



INDO BORAX
&
CHEMICALS LTD.

31st ANNUAL REPORT 2011-12



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
G.R.Parmar (From 30-5-2011)	:	Non Executive and Independent Director
S. L. Jain (up to 30-5-2011)	:	Non Executive and Independent Director
Bankers	:	Syndicate Bank, Kotak Mahindra Bank Ltd, ICICI Bank Ltd, 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 Thirty First Annual General Meeting of the members of Indo Borax & Chemicals Ltd. will be held on Thursday, 26th July, 2012 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 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 2012 and the statement of Profit and Loss 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 2011-12 on Equity Shares.
3. To appoint a Director in place of Mr. Narendra Kumar Mittal, who retires by rotation and being eligible offers himself for re-appointment.
4. 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:

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

Resolution:

“RESOLVED THAT pursuant to the Article 201 of the Articles of Association of the company, Section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the Act, the company be and is hereby approves the re-appointment of Shri. S. K. Jain, as a Chairman & Managing Director of the Company, for a term of five years with effect from 1st April, 2012, upon the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting”.

6. 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 Chief Executive 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. 12,00,000/- (Rupees Twelve Lacs Only).”

BY ORDER OF THE BOARD
For INDO BORAX & CHEMICALS LTD

(S. K. JAIN)
Chairman & Managing Director

Mumbai; 30th May, 2012

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 July, 2012 to 26th July, 2012 (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 after 26th July, 2012, 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 July, 2012;
 - 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 July, 2012.
4. Explanatory statement in respect of Item No. 5 and 6 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.
8. The Ministry of Corporate Affairs (vide circular nos. 17/2011 dated April 21, 2011 and April, 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchange permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering/updating their e-mail addresses for receiving electronic communication.

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. 5 and 6 of the accompanying Notice dated 30th May, 2012.

Item No. 5

As per recommendation of the Remuneration Committee, the Board of Directors at their meeting held on 31st March, 2012 have re-appointed Shri S. K. Jain, as Managing Director of the Company for a period of five years with effect from 1st April, 2012, subject to approval of the members in general meeting. The terms and conditions including remuneration payable to Shri S. K. Jain are set out below:

1. **Tenure & Appointment:** Five years commencing 1st April, 2012 to 31st March, 2017;
2. **Nature of Duties:** The Managing Director shall, subject to the supervision and control of the Board of Directors, be responsible for managing affairs of the company as per the guidelines and the policies determined by the board from time to time.
3. **Remuneration:**

Shri S. K. Jain shall be entitled to receive the remuneration as specified hereunder:

A) Salary, Allowances and Perquisites:

- a. Salary: ₹ 90,000/- per month;
- b. Provision of furnished or unfurnished company owned or leased Accommodation or House Rent Allowance in lieu thereof @ 60% of Salary;



- c. Reimbursement of expenses for utilities such as gas, electricity, water, furnishings, repairs, servant's salaries, society charges and property tax, house maintenance or allowance therefore;
- d. Medical reimbursement, leave encashment, medical/accident insurance, leave travel assistance or allowance for himself and his family; club fees; such other perquisites and allowances in accordance with the rules of the company;
- e. Company's contribution to Provident Fund, Superannuation and Gratuity Fund or payment of gratuity as applicable from time to time and terminal leave encashment;
- f. Reimbursement of all the expenses incurred by him for the company work and/or for the business of the company;
- g. The company shall bear the expense for providing him one or more car(s) with driver, telephone(s) and other communication facilities at residence, mobile phones and such other facilities as the company may deem necessary in view of his responsibilities and stature.

Provided always that for the purpose of computing remuneration and any ceilings on remuneration under applicable provisions of the Companies Act, 1956, the expenses incurred by the company in respect of item (e), (f) and (g) above shall not be considered as part of his salary, allowances and perquisites to the extent they are not taxable in his hands as per applicable provisions of the Income Tax Act, 1961 and rules made thereunder.

Provided further that total amount payable under items (a) to (d) above shall not exceed the limits specified (presently ₹ 1,50,000/- per month) in sub-para A of para 1 of Section II of Part II of Schedule XIII to the companies Act where provisions of said Section II are applicable.

B) Commission:

Annual commission at applicable percentage (ranging from 1% to 5%) of Net profit depending on the levels of net profit computed under section 198 of the Companies Act, 1956 as per annual accounts to be placed at the meeting of the members of the company under Section 210, payable after approval of accounts at such Meeting.

C) Overall ceiling and remuneration payable in case of absence or inadequacy of profits:

- a) Provided always that the overall remuneration payable shall not exceed the maximum limits specified in proviso to sub-section (3) of Section 309 of the Companies Act, 1956 or Section I of Part II of the Schedule XIII thereto as applicable from time to time.
- b) Provided further that in case of absence or inadequacy of profit in any financial year

during the currency of this appointment, the remuneration payable shall be the salary, allowances and perquisites specified in sub-para (A) hereinabove within the ceilings specified (presently ₹ 1,50,000/- per month) in sub-para A of para 1 of Section II of Part II of the said Schedule XIII to the companies Act as applicable from time to time.

4. Further, the Managing Director so long as he functions as such shall not be paid any sitting fees for attending the meetings of the Board of Directors or any Committee thereof.
5. This appointment can be terminated by either side by giving six months notice in writing to the other party.
6. Further, Shri. S. K. Jain so long as he holds the office of the MANAGING DIRECTOR shall not be liable to retire by rotation and shall not become interested or concerned in any selling agency directly or through his wife or children.

In compliance with the provisions of Section 198, 269, 309 & 310 read with Schedule XIII of the Act, the terms of remuneration of Shri. S. K. Jain, are now being placed before the Members in general meeting for their approval. The Board recommends the Resolution for acceptance by the Members.

An abstract of the terms of appointment of the Managing Director pursuant to Section 302 of Act has been sent to the Members earlier.

Shri S. K. Jain, himself, Smt. Sushila Jain & Shri. Sajal Jain, Directors being related to Shri. S.K. Jain, are concerned or interest in the above resolution.

Item No. 6

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; 30th May, 2012

Registered Office : 5-A/113, Mittal Industrial Estate, M.Vasanji Road, Andheri (East), Mumbai - 400 059



DIRECTORS' REPORT

To The Members of Indo Borax & Chemicals Ltd,

Your Directors have pleasure to present their 31st Annual Report and the Audited Statement of Accounts for the year ended on 31-Mar-2012.

FINANCIAL RESULTS AND OPERATIONS

The performance of the Company for the financial year ended 31-Mar-2012 is summarized below:

(₹ in lacs)

Particulars	31-3-2012	31-3-2011
Sales	5104.32	4423.82
Less: Excise Duty	467.30	410.22
Net Sales	4637.02	4013.60
Other Income	260.92	139.00
Profit before Depreciation & Taxation	1110.92	1136.88
Less : Depreciation	45.10	45.17
Provision for Taxation	348.50	355.00
Deferred Tax	(8.09)	(10.84)
Profit after Depreciation & Taxation	725.41	747.55
Balance brought forward from previous year	3129.49	2517.63
Profit available for appropriation	3854.90	3265.18
Less : Appropriations		
Proposed Final Dividend	52.22	52.22
Tax on Dividend	8.47	8.47
Transfer to General Reserve	75.00	75.00
Balance carried to Balance Sheet	3719.21	3129.49

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

Execution of 'Residential Building Project' at Santacruz, Mumbai has been delayed on account of regulatory approval being upheld on account of policy changes. The company is hopeful of restarting the project work shortly as there is greater clarity about the policy changes now.

