

42nd Annual Report

2007-2008

INDOKEM LIMITED

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42nd ANNUAL GENERAL MEETING

Date	: Tuesday, 18th November, 2008
Time	: 4.00 p.m.
Venue	: Khatau House, Plot No. 410/411, Mogul Lane, Mahim (W), Mumbai - 400 016

INDOKEM LIMITED**42nd Annual Report 2007-2008****INDOKEM LIMITED**

BOARD OF DIRECTORS	: MR. MAHENDRA K. KHATAU CHAIRMAN & MANAGING DIRECTOR MR. N.S. PARULEKAR MRS. LEELA K. KHATAU MR. KAILASH PERSHAD MR. S. RAJAGOPALAN
AUDIT COMMITTEE CHAIRMAN	: MR. N.S. PARULEKAR MR. MAHENDRA K. KHATAU MR. S. RAJAGOPALAN
SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE	: MR. N.S. PARULEKAR CHAIRMAN MR. MAHENDRA K. KHATAU MRS. LEELA K. KHATAU
COMPANY SECRETARY	: MR. VIJAY MISHRA
BANKERS	: UNION BANK OF INDIA STATE BANK OF TRAVANCORE DEVELOPMENT CREDIT BANK LIMITED BANK OF INDIA SBI COMMERCIAL & INTERNATIONAL BANK LTD. ANDHRA BANK THE SHAMRAO VITHAL CO-OP. BANK LTD.
AUDITORS	: MESSERS. SHETH DOCTOR & ASSOCIATES
REGISTRAR & SHARE TRANSFER AGENT (SHARE COLLECTION CENTRE)	: MESSERS. SHAREX DYNAMIC (INDIA) PVT. LTD. 17/B, DENA BANK BUILDING 2 ND FLOOR HORNIMAN CIRCLE, FORT, MUMBAI – 400 001. TEL.NO.227024 85/2264 13 76 FAX NO.22641349 WEBSITE: www.sharexindia.com E-mail id: sharexindia@vsnl.com
REGISTERED OFFICE	: KHATAU HOUSE, PLOT NO. 410/411, MOGUL LANE, MAHIM MUMBAI - 400 016 TEL.NO.: 91-22-24461975/24450050 FAX NO.: 91-22-24458139/24440826 WEBSITE : www.indokem.co.in E-MAIL: secretarial@indokem.co.in
FACTORY	: PLOT NO. 2900 GIDC INDUSTRIAL ESTATE DISTRICT BHARUCH ANKLESHWAR, GUJARAT

INDOKEM LIMITED**42nd Annual Report 2007-2008**

We, Mr. Mahendra K. Khatau, Chairman & Managing Director and Mr. Vijay Mishra, General Manager, Finance and Accounts and Company Secretary of Indokem Limited, to the best of our knowledge and belief hereby certify that :

- i. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2008 and that to the best of our knowledge and belief;
 - a) These statements do not contain any materially untrue statement or omit any Material fact or contain statement that might be misleading.
 - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- ii. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- iii. We accept responsibility establishing and maintaining the internal controls for the financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- iv. We have disclosed based on our most recent evaluation, wherever applicable, to the companies auditors and the audit committee of the Company's Board of Directors:
 - a) All deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data have been identified. Any material weaknesses in internal controls have been implemented including any corrective actions with regards to deficiencies.
 - b) Significant change in internal controls during the year covered by the report.
 - c) All significant changes in Accounting Policies during the year, if any, that the same have been disclosed in the notes to the financial statements.
 - d) Instances of significant fraud of which we are aware, that involves Management or other employees who have significant role in the Company's internal control system.

For INDOKEM LIMITED

Mahendra K. Khatau
Chairman & Managing Director

Vijay Mishra
General Manager (Fin. & A/cs.)
and Company Secretary

INDOKEM LIMITED**42nd Annual Report 2007-2008****NOTICE**

NOTICE is hereby given that the Forty Second Annual General Meeting of the Members of Indokem Limited (formerly known as Khatau Junker Limited) will be held at Khatau House, Plot No. 410/411, Mogul Lane, Mahim (W), Mumbai – 400 016 on Tuesday the 18th November, 2008 at 4.00 P.M. for the purpose of transacting the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2008 and the Balance Sheet as at that date, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Leela K. Khatau, who retires by rotation and, being eligible, offers herself for reappointment.
3. To appoint a Director in place of Mr. S. Rajagopalan, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as SPECIAL RESOLUTION :

"RESOLVED THAT Company do hereby accord its consent under Section 314 of the Companies Act, 1956 and other applicable provisions, if any, to the payment of remuneration of Ms. Shreya M. Khatau, Vice President – Corporate Strategies of the Company, w.e.f. 25th September, 2007."

