

**13<sup>TH</sup>**

# **ANNUAL REPORT**

**2005 – 2006**

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## **INDO AMINES LIMITED**

**REGD. OFFICE :** W-38/39, PHASE II,  
M.I.D.C., DOMBIVLI (EAST),  
DIST. THANE. PIN – 421 203

**INDO AMINES LIMITED****BOARD OF DIRECTORS**

Mrs. BHARATI V. PALKAR	: CHAIRPERSON & DIRECTOR
Mr. VIJAY B. PALKAR	: MANAGING DIRECTOR & CEO
Mr. KIRIT H. SHAH	: WHOLE TIME DIRECTOR
Mr. RAHUL V. PALKAR	: EXECUTIVE DIRECTOR
Mr. N. G. MANE	: EXECUTIVE DIRECTOR
Mr. MILIND PATIL	: EXECUTIVE DIRECTOR
Mr. SURESH IYER	: EXECUTIVE INDEPENDENT DIRECTOR
MR. R. RAGHAVENDRA RAVI	: INDEPENDENT NON EXECUTIVE DIRECTOR.
Dr. J. H. SHAH	: INDEPENDENT NON EXECUTIVE DIRECTOR
MR. DHAWAL VORA	: INDEPENDENT NON EXECUTIVE DIRECTOR (w.e.f. 27 <sup>th</sup> December, 2005)

**AUDITORS**

Kulkarni and Khanolkar, Mumbai.  
Chartered Accountants

**CORPORATE GOVERNANCE REPORT**

H. Shetye Associates,  
Company Secretaries.  
Mumbai.

**BANKERS**

State Bank of India, Dadar Commercial Branch.  
Union Bank of India, Baroda.

**REGISTERED OFFICE**

W-38/39, Phase II, MIDC,  
Dombivli (E), Dist. Thane - 421 203.

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

E/2, Ansa Industrial Estate,  
Sakivihar Road, Sakinaka,  
Andheri (E), Mumbai 400 072  
Tel No. 022-28470652  
Email Address:- info@bigshareonline.com

**MANUFACTURING FACILITIES AT**

1. W-38/39, Phase II, MIDC,  
Dombivli (E), Dist. Thane.
2. Survey No. 1723, Tundav,  
Taluka Savli, Baroda, Gujarat.
3. W/265, W/266A, TTC Indl Area,  
Rabale MIDC, Navi Mumbai - 400 701

**SHARES LISTED AT;**

The Stock Exchange	-	Mumbai
	-	Ahmedabad
	-	Calcutta

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**13<sup>th</sup> ANNUAL GENERAL MEETING**

**Date:** 4<sup>th</sup> December, 2006

**Day:** Monday.

**Time:** 11.00 a.m.

**Place:** C.K.P HALL,  
RAM GANESH GADKARI PATH,  
NEAR KARWA HOSPITAL,  
Dombivli (EAST)

**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 13<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF INDO AMINES LIMITED WILL BE HELD ON Monday THE 4<sup>TH</sup> DECEMBER, 2006 AT 11.00 A.M. AT C.K.P HALL, RAM GANESH GADKARI PATH, NEAR KARWA HOSPITAL, DOMBIVALI (EAST) TO TRANSACT THE FOLLOWING BUSINESS.

\*\*\*\*\*

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited accounts for the year ended 31<sup>st</sup> March 2006 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 Mrs. Bharati V. Palkar, Director of the company who retires by rotation & being eligible offers herself for re-appointment.
3. To appoint a Director in place of Mr. Raghavendra Ravi, Director of the company who retires by rotation & being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr. J. H. Shah, Director of the company who retires by rotation & being eligible offers himself for re-appointment.
5. To appoint auditors of the Company 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:**

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

**"RESOLVED THAT** Mr. Dhawal Vora, who was appointed as an additional Director w.e.f. 27<sup>th</sup> December, 2005 and who holds office upto the date of the 13<sup>th</sup> Annual General Meeting, but who is eligible for the re-appointment and in respect of whom the company has received a notice in writing from a member under section 257 of the Companies Act, 1956 be and is hereby re-appointed as a Director."

