

**INDO BORAX
&
CHEMICALS LTD.**

29th ANNUAL REPORT 2009-2010

**BOARD OF DIRECTORS**

S.K. Jain	:	Chairman & Managing Director
Sajal Jain	:	Vice Chairman & Executive Director
Sushila Jain	:	Non Executive Director
Arun S. Sureka	:	Non Executive and Independent Director
Narendra Kumar Mittal	:	Non Executive and Independent Director
Vikram Soni	:	Non Executive and Independent Director
S. L. Jain (w.e.f. 31-05-2010 Additional Director)	:	Non Executive and Independent Director
Bankers	:	Syndicate Bank, Kotak Mahindra Bank Ltd, ICICI Bank Ltd, State Bank of Indore, State Bank of India.
Auditors	:	V.S. Lalpuria & Company Chartered Accountants
Registered Office	:	5A/113, Mittal Industrial Estate, M.Vassanji Road, Andheri (East), Mumbai 400 059.
Works	:	Pithampur : Sector II, Pithampur Industrial Area, Dist. Dhar (M.P.), Pin : 454 775
Registrar & Transfer Agent	:	Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai 400 072
Subsidiary Company	:	Indoborax Infrastructure Pvt. Ltd.

NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the members of Indo Borax & Chemicals Ltd. will be held on 26th August, 2010 at Mini Auditorium of S.N.D.T. Women's University, Sir Vithaldas Vidya Mandir, Opp. Lido Cinema, Juhu Road, Santacruz (w), Mumbai 400 049 at 1.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the year ended on that date together with the Report of the Directors and Auditors thereon.
2. To declare a Final Dividend for the year 2009-10 on Equity Shares.
3. To appoint a Director in place of Mr. Arun S. Sureka, who retires by rotation and being eligible offers himself for reappointment.
4. To take note that Mr. Vikram Soni, retires by rotation and has not offered himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.

M/s V. S. Lalpuria & Company, Chartered Accountants, the retiring auditors, being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

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

"RESOLVED that Shri. S. L. Jain, who was appointed as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956, and holds office up to the date of this Annual General Meeting and in respect of whom Company has received a notice pursuant to Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retirement by rotation as per provision of the Articles of Association of the Company."

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

"RESOLVED that pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to Mr. V. S. Lalpuria, proprietor of M/s V.S. Lalpuria & Company, Chartered Accountants, a relative of Mr. Arun Sureka, a Director of the Company, to hold office from the conclusion of this Annual General Meeting, as auditors of the Company and/or for rendering any other professional services and his remuneration and other terms, if any, shall be decided by the Managing Director or



the Executive Director of the Company in consultation with the members of the Audit Committee subject, however that the aggregate of remuneration as auditors and for other services (exclusive of the applicable taxes and reasonable out of pocket expenses) in the year shall not exceed Rs. 6,00,000/- (Rupees Six Lacs Only)."

BY ORDER OF THE BOARD
For INDO BORAX & CHEMICALS LTD

(S. K. JAIN)

Chairman & Managing Director

Mumbai; 31st May, 2010

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 OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Members/Proxies should bring the enclosed Attendance Slip duly filled in, for attending the meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Numbers for identification.

2. The Register of Members and Share Transfer Books will remain closed from 20th August, 2010 to 26th August, 2010 (both days inclusive), in connection with the ensuing Annual General Meeting and the payment of dividend.
3. The final dividend as recommended by the Board of Directors, if approved by the members at the Annual General Meeting, will be paid on or after 27th August, 2010, as under:
 - a) To all beneficial owners in respect of share held in electronic form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of the business hours on 19th August, 2010;
 - b) To all shareholders in respect of shares held in physical form after giving effect to transfers in respect of complete and valid request lodged with the company on or before the close of business hours on 19th August, 2010
4. Explanatory statement in respect of Item No. 6 and 7 of the accompanying notice as required by Section 173 of the Companies Act, 1956 is annexed hereto.
5. Members holding shares in physical form are requested to immediately intimate change of address, if any to the Registrar and Share Transfer Agent M/s. Sharex Dynamic (India) Private Ltd., quoting reference of the Registered Folio Number. Members holding shares in the electronic form are advised to inform any change in address to their respective Depository Participants. The address as furnished to the Company by the respective Depositories viz. NSDL & CDSL will be printed on the dividend envelopes. The company or its Registrars can not act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandates. Such changes

are to be advised only to the Depository Participant of the shareholders.

6. Shareholders seeking any information with regard to Accounts or desirous of asking questions at the AGM are requested to write to the Company at least seven days in advance so as to enable the management to keep the information ready.
7. Particulars of directors seeking appointment / re-appointment are given in the Report of the Directors on Corporate Governance.

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

As required by Section 173 of the Companies Act, 1956 ("Act") the following explanatory statements set out all material facts relating to the business mentioned under Item No. 6 and 7 of the accompanying Notice dated 31st May, 2010.

Item No. 6

The Board of Directors of your company appointed Shri. S. L. Jain, as an Additional Director at their meeting held on 31st May 2010, pursuant to section 260 of the Companies Act, 1956. In terms of the said section he holds office up to the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the Director of the Company.

Shri. S. L. Jain, is a qualified engineer having wide experience in plant maintenance and sales & marketing in various sectors like chemicals, pharmaceuticals, electrical and power industry.

The Board considers it desirable that the Company continues to avail of services of Mr. S. L. Jain and accordingly the Directors recommend that he be appointed as Director of the Company.

His inclusion on the Board will be immense benefit to the Company.

Except, Shri. S. L. Jain, none of the Directors of the Company is concerned or interested in the said resolution.

The Board of Directors recommends the resolution for your approval.

Item No. 7

M/s V. S. Lalpuria & Company, Chartered Accountants, has been Auditors of the Company since, the incorporation of the Company. Mr. V. S. Lalpuria, the proprietor of M/s. V.S. Lalpuria & Company, Chartered Accountants, is a relative of Mr. Arun Sureka, Director of the Company. Section 314 requires that any appointment of a relative of a Director to an office carrying a monthly remuneration in excess of the prescribed limit be made with the consent of the general Meeting by a special resolution. Hence, the proposed Resolution.

None of the Directors except Mr. Arun Sureka, Director, being related to Mr. V. S. Lalpuria may be deemed to be concerned or interested in the above resolution.

By Order of the Board
For Indo Borax & Chemicals Ltd

(S.K. Jain)
Chairman & Managing Director

Mumbai; 31st May, 2010



DIRECTORS' REPORT

To The Members of Indo Borax & Chemicals Ltd,

Your Directors have pleasure to present their 29th Annual Report and the Audited Statement of Accounts for the year ended on 31-Mar-2010.

FINANCIAL RESULTS AND OPERATIONS

The performance of the Company for the financial year ended 31-Mar-2010 is summarized below: (Rs. in lacs)

Particulars	31-3-2010	31-3-2009
Sales	3831.35	4508.86
Less: Excise Duty	293.29	511.67
Net Sales	3538.06	3997.19
Other Income	121.44	70.90
Profit before Depreciation & Taxation	840.44	1289.95
Less : Depreciation	46.51	50.14
Provision for Taxation	329.14	463.25
Deferred Tax	(9.62)	(10.48)
Profit after Depreciation & Taxation	474.41	787.04
Balance brought forward from previous year	2204.31	1578.36
Profit available for appropriation	2678.72	2365.40
Less : Appropriations		
Proposed Final Dividend	52.22	52.22
Tax on Dividend	8.87	8.87
Transfer to General Reserve	100.00	100.00
Balance carried to Balance Sheet	2517.63	2204.31

DIVIDEND

The Directors are pleased to recommend Dividend of Rs. 1.50 (One Rupee & Fifty paise) per equity share of Rs. 10/- each.

SUBSIDIARY COMPANY

During the year, your company (IBCL) has promoted a subsidiary company named 'INDOBORAX INFRASTRUCTURE PVT LTD' (I IPL) for carrying on business in the field of construction, real estate and infrastructure. IBCL presently holds 60% of equity capital in I IPL, the rest 40% being held mainly by the promoters of IBCL.

A statement pursuant to Section 212 of the Companies Act, 1956 and audited accounts and reports of Board of Directors and Auditors for the period ended 31-03-2010 relating to the subsidiary company are attached to the accounts.

CONSOLIDATED FINANCIAL STATEMENTS

As required under clause 32 of the listing agreement, Consolidated Financial Statements for the year ended 31st March, 2010 along with report of the auditors thereon are attached herewith.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Directors present their report on the specified matters to the extent relevant or within limits that in their opinion are imposed by the company's own competitive position, as under:-

Industry structure and development:

No reliable and published data is available specifically on boron products industry. As boron minerals are not found in India, the basic inputs have to be essentially imported.

Opportunity, threats, risks and concerns

As, the basic input of the boron product is to be imported, so timely availability of basic inputs at competitive prices in desired quality, composition and quantities has been, continues to be and expected to remain a matter of concern, risk and threat as well as opportunity.

Segment wise or product-wise performance

The company is operating in a single reportable segment i.e. manufacturing and selling of Chemicals. Hence segment-wise break-up is not discussed.

Outlook

The policy of Government of India encouraging import of finished products at the cost of domestic industries is a real threat and the margins may come down resulting in unpredictable operations. Otherwise, the domestic market is expanding every year and the Company can sell more quantity, as its products are well known for its quality.

Internal control system & their adequacy

The Company has proper and adequate systems of internal controls to provide reasonable assurance that all assets are safeguarded; transactions are authorized and recorded correctly to ensure compliance with policies and statutes.

Internal control systems have been found to be adequate and commensurate with the size and nature of the business of the company and are reviewed from time to time for further improvement.

Discussion on financial performance with respect to operational performance

The sales in current year stood at Rs. 3831.35 Lacs compared to Rs. 4508.86 lacs in previous year. Production of boron products was 6123 MT compared to 6432 MT in previous year.

Human Resources Development & Management

There are no material developments to be reported in the matter of human resources and industrial relations which were cordial throughout the year.

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:



- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2010; the applicable accounting standards had been followed.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;
- (iii) that the Directors had taken proper and sufficient care 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 Directors had prepared the annual accounts on a going concern basis.

DIRECTORS

Mr. Arun S. Sureka retires by rotation in the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. Mr. Vikram Soni also retires by rotation in the forthcoming Annual General Meeting and has not offered himself for reappointment. Mr. S. L. Jain was appointed as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 and holds office up to the date of ensuing Annual General Meeting. Company has received a notice pursuant to Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director

PERSONNEL

Industrial relations in the Company were cordial throughout the year under review. The information as required under section 217(2A) of the Act, read with the Companies (Particulars of the Employees) Rules 1975, as amended, is given below:

Name, Qualification, Designation	Age, Experience, Date of Joining	Remuneration Gross,	Take home pay during the year	Terms of Appointment	Previous Employment
Mr. S.K.Jain B.Sc. Managing Director	66 Years 46 Years 23-09-1980	Rs.52,31,019/-	Rs.47,52,179/-	Contractual, Governed by members' resolution	Self-Employed
Mr. Sajal Jain B. Com. Executive Director	42 Years 22 Years 01-06-1988	Rs. 50,08,150/-	Rs.42,21,696/-	Contractual, Governed by members' resolution	First Employment

INSURANCE

The Company's all fixed assets, plant & machineries and stocks are adequately insured.

DELISTING OF SECURITIES

The Company had applied for delisting of shares from Kolkatta Stock Exchange in 2005-2006, however, till date the confirmation of delisting has not been received from Exchange.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required to be furnished pursuant to 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 to the extent applicable are given in the Annexure.

CORPORATE GOVERNANCE REPORT

A separate detailed Corporate Governance Report and Certificate of Auditors of your Company regarding the compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with the Stock Exchanges are annexed to this report.

CERTIFICATE OF SECRETARIAL COMPLIANCE

Compliance Certificate issued by Pravin Chavan & Associates, practicing Company Secretaries, is annexed to this report.

AUDITORS

M/s. V. S. Lalpuria & Co, Chartered Accountants, Statutory Auditors of the Company hold office, in accordance with the provisions of the Companies Act, 1956, up to conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

COMMENTS ON AUDITORS REPORT

The Auditors Report does not contain any qualifications or adverse comments and therefore, do not call for any comment.

COST AUDIT

Pursuant to the Directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956, qualified cost auditors have been appointed to conduct cost audit for the year under review relating to the products manufactured by the Company.

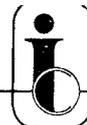
ACKNOWLEDGEMENTS

Your Directors thank the Company's clients, vendors, shareholders & bankers for their continued support during the year. Your Directors place on record their appreciation for the contribution made by employees at all levels. Your Company's growth has been possible due to their hard work, co-operation & support.

For and on behalf of the Board of Directors

S. K. Jain
Chairman

Mumbai,
May 31, 2010


ANNEXURE TO DIRECTORS REPORT

INFORMATION UNDER SECTION 217(1) (E) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

I. Conservation of Energy	
a) Energy Conservation Measures taken	The Company continues to lay special emphasis on conservation of energy and have taken measures like regular monitoring of consumption, reduction of transmission losses and up to date maintenance of systems.
b) Additional investment and proposal, if any, being implemented for reduction of consumption of energy	Nil
c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods	Not applicable

FORM A

(Form for disclosure of particulars with respect to conservation of energy)

A	Power and Fuel consumption	Unit	Current Year (ended on 31.3.2010)	Previous year (ended on 31.3.2009)
1.	Electricity			
	a) Purchased	Units / KWH	9,70,632	11,72,159
	Total amount	Rs.	46,10,768	52,17,850
	Rate / Unit	Rs.	4.75	4.45
	b) Own Generation			
	Through Diesel Generator	Units	11,080	10,935
	Units per liter of Diesel Oil	Units	2.85	2.81
	Cost per liter	Rs.	34.48	35.38
2.	Coal			
	Quantity	M.T	3,014	2,721
	Total Cost	Rs.	1,64,64,030	135,14,159
	Average rate (per M.T)	Rs.	5,463	4,967
3.	Furnace Oil			
	Quantity	Ltrs	Nil	Nil
	Total Amount	Rs.	Nil	Nil
	Average rate (per Ltrs.)	Rs.	Nil	Nil

B	Consumption per unit of production	Current Year (ended on 31.3.2010)		Previous Year (ended on 31.3.2009)	
		Electricity Units/KWH	Coal Kgs	Electricity Units / KWH	Coal Kgs
	Product : Boric Acid & Borax	160	492	184	423

- II. 1. **Research & Development**
The Company has no specific Research & Development Department. However quality control facilities are utilised for product and process improvement and updation.
2. **Technology Absorption**
The Company has not imported any technology.
- III. **Foreign Exchange Earnings and Outgo**
- a) Earnings : Nil
- b) Outgo
- Import of Materials : Rs. 536.56 lacs
 - Foreign Travel : Rs. 12.60 lacs

For and on behalf of the Board of Directors

Mumbai,
May 31, 2010

S. K. Jain
Chairman



STATEMENT REGARDING SUBSIDIARY COMPANY PURSUANT TO SECTION 212 (3) OF THE COMPANIES ACT, 1956

1	Name of the Subsidiary	Indoborax Infrastructure Pvt Ltd
2	Financial year to which account relates	03-12-2009 (date of incorporation) to 31-03-2010
3	Holding company's interest as at the close of the financial year of the subsidiary company (Shareholding %)	60%
4	Net aggregate amount of subsidiary company's profits after deducting its losses or vice-versa, so far as it concerns members of holding company which are not dealt within the company's accounts	Loss Rs. 10,072/- (Previous Year NA-)
5	Net aggregate amount of subsidiary company's profits after deducting its losses or vice-versa, dealt within the company's accounts	NIL (Previous Year NA-)

For and on behalf of the Board of Directors

Mumbai,
May 31, 2010

S. K. Jain
Chairman

The Board of Directors
Indo Borax & Chemicals Ltd.,
5-A/113, Mittal Industrial Estate,
M.V.Road, Andheri (E)
Mumbai 400 059

CEO /CFO CERTIFICATION

We hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2010 and that to the best of our knowledge and belief;
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) 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.
- b) No transaction is entered into by the company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting

d)

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 propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

- I) Significant changes in internal control over financial reporting during the year.
- II) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- III) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For INDO BORAX & CHEMICALS LIMITED

S.K. JAIN
(Managing Director)

SAJAL JAIN
(Executive Director)

Mumbai
May 31, 2010

To,
The Members Of
INDO BORAX & CHEMICALS LTD.,
5-A/113, MITTAL INDUSTRIAL ESTATE,
M.V.ROAD, ANDHERI (E),
MUMBAI 400 059.

