



ANNUAL REPORT 2008 - 2009

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of LORDS CHEMICALS LIMITED will be held at its registered office at 5C, Electronic Center, 1/1A, Biplabi Anukul Chandra Street, Kolkata- 700 072, West Bengal, on Wednesday, the 23rd September, 2009 at 10.00 A.M. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the year ended 31st March, 2009 and the Reports of the Director and the Auditors, thereon.
2. To appoint a Director in place of Mr. Partha Mazumder who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Amar Sinha Roy who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the

conclusion of next Annual General meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary Resolution :-**

“RESOLVED THAT pursuant to the provisions of Section 198, 269,& 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any statutory amendments and/or re-enactment thereof for the time being in force and subject to such permission, consent and approval by various authorities including Center Government as may be required and subject to such conditions, if any, that may be imposed by the authorities while granting their permission, consent and approval, consent of the Company be and is hereby accorded to the re-appointment of Sri Ajay Kumar Jain as Managing Director of the Company for a period of 5 (five)

years-from 1st January, 2009 to 31st December,2013 on the terms and conditions as approved by the Board of Directors and the Remuneration Committee that he be paid remuneration by way of Salary as stated in the Explanatory Statement enclosed herewith”

“RESOLVED FURTHER THAT pursuant to the provisions of the Companies Act, 1956, the remuneration as set out in the Explanatory Statement be paid as minimum remuneration to Shri Ajay Kumar Jain in the event of absence or inadequacy of profit during any financial year during the tenure of his appointment.”

By the order of the Board

For **Lords Chemicals Limited**

Sd/-
JITENDRA TIWARI
Company Secretary

Place : Kolkata
Date : 6th August, 2009

NOTES:

1. Explanatory Statement

The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under Item No. 5 is annexed hereto. The relevant details of the Directors under Item Nos. 3 & 4 as required under

Clause 49 of the Listing Agreement entered into with the Stock Exchanges are also annexed.

2. Proxy :

(a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF /

HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

(b) PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.

(c) Corporate members intending to send their authorized representative to attend the Meeting are requested to ensure that the authorized representative carries a certified copy of the Board Resolution, Power of Attorney or such other valid authorizations, authorizing them to attend and vote on their behalf at the Meeting.

3. Book Closure :

- (a) The Register of Members & Share Transfer Books of the Books of the Company will remain closed from Saturday, 19th September 2009 to Wednesday, 23rd September 2009 (both days inclusive) for the purpose of Annual General Meeting.
- (b) Members of the Company holding more than one share certificate in the same name under different Ledger Folios, are requested to apply for consolidation of such Folios and send the relevant equity share certificates to the Company's Registrar & Share Transfer Agent **Niche Technologies Private Limited**, D 511, Bagree Market, 5th Floor, 71, Biplabi Rash Behari Basu Road, Kolkata – 700 001.

4. Change of Address:

Members holding shares in physical mode are requested to intimate changes in their address/bank Mandate to the company or to Registrar & Share Transfer Agent **Niche Technologies Private Limited**, D 511, Bagree Market, 5th Floor, 71 Biplabi Rash Behari Basu Road, Kolkata – 700 001. Members holding shares in electronic mode are requested to send the intimation for change of address /bank mandate to their respective Depository Participants.

5. Nomination Facility :

Pursuant to Section 109A of the Companies Act, 1956 individual Shareholders holding shares in the Company singly or jointly may nominate an individual to whom all the right of the shares of the Company shall vest in the event of death of the sole / all joint shareholders. Members may kindly get in touch with the Secretarial Department at the Company's registered Office, for inquiries in this regard.

6. Attendance at A.G.M. :

- (a) Members are requested to bring their Attendance slip along with their copy of Annual report to the Meeting.
- (b) Members desirous of getting any information on the Annual Accounts, at the Annual General Meeting, are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.
- (c) Members who held shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who held shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting.

7. Brief Resume :

Brief resume of the Directors proposed to be appointed/re-appointed are enclosed as Annexure A to this Notice as

Stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

Explanatory Statement under section 173(2) of the Companies Act 1956 :

The following Explanatory Statement sets out material facts relating to Special Business under item No. 5 in the accompanying Notice and should be considered as a part of the Notice.

Item No. 5 :
Re- appointment of and remuneration payable to Managing Director

By a resolution passed by the members of the Company at their Annual General Meeting held on 30.09.2004, Shri Ajay Kumar Jain was appointed as Managing Director of the Company for a period of five years from 1st January, 2004 which tenure ended on 31st December, 2008.

Shri Ajay Kumar Jain aged about 37 years, a Commerce Graduate having rich and varied experience of working for 18 years to his credit in the management of Chemical Project. He is in the Board of Directors of the Company from 1994.

In view of the Continuing contributions made to the Company and also acknowledging the sustained and dedicated efforts in steering the Company as well as considering the fact that their continued involvement is inevitable to achieve further growth, the Board of Director at their meeting held on 30th April, 2009 unanimously recommended the re-appointment of Shri Ajay Kumar Jain as Managing Director for a further period of five years from 1st January, 2009 till 31st December 2013 as per the terms and conditions as approved by the

Remuneration Committee and subject to the approval of the Shareholders and the Central Government, if required.

The Remuneration Committee as well as the Directors recommend that the remuneration payable to Shri Ajay Kumar Jain, during the presently proposed five years commencing from 1st January, 2009 and ending with 31st December 2013, be fixed in accordance with the presently applicable guidelines and provisions of the Companies Act, 1956 relating to managerial remuneration and detailed herein.

The Remuneration Committee and the Board of Directors are of the opinion that he is fit and appropriate person to hold the said office and his re-appointment is the interest of the Company. The materials terms and conditions of the payment to Shri Ajay Kumar Jain are as follows :

A. Remuneration :

- 1) Salary – Rs. 15,000/- per month from 1st January, 2009 to 30th September, 2009.
- ii) Salary- Rs. 50,000/- per month from 1st October, 2009 to 31st December, 2013.

B. Overall Remuneration :

Salary shall not exceed the limit prescribed from time to time U/S 198 and 309 and other applicable provisions of the Companies Act, 1956 read with

Schedule XIII as may be imposed for the time being in force.

C. Other Benefits :

The Company's contribution to Provident Fund and Superannuation Fund and Gratuity will not be included in the above salary and will be as per rules of the Company.

D. Sitting Fee :

Shri Ajay Kumar Jain will not be entitle to any sitting Fees for attending any meeting of the Board and/or Committee(s) of Company.

E. Minimum Remuneration :

Above remuneration shall be paid as minimum remuneration in the event of absence or inadequacy of profit in any financial year during the tenure of Shri Ajay Kumar Jain.

Abstract of the Memorandum of Interest pursuant to Section 302 of the Companies Act, 1956 have already been furl to the shareholders.

Your Directors feel that his reappointment as Managing Director shall be in the interest of the Company.

No Director except Shri Navin Kumar Jain was related to Shri Ajay Kumar Jain deem to be interested in the said resolution. The Board of Directors proposes the resolution for the approval of the members.

For Lords Chemicals Limited Sd/
JITENDRA TIWARI
Company Secretary

Regd. Office :
5C, Electronic Centre
1/1A, Biplabi Anukul Chandra Street
Kolkata-700 072
Date : 6th August, 2009.

Details of the Directors seeking re-appointment in forthcoming Annual General Meeting
(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Shri Partha Muzumdar
Date of Birth	3rd January, 1968
Date of Appointment	29th August, 2005
Expertise in Specific Functional Areas	Expertise in the field of Science
Qualifications	B.Sc. Chemistry (Hons.) Dip. In Computer Software Engg. Dip. In MS. Office Dip. In Desktop Publishing Bachelor in Boiler Operation Engg.
Directorship held in other Public companies (excluding foreign companies)	None
Shareholding in the Company	Nil

Name of Director	Shri Amar Sinha Ray
Date of Birth	1st February, 1944
Date of Appointment	29th August, 2005
Expertise in Specific Functional Areas	Expertise in the field of Finance & Accounts
Qualifications	B.Com
Directorship held in other Public companies (excluding Foreign companies)	None
Shareholding in the Company	Nil

Annual Report 2008-09

Directors' Report

Dear Member,

Your Directors are pleased to present the 17th Annual Report for the financial year ended 31st March, 2009.

1. FINANCIAL HIGHLIGHTS :

Particulars	(Amount in Rs.)	
	2008-2009	2007-2008
Total Income	27,65,81,297.44	22,15,39,072.67
Total Expenditure	26,93,45,331.41	21,53,41,554.09
Profit before Tax	72,35,966.03	61,97,518.58
Profit after Tax	50,34,407.03	54,76,090.58
Provision for Deferred Tax & Taxes of earlier year	412,022.00	(4,26,372.00)
Balance brought forward from previous year	(17,27,788.06)	(76,30,250.64)
Balance carried to Balance Sheet	28,94,596.97	(17,27,788.06)

2. REVIEW OF PERFORMANCE:

Your Company had Sales of approximately Rs. 27.56 Cores for the financial year but there has been considerable increase in total expenditures as well as resulting in reduction in profit after tax of Rs. 50.34 lacs as compared to Rs. 54.76 lacs in the previous year. A detailed analysis of the performance is given in the Management Discussion and Analysis Report appended hereto

3. DIVIDEND:

In view of inadequate profits, your Directors wish to conserve the resources.

4. DIRECTORS:

During the year under review Mr. Partha Mazumder – Whole Time Director and Mr. Amar Sinha Ray-Non-Executive Independent Director retire by rotation at the forthcoming AGM and being eligible offer themselves for re-appointment.

During the year, Mr. Ajay Kumar Jain- Managing Director of Company was re-appointed w.e.f 1st January, 2009 by the Board of Directors at their meeting held on 30th April, 2009.