7. 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 monies from time to time not withstanding that the money or monies to be borrowed together with the monies 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. 50,00,00,000/-** (Rupees Fifty Crores only)."

8. 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. 1<sup>st</sup> April, 2006 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."

9. 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. 1<sup>st</sup> April, 2006 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."

10. 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. 1<sup>st</sup> April, 2006 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."

11. 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.N.G. Mane, Executive Director** be and is hereby varied w.e.f. **1<sup>st</sup> April, 2006** 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."

12. 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. Milind Patil, Executive Director** be and is hereby varied w.e.f. **1<sup>st</sup> April, 2006** 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."

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

**"RESOLVED THAT** pursuant to provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956 Article 139 of the Articles of association of the Company, consent of the Company be and is hereby accorded to the payment and distribution of a sum not exceeding one percent of the net profits of the Company, calculated in accordance with the provisions of section 198, 349 and 350 of Companies Act, 1956 by way of commission to Mrs. Bharati Palkar, Non Executive Chairperson in such amounts or proportion and in such manner as may be determined by the Board of Directors from time to time and in absence of such determination such payment be made out of the profits of the Company of each year during the period of 5 years commencing from 1<sup>st</sup> April, 2006."

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

BY ORDER OF THE BOARD  
FOR INDO AMINES LIMITED

DATE: 30<sup>th</sup> October, 2006  
PLACE: Dombivli

Sd/-

Mr. Vijay B. 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 27<sup>th</sup> November, 2006 to Monday the 4<sup>th</sup> December, 2006 (both days inclusive).
4. Explanatory statement under section 173(2) of the Companies Act, 1956 in respect of the Special Business as 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 consolidate their holdings in one folio.

8. Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, additional information related to Directors recommended for appointment /re-appointment at the Annual General Meeting appears in the Corporate Governance Report
9. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Managing Director at least seven days before the date of the meeting, so that the information required may be made available at the meeting.
10. Members holding shares in physical form are requested to notify/send the following to the company's Register and Transfer Agents to facilitate better service.
  - i. Any change in their address/mandate / bank details.
  - ii. Particulars of their bank accounts in case the same have not been sent earlier and
  - iii. Share certificate (s) held in multiple accounts in identical names and / or joint accounts in the same order of names for consolidation of such shareholdings into one account.

#### **EXPLANATORY STATEMENT**

#### **As required by section 173(2) of the Companies Act, 1956**

#### **ITEM No. 6:**

Mr. Dhawal Vora who was appointed as an additional Director w.e.f. 27<sup>th</sup> December, 2005 under section 260 of the Companies Act, 1956. The said Director will hold office upto the date of the 13<sup>th</sup> Annual General Meeting. The company has received a notice in writing from member proposing the candidature of Mr. Dhawal Vora for the office of the Director under section 257 of the Companies Act, 1956.

A detail of Resume of the Director as per the Clause 49 of the listing Agreement is listed in the Corporate Governance Report.

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

None of the Directors, except Mr. Dhawal Vora is concerned or interested in the said Resolution.

#### **ITEM No.7:**

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.50,00,00,000/- (Rupees Fifty Crores only).

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

#### **ITEM NO. 8,9,10,11 and 12:**

Mr. Vijay Palkar, Mr. Kirit Shah, Mr. Rahul Palkar, Mr. N.G.Mane & Mr. Milind Patil are Managing Director, Whole Time Director & other three are Executive Directors respectively. Due to their sustained efforts, the company posted improved financial performance in the current year. Board in their meeting held on 30<sup>th</sup> January, 2006 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 Director. | : | <b>Mr. Vijay Palkar.</b><br>Managing Director.  |
| 2. Variation in remuneration       | : | w.e.f. 1/4/2006   |
| 3. Period                          | : | For remaining tenure of his appointment i.e. upto 31/03/2008.   |
| 4. Salary (p.m)                    | : | Rs. 71,500/-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. 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.
- 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 all the medical expenses of his and his dependents, all fringe benefits and all other expenses incurred in connection with the business of the Company.