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 31-03-2012 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, 2012 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. The company is continuously engaged in exploring and developing alternative sources for imported raw material to minimize the risk.

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 applicable to operations of the company on standalone basis.

The construction projects being executed by the subsidiary company has not yet started generating revenue. Segment wise information on consolidated basis is given in the notes to accounts to consolidated balance sheet.

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 ₹ 5104.32 Lacs compared to



₹ 4423.82 Lacs in previous year. Production of boron products increase by 6.86% as compare to 25.72% 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:

- that in the preparation of the annual accounts for the financial year ended 31st March, 2012; the applicable accounting standards had been followed.
- 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. Narendra Kumar Mittal, retires by rotation in the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

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	68 Years 48 Years 23-09-1980	₹ 57,89,924/-	₹ 38,75,416/-	Contractual, Governed by members' resolution	Self-Employed
Mr. Sajal Jain B. Com. Executive Director	44 Years 24 Years 01-06-1988	₹ 55,17,309/-	₹ 37,44,049/-	Contractual, Governed by member's 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 Exchange are annexed to this report.

CERTIFICATE OF SECRETARIAL COMPLIANCE

Compliance Certificate issued by M/S 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 30, 2012



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 31.3.2012)	Previous year (ended on 31.3.2011)
1.	Electricity			
	a) Purchased	Units/KWH	13,59,894	12,37,478
	Total amount	₹	81,16,950	63,19,263
	Rate / Unit	₹	5.97	5.10
	b) Own Generation			
	Through Diesel Generator	Units	26,678	24,610
	Units per liter of Diesel Oil	Units	2.80	2.80
	Cost per liter	₹	42.80	39.55
2.	Coal			
	Quantity	M.T	4,371	4,158
	Total Cost	₹	2,35,74,424	1,87,58,324
	Average rate (per M.T)	₹	5393	4511
3.	Furnace Oil			
	Quantity	Ltrs	Nil	Nil
	Total Amount	₹	Nil	Nil
	Average rate (per Ltrs.)	₹	Nil	Nil

B	Consumption per unit of production	Current Year (ended on 31.3.2012)		Previous Year (ended on 31.3.2011)	
		Electricity Units/KWH	Coal Kgs	Electricity Units / KWH	Coal Kgs
	Product : Boric Acid & Borax	169	531	164	540

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.

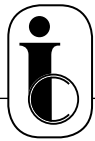
III. Foreign Exchange Earnings and Outgo

- a) Earnings : Nil
- b) Outgo
 - Import of Materials : ₹ 1,524.30 lacs
 - Capital Goods : ₹ 1.25 lacs
 - Foreign Travel/subscription : ₹ 9.71 lacs

For and on behalf of the Board of Directors

S. K. Jain
Chairman

Mumbai,
May 30, 2012



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	31.03.2012	31.03.2011
3. Holding company's interest as at the close of the financial year of the subsidiary company (Shareholding %)	60%	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 - Loss - Rs. 10,072/-)	Loss - Rs. 10,072/- (Previous Year - Loss - Rs. 10,072/-)
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 - NIL)	NIL (Previous Year - NIL)

For and on behalf of the Board of Directors

S. K. Jain
Chairman

Mumbai,
May 30, 2012

CEO /CFO CERTIFICATION

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

We hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2012 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 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.
- d. 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

Mumbai S. K. JAIN SAJAL JAIN
May 30, 2012 (Managing Director) (Executive Director)

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, 2012.

For INDO BORAX & CHEMICALS LTD.

(S. K. Jain)
Managing Director

Mumbai
May 30, 2012



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 2011-12 the Board of Directors met 7 times on the following dates: 01-Apr-2011, 30-May-2011, 10-Aug-2011, 31-Oct-2011, 14-Nov-2011, 13-Feb-2012 & 31-Mar-2012.

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	7	Yes	Nil	Nil
Mr. Sajal Jain	Son of Mr. S K Jain & Mrs. Sushila Jain	E.D	Vice-Chairman & Executive Director	7	Yes	Nil	Nil
Mrs. Sushila Jain	Wife of Mr. S. K. Jain	N.E.D	Director	7	Yes	Nil	Nil
Mr. Arun Sureka	None	I & N.E.D	Director	7	No	Nil	Nil
Mr. N. K. Mittal	None	I & N.E.D	Director	7	Yes	Nil	Nil
Mr. Shiamlal Jain	None	I & N.E.D	Director	1	No	Nil	Nil
Mr. G. R. Parmar	None	I & N.E.D	Director	6	Yes	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 2012)

Mr. S. K. Jain	Mrs. Sushila Jain	Mr. N. K. Mittal	Mr. Sajal Jain
5,02,774	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 Committee meetings held	Attendance
Mr. Arun Sureka	Chairman	4	4
Mr. Narendra K. Mittal	Member	4	4
Mrs. Sushila Jain	Member	4	3
Mr. Govind Parmar	Member	4	2

During the year under review, Audit Committee met 4 times on the following dates: 30-May-2011, 10-Aug-2011, 14-Nov-2011 & 13-Feb-2012.


4. Remuneration Committee:

The Remuneration Committee comprised of three independent directors viz, Mr. Arun Sureka (Chairman), Mr. N. K. Mittal (Member) and Mr. Govind Parmar (Member).

Name of Member	Designation	No. of Committee meetings held	Attendance
Mr. Arun Sureka	Chairman	3	3
Mr. Narendra K. Mittal	Member	3	3
Mr. Govind Parmar	Member	3	3

During the year under review, Remuneration Committee met three times on the following dates: 14-Nov-2011, 13-Feb-2012 & 31-Mar-2012.

5. Directors' Remuneration during 2011-12

Name of Director	Salary & HRA	Benefits	Commission	Meeting Fees	Total	Service Contract, Notice Period Severance Fees
Mr. S. K. Jain	1440000	767521	3582403	Nil	5789924	Contractual **
Mr. Sajal Jain	1440000	287385	3789924	Nil	5517309	Contractual
Mrs. Sushila Jain	—	—	—	33000	33000	Retirement by Rotation
Mr. Arun Sureka	—	—	—	45000	45000	Retirement by Rotation
Mr. N. K. Mittal	—	—	—	45000	45000	Retirement by Rotation
Mr. Shiyamlal Jain	—	—	—	3000	3000	Retirement by Rotation
Mr. G. R. Parmar	—	—	—	33000	33000	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 Executive Director's commission is governed by the member's resolution passed at the A.G.M. held on 10-07-2008. The commission is payable after approval of the accounts by shareholders in the AGM.
- ** The contract is for 5 years w.e.f. 01.04.2007, which was expired on 31.03.2012. He has been reappointed for a further period of 5 years w.e.f. 01.04.2012 at the board meeting held on 31.03.2012, subject the approval of the ensuing Annual General Meeting.
- 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. Narendra Kumar Mittal retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment.
- Mr. Shiyamlal Jain has resigned from directorship on 30th May 2011.

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

Name	Narendra Kumar Mittal
Date of Birth	07-05-1962
Date of Appointment	18-08-1998
Qualification	B.Com, LLB & FCA
Expertise in specific functional area	Wide experience in the filed of Accounts, Audits, Taxation, Finance & General Administration
Directorship held in other Public Companies	Nil
Membership/Chairmanships of Board Committees	Nil
Number of shares held in the Company as on 31 st March, 2012	600

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 Committee meetings held	Attendance
Mr. Narendra K. Mittal	Chairman	1	1
Mr. Arun Surekha	Member	1	1
Mrs. Sushila Jain	Member	1	1

During the year under review, the Committee met on 10th August, 2011. There is only one investor's grievance pending as on 31st March, 2012.