Brief details of Directors proposed to be re-appointed are provided in the Notice of Annual General Meeting.

5. DIRECTORS' RESPONSIBILITY STATEMENTS:

As required Under Section 217(2AA) of the Companies Act, 1956, your Directors confirm having:

- followed in preparation of the Annual Accounts, the applicable accounting standards and that no material departures have been made from the same;
- 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 your Company at the end of the financial year and the profit of your company for that period ;
- 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 aspects of your Company and for preventing and detecting fraud and other irregularities; and
- Prepared the annual accounts on a going concern basis.

6. CORPORATE GOVERNANCE:

Your Company has complied with the Corporate norms as stipulated under the provisions of Listing Agreement entered into with the Stock Exchanges. A detailed Report on Corporate Governance is given as Annexure to this Report. A certificate of Statutory Auditor confirming compliance of the Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

7. ABRIDGED ACCOUNTS:

Securities & Exchange Board of India has recently permitted the listed companies to send a statement containing the salient features of the Balance Sheet, Profit & Loss Account and Auditors' Report to each shareholders in line with the requirements stipulated in Section 219(1) (b) (iv) of the Companies Act, 1956, However, the Company is sending a copy of the complete and full Balance Sheet and Profit & Loss Account to the shareholders of the Company.

8. FIXED DEPOSIT:

Your Company has not accepted any fixed deposits from public as defined U/S. 58A of the Companies Act, 1956. As such, no amount of principal or interest is outstanding as on the balance sheet date.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS OUTGO

The details as required under Section 217(1) (e) of the

Companies Act, 1956 read with Companies (Disclosures of particulars in report of the Board of the Director) Rules, 1988 are as under:

i. Conservation of Energy

The Company continues to give emphasis on conservation of energy. The efficiency of energy utilization is closely monitored to attain a high level of effective conservation. Some of the measures adopted by the Company are mentioned below :

(1) The boilers are run by Husk and it has saved substantial cost.

(2) The plant has optimized the process energy balance and facilitated overall energy conservations in plant operation.

However, the Company has made no investments in this regard and there is no proposal.

Technology Absorption

The plant is being run by continuous Rotary Klin capacity.

No technology has been imported by your Company during the last 5 years.

ii. Foreign Exchange

Particulars of earning and outgo of foreign exchange are given in Note on Accounts in Schedule of the Accounts.

10. PARTICULARS OF THE EMPLOYEES

There are no employees drawing salary exceeding the

limit specified U/S 217(2A) of the Companies Act, 1956.

11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed review of operations, performance and future outlook of the Company is given separating under the head – Management Discussion and Analysis Report appended hereto.

12. AUDITORS

M/S BLA & Associates, Chartered Accountants were appointed as Statutory Auditors of your Company to conduct the audit of accounts for the year ended 31st March, 2009. Their term of appointment expires at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment. As required under Section 224 of the Companies Act 1956, the Company has obtained a written certificate from them to the affect re-appointment, if made, would be in conformity with the limits prescribed in the said Section. Your Directors have proposed them for re-appointment at the forthcoming Annual General Meeting.

The Notes on Accounts referred to the Auditors' Report are self-explanatory and therefore does not call for any further comment.

13. HUMAN RESOURCES

The industrial Relations have remained extremely cordial and harmonious. The efficient and loyal services rendered by the employees at all levels have not

only helped ensuring uninterrupted high level of performance in production & dispatch but have also helped in achieving significant cost reduction in the various fields. The Directors heartily convey their appreciation for all levels.

14. ACKNOWLEDGEMENTS

Your Directors are grateful for the co-operation and unstined support received from the Central and State Government. We take this opportunity of extending our whole hearted thanks to Consumers, Dealers, Customers, Banks, Business Associates, Stock Exchanges and other Agencies for their continued support and co-operation. The Directors are also thankful to the valued shareholders for strengthening their bond with the company.

For and on behalf of the Board

**Ajay Kumar Jain
Managing Director**

**Navin Kumar Jain
Director**

**Place : Kolkata
Date : 6th August, 2009**

**MANAGEMENT
DISCUSSION AND
ANALYSIS**

**1. INDUSTRY TRENDS &
DEVELOPMENT**

The Company is engaged in the business of Sodium Dichromate and Chromic Acid. In view of tremendous competitive pressures and ongoing recessionary trend, this year has not been very promising for the Company although sales have increased by approximately 25%. The performance of iron & steel industry is expected to improve leading to higher demand. Your company is increasing its reach across geographical areas and client segments.

**2. OPPORTUNITIES &
THREATS**

The industry suffers due to heavy taxation and over regulations. Further, the competition from domestic multinationals and unlicensed manufacturers have also increased which is affecting the margins and restricting the sales. The eastern part of the Company has witnessed setting up of some new iron & steel industry resulting in expectation of increased demand for Company's products.

**3. BUSINESS REVIEW /
SEGMENT-WISE
PERFORMANCE**

The financial statement for the year ended have been prepared on a going concern basis. The financial performance of the Company during the year is satisfactory. The peak rates have come down during the second half of the year resulting in reduced margins. The

Company is dependent on its Research wings for valuable suggestions in the year ahead.

4. RISK & CONCERN

The global economy witnessed an unprecedented turmoil in 2008-2009. The base metal prices which were around their all time highs in mid 2008 collapsed by over 50% in less than 6 months. The speed of this fall caught everyone unaware. Price of Sodium Dichromate traditionally has wide fluctuations. This has direct effect on various products. Interest rates is fluctuating which will have impact on trading although some softening/ stabilization is anticipated. The government has been consistently reducing the import duty which is also a concern. The Company's continuance dependence is on mines in and around Eastern India.

**5. INTERNAL CONTROL
SYSTEMS AND THEIR
ADEQUACY**

The Company has adequate control system supplemented by internal audits by professional firms commensurate with its size and nature of business to safeguard and protect the interests and assets of the Company. A strong network of management information system is being implemented to ensure the reliability of the reports and documents.

**6. FINANCIAL
PERFORMANCE**

A snapshot of financial performance is furnished in the

Directors' Report. The year under review has not been positive in terms of profit on the increased sales. Sales turnover of the Company has although increased but resulting in less profit due to increase in the prices of raw materials. The sales turnover is expected to increase in coming days but with a pressure on profit margin.

7. FUTURE OUTLOOK

The sales have improved during the year under review. Prices of raw materials have increased during the year. Effective measures are being taken to reduce the overhead costs coupled with optimum utilization of resources and better product mix. With overall growth of economy all around, your Company is confident of growth and continues to make steady progress on the planned growth track.

**8. HUMAN RESOURCE
MANAGEMENT**

The human resource assets are integral to the Company's performance and enable the Company to deliver improved performance. No material development has taken place on the Human Resources/ Industrial Relations front during the year.

**9. CAUTIONARY
STATEMENT**

Statements in the Management Discussion & Analysis describing the Company's Objectives, expectations or projections may be forward looking statement within the meaning of applicable

securities, law and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation

include global and Indian demand supply conditions, finalized goods prices, changes in Government regulations tax regimes, economic development within India.

COPORATE GOVERNANCE REPORT

1. COMPANY'S POLICY ON CORPORATE GOVERNANCE

Sound Corporate Governance is essential to ensure proper accountability and enhance and retain stakeholders' value. Accordingly we always strive to improve our performance continuously year on year. Our Board judiciary exercises its fiduciary responsibilities in a spirit of trust, transparency and fair policy.

Compliance with Corporate Governance Guidelines

The Company is fully compliant with the mandatory requirements of Clause 49 of the Listing Agreement formulated by the Securities and Exchange Board of India. Your Company's compliance with requirements is presented in the subsequent sections of this Report.

2. BOARD OF DIRECTORS

2.1 Composition of the Board:

The Board of Directors consists of 7 Directors, out of which 4 are independent, 2 are whole-time (including a Managing Director) and 1 is promoter Director. The Board structure is in compliance with Clause 49 of the Listing Agreement.

The details of directors with regards to the other Indian directorships (other than Section 25 Companies), positions in either Audit Committee or Shareholder's / Investor Grievance Committee as well as attendance at Board Meeting/ Annual General Meeting are as follows :

SL N O.	Name of Directors	Category	No. of other Directorship(s) held		Chairman/Member in other companies		No. of Board Meetings		Attended last AGM	No of shares held in the company as on 31.03.2009
			public	private	Chairman/C hair person	member	held	Atte nded		
1.	Mr Ajay Kumar Jain Managing Director	Executive/ promoter	2	2	-	-	4	4	Yes	98400
2.	Mr. Partha Majumder	Executive/ Whole- Time Director	-	-	-	-	4	4	Yes	NIL
3.	Mr.Navin Kumar Jain	Non- Executive Promoter	2	2	-	-	4	4	Yes	98900
4.	Mr. Raghu Nath Adhya	Non- Executive Independent	-	-	-	-	4	4	Yes	NIL
5.	Mr. Amar Sinha Ray	Non- Executive Independent	-	1	-	-	4	4	Yes	NIL
6.	Mr. Rakesh Dubey	Non- Executive Independent	-	1	-	-	4	4	Yes	NIL
7.	Mrs. Nirajita Srinivasan	Non- Executive Independent Promoter	NA	NA	NA	NA	4	-	No	NIL

NOTE :

- a. Independent Director means a Director defined as such under Clause 49 of the Listing Agreement.
- b. Mrs. Nirajita Srinivasan is the Nominee of Small Industrial Development Bank of India (SIDBI) [as lender], but at present there is no outstanding loan of SIDBI with the Company.
- c. Only the three committees viz. Audit Committee, Remuneration Committee and the Shareholders/Investor Grievance Committees are considered.
- d. N.A. means Not Available.

