

Indo Euro Indchem Limited
(Previously Known as Rinku Polychem Ltd)

23RD
ANNUAL REPORT
2012-13

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INDO EURO INDICHEM LIMITED

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BOARD OF DIRECTORS

Mr. Vardhman C. Shah
Mr. Jaysukh C. Shah
Mr. Akshit B. Lakhani
Mr. Paresh M. Valani
Mr. DipakKumar P. Pandya
Mr. Vinayak T. Sarkhot

Chairman & Managing Director
Executive Director
Executive Director
Independent Director
Independent Director
Independent Director

AUDITORS

M/s V.S.Lalpuria & Co.
Chartered Accountants

REGISTERED OFFICE

B-9 to B-16 MIDC,
Osmanabad,
Maharashtra- 413501.

CORPORATE OFFICE

78/C, The Dawn Building, 1st Floor
7th Golibar Road, Santacruz East,
Mumbai – 400 055

REGISTRAR & SHARE TRANSFER AGENTS

M/s.SHAREX INDIA PVT.LTD.
17/B, Dena Bank Building, 2nd Floor,
Horniman Circle, Fort, Mumbai - 400001

RISKS AND CONCERNS

Your company is working essentially in global market place. Currently the MIDC is not able to provide the common Effluent Treatment plant which is necessary for the Manufacturing of the pigments and also necessary from the environment point of view, also the infrastructure provided at the MIDC like Water is not available and hence it causes a huge increase in manufacturing cost because of which we can not be competitive in the market.. However the capability of providing quality services, timely completing of projects and the excellent performance will provide the competitive edge to the Company's business in this sector.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has proper and adequate internal control system commensurate with the size of the business operations geared towards achieving efficiency in its various business operations, safeguarding assets, optimum utilization of resources and compliance with statutory regulations. The management is ensuring an effective internal control system to safeguard the assets of the company. Efforts for continued improvement of internal control system are being consistently made in this regard.

HUMAN RESOURCES VIS-À-VIS INDUSTRIAL RELATIONS

The Company values and appreciates the dedication and drive with which its employees have contributed towards improved performance during the year under review. The industrial relations with workers at plant and officers are cordial during the year under review. All issues pertaining to staff matters are resolved in harmonious and cordial manner.

CAUTIONARY STATEMENT

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

Mr. Vardhaman C. Shah	Chairman & MD	Yes	NIL	NIL
Mr. Jayash C. Shah	Executive Director	Yes	NIL	NIL
Mr. Akshay B. Lalrani	Executive Director	Yes	NIL	NIL
Mr. Dipak Kumar P. Pandya	Independent Director	NIL	NIL	NIL
Mr. Vinayak T. Sankhol	Independent Director	NIL	3	*

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance:

The Company's philosophy is to aim at the highest levels of quality management through transparency and commitment to all the stakeholders viz. its shareholders, employees, Government, lenders (Banks/Financial Institutions) and the promoters.

Board of Directors:

The Board of Directors provides the strategic direction and thrust to the operations of the Company. The Board has an Executive Chairman, Two (2) Executive Directors and Three (3) Independent Directors.

Board procedures:

The Managing Director prepares the agenda in consultation with the Board of Directors and the Chairman of the various committees. The agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents, are circulated well in advance of the meetings. The meetings are held at the Registered Office of the Company.

Attendance at Board Meeting:

During the year under review, the Board of Directors met 5 (five) times on **30th May, 2012**, **11th August, 2012**, **1st September, 2012**, **9th November, 2012** and **15th February, 2013**

The attendance record of the Directors at each Board meeting, and the last Annual General Meeting held on 29th September, 2012 is given below:

Name of Director	Type of Director	Board Meeting Attended	AGM Attended	No. of Committee Memberships held (excluding Private Cos.)	No. of outside Directorships Held (excel. Private Cos.)
Mr. Vardhaman C. Shah	Chairman & MD	5/5	Yes	NIL	NIL
Mr. Jaysukh C. Shah	Executive Director	5/5	Yes	NIL	NIL
Mr. Akshit B. Lakhani	Executive Director	5/5	Yes	NIL	NIL
Mr. Dipakkumar P. Pandya	Independent Director	5/5	NIL	NIL	NIL
Mr. Vinayak T. Sarkhot	Independent Director	NIL	NIL	3	4

ANNEXURE TO DIRECTORS' REPORT

Information as per 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 capacity of the plant utilized partially, so there was no need to use Generator.

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.

Sr. No.	Particulars	31.03.2013	31.03.2012
1	Electricity		
	a. Purchased Units	----	----
	Total Amount in Rs.	----	----
	Average Rate	----	----
	b. Own Generation	----	----
	Unit per litre of Diesel	----	----
	Cost per unit	----	----
2	Coal Specify quality where used	----	----
	Quantity (Tonnes)	----	----
	Total Cost	----	----
	Average Cost	----	----
3	Furnance oil	----	----
	Quantity (Lits)	----	----
	Total Amount	----	----
	Average Rate	----	----

B. TECHNOLOGY ABSORPTION

Indigenous technology is used. Continuous efforts are being made to improve the quality.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

Total Foreign Exchange Used: NIL

Total Foreign Exchange Earned: NIL

For And On Behalf Of Board of Directors

Date: 1st September, 2013

Place: Mumbai

**Sd/-
Chairman**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Your Directors have pleasure in presenting the Management Discussion and Analysis report for the year ended on 31st March 2013.