- Number of Complaints received during the year ended 31.03.2012 - 6, Number of Complaints not resolved up to 31st March 2012 - 1, Number of Share Transfers pending as on 31.03.2012 - Nil Transfers involving -Nil-- shares, Number of Share Transfers pending for more than 30 days as on 31.03.2012 - Nil
- Name & Designation of Compliance Officer -
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
2008-09	27.08.2009	1.00 p.m.	S N D T University, Juhu, Mumbai	One
2009-10	26.08.2010	1.00 p.m.	S N D T University, Juhu, Mumbai	One
2010-11	18.08.2011	1.00 p.m.	S N D T University, Juhu, Mumbai	One

b) Postal Ballot

No postal ballot was conducted during the year

8. Disclosures:

There were no transactions of material nature with the Promoters, Directors or the Management, 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.

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

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, 2012 was placed before the Board of Directors of the Company in its meeting dated 30th May, 2012 and enclosed herewith.

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 published in Economic Times in English language & in Maharashtra Times in Marathi Language.

- No presentations have been made to institutional investors or to the analysts.
- 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 is available on websites www.bseindia.com and www.corpfilng.co.in

11. General Information for Shareholder:

a. Annual General Meeting

The Annual General Meeting of the Company will be held on 26th July, 2012 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 2012-13 (tentative)

Results for First Quarter : On or before 14th Aug., 2012
Results for Second Quarter : On or before 14th Nov., 2012
Results for Third Quarter : On or before 14th Feb., 2013
Results for the year ending : On or before 30th May, 2013
31st March 2013

c. Date of Book Closure : 20th July 2012 to 26th July, 2012 (both days inclusive)

d. Dividend payment Date : Dividend, if declared, shall be paid/credited on or after 27th July, 2012

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)

f. Stock Code : 524342, Bombay Stock Exchange Limited

g. Depositories : NSDL and CDSL

h. ISIN No. : INE803D01013.

i. Listing Fees for 2012-13 : Paid for the Bombay Stock Exchange Ltd.

j. Custodial Fees to Depositories : Paid to National Security Depository Ltd. & Central Depository Services (I) Ltd for the Year 2012-13



k. Monthly high/low price at The Bombay Stock Exchange Ltd (Financial Year 2011-12)

Month	High (₹)	Low (₹)	BSE Sensex High	BSE Sensex Low
April - 2011	88.35	81.55	19701.73	19091.17
May - 2011	101.10	87.10	18998.02	17847.24
June - 2011	100.90	84.70	18845.87	17506.63
July - 2011	93.95	86.35	19078.30	18197.20
August - 2011	90.90	76.10	18314.33	15848.83
September - 2011	83.40	76.00	17165.54	16051.10
October - 2011	79.45	72.65	17804.80	15792.41
November - 2011	79.95	72.50	17569.53	15695.43
December - 2011	82.10	71.70	16877.06	15175.08
January - 2012	81.95	72.10	17233.98	15517.92
February - 2012	86.60	75.85	18428.61	17300.58
March - 2012	78.00	74.55	17919.30	17052.78

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-2012, 30,11,300 equity shares representing 86.50 % 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-2012:

Number of equity shares held	No. of Share holders	%	No. of Shares	%
1 - 100	3917	64.51	332586	9.55
101 - 200	1005	16.55	192647	5.53
201 - 500	678	11.17	262736	7.55
501 - 1000	258	4.25	213813	6.14
1001 - 5000	166	2.73	401907	11.55
5001 - 10000	26	0.43	170471	4.90
10001 - 100000	17	0.28	455014	13.07
100001 & Above	5	0.08	1451826	41.71
Total	6072	100.00	3481000	100.00
In Physical Form	2852	46.97	469700	13.50
In Electronic Form	3220	53.03	3011300	86.50

Shareholding Pattern as on 31-Mar-2012

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	3,800	0.11
3	Non-Residents/ FIIs / OCBs	1,77,711	5.11
4	Other Corporate Bodies	3,49,570	10.04
5	Indian Public	15,11,414	43.42
6	Clearing Members	1,140	0.03
	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-454 775. (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; Fax No. +91-22- 2850 9348 • Email: complianceofficer@indoborax.com

By Order of the Board of Directors

S. K. Jain
Managing Director

Mumbai
May 30, 2012

**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, 2012, 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

Place: Mumbai
Date: May 30, 2012

V. S. Lalpuria
Proprietor

CS Pravin Chavan
B.Com, LLB, ACS

PRAVIN CHAVAN & ASSOCIATES
Company Secretaries

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, 2012 (financial year). 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, Maharashtra, Mumbai & Central Government within the time prescribed/by paying additional fees as prescribed under the Act and rules made there under. The company has not filed by documents with Regional Directors, Company Law Board or other authorities under the Act.
3. The Company being Public Limited Company, has paid up capital of Rs. 3,48,10,000/- as on 31st March, 2012 and the restrictive provision of section 3(1)(iii) are not applicable.
4. The Board of Directors duly met 7 (Seven) times on 01-Apr-2011, 30-May-2011, 10-Aug-2011, 31-Oct-2011, 14-Nov-2011, 13-Feb-2012 and 31-Mar-2012 and as per the information and explanation given by the management, proper notices were given and the proceedings were properly recorded and signed,

including the circular resolutions passed, in the Minutes Book maintained for the purpose.

5. The company closed its Register of Members from 12-Aug-2011 to 18-Aug- 2011 (both days inclusive) 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, 2011 was held on 18-Aug-2011 and as per the information and explanation given by the management, the company has given adequate notice to the members of the company and the resolutions passed thereat were duly recorded in the 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 in respect of the contracts specified in that section.
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 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. The company has not made any allotment of shares during the financial year.
 - (ii) deposited the amount of dividend declared at the meeting held on 18th August, 2011 into a separate Bank Account on 20th August, 2011



- which was 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. During the year Mr. S.L. Jain resigned from the board w.e.f. 30.05.2011 and Mr. G.R. Parmar has duly been appointed as an additional director, who has been regularized by the Annual General Meeting held on 18th August, 2011.
 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 approval of the Central Government. The company was not required to obtain any approval from Company Law Board, Regional Director or Registrar or such other authorities as prescribed under the 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 there under.
 19. The Company has not issued any shares or 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, 2012.
 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 has 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

Pravin Chavan
Proprietor
C. P. No.8390

Mumbai
30th May, 2012

Annexure "A"

Registers as maintained by the Company

1. Register of Members under section 150 of the Companies Act, 1956.
2. Index of Members under section 151 of the Companies Act, 1956.
3. Register of Shares Transfers/Transmission.
4. Register and Returns under section 163 of the Companies Act, 1956 (including Copies of all annual returns prepared under section 159 of the Companies Act, 1956).
5. Register of Directors under section 303 of the Companies Act, 1956.
6. Register of Contracts and Disclosures of Directors interest under section 301 of the Companies Act, 1956.
7. Register of Directors Shareholdings under section 307 of the Companies Act, 1956.
8. Minutes Book of the Meetings of Board of Directors and General Meeting under section 193 of the Companies Act, 1956.
9. Register of Directors Attendance.
10. Register of Shareholders/Proxy Attendance.
11. Register of Renewal, Spilt, consolidation and duplicate share certificate.
12. Register of Charges u/s 143.
13. Register of Fixed Assets
14. Register of Investment u/s 372A.



Annexure “B”

Forms and Returns as filed by the Company with the Registrar of Companies, Central Government or other authorities during the financial year ending on 31st March , 2012.