2.2. Non Executive Directors' Compensation and Disclosure :

Sitting fees for attending meeting of Board/Committee is paid as per the provisions of Articles of Association of the Company. No commission is being paid to the non-executive directors. Details of sitting fees paid to them are given separately in this Annual Report.

2.3 Other provisions as to Board and Committees :

The Company's Board of Directors play primary role in ensuring good governance and functioning of the Company. The Board's role, functions, responsibility and

accountability are clearly defined. All relevant information (as mandated by the regulations) is placed before the Board. The Board reviews compliance reports of all the laws as applicable to the Company, as well as steps taken by the Company to rectify

instances of non-compliances, if any. The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussions. The details of Board meeting held during the FY 2008-2009 are as outlined below:

Date of Board meeting	City	No. of Directors present
30.04.08	Kolkata	6 out of 7
31.07.08	Kolkata	6 out of 7
31.10.08	Kolkata	6 out of 7
31.01.09	Kolkata	6 out of 7

2.4 Reappointment of Directors :

The Directors Mr. Partha Majumder and Mr. Amar Sinha Ray shall retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. The brief resume and information relating to

these Directors as required under Clause 49 of Listing Agreement with Stock Exchanges are furnished as part of the Notice convening the Annual General Meeting.

3. Code of Conduct :

The Board of Directors has laid down the Code of Conduct, (copy available on Company's website) applicable to all Board Members and Senior Executive of the Company. A declaration by Managing Director affirming the compliance of the code of conduct by Board Members and Senior Management Executives

is also annexed separately in this Annual Report.

4. Audit Committee.

A qualified and independent audit committee shall be set up and should meet at least four times in a year and not more than three months shall elapse between two meetings. The Audit Committee shall have minimum three directors as members, with two-thirds of its members being independent directors. All members of audit committee shall be financially literate and at least one member

shall have accounting or related financial management expertise. The Chairman of the Audit Committee shall be an independent director and shall be present at Annual General Meeting to answer shareholder queries. The Company Secretary shall act as the secretary to the committee.

The Company has an Audit Committee at the Board level with the powers and the role that are in accordance with Clause 49 (II) [c] and [d] of the Listing Agreement. The Committee acts as a link

between the management, statutory auditors and the Board of Directors and oversees the financial reporting process. All the members of the Company's Audit Committee are Independent Directors. During the year, the Audit committee met 4 times to deliberate on various matters and the details of the attendance of the Committee members are as follows:

Name of Director	Catagory	No. of meeting held	No. of meetings attended
Mr. Amar Sinha Ray Chairman	Non-Executive Independent Director	4	4
Mr. Raghu Nath Adhya	Non-Executive Independent Director	4	4
Mr. Rakesh Dubey	Non-Executive Independent Director	4	4
Mr. Jitendra Tiwari Company Secretary	Secretary to the Committee	4	4

The Managing Director of the Company is permanent invitee to the meeting of the Committee. The statutory as well as internal auditors of the Company are also invited to the Audit Committee Meetings. The Company Secretary acts as Secretary to the Committee.

The scope of the functioning of the Audit Committee is to review, from time to time, the internal control procedures, the accounting policies of the Company and such other functions as may be recommended from time to time by SEBI, Stock Exchange and/or under the Company Act 1956 which *inter alia* include review of :

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions submitted by the management;
- c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
- d. Reviewing with the management, performance of statutory & internal auditors and adequacy of internal control system.
- e. Discussion with internal auditors regarding any significant findings and follow up thereon.

5. Remuneration Committee :

The Company has set up a Remuneration committee which comprises of Mr. Reghu Nath Adhya, an Independent Director- Chairman & Mr. Rakesh Dubey and Mr. Amar Sinha Ray – both Independent Directors as its members.

The terms of the Remuneration Committee include the followings :

a) to determine and recommend to the Board of Director the remuneration package for the Managing Director and other Executive

6. Subsidiary Companies :

Since the Company has no Subsidiary Company, the Provisions of Listing Agreement in this regard is not applicable to the Company.

7. Disclosures :

(A) Basis of related party transactions:

None of the transactions with any of the related parties were in conflict with the interest of the Company.

The Company places all relevant details before the Audit Committee from time to time. Particulars of related party are listed out in Notes on Accounts forming part of the Annual Report.

The Company's related party transactions are entered into based on consideration of the various business exigencies such as synergy in operation,

Directors including Whole – time Director and periodical revisions thereof.

b) In the event of loss or inadequacy of profits in any year, to approve the minimum remuneration payable to the Managing Director and other Executive within the limits and subjects to the parameters prescribed in Schedule XIII of the Companies Act, 1956.

During the year under review, the Remuneration Committee did not have any meeting. However the Remuneration Committee has held its meeting on 30th April, 2009 to approve

optimization of Company's resources, legal requirement, liquidity and capital resources.

All related party transactions are negotiated on arms length basis are only intended to further the interest of the Company.

(B) Disclosure of accounting treatment:

The Company has followed all relevant Accounting Standards while preparing the financial statements.

(C) Risk Management:

The Company has developed comprehensive risk management policy and it is reviewed by the Audit Committee, which in turn, informs the Board about the risk assessment and minimization procedures. With a view to strengthen the risk management framework and to continuously review and reassess the risks that the

the re-appointment of Managing Director of the Company on same remuneration up to 1st September, 2009 and increase from 1st October, 2009. The Remuneration Committee in the aforesaid meeting and Board of Director of the Company at their meeting held on 30th April, 2009 have reappointed Mr. Ajay Kumar Jain as a Managing Director of the Company for a period of 5 years w.e.f. 1st January, 2009 to 31st December, 2013. All members of the committee attended the meeting.

business of the Company are confronted with, the Board Directors are planning to constitute a Risk Management Committee comprising of the Whole-time Director and Managing Director. The Committee reviews the business risks and mitigation plans on a regular basis.

(D) Proceeds from public issues, right issues, preferential issues etc.

The Company has not raised any money through issue, right issue and preferential issue during the year.

(E) Remuneration of Directors:

The Company has a system where all the directors or senior management of the Company are required to disclose all pecuniary relationship or transaction with the Company. No significant material transactions have been made with the non-executive directors vis-à-vis the Company.

Apart from sitting fees of Rs. 500/- per meeting of the Board or Committee thereof, the Company is not paying any commission to the non-executive Directors.

Executive Directors are paid remuneration within the limit envisaged under Schedule XIII of the Company Act, 1956. The remuneration payable is approved by Board as well as the Shareholders of the Company.

The details of Remunerations to Directors :

Sl. No	Name of Director	Salary & allowance etc	Performance linked income/bonus paid/ commission payable	Sitting fees paid
	Whole-Time Director :			
1.	Mr. Ajay Kumar Jain	180000/-	-	-
2.	Mr. Partha Majumder	120000/-	-	-
	Others :			
3.	Mr. Navin Kumar Jain	-	-	2500/-
4.	Mr. Amar Sinha Ray	-	-	4500/-
5.	Mr. Raghu Nath Adhya	-	-	4500/-
6.	Mr. Rakesh Dubey	-	-	4500/-
7.	Mrs. Nirajita Srinivasan	-	-	-

Note :

a. No Director is related to any other Director on the Board except Mr. Navin Kumar Jain and shri Ajay Kumar Jain who are brother.

b. The Company has a policy of not advancing any loans its Directors.

c. The appointment of Managing/Whole Time

Directors is subject to termination by three months notice in writing by either side.

(F) Management :

The Management Discussion and Analysis Report, published as separate section of the this report is prepared in accordance with the requirements laid in Clause 49 of the Listing Agreement and forms part of the Annual Report.

(G) Shareholder :

The Company is regularly providing details of new Directors and Directors seeking re-appointment to the Annual General Meeting notice attached with the Annual Report.

Quarterly presentations on the Company results are available on the website of the Company. The hard and soft copies are also sent to concerned stock exchanges simultaneously so as to enable them to put them on their notice board/ website

8. Shareholder’s Grievance Committee :

The Company has a “Shareholders Grievances’ Committee” comprising of 3 (three) Directors. The Committee looks into various issues relating to shareholders including transfer and

transmission of shares as well as non-receipt of dividend, Annual Report, shares after transfers and delays in transfer of shares. In addition, the Committee looks into other issues including status of dematerialization/rematerializat

-ion of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

During the year under review, the Committee met once to deliberate on various matters referred above. Details of attendance by Directors for the Committee meeting are as follows:

Name of Director	Category	No. of Meetings	
		Held	Attended
Mr. Navin Kumar jain Chairman	Non-Executive Promoter Director	1	1
Mr. Amar Sinha Ray	Non-Executive / independent	1	1
Mr. Raghu Nath Adhya	Non-Executive / independent	1	1
Mr. Jitendra Tiwari – Company Secretary will act as Secretary to the committee	Non-Executive / independent	1	1

The Company Secretary is the Compliance Officer of the Company and also responsible for redressal of investor complaints. The Company’s share are compulsorily traded and delivered in the dematerialized form in all Stock Exchanges. To expedite the transfer in the

physical segment, necessary authority has been delegated to officers, who are authorized to transfer up to 2,500 shares under one transfer deed. Details of shares transfers/transmission approved by the officers are placed before the Committee from time to time.

Details of complaints received, number of shares transferred during the year, time taken for affecting these transfers and the number of share transfers are given in the shareholder Information section of this Annual Report

9. CEO/CFO Certification :

The CEO and CFO Certification of the financial statements and the cash flow statement for the year is enclosed separately at the end of the report.

10. Report on Corporate Governan

A separate section on Corporate Governance forms part of the Annual Report. Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges in India forms part of this report.

