

11TH ANNUAL REPORT 2003 - 2004

Certified True Copy

For INDO AMINES LTD.

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Director



INDO AMINES LIMITED

**W-38 / 39, PHASE II, M.I.D.C., DOMBIVLI (EAST),
DIST.- THANE**

BOARD OF DIRECTORS**INDO AMINES LIMITED**

Mr. VIJAY B. PALKAR	:	CHAIRMAN & MANAGING DIRECTOR
Mr. KIRIT H. SHAH	:	WHOLE TIME DIRECTOR
Mrs. BHARATI V. PALKAR	:	DIRECTOR
Mr. RAHUL V. PALKAR	:	EXECUTIVE DIRECTOR
Dr. J. H. SHAH	:	INDEPENDENT NON EXECUTIVE DIRECTOR
Mr. N. G. MANE	:	INDEPENDENT NON EXECUTIVE DIRECTOR
Mr. SURESH IYER	:	INDEPENDENT NON EXECUTIVE DIRECTOR
Mr. MILIND PATIL	:	INDEPENDENT NON EXECUTIVE DIRECTOR

AUDITORS

Kulkarni and Khanolkar, Chartered Accountants, Mumbai.

CORPORATE GOVERNANCE REPORT

H. Shetye Associates, Company Secretaries, Mumbai

BANKERS

State Bank of India, Matunga Branch, Mumbai.

State Bank of India, Baroda.

Union Bank of India, Sayajigunj Branch, Baroda.

REGISTERED OFFICE

W-38/39, MIDC, Phase II, Dombivli (E), Dist. Thane.

REGISTRARS & SHARE TRANSFER AGENTS**BIGSHARE SERVICES PVT LTD**

E/2, Ansa Industrial Estate, Sakivihar Road,
Sakinaka, Andheri (E), Mumbai 400 072.

MANUFACTURING FACILITIES AT

1. W-38/39, Phase II, MIDC, Dombivli (E), Dist. Thane.
2. Survey No. 1723, Tundav, Taluka Savli, Baroda, Gujarat.

SHARES LISTED AT;

The Stock Exchange	-	Mumbai
	-	Ahmedabad
	-	Calcutta

Contents	Page No.
Notice	2
Directors' Report	7
Corporate Governance Report	9
Management Discussion and Analysis Report	13
Auditors' Report	14
Balance Sheet	18
Profit & Loss Account	19
Schedules	20
Cash Flow Statement	29
Attendance Slip & Proxy Form	30

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For INDO AMINES LTD.

[Signature]
Director

11th ANNUAL GENERAL MEETING

Date : 29th September, 2004

Day : Wednesday

Time : 12.00 Noon

Place: W-38/39, Phase II, MIDC
Dombivli (E), Dist.: THANE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 11TH ANNUAL GENERAL MEETING OF THE MEMBERS OF INDO AMINES LIMITED WILL BE HELD ON **WEDNESDAY THE 29TH SEPTEMBER, 2004 AT 12.00 Noon** AT REGISTERED OFFICE OF THE COMPANY SITUATED AT W-38/39, PHASE II, MIDC, DOMBIVLI (E), DIST. THANE TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts for the year ended 31st March 2004 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. J. H. Shah, Director of the company who retires by rotation & being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Suresh Iyer, Director of the company who retires by rotation & being eligible offers himself for re-appointment.
4. To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion 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 an ordinary resolution.

RESOLVED THAT subject to the provisions of the section 198, 269, 309, 310, 314 of the Companies Act, 1956, Schedule XIII and other applicable provisions and subject to consent of shareholders, the Managerial remuneration of **Mr. Vijay Palkar, Managing Director** be and is hereby varied w.e.f. 1st April, 2004 on such terms and conditions as approved by the Board.

"RESOLVED FURTHER THAT the Board is also authorized to vary/revise the aforesaid remuneration from time to time within the limits of Schedule XIII of the Companies Act, 1956 & also authorized to take necessary steps for implementing the aforesaid resolution."

