

18TH

ANNUAL REPORT

2010 – 2011



INDO AMINES LIMITED

REGD. OFFICE: W-44, PHASE II, M.I.D.C.,
DOMBIVLI (EAST), DIST. THANE – 421 204

**BOARD OF DIRECTORS**

Mr. DEEPAK KANEKAR	:	CHAIRMAN & INDEPENDENT NON EXECUTIVE DIRECTOR
Mr. VIJAY B. PALKAR	:	MANAGING DIRECTOR & CEO (PROMOTER)
Mr. KIRIT H. SHAH	:	WHOLE TIME DIRECTOR (PROMOTER)
Mrs. BHARATI V. PALKAR	:	EXECUTIVE DIRECTOR (PROMOTER)
Mr. RAHUL V. PALKAR	:	EXECUTIVE DIRECTOR (PROMOTER)
Mr. C.L. KADAM	:	EXECUTIVE DIRECTOR
Mr. NARAYAN G. MANE	:	EXECUTIVE DIRECTOR
Mr. SURESH IYER	:	INDEPENDENT NON EXECUTIVE DIRECTOR
Mr. DHAWAL VORA	:	INDEPENDENT NON EXECUTIVE DIRECTOR
Mr. VISHWAS MEHENDALE	:	INDEPENDENT NON EXECUTIVE DIRECTOR
Mr. R. RAGHAVENDRA RAVI.	:	INDEPENDENT NON EXECUTIVE DIRECTOR.
Mr. NISHIKANT SULE	:	ADDITIONAL INDEPENDENT NON EXECUTIVE DIRECTOR (w.e.f. 11 th February, 2011)

AUDITORS

Kulkarni and Khanolkar, Chartered Accountants, Mumbai.

CORPORATE GOVERNANCE REPORT

HS Associates, Company Secretaries, Mumbai

BANKERS

IDBI Ltd. Cuffe Parade, Mumbai
DNSB Ltd., Dombivli.

REGISTERED OFFICE (w.e.f. 28th May, 2011)

W- 44, Phase II, MIDC, 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.
Tel No. 022-28470652, Email Address: info@bigshareonline.com

MANUFACTURING FACILITIES AT

1. W-37/38/39, Phase II, MIDC, Dombivli (E), Dist. Thane – 421 204.
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 - Bombay Stock Exchange Limited

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18th ANNUAL GENERAL MEETING

Date : 29th August, 2011
Day : Monday
Time : 12.00 Noon
Place : C.K.P. Hall, Ram Ganesh Gadkari Path,
Near Karwa Hospital, Dombivli (E),
Dist. Thane - 421 201.

**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 18TH ANNUAL GENERAL MEETING OF THE MEMBERS OF INDO AMINES LIMITED WILL BE HELD ON MONDAY THE 29TH AUGUST, 2011 AT 12.00 Noon, AT C.K.P. HALL, RAM GANESH GADKARI PATH, NEAR KARWA HOSPITAL, DOMBIVALI(E), DIST. THANE - 421 201 TO TRANSACT THE FOLLOWING BUSINESS.

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ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts for the year ended 31st March 2011 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To confirm the interim dividend @ 7%.
4. To appoint a Director in place of Mr. R.R. Ravi, Director of the company who retires by rotation & being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Dhawal Vora, Director of the company who retires by rotation & being eligible offers himself for re-appointment.
6. 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.
7. 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.
8. To consider and if thought fit to pass, with or without modification, the following resolution as an **Ordinary resolution**.
“**RESOVLED THAT** Mr. Nishikant Sule, who was appointed as an additional Director w.e.f.11th February, 2011, and who holds office upto the date of the 18th 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.”
9. To consider and if thought fit, with or without modification, the following resolution as a **Special Resolution** :
“**RESOLVED THAT** pursuant to section 149(2A) of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the commencement of the business by the Company as given in sub-clause 98 of Clause (c) other objects of the Memorandum of Association.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them in the best interest of the Company.”

10. To consider and if thought fit to pass, with or without modification, the following resolution as an **Ordinary resolution**.
“**RESOLVED THAT** pursuant to provision of Section 309(4) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the payment of a sum not exceeding 1% (One Per Cent) of the net profits of the Company, calculated in the manner laid down in section 198, 349 and 350 of the Companies Act, 1956, by way of commission to **Dr. Deepak Kanekar, Non Executive Chairman** of the Company, **for a period of five years commencing from 1st April 2011** Provided that, within the period covered by this resolution, the total amount of remuneration to be received by all of the Directors together shall not exceed the amount as prescribed in Schedule XIII of the Companies Act, 1956.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board and/or Remuneration Committee constituted by the Board be and are hereby authorized to take all actions and do all such deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

By Order Of the Board
Sd/-

Vijay Palkar
(Managing Director)

Dombivali: 22nd July, 2011
Registered office:
W - 44, Phase – II, MIDC, Dombivli (E)
Dist. Thane – 421 204.