11. General Body Meetings:

Details of general Meetings:

Location and time, where last 3 Annual General Meeting (AGM) and Extra Ordinary General Meetings (EOGM) held :

year	AGM/EOGM	Location	Date	Time
2007-08	AGM	Registered Office	27.09.2008	10.00 A.M.
2007-08	EOGM	-do-	28.05.2008	11.00 A.M.
2006-07	AGM	-do-	28.09.2007	10.00 A.M.
2005-06	AGM	-do-	28.09.2006	10.00 A.M.

a. No Resolution has been passed by Postal Ballot during the year.

b. No. Special Resolution has been passed in last 3 (three) AGMs.

12. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual results are published in leading newspapers which include Financial and Kalantar etc. The same are also sent to Stock Exchanges.

Website, where the information is displayed : www.lordschemicals.com

Whether it also displays official news releases : No.

General Shareholder information : Forms part of this report.

13. GENERAL SHAREHOLDERS INFORMATION :

13.1 Annual General Meeting :

Day & Date : Wednesday, 23rd, September 2009

Time : 10.00 A.M.

Venue : 5C, Electronic Centre,
1/1A, Biplabi Anukul Chandra Street.
Kolkata-700 072

13.2 Financial Calendar

- Financial reporting for the first quarter ending June 30, 2009 : End July, 2009
- Financial reporting for the second quarter ending September 30, 2009 : End October, 2009
- Financial reporting for the third quarter ending December 31, 2009 : End January, 2010
- Financial reporting for the fourth quarter ending March 31, 2010 : End April, 2010
- Annual General Meeting for the year ended 31st March, 2010 : End September, 2010

13.3 Date of Books Closure

: 19th September 2009 to
23rd September 2009
(Both days inclusive)

13.4 Dividend Payment Date

: The Board has not proposed
Dividend for the Financial year
2008-09

13.5 Listing Details : The Equity shares of the Company are listed on :

- | | |
|--|--|
| <p>(i) The Calcutta Stock Exchange Ltd
7, Lyons Range,
Kolkata- 700 001</p> <p>(iii) The Jaipur Stock Exchange Ltd.
Indira Place, J. L. N. Marg,
Malviya Nagar, Jaipur</p> | <p>(ii) Bombay Stock Exchange Ltd.
Phiroze jeejeebhoy Towers,
Dalal Street, Mumbai-400 023</p> |
|--|--|

Note : Listing fees have been paid to all the Stock Exchanges as per their schedule.

13.6 Stock Code**Code**

Calcutta Stock Exchange Ltd.	: 022018
Bombay Stock Exchange Ltd.	: 30274
The Jaipur Stock Exchange Ltd.	: 543

13.7 Market Price Data and Performance in comparison to Index.

	Bombay Stock Exchange High Low Close Av. Vol. (In Rs)	Calcutta Stock Exchange High Low Close Av. Vol	Jaipur Stock Exchange High Low Close
Apr-08 to March 09	This trading in Company's shares is under suspension.	There is no trading in Company's shares	There is no trading in Company's shares

13.8 ISIN NO : INE 554C01014**13.9 Registrar and Transfer Agent :**

Niche Technologies Pvt. Ltd.
D-511, Bagree Market, 5th Floor
71, Biplabi Rash Behari Basu Road
Kolkata – 700 001

13.10 Share Transfer System :

The request for transfer of shares in physical mode should be lodged at the office of the Company's Register and Share Transfer Agent- M/s Niche Technology Pvt. Ltd. or at the Registered Office of the Company. Transfer are

registered and returned in the normal course within a period of 15 days of receipt, if the documents are found technically in order and complete in all respects.

The Company conducts a weekly review of the functions of the Registrar and share

Transfer Agent for upgrading the level of service to the Share Transfer Agent. Weekly review is also conducted on the response to the shareholder pertaining to their communication and grievance.

13.11 Distribution of Shareholding as on 31st March 2009 pursuant to Clause 35 of the Listing Agreement is as under :

Size of holding Holders	No. of share holders	% of share holders	No. of share holding	% of share holding
1-500	1290	82.2704	248200	6.1436
501-1000	116	7.3980	103100	2.5520
1001-5000	116	7.3980	277600	6.8713
5001-10000	9	0.5740	58400	1.4455
10001-50,000	16	1.0204	341700	8.4579
50,001-1,00,000	12	0.7653	1095700	27.1213
1,00,001-and above	9	0.5740	1915300	47.4084
Total	1568	100.00	4040000	100.00

13.12 Distribution of Shareholding on the basis of categories of Shareholders as on 31st March, 2009 are as under:

No. of equity shares held	No. of shares holders	% of total shareholder	No. of shares in physical form	No. of shares in demat form	Total no. of shareholding	% of shareholding
Promoters	21	1.34	-	2888900	2888900	71.51
Mutual Funds & UTI	-	-	-	-	-	-
Bank & Financial Institution	-	-	-	-	-	-
FII Corporates	35	2.23	134300	164900	299200	7.41
Individuals NRI/CB's	1512	96.43	503402	348498	851900	21.08
Total	1568	100	821702	3402298	4040000	100.00

13.13. Dematerialization of shares : Over 84% of outstanding shares have been dematerialized and Trading in Lords share is permitted only in the dematerialized form from 01-10-2002 as per notification issued by the Securities and Exchange board of India.

13.14 Outstanding GDR/Warrants/ Convertible Bonds: - Not issued -

13.15 Plant locations: (a) Plot No. 47(A) & 46 Uluberia Industrial Growth Center, Uluberia, Dist- Howrah, West Bengal

13.16 Address for Correspondence: Shareholder correspondence should be addressed to –

a) Register & Transfer Agent :

Niche Technologies Private Limited
D-511, Bagree Market, 5th Floor,
71, Biplabi Rash Bihari Basu Road
Kolkata-700 001

b) The Company Secretary

Lords Chemicals Ltd.
5C, Electronic Centre,
1/1A, Biplabi Anukul Chandra Street,
Kolkata-700 072, India

13.17 OTHER USEFUL INFORMATION FOR SHAREHOLDER :

No Unclaimed dividend is lying with the Company.

14. NON-MANDATORY REQUIRMENT

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

Performance Under consisting of financial and operation performance is at present not sent to the shareholders.

2. Company may move towards a regime of unqualified statements.

During the period under review, there is no audit qualification in the financial statement. The Company continues to adopt best practices to ensure unqualified financial statements.

3. The company may establish a mechanism for employees to the report to the management concerns about unethical behavior, actual or suspected fraud or violation of the company’s code of conduct or ethics policy. This mechanism could also provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exception cases. Once established, the existence of the mechanism may be appropriately communicated within the organization.

Such mechanism is not in existence at present.

4. There is no Whistle Blower Policy at present.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the senior management personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March, 31, 2009.

Place : Kolkata

(Ajay Kumar Jain)

Date : 6th August, 2009.

Managing Director

CEO/CFO CERTIFICATION

The Managing Director and the CFO heading the finance function have certified to the Board that :

1. They have reviewed the financial statement and the cash flow statement of Lords Chemicals Limited for the year ended 31st March, 2009 and to the best of their knowledge and belief:
 - i. these statements do not contain any materially true statement or omit any material fact or contain statement that might be misleading;
 - ii. these statements together presents a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable, laws and regulations.
2. There are, to the best of their knowledge and belief, no transaction entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. They accept responsibility for establishing and maintaining internal control system for financial reporting and they have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting and they have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify the deficiencies.
4. They have indicated to the Auditors and Audit Committee:
 - a) Significant changes in the Company's internal control over financial reporting during the year.
 - b) Significant changes in accounting policies during the year, and that the same has been disclosed in the notes to the financial statements and
 - c) Instances of significant fraud for which we have become aware and involvement therein if any of management or other employees having a significant role in the Company's internal control system over financial reporting.

(Ajay Kumar Jain)

Place : Kolkata

Managing Director

Date : 6th August, 2009

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Lords Chemicals Limited,

We have examined the compliance of the conditions of corporate governance by **Lords Chemicals Limited** of the year ended 31st March 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

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

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

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

For BLA & Associates
Chartered Accountants

(CA. ASHOK KUMAR AGARWAL)

Place : Kolkata
Date : 6th August, 2009

Partner
Membership No:-062170

AUDITORS' REPORT

To
THE MEMBERS
M/S. LORDS CHEMICALS LIMITED

We have audited the attached Balance Sheet of **M/S LORDS CHEMICALS LIMITED** as at 31st March, 2009 and the related Profit & Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditors' Report) Order, 2003, as amended, issued by the Central Government of India in term of Section 227 (4A) of the Companies Act, and on the basis of such check of the books and records as we considered necessary and appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.

We report that :

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books;
3. The Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of account as submitted to us.
4. In our opinion, the said Balance Sheet, Profit and Loss Account and cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Company Act, 1956.
5. On the basis of written representations received from the directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said statement of account read with Notes on accounts appearing on schedule U, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 - i. In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2009 and
 - ii. In the case of the profit & Loss Account, of the profit for the year ended on that date.
 - iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **BLA & ASSOCIATES**
(Chartered Accountants)

(CA. ASHOK KUMAR AGARWAL)
Partner
Membership No. 062170

Place: Kolkata
Dated: 06.08.2009

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in the auditors' report to the members of Lords Chemicals Limited for the year ended March 31, 2009. We report that:

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets. As explained to us, some of the assets have been physically verified by the management based on a phased programme of verification adopted by the company. In our opinion, the frequency of verification is reasonable. To the best of our knowledge, no material discrepancies have been noticed on such verification. The Company has not disposed of any substantial part of its fixed asset during the year.
2. As informed to us, physical verification has been conducted at reasonable intervals in respect of stocks. The discrepancies noticed on such physical verification between physical stock and book records were not significant and the same has been properly dealt with in the books of account.
3. a) As informed to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clauses (iii) (a) to (d) of the order are not applicable.
b) As informed to us the Company has taken loan, secured or unsecured, from one other company covered in the register maintained under Section 301 of the companies Act, 1956. The maximum amount involved during the year was Rs. 800 Lac and the year end balance of loan taken from such company was Rs. 800 Lacs. In our opinion the rate of interest and other terms and conditions on which loan have been taken from such other company listed in the register maintained under sec. 301 are not, prima facie, prejudicial to the interest of the company.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company & nature of the business, for the purchase of inventories and fixed assets and for the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
5. Based on the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 have been so entered.