Sr. No	E-Form No.	Relevant Section	Description	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	159	Annual Return for 2010-11	14/10/2011	Yes	N.A.
02.	Form No. 23AC/ AC XBRL	220	Balance Sheet and Profit & Loss Account for 31/03/11	05/01/2012	No	Yes
03.	Form No. 66	383A	Compliance Certificate for the Y.E. 31.03.11	16/10/2011	No	Yes
04.	Form No. 23	192	Registration of Resolution	17/10/2011	No	Yes
05.	Form No.32	303(2)	Resignation of Director	16/06/2011	Yes	N.A.
06.	Form No.32	266(1)(a) & 303(2)	Appointment of Additional Director	28/06/2011	Yes	N.A.
07.	Form No.32	303(2)	Change in Designation of Director	17/10/2011	No	Yes
08.	Form No. 23C	233B	Approval of Central Govt. towards appointment of Cost Auditor	29/06/2011	Yes	N.A.
09.	Form CAR	233B(4)	Cost Audit Report	18/09/2011	Yes	N.A.
10.	Form No. 8	125	Registration of Charges	28/11/2011	Yes	N.A.

For **PRAVIN CHAVAN & ASSOCIATES**
Company Secretaries

Mumbai
30th May, 2012

Pravin Chavan
Proprietor
C. P. No.8390

V.S.LALPURIA & COMPANY
Chartered Accountants

1. We have audited the attached Balance Sheet of **M/s. INDO BORAX & CHEMICALS LTD** as at **31st March, 2012** and the statement of Profit & Loss 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, Statement of Profit & Loss 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, Statement of Profit & Loss 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, 2012, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2012 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 significant accounting policies and notes thereon, give the information as 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, 2012;
 - ii. in case of statement of Profit & Loss, 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 & COMPANY**
Chartered Accountants
(Firm No. 105581W)

MUMBAI
May 30, 2012

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

ANNEXURE TO THE AUDITORS' REPORT

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, 2012**:

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 with in 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.6.83 crore and the year-end balance is Rs.6.83 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.
 - d. In respect of the said loans, the same are repayable on demand and therefore the question of overdue amounts does not arise. In respect of interest, 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, except that 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 2012 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 loss 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.
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)

MUMBAI
May 30, 2012

(V. S. LALPURIA)
Proprietor


BALANCE SHEET AS AT 31ST MARCH, 2012

	Note	31-Mar-12 ₹	31-Mar-11 ₹
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	1	34,810,000	34,810,000
b) Reserves & Surplus	2	455,343,326	388,871,442
Total (1)		490,153,326	423,681,442
2. NON-CURRENT LIABILITIES			
a) Deferred Tax Liabilities	3	3,202,169	4,010,952
b) Other Long-term Liabilities	4	6,750,000	—
Total (2)		9,952,169	4,010,952
3. CURRENT LIABILITIES			
a) Trade Payable	5	20,920,108	19,130,134
b) Other Current Liabilities	6	14,023,969	12,643,150
c) Short-term Provisions	7	40,926,039	41,576,039
Total (3)		75,870,116	73,349,323
Total		575,975,611	501,041,717
II. ASSETS			
1. NON-CURRENT ASSETS			
(a) Fixed Assets			
— Tangible Assets	8	24,594,320	25,576,237
(b) Non-current Investments	9	170,318,655	71,003,963
(c) Long-term Loans & Advances	10	187,109,990	154,831,542
Total (1)		382,022,965	251,411,742
2. CURRENT ASSETS			
(a) Current Investments	11	35,892,303	13,809,056
(b) Inventories	12	83,419,432	111,523,712
(c) Trade Receivables	13	28,214,497	25,023,523
(d) Cash & Bank Balances	14	9,368,611	60,767,666
(e) Short Term Loans & Advances	15	36,884,046	38,126,279
(f) Other Current Assets	16	173,757	379,739
Total (2)		193,952,646	249,629,975
Total		575,975,611	501,041,717
Significant Accounting Policies	24		
Other Disclosures & Notes	25		

As per our report of even date.

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

S. K. Jain Chairman &
Managing Director

Sajal S. Jain Vice Chairman &
Executive Director

Arun S. Sureka Director

Narendrakumar Mittal Director

G. R. Parmar Director

Sushila Jain Director

V. S. LALPURIA
Proprietor
M. No. 15926

Mumbai, May 30, 2012


STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012.

	Note	31-Mar-12 ₹	31-Mar-11 ₹
INCOME			
Revenue from Operations	17	463,702,629	401,360,397
Other Income	18	26,092,474	13,899,540
Total Income		489,795,103	415,259,937
EXPENSES			
Cost of Raw Materials Consumed	19	252,300,367	208,930,812
Changes in Inventory	20	763,724	(9,722,528)
Employee Benefits Expense	21	14,025,464	10,335,992
Finance Costs	22	86,227	1,750
Depreciation	8	4,509,862	4,517,286
Other expenses	23	111,526,959	92,025,997
Total Expenditure		383,212,603	306,089,309
PROFIT BEFORE TAX		106,582,500	109,170,628
TAX EXPENSE			
Current Tax		34,850,000	35,500,000
Deferred Tax		(808,783)	(1,084,139)
Total Tax Expense		34,041,217	34,415,861
PROFIT AFTER TAX		72,541,283	74,754,767
Basic and diluted earning per share. (Face Value ₹ 10/- each)		20.84	21.48
Significant Accounting Policies	24		
Other Disclosures & Notes	25		

As per our report of even date.

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

S. K. Jain Chairman &
Managing Director

Arun S. Sureka Director

Narendrakumar Mittal Director

V. S. LALPURIA
Proprietor
M. No. 15926

Sajal S. Jain Vice Chairman &
Executive Director

G. R. Parmar Director

Sushila Jain Director

Mumbai, May 30, 2012


CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	Year ended 31.03.2012 Amount in ₹	Year ended 31.03.2011 Amount in ₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items adjusted.	106,582,500	109,170,628
Adjustments for :		
Depreciation	4,509,862	4,517,286
Profit/loss on sale/discarding of assets	67,303	(8,849)
Profit/loss on sale of investment	(2,250,259)	(1,092,304)
Income from investments	(23,866,004)	(11,943,531)
Interest expense	86,227	1,750
	(21,452,871)	(8,525,648)
Operating profit before working capital changes	85,129,629	100,644,980
Adjustments for :		
Trade and other Receivables	(2,984,992)	(10,010,745)
Inventories	28,104,280	(76,953,817)
Loans & Advances	(13,768,989)	43,288,434
Trade and other payables	3,170,793	11,554,143
	14,521,092	(32,121,985)
Cash generated from operations	99,650,721	68,522,995
Interest expense	(86,227)	(1,750)
Income-Tax	(31,907,940)	(38,991,460)
	(31,994,167)	(38,993,210)
Cash Flow before extraordinary items	67,656,554	29,529,785
Extraordinary items	—	—
Net Cash Flow from Operating activities – A	67,656,554	29,529,785
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,835,248)	(2,581,623)
Sale of Fixed assets	240,000	8,850
Advances to Subsidiaries	(20,859,286)	(4,258,815)
Income, gains/loss from Investments	26,116,263	13,035,835
Changes in other bank balances	(884,733)	27,976,776
Investments (net)	(121,397,939)	(2,687,089)
Net Cash used in Investing Activities – B	(120,620,943)	31,493,934
C. CASH FLOW FROM FINANCING ACTIVITIES		
Changes in other long term liabilities	6,750,000	—
Dividend & Dividend Tax paid	(6,069,399)	(6,108,935)
Net Cash from Financing Activities – C	680,601	(6,108,935)
Net Increase / (decrease) in Cash and Cash equivalent	(52,283,788)	54,914,784
Cash & Cash Equivalent at the beginning of the year	56,115,799	1,201,015
Cash & Cash Equivalent end of the year	3,832,011	56,115,799

Note : Figures in brackets represent outflows

As per our report of even date.

