during the financial year.
 26. the Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
 27. the Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
 28. the Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
 29. the Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
 30. the Company has not altered the provisions of its Articles of Association during the year under scrutiny.
 31. no prosecution were initiated against or show cause notices received by the Company for alleged offenses under Act nor the fines and penalties or any other punishment were imposed on the Company.
 32. the Company has not received any money as security from its employee during the year under certification within the meaning of the provisions of Section 417(1) of the Act.
 33. the Company has not constituted the Provident Fund for its employees within the meaning of the provisions of Section 418 of the Act.

For TUSHAR VORA & ASSOCIATES
COMPANY SECRETARIES

Place : Ahmedabad
Date : 14th August, 2010

TUSHAR M. VORA
PROPRIETOR
C.O.P. NO. : 1745.

Annexure A

REGISTERS AS MAINTAINED BY METROCHEM CAPITAL TRUST LIMITED

SR. NO.	NATURE OF REGISTER	APPLICABLE SECTION OF COMPANIES ACT, 1956
1.	Register of Members	Section 150
2.	Register of Index of Members	Section 151
3.	Minutes Book of Board of Director's Meetings	Section 193
4.	Minutes Book of Shareholders' Meetings	Section 193
5.	Register of Loans and Investments	Section 372A
6.	Register of Directors, Manager, Secretary etc.	Section 303
7.	Register of Directors Shareholdings	Section 307
8.	Register of Contracts	Section 301
9.	Register of Companies, firms etc. in which directors are interested	Section 301(3)
10.	Register of Directors' Attendance	
11.	Register of Shareholders' Attendance	
12.	Register of Transfer of shares	
13.	Register of Duplicate Share Certificates	

For TUSHAR VORA & ASSOCIATES
COMPANY SECRETARIES

Place : Ahmedabad
Date : 14th August, 2010

TUSHAR M. VORA
PROPRIETOR
C.O.P. NO. : 1745.

Annuxure B

DETAILS OF FORMS AND RETURNS FILED WITH/ SUBMITTED TO REGISTRAR OF COMPANIES BY METROCHEM CAPITAL TRUST LIMITED DURING THE FINANCIAL YEAR ENDED 31ST MARCH, 2010.

Sr. No.	Form No./Return and purpose	Filed U/S of Companies Act, 1956	Date of Filing	Filed within prescribed time	If delay, requisite Additional Fees paid
1.	Schedule VI - Balance Sheet etc. as at 31.03.2009	220	28.11.2009	No	Yes
2.	Sec. Compliance Certificate - 31.03.2009	383A	13.11.2009	Yes	N.A.
3.	Annual Return - 21.09.2009	159	23.11.2009	Yes	N.A.

For TUSHAR VORA & ASSOCIATES
COMPANY SECRETARIES

Place : Ahmedabad
Date : 14th August, 2010

TUSHAR M. VORA
PROPRIETOR
C.O.P. NO. : 1745.

REPORT OF THE AUDITORS' TO THE MEMBERS

- 1.0 We have audited the attached Balance Sheet of **Metrochem Capital Trust Limited** as at 31st March, 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2.0 We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3.0 As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a Statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4.0 Further to our comments in the annexure referred to above, we report that :
- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account
 - iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report, subject to our observations stated at para (vi) of our Report regarding non-provisions in respect of doubtful Loans and Advances aggregating to Rs. 368.77 Lacs, comply with the accounting standards referred to in sub-section(3C) of section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act, 1956;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, after considering effect of note no 6 relating to the loans & advances of Rs. 368.77 lacs considered doubtful of recovery, for which no provision has been made and note no. 13 regarding no provision in respect of tax liability under the Income Tax Act, 1961 and read together with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - b) in the case of the Profit & Loss Account, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For, **DEEPAK SONI & ASSOCIATES**
CHARTERED ACCOUNTANTS