6. To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution.

RESOLVED THAT subject to the provisions of the section 198, 269, 309, 310, 314 of the Companies Act, 1956, Schedule XIII and other applicable provisions and subject to consent of shareholders, the Managerial remuneration of **Mr. Kirit Shah, Whole Time Director** be and is hereby varied w.e.f. 1st April, 2004 on such terms and conditions as approved by the Board.

"RESOLVED FURTHER THAT the Board is also authorized to vary/revise the aforesaid remuneration from time to time within the limits of Schedule XIII of the Companies Act, 1956 & also authorized to take necessary steps for implementing the aforesaid resolution."

7. To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution.

RESOLVED THAT subject to the provisions of the section 198, 269, 309, 310, 314 of the Companies Act, 1956, Schedule XIII and other applicable provisions and subject to consent of shareholders, the Managerial remuneration of **Mr. Rahul Palkar, Executive Director** be and is hereby varied w.e.f. 1st April, 2004 on such terms and conditions as approved by the Board.

"RESOLVED FURTHER THAT the Board is also authorized to vary/revise the aforesaid remuneration from time to time within the limits of Schedule XIII of the Companies Act, 1956 & also authorized to take necessary steps for implementing the aforesaid resolution."

8. To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution.

"RESOLVED THAT the consent of the company be and is hereby to the Board of Directors under section 293(1)(d) of the companies Act, 1956 to borrow any sum of moneys from time to time not withstanding that the money or monies to be borrowed together with the moneys already borrowed by the company (amount from temporary loans obtained from the companies bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the company and the free reserves that is to say reserves not set apart for any specific purposes provided however, the total amount so borrowed shall not exceed Rs.20,00,00,000/- (Rupees Twenty crore only)."

BY ORDER OF THE BOARD
INDO AMINES LIMITED

DATE: 31st JULY, 2004
PLACE: Dombivli

For INDO AMINES LTD.

Director

VIJAY PALKAR
MANAGING DIRECTOR

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. The proxies, in order to be effective should be deposited with the company not less than 48 hours before the time fixed for the commencement of the meeting.
3. The Register of Members and Share Transfer Register shall remain closed from **Monday the 20th September, 2004 to Wednesday the 29th September, 2004** (both days inclusive).
4. Explanatory statement under section 173(2) of the Companies Act, 1956 in respect of the Special Business set above is annexed.
5. As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the Meeting. Members are therefore, requested to bring their copies to the meeting.
6. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
7. Members who are holding shares in identical order or names in more than one folio are requested to write to the company to enable the company to consolidation their holdings in one folio.

EXPLANATORY STATEMENT**As required by section 173(2) of the Companies Act, 1956****Item No. 5, 6 & 7.**

Mr. Vijay Palkar, Mr. Kirit Shah & Mr. Rahul Palkar are Managing Director, Whole Time Director & Executive Director respectively. Due to their sustained efforts, the company posted improved financial performance in the current year. Board in their meeting held on 29th March, 2004 proposed increase in their remuneration subject to approval of shareholders. The major terms & conditions of their remuneration are as per following.

a. Major Terms of variation in the remuneration of Mr. Vijay Palkar, Managing Director.**I) TERMS & CONDITIONS:**

1. Name & Designation of : **Mr. Vijay Palkar.** Managing Director.
2. Variation in remuneration : w.e.f. 1/4/2004
3. Period : For remaining tenure of his appointment i.e. upto 31/03/2008.
4. Salary (p.m) : Rs. 50,000/-p.m. with power to Board to vary from time to time within the limits of schedule-XIII of the Companies Act.

II) PERQUISITES:

Mr. Vijay Palkar as a Managing Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a) Contribution to provident Fund, Superannuation fund or annuity fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.
- b) **Gratuity:** as per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
- c) **Children's Education Allowance:** In case of children studying in or outside India, an allowance limited to a maximum of Rs. 5,000/- per month per child or actual expenses incurred, whichever is less such allowance is admissible up to a maximum of two children.
- d) **Holiday passage for children studying outside India/family staying abroad:** Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad India if they are not residing in India with the managerial person.

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For INDO AMINES LTD.