It is hereby certified and confirmed that as provided in Clause 49 I (D) of the listing agreement with the stock exchanges, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of conduct of the Company for the financial year ended 31st March, 2010.
For INDO BORAX & CHEMICALS LTD

(S.K. Jain)
Managing Director

Mumbai
May 31, 2010



REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy is to conduct its affairs in a manner which is transparent, clear and evident to those having dealings with or having a stake in the Company, namely shareholders, lenders, creditors and employees. The Company's philosophy on Corporate Governance is thus concerned with the ethics and values of the Company and its Directors, who are expected to act in the best interest of the Company and remain accountable to shareholders and other beneficiaries for their action.

2. BOARD OF DIRECTORS

The Board of Directors comprises of Chairman cum Managing Director, Vice Chairman cum Executive Director and four Non Executive Directors of which three are Independent Directors. Since the Chairman is executive, the Board's composition meets with the stipulated requirement of at least half of the board comprising Independent Directors.

During the financial year 2009-10 the Board of Directors met nine times on the following dates: 26-May-2009, 30-June-2009, 30-July-2009, 12-Sep-2009, 20-Oct-2009, 24-Oct-2009, 31-Oct-2009, 10-Nov-2009, & 30-Jan-2010.

Attendance of each Director at the Board Meetings and last Annual General Meeting:

Name of Director	Relationship with other Directors	Category *	Designation	No. of Board Meetings Attended	Attendance at last AGM	No. of Directorships in other Boards (Excluding alternate Directorship and private companies) **	No. of Chairmanship/ Membership in other Board Committees
Mr. S. K. Jain	Husband of Mrs. Sushila Jain	Promoter & E.D	Chairman & Managing Director	8	Yes	Nil	Nil
Mr. Sajal Jain	Son of Mr S.K. Jain. & Mrs. Sushila Jain	E.D	Vice-Chairman & Executive Director	9	Yes	Nil	Nil
Mrs. Sushila Jain	Wife of Mr. S.K.Jain	N.E.D	Director	8	Yes	Nil	Nil
Mr. Arun Sureka	None	I & N.E.D	Director	9	Yes	Nil	Nil
Mr. N. K. Mittal	None	I & N.E.D	Director	9	Yes	Nil	Nil
Mr. Vikram Soni	None	I & N.E.D	Director	1	No	Nil	Nil

- *E.D Executive Director, N.E.D Non Executive Director, I Independent
- ** Includes the Public Company and Foreign Company but exclude Private and Section 25 Company.

SHAREHOLDING OF DIRECTORS (no. of shares held as on 31st March 2010)

Mr. S. K. Jain	Mrs. Sushila Jain	Mr. N. K. Mittal	Mr. Sajal Jain
3,33,824	2,88,893	600	2,73,096

Code of Conduct

The Board has laid down a code of conduct for Board Members and Senior Management staff of the company, which can be viewed at Company's website <http://www.indoborax.com>. The Board Members and Senior Management staff have affirmed compliance with the said code of conduct.

3. Audit Committee

The terms of reference of this committee cover the matters specified for Audit Committee under clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

The composition of Audit Committee and the details of the meeting attended by the Directors are given below:



Name of Member	Designation	No. of Audit Committee meetings held	Attendance
Mr. Arun Sureka	Chairman	7	7
Mr. Narendra K. Mittal	Member	7	7
Mrs. Sushila Jain	Member	7	6

During the year under review, Audit Committee met Seven times on the following dates: 26-May-2009, 30-June-2009, 30-July-2009, 12-Sep-2009, 20-Oct-2009, 31-Oct-2009, & 30-Jan-2010.

4. Remuneration Committee:

The Remuneration Committee comprised of three independent directors viz, Mr. Arun Sureka (Chairman), Mr. N. K. Mittal (Member) and Mr. Vikram Soni (Member). The Remuneration Committee had no meeting during the financial year 2009-10 as there were no matters required to be considered by it.

5. Directors' Remuneration during 2009-10

Name of Director	Salary & HRA	Benefits	Commission	Meeting Fees	Total	Service Contract, Notice Period Serverance Fees
Mr. S. K. Jain	1440000	463346	3327673	Nil	5231019	Contractual
Mr. Sajal Jain	1440000	240477	3327673	Nil	5008150	Contractual
Mrs. Sushila Jain	--	--	--	45000	45000	Retirement by Rotation
Mr. Arun Sureka	--	--	--	54000	54000	Retirement by Rotation
Mr. N. K. Mittal	--	--	--	54000	54000	Retirement by Rotation
Mr. Vikram Soni	--	--	--	3000	3000	Retirement by Rotation

- The Company has taken Group Gratuity Policy and contribution for the Managing Director & Executive Director, is not separately determined hence not included above.
- The Managing Director's & Executive Director's commission is governed by the member's resolution passed at the A.G.M. held on 26-09-2007 & 10-07-2008 respectively. The commission is payable after approval of the accounts by shareholders in the AGM.
- The managing director's contract is for 5 years w.e.f. 01.04.2007 which may be determined by six months notice by either side.
- The Executive director's contract is for 5 years w.e.f. 26.05.2008 which may be determined by six months notice by either side.
- Mr. Arun. S. Sureka retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment.
- Mr. Vikram Soni, retires by rotation at the ensuing Annual General Meeting and has not offered himself for reappointment.
- Mr. S. L. Jain was appointed as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 and holds office up to the date of ensuing Annual General Meeting. Company has received a notice pursuant to Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director.

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (Pursuant to Clause 49 of the Listing Agreement)

Name	Shri Shiam Lal Jain	Shri Arun S. Sureka
Date of Birth	17 th May, 1945	27 th October, 1955
Date of Appointment	31 st May, 2010	30 th April, 1987
Qualification	B.E. (Mech) Hons, DMS (Bom)	B.Sc., LLB & FCA
Expertise in specific functional area	Wide Experience in Plant Maintenance, Sales & Marketing in various sectors like Chemicals, Fertilizers, Electrical industry.	Wide experience in the field of Accounts, Audits, Taxation, Finance & General Management
Directorship held in other Public Companies	NIL	NIL
Membership/Chairmanships of Board Committees	NIL	Chairman of Audit Committee and member of Remuneration Committee & Shareholders/ Investors Grievance Committee
Number of shares held in the Company as on 31 st March, 2010	85	Nil


6. Shareholders' Grievance Committee

The Committee specifically looks into the redressal of Shareholders' / Investors Grievances, if any, like Grievances not addressed or Non-receipt of Annual Report etc and other related issues.

The composition of Shareholders' Grievances Committee and the details of the meeting attended by the Directors are given below:

Name of Member	Designation	No. of Shareholders' Grievances Committee meetings held	Attendance
Narendra K. Mittal	Chairman	2	2
Arun Surekha	Member	2	2
Sushila Jain	Member	2	1

During the year under review, the Committee met on 30-July 2009 and 30-Jan-2010. There is no investor's grievance pending as on 31st March, 2010.

- Number of Complaints received during the year ended 31.03.2010 - 1, Number of Complaints not resolved up to 31st March 2010. - Nil, Number of Share Transfers pending as on 31.03.2010 Nil -- Transfers involving -Nil-- shares, Number of Share Transfers pending for more than 30 days as on 31.03.2010 - Nil
- Name & Designation of Compliance Officer
Mr. Pravin Chavan -- Company Secretary up to 30-04-2009
Mr. Sajal Jain- Executive Director w.e.f.. 01-05-2009

7. General Body Meetings:
a) Annual General Meeting

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue	No. of Special Resolutions
2006-07	26.09.2007	1.00 p.m.	S.N.D.T. University, Juhu, Mumbai	One
2007-08	10.07.2008	1.00 p.m.	S N D T University, Juhu, Mumbai	One
2008-09	27.08.2009	1.00 p.m.	S N D T University, Juhu, Mumbai	One

b) Postal Ballot

No postal ballot was conducted during the year

investors or to the analysts.

8. Disclosures:

There were no transactions of material nature with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. For details of related party transactions refer to Notes to Accounts.

There were no instances of non-compliance nor have any penalties, strictures been imposed by Stock Exchange or SEBI or any other statutory authority during the last three years on any matter related to Capital markets except Mrs. Sushila Jain, director of the company had purchased 1000 shares of the company by oversight during the period when trading window was closed in April 2007. Query of SEBI in this matter had been replied accordingly.

The company has complied with all the mandatory requirements. It has not adopted non-mandatory requirements except remuneration committee.

- The Management Discussion and Analysis Report forms part of Directors Report.

As required, information relating to quarterly financial results, shareholding pattern etc. were provided to BSE and / or SEBI website www.sebidifair.nic.in

9. Certificate from Managing Director CEO/CFO:

Certificate from Mr. S. K. Jain, Managing Director and Mr. Sajal Jain, Vice Chairman & Executive Director in terms of clause 49(V) of the Listing Agreement with Bombay Stock Exchange Ltd. for the financial year ended 31st March, 2010 was placed before the Board of Directors of the Company in its meeting dated 31st May, 2010 and enclosed herewith.

11. General Information for Shareholder:
a. Annual General Meeting

The Annual General Meeting of the Company will be held on 26th August, 2010 at 1.00 p.m. at Mini Auditorium of S.N.D.T. Women's University, Sir Vithaldas Vidya Vihar, Opp. Lido Cinema, Juhu Road, Santacruz (W), Mumbai 400 049.

b. Financial Calendar for the financial year 2010-11 (tentative)

Results for First Quarter : On or before 14th Aug., 2010

Results for Second Quarter: On or before 15th Nov., 2010

Results for Third Quarter : On or before 14th Feb., 2011

Results for the year ending 31st March 2011 : On or before 30th May, 2011

- c. Date of Book Closure : 20th August 2010 to 26th August, 2010 (both days inclusive)

10. Means of Communication:

The Company communicates with its shareholders on an annual basis through the Annual Report. The quarterly, half-yearly, nine monthly and yearly results are also published in Economic Times in English language & in Maharashtra Times in Marathi Language.

- No presentations have been made to institutional



d. Dividend payment Date : Dividend, if declared, shall be paid/credited on or after 27th August, 2010

g. Depositories : NSDL and CDSL

h. ISIN No. : INE803D01013.

e. Listing on Stock Exchanges: Bombay Stock Exchange Ltd, (BSE) Mumbai, (The Kolkatta Stock Exchange Ltd. - Delisting confirmation from The Kolkatta Stock Exchange is still awaited)

i. Listing Fees for 2010-11 : Paid for the Bombay Stock Exchange Ltd

f. Stock Code : 524342, Bombay Stock Exchange Limited,

j. Custodial Fees to Depositories : Paid to National Security Depository Ltd & Central Depository Services (I) Ltd for the year 2010-11

k. Monthly high / low price at The Bombay Stock Exchange Ltd (Financial Year 2009-10)

Month	High (Rs.)	Low (Rs.)	BSE Sensex High	BSE Sensex Low
April 2009	53.40	44.55	11403.25	9901.99
May 2009	66.35	44.30	14625.25	11682.99
June 2009	63.80	48.55	15466.81	14265.53
July 2009	52.65	44.20	15378.96	13400.32
August 2009	54.15	43.60	15924.23	14784.92
September 2009	58.85	47.40	17126.84	15398.33
October 2009	64.90	54.25	17326.01	15896.28
November 2009	76.85	50.00	17198.95	15404.94
December 2009	92.75	71.85	17360.61	16601.20
January 2010	84.20	69.70	17701.13	16289.82
February 2010	73.25	62.15	16496.05	15790.93
March 2010	79.65	62.30	17711.35	16772.56

l. Registrar and Transfer (R & T) Agents

The Company has appointed M/s. Sharex Dynamic (India) Pvt. Ltd. as its R & T Agent. In this regard, Members may contact at following address:

Sharex Dynamic (India) Pvt. Ltd, Unit -1, Luthra Indl. Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai 400 072, Ph. +91-22- 28515606 / 28515644, E-mail: sharexindia@vsnl.com

m. Share Transfer System

Presently, fortnightly cycle is followed for processing transfer requests and Share transfers are approved by designated officers to whom the authority has been delegated by the Board of Directors.

n. Dematerialization of Shares

As on 31-Mar-2010, 16,33,050 equity shares representing 46.91% of the Company's paid-up equity share capital is held in electronic form.