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

S. K. Jain Chairman &
Managing Director

Arun S. Sureka Director

Narendrakumar Mittal Director

V. S. LALPURIA
Proprietor
M. No. 15926

Sajal S. Jain Vice Chairman &
Executive Director

G. R. Parmar Director

Sushila Jain Director

Mumbai, May 30, 2012


NOTES TO THE BALANCE SHEET AS AT 31st MARCH, 2012

	31-Mar-12 ₹	31-Mar-11 ₹
NOTE - 1		
SHARE CAPITAL		
Authorised Capital		
60,00,000 Equity Shares of ₹ 10/- each	60,000,000	60,000,000
Issued & Subscribed		
35,00,000 Equity Shares of ₹ 10/- each	35,000,000	35,000,000
Paid up		
34,81,000 Equity Shares of ₹ 10/- each	34,810,000	34,810,000
Total	34,810,000	34,810,000

1) There were no changes in outstanding shares during the current and preceding reporting period.

2) Number of shares held by persons holding more than 5% of outstanding share capital :

	31-Mar-12	31-Mar-11
Shri S. K. Jain	502,774	333,824
Smt Sushila Jain	288,893	288,893
Shri Sajal jain	273,096	273,096
Hindustan Composites Ltd	179,361	103,580

3) During last five years no shares were allotted without payment being received in cash or as bonus shares or bought back.

4) Amount originally received on forfeited shares ₹ 139,350/- (inclusive of share premium) included in Reserves & Surplus.

NOTE - 2		
RESERVES & SURPLUS		
Share Premium Account		
Balance Brought Forward	12,905,000	12,905,000
Share Forfeiture Account		
Balance Brought Forward	139,350	139,350
General Reserve		
Balance Brought Forward	62,877,657	55,377,657
Transfer from Surplus	7,500,000	7,500,000
	70,377,657	62,877,657
Surplus		
Balance Brought Forward	312,949,435	251,763,267
Profit transferred from Statement of Profit & Loss	72,541,283	74,754,767
Transfer to General Reserve	(7,500,000)	(7,500,000)
Proposed Dividend	(5,222,341)	(5,221,500)
Tax on Proposed Dividend	(847,058)	(847,099)
Closing Balance	371,921,319	312,949,435
Negative values, appropriations and deductions are shown in bracket.		
Total	455,343,326	388,871,442


NOTES TO THE BALANCE SHEET AS AT 31st MARCH, 2012

	31-Mar-12 ₹	31-Mar-11 ₹
NOTE - 3		
DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability Depreciation	3,202,169	4,010,952
Total	3,202,169	4,010,952
NOTE - 4		
OTHER LONG-TERM LIABILITIES		
Lease Deposits	6,750,000	—
Total	6,750,000	—
NOTE - 5		
TRADE PAYABLES		
Trade Payables for goods	5,550,811	2,564,815
Trade Payables for services & expenses	15,369,297	16,565,319
Total	20,920,108	19,130,134
NOTE - 6		
OTHER CURRENT LIABILITIES		
Income Received in advance	6,740,656	—
Unpaid Dividends	2,460,300	1,974,960
Other Payables		
— Customer advances	2,549,632	9,161,958
— Due to Development Corporation of Konkan Ltd.	405,240	405,240
— Taxes & Statutory Dues	1,868,141	1,100,992
Total	14,023,969	12,643,150
NOTE - 7		
SHORT TERM PROVISIONS		
Income Tax	34,857,481	35,507,481
Proposed Dividend	5,221,500	5,221,500
Tax on Proposed Dividend Distribution	847,058	847,058
Total	40,926,039	41,576,039

NOTE - 8
Fixed Assets

Sr No.	Fixed Assets	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
		Balance as at 01-04-2011	Additions	Disposals	Balance as at 31-03-2012	Balance as at 01-04-2011	Depreciation	On Disposal	Balance as at 31-03-2012	Balance as at 31-03-2012	Balance as at 01-04-2011
	Tangible Assets										
1	Land (under lease)	1005924	0	0	1005924	0	0	0	0	1005924	1005924
2	Buildings	15379170	821910	0	16201080	8334023	510450	0	8844473	7356607	7045147
3	Plant & Equipment	54965679	1956733	0	56922412	42362552	2922514	0	45285066	11637346	12603127
4	Furniture & Fixtures	2105418	0	0	2105418	1518263	114783	0	1633046	472372	587155
5	Office Equipments	2087624	132955	0	2220579	1490442	151034	0	1641476	579103	597182
6	Vehicles	9718059	923650	1087500	9554209	5980357	811081	780197	6011241	3542968	3737702
	Total	85261874	3835248	1087500	88009622	59685637	4509862	780197	63415302	24594320	25576237
	Previous Year	82718015	2581623	37764	85261874	55206114	4517286	37763	59685637	25576237	27511901


31-Mar-12
₹

31-Mar-11
₹

NOTE - 9
NON-CURRENT INVESTMENTS
Trade Investment - At Cost

Particulars	Face Value Rs.	No of Units/Shares		31-Mar-12 ₹	31-Mar-11 ₹
		Current Year	Previous Year		
In Equity Instruments (in Subsidiary Company)					
Indoborax Infrastructure Pvt. Ltd	10	6000	6000	60,000	60,000
			Sub-total	60,000	60,000

OTHER INVESTMENT - AT COST
A) Investment in Property 1,20,214,350 —
B) Investment in Equity Instruments (Fully Paid - Quoted)

(Financial, non-stretegic investments, all insignificant, less than 1% stake)

Bharati Airtel Ltd	5	1250	1250	532,325	532,325
Coromandal International Ltd	1	0	600	—	96,036
Central bank of India	10	3200	2000	414,090	290,490
Century Textiles & Industries Ltd	10	250	250	126,053	126,053
Divi's Laboratories Ltd	2	850	850	806,520	806,520
Escorts India Ltd	10	1500	1500	353,730	353,730
ICICI Bank Ltd	10	1000	1000	1,140,341	1,140,341
Infosys Technologies Ltd	5	100	100	300,511	300,511
Infrastructure Development Finance Co. Ltd	10	1250	1250	226,140	226,140
IRB Infrastructure Developers Ltd	10	600	600	148,602	148,602
Jagran Prakashan Ltd	2	4550	4550	728,217	728,217
Jaiprakash Associates Ltd	2	4500	4500	1,359,496	1,359,496
Jindal steel & Power Ltd	1	300	300	212,091	212,091
Kamanwala Industries Ltd	10	57395	57395	3,047,081	3,047,081
L & T Ltd	2	400	400	277,869	277,869
Lupin Ltd	2	0	750	—	273,203
Mphasis Ltd	10	300	300	237,498	237,498
National Thermal Power Corp Ltd	10	3000	3000	591,070	591,070
Nagarjun Construction Co Ltd	10	1500	1500	268,790	268,790
Punj Lloyd Ltd	2	4000	4000	1,259,908	1,259,909
Punjab National Bank	10	0	200	—	191,164
Reliance Communications Ltd	5	2000	2000	1,007,500	1,007,500
Reliance Industries Ltd	10	800	800	916,841	916,841
Reliance Media Works Ltd	5	675	675	433,583	433,583
State Bank of India	10	150	150	418,229	418,229
Sun Pharmaceuticals Ltd	1	0	1500	—	462,854
Unity Projects Ltd	2	2000	2000	234,820	234,820
			Sub-total	15,041,305	15,940,963