Place : Ahmedabad
Date : 14th August, 2010

DEEPAK SONI
(PROPRIETOR)
Membership No. 31138
Firm Reg. No. 102250W

Annexure referred to in paragraph 3 of the Auditor's Report of even date on the accounts for the year ended 31st March, 2010 of Metrochem Capital Trust Limited

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that :

- (i) (a) The Company has generally maintained proper records showing particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the Management at reasonable intervals, in a phased verification-programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business.
- (c) The Company has not disposed off any substantial part of the fixed assets during the year, and the going concern status of the company is not affected.
- (ii) (a) During the year, the inventories have been physically verified by the management, In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the record of inventories, we are of the opinion that, the Company is maintaining proper records of inventories. No discrepancy was noticed on physical verification of inventories as compared to book records.
- (iii) (a) (i) According to the information and explanations given to us, the Company has granted loans to a Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount of the loan granted was Rs. 103.99 lacs and the year end balance of the loan granted was Rs. 103.99 Lacs.
- (ii) According to the information and explanation given to us, the Company had not taken loans from the parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion, the rate of interest and other terms and conditions on which loan has been granted to the Company listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (c) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties other than those classified as doubtful have repaid the principal amounts as stipulated and have been regular in the payment of interest.
- (d) There is no overdue amount in respect of loans taken from or granted to companies and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) (a) On the basis of the audit procedures performed by us, and according to the information, explanations and representations given to us, we are of the opinion that the transactions in which directors were interested, and which were required to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of rupees five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at that time.

- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any fixed deposits within the meaning of the provisions of Section 58A of the Companies Act, 1956 and its Rules.
- (vii) On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that, coverage of internal audit functions carried out by the internal audit department of the company, is commensurate with the size of the Company and the nature of its business.
- (viii) The rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 are not applicable, for the year under review.
- (ix) According to the records of the company and according to explanations given to us, the statutory dues payable by the Company comprise of provident fund, investors education and protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess, octroi, entry tax, purchase tax, municipal tax and other applicable statutory dues. According to the records of the Company, the Company is regular in depositing undisputed statutory dues with the appropriate authorities. There are no undisputed statutory dues as referred to above as at 31st March, 2010 outstanding for a period of more than six months from the date of they becoming payable.
- (x) The Company has neither accumulated losses at the end of the financial year nor has it incurred cash losses, both, in the financial year under report and in the immediately preceding financial year.
- (xi) On the basis of the records examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) In our opinion and 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 or any other securities;
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In respect of investments dealt or traded by the Company, proper records are maintained in respect of transactions and contracts and timely entries have been made therein. All the investments are held by the Company in its own name;
- (xv) According to the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution;
- (xvi) In our opinion, no term loans have been raised during the year by the company.
- (xvii) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short terms basis have not, prima facie, been used during the year for long terms investment and vice versa, except permanent working capital.
- (xviii) The Company during the year under review has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act.1956.
- (xix) On the basis of the records and documents examined by us, the company has not issued any secured debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year and therefore paragraph 4(xx) of the Order is not applicable.
- (xxi) According to the information and explanations given to us and to the best of our knowledge and belief, no fraud on or by the Company has been noticed or reported during the course of our audit during the year .

For, **DEEPAK SONI & ASSOCIATES**
 CHARTERED ACCOUNTANTS

Place : Ahmedabad
 Date : 14th August, 2010

DEEPAK SONI
 (PROPRIETOR)
 Membership No. 31138
 Firm Reg. No. 102250W

BALANCE SHEET AS AT MARCH 31, 2010

Particulars	Schedule	As at March 31, 2010 (Rs./Lacs)	As at March 31, 2009 (Rs./Lacs)
SOURCES OF FUNDS :			
Shareholders' Funds			
Capital	1	181.50	181.50
Reserve and Surplus	2	182.64	179.87
		364.14	361.37
Loan Funds			
	3	0.00	0.00
		0.00	0.00
Total		364.14	361.37
APPLICATION OF FUNDS :			
Fixed Assets			
	4		
Gross Block		8.12	8.12
Less : Depreciation		6.34	6.07
Net Block		1.78	2.05
Investments			
	5	25.48	22.66
Current Assets Loans & Advances :			
Current Assets	6	7.41	11.48
Loans and advances	7	329.99	325.70
		337.40	337.18
Less : Current Liabilities & Provisions			
Current Liabilities	8	0.45	0.45
Provisions	9	0.07	0.07
		0.52	0.52
Net Current Assets :			
		336.88	336.66
Total		364.14	361.37
Notes To Accounts	15		