In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contacts or arrangements entered in the registers maintained under sec 301 and exceeding the value of five lacs rupees in respect of any party during the year have been made at prices which are reasonable having to prevailing market prices at the relevant time.
6. In our opinion and according to the explanations given to us, the company has not accepted any deposits from the public.
7. In our opinion the Company has internal audit system commensurate with the size of the company and the nature of it business.
8. As per information by the management, no cost records have been prescribed under section 209 (1) (d) of the company Act, 1956 in respect of products manufactured by the company.
9. According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection

Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Customs duty, Cess and any other statutory dues applicable to it. According to the information and explanations given, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty were outstanding, as at 31.03.2009 for the period of more than six months from the date they became payable.

According to the records of the company there are no dues outstanding of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess on account of any dispute.

10. The company has not accumulated losses and has not incurred any cash losses during the financial year covered by audit or in the immediately preceding financial year.
11. Based on our audit and according to information and explanations given to us we are of the opinion, the company has not defaulted in repayment of dues to banks as at the balance sheet date.
12. As informed and explained to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares during the year, so the requirement of maintenance of adequate documents and records is not applicable.
13. In our opinion and to the best of our information and according to the explanations given to us, the company is not a chit fund/ nidhi / mutual benefit fund / societies.
14. As per records of the company and information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments during the year.
15. According to the information and explanations given to us, the has not given any guarantee for loans taken by its associates from bank or financial institutions.
16. The company has not obtained any term loan during the year.
17. In our opinion, and on the basis of our examination and according to the information and explanations given to us, the Company has not used the funds borrowed on short-term basis during the year for long –term investment.
18. The company has not made any preferential allotment of share to parties / companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debenture during the year.
20. The Company has not raised any money through public issue during the year.
21. Based upon the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the company noticed or reported during the course of our audit.

Place: Kolkata
Date: 06.08.2009

For **BLA & ASSOCIATES**
Chartered accountants
(CA. ASHOK KUMAR AGARWAL)
Partner
Membership No. 062170

BALANCE SHEET AS ON 31st MARCH, 2009

(Amount in Rupees)

PARTICULARS	SCHEDULE	As on 31st March, 2009	As on 31st March, 2008
SOURCES OF FUNDS			
<u>Share Holder Funds</u>			
Share Capital	A	4,04,00,000.00	4,04,00,000.00
Reserv & Surplus	B	28,94,596.97	-
<u>Loan Funds</u>			
Secured Loans	C	1,52,55,230.07	5,92,16,310.69
Unsecured Loans	D	8,40,00,000.00	2,08,09,554.00
		9,92,55,230.07	8,00,25,864.69
Deferred Tax (Net)	E	33,89,903.00	30,51,921.00
APPLICATION OF FUNDS		14,59,39,730.04	12,34,77,785.69
<u>Fixed Assets</u>			
Gross Block	F	14,37,16,915.37	14,08,31,739.37
Less : Accumulated Depreciation		<u>9,51,53,806.70</u>	<u>8,94,75,213.12</u>
Net Block		4,85,63,108.67	5,13,56,526.25
 <u>Current Assets, loans and advances</u>			
Inventories	G	6,44,52,503.75	10,57,77,988.73
Sundry Debtors	H	2,54,05,019.27	1,09,98,140.11
Loan & Advances	I	1,35,08,770.28	1,93,81,394.39
Cash & Bank Balance	J	48,78,408.75	4,37,09,522.19
Other Current Assets	K	19,92,358.20	18,87,288.20
		11,02,37,060.25	18,17,54,333.62
Less :			
Current Liabilities & Provisions	L	1,28,60,438.88	11,13,60,862.24
Net Current Assets		9,73,76,621.37	7,03,93,471.38
 Profit & Loss Account			17,27,788.06
(As per annexed account)		14,59,39,730.04	12,34,77,785.69

**Significant Accounting Policies and
Notes on Accounts**

U

Schedules A to U referred to above form an integral part of the Balance sheet.
in term of attached report of even date.

For and on behalf of the Board

For BLA & Associates
Chartered Accountant
CA. Ashok Kumar Agarwal
Partner
Membership : 062170

Ajay Kumar Jain
Managing Director

Navin Kumar Jain
Director

Jitendra Tiwari
Company Secretary

Place : Kolkata
Dated : 06.08.2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

(Amount in Rupees)

PARTICULARS	SCHEDULE	As on 31st March, 2009	As on 31st March, 2008
INCOME			
Sales		27,56,85,614.50	21,95,74,246.66
Other Income	M	8,95,682.94	19,64,826.01
		<u>27,65,81,297.44</u>	<u>22,15,39,072.67</u>
EXPENDITURE			
Decrease / (Increase) in Stock	N	1,50,32,553.75	(5,35,751.00)
Raw Materials Consumed	O	22,73,13,349.07	15,90,07,554.66
Manufacturing Expenses	P	3,45,52,873.41	3,09,12,904.80
Payment to & Provision For			
Employees	Q	23,27,702.90	21,03,970.03
Administrative Expenses	R	81,44,759.15	27,68,819.89
Selling & Distribution Expenses	S	2,04,570.19	12,70,904.12
Financial Expenses	T	58,27,727.34	1,31,80,569.47
Depreciation	F	57,89,951.10	66,32,582.12
Prior period Expenses		2,16,952.00	-
		<u>26,93,45,331.41</u>	<u>21,53,41,554.09</u>
PROFIT / (LOSS) BEFORE TAXATION		72,35,966.03	61,97,518.58
Less : Provision for Taxation			
Current Tax		21,22,536.00	6,38,345.00
Fring Benefit Tax		79,023.00	83083.00
PROFIT AFTER TAX		50,34,407.03	54,76,090.58
Taxes of Earlier years		74,040.00	-
Deferred Tax Adjustment		3,37,982.00	(4,26,372.00)
		<u>46,22,385.03</u>	<u>59,02,462.58</u>
Add : Balance as per previous yeara Balance Sheet		(17,27,788.06)	(76,30,250.64)
Balance Carried forward To Balance sheet		28,94,596.97	(17,27,788.06)
Earning per Share (Basic & Diluted)		1.14	1.46

Significant Accounting Policies and Notes on Accounts

U

Schedules A to U referred to above form an integral part of the Balance sheet.
in term of attached report of even date.

For and on behalf of the Board

For BLA & Associates
Chartered Accountant
CA. Ashok Kumar Agarwal
Partner
Membership : 062170

Ajay Kumar Jain
Managing Director

Navin Kumar Jain
Director

Jitendra Tiwari

Place : Kolkata
Dated : 06.08.2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH,2009

PARTICULARS	2008-09 <u>(Amount in Rupees)</u>	2007-08 <u>(Amount in Rupees)</u>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Profit and Loss Account	72,35,966.03	61,97,518.58
Adjustment for :		
Depreciation and amortisation	57,89,951.10	66,32,582.12
Financial Expenses	5827727.34	1,31,80,569.47
Interest and dividend income	(631,987.00)	(16,43,862.00)
Profit on sale of Laboratory Equipment	(34,050.52)	
Operating Profit Before Working Capital Charges	1,81,87,606.95	2,43,66,808.17
Adjustment for :		
(increase) /Decrease in inventories	4,13,25,484.98	(7,93,71,022.73)
<u>(increase) /Decrease in Sundry Debtors</u>	(1,44,16,879.16)	(16,14,057.84)
(increase) /Decrease in Loans & Advances	48,34,560.11	1,38,27,944.41
(increase) /Decrease in other current assets	(1,05,070.00)	(3,10,044.00)
increase /(Decrease) in Current Liabilities	9,89,66,683.36)	4,07,10,121.22
Cash Generated from Operation	(4,91,30,980.48)	(23,90,250.77)
Taxes paid (including Fringe Benefit Tax)	<u>(771,275.00)</u>	752164.00
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>(4,99,02,255.48)</u>	<u>(31,42,414.77)</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(31,12,483.00)	(11,01,311.04)
Sales of Laboratory Equipment	1,50,000.00	
Interest and dividend income	<u>6,31,987.00</u>	<u>16,43,862.00</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(23,30,496.00)</u>	<u>5,42,550.96</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Loans Fund	1,92,29,365.38	72,41,018.50
Financial Expenses Paid	(58,27,727.34)	(1,31,80,569.47)
NET CASH PROVIDED BY/(USED) IN FINANCING ACTIVITIES	1,34,01,638.04	(59,39,550.97)
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(3,88,31,113.44)	(85,39,414.78)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4,37,09,522.19	5,22,48,936.97
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	48,78,408.75	4,37,09,522.19
Notes :		
Cash in Hand	31,92,600.00	11,06,485.20
Balance with Schedule Bank on :		
Current Account	5,35,808.75	4,22,769.99
Fixed Deposited Account	<u>11,50,000.00</u>	<u>4,21,80,267.00</u>
	<u>48,78,408.75</u>	<u>4,37,09,522.19</u>

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

In term of Attached Report of even date

For and on behalf of the
Board

For BLA & Associates
Chartered Accountant
CA. Ashok Kumar Agarwal
Partner
Membership : 062170

Ajay Kumar Jain
Managing Director

Navin Kumar Jain
Director

Jitendra Tiwari
Company Secretary

Place : Kolkata

Dated : 06.08.2009

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Amount in Rupees)