[Signature]
Director

- e) **Leave Travel Concession:** Return passage for self and family in accordance with the rules specified by the Company where it is proposed that the leave be spent in home country instead of anywhere in India.
- f) Salary and perquisites specified herein shall be payable to the Managing Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- g) The Managing Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
- h) The Managing Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the Company.
- i) The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule XIII the Companies Act, 1956, or any amendment hereafter in that regard.

OTHER BENEFITS: Apart from the aforesaid remuneration, the Managing Director shall be entitled to reimbursement of expenses incurred in connection with the business of the Company. The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or committee thereof.

MINIMUM REMUNERATION:

Notwithstanding anything to the contrary therein, where in any financial year during the currency of the tenure of the Managing Director, the company has no profits or its profits are inadequate, the remuneration payable by way of salary and perquisites shall not exceed Rs. 6,00,000/-p.a. or Rs. 50,000/- p.m.

a. Major Terms of variation in remuneration of Mr. Kirit Shah, Whole Time Director.

I) TERMS & CONDITIONS:

1. Name & Designation of Director. : Mr. Kirit Shah, Whole Time Director.
2. Variation in remuneration : w.e.f. 1/4/2004
3. Period : For remaining tenure of his appointment i.e. upto 31/03/2008.
4. Salary (p.m) : Rs. 45,000/-p.m. with power to Board to vary from time to time within the limits of schedule-XIII of the Companies Act, 1956.

II) PERQUISITES:

Mr. Kirit Shah as a Whole Time Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a) Contribution to provident Fund, Superannuation fund or annuity fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.
- b) **Gratuity:** as per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
- c) **Children's education allowance:** In case of children studying in or outside India, an allowance limited to a maximum of Rs. 5,000/- per month per child or actual expenses incurred, whichever is less such allowance is admissible up to a maximum of two children.
- d) **Holiday passage for children studying outside India/family staying abroad:** Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad India if they are not residing in India with the managerial person.
- e) **Leave Travel Concession:** Return passage for self and family in accordance with the rules specified by the Company where it is proposed that the leave be spent in home country instead of anywhere in India.

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For INDO AMINES LTD.


Director

- f) Salary and perquisites specified herein shall be payable to the Whole Time Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- g) The Whole Time Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
- h) The Whole Time Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the Company.
- i) The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule XIII the Companies Act, 1956, or any amendment hereafter in that regard.

OTHER BENEFITS: Apart from the aforesaid remuneration, the Whole Time Director shall be entitled to reimbursement of expenses incurred in connection with the business of the Company. The Whole Time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or committee thereof.

MINIMUM REMUNERATION:

Notwithstanding anything to the contrary therein, where in any financial year during the currency of the tenure of the Whole Time Director, the company has no profits or its profits are inadequate, the remuneration payable by way of salary and perquisites shall not exceed Rs. 5,40,000/-p.a. or Rs. 45,000/- p.m.

C. Major Terms of variation in remuneration of Mr. Rahul Palkar, Executive Director.

I) TERMS & CONDITIONS:

1. Name & Designation of Director. : **Mr. Rahul V. Palkar, Executive Director.**
2. Variation in remuneration : w.e.f. 1/4/2004
3. Period : For remaining tenure of his appointment i.e. upto 31/03/2008.
4. Salary (p.m) : Rs. 40,000/-p.m. with power to Board to vary from time to time within the limits of schedule-XIII of the Companies Act.

II) PERQUISITES:

Mr. Rahul Palkar as an Executive Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a) Contribution to provident Fund, Superannuation fund or annuity fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.
- b) **Gratuity:** as per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
- c) **Children's education allowance:** In case of children studying in or outside India, an allowance limited to a maximum of Rs. 5,000/- per month per child or actual expenses incurred, whichever is less such allowance is admissible up to a maximum of two children.
- d) **Holiday passage for children studying outside India/family staying abroad:** Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad India if they are not residing in India with the managerial person.
- e) **Leave travel concession:** Return passage for self and family in accordance with the rules specified by the Company where it is proposed that the leave be spent in home country instead of anywhere in India.
- f) Salary and perquisites specified herein shall be payable to the Executive Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.