**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 22nd August, 2011 to Monday the 29th August, 2011**(both days inclusive).
4. In terms of Sections 205A and 205C of the Companies Act, 1956, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. Members who have not encashed their dividend warrants are requested to write to the Registrars & Share Transfer Agents.
5. The dividend as recommended by the Board, if approved at the ensuing Annual General Meeting, will be paid to those Members whose names appear on the Company's Register of Members **as on 29th August, 2011**

The dividend in respect of shares held in the electronic form will be paid to the beneficial owners of shares whose name appear in the list furnished by the Depositories for this purpose as at the close of business hours on **22th August, 2011**
6. In order to ensure safety against fraudulent encashment of dividend warrants, members holding shares in physical form are requested to furnish to the Company or Company's R&T Agents, Bigshare Services Private Limited , bank account details which will be printed on the dividend warrants.
7. A Member may avail of the facility of nomination by nominating in the prescribed "NOMINATION FORM", a person to whom his/her shares in the Company shall vest in the event of his/her death.
8. 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.
9. Members holding shares in electronic form are advised that address/bank details as furnished to the company by the respective Depositories, viz NSDL & CDSL, will be printed on the dividend warrants. Members are requested to inform the concerned Depository participants of any change in address, dividend mandate, etc.
10. Shareholders seeking any information with regard to Annual Report are requested to write to the Company at an early date so that the information can be kept ready.
11. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/ 2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing companies to dispatch documents to the shareholders through electronic mode. Considering the above theme, your company has decided to send Annual Report through electronic mode. However, if required the copy of the Annual Report shall be provided to the shareholder at the Annual General Meeting.

The members are requested to:

- i. Intimate to the registrars / Company, changes if any, in their registered address at an early date along with the pin code number;
- ii. Quote Registered Folio / Client ID & DP ID in all their correspondence;
- iii. Dematerialise the shares held in physical form at the earliest as trading in the Equity Shares of the Company shall be only in dematerialised form for all the investors.

**DIRECTORS' REPORT:**

To,
The Members,
INDO AMINES LIMITED.

Your Directors have great pleasure in presenting **18th ANNUAL REPORT** along with the Audited Balance Sheet and Profit and Loss Account, for the year ended 31st March, 2011.

1. FINANCIAL RESULTS :**(₹ in Lacs)**

Particulars	Year ended	
	2011	2010
Total Income	16151.85	9409.88
Depreciation	242.42	254.84
Profit before tax	423.12	200.38
Provision for taxation	(148.30)	80.00
<u>Appropriation:</u>		
Profit after tax	274.82	120.38
Balance of profit b/f	651.03	586.61
Amount available for appropriation	925.85	706.99
<u>Transfer to:</u>		
Dividend & Div Distribution Tax	(103.09)	68.62
General reserve	-	
Provision for deferred tax Assets/(Liabilities) Goodwill	4.94	12.66
Balance carried to Balance sheet	827.70	651.03

2. OPERATIONS :

The turnover of the Company for the financial year 2010-11 was ₹ 15,647.83 lacs compared to last year of ₹ 9,201.74 lacs increase of almost 70% in comparison to last year.

Company has made a profit before tax of ₹ 423.12 lacs almost a jump of 111% compare to last year ₹ 200.38 lacs. This substantial jump in profit is due to increase in sales better product mix and cost control methods adopted by the management.

During the year company has launched its new product in Formulation segment as "Benzo" which has its application as Toilet Cleaner.

3. DIVIDEND :

During the year the Company has declared an interim dividend @ 7% in the Board of Directors meeting held on 12th November, 2011 and total out flow was of ₹ 61.68 lacs however your Directors are pleased to recommend a final Dividend of 0.30 paise (3%) per equity share of ₹ 10/- each The dividend, if approved by the shareholders at the forthcoming Annual General Meeting would absorb ₹ 26.44 lacs out of the profits of the year. Dividend distribution tax payable by the company amounting to ₹ 14.98 lacs has been appropriated out of profits.

4. DEPOSITES :

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

5. DIRECTORS:

During the year Mr. R.R. Ravi, Mr. Dhawal Vora and Mr. Suresh Iyer, Directors of the Company are retiring by rotation & being eligible offers themselves for re-appointment.