By Order of the Board
For INDOKEM LIMITED

Vijay Mishra
Company Secretary

Registered Office :
Khatau House,
Plot No. 410/411,
Mogul Lane, Mahim,
Mumbai - 400 016.

Dated : 15th September, 2008

INDOKEM LIMITED**42nd Annual Report 2007-2008****NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No. 5 as set out above is annexed herewith.
3. The Register of Members and Transfer Books of the Company will be closed from Friday the 14th November, 2008 to Tuesday the 18th November, 2008 (both days inclusive).
4. Members are requested to notify any change of their address including Transfer's etc. to the Company's Share Registrar & Transfer Agent office at Sharex Dynamic (India) Pvt. Ltd. 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai - 400001 or at Registered Office Khatau House, Plot No.410/411, Mogul Lane, Mahim, Mumbai-400016.
5. INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT :

Name	Age	Qualification	Experience	No. of Shares	Other Directorships as on 31/03/08
Mrs. Leela K. Khatau	75	BA	Industrialist	80,699	1) Emerald Capital Services Pvt. Ltd. 2) Priyamvada Holdings Ltd.
Mr. S. Rajagopalan	69	B.Com A.I.C.W.A.	37 years experience with leading manufacturing companies in the areas of Accounts, Finance and Audit.	NIL	1) Refnol Resins & Chemicals Ltd.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No.5**

The Board was informed that Ms. Shreya M. Khatau is employed as Vice President – Corporate Strategies of the Company. She joins our company holding a Bachelor of Science degree in Finance and International Business from New York University and has three years of experience in investment banking. The Management of the Company has decided to pay remuneration with effect from 25th September, 2007 which includes Basic Salary and other allowances aggregating to Rs. 26,900/- per month.

Since Ms. Shreya M. Khatau is daughter of Mr. Mahendra K. Khatau, Chairman & Managing Director of the Company, it is required to obtain consent of Members for payment of remuneration exceeding Rs.10,000/- per month.

Mr. M.K. Khatau and Mrs. Leela K. Khatau are relatives of Ms. Shreya M. Khatau, hence are interested in the above resolution.

By Order of the Board
For INDOKEM LIMITED

Vijay Mishra
Company Secretary

Registered Office :
Khatau House,
Plot No. 410/411,
Mogul Lane, Mahim,
Mumbai - 400 016.
Dated : 15th September, 2008

INDOKEM LIMITED**42nd Annual Report 2007-2008****DIRECTORS' REPORT**

To,

The Members,

Your Directors have pleasure in presenting their 42nd Annual Report and Accounts for the year ended 31st March, 2008.

(Rs. In Lacs)

FINANCIAL RESULTS :

Total Income (Net of Increase/Decrease in inventories)

Operating Profit before Interest & Finance charges, Depreciation & tax

Less : Interest & Finance charges

Profit/(Loss) after Interest & Finance charges but before Depreciation & Tax

Less : Depreciation

Profit/(Loss) before tax

Add : Provision for Wealth Tax/FBT

Add : Excess / (Short) provision for Tax in respect of earlier year.