	As on 31st March, 2009	As on 31st March, 2008
SCHEDULE : A		
Authorised		
5000000 (5000000) Equity Shares of Rs 10/- each	<u>5,00,00,000.00</u>	<u>5,00,00,000.00</u>
Issued Subscribed & Paid-Up	4,04,00,000.00	4,04,00,000.00
40,40,000 (40,40,000) Equity Shares of Rs. 10/- each	<u>4,04,00,000.00</u>	<u>4,04,00,000.00</u>
SCHEDULE : B		
RESERVE & SURPLUS		
Prifit & Loss Account	28,94,596.97	
(As per Annexed Account)	<u>28,94,596.97</u>	
SCHEDULE : C		
SECURED LOANS		
Term Loan(Short Term) :-	-	3,60,00,000.00
The Federal Bank Limited		
Working Capital Loan :-		
Bank of India	2,291.99	1,917.99
The Federal Bank Limited	<u>1,52,52,938.08</u>	<u>2,32,14,392.70</u>
	<u>1,52,55,230.07</u>	<u>5,92,16,310.69</u>
SCHEDULE :D		
UNSECURED LOAN		
From Bodies Corporate	<u>8,40,00,000.00</u>	<u>2,08,09,554.00</u>
SCHEDULE : E		
DEFERRED TAX (NET)		
Opening Balance	30,51,921.00	34,78,293.00
For the Year Adjustment	<u>3,37,982.00</u>	<u>(4,26,372.00)</u>
	<u>33,89,903.00</u>	<u>30,51,321.00</u>

Schedules forming part of the Balance Sheet

SCHEDULE - F

FIXED ASSETS

Description	Rate (%)	Gross Block			Total as on 31.03.2009
		Cost as on 01.04.2008	Addition During the year	Sale During the year	
Lease Hold Land & Development	0.00%	72,71,329.61	-	-	72,71,329.61
Freehold land & site Development	0.00%	1,74,235.00	12,98,625.00	-	14,72,860.00
Factory Shed & Buliding	10.00%	3,19,70,021.99	-	-	3,19,70,021.99
Electric Installation	13.91%	62,37,929.95	-	-	62,37,929.95
Office Equipment	13.91%	8,76,729.72	1,38,532.00	-	10,15,261.72
Furniturre & Fittings	18.10%	91,629.38	-	-	91,629.38
Motor Vehicles	25.89%	1,88,1304.35	-	-	18,81,304.35
Utility Equipments	13.91%	72,27,480.34	13,47,725.00	-	85,75,205.34
Plant & Machinery	13.91%	5,18,94,099.58	-	-	5,18,94,099.58
Computer & Accessories	40.00%	6,85,127.16	35,361.00	-	7,20,488.16
Captive Generator Set	13.91%	15,08,016.61	-	-	15,08,016.61
Laboratory Equipment	13.91%	5,96,696.64	50,490.00	2,27,307.00	4,19,879.64
Tools & Implements	13.91%	12,62,560.10	-	-	12,62,560.10
Storage Tanks	13.91%	1,06,20,405.52	2,41,750.00	-	1,08,62,155.52
Water, Pump & Pipe Fittings	13.91%	71,55,232.17	-	-	71,55,232.17
Platform & Ducting	13.91%	1,07,28,922.25	-	-	1,07,28,922.25
Flate at Uluberia	0.00%	4,25,750.00	-	-	4,25,750.00
Air Conditioner	13.91%	2,24,269.00	-	-	224,269.00
Total :		1,40,831,739.37	31,12,483.00	2,27,307.00	14,37,16,915.37
Previous Year :		13,97,30,428.33	11,01,311.04	-	1,40,831,739.37

Depreciation			Net Block		
Up to 31.03.2008	Provided during the sale	Adjustment Due to Sale	Total as on 31.03.2009	As on 31.03.2009	As on 31.03.2008
-	-	-	-	72,71,329.61	72,71,329.61
-	-	-	-	14,72,860.00	1,74,235.00
2,05,90,758.44	11,37,926.36	-	2,17,28,684.80	1,02,41,337.19	1,13,79,263.55
46,53,312.08	2,20,420.35	-	48,73,732.43	13,64,197.52	15,84,617.87
5,18,487.18	51,616.97	-	5,70,104.15	4,45,157.57	3,58,242.54
80,194.61	2,069.69	-	82,264.30	9,365.08	11,434.77
9,33,805.25	2,45,307.52	-	11,79,112.77	7,02,191.58	9,47,499.10
44,47,218.68	4,18,293.90	-	48,65,512.58	37,09,692.76	27,80,261.66
3,34,74,670.86	25,62,142.53	-	3,60,36,813.39	1,58,57,286.19	1,84,19,428.72
5,24,613.43	70,444.53	-	5,95,057.96	1,25,430.20	1,60,513.73
11,46,150.94	50,335.51	-	11,96,486.45	3,11,530.16	3,61,865.67
3,83,542.34	17,339.27	1,11,357.52	2,89,524.09	1,30,355.55	21,31,54.30
9,31,043.04	46,114.02	-	9,77,157.06	2,85,403.04	3,31,517.06
81,40,428.73	3,47,911.12	-	84,88,339.85	23,73,815.67	24,79,976.79
54,09,877.87	2,42,778.78	-	56,52,656.65	15,02,575.52	17,45,354.30
81,68,134.26	3,56,205.61	-	85,24,339.87	22,04,582.38	25,60,787.99
-	-	-	-	4,25,750.00	4,25,750.00
72,975.41	21,044.94	-	94,020.35	1,30,248.65	1,51,293.59
8,94,75,213.12	57,89,951.10	1,11,357.52	9,51,53,806.70	4,85,63,108.67	5,13,56,526.25
8,28,42,631.00	66,32,582.12	-	8,94,75,213.12	5,13,56,526.25	-

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Amount in Rupees)

	As on 31st March, 2009 Rs.	As on 31st March, 2008 Rs.
<u>SCHEDULE : G</u>		
INVENTORIES		
(At Lower of Cost and Net Realisable Value)		
(As taken, Valued & Certified by management)		
Raw Materials	3,52,73,627.00	9,21,12,207.73
Finished Goods	41,58,840.75	9,46,287.00
Stock in process	2,28,45,000.00	1,10,25,000.00
Stores & Spares	21,75,036.00	16,94,494.00
	<u>6,44,52,503.75</u>	<u>10,57,77,988.73</u>
<u>SCHEDULE : H</u>		
SUNDRY DEBTORS		
(unsecured, considered good)	15,50,356.51	4,13,007.83
More than six months	2,38,54,662.76	1,05,85,132.28
Other Debts		
	<u>2,54,05,019.27</u>	<u>1,09,98,140.11</u>
<u>SCHEDULE : I</u>		
LOANS & ADVANCES		
(unsecured, considered good)		
Advance to Suppliers	78,39,271.18	81,21,674.99
Staff Advance Account	61,831.00	72,219.00
Advance Sales Tax	2,60,993.00	2,60,993.00
Composite Sales Tax Paid	24,01,201.00	24,01,201.00
Vat Claim receivable	-	1,144.00
CENVAT	5,59,456.00	6,33,600.00
Service Tax	1,37,597.00	47,71,195.00
Cess on Central Excise & Service Tax	5,355.00	1,31,015.40
Balance with Central Excise (P.L.A A/c)	5,938.00	5,938.00
Unclaimed Cenvat	6,06,548.90	3,17,222.00
Unclaimed Cess	12,437.20	8,445.00
Unclaimed Service Tax & Cess	1,024.00	1,565.00
Income Tax Refundable	57,370.00	2,807.00
Tax deducted at Source	4,98,719.00	4,60,024.00
Advance fringe benefit tax	1,46,119.00	1,99,520.00
Advance Income Tax	9,14,910.00	19,92,831.00
	<u>1,35,08,770.28</u>	<u>1,93,81,394.39</u>
<u>SCHEDULE : J</u>		
CASH & BANK BALANCE		
Cash on Hand (as certified by the management)	31,92,600.00	11,06,485.20
Balance with Scheduled Bank on :		
Current Account	5,35,808.75	4,22,769.99
Fixed Deposit Account	-	4,00,00,000.00
Term Dep. With sch. Banks against Bank Guarantee	54,000.00	54,000.00

Margin Money against L/C	10,96,000.00	21,26,267.00
	<u>48,78,408.75</u>	<u>4,37,09,522.19</u>

SCHEDULE : K

OTHER CURRENT ASSETS

Pri-Paid Expenses	85,208.00	1,60,799.00
Interest Accrued	-	52,055.00
Sundry deposit	19,07,150.20	16,74,434.20
	<u>19,92,358.20</u>	<u>4,37,09,522.19</u>

SCHEDULE : L

CURRENT LIABILITIES & PROVISIONS

A. Current Liabilities

Sundry Creditors for Goods	76,79,475.90	84,58,946.07
Sundry Creditors for Expenses	6,80,032.66	4,07,89,742.27
Statutory Dues Payable	14,66,683.00	17,44,671.00
Advance from Customers	1,11,260.32	5,79,10,775.90
	<u>99,37,451.88</u>	<u>10,89,04,135.24</u>

B. Provisions

For Income Tax	27,60,881.00	21,95,158.00
For Fringe Benefit Tax	1,62,106.00	2,61,569.00
	<u>29,22,987.00</u>	<u>24,56,727.00</u>
	<u>1,28,60,438.88</u>	<u>11,13,60,862.24</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

(Amount in Rupees)

	As on 31st March, 2009 Rs.	As on 31st March, 2008 Rs.
<u>SCHEDULE : M</u>		
OTHER INCOME		
Interest Received	6,31,987.00	16,43,862.00
Exchange Rate Difference	1,71,665.50	1,12,619.01
Misc Income	57,979.92	2,08,345.00
Profit on Sale of fixed Assets	34,050.52	-
	8,95,682.94	19,64,826.01