INDUSTRY STRUCTURE, DEVELOPMENT:

Indo Euro Indchem Limited (Previously known as Rinku Polychem Limited) is operating in Pigment and organic Chemical. RPL continues to build strong relationships with key customers.

PERFORMANCE

The Company is doing trading business in poultry feed and organic chemicals. Company is looking for trying to explore the overseas market for exporting chemical products.

SEGMENT-WISE PERFORMANCE:

The Company is into chemical and poultry feed chemicals.

OPPORTUNITIES AND THREATS

The fundamental growth drivers of the country's economy as well as chemical industry continue to remain strong despite the pressures of slowdown and inflationary conditions prevalent till recently in the nation and also globally. The Chemical Industry in the country is continuously attracting investments from domestic and foreign investors. The Indian economy is expected to grow between 7% to 8 % during this fiscal.

The threats to the segments in which the company operates are volatility in Exchange rate, pricing pressure arising due to competition from low cost suppliers, technology upgradation, severe competition among competitor and newly emerging competitive nations and stricter environment laws. Further, the Indian economy is now integrated with the world economy to a very large extent and therefore vulnerable to the direct impact of such a slowdown; such an impact could adversely affect the Company's performance as well. Therefore, the company has decided to close down the manufacturing activity, concentrate on the trading, and look for other opportunities in the Export market.

STRENGTH

The existing management has a strong technical knowledge and experience in the chemical industry. Mr. Vardhman Shah, Chairman and Managing Director is an entrepreneur and is having vast knowledge and expertise in handling various business including the chemical business. Mr. Jaysukh Shah, one of executive director has vast experience and expertise in research and development of chemical industry. Mr. Akshit Lakhani is a young entrepreneur and Mr Dipakkumar P. Pandya has rich experience in marketing. The Company has appointed two new directors Mr. Vinayak Trimbak Sarkhot and Mr. Paresh Maganlal Valani who are independent directors.

NOTICE:

Notice is hereby given that the Twenty-third Annual General Meeting of the Members of Indo Euro Indchem Limited (previously known as Rinku Polychem Limited) will be held on Monday, 30th day of September, 2013 at 1.00 P.M. at B-9 to B-16, Osmanabad - 413501, Maharashtra to transact the following business, with or without modifications.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2013 and Profit & Loss Account for the period ended on that date along with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vardhaman Shah, Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Dipak Kumar Pandya, Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. APPOINTMENT OF MR. VARDHAMAN CHHAGANLAL SHAH AS MANAGING DIRECTOR

"RESOLVED that pursuant to the provisions of section 198, 269, 309, 310, 311 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act as amended and subject to the approval of the Central Government and such other approvals, permissions, consents and sanctions from various authorities as may be required, and subject to such conditions and modifications, if any, that may be prescribed or imposed by any Authorities while granting their permissions, consents and approvals, the company hereby accords its consent and approval to the appointment of Mr. Vardhaman Chhaganlal Shah, as the Managing Director of the Company for a period of 5 years with effect from 1st September, 2013.

"RESOLVED FURTHER THAT the board of Directors of the Company be and is hereby authorized to amend, alter or otherwise vary the terms and conditions for the appointment of the Managing Director from time to time, including remuneration as the Board may deem fit, provided that such remuneration as may be permissible within the overall limits specified under the Companies Act, 1956 as existing or as amended, modified or re-enacted from time to time.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider necessary, expedient or desirable, in order to give effect to the foregoing resolution or otherwise considered by it to be in the best interest of the Company."

Place: Mumbai.

Date: 1st September, 2013

By Order Of The Board Of Directors
For Indo Euro Indchem Limited

Registered Office:

B-9 to B-16,

Osmanabad-413501

Sd/-
Mr. Vardhaman C. Shah
Chairman

Indo Euro Indchem Limited
(Previously Known as Rinku Polychem Ltd)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING AND ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The members are requested to notify immediately changes, if any, in their registered address to the Company's Registrar & Share Transfer Agent M/S Sharex India Pvt. Ltd., 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Mumbai-400001, email ID: sharexindia@vsnl.com.
3. Members are requested to write their Folio Number in the Attendance Slip for easy identification at the meeting and number of shares held by them.
4. The Share Transfer Books and the Register of Members will remain closed from Saturday, 28th day of September, 2013 to Monday, the 30th day of September 2013 (both days inclusive).
5. At the ensuing Annual General Meeting, Mr. Vardhaman Shah and Mr. Dipak Kumar Pandya Directors, retire by rotation and being eligible offer themselves for re-appointment. Mr. Vardhaman Shah's term of appointment as Managing Director expires as on 31st August, 2013 and the Board recommends his appointment for further period of 5 years. The brief resume of these directors is as under:

Name	Mr. Vardhaman Shah	Mr. Dipak Kumar Pandya
Age	52 Years	62 Years
Qualification	B.com	Bsc
Expertise in Specific Area	Trading & Marketing	Marketing
Date of First Appointment on the Board of the Company	11.7.1990	1.3.2011
Name(s) of the other companies in which Directorship held and Committee Membership/Chairmanship held.	1) Jmc Exim India Pvt Ltd 2) Prime Décor Laminate Pvt Ltd. 3) Gadia Mercantile Pvt Ltd 4) Jmc Impex India Pvt Ltd. 5) JIC Hykon Builders & Developers Pvt Ltd	NIL

6. Shareholders desiring any information as regards to the Accounts are requested to write to the Company at least Seven days in advance of the Annual General Meeting so that the information, to the extent practicable, can be made available at the Annual General Meeting.

7. Green initiative in Corporate Governance: The Government Of India, Ministry Of Corporate Affairs (MCA) vide its circular no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 has taken a "Green Initiative" and has allowed companies to make service of documents including Annual Report, Audited Financial Statements, Director's Report, Auditor's Report, etc. to the members through the electronic mode, to the registered email addresses of the members. This is a golden opportunity to contribute to our Nation at large. All you have to do is to register your e-mail address with the company to receive communication through the electronic mode.

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

ITEM NO. 4

Mr. Vardhman C. Shah was appointed as Managing Director in the Annual General Meeting held on 30th September, 2008 for a period of five years w.e.f. 1st September, 2008. His term has expired on 31st August, 2013.

The Board recommends his appointment as the Managing Director of the Company for further period of 5 years with effect from 01.09.2013. The brief terms and conditions of his appointment are set out below:

1. Period: Five years with effect from 01.09.2013.
2. Remuneration: He shall not be entitled to any salary. However be provided such facilities as telephone, car, etc as may be necessary exclusively for the business of the Company.
3. He shall be entitled to the perquisites in the form of membership fees of the clubs to be paid by the Company.
4. The Company shall reimburse actual entertainment and traveling expenses incurred in the course of the Company's business.
5. He will be entitled to privilege leave and sick leave and casual leave benefits as per the rules of the Company.
6. He will not entitlement for any sitting fees for attending meetings of the Board or Committees thereof.
7. He shall keep the secrets of the Company.

Pursuant to the provisions of Section 269 and other applicable provisions of the Companies Act, 1956, the appointment of Managing Directors needs the approval of the members through special resolution and accordingly, this resolution has been placed before you for your approval."

Mr. Vardhman C. Shah is interested in the resolution being the concerned director and Mr. Akshit Lakhani and Mr. Jaysukh Shah are interested directors being the relative of Mr. Vardhman C. Shah. No other directors are concerned or interested in the said resolution.

Place: Mumbai.

Date: 1st September, 2013

Registered Office:

B-9 to B-16,

Osmanabad-413501

By Order Of The Board Of Directors
For Indo Euro Indchem Limited

Sd/-
Mr. Vardhaman C. Shah
Chairman

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their **TWENTY THIRD ANNUAL REPORT** together with the Audited Accounts of the Company for the year ended on 31st day of March 2013.

FINANCIAL HIGHLIGHTS:

	For the year ended on 31.03.2013	For the year ended on 31.03.2012
Total Income	50,357,276.00	5,23,54,607.00
Total Expenditure	46,928,821.00	4,50,96,545.00
Profit / (Loss) before Taxation	2,023,955.00	11,29,680.00
Provision for Tax	652,961.00	2,15,261.00
Deferred Tax	(668,140.00)	2,49,344.00
Profit / (Loss) after Taxation	2,039,134.00	6,65,075.00
Balance Carried to BS	2,039,134.00	6,65,075.00

OPERATIONAL REVIEW:

The Sales for the period ended 31.03.2013 were at Rs. 4,64,24,875/- as against Rs. 4,86,84,061/- for the previous year ended 31.03.2012. The Profit / (Loss) after tax is 2,039,134 against profit of Rs. 6,65,075/- for the previous year ended 31.03.2012.

LISTING OF EQUITY SHARES OF COMPANY ON BOMBAY STOCK EXCHANGE:

The Board is pleased to inform that the Bombay Stock Exchange has revoked the suspension on the trading of shares of the Company. The Company has received the listing permission from the Bombay Stock Exchange for trading of its shares on its stock exchange and the trading in equity shares begins w.e.f. 9th July, 2013 on the Bombay Stock Exchange.

DIVIDEND:

In view of the revival of the company's operation, your Directors have decided not to recommend any dividend on account for the year under operation.

MANAGEMENT DISCUSSION AND ANALYSIS:

As required by clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report are appended.

DIRECTORS:

Mr. Vardhaman Shah and Mr. Dipak Kumar Pandya, retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. Your Directors recommend their re-appointment.

Mr. Vardhman C Shah was appointed as Managing Director in the Annual General Meeting held on 30th September, 2008 for a period of five years w.e.f. 1st September, 2008. His term has expired on 31st August, 2013. The Board recommends his appointment as the Managing Director of the Company for further period of 5 years with effect from 01.09.2013.