As per our report of even date

For Deepak Soni & Associates
Chartered Accountants**(Deepak Soni)**Proprietor
M. No. 31138
Firm Reg. No. 102250WAhmedabad
August 14, 2010

For & on behalf of the Board

Gautam M. Jain Director**H. C. Jain** DirectorAhmedabad
August 14, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Schedule	Year ended March 31,2010 (Rs./Lacs)	Year ended March 31,2009 (Rs./Lacs)
INCOME FROM OPERATIONS :			
Income from Financial Activities	10	5.03	7.59
Trading Sales	11	0.00	0.00
Other Income	12	0.92	1.00
		5.95	8.59
EXPENDITURE			
Financial & Other Exp.	13	2.92	3.09
Cost of Goods Traded (Shares, Dyes & Intermediates)	14	0.00	0.00
Depreciation	4	0.27	0.26
Total		3.18	3.35
Profit Before Tax		2.77	5.24
Provision for Tax		---	---
Profit After Tax		2.77	5.24
Balance in Profit & Loss Account		85.48	80.24
Balance Carried to Balance Sheet		88.25	85.48
Earning per share Rs. (Basic and diluted)		0.040	0.075
Notes to the Accounts	15		

As per our report of even date

For Deepak Soni & Associates
Chartered Accountants

(Deepak Soni)
Proprietor
M. No. 31138
Firm Reg. No. 102250W

Ahmedabad
August 14, 2010

For & on behalf of the Board

Gautam M. Jain Director
H. C. Jain Director

Ahmedabad
August 14, 2010

METROCHEM CAPITAL TRUST LIMITED

Particulars	As at March 31,2010 (Rs./Lacs)	As at March 31,2009 (Rs./Lacs)
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED :		
70,00,000 (70,00,000) Equity Shares of Rs.10/- each	700.00	700.00
30,00,000 (30,00,000) Pref.Shares of Rs.10/- each	300.00	300.00
	1000.00	1000.00
ISSUED, SUBSCRIBED & PAID UP :		
815000 (815000) Equity Shares of Rs.10/- each fully paid up	81.50	81.50
1000000 (1000000) 8% Cumulative Redeemable Preference Shares of Rs.10/- each fully paid up	100.00	100.00
TOTAL	181.50	181.50

SCHEDULE 2		
RESERVES & SURPLUS		
a) Securities Premium	57.00	57.00
b) General Reserve - Balance as per last Balance Sheet	37.39	37.39
c) Balance in the Profit & Loss a/c	88.25	85.48
TOTAL	182.64	179.87

SCHEDULE 3		
UNSECURED LOANS		
From Corporate Bodies	---	---
TOTAL	---	---

PARTICULARS	GROSS BLOCK		DEPRECIATION				NET BLOCK		
	Balance as on 1-4-09	Deductions	Balance as on 31-3-10	Up to 1-4-09	During the year	Deductions	Up to 31-3-10	As on 31-3-10	As on 31-03-09
FIXED ASSETS :									
Land	0.29	0.00	0.29	0.00	0.00	0.00	0.00	0.29	0.29
Building	6.84	0.00	6.84	5.12	0.23	0.00	5.35	1.49	1.72
Furniture & Fixtures	0.64	0.00	0.64	0.62	0.02	0.00	0.64	0.00	0.02
Refrigerator	0.35	0.00	0.35	0.34	0.02	0.00	0.35	0.00	0.01
Total (A)	8.12	0.00	8.12	6.07	0.27	0.00	6.34	1.78	2.05
Previous Year	10.76	2.64	8.12	8.45	0.26	2.64	6.07	2.05	2.31