Less : Income tax refund for earlier year (net)

Profit/(Loss) after tax

Less : Amount drawn from Capital Reserve

Less : Transfer From Debenture Redemption Reserve

Surplus brought forward from last year

Surplus carried to Balance Sheet

31.03.2008	31.03.2007
70,64.23	74,86.11
5,53.67	8,04.21
4,85.30	4,02.30
68.37	4,01.91
3,10.40	2,89.88
(2,42.03)	1,12.03
8.34	19.26
0.03	5.76
0.82	-
(2,49.58)	98.53
1.86	1.96
1,60.00	-
1,85.98	85.49
98.26	1,85.98

SCHEME OF ARRANGEMENT AND AMALGAMATION

The Hon'ble High Court of Bombay vide its Orders dated 8th August, 2008 has approved the Scheme of Arrangement and Amalgamation of Sovereign Trading Enterprises Limited, Tracklightning Finance And Investments Limited and Royaltarn Finance And Investments Private Limited ("Transferor Companies") with Indokem Limited ("Transferee Company") and their respective shareholders. The respective Companies have filed the certified copy of the High Court Order with the Registrar of Companies, Mumbai on 8th September, 2008 and the Scheme has become effective from that date. The Appointed Date fixed under the Scheme is 1st April, 2007. Accordingly, all the assets and liabilities of all the Transferor Companies stand transferred to and vest with the Transferee Company with effect from the Appointed Date. In terms of the Scheme, your Company is required to issue 92,00,000 Equity Shares of Rs. 10/- each to the shareholders of Sovereign Trading Enterprises Limited, as per the share exchange ratio approved by all concerned. No shares are wholly being issued upon merger of Tracklightning Finance And Investments Limited and Royaltarn Finance And Investments Private Limited which are wholly owned subsidiaries of the Company. The successful implementation of the Scheme has resulted in enhancement of the shareholder value. The enclosed financial statements of your Company reflect the restated and consolidated financials of the merged entities.

ACCOUNTS AND ANNUAL GENERAL MEETING :

In view of the effective date of the Order of the Hon'ble High Court being 1st April, 2007 the Profit and Loss Account and Balance Sheet of the Transferee Company namely Indokem Limited have been prepared from 1st April, 2007 till 31st March, 2008 which is placed before the Members, for consideration and adoption.

REVIEW OF OPERATIONS :**SALES, PROFITABILITY AND PRODUCTION :**

In the current financial year, your Company's total sales have decreased to Rs.67 crore as compared to Rs. 69 crore in the previous year. The production of vat dyes has also decreased from 330 MT in the previous year to 216 MT in the current financial year. The reduction in sales of vat dyes is primarily due to stiff competition from Chinese manufacturers as well as volatile pricing for export markets. On the domestic front, your Company's sales of vat dyes were adversely affected due to volatility in prices and demand for certain products as well as shortage and increasing prices of raw materials.

Sales of traded products such as direct dyes, sizing chemicals, vat pastes, textile auxiliaries, reactive dyes etc., increased to Rs. 48.26 crore as compared to Rs.41.28 crore in the previous financial year.

PROSPECTS :

Critical factors such as raw material pricing and availability, demand and operating costs for both of your Company's divisions, trading as well as manufacturing, are expected to improve in the next financial year.

Your company is planning on increasing the range of products manufactured at its plant in Ankleshwar. In order to facilitate this, your Company has received permission to manufacture additional textile chemicals and auxiliaries at the plant. This will help improve sales as well as reduce fixed costs in turn increasing the Company's profitability in coming years.

Additionally, the Scheme of Arrangement and Amalgamation will reduce certain administrative expenses for your Company as well as improve the strength of the Balance Sheet.

EXPORT SALES :

Your Company's export sales for the current financial year were lower than the previous financial year. Fluctuations in exchange rates during the year adversely affected our export contributions to a large extent. In addition, scarcity of key raw materials increased the production lead time hence disrupting our production for exports. Competition from China has also affected our export volumes. Your Company is making sincere efforts to increase the efficiency of production as well as cut costs to rectify the situation.

DIVIDEND :

Due to absence of profit in the current year, your Directors express their inability to declare any dividend.

FINANCE :

During current financial year, your Company has availed of a Term Loan and Working Capital facility from its current consortium of bankers. Part of the term loan was disbursed in the current financial year and proceeds were utilized for refurbishment of plant & machinery as well as for the ongoing working capital needs of your Company.

Interest costs for the year have increased sharply during the year, as rates of interest for various facilities availed by your Company have been increased substantially due to increase in BPLR by our bankers.

In the current financial year, your Company has cleared payments due to the holders of Non Convertible Debentures so as to reduce the interest

INDOKEM LIMITED**42nd Annual Report 2007-2008**

burden and total outstanding liabilities of your Company.