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For INDO AMINES LTD.


Director

- g) The Executive Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
- h) The Executive Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the Company.
- i) The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule XIII the Companies Act, 1956, or any amendment hereafter in that regard.

OTHER BENEFITS: Apart from the aforesaid remuneration, the Executive Director shall be entitled to reimbursement of expenses incurred in connection with the business of the Company. The Ex. Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or committee thereof.

MINIMUM REMUNERATION:

Notwithstanding anything to the contrary therein, where in any financial year during the currency of the tenure of the Executive Director, the company has no profits/its profits are inadequate, the remuneration payable by way of salary & perquisites shall not exceed Rs.4,80,000/-p.a. or Rs.40,000/- p.m.

Mr. Vijay Palkar, aged 51 years, is engineer & one of the Chief promoters of the Company. Due to his sustained efforts the company achieved this level. Your Board therefore recommends revision in remuneration w.e.f. 1st April, 2004 as a Managing Director of the Company.

Mr. Kirit Shah, aged 56 years, is another promoter. He has vast experience in marketing field. Having regard to the knowledge & experience & further the enhanced responsibilities carried due to manifold increase in the operations of the Company, the Board recommends revision in remuneration w.e.f. 1st April, 2004 as a Whole Time Director of the Company.

Mr. Rahul Palkar, aged 25 years, is engineer by profession. His main area of operation is Research & Development. Your Board therefore recommends revision in remuneration w.e.f. 1st April, 2004 as a Executive Director of the Company.

The copies of the terms & conditions of all these Managerial Personnel are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 2.00 p.m. up to the date of Annual General Meeting.

Mr. Vijay Palkar, Mrs. Bharati Palkar & Mr. Rahul Palkar Directors are interested in the resolutions about Managerial remuneration of Mr. Vijay & Mr. Rahul Palkar & Mr. Kirit Shah is interested in his resolution of managerial remuneration.

This explanatory statement, along with relevant resolutions may be treated as an abstract of the terms of this contract of appointments to be disclosed to the members pursuant to Section 302 of the Companies Act, 1956.

Item No. 8

Pursuant to section 293(1)(d) of the Companies Act, 1956, requires the consent of the Members in the General Meeting for authorizing the Board of Directors to borrow monies (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of the paid-up Capital and free reserves.

In view of the growing operations the company requires additional funds as Working Capital. It is therefore recommended to increase the borrowing powers of the Board of Directors to Rs. 20,00,00,000/- (Rupees Twenty Crores only).

The Board of Directors recommends the resolution for approval of the members.

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BY ORDER OF THE BOARD
INDO AMINES LIMITED

DATE: 31st July, 2004
PLACE: Dombivli

For **INDO AMINES LTD.**

INDO AMINES LTD.

[Signature]
Director

VIJAY PALKAR
MANAGING DIRECTOR

INDO AMINES LIMITED**DIRECTORS' REPORT:**

To,
The Members,
INDO AMINES LIMITED

Your Directors have great pleasure in presenting **11th ANNUAL REPORT** along with the Audited Balance Sheet and Profit and Loss Account, for the year ended 31st March, 2004.

1. FINANCIAL RESULTS:

Particulars	(Rs. in Lacs)	
	Year ended 2004	2003
Total Income	2174.59	1200.00
Depreciation	78.57	36.24
Profit before tax	110.53	29.41
Provision for taxation	6.14	Nil
Appropriation:		
Profit before tax	110.53	29.41
Balance of profit b/f	(57.12)	(117.21)
Amount available for appropriation		Nil
Transfer to:		
General reserve	Nil	Nil
Provision for deferred tax Assets/(Liabilities)	(39.47)	30.67
Balance carried to Balance sheet	7.80	(57.12)

2. OPERATIONS:

The Financial Year 2003-04 has been a turn around Year for the company both in terms of Volume & Profit. The Sales have **doubled as compare** to last Year & profits have **also increased Substantially**, as promised by the Board Of directors. The turnaround in Company performance is basically due to cost cutting measures & Marketing efforts done by the Management. Board of Directors are sure that the current Financial Year (2004-05) the company will be able to accelerate growth at a higher Phase.