During the year under review, the Company's equity shares have been actively traded on Bombay Stock Exchange.

o. Distribution of Shareholding as on 31-Mar-2010:

Number of equity shares held	No. of Share holders	%	No. Of Shares	%
1 - 100	4347	64.92	371642	10.68
101 - 200	1117	16.68	214658	6.17
201 - 500	713	10.65	276934	7.96
501 - 1000	275	4.11	231307	6.64
1001 - 5000	188	2.81	443694	12.75
5001 - 10000	28	0.42	197213	5.66
10001 - 100000	23	0.34	619102	17.78
100001 & Above	5	0.07	1126450	32.36
Total	6696	100.00	3481000	100.00
In Physical Form	3078	45.97	1847950	53.09
In Electronic Form	3618	54.03	1633050	46.91

Shareholding Pattern as on 31-Mar-2010

Sr. No.	Category of Holders	No. of Shares	% to Total Shares
1	Indian Promoters	14,37,365	41.29
2	Financial Inst./Mutual Funds/ Banks	4,500	0.13
3	Non-Residents/FIIs/ OCBs	1,60,094	4.60
4	Other Corporate Bodies	2,88,133	8.28
5	Indian Public	15,88,809	45.64
6	Clearing Members	2,099	0.06
	Total	34,81,000	100.00



p. Outstanding GDRs / ADRs /Warrants or any Convertible instruments

The Company has not issued any GDRs/ ADRs/ Warrants or any Convertible instruments.

q. Location of Plant Facilities

Plant locations : Plot No. 43 to 46, 47A, 48, 48A, Industrial Estate, Sector II,
Pithampur 454775. (M.P.)

r. Address for Correspondence

The Compliance Officer,
Indo Borax & Chemicals Ltd., 5A-113, Mittal industrial Estate, M. V. Road, Andheri (E),
Mumbai 400 059, Ph No: +91-22- 2850 4012; Fa. No. +91-22- 2850 9348
Email: complianceofficer@indoborax.com

By Order of the Board of Directors

S. K. Jain
Chairman & Managing Director

Mumbai
May 31, 2010

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Indo Borax & Chemicals Ltd.

We have examined record concerning the compliance of conditions of Corporate Governance by Indo Borax & Chemicals Ltd. for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

On the basis of the records and documents maintained by the Company and the information and explanations given to us and the representation made by the Directors and the Managements, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreements with the Stock Exchanges.

We have to state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company and Registrar & Share Transfer Agent, noted by the Board of Directors/Shareholders Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V. S. Lalpuria & Company
Chartered Accountants

V. S. Lalpuria
Proprietor

Place: Mumbai
Date: May 31, 2010



Pravin Chavan & Associates

Company Secretaries

Nominal Capital : Rs. 6,00,00,000/-

Paid up Capital : Rs. 3,48,10,000/-

The Board of Directors,
Indo Borax & Chemicals Ltd,
Mumbai 400 059

COMPLIANCE CERTIFICATE

We have examined the registers, records, books and papers of Indo Borax & Chemicals Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to the explanations carried out by us and explanations furnished to us by the company, its officers and agent, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provision and the rules made there under and all entries therein have been duly recorded.
 2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Directors, Central Government, Company Law Board or other authorities within the time prescribed/by paying additional fees as prescribed under the Act and the rules made there under.
 3. The Company being Public Limited, comments are not required.
 4. The Board of Directors duly met **9 (Nine)** times on 26-May-2009, 30-Jun-2009, 30-July-2009, 12-Sept-2009, 20-Oct-2009, 24-Oct-2009, 31-Oct-2009, 10-Nov-2009 and 30-Jan-2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
 5. The company closed its Register of Members from 21-Aug-2009 to 27-Aug-2009 and necessary compliance of Section 154 of the Act has been made.
 6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 27-Aug-2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
 7. There was no extra ordinary meeting was held during the financial year.
 8. The Company has not advanced any loans to its directors and/or persons or firms or companies referred in the section 295.
 9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
 10. The company has made necessary entries in the register maintained under section 301 of the Act.
 11. The company has obtained necessary approvals from the Board of Directors, Members and previous approval of the Central Government pursuant to section 314 of the Act wherever applicable.
 12. The Board of Directors has approved the issue of duplicate share certificates during the financial year.
 13. The company has:
 - i) delivered all the certificates and lodgment thereof for transfer /transmission or any other purpose in accordance with the provision of the Act.
 - ii) deposited the amount of dividend declared in a separated Bank Account on 28-Aug-2009 which is within five days from the date of declaration of such dividend.
 - iii) paid /posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Dividend Account of the Company with Kotak Mahindra Bank Ltd.
 - iv) no amount outstanding in respect of unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed and unpaid for the period of seven years and liable to be transferred to Investor Education and Protection Fund.
 - v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
 15. The Company has not appointed any Managing Director /Whole time Director/Manager during the financial year.
 16. Company has not appointed any sole-selling agents during the financial year.
 17. The company has duly obtained necessary approvals of the Central Government, Registrar or such authorities as may be prescribed under various provisions of the Act.
 18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to Section 299 of the Act and the rules made thereunder.
 19. The Company has not issued any shares/debentures/other securities during the financial year.
 20. The company has not bought back any shares during the financial year.
 21. There was no redemption of preference shares or debentures during the financial year.
 22. There were no transactions necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with provisions of the Act.
 23. The company has not accepted any deposits under section 58A and 58AA read with Companies (Acceptance of Deposits) Rules, 1975.
 24. The Company has not made any borrowings during the financial year ended 31st March, 2010.
 25. The company has made loans and investments in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
 26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
 27. The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
 28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
 29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
 30. The company has not altered the provisions of the Articles of Association during the financial year under scrutiny.
 31. So far the information provided to us, the company as not received any show cause notice for any alleged offence/violation under the Companies Act, 1956 or listing agreement or SEBI guidelines and no fine, penalty imposed on the Company in this regard during the year under review.



32. The company has not received any amount as security from its employees during the financial year.
 33. The company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

For PRAVIN CHAVAN & ASSOCIATES
 Company Secretaries

Mumbai
 31st May, 2010

Pravin Chavan
 Proprietor
 C. P. No.8390

Other Registers

- Annexure "A"**
 Registers as maintained by the Company
1. Register of Members & index thereto u/s 150-151
 2. Minutes Book of meeting of Board of Directors & committee thereof u/s 193
 3. Minutes Book of Annual General Meeting u/s 193
 4. Books of Accounts u/s 209
 5. Register of Particulars of Contracts in which directors are interested u/s 301(1)
 6. Register of Companies, firms in which directors are interested u/s 301(3)
 7. Register of Directors, Managing Director & Secretary u/s 303.
 8. Register of Directors Shareholding u/s 307.
 9. Register of Charges u/s 143
 10. Register of Investment u/s 372A

1. Register of Directors Attendance
2. Register of Shareholders Attendance
3. Register of Transfer
4. Register of Fixed Assets

For PRAVIN CHAVAN & ASSOCIATES
 Company Secretaries

Pravin Chavan
 Proprietor
 C. P. No.8390

Mumbai
 31st May, 2010

Annexure "B"

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010.

Sr. No.	Form No./ Return	Filed Under Section	For	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fees paid Yes/No
01.	Form No. 20B/Annual Return	159	Annual Return for 2008-09	30/09/2009	Yes	N.A.
02.	Form No. 23AC/ACA Annual Accounts	220	Balance Sheet and Profit & Loss Account for the year ended 31/03/09	10/10/2009	No	Yes
03.	Form No. 23	192	Registration of Special Resolution	10/10/2009	No	Yes
04.	Form No. 23C	233B	Approval of Central Govt. Towards appointment of Cost Auditor	29/09/2009	Yes	N.A.
05.	Form No. 66	383A	Compliance Certificate for the year ended 31.03.2009	10/10/2009	No	Yes
06.	Form CAR	233B(4)	Cost Audit Report	30/09/2009	Yes	N.A.

For PRAVIN CHAVAN & ASSOCIATES
 Company Secretaries

Mumbai
 31st May, 2010

Pravin Chavan
 Proprietor
 C. P. No.8390

**V. S. LALPURIA & CO.**

CHARTERED ACCOUNTANTS

ANNEXURE TO THE AUDITORS' REPORT**REPORT OF AUDITORS TO THE MEMBERS**

1. We have audited the attached Balance Sheet of M/s. INDO BORAX & CHEMICALS LTD as at 31st March, 2010 and related Profit & Loss Account and Cash Flow Statement of the company for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express our opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies Auditor's Report (Amendment) Order, 2004 (together 'the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Companies Act, 1956 of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - c. The Balance Sheet, Profit & Loss Account and the Cash Flow statement dealt with by this report are in agreement with the Books of account;
 - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in Section (3C) of Section 211 of the Act;
 - e. On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Act;
 - f. In our opinion and to the best of our information and according to the explanation given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2010;
 - ii. in the case of Profit & Loss Account, of the Profit for the year ended on that date; and
 - iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For V. S. LALPURIA & CO.
CHARTERED ACCOUNTANTS

(V. S. LALPURIA)
Proprietor

Statement referred to in paragraph 3 of the Auditors' Report of even date to the Members of INDO BORAX & CHEMICALS LTD. on the accounts for the year ended 31st March, 2010:

- 1 a The Company has maintained proper records showing full particulars, including quantitative details and situation of all its fixed assets
- b The Fixed Assets of the Company were physically verified by the management of the year end and according to the information and explanations given to us, no material discrepancies were noticed on physical verification carried out during the financial year.
- c In our opinion and according to the information and explanations given to us, the Company has not disposed off substantial part of its fixed assets during the year, so as to affect its going concern status.
- 2 a As per the information furnished, the inventories (excluding material in transit) have been physically verified during the year by the management. In our opinion, having regard to the nature of stocks, the frequency of the physical verification is reasonable.
- b In our opinion the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business as one of the raw material is in semi loose form and it is difficult to weigh, hence stock is estimated as per experience in the field by the management and we have relied on estimate of management.
- c On the basis of our examination of the inventory records of the Company, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stock as compared to book records are not material and the same have been properly dealt within the Books of Account.
- 3 In the respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:
 - a The Company has given loans to a subsidiary of the Company. In respect of the said loans, the maximum amount outstanding at any time during the year is Rs.4.32 crore and the year-end balance is Rs.4.32 crore.
 - b In our opinion and according to the information and explanations given to us, the rate of interest, and other terms and conditions, are not prima facie prejudicial to the interest of the Company.
 - c The principal amounts are repayable on demand and there is no repayment schedule. The interest is payable on demand. In respect of the said loans, the same are repayable on demand and therefore
 - d the question of overdue amounts does not arise. In respect of interest, where applicable, there are no overdue amounts.
 - e The company has not taken any loan during the year from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.



- 4 In our opinion and according to the information and explanations given to us, having regard to the explanation certain items purchased are of special nature of which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with size of the Company and the nature of its business, for purchases of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examinations of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- 5 a In our opinion and according to the information and explanations given to us, the particulars of a contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that Section.
- b In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements, exceeding rupees five lakh in respect of any party during the year.
- 6 According to the information and explanations given to us, the Company has not accepted any deposits from the Public. Therefore, the provisions of clause (vi) of paragraph 4 of the order are not applicable to the company
- 7 In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- 8 We have broadly reviewed the books of account and records maintained by the Company in respect of products which, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prime facie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 9 a According to the information and explanation given to us and the records of the company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, service tax, custom duty, excise duty, cess and other statutory dues applicable with the appropriate authorities. According to the information and explanations given to us no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March 2010 for a period of more than six months from the date they become payable.
- b According to the information and explanation given to us the records of the Company examined by us, there are no dues outstanding which have not been deposited on account of any dispute.
- 10 The Company does not have accumulated losses at the end of the financial year. The company has not incurred any cash losses during the financial year covered by the Audit and in immediately preceding financial year.
- 11 According to the records of the Company examined by us and the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- 12 In our opinion and according to the explanations given to us and based on the information available no loans and/or advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the company is not a chit fund/nidhi/mutual benefit fund/societies. Therefore the provision of clause (xiii) of paragraph 4 of the order are not applicable to the company.
- 14 The company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made there-in. All shares securities, debenture and other investments has been held by the company in its own name and through Portfolio Management Scheme.
- 15 In our opinion and according to the information and explanation given to us, the Company has not given any guarantees for loan taken by others from bank or financial institutions during the year.
- 16 According to the information and explanations given to us, no term loan have been raised by the Company.
- 17 As per information and explain given to us and on the basis of an overall examination of the Balance Sheet of the Company, we are of opinion that there are no funds raised on short term basis which have been used for long term investments.
- 18 The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act, during the year.
- 19 The Company has not issued any debentures during the year by creating securities / charges.
- 20 The Company has not raised any money by public issues during the year.
- 21 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For V.S. LALPURIA & COMPANY
CHARTERED ACCOUNTANTS
(Firm No. 105581W)

(V.S. LALPURIA)
PROPRIETOR
M. No.15926

MUMBAI
May 31,, 2010


BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedules	Rupees <u>31-Mar-10</u>	Rupees <u>31-Mar-09</u>
I. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	I	34,810,000	34,810,000
b) Reserves & Surplus	II	<u>320,185,274</u>	<u>278,853,228</u>
		<u>354,995,274</u>	<u>313,663,228</u>
2. LOAN FUNDS			
a) Secured Loans	III	-	18,363,948
b) Unsecured Loans	IV	<u>405,240</u>	<u>405,240</u>
		<u>405,240</u>	<u>18,769,188</u>
3. DEFERRED TAX LIABILITY (NET)			
		<u>5,095,091</u>	<u>6,057,504</u>
TOTAL		<u><u>360,495,605</u></u>	<u><u>338,489,920</u></u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS			
a) Gross Block	V	82,718,015	81,988,899
b) Less : Depreciation		<u>55,206,114</u>	<u>50,554,797</u>
c) Net Block		<u>27,511,901</u>	<u>31,434,102</u>
2. INVESTMENTS			
	VI	<u>82,125,930</u>	<u>108,465,254</u>
3. CURRENT ASSETS AND LOANS & ADVANCES			
a) Inventories	VII	34,569,895	125,380,422
b) Sundry Debtors		13,266,786	23,107,326
c) Cash & Bank Balances		33,829,658	57,032,664
d) Other Current Assets		2,125,731	2,028,369
e) Loans & Advances		<u>226,095,980</u>	<u>77,375,654</u>
		<u>309,888,050</u>	<u>284,924,435</u>
Less : Current Liabilities & Provisions	VIII	<u>59,030,276</u>	<u>86,333,871</u>
Net Current Assets		<u>250,857,774</u>	<u>198,590,564</u>
TOTAL		<u><u>360,495,605</u></u>	<u><u>338,489,920</u></u>
Significant Accounting Policies and Notes forming integral part of the accounts.			
	XV		

As per our report of even date.

For V.S.LALPURIA & COMPANY
Chartered Accountants
(Firm No. 105581W)

Sushila Jain - Director
Arun S.Sureka - Director

S.K.Jain
Chairman & Managing Director.

V.S.LALPURIA
Proprietor
M. No. 15926

Narendrakumar Mittal - Director

Sajal S. Jain
Vice Chairman &
Executive Director

Mumbai, May 31, 2010


PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010.