Particulars	As at		
	March 31,2010 (Rs./Lacs)	March 31,2009 (Rs./Lacs)	
SCHEDULE 5			
INVESTMENTS			
LONG TERM INVESTMENTS :			
Quoted (At Cost)			
11600 (11600)	Equity shares of Morepan Laboratories Ltd.of Rs. 2/- each fully paid up	3.43	3.43
74000 (74000)	Units of Morgan Stanley Growth Fund of Rs.10/- each fully paid up	7.40	7.40
525 (525)	Equity shares of Surya Roshni Ltd.of Rs. 10/- each fully paid up	0.44	0.44
1000 (1000)	Equity shares of Reliance Ind. Ltd.of Rs. 10/- each fully paid up	0.66	0.66
70 (70)	Equity shares of Reliance Capital Venture Ltd. of Rs. 10/- each fully paid up	0.02	0.02
1400 (1400)	Equity shares of Reliance Communication Venture Ltd.of Rs.5/- each fully paid up	0.67	0.67
105 (105)	Equity shares of Reliance Energy Venture Ltd.of Rs. 10/- each fully paid up	0.13	0.13
1400 (1400)	Equity shares of Reliance Natural Resouces Ltd.of Rs. 5/- each fully paid up	0.01	0.01
5000 (5000)	Equity shares of Shamken Spinners Ltd.of Rs.10/- each fully paid up	0.50	0.50
800 (800)	Equity shares of Varun Siccon Ltd.of Rs.10/- each fully paid up	0.24	0.24
300 (300)	Equity shares of Hindustan Alluminium Co. Ltd.of Rs.1/- each fully paid up	0.18	0.18
143 (143)	Equity shares of Hindustan Alluminium Co.Ltd. of Rs.1/- each partly paid up	0.14	0.14
300 (300)	Equity shares of Oriental Bank of Commerce Ltd. of Rs.10/- each fully paid up	0.18	0.18
2500 (2500)	Equity shares of K.J. International Ltd.of Rs.10/- each fully paid up	0.63	0.63
800 (800)	Equity shares of Samrat Ashoka Exports Ltd.of Rs.10/- each fully paid up	0.48	0.48
1200 (1200)	Equity shares of Punjab Woolcombers Ltd. of Rs.10/- each fully paid up	1.08	1.08
700 (700)	Equity Shares of P.G. Foils Ltd. of Rs.10/- each fully paid up	0.33	0.33
3300 (3300)	Equity Shares of Balmer Lawrie Freight Containers Ltd. of Rs.10/- each fully paid up	1.65	1.65
6000 (6000)	Equity Shares of Morepan Finance Ltd. of Rs.10/- each fully paid up	1.20	1.20
1000 (1000)	Equity Shares of Pokarna Grainites Ltd. of Rs.10/- each fully paid up	0.25	0.25
10000 (10000)	Equity shares of Saket Projects Ltd.of Rs.10/- each fully paid up	1.00	1.00
3500 (3500)	Equity shares of Maruti Infrastructure Ltd.of Rs.10/- each fully paid up	0.02	0.02
600 (600)	Equity Shares of Melstar Information Technolgy Ltd. of Rs.10/- each fully paid up	0.43	0.43
500 (500)	Equity Shares of Geomatic Software Solution Ltd. of Rs.10/- each fully paid up (Converted in to Rs. 2/- per share)	0.15	0.15
1200 (1200)	Equity Shares of Shri Rama Multitech Ltd. of Rs. 5/- each fully paid up	1.44	1.44
1500 (Nil)	Equity Shares of BPL Limited of Rs.10/- each fully paid up	0.57	0.00
5000 (Nil)	Equity Shares of IG Petro of Rs.10/- each fully paid up	2.25	0.00
AGGREGATE VALUE OF INVESTMENTS :		25.48	22.66
Quoted : Cost		25.48	22.66
Market Value		67.00	63.36