3. DIVIDEND:

Company has been able to write off all its accumulated losses till date and Management has decided to plough back all the profits for further expansion of the Business.

4. DEPOSITES:

Your company did not accept any deposits from the public during the current year.

5. DIRECTORS:

During the year Mr. J. H. Shah & Mr. Suresh Iyer, Directors of the company are retiring by rotation & being eligible offers themselves for reappointment. Board also recommends revision in remuneration of Mr. Vijay Palkar, Managing Director, Mr. Kirit Shah, Whole Time Director & Mr. Rahul Palkar Executive Director w.e.f. 1st April, 2004.

6. SUBSIDIARIES:

Since the Company has no subsidiaries, provision of section 212 of the Companies Act, 1956 is not applicable.

7. CORPORATE GOVERNANCE CODE:

The Board had implemented Corporate Governance Code in pursuance of clause 49 of Listing Agreement during the year. The report on Corporate Governance is annexed hereto forming part of this report. The requisite certificate from H. Shetye Associates, Company Secretary in practice on implementation of requirements of the Corporate Governance is also annexed herewith forming part of this report.

8. AUDITORS REPORT:

As regards Item No. 4 vi) of the Auditors Report, the Company is in the process of obtaining the requisite approval from the concerned authorities. In respect of Item No. i a) of Para 3 of Auditors Report the Company is in the process of updating all the particulars of Fixed Assets Records.

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For INDO AMINES LTD.


Director

INDO AMINES LIMITED**ELEVENTH ANNUAL REPORT****9. DIRECTORS RESPONSIBILITY STATEMENT:**

The Board of Directors hereby confirm

- i) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the financial year and of the Profit or Loss of the Company for that period.
- iii) That the Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the Annual accounts on a going concern basis.

10. AUDITORS:

M/s. Kulkarni & Khanolkar, Chartered Accountants, Mumbai, Statutory Auditors of your company hold office till the conclusion of the coming Annual General Meeting. They are eligible for re-appointment and have furnished a certificate to the effect that their re-appointment, if made, will be in accordance with the limits specified in Section 224(1-B) of the Companies Act, 1956. Members are requested to appoint the Auditors for the current year at a remuneration to be decided by the Board of Directors of the Company.

11. PARTICULARS OF EMPLOYEES:

No details as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, are given, as there are no employees drawing remuneration in excess of the prescribed limits.

12. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO AS PER SECTION 217(1) COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.**a) CONSERVATION OF ENERGY: 31.03.2004.****Power & Fuel consumption:**

1)	Electricity	
a)	Purchase Units	8,64,546.00
	Total Amount (in Rs.)	37,12,870.00
	Rate/Unit (in Rs.)	4.30
b)	Own Generation	NIL
2.	Coal (Wood)	
	Purchase Units	8,30,146.00
	Total Amount (in Rs.)	15,97,357.00
	Rate/Unit (in Rs.)	1.92
3.	Fuel (LDO, FO, Diesel, SKO, WO)	
a)	Consumed	
	Units (Liters)	4,14,192.00
	Total amount	51,02,182.00
	Rate/Unit (in Rs.)	12.32
b)	Other/Internal Generation	NIL

b) FOREIGN EXCHANGE EARNINGS & OUTGO:

During the year under review the foreign exchange earnings and outgoings are as follows:

a)	Foreign Exchange Earnings	Rs. 5,28,88,734
b)	Foreign Exchange outgo	Rs. 2,44,58,885

13. ACKNOWLEDGEMENT

Your Directors wish to thank State Bank of India, Matunga Branch & Union Bank of India, Sayajigunj Branch Baroda, the bankers of the company, the shareholders and the employees of the Company for the support and co-operation extended by them.

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For INDO AMINES LTD.

DATE: 31st July, 2004

PLACE: Dombivli.

Director

**BY ORDER OF THE BOARD
INDO AMINES LIMITED**

**VIJAY PALKAR
CHAIRMAN & MANAGING DIRECTOR**