INSURANCE :

All the assets of the Company including Plant & Machinery, Building, Stocks etc. are adequately insured.

SUBSIDIARY COMPANIES :

During the year, Royaltarn Finance And Investments Limited which was originally incorporated on 6th February, 1991 was converted into Private Limited. Subsequently, the name of the Company has changed to Royaltarn Finance And Investments Private Limited vide fresh Certificate of Incorporation dated 10th March, 2008 received from Government of India-Ministry of Corporate Affairs, Registrar of Companies, Maharashtra, Mumbai.

Pursuant to the Hon'ble High Court of Bombay vide its orders dated 8th August, 2008 approving the Scheme of Arrangement and Amalgamation of Sovereign Trading Enterprises Limited, Tracklightning Finance And Investments Limited and Royaltarn Finance And Investments Private Limited ("Transferor Companies") with Indokem Limited ("Transferee Company"), Radio Components and Transistors Company Ltd., a subsidiary of Sovereign Trading Enterprises Limited has become a subsidiary of Indokem Limited.

Pursuant to Section 212 of the Companies Act, 1956, the Audited Accounts with the Auditors' and Directors' Reports of your Company's subsidiaries Kapsales Electricals Limited and Radio Components and Transistors Company Ltd. for the year ended 31st March, 2008 are annexed hereto.

Radio Components and Transistors Company Ltd has recorded a loss of Rs.21.97 lacs during the year as compared to profit of Rs. 1.70 lacs in previous year.

DIRECTORS' RESPONSIBILITY STATEMENT :

The Board of Directors of the Company confirms:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- ii) that such selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008 and the Loss of the Company for the year ended on that date;
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the annual accounts have been prepared on a going concern basis.

DIRECTORS :

Ms. Leela K. Khatau and Mr. S. Rajagopalan retire by rotation at the conclusion of this Annual General Meeting and being eligible, offer themselves for reappointment.

Mr. M. Sarin has tendered his resignation as Dy. Managing Director of the Company on 25th September, 2007. The Board placed on record its appreciation for the valuable contribution of Mr. M. Sarin during the tenure of his office as Dy. Managing Director of the Company.

CORPORATE GOVERNANCE :

Disclosures on the points relating to the Corporate Governance are given in Annexure - 1 to this report.

MANAGEMENT DISCUSSION AND ANALYSIS :

Your Company manufactures and trades dyes and chemicals for use in the textile industry both in India as well as worldwide and operates through two divisions, namely the manufacturing and trading divisions. The manufacturing division produces vat dyes and other textile chemicals at your Company's plant at Ankleshwar. The trading division trades in direct dyes, sizing chemicals, vat pastes, textile auxiliaries, reactive dyes etc.

In the current financial year, the Company incurred a loss of Rs.249.58 lacs as compared to a profit of Rs.98.53 lacs in the previous year.

The loss of the year is attributed to various factors that affected your Company's performance in the current financial year.

- i) The reduction in sales of vat dyes is primarily due to stiff competition from Chinese manufacturers as well as volatile pricing for export markets. On the domestic front, your Company's sales of vat dyes were adversely affected due to volatility in prices and demand for certain products as well as shortage and increasing prices of raw materials.
- ii) Raw materials consumed as a percentage of sales has increased from 68.75% in the previous financial year to 74.02% in the current year. This is primarily due to volatile prices and scarcity of raw materials, as well as rising oil prices. Our cost of raw materials has increased due to these factors as many of the key raw materials are petro based.
- iii) Interest and finance costs increased drastically due to increase in rates by the RBI several times in the current financial year.

Despite adverse factors affecting the profitability of your Company, Management has put in efforts to reduce major costs such as power, fuel and water charges to reduce the impact of adverse market conditions faced by your Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

There is good Internal Control System in the Company through adequate Internal control procedures and regular operations review etc. However, adequate coverage was not possible due to paucity of staff.

AUDITORS :

M/s. Sheth Doctor & Associates, Chartered Accountants, Auditors of the Company, retire at the forthcoming Annual General Meeting of the Company and, are eligible for reappointment.

AUDITORS' REMARKS :

No qualificatory remarks observed in the Auditors' Report.

EMPLOYEES :

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975 is not applicable to the Company as none of the employees are drawing salary more than Rs.24 lacs per annum.