METROCHEM CAPITAL TRUST LIMITED

Particulars	As at March 31,2010 (Rs./Lacs)	As at March 31,2009 (Rs./Lacs)
SCHEDULE 6		
CURRENT ASSETS		
Stock In Trade :		
Shares & Securities (at lower of cost or market value)	0.09	0.09
Sub-total	0.09	0.09
Cash & Bank Balances :		
Cash on Hand	0.09	0.06
Balances with scheduled Banks :		
In Current Accounts	0.59	5.42
Sub-total	0.68	5.48
Sundry Debtors		
For goods (unsecured - considered good)	6.64	5.91
Sub-total	6.64	5.91
Total	7.41	11.48
SCHEDULE 7		
LOANS AND ADVANCES		
Deposits With Government,Public Bodies & Others	423.00	419.22
Advance Payment Against Taxes	8.13	7.62
Advances Under Second Server Scheme	45.53	45.53
	476.66	472.37
Less :- Provision for Doubtful Loans	146.67	146.67
Total	329.99	325.70
Note :		
Loans and Advances Considered		
(a) Doubtful	368.77	368.77
(b) Good	107.89	103.61
SCHEDULE 8		
CURRENT LIABILITIES		
Sundry Creditors	0.16	0.16
Other Liabilities	0.29	0.29
	0.45	0.45
SCHEDULE 9		
PROVISIONS		
Provision for I.Tax	0.07	0.07
	0.07	0.07
SCHEDULE 10		
INCOME FROM FINANCIAL ACTIVITIES		
Interest Recd. (Gross) (TDS Rs. 0.50 lacs) (Previous Year 1.72 lacs)	5.03	7.59
Profit on Sale of Investments	0.00	0.00
Total	5.03	7.59

Particulars	Year ended March 31,2010 (Rs./Lacs)	Year ended March 31,2009 (Rs./Lacs)
SCHEDULE 11		
TRADING SALES		
Chemicals and Intermediates	0.00	0.00
Shares & Securities	0.00	0.00
Total	0.00	0.00
SCHEDULE 12		
OTHER INCOME		
Misc. Income	0.00	0.00
Shed Rent	0.72	0.78
Dividend	0.20	0.22
Total	0.92	1.00
SCHEDULE 13		
FINANCIAL AND OTHER EXPENSES		
Interest and Financial Costs :		
Interest	0.00	0.00
Bank Charges	0.00	0.01
Sub-total	0.00	0.01
Personnel Costs :		
Salaries And Wages	1.58	1.88
Leave Encashment	0.09	0.13
Bonus	0.32	0.37
Sub-total	1.99	2.38
Establishment Charges :		
Listing Fees	0.12	0.10
Filing Fees	0.03	0.02
Audit Fees	0.22	0.22
Advertisement	0.22	0.28
Legal & Professional	0.31	0.04
Other Administration Exp.	0.02	0.04
Sub-total	0.93	0.70
Total	2.92	3.09
SCHEDULE 14		
COST OF GOODS TRADED		
a) Stock in Trade (at the commencement)		
Shares & Securities	0.09	0.09
Dyes & Intermediates	0.00	0.00
b) Add : Purchase		
Shares & Securities	0.00	0.00
Dyes & Intermediates	0.00	0.00
Sub-total	0.09	0.09
c) Less : Stock in Trade (at the close)		
Shares & Securities	0.09	0.09
Dyes & Intermediates	0.00	0.00
Sub-total	0.09	0.09
Total	0.00	0.00