Market Value of long-term investment in quoted shares ₹ 91,00,556/- (Previous Year ₹ 1,12,92,552/-)

C) Investment in Equity Instruments (Fully Paid - Un-quoted)

Pavitra Jewellery Pvt Ltd	10	1	1	3,000	3,000
			Sub-total	3,000	3,000



				31-Mar-12	31-Mar-11
				₹	₹
C) Investment in Mutual Funds					
HDFC FMP 370D M-2011 - Growth	10	1000000	1000000	10,000,000	10,000,000
Kotak Global Emerging India Mkt Fund	10	—	1000000	—	10,000,000
Kotak Indo World Infrastructure Fund	10	1000000	1000000	10,000,000	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	—	5,000,000
DSPML Opportunities Fund	10	185357	185357	5,000,000	5,000,000
Franklin India High Growth Companies Fund	10	—	488998	—	5,000,000
Sub-total				35,000,000	55,000,000

Year end NAV of long-term investment in Mutual Funds ₹ 4,28,68,604/- (Previous Year ₹ 5,62,44,466/-)

None of the above investments are in associates or joint ventures or controlled special purpose entities.

Total	170,318,655	71,003,963
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NOTE - 10
LONG-TERM LOANS & ADVANCES

a) Security Deposits	1,609,167	1,433,173
b) Loans and advances to related party (Subsidiary)	68,267,558	47,408,272
c) Loans and advances to other parties	117,233,265	105,990,097
Total	187,109,990	154,831,542

NOTE - 11
CURRENT INVESTMENTS

(At lower of cost or market value)

Investment in Mutual Funds

Kotak Floater -Long. Term (G)	10	0	37271	—	569,781
ICICI Prudential Liquid Plan IP	100	132363	200632	25,892,303	13,239,275
L & T FMP-III	10	1000000	0	10,000,000	—
Total				35,892,303	13,809,056

NOTE - 12
INVENTORIES

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

Raw Materials	63,238,481	85,246,652
Work-in-progress	647,460	1,836,761
Finished Goods	16,183,948	15,575,794
Stores, Spares, Packing Materials, Fuel etc.	3,349,543	8,864,505
Total	83,419,432	111,523,712

NOTE - 13
TRADE RECEIVABLES

(Unsecured, considered good)

Debts due for period exceeding six months	139,699	605,997
Other Debts	28,074,798	24,417,526
Total	28,214,497	25,023,523

NOTE - 14
CASH & BANK BALANCES
A) Cash & Cash Equivalents

Cash on Hand	108,211	66,921
Balances with Banks		
— In Current Accounts	2,643,800	7,068,878
— In Fixed Deposit Accounts	1,080,000	48,980,000
Sub-total	3,832,011	56,115,799



	31-Mar-12 ₹	31-Mar-11 ₹
B) Other Bank Balances		
– In Unclaimed Dividend Accounts	2,460,300	1,975,567
– In Fixed Deposits under Lien	176,300	176,300
– In Fixed Deposits (Maturing within 12 months)	2,900,000	2,500,000
Sub-total	5,536,600	4,651,867
Total	9,368,611	60,767,666

NOTE - 15

SHORT TERM LOANS & ADVANCES

OTHERS

Advances recoverable in cash or in kind or for value to be received	4,555,536	2,207,115
Advances to Staff	111,058	109,652
Income Tax Advances	32,217,452	35,809,512
Total	36,884,046	38,126,279

NOTE - 16

OTHER CURRENT ASSETS

Interest receivable	173,757	379,739
Total	173,757	379,739

NOTES TO THE PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2012

	31-Mar-12 ₹	31-Mar-11 ₹
NOTE - 17		
REVENUE FROM OPERATIONS		
Sales of Products (Gross)	510,432,430	442,382,840
Less : Excise Duty	46,729,801	41,022,443
Total	463,702,629	401,360,397

NOTE - 18

OTHER INCOME

Interest Income	12,703,558	7,064,715
Dividend on current investments	3,503,028	2,835,236
Dividend on other investments	540,074	2,043,580
Gain/(Loss) on sale of investments	2,250,259	1,092,304
Profit/(Loss) on sale of assets	(67,303)	8,849
Bad-Debts Recovered	–	707,075
Rent & Facility Charges	7,119,344	–
Miscellaneous Incomes & Credits	43,514	147,781
Total	26,092,474	13,899,540

NOTE - 19

COST OF RAW MATERIALS CONSUMED

Opening Stock	85,246,652	25,823,010
Add : Purchases	230,292,196	268,354,454
	315,538,848	294,177,464
Less : Closing Stocks	63,238,481	85,246,652
Total	252,300,367	208,930,812

NOTE - 20

CHANGES IN INVENTORY

Opening Stock – Finished Goods	15,575,794	4,122,080
Opening Stock – Work-in-Progress	1,836,761	2,110,191
Closing Stock – Finished Goods	(16,183,948)	(15,575,794)
Closing Stock – Work-in-Progress	(647,460)	(1,836,761)
Neutralisation of Excise Duty included in Opening and Closing Stock of Finished Goods	182,577	1,457,756
Total	763,724	(9,722,528)



	31-Mar-12 ₹	31-Mar-11 ₹
NOTE - 21		
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	11,963,285	8,771,776
Workmen & Staff Welfare	203,675	143,844
Employers Contribution to Provident Fund & Other Funds	1,141,005	831,339
Gratuity Contribution/Payment	717,499	589,033
Total	14,025,464	10,335,992
NOTE - 22		
FINANCE COSTS		
Interest	86,227	1,750
Total	86,227	1,750
NOTE - 23		
OTHER EXPENSES		
Consumption of Stores, Spares & Packing Materials	9,973,815	8,217,887
Power & Fuel	32,099,176	25,424,940
Water Charges	154,364	109,001
Excise Duty	184,082	102,000
Rates & Taxes	275,283	200,559
Rent and Other Charges	1,491,689	742,820
Repairs - Plant & Machineries	1,786,626	1,376,715
Repairs - Building	787,001	7,903,359
Repairs - Others	513,742	452,371
Insurance Charges	147,952	213,633
Directors Remuneration	11,091,233	11,406,062
Directors Sitting Fees	159,000	102,000
Payment to Auditors	903,250	595,000
Freight, Coolie & Cartage	14,454,978	12,601,002
Commission & Brokerage	6,142,298	4,971,835
Discount & Rebate	19,744	1,732
Miscellaneous Expenses	27,860,394	13,935,440
Bank Charges	399,337	123,970
Entry Tax	3,082,995	3,545,671
Total	111,526,959	92,025,997

NOTE - 24
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 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.
- iii) Work in progress is 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 Statement of Profit & Loss.

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 Statement of Profit & Loss.

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 adjusted for effect of actuarial valuation at year end are recognized in the Statement of Profit & Loss.
- 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.

NOTE - 25

OTHER DISCLOSURES & NOTES

1. Contingent Liabilities & Commitments not provided for
 - a) Guarantees given by the bankers of the Company ₹ 1,65,000/- (Previous Year ₹ 1,65,000/-)
 - b) Overdue interest on loan from Development Corporation of Konkan Ltd. ₹ 7,24,207/- (Previous Year ₹ 6,61,389/-)
2. Previous year figures have been rearranged/regrouped, wherever necessary, to make them comparable with current year figures.
3. Payment to Statutory Auditors.