**b. 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. 1/4/2006
3. Period : For remaining tenure of his appointment i.e. upto 31/03/2008.
4. Salary (p.m) : Rs. 66,000/-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) Contributions 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 in India 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 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 of 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 medical expenses, all fringe benefits and all expenses incurred in connection with the business of the Company.

## 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. 1/4/2006
3. Period : For remaining tenure of his appointment i.e. upto 31/03/2008.
4. Salary (p.m) : Rs.55,000/-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. Rahul Palkar as an Executive Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a) Contributions 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 in India 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.
- 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 of 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 medical expenses, all fringe benefits and all expenses incurred in connection with the business of the Company.

## d. Major Terms of variation in remuneration of Mr. N. G. Mane, Executive Director.

I) **TERMS & CONDITIONS:**

- 1 Name & Designation of Director : **Mr. N. G. MANE**  
Executive Director.
- 2 Variation in remuneration : w.e.f. 1/4/2006
- 3 Period : For remaining tenure of his appointment i.e. upto 31/03/2010
- 4 Salary (p.m) : Rs.29,200/--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. N. G. Mane as an Executive Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a) Contributions 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 in India 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.
- 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 of 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 medical expenses, all fringe benefits and all expenses incurred in connection with the business of the Company.

**e. Major Terms of variation in remuneration of Mr. Milind Patil , Executive Director.**

**I) TERMS & CONDITIONS:**

- |   |                                 |  |
|---|---------------------------------|--|
| 1 | Name & Designation of Director. | : Mr. Milind Patil<br>Executive Director.  |
| 2 | Variation in remuneration       | : w.e.f. 1/4/2006  |
| 3 | Period                          | : For remaining tenure of his appointment i.e. upto 31/03/2010   |
| 4 | Salary (p.m)                    | : Rs.25,000/-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. Milind P. Patil as an Executive Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a) Contributions 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 in India 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.
- 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 of 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 medical expenses, all fringe benefits and all expenses incurred in connection with the business of the Company.

Mr. Vijay Palkar, aged 52 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. 1<sup>st</sup> April, 2006 as a Managing Director & CEO of the Company.

Mr. Kirit Shah, aged 57 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. 1<sup>st</sup> April, 2006 as a Whole Time Director of the Company

Mr. Rahul Palkar, aged 27 years, is B.Sc. by profession. His main area of operation is Research & Development. Your Board therefore recommends revision in remuneration w.e.f. 1<sup>st</sup> April, 2006 as a Executive Director of the Company.

Mr. N. G. Mane, aged 39 years, is B.com, D. B. M. He has vast experience in sales and marketing mainly in chemical industries. He has been in the field for more than one decade and also a well known personality in the Industry. Your Board therefore recommends revision in remuneration w.e.f. 1<sup>st</sup> April, 2006 as a Executive Director of the Company.

Mr. Milind Patil, aged 53 years, is Production Engineer. He has vast experience in handling Factory & production related matters. He has master the art of getting the best out of the Human Resources. He handles the Baroda Factory of the Company. Your Board therefore recommends revision in remuneration w.e.f. 1<sup>st</sup> April, 2006 as a Executive Director of the Company.

The copies of the terms and conditions of all these Managerial Personnel's 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 variation of managerial remuneration of Mr. Vijay Palkar and Mr. Rahul Palkar.

Mr. Kirit Shah, Mr.N.G.Mane and Mr. Milind Patil are interested in their resolutions of variation of managerial Remuneration.

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

**ITEM NO. 13:**

As members are aware as per scheme of arrangements as approved by Bombay High Court, Flame Pharmaceuticals Private Limited & Sheiraj Chemicals and Pharmaceuticals Private Limited merged with the Company w.e.f. 1<sup>st</sup> April, 2005. Mrs. Bharati Palkar was a Executive Director in one of the transferor company i.e. Flame Pharmaceuticals Private Limited.