SCHEDULE - 15

ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. REVENUE :
 - a) Hire purchase finance charges are accounted on accrual basis.
 - b) Lease rentals are generally accounted on accrual basis. Income from leased assets is accounted for in the year in which lease rentals fall due, by applying the interest rate implicit in the lease during the period, as recommended by the Institute of Chartered Accountants of India in the Guidance Note on Accounting for lease.
 - c) Dividend income is accounted on receipt basis.
 - d) Interest are accounted on accrual basis and income in respect of non performing assets is recognised on actual realisation in accordance with directions relating to the prudential norms set out by Reserve Bank of India vide notification No.DFC/119/DG(SPT)-98 Dated 31st January, 1998 and as amended vide notification no.DFC/125ED(G)-98 Dated 12th May, 1998.
 - e) Scrutiny Fees/Management Fees/Service Charges are accounted on accrual basis.
2. INVESTMENTS: Investments are classified into current investments and long term investments, Current investments are valued, scripwise, at cost or market price whichever is lower. Long terms investments are valued at cost. In respect of quoted investments where the market value is lower than the acquisition cost, no provision is made for the diminution in the value of such investment, since in the opinion of the board it is a temporary phenomenon and no provision is necessary.
3. STOCK IN TRADE : Stock-in-trade is valued scripwise at book value or market price whichever is lower.
4. FIXED ASSETS : All the Fixed Assets are stated at cost less depreciation after taking into consideration the Lease Adjustment Account.
5. DEPRECIATION :
 - a. On Own Assets : Depreciation has been provided on the fixed assets on straight line method u./s 205(2)(b) of the Companies Act, 1956 consistent with the company's accounting policy, at the rate and in the manner laid down in Schedule XIV to the Companies Act, 1956.
 - b. On Leased Assests:- Depreciation is provided in accordance with Guidance Notes issued by the Institute of Chartered Accountants of India whereby 100% depreciation is provided over the primary lease period.
6. Retirement Benefits are accounted as and when the liability accrues.

B. NOTES FORMING PART OF ACCOUNTS :

1. Previous year's figures have been regrouped and rearranged wherever necessary to make them comparable with the current year's figure.
2. Contingent Liabilities :
 - (a) Liability in respect of 8% Cumulative Redeemable Preference shares Dividend Rs. 64.33 lacs. (Previous year Rs. 56.33 lacs)
3. Balances of sundry creditors and loans and advances are subject to confirmation.
4. On the basis of the information available with the Company there is no amount due but remaining unpaid as on 31st March, 2010 to any supplier or any interest paid to any supplier who is covered under the provisions of Micro Small and Medium Enterprise Development Act, 2006.
5. The Company is advised that the computation of the net profit under Section 349 of the Companies Act, 1956 need not be made since no remuneration/commission is paid/payable to the director for the year ended 31st March, 2010.
6. The Company has classified the accounts of loans/advances, debtors etc. aggregating to Rs. 368.77 Lacs (Rs. 368.77 Lacs at 31st March, 2009) as non-performing assets. The aggregate provision for doubtful advances amounting to Rs.146.67 lacs till 31st March, 2010 (Rs. 146.67 lacs till 31st March, 2009) have been charged to the Profit & Loss Account and no provision has been made for balance of possible losses which may arise on account of loans and advances becoming irrecoverable.

7. The Company was engaged in the financial activities during the financial year under review, which in the context of Accounting Standard 17 are considered the business segment. The information is as under.

Financial Activities		
(Rs. in lacs)		
	2009-10	2008-09
Opening Balance	0.09	0.09
Cost of Goods sold	0.00	0.00
Sales Revenues	0.00	0.00
Closing Balance	0.09	0.09

8. Auditors' Remuneration includes :

Particulars	2009-10 (Rs. in lacs)	2008-09 (Rs. in lacs)
a) Audit fees	0.20	0.20
b) Service Tax	0.02	0.02
c) Fees for taxation matters	0.00	0.09
b) Other Services (Certificate etc.)	0.00	0.12
Total	0.22	0.43

9. Related party disclosures as required by As-18

Name of the related party and nature of relationship where control exists:

Name of the related party

- I Holding Company** 1 Metrochem Industries Limited
- II Associate Company** 1 Anil Dyechem Industries Pvt. Ltd.