	Schedules	Rupees <u>31-Mar-10</u>	Rupees <u>31-Mar-09</u>
INCOME			
Sales (Including Excise Duty)		383,135,685	450,885,969
Less: Excise Duty		29,329,352	51,167,346
Net Sales		<u>353,806,333</u>	<u>399,718,623</u>
Other Income	IX	<u>12,144,180</u>	<u>7,089,697</u>
Total Income		<u>365,950,513</u>	<u>406,808,320</u>
EXPENDITURE			
Inventory Adjustments	X	11,532,593	(9,931,432)
Raw Materials & Goods consumed and Traded	XI	168,824,710	196,936,156
Staff Cost	XII	8,012,035	7,830,673
Manufacturing & Other Expenses	XIII	93,413,482	82,551,941
Interest	XIV	123,349	425,902
Depreciation		<u>4,651,317</u>	<u>5,013,960</u>
Total Expenditure		<u>286,557,486</u>	<u>282,827,200</u>
PROFIT BEFORE TAX		79,393,027	123,981,120
Less : a) Current Tax		33,100,000	46,025,000
b) Deferred Tax		(962,413)	(1,047,545)
c) Fringe Benefit Tax		-	300,000
d) Adjustment for Tax Provision for earlier years		<u>(185,541)</u>	-
Total Tax		<u>31,952,046</u>	<u>45,277,455</u>
PROFIT AFTER TAX		47,440,981	78,703,665
Add: Profit Brought forward from Previous Year		<u>220,431,221</u>	<u>157,836,488</u>
		<u>267,872,202</u>	<u>236,540,153</u>
Less : Transfer to General Reserve		10,000,000	10,000,000
Less : Proposed Dividend		5,221,500	5,221,500
Less : Tax on Dividend		<u>887,435</u>	<u>887,432</u>
BALANCE CARRIED TO BALANCE SHEET		<u>251,763,267</u>	<u>220,431,221</u>

Basic and diluted earning per share. (Face Value Rs. 10/- each) 13.63 22.61

Significant Accounting Policies and Notes forming integral part of the accounts. XV

As per our report of even date.

For V.S.LALPURIA & COMPANY
Chartered Accountants
(Firm No. 105581W)

Sushila Jain - Director
Arun S.Sureka - Director

S.K.Jain
Chairman & Managing Director.

V.S.LALPURIA
Proprietor
M. No. 15926

Narendrakumar Mittal - Director

Sajal S. Jain
Vice Chairman &
Executive Director

Mumbai, May 31, 2010



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	Rupees Year ended 31.03.2010	Rupees Year ended 31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items adjusted.	79393027	123981120
Adjustments for :		
Depreciation	4651317	5013960
Profit/loss on sale/discarding of assets	0	61652
Profit/loss on sale of investment	16765258	8422501
Dividend/interest from investments	(9778627)	(5175399)
Interest expense	123349	425902
	<u>11761297</u>	<u>8748616</u>
Operating profit before working capital changes	91154324	132729736
Adjustments for :		
Trade and other Receivables	9743179	4449422
Inventories	90810527	(94387106)
Loans & Advances	(115393681)	(6944017)
Trade payable	(14081005)	13121835
	<u>(28920981)</u>	<u>(83759866)</u>
Cash generated from operations	62233343	48969870
Interest expense	(123349)	(425902)
Income-Tax	(36314237)	(38695348)
	<u>(36437586)</u>	<u>(39121250)</u>
Cash Flow before extraordinary items	25795757	9848620
Extraordinary items	0	0
Net Cash Flow from Operating activities --- A	<u>25795757</u>	<u>9848620</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(729116)	(140303)
Sale of Fixed assets	0	130000
Investment in Subsidiaries	(60000)	
Advances to Subsidiaries	(43149457)	
Income from Investments	(6986631)	(3247102)
Investments in Mutual Fund/Shares	26399324	24344857
Net Cash used in Investing Activities --- B	<u>(24525880)</u>	<u>21087452</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long term borrowings	0	0
Short term borrowings	(18363948)	18363948
Unsecured loans	0	(324173)
Dividend & Dividend Tax paid	(6108935)	(2036337)
Net Cash from Financing Activities --- C	<u>(24472883)</u>	<u>16003438</u>
Net Increase / (decrease) in Cash and Cash equivalent	<u>(23203006)</u>	<u>46939510</u>
Cash & Cash Equivalent at the beginning of the year	57032664	10093154
Cash & Cash Equivalent end of the year	<u><u>33829658</u></u>	<u><u>57032664</u></u>

Note : Figures in brackets represent outflows

As per our report of even date.

For V.S.LALPURIA & COMPANY
Chartered Accountants
(Firm No. 105581W)

Sushila Jain - Director
Arun S.Sureka - Director

S.K.Jain
Chairman & Managing Director.

V.S.LALPURIA
Proprietor
M. No. 15926

Narendrakumar Mittal - Director

Sajal S. Jain
Vice Chairman &
Executive Director

Mumbai, May 31, 2010



SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Rupees <u>31-Mar-10</u>	Rupees <u>31-Mar-09</u>
SCHEDULE I		
SHARE CAPITAL		
<u>Authorised Capital</u>		
60,00,000 Equity Shares of Rs. 10/- each	<u>60,000,000</u>	<u>60,000,000</u>
<u>Issued & Subscribed</u>		
35,00,000 Equity Shares of Rs. 10/- each	<u>35,000,000</u>	<u>35,000,000</u>
<u>Paid up</u>		
34,81,000 Equity Shares of Rs. 10/- each	<u>34,810,000</u>	<u>34,810,000</u>
Total	<u><u>34,810,000</u></u>	<u><u>34,810,000</u></u>
SCHEDULE II		
RESERVES & SURPLUS		
Share Forfeiture Account		
Balance Brought Forward	139,350	139,350
Share Premium Account		
Balance Brought Forward	12,905,000	12,905,000
General Reserve		
Balance Brought Forward	45,377,657	35,377,657
Add: Transfer from Profit & Loss A/c	<u>10,000,000</u>	<u>10,000,000</u>
	55,377,657	45,377,657
Balance as per Profit & Loss Account.	<u>251,763,267</u>	<u>220,431,221</u>
Total	<u><u>320,185,274</u></u>	<u><u>278,853,228</u></u>
SCHEDULE III		
SECURED LOANS		
Working Capital Loans		
From Bank (Secured Against FDR)	-	18,363,948
Total	<u>-</u>	<u><u>18,363,948</u></u>
SCHEDULE IV		
UNSECURED LOANS		
From Development Corporation of Konkan Limited	405,240	405,240
Total	<u><u>405,240</u></u>	<u><u>405,240</u></u>

SCHEDULE V
Fixed Assets

Sr. No	Particulars of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01-04-2009	Addition during the year	Sale/Adj. during the year	Total as on 31-03-2010	Balance as on 01-04-2009	For the Year	Sale/Adj. during the year	Total as on 31-03-2010	As on 31-03-2010	As on 31-03-2009
1	Leasehold Land-PIT	1005924	0	0	1005924	0	0	0	0	1005924	1005924
2	Factory Building & Others	15379170	0	0	15379170	7325201	504689	0	7829890	7549280	8053969
3	Plant & Machinery	51023863	9500	0	51033363	35028332	2693667	0	37721999	13311364	15995531
4	Electrical Installation	2565553	0	0	2565553	1684325	121864	0	1806189	759364	881228
5	Furniture & Fixtures & Office Equipments	3866341	318556	0	4184897	2439744	274961	0	2714705	1470192	1426597
6	Vehicles	8148048	401060	0	8549108	4077195	1056136	0	5133331	3415777	4070853
	Total	81988899	729116	0	82718015	50554797	4651317	0	55206114	27511901	31434102
	Previous Year	82563713	140303	715117	81988899	46064302	5013960	523465	50554797	31434102	36499411



**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED 31ST MARCH, 2010**

Rupees
31-Mar-10 Rupees
31-Mar-09

**SCHEDULE VI
INVESTMENTS**

Particulars	Face Value Rs.	No of Units/Shares		31-Mar-10	31-Mar-09
		Current Year	Previous Year		
A. Investment in Subsidiary Companies					
Indoborax Infrastructure Pvt. Ltd.	10	6000	0	60000	0
Sub-total (A)				60000	0

B. Non-Trade Investments
(1) Current Investments
(At lower of cost or market value)

Kotak Floater (S. Term) Growth Fund	10	43877	155775	660,817	2,245,238
ICICI Prudential Liquid Plan IP	100	200362	0	20,040,672	-
Sub-total (B) (1)				20,701,489	2,245,238

(2) Long Term Investments
(At cost)
(a) Mutual Funds

DSPML T.I.G.E.R. Fund	10	0	383245	-	10,000,000
HSBC Unique Opportunities Fund	10	0	500000	-	5,000,000
AIG India Equity Fund	10	0	488998	-	5,000,000
Kotak Global Emerging India Mkt Fund	10	1000000	1000000	10,000,000	10,000,000
Kotak Indo World Infrastructure Fund	10	1000000	1000000	10,000,000	10,000,000
Prudential ICICI Infrastructure Fund	10	0	570783	-	10,000,000
Reliance Banking Fund	10	186895	186895	5,000,000	5,000,000
Reliance Diversified Power Sector Fund	10	105491	105491	5,000,000	5,000,000
Reliance Equity Advantage Fund	10	488998	488998	5,000,000	5,000,000
Reliance Media & Entertainment Fund	10	0	92974	-	2,500,000
DSPML Opportunities Fund	10	185357	185357	5,000,000	5,000,000
Fidelity India Growth Fund	10	0	977995	-	10,000,000
Franklin India High Growth Companies Fund	10	488998	488998	5,000,000	5,000,000
Sub-total (2a)				45,000,000	87,500,000

Year end NAV of long-term investment in Mutual Funds Rs. 4,36,28,263/-
(Preveous Year Rs. 4,55,30,420/-)

**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED 31ST MARCH, 2010**

				Rupees 31-Mar-10	Rupees 31-Mar-09
b) Equity Shares (Fully paid - quoted)					
Adlabs Films Ltd	5	0	1350	-	1,127,962
Ashok Leyland Ltd	1	7500	0	419,625	-
Bharat Heavy Electricals Ltd	10	200	0	454,234	-
Bharati Airtel Ltd	5	1250	0	532,325	-
Coromandal Fertilizer Ltd	2	400	0	128,048	-
Divi's Laboratories Ltd	2	850	900	806,520	1,669,794
Federal Bank Ltd	10	2000	0	493,700	-
Gujrat State Petro Ltd	10	0	27000	-	1,752,856
ICICI Bank Ltd	10	850	1625	993,360	1,972,441
IRB Infrastructure Developers Ltd	10	1200	0	312,072	-
J. Kumar Infraprojects Ltd	10	2000	0	376,485	-
Jagran Prakashan Ltd	2	4550	16500	728,217	2,572,677
Jaiprakash Associates Ltd	2	4500	3250	1,359,496	1,461,680
Kalindi Rail Nirman Eng Ltd	10	1500	0	273,125	-
Kamanwala Industries Ltd	10	57395	0	3,047,081	-
L & T Ltd	2	300	800	-	690,632
Mphasis Ltd	10	300	0	237,498	-
National Thermal Power Corp Ltd	10	5000	0	1,003,025	-
Pantaloon Retails Ltd "B' shares	2	0	4500	-	453,927
Punj Lloyd Ltd	2	4000	5500	1,259,909	2,635,044
Punjab National Bank	10	500	0	470,513	-
Reliance Communications Ltd	5	2000	3000	1,007,500	1,667,190
Reliance Industries Ltd	10	800	550	916,841	1,442,964
Reliance Media Works Ltd	5	675	0	433,583	-
Rural Elec Corpn Ltd	10	650	0	126,087	-
Sun Pharmaceuticals Ltd	5	350	825	539,997	1,272,849
Uco Bank	10	7500	0	442,200	-
Sub-total (B) (2b)				16,361,441	18,720,016
Market Value of long-term investment in quoted shares Rs. 1,38,74,642/- (Preveous Year Rs.77,26,856/-)					
(c) Equity Shares (Fully paid - unquoted)					
Pavitra Jewellery Pvt Ltd	10	1	0	3,000	0
Sub-total (B) (2c)				3,000	0

**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED 31ST MARCH, 2010**

Rupees
31-Mar-10 Rupees
31-Mar-09

Investments purchased and sold during the year

Particulars	Face Value Rs.	No. of Units/ Shares	Cost Rs.
ICICI Prudential Flexible Income Plan	100	400005	40,009,328
ICICI Prudential Flexible Income Plan	10	12685934	135,000,000
Kotak Floater Long Term	10	701603	10,322,128
ITC Ltd	1	5000	1,032,500
Nifty Bmark	10	1000	417,960
Rural Elec Corp Ltd	10	1850	358,863
Reliance Media World Ltd	5	675	130,397
United Spirit Ltd	10	500	461,950
Aditya Birla Nuvo Ltd	10	350	352,681
NTPC	10	2500	569,600
Idea Cellular Ltd	10	3000	264,180
Hindustan Unilever Ltd	1	2750	734,610
Kamanwala Industries Ltd	10	5105	134,699
Bharat Heavy Electricals Ltd	10	150	340,676
IRB Infrastructure Developers Ltd	10	300	81,735
Hindustan Zinc Ltd	10	500	516,755

Total 82,125,930 108,465,254

Rupees Rupees
31-Mar-10 31-Mar-09

Rupees Rupees
31-Mar-10 31-Mar-09

SCHEDULE VII
CURRENT ASSETS AND LOANS & ADVANCES
a. Inventories

(As taken, valued & certified by the Managing Director of the Company)

Stores, Spares, Packing Materials,

Fuel etc.

2,514,614 2,678,755

Stock in Trade

-- Raw Materials 25,823,010 103,258,098

-- Semi-Finished Goods 2,110,191 1,410,057

-- Finished Goods 4,122,080 18,033,512

Total (a) 34,569,895 125,380,422

b. Sundry Debtors

(Unsecured, considered good)

Debts outstanding for period

exceeding six months

290,722 59,959

Other Debts.