	Current Year ₹	Previous Year ₹
a) As Auditors	250,000	250,000
b) In Other Capacity		
For Tax Audit	100,000	100,000
For Certification	282,500	234,000
For Taxation Matters	270,750	11,000
Total	903,250	595,000

4. Managerial Remuneration to Directors:

Break up of Remuneration

1. Salary & Allowances	2,880,000	2,880,000
2. Contribution to provident Fund	216,000	216,000
3. Commission on profit	7,372,327	7,978,668
4. Perquisites	838,906	540,528
Total	11,307,233	11,615,196

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 assets (other than fixed assets and non-current investments) have value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
- 7 Major components of deferred tax liabilities and assets arising on account of timing difference are :

	31.03.2012	31.03.2011
Liabilities		
On account of Depreciation	3,202,169	4,010,952
Assets		
On account of Disallowances	-	-
Net Deferred Tax Liability	3,202,169	4,010,952

8 Related party Disclosures :-

A Where Control Exists

- a) Name Indoborax Infrastructure Pvt Ltd.
- Relationship Subsidiary Company
- Holding 60%

	Year Ended 31.03.2012	Year Ended 31.03.2011
b) Details of Transactions		
Outstanding Investment in Share Capital	60,000	60,000
Advances given during the year	29,359,286	10,758,815
Amount received back during the year	8,500,000	6,500,000
Advances outstanding at year end	68,267,558	47,408,272
Interest Income	4,586,985	3,928,044

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 relative Mrs. Sushila Jain are as under:-

1. Remuneration paid to Managing Director *	5,789,924	5,923,182
2. Remuneration paid to Executive Director *	5,517,309	5,692,014
3. Directors Sitting Fees paid to Mrs. Sushila Jain	33,000	30,000

*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. 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 other expenses.
10. Earning per share is computed based on the following:-

	Year Ended 31.03.2012	Year Ended 31.03.2011
1. Profit after tax - (₹)	72,541,283	74,754,767
2. Weighted average number of equity Shares	3,481,000	3,481,000
Basic and diluted Earning per Share ₹	20.84	21.48
(Face Value of Share ₹10/-)		

11. No Provision for diminution in value of long term investments in mutual funds and quoted shares aggregating to ₹ 1,15,58,130/- (Previous year : ₹ 91,18,829/-) has been made in accounts as the diminution is of temporary nature.
12. The company has not entered in any derivative transactions by way of currency and/or interest rate swap or forward exchange contract.
13. 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.
14. The company has taken Group Gratuity Policy from LIC and the premiums determined by LIC and payable for the financial year adjusted for effect of actuarial valuation at year end is charged to Statement of Profit & Loss. Required disclosures as per particulars received from LIC and accounts are as under:

	Current Year	Previous Year
--	--------------	---------------

a) Assumptions

Discount Rate	8%	8%
Salary Escalation	5%	5%

Withdrawal rate	1 to 3% depending on age	
Mortality Rate	LIC (1994-96)	LIC (1994-96)
	₹	₹
b) Table showing changes in present value of obligations		
i) Present value of obligations - beginning of the year	2,307,923	1,387,629
ii) Interest cost	184,634	111,010
iii) Current Service cost	116,500	97,259
iv) Benefits paid	—	(26,654)
v) Actuarial (gain)/loss on obligations	639,222	738,679
vi) Present value of obligations - end of the year	3,248,279	2,307,923
c) Table showing changes in the fair value of plan assets		
i) Fair value of plan assets -beginning of the year	2,587,137	1,618,579
ii) Expected return on the plan assets	258,964	162,714
iii) Contributions	831,426	832,498
iv) Benefits paid	—	(26,654)
v) Actuarial gain / (loss) on plan assets	—	—
vi) Fair value of plan assets-end of the year	3,677,527	2,587,137
d) Amount to be recognised in the balance Sheet		
i) Fair value of plan assets - end of the year	3,677,527	2,587,137
ii) Present value of obligations -end of the year	3,248,279	2,307,923
iii) Asset /(Liability) recognised	429,248	279,214
e) Expenses recognised in statement of profit & loss		
i) Current service cost	116,500	97,259
ii) Interest cost	184,634	111,010
iii) Expected return on plan assets	(258,964)	(162,714)
iv) Actuarial (gain)/loss recognised	639,222	738,679
v) Adjustment for prepaid portion/ LCSA premium/ Renewal date variation	36,107	(195,201)
vi) Expenses recognised in statement of profit & loss	717,499	589,033



	Current Year	Previous Year		
15. OTHER DISCLOSURES PURSUANT TO PART II OF REVISED SCHEDULE VI.				
A. Opening Stock of Finished Goods				
Boron Products	15,575,794	4,122,080		
Other chemicals & Minerals	—	—		
	15,575,794	4,122,080		
B. Sales				
Boron Products	505,749,372	439,798,481		
Other chemicals & Minerals	4,683,058	2,584,359		
	510,432,430	442,382,840		
C. Closing Stock of Finished Goods				
Boron Products	16,183,948	15,575,794		
	16,183,948	15,575,794		
D. Closing Stock of Work-in-Progress				
Boron Products	647,460	1,836,761		
	647,460	1,836,761		
E. Raw Materials Consumed				
Boron Mineral & Products	209,930,986	179,002,957		
Other chemicals & Minerals	42,369,381	29,927,855		
	252,300,367	208,930,812		
F. Consumption of Imported & Indigenous Material				
RAW MATERIALS	%	VALUE	%	VALUE
i) Imported	82.04	206,997,529	83.04	173,105,757
ii) Indigenous	17.96	45,302,838	16.96	35,362,086
	100.00	252,300,367	100.00	208,467,843
STORES & SPARES	%	VALUE	%	VALUE
i) Imported	—	—	—	—
ii) Indigenous	100.00	6,172,724	100.00	4,859,330
	100.00	6,172,724	100.00	4,859,330
G. C.I.F Value of Imports				
Raw Materials, Chemicals & Minerals		152,430,132		195,991,463
Capital Goods		125,458		—
H. Earnings In Foreign Exchange		NIL		NIL
I. Expenditure in Foreign Currency for Travel/Subscription etc.		970,656		14,271

SIGNATURES TO THE NOTES TO ACCOUNTS

As per our report of even date.

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

S. K. Jain Chairman &
Managing Director

Arun S. Sureka Director

Sajal S. Jain Vice Chairman &
Executive Director

Narendrakumar Mittal Director

V. S. LALPURIA
Proprietor
M. No. 15926

G. R. Parmar Director

Sushila Jain Director

Mumbai, May 30, 2012



AUDITORS' REPORT

1. We have audited the attached Consolidated Balance Sheet of INDO BORAX & CHEMICALS LIMITED (the "Company"), its subsidiary ("the Group") as at March 31, 2012, the Consolidated Statement of Profit and Loss 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 and have been prepared by the Management on the basis of separate financial statements and other financial information of the components. 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, 2012;
 - (b) in the case of the Consolidated statement of Profit and Loss, 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: 30th May, 2012


CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	Note	31-Mar-12 ₹	31-Mar-11 ₹
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	1	34,810,000	34,810,000
b) Reserves & Surplus	2	455,313,110	388,851,298
Total (1)		490,123,110	423,661,298
2. MINORITY INTEREST			
		19,858	26,572
3. NON-CURRENT LIABILITIES			
a) Long Term Borrowings	3	47,856,027	32,729,993
b) Deferred Tax Liabilities	4	3,202,169	4,010,952
c) Other Long-term Liabilities	5	6,750,000	-
Total (3)		57,808,196	36,740,945
4. CURRENT LIABILITIES			
a) Trade Payables	6	23,433,714	20,486,576
b) Other Current Liabilities	7	14,849,996	13,311,346
c) Short-term Provisions	8	40,926,039	41,576,039
Total (4)		79,209,749	75,373,961
Total		627,160,913	535,802,776
II. ASSETS			
1. NON-CURRENT ASSETS			
(a) Fixed Assets			
– Tangible Assets	9	25,091,924	26,207,863
(b) Non-current Investments	10	170,258,655	70,943,963
(c) Long-term Loans & Advances	11	118,845,432	107,423,270
(d) Other Non-current Assets	12	33,572	50,358
Total (1)		314,229,583	204,625,454
2. CURRENT ASSETS			
(a) Current Investments	13	35,892,303	13,809,056
(b) Inventories	14	201,750,259	192,187,581
(c) Trade Receivables	15	28,214,497	25,023,523
(d) Cash & Bank Balances	16	9,706,627	60,890,094
(e) Loans & Advances	17	37,193,887	38,887,329
(f) Other Current Assets	18	173,757	379,739
Total (2)		312,931,330	331,177,322
Total		627,160,913	535,802,776
Significant Accounting Policies	27		
Other Disclosures & Notes	28		

As per our report of even date.