Mr. Nishikant Sule was appointed as an additional Director of the company w.e.f. 11th February, 2011 you are requested to reappoint him in the forthcoming Annual General Meeting.

6. SUBSIDIARIES:

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



7. The Company has received order from the Ahmedabad Stock Exchange Limited for voluntary delisting of Securities Under the SEBI (Delisting of Equity Shares) Regulations, 2009 on 11th July, 2011. The Company has submitted application for voluntary Delisting of Equity Shares of the Calcutta Stock Exchange under clause 6 (a) of SEBI (Delisting of Equity Shares) Regulations, 2009. However as on date of this report the order for delisting of Shares is yet to be received.

8. PREFERENTIAL ISSUE OF FULLY CONVERTIBLE WARRANTS :

As approved by the members in their Extra Ordinary General Meeting held on 2nd May, 2011, the Company has allotted 4,60,000/- fully convertible warrants on dated 10th June, 2011, to promoters group Companies on preferential basis @ ₹ 24/- per convertible warrants.

9. SHIFTING OF REGISTERED OFFICE:

The registered office was changed from W-38/39, Phase II, M.I.D.C., Dombivli(East), Dist. Thane – 421 204 to W - 44 , Phase II, M.I.D.C., Dombivli(East), Dist. Thane – 421 204 w.e.f. 28th May, 2011.

10. 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 M/S HS Associates, Company Secretaries on implementation of requirements of the Corporate Governance is also annexed herewith forming part of this report.

11. 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 have signified their willingness to be re-appointment as Statutory Auditor of the Company.

The aforesaid appointment is proposed for your approval at the forthcoming Annual General Meeting of the Company. The significant Accounting policies & notes on Account are self explanatory hence no further explanations are required.

12. DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors hereby confirms

- 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 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.

13. 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.



14. 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: 31.03.2011.

- a) Energy conservation measures taken :
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy;
- c) impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;
- d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the schedule thereto.

ANNEXURE

FORM A

Form for disclosure of particulars with respect to conservation of energy.		
A. Power & Fuel consumption :	Current Year 2010-11	Previous year 2009-10
1) Electricity		
a) Purchase Units	2650849	2328975
Total Amount (₹ in lacs)	205.56	157.90
Rate/Unit (₹ in lacs)	7.75	6.78
b) Own Generation	NIL	NIL
(i) Through diesel generator		
Units	NIL	NIL
Units per ltr. Of diesel oil	NIL	NIL
Cost / unit	NIL	NIL
(ii) Through steam turbine generator		
Units	NIL	NIL
Units per ltr. Of fuel oil/gas	NIL	NIL
Cost / unit	NIL	NIL
2. Coal / Wood (specify quality and where used)		
Quantity (Tones)	4571861	3397610
Total Cost	121.72	79.21
Average Rate	2.66	2.33
3. Furnace Oil (LDO, Diesel, SKO, WO)		
Quantity (k. ltrs)	1020713	799397
Total Amount	309.68	211.76
Average Rate	30.34	26.49
4. Other/Internal Generation (Please give details)		
Quantity	NIL	NIL
Total Cost	NIL	NIL
Rate / unit	NIL	NIL

**B) TECHNOLOGY ABSORPTION**

(e) Efforts made in technology absorption as per Form B of the Annexure :

FORM B**Form for disclosure particulars with respect to absorption of technology.****Research and Development (R & D)**

1. Specific areas in which R & D carried out by the Company,
The scope of activities covers process developments in chemicals & related Process
2. Benefits derived as a result of the above R & D.
 - ┆ Productivity and quantity improvements
 - ┆ Improved process performance and better cost management.
 - ┆ Enhancement of safety and better environmental protection
 - ┆ Develop new products in line with the requirements of the Industries.
3. Future plan of action.
Relevant R & D activity in the areas of business operations of the company will continue with a view to adapt products and process to improve performance and better meet the industries demand.
4. Expenditure on R & D
Currently the expenditure on R & D is insignificant as compared to the size & nature of the company.

Technology absorption, adaptation and innovation.

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.
3. In case of imported technology imported during the last 5 years reckoned from the beginning of the financial year, following information may be furnished: **N.A**
 - (a) Technology imported.
 - (b) Year of import.
 - (C) Has technology been fully absorbed.
 - (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.

C) FOREIGN EXCHANGE EARNINGS & OUTGO:

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

	2010-2011	2009-2010
a) Foreign Exchange Earnings (₹ in lacs)	5546.43	3472.42
b) Foreign Exchange Outgo (₹ in lacs)	169.37	133.96

15. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation of the support which the Company has received from its promoters, lenders, business associates including distributors, vendors and customers, the press and the employees of the Company.