III Key Management Personnel and their Enterprises

- 1 Shri Gautam M Jain 2 Shri H. C. Jain

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

Sr. No.	Nature of Transactions					Rs. in lacs
		Holding Company	Associates Companies	Key Mangt. Personnel	Relative of key Mangt. Personnel	Total
1	Stationery & Advertising Exp.	-	-	-	-	-
2	Lease Rent/ Shed Rent Recd.	-	-	-	-	-
3	Reimbursement of exp.	-	-	-	-	-
4	Interest recd. on intercorporate deposit given	5.03	-	-	-	5.03
5	Intercorporate deposits received back during the year.	-	-	-	-	-
6	Intercorporate deposits given during the year.	4.25	-	-	-	4.25
7	Outstanding payables	-	-	-	-	-
8	Outstanding receivables.	-	-	-	-	-
9	Outstanding intercorporate deposits receivable	103.99	-	-	-	103.99
10	Outstanding fixed deposits	-	-	-	-	-
	Total	113.27	-	-	-	113.27

- (I) There are no write offs/write back of any amounts for any of the parties.

10. STOCK IN TRADE :

	Quantity		Value	
	As at	As at	As at	As at
Shares :				
Equity Shares	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Zillion Pharma Ltd.	2200	2200	9000	9000
Total	2200	2200	9000	9000

Signatories to Schedules 1 to 15
As per our report of even date

For Deepak Soni & Associates

Chartered Accountants

Deepak Soni

Proprietor

M. No. 31138

Firm Reg. No. 102250W

Ahmedabad

August 14, 2010

For & on behalf of the Board**Gautam M. Jain**

Director

H. C. Jain

Director

Ahmedabad

August 14, 2010

BALANCE SHEET ABSTRACT AND COMPANY 'S GENERAL BUSINESS PROFILE

(Submitted in terms of Part IV and Schedule VI to the Companies Act, 1956.)

1. REGISTRATION DETAILS

Registration No. : L65910GJ1984PLC007181
 State Code : 04
 Date of Balance sheet : 31.03.2010

(Rs./Lacs)

31.03.2010 **31.03.2009****2. CAPITAL RAISED DURING THE YEAR**

Public Issue	Nil	Nil
Right Issue	Nil	Nil
Bonus Issue	Nil	Nil
Private Placement	Nil	Nil
On Amalgamation	Nil	Nil

3. POSITION OF MOBILIZATION & DEPLOYMENT OF FUNDS

Total Liabilities	364.14	361.37
Total Assets	364.14	361.37

a) Source of funds

Paid up Capital	181.50	181.50
Reserve & Surplus	182.64	179.87
Secured Loan	0.00	0.00
Unsecured Loan	0.00	0.00

Total	364.14	361.37
--------------	---------------	--------

b) Application of funds

Net Fixed Assets	1.78	2.05
Net Current Assets	336.88	336.66
Investments	25.48	22.66

Total	364.14	361.37
--------------	---------------	--------

4. PERFORMANCE OF THE COMPANY

Total Income	5.95	8.59
Total Expenditure	3.18	3.35
Profit Before Tax	2.77	5.24
Profit After Tax	2.77	5.24
Number of Equity Shares (Nos.)	815000	815000
Earning Per Share (Rs.)	0.34	0.64
Dividend Rate	0%	0%