12,976,064 23,047,367

Total (b) 13,266,786 23,107,326

c. Cash & Bank Balances

Cash on Hand

76,690 159,381

Balances in Scheduled Banks

-- In Current Accounts 1,124,325 2,560,087

-- In Unclaimed Dividend

Accounts 1,382,343 936,896

-- In Fixed Deposit Accounts

31,246,300 53,376,300

(Pledged/deposited against

Bank Overdraft, guarantees and

to the Govt authorities Rs 1,76,300/-;

Previous Year Rs. 401,76,300/-)

Total (c) 33,829,658 57,032,664

d. Other Current assets

Interest receivable 1,862,003 2,028,369

Dividend receivable 263,728 -

Total (d) 2,125,731 2,028,369

e. Loans & Advances

(Unsecured, considered good)

Loans and Advances recoverable

in cash or in kind or

for value to be received

151,177,411 35,834,503

Loans & Advances to Subsidiary

43,149,457 -

Advances to Staff

752,633 777,100

Deposits with Government & Other

Departments

1,098,427 1,023,187

Advance Tax (Including T.D.S)

29,918,052 39,740,864

Total (e) 226,095,980 77,375,654

Total (a + b + c + d + e) 309,888,050 284,924,435



**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED 31ST MARCH, 2010**

	Rupees 31-Mar-10	Rupees 31-Mar-09
SCHEDULE VIII		
CURRENT LIABILITIES & PROVISIONS		
a. Current Liabilities		
Sundry Creditors for Trade & Expenses	15,099,497	26,438,364
Unpaid dividend (Not due for credit to Investor Education and Protection Fund)	1,381,736	936,531
Advances Received from Customers	3,332,668	6,520,011
Total (a)	19,813,901	33,894,906
b. Provisions		
Income Tax & FBT	33,107,481	46,330,071
Proposed Dividend	5,221,500	5,221,500
Tax on Proposed Dividend Distribution	887,394	887,394
Total (b)	39,216,375	52,438,965
Total (a + b)	59,030,276	86,333,871

SCHEDULE IX		
OTHER INCOME		
Interest Received (TDS Rs. 7,88,225/- Previous Year Rs. 6,26,758/-)	7,605,628	2,951,188
Dividend received cash/liquid fund (Current Investments)	852,745	471,561
Dividend received on investments	1,320,254	1,752,650
Profit on sale of investments	2,317,907	1,785,163
Miscellaneous Incomes & Credits	47,646	129,135
Total	12,144,180	7,089,697

SCHEDULE X		
INVENTORY ADJUSTMENTS		
Opening Stock		
- Finished Goods	18,033,512	8,373,377
Opening Stock		
- Semi Finished Goods	1,410,057	998,556
Closing Stock		
- Finished Goods	(4,122,080)	(18,033,512)
Closing Stock		
- Semi Finished Goods	(2,110,191)	(1,410,057)
Neutralisation of Excise Duty included in Opening and Closing Stock of Finished Goods	(1,678,705)	140,204
Total	11,532,593	(9,931,432)

SCHEDULE XI		
RAW MATERIALS AND GOODS CONSUMED AND TRADED		
Opening Stock	103,258,098	18,828,565
Add : Purchases	91,389,622	281,365,689
	194,647,720	300,194,254
Less : Closing Stocks	25,823,010	103,258,098
Total	168,824,710	196,936,156

	Rupees 31-Mar-10	Rupees 31-Mar-09
SCHEDULE XII		
STAFF COST		
Salaries, Wages and Bonus	7,093,471	6,928,455
Workmen & Staff Welfare	105,443	113,492
Employers Contribution to Provident Fund & Other Funds	758,011	725,321
Gratuity Contribution/Payment	55,110	63,405
Total	8,012,035	7,830,673

SCHEDULE XIII		
MANUFACTURING & OTHER EXPENSES.		
Consumption of Stores, Spares & Packing Materials	7,258,460	7,401,439
Power & Fuel	21,206,946	18,869,644
Water Charges	118,104	177,197
Factory Expenses	7,097,112	5,737,899
Excise Duty	193,744	403,961
Rates & Taxes	214,883	162,200
Rent and Other Charges	739,693	638,401
Repairs - Plant & Machineries	1,658,137	599,840
Repairs - Building	271,608	162,040
Repairs - Others	101,551	193,791
Insurance Charges	192,431	205,311
Travelling & Conveyance	3,410,170	1,965,462
Printing & Stationery	198,015	223,836
Postage, Telegram & Telephone	530,376	567,707
Directors Remuneration	10,023,169	13,155,438
Directors Sitting Fees	156,000	120,000
Payment to Auditors	597,500	599,000
Legal & Professional Charges	2,086,334	2,416,469
Motor Car & Vehicle Expenses	556,532	519,954
Freight, Coolie & Cartage	8,397,320	7,832,593
Advertisement & Sales		
Promotion Expenses	174,359	289,750
Commission & Brokerage	4,951,656	4,488,257
Miscellaneous Expenses	2,097,703	724,483
Bank Charges	58,731	146,025
Bad Debts Written Off	-	1,924,940
Sales Tax paid	89,946	-
Entry Tax	1,949,837	2,736,988
Donation	-	20,000
Loss on assets sold / discarded	-	61,652
Loss on sale of investments	19,083,165	10,207,664
Total	93,413,482	82,551,941

SCHEDULE XIV		
INTEREST		
Interest to bank & others	123,349	425,902
Total	123,349	425,902



SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE XV

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010.

I SIGNIFICANT ACCOUNTING POLICIES

a) METHOD OF ACCOUNTING

The accounts have been prepared under the historical cost convention on an accrual basis in accordance with applicable accounting standards referred to in section 211(3C) of the Companies Act, 1956.

b) FIXED ASSETS

Fixed assets are stated at cost alongwith cost directly attributable to bring the assets to their working condition.

c) DEPRECIATION

Depreciation on all assets at Pithampur is provided on straight line method and assets at head office on written-down-value method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956.

d) INVESTMENTS

Current investments are stated at lower of cost or fair market value. Long Term Investments are stated at cost except where dimunition in value, if any, is other than temporary in nature, in which case they are stated net of provision for such dimunition in value

e) INVENTORIES

i) Stores and spares, packing material and fuel are valued at Cost.

ii) Raw materials are valued at cost or in case where the resultant finished goods are expected to be sold at less than cost, at net realisable value.

iii) Semi finished Goods are valued at estimated cost.

iv) Finished goods are valued at cost or net realisable value whichever is lower.

f) FOREIGN CURRENCY TRANSACTIONS.

All foreign currency transactions are accounted at a predetermined exchange rate which is approximately equal to the rate prevailing at the time of transaction and necessary adjustments are made when transactions are finally settled.

Outstanding foreign currency assets and liabilities are translated at the exchange rate prevailing as on Balance Sheet date and all exchange gains/losses arising therefrom, are adjusted in Profit & Loss Account.

g) SALES

Sales is inclusive of excise duty but net of rate difference payable, sales return and Central Sales Tax/value added tax.

h) EMPLOYEES BENEFITS

Defined Contribution Benefits

Company's contributions paid/payable during the year to Provident Fund, Family Pension Fund, ESIC and Labour Welfare Fund are recognized in Profit & Loss Account.

Defined Benefit Plan

i. The payments to Life Insurance Corporation of India for all the employees covered under 'Employees Group Gratuity cum Life Assurance Scheme' are based on amount of premium determined by them. Premiums so paid/payable for the year are recognized in the Profit & Loss Account.

ii. Annual Leave Encashment is accounted on accrual basis.

i) CONTINGENT LIABILITY

Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts.

j) DEFERRED TAXATION

Deferred Tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax to the extent that timing differences are expected to crystallize.

k) SEGMENT REPORTING

Manufacturing and selling of chemicals is considered a single reportable segment within the meaning of AS-17.

II NOTES ON ACCOUNTS

1 Contingent Liabilities not provided for

a) Guarantees given by the bankers of the Company Rs. 1,65,000/- (Previous Year Rs. 1,65,000/-)

b) Overdue interest on loan from Development Corporation of Konkan Ltd. Rs.5,98,571 /- (Previous Year Rs.5,35,753/-)

2 Previous year figures have been rearranged/regrouped, wherever necessary, to make them comparable with current year figures.



SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

3	Payment to Statutory Auditors.		
		Current Year Rupees	Previous Year Rupees
a)	As Auditors	150,000	150,000
b)	In Other Capacity		
	For Tax Audit	60,000	60,000
	For Certification	231,500	233,000
	For Taxation Matters	156,000	156,000
	Total	597,500	599,000

4	Managerial Remuneration to Directors:		
A)	Break up of Remuneration		
	1. Salary & Allowances	2,880,000	2,663,226
	2. Contribution to provident Fund	216,000	199,742
	3. Commission on profit	6,655,346	9,530,032
	4. Perquisites	487,823	962,181
	Total	10,239,169	13,355,181

The Company has taken Group Gratuity Policy and contributing for the Directors is not separately determined, hence not included above.

B) Computation of net profit in accordance with Section 349/198 of the Companies Act, 1956 and calculation of Managing & Executive Director's Commission.

Profit Before Taxation	79,393,027	123,981,120
Add: 1. Remuneration to Managing & Executive Director	10,239,169	13,355,181
2. Directors Sitting Fees	156,000	120,000
3. Loss on Sale of Investments	19,083,165	10,207,664
4. Loss on Sale of Capital Assets	-	61,652
	108,871,361	147,725,617
Less: Profit on sale of Investments	2,317,907	1,785,163
	2,317,907	1,785,163
Profit as per Section 198	106,553,454	145,940,454

i)	Maximum Remuneration (including commission) as per Section 309(3) i.e 5% of net profit payable to Managing Director and Executive Director each	10,655,345	13,494,495
ii)	Remuneration paid (excluding commission) as per terms approved by shareholders	3,583,823	3,825,149
iii)	Balance representing upper limit of commission	7,071,522	9,669,346
iv)	Commission payable as per terms approved by shareholders subject to limit in (iii)	6,655,346	9,530,032

5 The Balances of sundry debtors, sundry creditors, loans and advances are subject to confirmation & reconciliation, if any. In the opinion of the management, adjustment, if any, arising out of reconciliation are not expected to be significant.

6 In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business.

7 Major components of deferred tax liabilities and assets arising on account of timing difference are :-

	31.03.2010	31.03.2009
Liabilities		
On account of Depreciation	5,095,091	6,057,504
Assets		
On account of Disallowances	-	-
Net Deferred Tax Liability	<u>5,095,091</u>	<u>6,057,504</u>

8 Related party Disclosures :-

A Where Control Exists

a)	Name	Indoborax Infrastructure Pvt Ltd.
	Relationship	Subsidiary Company
	Holding	60%
		<u>Year Ended</u> <u>Year Ended</u>
		31.03.2010 31.03.2009

b) Details of Transactions

Investment in Share Capital	60000	NA
Advances Given during the year	43149457	NA
Advances outstanding at year end	43149457	NA
Interest Income	1406640	NA

B Key Management Personnel & their relatives

a) Shri S. K. Jain , Managing Director and Shri.Sajal Jain, Executive Director of the Company hold significant interest and key management position in the Company.

b) Details of Transactions with the persons referred to in (a) above and their relatives are as under:

1	Remuneration paid to Managing Director *	5,231,019	7,297,023
2	Remuneration paid to Executive Director / Chief Executive *	5,008,150	6,291,190
3	Directors Sitting Fees paid	45,000	36,000

*The Company has taken Group Gratuity Policy and contribution for the Managing Director and Executive Director is not separately determined, hence not included above.

9 During the year , the company has written off Rs.NIL (Previous year Rs. 19,24,940/-) as Bad Debts as, in the opinion of the management, the same is doubtful of recovery. The money claim and other proceedings in respect of the said amount are pending.

10 Pursuant to Accounting Standard Interpretation (ASI)-14 (Revised) "Disclosure of Revenue from Sales Transactions" issued by the Institute of Chartered Accountants of India, the excise duty expenses is bifurcated into three components: excise duty expenses related to sales is reduced from Gross Sales, excise duty relating to the difference between the closing and opening stock is recognized in the inventory adjustments and the unrecovered excise duty is recognized under manufacturing and other expenses.

11 Earning per share is computed based on the following:-

	Year Ended	Year Ended	
	31.03.2010	31.03.2009	
a)	Profit after tax - (Rs.)	47,440,981	78,703,665
b)	Weighted average number of equity Shares	3,481,000	3,481,000
c)	Basic and diluted Earning per Share Rs.	13.63	22.61
	(Face Value of Share Rs. 10/-)		



SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

<p>12 No Provision for diminution in value of long term investments in mutual funds and quoted shares aggregating to Rs. 71,85,328/- (Previous year :Rs.5,30,51,084/-) has been made in accounts as the diminution is of temporary nature.</p> <p>13 The company has not entered in any derivative transactions by way of currency and/or interest rate swap or forward exchange contract.</p> <p>14 a) None of the supplier of the company has informed that it is a SSI unit . Therefore, outstanding to SSI units is considered to be NIL.</p> <p>b) In the absence of any intimation received from vendors regarding the status of their registration under the " Micro, Small and Medium Enterprises Development Act, 2006 " the company is unable to comply with the disclosure required to be made relating thereto.</p> <p>15 The company has taken Group Gratuity Policy from LIC and charged the premiums determined by Lic and payable for the financial year is charged to Profit & Loss Account. The particulars of the policy received from LIC are given below:</p>	<p>b) Current Service cost on annual renewal date 88996 103865</p> <p>c) Premium paid to LIC including LC premium 16606 74204</p> <p>d) Prepaid premium brought forward 49605 38806</p> <p>e) Prepaid premium carried forward 11101 49605</p> <p>f) Amount charged to Profit & Loss Account 55110 63405</p> <p>g) Balance under the Scheme at year end 1618579 1520970</p> <p>h) Valuation Method Projected Unit Credit Method Projected Unit Credit Method</p> <p>i) Assumptions</p> <table border="0"> <tr> <td>Discount Rate</td> <td>8%</td> <td>8%</td> </tr> <tr> <td>Salary Escalation</td> <td>5%</td> <td>7%</td> </tr> <tr> <td>Mortality Rate</td> <td>LIC (1994-96)</td> <td>LIC (1994-96)</td> </tr> </table>	Discount Rate	8%	8%	Salary Escalation	5%	7%	Mortality Rate	LIC (1994-96)	LIC (1994-96)
Discount Rate	8%	8%								
Salary Escalation	5%	7%								
Mortality Rate	LIC (1994-96)	LIC (1994-96)								
<table border="0"> <tr> <td></td> <td style="text-align: center;">Current Year</td> <td style="text-align: center;">Previous Year</td> </tr> <tr> <td>a) Present Value of past service benefit as on 1st December i.e. Annual renewal date</td> <td style="text-align: center;">1328289</td> <td style="text-align: center;">1320079</td> </tr> </table>		Current Year	Previous Year	a) Present Value of past service benefit as on 1st December i.e. Annual renewal date	1328289	1320079				
	Current Year	Previous Year								
a) Present Value of past service benefit as on 1st December i.e. Annual renewal date	1328289	1320079								

16 ADDITIONAL QUANTITATIVE INFORMATION AS REQUIRED BY PARA 3 & 4 PART II OF THE SCHEDULE VI OF THE COMPANIES ACT, 1956 ARE AS UNDER

	Current Year		Previous Year	
	Qty (M.T.)	Value in Rupees	Qty (M.T.)	Value in Rupees
a. LICENCED CAPACITY	-	NOT APPLICABLE	-	NOT APPLICABLE
b. INSTALLED CAPACITY				
Boron Products -Boric Acid and/or Borax	14,400		14,400	
In view of partial interchangeability of production of Boric Acid and Borax within overall installed capacity, combined installed capacity has been stated. Installed capacity is technical matter, hence Auditors have relied on the certificate given by the management.				
c. PRODUCTION				
Boron Products	6122.550	-	6431.750	-
d. OPENING STOCK OF FINISHED GOODS				
Boron Products	384.335	18,033,512	196.185	8,373,377
	Total	18,033,512		8,373,377
e. SALES				
Boron Products	6413.640	377,740,585	6243.600	447,977,761
Other chemicals & Minerals		5,395,100		2,908,208
	Total	383,135,685		450,885,969
f. CLOSING STOCK OF FINISHED GOODS				
Boron Products	93.245	4,122,080	384.335	18,033,512
	Total	4,122,080		18,033,512
g. RAW MATERIALS AND GOODS CONSUMED AND TRADED				
Boron Mineral & Products	11340.670	146,074,965	12410.415	153,253,120
Other chemicals & Minerals	-	22,749,745	-	43,683,036
	Total	168,824,710		196,936,156
h. CONSUMPTION OF IMPORTED & INDIGENOUS MATERIAL				
RAW MATERIALS	%	VALUE	%	VALUE
i) Imported	85.97	142,035,681	76.17	148,872,784
ii) Indigenous	14.03	23,172,373	23.83	46,579,736
	100.00	165,208,054	100.00	195,452,520