On behalf of the Board of Directors

**Sd/-
VIJAY PALKAR
(Chairman)**

**Place: Dombivali,
Date: 22nd July, 2011**

**CORPORATE GOVERNANCE REPORT****1) Company's philosophy:**

The Company's philosophy on Corporate Governance finds its roots in the rich legacy of ethical governance Practices, many of which were in place even before they were mandated. This philosophy has been sought to be strengthened through the IAL code of conduct, code for prevention of Insider Trading which have been adopted. The Company will continue to focus its energies and resources in creating and safeguarding of shareholders wealth and, at the same time protect the interests of all its stakeholders.

The Company has complied with all the regulations required by SEBI through the listing agreement. This report, along with the report of Management discussion and Analysis and additional information for the shareholders in the foregoing paras, constitutes Indo's compliances with clause 49 of the Listing Agreement.

2) Board of Directors:**2.1 Composition:**

As on date of report, the Board of Directors of the Company comprise of an optimal proportion of Executive and Non-Executive Directors. The Board of Directors of your Company comprises of 12 (Twelve) Directors out of which 1 (One) Managing Director, 5 (five) Executive Directors, and 6 (Six) Independent Non-Executive Directors. During the year the Board appointed an Independent Non Executive Director and thus complied with the provision of corporate governance of having at least 50% of the Board comprised of Independent Non Executive Directors.

There are no nominees or Institutional Directors in the Company.

None of Directors has pecuniary or Business relationship with the Company except otherwise as mentioned elsewhere in this Annual Report. No Director of the Company is either member in more than ten committees and/ or Chairman of more than five committees across all Companies in which he is Director.

Non Executive Directors:

As per code of Corporate Governance, the composition of the Board should be as such that the Board of Directors of the Company shall have an optimum combination of executive and non-executive Directors. The said compliance was regularised by appointing Independent non executive in February, 2011.

The Board members are expected to attend and participate in the Board meetings and Committee meetings in which they are members.

2.2 Board of Directors and Meetings:

In compliance with the provisions of Clause 49 of the Listing Agreement, the board meets at least once every quarter to review the performance and to deliberate and consider other items on the agenda. During the year there were in total 5 Board Meetings were held on 30th April, 2010, 27th May 2010, 11th August 2010, 12th November 2010 and 11th February 2011. The time gap between the two meetings was not more than 4 months.

The effectiveness of the decision-making of the Board is strengthened by its structure and procedures. The Board of your Company meets at regular intervals, with sufficient notice of the issues and the Agenda to be discussed and backed by the necessary information and material to enable the Directors to discharge their fiduciary responsibilities in an efficient manner. All the deliberations and decision concluded at each meeting are appropriately recorded and minuted. The draft minutes of each meeting are circulated to the members of the Board for their perusal and then finalized. Also as a good governance practice, all the information and data, relevant for the board to understand the business of the Company in general as well as the agenda items circulated to the board are comprehensive in nature.

The board has complete and unrestricted access to any information required by them about transactions and take decisions.



The following table gives the attendance of the Directors at the Board meetings of the Company and also the other Directorship and Chairmanship/membership in Board committees.

Particulars of Attendance				No of other Directorship and committees memberships/ Chairmanships in Indian Public Companies.			
Name of Director	Category	Number of Board Meetings		Last AGM held on 27 th Sept. 2010	Other Directorships	Committee Chairmanships	Committee Chairmanships
		Held	Attended				
Mrs. Bharati Palkar	*ED	5	5	YES	1	NO	NO
Mr. Vijay Palkar	*MD	5	5	YES	1	NO	NO
Mr. Rahul Palkar	ED	5	5	NO	1	NO	NO
Mr. Kirit Shah	WTD	5	3	YES	NO	NO	NO
Mr. N. G. Mane	ED	5	5	YES	NO	NO	NO
Mr. C.L. Kadam	ED	5	2	YES	1	NO	NO
Mr. Suresh Iyer	INED	5	4	YES	NO	NO	NO
Mr. Raghavendra Ravi	INED	5	5	YES	NO	NO	NO
Mr. Dhawal Vora	INED	5	3	NO	NO	NO	NO
Mr. Vishwas							
Mehendale	INED	5	5	NO	1	2	NO
Mr. Deepak Kanekar	INED	5	4	YES	NO	NO	NO
Mr. Nishikant Sule (w.e.f. 11-02-2011)	INED	5	1	NO	NO	NO	NO

- | *MD - Managing Director
- | *NEC - Non Executive Chairperson
- | WTD - Whole Time Director
- | ED - Executive Director
- | AD - Additional Director
- | INED - Independent Non Executive Director