The employees have extended their full support and valuable contribution which helped the Company to carry on the business under difficult conditions caused by liquidity crunch. The Company and the management convey their appreciation and thankfulness for the same.

CONSERVATION OF ENERGY :

A Statement showing particulars as per Form A, under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given as Annexure 2 and forms part of this Report.

INDOKEM LIMITED

42nd Annual Report 2007-2008**RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION :**

Research and development activities were more focussed on process improvement to reduce raw material cost and to save on time cycles. Developments in Laboratory are being implemented at plant.

Company has introduced couple of new products to the range and envisages good demand from export market.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

The details of expenditure and earning in foreign currencies during the period under review are as under :

		31.03.2008	(Rs. in '000) 31.03.2007
i)	EXPENDITURE IN FOREIGN EXCHANGE CAPITAL		
	Value of imports on C.I.F. basis		
	Raw Material	3,69,12	7,95,11
	Travelling	50	1,37
	Commission	12	-
	Others	6,26	4,39
	Total :	3,76,00	8,00,87
ii)	EARNINGS IN FOREIGN EXCHANGE		
	F.O.B. value of exports	10,32,36	17,47,21
	Technical Fees earned	18,46	22,21
	Total :	10,50,82	17,69,42

ACKNOWLEDGEMENT :

The Board expresses its gratitude to the Company's Bankers, the participating Financial Institutions, Customer, Government Agencies and our Employees for their continuous help, co-operation and support.

For and on behalf of the Board

Mahendra K. Khatau

Chairman & Managing Director

Registered Office :

Khatau House, Plot No.410/411, Mogul Lane, Mahim, Mumbai - 400 016.

Dated : 15th September, 2008

ANNEXURE - 1**CORPORATE GOVERNANCE DISCLOSURES :**

In terms of the Schedule of implementation of Clause No.49 of the Listing Agreement on Corporate Governance, your Company has been complying with the requirements of the said Clause to the extent and in the manner stated hereunder :

A. Company's Philosophy on Corporate Governance

The Company's Philosophy on Corporate Governance envisages the attainment of the high level of transparency and accountability in the functioning of the Company and the conduct of its business internally and externally including its inter action with employees, shareholders, consumers, institutional and other lenders and places due emphasis on regulatory compliance.

The Company will continue its efforts in raising the standard in Corporate Governance and will also review its systems and procedures constantly to keep pace with the changing economic environment.

B. Board of Directors

The Board comprises the Managing Director and Non-Executive/Independent Directors. As on 15th September, 2008 the strength of the Board was Five Directors. The Managing Director is the only Whole-time Director the remaining four being Non Executive Directors.

C. Remuneration of Directors

Managing Director & Dy. Managing Director

Rupees in Lacs

19.28

(Salary, Allowances, contribution to Provident Fund, Superannuation Fund, Gratuity Fund, Value of perquisites)

Non-Executive Directors :

Sitting Fees

0.76

TOTAL :

20.04

The Managing Director have a service contract of five years, with a notice period of three months by either party.

The Company has no Stock Option Scheme for any of its Directors.

D. Board Meeting :

The Board met six times during the year on 27/04/2007, 31/07/2007, 10/08/2007, 30/10/2007, 21/12/2007 and 18/01/2008.

The attendance of Directors at the Board Meetings (BOD) and Annual General Meeting (AGM) was as follows :

Sr. No.	Name of Director		No. Of Board Meetings Attended	Attendance at Last AGM	Outside Committee Position held Member/Chairman	
1.	Mr. M.K. Khatau	Whole time Managing Director	6	Yes	-	-
2.	Mr. Anil K. Khatau (Ceased to be a Director from 8/8/2007)	Non-Executive Director	1	N.A.	-	-
3.	Mr. N.S. Parulekar	Non-Executive Director/ Independent Director	5	Yes	2	1
4.	Ms. Leela K. Khatau	Non-Executive Director	6	Yes	-	-
5.	Mr. Kailash Pershad	Non-Executive Director/ Independent Director	5	No	-	-
6.	Mr. M. Sarin (Ceased to be a Dy. Managing Director from 25/09/2007)	Dy. Managing Director	2	Yes	-	-
7.	Mr. S. Rajagopalan	Non-Executive Director/ Independent Director	5	No	-	-

E. Audit Committee :

The Audit Committee comprises three Directors, Mr. N.S. Parulekar (Chairman), Mr. M.K. Khatau, Mr. S. Rajagopalan. The Company Secretary, Mr. Vijay Mishra acts as the Secretary of the Committee. The Committee held Six meetings during the year on 27/04/2007, 31/07/2007, 10/08/2007, 30/10/2007, 21/12/2007 and 18/01/2008. The table below gives the attendance record.