Your Directors proposed to remunerate the Executive Director of Flame Pharmaceuticals Private Limited, Mrs. Bharati Palkar by way of commission on net profit of the Company pursuant to provisions of Section 309(4) (b) of the Companies Act, 1956. Since the said section and the clause 49(IB) of corporate governance requires shareholders approval in the form of special resolution, hence this resolution is proposed for your consideration.

Mr. Vijay Palkar, Mr. Rahul Palkar and Mrs. Bharati Palkar, herself are interested in this resolution.

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

**DATE: 30<sup>th</sup> October, 2006  
PLACE: Dombivli**

**Sd/-**

**Mr. Vijay B. Palkar  
Managing Director**

**INDO AMINES LIMITED****DIRECTORS' REPORT:**

To,  
The Members,  
**INDO AMINES LIMITED**

Your Directors have great pleasure in presenting **13<sup>th</sup> ANNUAL REPORT** along with the Audited Balance Sheet and Profit and Loss Account, for the year ended 31<sup>st</sup> March, 2006.

**1. FINANCIAL RESULTS:**

Particulars	(Rs. in Lacs)	
	Year ended	
	2006	2005
Total Income	5121.30	3327.50
Depreciation	176.46	104.57
Profit/Loss before tax	166.42	121.45
Provision for taxation	73.51	35.00
Appropriation:		
Profit before tax	166.41	121.45
Balance of profit b/f	80.65	7.80
Amount available for appropriation	191.31	94.25
Transfer to:		
General reserve	NII	NII
Provision for deferred tax Assets/(Liabilities)	8.82	(13.60)
Balance carried to Balance sheet	182.49	80.65

**2. OPERATIONS:**

The Financial Year 2005- 2006 has been a historical year for the company, the sales has been around Rs.51.21 Crs (approx.) increase of around 54% in sales & also the profit has been Rs. 1.66 cores (approx) a growth of 37% compare to last year . The main reasons for growth of profitability is due to better realization of sales. Export Sales accounts for 40% of the total turnover.

As per the Management strategic, the company is entering into arena of high volumes and low margin game plan. It view of that the company has already started plans for major expansion

**3. AMALGAMATION :**

During the year, your Board of Directors approved the scheme of Amalgamation of Flame Pharmaceuticals Private Limited & Sheiraj Chemicals and Pharmaceuticals Pvt. Ltd with the Company and also approved the ratio of amalgamation. The said scheme of amalgamation was approved by Bombay, High Court vide order dt.4<sup>th</sup> August, 2006 and the said orders were filed with the Registrar of Companies, Maharashtra, for registration.

The Board allotted 13,36,890 equity Shares to the shareholders of both the transferor companies pursuant to Bombay, High Court order.

Since the appointed date is 1<sup>st</sup> April, 2005, the accounts for the current year are prepared after giving effect of amalgamation.

**4. INCREASE OF AUTHORIZED CAPITAL:**

The Authorised share capital was also increased from Rs.7,00,00,000/- to Rs.7,75,00,000/- in the court convened Extra-Ordinary General Meeting held on 24<sup>th</sup> April, 2006.

**5. 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.

**6. DEPOSITES:**

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

**7. DIRECTORS:**

During the year Mr. Dhaval J. Vora was appointed as an additional Director Pursuant to Section 260 of the Companies Act, 1956, w.e.f.27<sup>th</sup> December, 2005. You are requested to re-appoint him.

Mrs. Bharati Palkar, Mr. Raghavendra Ravi and Dr.J. H. Shah Directors of the company are retiring by rotation & being eligible offers themselves for reappointments. You are requested to re-appoint them.

The managerial remuneration of Mr. Vijay Palkar, Managing Director, Mr. Kirit Shah, Whole Time Director, Mr. Rahul Palkar, Executive Director, Mr. N.G. Mane, Executive Director and Mr. Milind Patil, Executive Director was revised w.e.f.1<sup>st</sup> April, 2006.

The Board also proposed commission to Mrs. Bharati Palkar Non Executive Chairperson w.e.f. 1<sup>st</sup> April, 2006.

**8. SUBSIDIARIES:**

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

**9. 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