<u>SCHEDULE : N</u>		
<u>DECREASE / (INCREASE) IN STOCK</u>		
Opening Stock	9,46,287.00	5,58,036.00
Finished Goods	1,10,25,000.00	1,08,77,500.00
Stock in Process	1,19,71,287.00	1,14,35,536.00
	41,58,840.75	9,46,287.00
Less : Closing Stock	41,58,840.75	9,46,287.00
Finished Goods	2,28,45,000.00	1,10,25,000.00
Stock in Process	2,70,03,840.75	1,19,71,287.00
	(1,50,32,553.75)	(5,35,751.00)

<u>SCHEDULE : O</u>		
<u>RAW MATERIALS CONSUMED</u>		
Opening Stock	9,21,12,207.73	1,31,22,908.00
Add : Purchase	11,97,76,664.34	16,10,96,952.28
Add : Purchase Import (Gross)	2,36,41,497.00	1,80,27,799.51
Add : Custom Duty	19,50,673.60	14,73,130.00
Add : Carriage Inward	2,38,52,879.40	5,65,62,752.60
Add : Clearing & Forwarding expenses	12,53,054.00	8,36,220.00
	26,25,86,976.07	25,11,19,762.39
Less : Closing Stock	3,52,73,627.00	9,21,12,207.73
	22,73,13,349.07	15,90,07,554.66

<u>SCHEDULE : P</u>		
<u>MANUFACTURING EXPENSES</u>		
Opening Stock	16,94,494.00	18,48,522.00
Add : Stores Purchase	2,37,19,060.09	1,74,05,467.17
Add : Carriage Inward	7,85,300.00	3,43,149.25
	2,61,98,854.09	1,95,97,138.42
Less : Closing Stock	21,75,036.00	16,94,494.00
Stores Consumed	2,40,23,818.09	1,79,02,644.42
Power & Fuel	3,901,138.00	55,58,968.00
Water Expenses	3,15,979.00	4,96,747.00
Labour & Processing Charges	16,16,290.12	16,90,701.87
Production Salary	13,37,269.00	15,28,257.00
Repair & Maintenance	24,95,576.12	19,77,239.35
Factory Insurance	1,45,714.00	1,75,274.00
Pollution Treatment Expenses	3,40,806.00	14,51,243.16
Safety Equipments Expenses	55,943.00	60,516.00
Testing & Laboratory Expenses	3,20,340.08	71,314.00
	3,45,52,873.41	3,09,12,904.80

SCHEDULE : Q**PAYMENT TO & PROVISION FOR EMPLOYEES**

Salary & Bonus	17,72,960.88	14,66,719.00
Contribution to E.S.I.C	1,40,993.17	1,35,888.03
Contribution to P.F., Pension & other Charges	3,88,089.40	3,73,033.00
Employees Welfare	-	77,734.00
Gratuity Paid	25,659.45	50,596.00
	<u>23,27,702.90</u>	<u>21,03,970.03</u>

SCHEDULE : R**ADMINISTRATIVE EXPENSES**

Office Repair & Maintenance	37,628.70	23,116.68
Rates & Taxes	55,71,394.00	64,579.40
Office Rent	12,000.00	12,000.00
Dirrectors Remuneration	3,00,000.00	3,00,000.00
Audit Fees :		
Statutory Audit Fees	33,090.00	33,708.00
Tax Audit Fees	11,030.00	11,236.00
Internal Audit fees	2,500.00	2,500.00
General Expenses	4,211.71	11,432.14
Subscription & Advertisement	2,35,123.00	1,99,507.00
Membership Fees	4,200.00	2,021.00
Stationery & Computer Maintenance	65,778.80	1,04,163.32
Vehicle Running & Maintenance	63,505.75	98,717.50
Telephone Expenses	6,39,094.99	5,99,769.26
Insurance on Vehicle	39,879.00	47,879.00
Books & Preiodicals	5,995.00	6,303.00
Postage & Telegram	30,133.00	50,506.00
Legal & Profession Fees	1,73,129.20	45,412.00
Share Transfer & Registration	36,758.00	36,357.00
Security Service Charges	2,94,667.00	2,55,011.00
Filing Fees	1,500.00	8,550.00
Electricity Charges	2,34,405.00	2,53,991.00
Listing Fees	21,584.00	20,700.00
Travelling & Conveyance	2,32,636.00	5,26,323.00
Licence & Renewal Fees	79,016.00	34,850.00
Director's Sitting Fees	15,500.00	15,500.00
Sundry Balance written off	-	4,687.00
	<u>81,44,759.15</u>	<u>27,68,819.89</u>

SCHEDULE : S**SELLING & DISTRIBUTION EXPENSES**

Sales Promotion	55,463.25	99,266.60
Carriage Outward	1,49,106.94	10,75,674.00
Liasion & Commission	-	24,400.00
Discount Allowed(Net)	-	28,000.00
VAT on consignment sales`	-	43,563.52
	<u>2,04,570.19</u>	<u>12,70,904.12</u>

SCHEDULE : T**FINANCIAL EXPENSES**

Bank Interest on C.C. A/c.	46,75,921.00	50,44,664.00
Bank Interest onSTTL	5,11,637.00	14,61,733.00
Other Interest	2,29,125.00	62,14,501.00
Bank Charges	4,11,044.34	4,59,671.47
	<u>58,27,727.34</u>	<u>1,31,80,569.47</u>

SCHEDULE: U

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting convention

The financial statements have been prepared under historical cost convention and on the accrual basis, except other wise stated, in accordance with the Generally Accepted Accounting Principles, to company in all material respects with the notified Companies Accounting Standard Rules, 2006 and the provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of financial statements management to make certain estimates and assumptions that affect the amounts reported in the financial statements and thereto.

3. Fixed Assets

All fixed assets are valued at cost inclusive of freight incurred, duties & taxes (net of Cenvat) and incidental expenses less accumulated depreciation. The cost of fixed assets comprises purchase price and all other attributable costs of bringing the assets to working condition for intended use.

Expenditure for addition, improvement and renewal are capitalized and expenditure for maintenance and repairs are charged to the Profit & Loss Account.

4. Depreciation

Depreciation on fixed assets has been provided for on the basis of written down value method as per useful lives estimated by the management or at the rates and in the manner prescribed under Schedule XIV (as amended) of the Companies Act, 1956, whichever is higher.

5. 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 and loss Account in the year in which an asset is identified as impaired. The recoverable amount is the greater of net selling price and value in use.

6. Revenue Recognition

- i. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- ii. Revenue from sale of goods and services rendered is recognized upon passage of title and significant risk & reward and rendering of services, to the customers. Sales are accounted for on the basis of ex-work delivery.
- iii. Insurance and other claims to the extent considered recoverable, are accounted for in the year of claims. However claims and refunds whose recovery cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

7. Borrowing Costs

Borrowing costs attributable to acquisition of fixed assets are treated as part of cost of such assets and capitalized upon the stage of commercial production. All other borrowing costs are charged to revenue in the period in which they are incurred.

8. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle obligation, in respect of which a reliable estimate can be made.

9. Inventories

- i. Finished products are valued lower of cost on annual average basis and net realizable value.
- ii. Raw materials, Stores and Spares are valued at lower cost computed on FIFO basis and net realizable value.
- iii. The valuation is net of amounts written off obsolescence.
- iv. Cost of inventories comprises of all costs of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.

10. Excise Duty

The purchase cost of raw materials has been considered net of CENVAT. Purchase of capital goods is also considered net of CENVAT credit.

11. Earning per Share

Basis Earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders, by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

12. Employees' Benefits

Company's contribution to Provident Fund and Employees State Insurance are charged to Profit and Loss Account. Gratuity and other benefits are accounted for by the company on cash basis.

13. Foreign Currency Transactions

- i. Revenue items of foreign currency are accounted for at the rate prevailing on the date of transaction.
- ii. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.
- iii. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit & Loss Account except in cases when they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

14. Derivative Instrument

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect the underlying hedge item is charged to the income statement. Net gains are ignored.

15. Taxation

Provision for income tax comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years. Deferred tax is measured based on the tax rate and the tax laws enacted or substantively enacted at the balance sheet date.

Tax on fringe benefits is measured at a specified rate on the value of fringe benefits in accordance with the provisions of Section 115WC of the Income Tax Act, 1961.

16. Contingencies

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of Notes to the Accounts.

B. NOTES ON ACCOUNTS

1. Contingent Liabilities Not Provided for (if any)

SI. NO	Particulars	31st March 2009	31st March 2008
NIL	NIL	NIL	NIL

2. Secured Loans

The working capital loans are secured by way of the following :

First charge against all Book debts, stock and personal guarantee by directors.

3. Managerial Remuneration

- (a) The company has paid remuneration by way of salary to its Managing Director and Director within the limit specified under Schedule XIII and approved by the board and shareholders of the Company. The details of remuneration paid during the year are as follows.