Name of Director	No. of Meetings held	No. of Meetings Attended
Mr. N.S. Parulekar	6	5
Mr. M.K. Khatau	6	6
Mr. S. Rajagopalan	6	5

The Committee's powers and role are stipulated at Clause 49 of the Listing Agreement.

F. Shareholders/Investors' Grievance Committee :

The Company has formed an Investors/Shareholders Grievance Committee with the following terms of reference :

- Ensure redressal of the shareholders and investors complaints relating to transfer of shares non-receipt of Balance Sheet etc.
- Redressal of investors complaints in respect of non-receipt of dividends/interests/payments on redemption of preference shares, debentures, bonds or such other instruments that are redeemable.

The Composition of the Committee as on 31st March, 2008 is as under :

- Mr. N.S. Parulekar (Chairman – Non Executive Director)
- Mr. M.K. Khatau
- Ms. Leela K. Khatau
- Mr. Vijay Mishra, Company Secretary acts as a Secretary of the Committee.

The quorum for the Committee Meeting is two Directors.

During the year, the Committee held four meetings (on 27th April, 2007, 31st July, 2007, 30th October, 2007 and 18th January, 2008). All the above Members attended the Meetings. We have not received any complaint from investors. Further, the Board of Directors have delegated the powers to approve, transfer of the securities allotted by the Company to a Share Transfer Committee Meeting. The Committee held 15 Meetings during the year and approved the transfer of the shares lodged with the Company. All the transfers of shares received by the Company have been complied within the time limit.

G. Remuneration Committee

The Company does not have a Remuneration Committee. The remuneration payable to the Managing Director/ Dy. Managing Director is approved by the Board of Directors and then by the shareholders at the General Meeting and such other Authorities as may be necessary.

H. Key information :

Key information such as annual operating plans, budgets, quarterly working results, minutes of audit committee and other committees are made available to the Directors.

The Board is informed of all affairs including materials, financial and commercial decisions from time to time.

I. Disclosures :

There are no materially significant related party transactions that may have potential conflict with the interests of the Company.

The Company has complied with the requisite regulations relating to capital markets. There are no penalties or strictures imposed on the Company by Stock Exchange or SEBI or any Statutory authority, on any matter related to capital markets, during the last three years. Quarterly Results are approved by the Audit Committee and taken on record by the Board of Directors and submitted to the Stock Exchange in terms of the requirements of Clause 41 of the Listing Agreement.

Quarterly Results are normally published in English and Marathi newspapers.

J. Web Site :

The Company Web Site : www.indokem.co.in

Queries relating to Investors' Grievance may be addressed to e-mail: secretarial@indokem.co.in

K. General Shareholder information :**1) Annual General Meetings :**

The last three Annual General Meetings of the Company were held as under :

Financial Year	Date	Time	Location
2006-2007	24/09/2007	4.00 p.m.	Khatau House, Mogul Lane Mahim, Mumbai – 400 016.
2005-2006	31/08/2006	4.00 p.m.	-----do-----
2004-2005	29/09/2005	4.00 p.m.	-----do-----

No Special resolutions were required to be put through postal ballot last year.

2) Financial Calendar :

Period	Board Meeting to approve Quarterly Financial Results
1 st Quarter ending 30 th June, 2008	30 th July, 2008
2 nd Quarter ending 30 th September, 2008	last week of October, 2008
3 rd Quarter ending 31 st December, 2008	last week of January, 2009
4 th Quarter ending 31 st March, 2009	last week of April, 2009
Year ending 31 st March, 2009 (Audited)	June/July, 2009.
Annual General Meeting for the year ending 31 st March, 2009	August/September, 2009