**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED 31ST MARCH, 2010**

i.	STORES & SPARES				
	i) Imported	—	—	—	—
	ii) Indigenous	100.00	4,604,826	100.00	4,435,982
		<u>100.00</u>	<u>4,604,826</u>	<u>100.00</u>	<u>4,435,982</u>
j.	C.I.F VALUE OF IMPORTS				
	Raw Materials, Chemicals & Minerals		53,655,827		196,648,200
k.	EARNINGS IN FOREIGN EXCHANGE		NIL		NIL
l.	EXPENDITURE IN FOREIGN CURRENCY FOR TRAVEL/SUBSCRIPTION/PROFESSIONAL FEES ETC		1,259,611		549,919
17	BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE				
	I Registration Details				
	Registration No.	23177		State Code	11
	Balance Sheet dated :	31.03.2010			
	II Capital Raised during the year				
	Public Issue	Nil		Rights Issue	Nil
	Bonus Shares	Nil		Private Placement	Nil
	III Position of Mobilisation and Deployment of Funds				
			(Rs. in Thousands)		
	Total Liabilities		360,496		
	Total Assets		360,496		
	Sources of Funds				
	Paid up Capital		34,810		
	Reserves & Surplus		320,185		
	Secured Loans		-		
	Unsecured Loans		405		
	Deferred Tax Liability		5,095		
	Application of funds.				
	Net Fixed Assets		27,512		
	Investments		82,126		
	Net Current Assets		250,858		
	Misc. Expenditure		0		
	Accumulated Losses		0		
	IV Performance of Company				
	a) Turnover (Gross Revenue)		395,280		
	b) Total Expenditure		315,887		
	c) Profit & Loss Before Tax		79,393		
	d) Profit & Loss After Tax		47,441		
	e) Earning per Share in Rs.		13.63		
	f) Dividend Rate		15%		
	V Generic Name of Principal Products/Services of Company				
	Item Code No. (ITC Code)	:	281000.20		
	Product Description	:	Boric Acid		
	Item Code No. (ITC Code)	:			
	Product Description	:			

SIGNATURES TO THE SCHEDULES I TO XV

As per our report of even date.

For V.S.LALPURIA & COMPANY
Chartered Accountants
(Firm No. 105581W)

Sushila Jain - Director
Arun S.Sureka - Director

S.K.Jain
Chairman & Managing Director.

V.S.LALPURIA
Proprietor
M. No. 15926

Narendrakumar Mittal - Director

Sajal S. Jain
Vice Chairman &
Executive Director

Mumbai, May 31, 2010



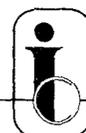
AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the attached Consolidated Balance Sheet of INDO BORAX & CHEMICALS LIMITED (the "Company"), its subsidiary ("the Group") as at March 31, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Accounts have been prepared by the Management in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), issued by the Institute of Chartered Accountants of India
4. Based on our audit and to the best of our information and according to the explanations given to us, we are of the opinion that the aforesaid Consolidated Accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2010;
 - b) in the case of the Consolidated Profit and Loss Account, of the consolidated profit of the Group for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

For V.S. LALPURIA & COMPANY
CHARTERED ACCOUNTANTS
(Firm No. 105581W)

(V.S. LALPURIA)
PROPRIETOR
Membership No.15926

PLACE : MUMBAI
DATED: 31st May, 2010


CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedules	Rupees 31-Mar-10	Rupees 31-Mar-09
I. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	I	34,810,000	34,810,000
b) Reserves & Surplus	II	320,175,202	278,853,228
		<u>354,985,202</u>	<u>313,663,228</u>
2. MINORITY INTEREST			
		33,286	—
3. LOAN FUNDS			
a) Secured Loans	III	—	18,363,948
b) Unsecured Loans	IV	21,054,141	405,240
		<u>21,054,141</u>	<u>18,769,188</u>
4. DEFERRED TAX LIABILITY (NET)			
		5,095,091	6,057,504
	TOTAL	<u>381,167,720</u>	<u>338,489,920</u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS			
a) Gross Block	V	82,721,265	81,988,899
b) Less : Depreciation		55,206,764	50,554,797
c) Net Block		<u>27,514,501</u>	<u>31,434,102</u>
2. INVESTMENTS			
	VI	82,065,930	108,465,254
3. CURRENT ASSETS AND LOANS & ADVANCES			
a) Inventories	VII	96,059,588	125,380,422
b) Sundry Debtors		13,266,786	23,107,326
c) Cash & Bank Balances		33,888,420	57,032,664
d) Other Current Assets		2,125,731	2,028,369
e) Loans & Advances		185,555,770	77,375,654
		<u>330,896,295</u>	<u>284,924,435</u>
Less : Current Liabilities & Provisions	VIII	59,376,150	86,333,871
Net Current Assets		<u>271,520,145</u>	<u>198,590,564</u>
4. MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted.)			
Preliminary Expenses	IX	67,144	0
	TOTAL	<u>381,167,720</u>	<u>338,489,920</u>

Significant Accounting Policies and Notes forming
integral part of the accounts. XVI

As per our report of even date.

For V.S.LALPURIA & COMPANY
Chartered Accountants
(Firm No. 105581W)

Sushila Jain - Director
Arun S.Sureka - Director

S.K.Jain
Chairman & Managing Director.

V.S.LALPURIA
Proprietor
M. No. 15926

Narendrakumar Mittal - Director

Sajal S. Jain
Vice Chairman &
Executive Director

Mumbai, May 31, 2010


CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010.

	Schedules	Rupees 31-Mar-10	Rupees 31-Mar-09
INCOME			
Sales (Including Excise Duty)		383,135,685	450,885,969
Less: Excise Duty		29,329,352	51,167,346
Net Sales		353,806,333	399,718,623
Other Income	X	10,737,540	7,089,697
Total Income		364,543,873	406,808,320
EXPENDITURE			
Inventory Adjustments	XI	(49,957,100)	(9,931,432)
Raw Materials & Goods consumed and Traded	XII	168,824,710	196,936,156
Cost of Land		58,666,500	-
Staff Cost	XIII	8,070,835	7,830,673
Manufacturing & Other Expenses	XIV	94,150,061	82,551,941
Interest	XV	743,873	425,902
Depreciation		4,651,967	5,013,960
Preliminary Expenses Written Off		16,786	-
Total Expenditure		285,167,632	282,827,200
PROFIT BEFORE TAX		79,376,241	123,981,120
Less : a) Current Tax		33,100,000	46,025,000
b) Deferred Tax		(962,413)	(1,047,545)
c) Fringe Benefit Tax		-	300,000
d) Adjustment for Tax Provision for earlier years		(185,541)	-
Total Tax		31,952,046	45,277,455
PROFIT AFTER TAX		47,424,195	78,703,665
Add: Minority Interest		6,714	-
		47,430,909	78,703,665
Add: Profit Brought forward from Previous Year		220,431,221	157,836,488
		267,862,130	236,540,153
Less : Transfer to General Reserve		10,000,000	10,000,000
Less : Proposed Dividend		5,221,500	5,221,500
Less : Tax on Dividend		887,435	887,432
BALANCE CARRIED TO BALANCE SHEET		251,753,195	220,431,221
Basic and diluted earning per share. (Face Value Rs. 10/- each)		13.63	22.61
Significant Accounting Policies and Notes forming integral part of the accounts.	XVI		

As per our report of even date.

For V.S.LALPURIA & COMPANY
Chartered Accountants
(Firm No. 105581W)

Sushila Jain - Director
Arun S.Sureka - Director

S.K.Jain
Chairman & Managing Director.

V.S.LALPURIA
Proprietor
M. No. 15926

Narendrakumar Mittal - Director

Sajal S. Jain
Vice Chairman &
Executive Director

Mumbai, May 31, 2010


CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	Rupees
	Year ended
	<u>31.03.2010</u>
A. CASH FLOW FROM OPERATING ACTIVITIES :	
Net Profit before tax and extraordinary items adjusted.	79376241
Adjustments for :	
Depreciation	4651967
Preliminary Expenses W/off	16786
Profit/loss on sale of investment	16765258
Dividend/interest from investments	(8371987)
Interest	<u>743873</u>
	<u>13805897</u>
Operating profit before working capital changes	93182138
Adjustments for :	
Trade and other Receivables	9743178
Inventories	29320834
Loans & Advances	(118002928)
Trade payable	<u>(13735131)</u>
	<u>(92674047)</u>
Cash generated from operations	508091
Interest	(743873)
Income-Tax	<u>(36314237)</u>
	<u>(37058110)</u>
Cash Flow before extraordinary items	<u>(36550019)</u>
Extraordinary items	<u>0</u>
Net Cash Flow from Operating activities --- A	<u>(36550019)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(732366)
Preliminary Expenses	(83930)
Income from Investments	(8393271)
Investments in Mutual Fund/Debentures	<u>26399324</u>
Net Cash used in Investing Activities --- B	<u>17189757</u>
C. CASH FLOW FROM FINANCING ACTIVITIES	
Long term borrowings	0
Short term borrowings	(18363948)
Unsecured loans	20648901
Adjustment for minority interest	40000
Dividend & Dividend Tax paid	<u>(6108935)</u>
Net Cash from Financing Activities --- C	<u>(3783982)</u>
Net Increase / (decrease) in Cash and Cash equivalent	<u>(23144244)</u>
Cash & Cash Equivalent at the beginning of the year	<u>57032664</u>
Cash & Cash Equivalent end of the year	<u>33888420</u>

Note : 1) Figures in brackets represent outflows

2) This being first year of consolidation, previous year figures are not applicable

As per our report of even date.

For V.S.LALPURIA & COMPANY
Chartered Accountants
(Firm No. 105581W)

Sushila Jain - Director

Arun S.Sureka - Director

S.K.Jain
Chairman & Managing Director.

V.S.LALPURIA
Proprietor
M. No. 15926

Narendrakumar Mittal - Director

Sajal S. Jain
Vice Chairman &
Executive Director

Mumbai, May 31, 2010

Indo Borax & Chemicals Ltd. - Consolidated



SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010 AND CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Rupees <u>31-Mar-10</u>	Rupees <u>31-Mar-09</u>
SCHEDULE I		
SHARE CAPITAL		
<i>Authorised Capital</i>		
60,00,000 Equity Shares of Rs. 10/- each	60,000,000	60,000,000
<i>Issued & Subscribed</i>		
35,00,000 Equity Shares of Rs. 10/- each	35,000,000	35,000,000
<i>Paid up</i>		
34,81,000 Equity Shares of Rs. 10/- each	34,810,000	34,810,000
Total	<u>34,810,000</u>	<u>34,810,000</u>
SCHEDULE II		
RESERVES & SURPLUS		
<i>Share Forfeiture Account</i>		
Balance Brought Forward	139,350	139,350
<i>Share Premium Account</i>		
Balance Brought Forward	12,905,000	12,905,000
<i>General Reserve</i>		
Balance Brought Forward	45,377,657	35,377,657
Add: Transfer from Profit & Loss A/c	10,000,000	10,000,000
	<u>55,377,657</u>	<u>45,377,657</u>
Balance as per Consolidated Profit & Loss Account.	251,753,195	220,431,221
Total	<u>320,175,202</u>	<u>278,853,228</u>
SCHEDULE III		
SECURED LOANS		
From Bank (Secured Against FDR)	-	18,363,948
Total	<u>-</u>	<u>18,363,948</u>
SCHEDULE IV		
UNSECURED LOANS		
From Development Corporation of Konkan Limited	405,240	405,240
From Members/Directors/Relatives	20,648,901	-
Total	<u>21,054,141</u>	<u>405,240</u>
SCHEDULE V		
Fixed Assets		

Sr. No	Particulars of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01-04-2009	Addition during the year	Sale/Adj. during the year	Total as on 31-03-2010	Balance as on 01-04-2009	For the Year	Sale/Adj. during the year	Total as on 31-03-2010	As on 31-03-2010	As on 31-03-2009
1	Leasehold Land-PIT	1005924	0	0	1005924	0	0	0	0	1005924	1005924
2	Factory Building & Others	15379170	0	0	15379170	7325201	504689	0	7829890	7549280	8053969
3	Plant & Machinery	51023863	9500	0	51033363	35028332	2693667	0	37721999	13311364	15995531
4	Electrical Installation	2565553	0	0	2565553	1684325	121864	0	1806189	759364	881228
5	Furniture & Fixtures & Office Equipments	3866341	318556	0	4184897	2439744	274961	0	2714705	1470192	1426597
6	Vehicles	8148048	404310	0	8552358	4077195	1056786	0	5133981	3418377	4070853
	Total	81988899	732366	0	82721265	50554797	4651967	0	55206764	27514501	31434102
	Previous Year	82563713	140303	715117	81988899	46064302	5013960	523465	50554797	31434102	36499411



SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010 AND CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Rupees 31-Mar-10	Rupees 31-Mar-09		Rupees 31-Mar-10	Rupees 31-Mar-09
SCHEDULE VI					
INVESTMENTS					
Non-Trade Investments					
1) Current Investments	20,701,489	2,245,238			
2) Long Term Investments					
a) Mutual Funds	45,000,000	87,500,000			
(Year end NAV of long-term Investment in Mutual Funds Rs. 4,36,28,263/- : Previous Year Rs. 4,55,30,420/-)					
b) Equity Shares (Fully-paid-quoted)	16,361,441	18,720,016			
(Market Value of long-term Investment in quoted shares Rs. 1,38,74,642/- : Previous Year Rs. 77,26,856/-)					
c) Equity Shares (Fully paid-unquoted)	3000	0			
Total	<u>82,065,930</u>	<u>108,465,254</u>			
SCHEDULE VII					
CURRENT ASSETS AND LOANS & ADVANCES					
a. Inventories					
(As taken, valued & certified by the Managing Director of the Company)					
Stores, Spares, Packing Materials, Fuel etc.	2,514,614	2,678,755			
Stock in Trade					
-- Raw Materials	25,823,010	103,258,098			
-- Semi-Finished Goods	2,110,191	1,410,057			
-- Work-in-Progress - Construction	61,489,693	-			
-- Finished Goods	4,122,080	18,033,512			
Total (a)	<u>96,059,588</u>	<u>125,380,422</u>			
b. Sundry Debtors					
(Unsecured, considered good)					
Debts outstanding for period exceeding six months	290,722	59,959			
Other Debts.	12,976,064	23,047,367			
Total (b)	<u>13,266,786</u>	<u>23,107,326</u>			
c. Cash & Bank Balances					
Cash on Hand	95,202	159,381			
Balances in Scheduled Banks					
--- In Current Accounts	1,164,575	2,560,087			
--- In Unclaimed Dividend Accounts	1,382,343	936,896			
--- In Fixed Deposit Accounts (Pledged/deposited against Bank Overdraft, guarantees and to the Govt authorities Rs 1,76,300/-; Previous Year Rs. 401,76,300/-)	31,246,300	53,376,300			
Total (c)	<u>33,888,420</u>	<u>57,032,664</u>			
d. Other Current assets					
Interest receivable	1,862,003	2,028,369			
Dividend receivable	263,728	-			
Total (d)	<u>2,125,731</u>	<u>2,028,369</u>			
e. Loans & Advances					
(Unsecured, considered good)					
Loans and Advances recoverable in cash or in kind or					
			for value to be received	153,786,658	35,834,503
			Advances to Staff	752,633	777,100
			Deposits with Government & Other Departments	1,098,427	1,023,187
			Advance Tax (Including T.D.S)	29,918,052	39,740,864
			Total (e)	<u>185,555,770</u>	<u>77,375,654</u>
			Total (a + b + c + d + e)	<u>330,896,295</u>	<u>284,924,435</u>
SCHEDULE VIII					
CURRENT LIABILITIES & PROVISIONS					
a. Current Liabilities					
Sundry Creditors for Trade & Expenses					
				15,445,371	26,438,364
			Unpaid dividend (Not due for credit to Investor Education)	1,381,736	936,531
			Advances Received from Customers	3,332,668	6,520,011
			Total (a)	<u>20,159,775</u>	<u>33,894,906</u>
b. Provisions					
			Income Tax & FBT	33,107,481	46,330,071
			Proposed Dividend	5,221,500	5,221,500
			Tax on Proposed Dividend Distribution	887,394	887,394
			Total (b)	<u>39,216,375</u>	<u>52,438,965</u>
			Total (a + b)	<u>59,376,150</u>	<u>86,333,871</u>
SCHEDULE IX					
MISCELLANEOUS EXPENDITURE					
(To the extent not written off or adjusted)					
			Preliminary and share issue expenses	83930	0
			Less : Written of during the year.	16786	0
			Total	<u>67144</u>	<u>0</u>
SCHEDULE X					
OTHER INCOME					
			Interest Received (TDS Rs. 7,88,225/- Previous Year Rs. 6,26,758/-)	6,198,988	2,951,188
			Dividend received cash/liquid fund (Current Investments)	852,745	471,561
			Dividend received on investments	1,320,254	1,752,650
			Profit on sale of investments	2,317,907	1,785,163
			Miscellaneous Incomes & Credits	47,646	129,135
			Total	<u>10,737,540</u>	<u>7,089,697</u>
SCHEDULE XI					
INVENTORY ADJUSTMENTS					
			Opening Stock - Finished Goods	18,033,512	8,373,377
			Opening Stock - Semi Finished Goods	1,410,057	998,556
			Opening - Work-in-Progress	-	-
			Closing Stock - Finished Goods	(4,122,080)	(18,033,512)
			Closing Stock - Semi Finished Goods	(2,110,191)	(1,410,057)
			Closing - Work-in-Progress	(61,489,693)	-
			Neutralisation of Excise Duty included in Opening and Closing Stock of Finished Goods	(1,678,705)	140,204
			Total	<u>(49,957,100)</u>	<u>(9,931,432)</u>



SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010 AND CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Rupees 31-Mar-10	Rupees 31-Mar-09			
SCHEDULE XII					
RAW MATERIALS AND GOODS CONSUMED AND TRADED					
Opening Stock	103,258,098	18,828,565	Repairs - Building	271,608	162,040
Add : Purchases	91,389,622	281,365,689	Repairs - Others	101,551	193,791
	194,647,720	300,194,254	Insurance Charges	192,431	205,311
Less : Closing Stocks	25,823,010	103,258,098	Travelling & Conveyance	3,410,170	1,965,462
Total	168,824,710	196,936,156	Printing & Stationery	209,524	223,836
SCHEDULE XIII			Postage , Telegram & Telephone	530,451	567,707
STAFF COST			Directors Remuneration	10,023,169	13,155,438
Salaries, Wages and Bonus	7,152,271	6,928,455	Directors Sitting Fees	156,000	120,000
Workmen & Staff Welfare	105,443	113,492	Payment to Auditors	597,500	599,000
Employers Contribution to Provident Fund & Other Funds	758,011	725,321	Legal & Professional Charges	2,127,834	2,416,469
Gratuity Contribution/Payment	55,110	63,405	Motor Car & Vehicle Expenses	565,347	519,954
Total	8,070,835	7,830,673	Freight , Coolie & Cartage	8,397,320	7,832,593
SCHEDULE XIV			Advertisement & Sales		
MANUFACTURING & OTHER EXPENSES.			Promotion Expenses	174,359	289,750
Consumption of Stores, Spares & Packing Materials	7,258,460	7,401,439	Commission & Brokerage	4,951,656	4,488,257
Power & Fuel	21,206,946	18,869,644	Miscellaneous Expenses	2,097,703	724,483
Water Charges	118,104	177,197	Bank Charges	59,757	146,025
Factory Expenses	7,097,112	5,737,899	Bad Debts Written Off	-	1,924,940
Construction Expenses	673,654	-	Sales Tax paid	89,946	-
Excise Duty	193,744	403,961	Entry Tax	1,949,837	2,736,988
Rates & Taxes	214,883	162,200	Donation	-	20,000
Rent and Other Charges	739,693	638,401	Loss on assets sold / discarded	-	61,652
Repairs - Plant & Machineries	1,658,137	599,840	Loss on sale of investments	19,083,165	10,207,664
			Total	94,150,061	82,551,941
			SCHEDULE XV		
			INTEREST		
			Interest to bank & others	123,349	425,902
			Interest on unsecured Loan	620,524	-
			Total	743,873	425,902

SCHEDULE XVI

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010.

I The Consolidated financial statements relates to Indo Borax & Chemicals Ltd. and its Subsidiary Company. The consolidated financial statements have been prepared in accordance with Accounting Standard - 21 " Consolidated Financial Statement " issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statements have been prepared on the following basis :-

The Financial Statements of the Company and its Subsidiary company have been combined on a line-by-line by adding together the book values of like items of Assets, Liabilities, Income and expenses after fully eliminating intra group balances and transactions.

The list of subsidiary companies included in consolidation and Company's holding therein are as under :

Name of the Subsidiaries : Indoborax Infrastructure Pvt Ltd

Country of Incorporation : INDIA

% of ultimate holding : 60%

II SIGNIFICANT ACCOUNTING POLICIES

a) METHOD OF ACCOUNTING

The accounts have been prepared under the historical cost convention on an accrual basis in accordance with applicable accounting standards referred to in section 211(3C) of the Companies Act, 1956.

b) FIXED ASSETS

Fixed assets are stated at cost alongwith cost directly attributable to bring the assets to their working condition.

c) DEPRECIATION

Depreciation on all assets at Pithampur is provided on straight line method and assets at head office and of subsidiary company on written-down-value method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956.

d) INVESTMENTS

Current investments are stated at lower of cost or fair market value. Long Term Investments are stated at cost except where diminution in value, if any, is other than temporary in nature, in which case they are stated net of provision for such diminution in value

e) INVENTORIES

i) Stores and spares, packing material and fuel are valued at Cost.

ii) Raw materials are valued at cost or in case where the resultant finished goods are expected to be sold at less than cost, at net realisable value.



**SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010 AND CONSOLIDATED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

- iii) Semi finished Goods are valued at estimated cost.
Work in progress for construction projects are valued at aggregate of cost of land, cost of materials, construction expenses, other direct expenses and indirect expenses attributable or allocable to it.
- iv) Finished goods are valued at cost or net realisable value whichever is lower.

f) FOREIGN CURRENCY TRANSACTIONS.

All foreign currency transactions are accounted at a predetermined exchange rate which is approximately equal to the rate prevailing at the time of transaction and necessary adjustments are made when transactions are finally settled.

Outstanding foreign currency assets and liabilities are translated at the exchange rate prevailing as on Balance Sheet date and all exchange gains/losses arising therefrom, are adjusted in Profit & Loss Account.

g) SALES

Sales is inclusive of excise duty but net of rate difference payable, sales return and Central Sales Tax/value added tax.

h) Income Recognition

Income from sale of units is recognised when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

i) EMPLOYEES BENEFITS

Defined Contribution Benefits

Company's contributions paid/payable during the year to Provident Fund, Family Pension Fund, ESIC and Labour Welfare Fund are recognized in Profit & Loss Account.

Defined Benefit Plan

i. The payments to Life Insurance Corporation of India for all the employees covered under 'Employees Group Gratuity cum Life Assurance Scheme' are based on amount of premium determined by them. Premiums so paid/payable for the year are recognized in the Profit & Loss Account.

ii. Annual Leave Encashment is accounted on accrual basis.

Employees of the subsidiary company are presently not entitled to any benefits referred to in AS-15.

j) CONTINGENT LIABILITY

Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts.

j) DEFERRED TAXATION

Deferred Tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax to the extent that timing differences are expected to crystallize.

k) SEGMENT REPORTING

The activities of the holding company other than those relating to deployment of surplus funds are reported under the Segment- 'Chemicals'. Activities of the subsidiary company are reported under the Segment - 'Construction'. All other activities are reported as 'Unallocated'.

III NOTES ON ACCOUNTS

- 1 Contingent Liabilities not provided for
 - a) Guarantees given by the bankers of the Company Rs. 1,65,000/- (Previous Year Rs. 1,65,000/-)
 - b) Overdue interest on loan from Development Corporation of Konkan Ltd. Rs.5,98,571 /- (Previous Year Rs.5,35,753/-)
- 2 Previous year figures have been rearranged/regrouped, wherever necessary, to make them comparable with current year figures. Previous Year figures pertain to holding company only. Current year figures includes those pertaining to the subsidiary company also from the date of incorporation (i.e. 3-12-2009).
- 3 Payment to Statutory Auditors.

	Current Year	Previous Year
	Rupees	Rupees
a) As Auditors	150,000	150,000
b) In Other Capacity		
For Tax Audit	60,000	60,000
For Certification	231,500	233,000
For Taxation Matters	156,000	156,000
Total	<u>597,500</u>	<u>599,000</u>
4 Managerial Remuneration to Directors:		
Break up of Remuneration		
1. Salary & Allowances	2,880,000	2,663,226
2. Contribution to provident Fund	216,000	199,742
3. Commission on profit	6,655,346	9,530,032
4. Perquisites	487,823	962,181
Total	<u>10,239,169</u>	<u>13,355,181</u>

The Company has taken Group Gratuity Policy and contributing for the Directors is not separately determined, hence not included above.

- 5 The Balances of sundry debtors, sundry creditors, loans and advances are subject to confirmation & reconciliation, if any. In the opinion of the management, adjustment, if any, arising out of reconciliation are not expected to be significant.
- 6 In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business.
- 7 Major components of deferred tax liabilities and assets arising on account of timing difference are :-

	31.03.2010	31.03.2009
Liabilities		
On account of Depreciation	5,095,091	6,057,504
Assets		
On account of Disallowances	-	-
Net Deferred Tax Liability	<u>5,095,091</u>	<u>6,057,504</u>

8 Related party Disclosures :-

Key Management Personnel & their relatives

- a) Shri S. K. Jain , Managing Director and Shri.Sajal Jain, Executive Director of the Company hold significant interest and key management position in the Company.
- b) Details of Transactions with the persons referred to in (a)



SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010 AND CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

above and their relatives (Smt. Sushila Jain, Smt. Shreelekha Jain, S. K. Jain - HUF and Sajal Jain - HUF) are as under:

1	Remuneration paid to Managing Director*	5,231,019	7,297,023
2	Remuneration paid to Executive Director / Chief Executive *	5,008,150	6,291,190
3	Directors Sitting Fees paid	45,000	36,000

*The Company has taken Group Gratuity Policy and contribution for the Managing Director and Executive Director is not separately determined, hence not included above.

9 During the year, the company has written off Rs. NIL (Previous year Rs. 19,24,940/-) as Bad Debts as, in the opinion of the management, the same is doubtful of recovery. The money claim and other proceedings in respect of the said amount are pending.

10 Pursuant to Accounting Standard Interpretation (ASI)-14 (Revised) "Disclosure of Revenue from Sales Transactions" issued by the Institute of Chartered Accountants of India, the excise duty expenses is bifurcated into three components: excise duty expenses related to sales is reduced from Gross Sales, excise duty relating to the difference between the closing and opening stock is recognized in the inventory adjustments and the unrecovered excise duty is recognized under manufacturing and other expenses.

11 Earning per share is computed based on the following:-

	Year Ended 31.03.2010	Year Ended 31.03.2009
a) Profit after tax - (Rs.)	47,430,909	78,703,665
b) Weighted average number of equity Shares	3,481,000	3,481,000
c) Basic and diluted Earning per Share Rs. (Face Value of Share Rs. 10/-)	13.63	22.61

12 No Provision for diminution in value of long term investments in mutual funds and quoted shares aggregating to Rs. 71,85,328/- (Previous year :Rs.5,30,51,084/-) has been made in accounts as the diminution is of temporary nature.-

13 The company has not entered in any derivative transactions by way of currency and/or interest rate swap or forward exchange contract.

14 a) None of the supplier of the company has informed that it is a SSI unit. Therefore, outstanding to SSI units is considered to be NIL.

b) In the absence of any intimation received from vendors regarding the status of their registration under the "Micro, Small and Medium Enterprises Development Act, 2006" the company is unable to comply with the disclosure required to be made relating thereto.

15 The company has taken Group Gratuity Policy from LIC and charged the premiums determined by Lic and payable for the financial year is charged to Profit & Loss Account. The particulars of the policy received from LIC are given below:

	Current Year	Previous Year
a) Present Value of past service benefit as on 1st December i.e. Annual renewal date	1328289	1320079
b) Current Service cost on annual renewal date	88996	103865
c) Premium paid to LIC including LC premium	16606	74204
d) Prepaid premium brought forward	49605	38806
e) Prepaid premium carried forward	11101	49605
f) Amount charged to Profit & Loss Account	55110	63405
g) Balance under the Scheme at year end	1618579	1520970
h) Valuation Method	Projected Unit Credit Method	Projected Unit Credit Method
i) Assumptions		
Discount Rate	8%	8%
Salary Escalation	5%	7%
Mortality Rate	LIC (1994-96)	LIC (1994-96)

SIGNATURES TO THE SCHEDULES I TO XVI

As per our report of even date.

For V.S.LALPURIA & COMPANY
Chartered Accountants
(Firm No. 105581W)

Sushila Jain - Director
Arun S.Sureka - Director

S.K.Jain
Chairman & Managing Director.