Name	Salary (Rs.)	Period of Contract	
		From	To
Mr. Ajay Kumar Jain (Managing Director)	Rs. 15000/- per month	01/01/2009	31/12/2013
Mr. Partha Majumdar (Whole time Director)	Rs. 10000/- per month	01/12/2006	30/11/2011

(b) **Computation of profit for the purpose of Managerial Remuneration:**

(Amount in Rupees)		
Particulars	2008-2009	2007-2008
Paid to Whole time Directors :		
Salary, Allowance etc.	300000.00	300000.00
Director's Sitting Fees	15500.00	15500.00
Total	315500.00	315500.00
Computation of profit for the purpose of Managerial Remuneration		
Profit before tax as per Profit & Loss Account	7235966.03	6197518.58
Add : Depreciation (as per accounts)	5789951.10	6632582.12
: Directors' Remuneration	300000.00	300000.00
: Directors' Sitting Fees	15500.00	15500.00
Total	13341417.13	13145600.70
Less : Depreciation (u/s 350 of the Companies Act, 1956)	5789951.10	6632582.12
: Whole time Directors Remuneration	300000.00	300000.00
: Directors' Sitting Fees	15500.00	15500.00
Total	6105451.10	6948082.12
Profit for the period	7235966.03	6197518.58
Net profit Under Section 349 of the Companies Act, 1956	7235966.03	6197518.58

4. Earning per share (EPS)

In term of Accounting Standard -20, the calculation of EPS is given below

SI. NO.	Particulars	2008-2009	2007-2008
01.	Net profit after tax for the year (Rs.)	4622385.03	5902462.58
02.	Number of equity shares	4040000	4040000
03.	Basic / Diluted Earnings per Share (Rs.)	1.14	1.46

5. Deferred Tax Liability

In term of Accounting Standard – 22, net Deferred Tax liability of Rs. 33,89,903/- has been recognized in the books of accounts. The component of the deferred tax liability at respective balance sheet date is as follows :-

(Amount in Rupees)			
SI. No.	Particulars	31.03.2009	31.03.2008
01.	Timing Difference in depreciable assets (Liability)	3389903.00	3051921.00
02.	Timing Difference for Brought Forward Loss (Asset)	NIL	NIL

6. Sundry creditors include Rs. Nil due to micro, small & medium enterprises to the extent such parties have been identified from the available documents/ information.
7. Excise duty on finished goods is neither provided nor the same is considered for valuation of closing stock. This has been no impact on the profit for the year.
8. The balances in various accounts in sundry creditors, sundry debtors and loans & advances are subject to confirmation and reconciliation. Company has shown the figures as per values appearing in the books of accounts.

9. Foreign Currency Transaction :

a) CIF Value of Imports :

Particulars	2008-09	2007-08
Raw materials	23641497.00	18027799.51

(Amount in Rupees)

b) Foreign Traveling Expenses is Rs. NIL (Previous Year Rs. 1,86,802.00)

10. Segment Information :

The Company's business activity primarily falls within a single reportable segment i.e. chemical Products, which are subject to similar risk and returns. Hence, there is no separate segment reporting which is in conformity with the Accounting Standard-17 issued by The Institute of Chartered Accountants of India

11. Related Party Disclosure :

- Name of the related parties with whom the transactions were carried out during the year.

Name of the Related Parties	Relationship
Mr. Ajay Kumar Jain	Key Managerial Person (KMP)
Mr. Navin Kumar Jain	Key Managerial Person (KMP)
Mr. Partha Majumder	Key Managerial Person (KMP)
Mahabir Coke Industries (P) Ltd.	Associates
AKJ Minerals Ltd.	Associates
Jupiter Coke Industries	KMPs are Partner
Mr. Vimal Kumar Jain	Relative of KMP
Mrs. Manju Jain	Relative of KMP

- Transaction during the year with related parties

(Amount in Rs.)

Nature of Transaction	Associates	KMPs are Partner	KMP	Relative of KMP	Total
Sales of goods	133485275.00 (38343297.42)	-	-	-	133485275.00 (38343297.42)
Sales of Fixed Assets	150000.00 (NIL)	-	-	-	150000.00 (NIL)
Loans & Advances	80000000.00 (661746050.14)	500000.00 (4500000.00)	-	-	80500000.00 (666246050.14)
Rent	-	-	-	12000.00 (12000.00)	12000.00 (12000.00)
Director Remuneration	-	-	300000.00 (300000.00)	-	300000.00 (300000.00)
Salary	-	-	-	360000.00 (360000.00)	360000.00 (360000.00)
Purchases	452064.00 (1295362.00)	-	-	-	452064.00 (1295362.00)

Note : Figures in brackets relate to previous year

- Closing Balance :

Relationship	Balance as on 31.03.09	Balance as on 31.03.08
Associates	800.00	0.00

12. Details of Repairs & Maintenance shown under the head manufacturing expenses are as follows :

Repairs & Maintenance:	<u>2008-2009</u>	2007-2008
a) For Building	: Rs. 166733.66	Rs. 167100.00
b) For Plant & Machinery	: Rs. 1530240.88	Rs. 596844.35
c) For others	: Rs. 798601.58	Rs 1213285.00
Total	: Rs. 2495576.12	Rs 1977239.35

13. Quantitative Information pursuant to Para 3 & 4 of Part II of Schedule VI Companies Act, 1956 :

(A) Raw Material consumed :-

(Amount in Rs.)

Particulars	Unit	As on 31.03.2009		As on 31.03.2008	
		Qty.	Amount	Qty.	Amount
Soda Ash	M.T	1563.390	25689231.60	2367.250	28366868.51
Chrome ore	M.T	8612.690	140879583.52	4815.84	35541014.93
TL Chrome	M.T	14026.789	43360303.80	25230.506	76058304.24
Lime Powder	M.T	2001.820	4685275.45	3327.165	7335183.38
Sulphuric Acid	M.T	1412.339	12698954.70	2170.507	11706183.60
		Total	227313349.07	Total	159007554.66
Net balance taken to P & L A/c			227313349.07		159007554.66

Comprising of	%	Value	%	Value
Imported Materials	11.81	26845224.60	12.79	20337149.51
Indigenous Materials	88.19	200468124.47	87.21	138670405.15
	100.00	227313349.07	100.00	159007554.66

Note: - i) The above figures are inclusive of transit losses and shortages.

ii) The above figure also net of discount.

(i) **Details of Capacity & Production :**

Sl. No.	Items	Units	Installed Capacity	Production
01.	Sodium Dichromate	M.T	4200.00	1174.350
02.	Sodium Sulphate	M.T	3000.00	816.560
03.	Chromic Acid Flakes	M.T	900.00	350.480

Quantitative Information: Production, Opening Stock, Turnover & Closing Stock during the year

(Amount in Rs.)

Particulars	Unit	Opening Balance		Purchase/Production	Transfer	Consumption / Sales		Closing Balance	
		Qty	Amount	Qty.	Qty.	Qty.	Amount	Qty	Amount
Sodium Dichromate	M.T	8.000 (0.650)	560000.00 (32500.00)	1174.350 (1532.000)	777.5000 (1129.000)	394.850 (395.650)	39753800.00 (22536650.00)	10.000 (8.000)	800000.00 (560000.00)
Sodium Sulphate	M.T	156.575 (259.900)	78287.00 312036.00	816.560 (1329.475)	0.000 (0.000)	839.600 (1432.800)	515236.95 (612651.46)	133.535 (156.575)	60090.75 (78287.00)
Chromite Sand & Concentrate	M.T	0.000 (0.000)	0.00 (0.00)	1480.00 (6460.880)	0.000 (0.000)	1480.000 (6460.880)	16576000.00 (77371655.20)	0.000 (0.000)	0.00 (0.00)
Chromic Acid Flake	M.T	2.200 (1.700)	308000.00 (151000.00)	350.480 (511.150)	0.000 (0.000)	333.830 (510.650)	60972070.00 (56724740.00)	18.850.00 (2.200)	3298750.00 (308000.00)
Chrome Oxide Green	M.T	0.000 (0.500)	0.00 (62500.00)	4.300 (22.000)	0.000 (0.000)	4.300 (22.500)	1241250.00 (3495500.00)	0.000 (0.000)	0.00 (0.000)

Note :- i) Figures in brackets relate to previous year.
ii) Installed Capacity is as certified by the management and relied upon by the auditors.

1. Particulars on remittances of dividend in foreign currency
 - i) Number of Non Resident Shareholders : Nil
 - ii) Number of equity shares held by them : Nil
 - iii) Amount of remittance on account of dividend : Nil
2. Figures of the previous year have been regrouped / rearranged wherever necessary.

Signature to Schedule A to U
In terms of our report of even date annexed

For **BLA & ASSOCIATES**
Chartered Accountant

(CA. ASHOK KUMAR AGARWAL)
Partner
Membership No. 062170

Place : Kolkata
Dated : 06.08.2009

For and on behalf of the Board
Ajay Kumar Jain
Managing Director

Navin Kumar Jain
Director
Jitendra Tiwari
Company Secretary

**ANNEXURE TO THE NOTES ON ACCOUNTS FOR THE PERIOD ENDED
31ST MARCH, 2009 BALANCE SHEET ABSTRACT AND COMPANY'S
GENERAL BUSINESS PROFILE**

I. Registration Details

Registration No. State Code
Balance Sheet Date

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

Public Issue Right Issue Bonus Issue Private Placement

III. Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Reserves & Surplus Secured Loans Un-Secured Loans
Deferred Tax Share Application

Application of Funds

Net Fixed Assets Investment Net Current Assets Misc. Expenditure

IV. Performance of Company (Amount in Rs. Thousands)

Turnover Total Expenditure Profit/Loss before Tax
Profit/ Loss After Tax Earning per Share in Rs. Dividend

V. Generic Name of three Principal Products / Services of the Company

(As per monetary terms)

Item Code No. (ITC Code)	<input type="text" value="2841 30 00"/>	Item Code No. (ITC Code)	<input type="text" value="2819 10 00"/>
Product	<input type="text" value="Sodium Dichromate"/>	Product	<input type="text" value="Chromic Acid Flakes"/>
Item Code No.. (ITC Code)	<input type="text" value="2833 26 90"/>	Item Code No. (ITC Code)	<input type="text" value="2610 00 40"/>
Product	<input type="text" value="Sodium Sulphate"/>	Product	<input type="text" value="Chrome Concentrate"/>

For **BLA & ASSOCIATES**
Chartered Accountant

(CA. ASHOK KUMAR AGARWAL)
Partner
Membership No.062170

Place : Kolkata
Dated : 06.08.2009

For and on behalf of the Board

Ajay Kumar Jain
Managing Director

Navin Kumar Jain
Director

Jitendra Tiwari
Company Secretary