5. GENERIC NAME OF THREE PRINCIPAL PRODUCTS OF THE COMPANY (as per monetary terms)

Item Code	Products
NIL	Loan, Investment, Leasing
282221-06	Dyes & Intermediates

As per our report of even date

For & on behalf of the Board**For Deepak Soni & Associates**

Chartered Accountants

Deepak Soni

Proprietor

M. No. 31138

Firm Reg. No. 102250W

Ahmedabad

August 14, 2010

Gautam M. Jain

Director

H. C. Jain

Director

Ahmedabad

August 14, 2010

CASH FLOW STATEMENT FOR THE YEAR 2009-2010

	Year Ended March 31, 2010 (Rs./Lacs)	Year Ended March 31, 2009 (Rs./Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax and Extraordinary Items	2.77	5.24
Adjustments for :		
Depreciation	0.27	0.26
Dividend	(0.20)	(0.22)
	0.07	(0.04)
Operating Profit before Working Capital Changes	2.83	5.28
Adjustments for :		
Trade and other Receivables	(4.50)	1.13
Inventories	0.00	0.00
Trade Payables	0.00	(0.05)
Provisions	0.00	0.00
	(4.50)	1.08
Cash generated from Operations	(1.67)	6.36
Direct Taxes refunds/TDS Receivables	(0.51)	(2.86)
Cash flow before Extraordinary items	(2.18)	3.50
Misc. Expenditure w/ff	0.00	0.00
Net Cash flow from Operating Activities	(2.18)	3.50
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment	(2.82)	0.00
Dividend Received	0.20	0.22
Profit on Sale of Investments	0.00	0.00
Net Cash used in Investing Activities	(2.62)	0.22
C. CASH FLOW FROM FINANCING ACTIVITIES		
Income from Financing Activities		
Unsecured Loans	0.00	0.00
Share Application money	0.00	0.00
Increase in Share Capital	0.00	0.00
Change in Reserves & Surplus	0.00	0.00
Net Cash used in Financing Activities	0.00	0.00
D. NET CASH INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		
	(4.80)	3.72
Opening Balance of Cash & Cash Equivalents	5.48	1.76
Closing Balance of Cash & Cash Equivalents	0.68	5.48

This is the Cash flow statement referred to in our report of even date
For Deepak Soni & Associates
Chartered Accountants

Deepak Soni
Proprietor
M. No. 31138
Firm Reg. No. 102250W
Ahmedabad
August 14, 2010

For & on behalf of the Board

Gautam M. Jain Director
H. C. Jain Director
Ahmedabad
August 14, 2010

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of Metrochem Capital Trust Ltd. for the year ended on March 31, 2010. The statement has been prepared by the company in accordance with the requirements of listing Agreement Clause No. 32 with Ahmedabad Stock Exchange and is based on and agreement with the corresponding Profit and loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For, **DEEPAK SONI & ASSOCIATES**
CHARTERED ACCOUNTANTS

Ahmedabad
August 14, 2010

DEEPAK SONI
(PROPRIETOR)
Membership No. 31138
Firm Reg. No. 102250W

Metrochem Industries Limited

Registered Office : Plot No. GIDC, Phase II, Vatva, Ahmedabad - 382 445.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Name of the Shareholder / Proxy / Proxyholder

Folio No./DP ID - CLIENT ID _____

No. Of Shares held : _____

I hereby record my presence at the TWENTY THIRD ANNUAL GENERAL MEETING of the Company held on Wednesday, 29th September, 2010, at 11:30 a.m. at Plot No. GIDC, Phase II, Vatva, Ahmedabad - 382 445.

SIGNATURE OF THE
SHAREHOLDER OR PROXY : _____

Tear Here

Metrochem Industries Limited

Registered Office : Plot No. GIDC, Phase II, Vatva, Ahmedabad - 382 445.

FORM OF PROXY

FOLIO No. _____

DP ID No. _____

No. of Shares : _____

CLIENT ID No. _____

I/We _____

of _____ being a member/members of

METROCHEM INDUSTRIES LIMITED Plot No. GIDC, Phase II, Vatva, Ahmedabad - 382 445. Gujarat, do hereby appoint _____ of _____

or failing him _____ of _____ as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the TWENTY THIRD Annual General Meeting of the Company, to be held on 29th September, 2010 at 11.30 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2010.

Affix
Revenue
Stamp
Rs.1.00

Signature

Note : The Proxy Form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

Book-Post



Metrochem Industries Limited
Annual Report - 2009-2010

To

If undelivered, please return to :

Metrochem Industries Limited
505/506, "SURYA RATH" Near White House, Panchwati, Ellisbridge, Ahmedabad - 380 006