V.S.LALPURIA
Proprietor
M. No. 15926

Narendrakumar Mittal - Director

Sajal S. Jain
Vice Chairman &
Executive Director

Mumbai, May 31, 2010

**DIRECTORS' REPORT**

To The Members of Indoborax Infrastructure Pvt. Ltd,
Your Directors have pleasure to present their First Annual Report and the Audited Statement of Accounts for the period ended on 31-Mar-2010.

FINANCIAL RESULTS AND OPERATIONS

The performance of the Company for the financial period ended 31-Mar-2010 is summarized below:

Particulars	Rs. in lacs)
	31-3-2010
Sales	0
Profit before Depreciation & Taxation	(0.16)
Less : Depreciation	0.01
- Provision for Taxation	0
Profit after Depreciation & Taxation	(0.17)
Balance carried to Balance Sheet	(0.17)

DIVIDEND

The Directors do not recommend payment of dividend as there is no distributable profit.

OPERATIONS

The company has acquired land during the period and started site development activities.

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial period ended 31st March, 2010; the applicable accounting standards had been followed.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial period and of the profit of the Company for that period;
- (iii) that the Directors had taken proper and sufficient care 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 Directors had prepared the annual accounts on a going concern basis.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars required to be furnished pursuant to 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.

AUDITORS

Directors have appointed M/s. V. S. Lalpuria & Co, Chartered Accountants, as Statutory Auditors of the Company hold office, in accordance with the provisions of the Companies Act, 1956, up to conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

COMMENTS ON AUDITORS REPORT

The Auditors Report does not contain any qualifications or adverse comments and therefore, do not call for any comment.

For and on behalf of the Board of Directors

S. K. Jain
Chairman

Mumbai,
May 24, 2010

**REPORT OF AUDITORS TO THE MEMBERS**

We have audited the attached Balance Sheet of M/s. **INDOBORAX INFRASTRUCTURE PVT. LTD.** as ON 31st March, 2010 and Profit & Loss Account and Cash Flow Statement of the company for the period ended on that date annexed there to. These financial statements are the responsibility of the Company's management. Our responsibility is to express our opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1. The company is covered under the exemptions specified in para (2) of the companies (Auditor's Report) order 2003 as amended, hence no statement on the matters specified there is required to be given.
2. Further to our comments in the paragraph 1 above, we have to report that :
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the Books of account.
 - d. In our opinion, the Balance Sheet and Profit & Loss Account, dealt with by this report have been prepared in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act 1956.

- e. On the basis of written representations received from the directors, as on 31-03-2010, and taken on record by the Board of Directors, wherever applicable, we report that none of the Directors is disqualified as on 31-03-2010 from being appointed as a Director of the company in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon give the information required by the Companies Act 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2010;
 - ii. in the case of Profit & Loss Account, of the loss of the company for the period ended on that date; and
 - iii. in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

For V. S. LALPURIA & CO.
CHARTERED ACCOUNTANTS
(Firm No. 105581W)

(V.S. LALPURIA)
PROPRIETOR
Membership No.15926

MUMBAI
May 31, 2010



BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedules	Rupees 31-Mar-10
I. SOURCES OF FUNDS		
1. SHAREHOLDERS' FUNDS		
Share Capital	I	100,000
		<u>100,000</u>
2. LOAN FUNDS		
Unsecured Loans	II	63,798,358
		<u>63,798,358</u>
TOTAL		<u>63,898,358</u>
II. APPLICATION OF FUNDS		
1. FIXED ASSETS		
a) Gross Block	III	3,250
b) Less : Depreciation		<u>650</u>
c) Net Block		<u>2,600</u>
2. CURRENT ASSETS AND LOANS & ADVANCES		
a) Inventories	IV	61,489,693
b) Cash & Bank Balances		58,762
c) Loans & Advances		<u>2,609,247</u>
		<u>64,157,702</u>
Less : Current Liabilities & Provisions	V	<u>345,874</u>
Net Current Assets		<u>63,811,828</u>
3. MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted.)		
Preliminary Expense	VI	67144
Profit & Loss Account		<u>16,786</u>
TOTAL		<u>63,898,358</u>

Significant Accounting Policies and Notes forming integral part of the accounts.

XII

As per our report of even date.

For V.S.LALPURIA & COMPANY
Chartered Accountants
(Firm No. 105581W)

Piyush Shah - Executive Director

S.K.Jain - Director

Sajal S. Jain - Director

V.S.LALPURIA
Proprietor
M. No. 15926

Mumbai, May 24, 2010



PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2010.

		Rupees
Schedules		31-Mar-10
INCOME		
Sales		-
	Total Income	<u>-</u>
EXPENDITURE		
Inventory Adjustments	VII	(61,489,693)
Cost of land		58,666,500
Staff Cost	VIII	58,800
Construction Expenses	IX	673,654
Selling, Administrative & Other Expenses	X	62,925
Interest	XI	2,027,164
Depreciation		650
Preliminary Expenses Written off		16,786
	Total Expenditure	<u>16,786</u>
PROFIT BEFORE TAX		(16,786)
Less : Current Tax		-
PROFIT AFTER TAX		(16,786)
BALANCE CARRIED TO BALANCE SHEET		<u>(16,786)</u>

Basic and diluted earning per share. (Face Value Rs. 10/- each) (1.68)

Significant Accounting Policies and Notes forming integral part of the accounts. XII

As per our report of even date.

For V.S.LALPURIA & COMPANY
Chartered Accountants
(Firm No. 105581W)

Piyush Shah - Executive Director

S.K.Jain - Director

Sajal S. Jain - Director

V.S.LALPURIA
Proprietor
M. No. 15926

Mumbai, May 24, 2010



CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2010

	Rupees
	Year ended
	<u>31.03.2010</u>
A. CASH FLOW FROM OPERATING ACTIVITIES :	
Net Profit before tax and extraordinary items adjusted.	(16786)
Adjustments for :	
Depreciation	650
Preliminary Expenses W/off	16786
Interest	<u>2027164</u>
	<u>2044600</u>
Operating profit before working capital changes	2027814
Adjustments for :	
Trade and other Receivables	0
Inventories	(61489693)
Loans & Advances	(2609247)
Trade payable	<u>345874</u>
	<u>(63753066)</u>
Cash generated from operations	(61725252)
Interest	(2027164)
Income-Tax	<u>0</u>
	<u>(2027164)</u>
Cash Flow before extraordinary items	(63752416)
Extraordinary items	0
Net Cash Flow from Operating activities --- A	<u>(63752416)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(3250)
Preliminary Expenses	(83930)
Net Cash used in Investing Activities --- B	<u>(87180)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES	
Increase in Share Capital	100000
Loan from Holding Co.	43149457
Unsecured loans	20648901
Net Cash from Financing Activities --- C	<u>(63898358)</u>
Net Increase / (decrease) in Cash and Cash equivalent	<u>(58762)</u>
Cash & Cash Equivalent at the beginning of the year	<u>0</u>
Cash & Cash Equivalent end of the year	<u><u>58762</u></u>
	<u>0</u>

Note : 1) Figures in brackets represent outflows
2) Being first year, previous year figures are not applicable

As per our report of even date.

For V.S.LALPURIA & COMPANY
Chartered Accountants
(Firm No. 105581W)

Piyush Shah - Executive Director

S.K.Jain - Director

V.S.LALPURIA
Proprietor
M. No. 15926

Sajal S. Jain - Director

Mumbai, May 24, 2010



SCHEDULE XII

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010.

I SIGNIFICANT ACCOUNTING POLICIES

a) METHOD OF ACCOUNTING

The accounts have been prepared under the historical cost convention on an accrual basis in accordance with applicable accounting standards referred to in section 211(3C) of the Companies Act, 1956.

b) FIXED ASSETS

Fixed assets are stated at cost alongwith cost directly attributable to bring the assets to their working condition.

c) DEPRECIATION

Depreciation is provided on written-down-value method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956.

d) INVESTMENTS

Current investments are stated at lower of cost or fair market value. Long Term Investments are stated at cost except where diminution in value, if any, is other than temporary in nature, in which case they are stated net of provision for such diminution in value

e) INVENTORIES

- a) Unused construction materials are valued at cost.
- b) Work in progress is valued at aggregate of cost of land, cost of materials, construction expenses, other direct expenses and indirect expenses attributable or allocable to it.
- c) Completed units are valued at lower of cost and net realisable value.

f) FOREIGN CURRENCY TRANSACTIONS.

All foreign currency transactions are accounted at a predetermined exchange rate which is approximately equal to the rate prevailing at the time of transaction and necessary adjustments are made when transactions are finally settled.

Outstanding foreign currency assets and liabilities are translated at the exchange rate prevailing as on Balance Sheet date and all exchange gains/losses arising therefrom, are adjusted in Profit & Loss Account.

g) INCOME RECOGNITION

Income from sale of units is recognised when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

h) CONTINGENT LIABILITY

Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts.

i) DEFERRED TAXATION

Deferred Tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax to the extent that timing differences are expected to crystallize.

j) SEGMENT REPORTING

Current operations of the company fall under a single reportable segment, viz, 'Construction' within the meaning of AS-17.

II NOTES ON ACCOUNTS

1 These financial statements relate to the period from date of incorporation (i.e. 3-12-2009) to 31-3-2010. Accordingly previous year figures are not applicable

2 The Balances of sundry creditors, loans and advances are subject to confirmation & reconciliation, if any. In the opinion of the management, adjustment, if any, arising out of reconciliation are not expected to be significant.

3 In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business.

4 Related party Disclosures :-

A Where Control Exists

- a) Name : Indo Borax & Chemicals Ltd.
- Relationship : Holding Company
- Holding : 60%

Current Period

b) Details of Transactions

Subscription in Share Capital	60000
Advances received during the year	43149457
Advances (liability) outstanding at year end	43149457
Interest Expense	1406640

B Key Management Personnel & their relatives

- a) Shri Piyush Shah, Executive Director, Shri S. K. Jain , Director and Shri.Sajal Jain, Director of the Company hold significant interest and key management position in the Company.



b) Details of Transactions with the persons referred to in (a) above and their relatives (Smt. Sushila Jain, Smt. Shreelekha Jain, S. K. Jain - HUF and Sajal Jain - HUF) are as under:-

1	Interest Expense	620,524
2	Loans received during the year	20,648,901
3	Loans outstanding at year end	20,648,901

5 Earning per share is computed based on the following:-

a) Profit after tax (3-12-2009 to 31-3-2010)- (Rs.) (16,786)

b) Weighted average number of equity Shares 10,000

c) Basic and diluted Earning per Share Rs. (Face Value of Share Rs. 10/-) (1.68)

6 a) None of the supplier of the company has informed that it is a SSI unit . Therefore, outstanding to SSI units is considered to be NIL.

b) In the absence of any intimation received from vendors regarding the status of their registration under the " Micro, Small and Medium Enterprises Development Act, 2006 " the company is unable to comply with the disclosure required to be made relating thereto.

7 Information referred to in para 4 & 5 of Part II of the Schedule VI to the Companies Act, 1956 are not applicable to the current activities of the company.

8 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No. 197583 State Code 11
Balance Sheet dated : 31.03.2010

II Capital Raised during the year

Public Issue Nil Rights Issue Nil
Bonus Shares Nil Private Placement 100

III Position of Mobilisation and Deployment of Funds

	(Rs. in Thousands)
Total Liabilities	63,898
Total Assets	63,898
Sources of Funds	
Paid up Capital	100
Reserves & Surplus	-
Secured Loans	-
Unsecured Loans	63,798
Deferred Tax Liability	-
Application of funds.	
Net Fixed Assets	3
Investments	-
Net Current Assets	63,812
Misc. Expenditure	67
Accumulated Losses	17

IV Performance of Company

a) Turnover (Gross Revenue)	-
b) Total Expenditure	(17)
c) Profit & Loss Before Tax	(17)
d) Profit & Loss After Tax	(17)
e) Earning per Share in Rs.	(1.68)
f) Dividend Rate	-

V Generic Name of Principal Products/Services of Company

Item Code No. (ITC Code)	:	NA
Product Description	:	
Item Code No. (ITC Code)	:	
Product Description	:	

SIGNATURES TO THE SCHEDULES I TO XII

As per our report of even date.

For V.S.LALPURIA & COMPANY
Chartered Accountants
(Firm No. 105581W)

Piyush Shah - Executive Director

S.K.Jain - Director

V.S.LALPURIA
Proprietor
M. No. 15926

Sajal S. Jain - Director

Mumbai, May 24, 2010

INDO BORAX & CHEMICALS LIMITED

Regd. Off.: 5A/113, Mittal Industrial Estate, M.V.Road, Andheri (E), Mumbai 400 059.

ATTENDANCE SLIP 29th ANNUAL GENERAL MEETING 26th August, 2010

DP ID	<input type="text"/>	Regd. Folio No.*	<input type="text"/>
Client ID	<input type="text"/>	No. of Shares	<input type="text"/>

I certify that I am a registered shareholder/proxy for the registered shareholder of the company.

I hereby record my presence at the Twenty Ninth Annual General Meeting of the Company at the Mini Auditorium of S.N.D.T Women's University, Sir Vithaldas Vidya Vihar, Opp. Lido Cinema, Juhu Road, Santacruz (W), Mumbai 400 049 on Thursday, 26th August, 2010

Member's/Proxy's name in BLOCK letters

Member's/Proxy's Signature.

Note : Please fill this attendance slip and hand it over at the ENTRANCE OF THE HALL

* Applicable for investors holding shares in Physical Form.

INDO BORAX & CHEMICALS LIMITED

Regd. Off.: 5A/113, Mittal Industrial Estate, M.V.Road, Andheri (E), Mumbai 400 059.

FORM OF PROXY

DP ID	<input type="text"/>	Regd. Folio No.*	<input type="text"/>
Client ID	<input type="text"/>	No. of Shares	<input type="text"/>

I/We _____
_____ in the district of _____

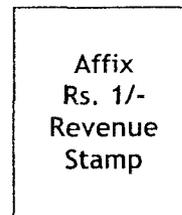
being a member/members of the above named company hereby appoint _____
_____ or failing him _____

of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf
at the 29th Annual General Meeting of the Company to be held at the Mini Auditorium of S.N.D.T Women's University, Sir Vithaldas
Vidya Vihar, Opp. Lido Cinema, Juhu Road, Santacruz (W), Mumbai 400 049 on Thursday, 26th August, 2010 and at any adjournment
thereof.

Signed this _____ day _____ 2010

Signature _____

Reg. Folio No. _____



Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting. A proxy need not be a member.

* Applicable for investors holding shares in Physical Form.

If undelivered, please return to :

INDO BORAX & CHEMICALS LIMITED

113/5A, Mittal Ind. Estate, M.V.Road,
Andheri (E), Mumbai 400 059.

Ph. : 2850 4012 / 2273 / 4493

Fax : 2850 9348

E-mail : indoborax@vsnl.com