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

S. K. Jain Chairman &
 Managing Director

Sajal S. Jain Vice Chairman &
 Executive Director

Arun S. Sureka Director

Narendrakumar Mittal Director

G. R. Parmar Director

Sushila Jain Director

V. S. LALPURIA
 Proprietor
 M. No. 15926

Mumbai, May 30, 2012


CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012.

	Note	31-Mar-12 ₹	31-Mar-11 ₹
INCOME			
Revenue from Operations	19	463,702,629	401,360,397
Other Income	20	21,505,489	9,971,496
Total Income		485,208,118	411,331,893
EXPENSES			
Cost of Raw Materials Consumed	21	252,300,367	208,930,812
Cost of Land & Construction	22	27,021,784	11,638,942
Chages in Inventory	23	(36,903,234)	(28,896,704)
Employee Benefits Expense	24	15,105,251	10,743,395
Finance Costs	25	3,625,478	1,980,740
Depreciation	9	4,676,108	4,612,793
Other Expenses	26	112,816,650	93,168,073
Total Expenditure		378,642,404	302,178,051
PROFIT BEFORE TAX		106,565,714	109,153,842
TAX EXPENSE			
Current Tax		34,850,000	35,500,000
Deferred Tax		(808,783)	(1,084,139)
Total Tax Expense		34,041,217	34,415,861
PROFIT AFTER TAX		72,524,497	74,737,981
Add: Minority Interest		6,714	6,714
PROFIT AFTER TAX & MINORITY INTEREST		72,531,211	74,744,695
Basic and diluted earning per share. (Face Value ₹ 10/- each)		20.84	21.47
Significant Accounting Policies	27		
Other Disclosures & Notes	28		

As per our report of even date.

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

V. S. LALPURIA
Proprietor
M. No. 15926

S. K. Jain Chairman &
Managing Director

Sajal S. Jain Vice Chairman &
Executive Director

Arun S. Sureka Director

Narendrakumar Mittal Director

G. R. Parmar Director

Sushila Jain Director

Mumbai, May 30, 2012


CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	Year ended 31.03.2012 Amount in ₹	Year ended 31.03.2011 Amount in ₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items adjusted	106,565,714	109,153,842
Adjustments for :		
Depreciation	4,676,108	4,612,793
Profit/loss on sale/discarding of assets	67,303	(8,849)
Preliminary Expenses Amortised	16,786	16,786
Profit/loss on sale of investment	(2,250,259)	(1,092,304)
Income from investments	(19,279,019)	(8,015,487)
Interest	3,625,478	1,980,740
	(13,143,603)	(2,506,321)
Operating profit before working capital changes	93,422,111	106,647,521
Adjustments for :		
Trade and other Receivables	(2,984,992)	(10,010,745)
Inventories	(9,562,678)	(96,127,993)
Loans & Advances	(13,320,780)	45,136,631
Trade and other payables	4,485,788	13,232,907
	(21,382,662)	(47,769,200)
Cash generated from operations	72,039,449	58,878,321
Interest	(3,625,478)	(1,980,740)
Income-Tax	(31,907,940)	(38,991,460)
	(35,533,418)	(40,972,200)
Cash Flow before extraordinary items	36,506,031	17,906,121
Extraordinary items	—	—
Net Cash Flow from Operating activities – A	36,506,031	17,906,121
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,867,472)	(3,306,156)
Sale of Fixed assets	240,000	8,850
Income, gains / loss from Investments	21,529,278	9,107,791
Changes in other bank balances	(884,733)	27,976,776
Investments (net)	(121,397,939)	(2,687,089)
Net Cash used in Investing Activities – B	(104,380,866)	31,100,172
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long term borrowings	15,126,034	12,081,092
Changes in other long term liabilities	6,750,000	—
Dividend & Dividend Tax paid	(6,069,399)	(6,108,935)
Net Cash from Financing Activities – C	15,806,635	5,972,157
Net Increase / (decrease) in Cash and Cash equivalent	(52,068,200)	54,978,450
Cash & Cash Equivalent at the beginning of the year	56,238,227	1,259,777
Cash & Cash Equivalent end of the year	4,170,027	56,238,227

Note : Figures in brackets represent outflows

As per our report of even date.

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

S. K. Jain Chairman &
Managing Director

Sajal S. Jain Vice Chairman &
Executive Director

Arun S. Sureka Director

Narendrakumar Mittal Director

V. S. LALPURIA
Proprietor
M. No. 15926

G. R. Parmar Director

Sushila Jain Director

Mumbai, May 30, 2012


NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2012

	31-Mar-12 ₹	31-Mar-11 ₹
NOTE - 1		
SHARE CAPITAL		
Authorised Capital		
60,00,000 Equity Shares of ₹ 10/- each	60,000,000	60,000,000
Issued & Subscribed		
35,00,000 Equity Shares of ₹ 10/- each	35,000,000	35,000,000
Paid up		
34,81,000 Equity Shares of ₹ 10/- each	34,810,000	34,810,000
Total	34,810,000	34,810,000
1) There were no changes in outstanding shares during the current and preceding reporting period.		
2) Number of shares held by persons holding more than 5% of outstanding share capital :		
	31-Mar-12	31-Mar-11
Shri S. K. Jain	502,774	333,824
Smt Sushila Jain	288,893	288,893
Shri Sajal jain	273,096	273,096
Hindustan Composites Ltd.	179,361	103,580
3) During last five years no shares were allotted without payment being received in cash or as bonus shares or bought back.		
4) Amount originally received on forfeited shares ₹ 139,350/- (inclusive of share premium) included in Reserves & Surplus.		
NOTE - 2		
RESERVES & SURPLUS		
Share Premium Account		
Balance Brought Forward	12,905,000	12,905,000
Share Forfeiture Account		
Balance Brought Forward	139,350	139,350
General Reserve		
Balance Brought Forward	62,877,657	55,377,657
Transfer from Surplus	7,500,000	7,500,000
	70,377,657	62,877,657
Surplus		
Balance Brought Forward	312,929,291	251,753,195
Profit transferred from Statement of Profit & Loss	72,531,211	74,744,695
Transfer to General Reserve	(7,500,000)	(7,500,000)
Proposed Dividend	(5,222,341)	(5,221,500)
Tax on Proposed Dividend	(847,058)	(847,099)
Closing Balance	371,891,103	312,929,291
Negative values, appropriations and deductions are shown in bracket.		
Total	455,313,110	388,851,298
NOTE - 3		
LONG TERM BORROWINGS		
Unsecured		
Loans & advances from other related parties (Long term borrowing with no fixed repayment schedule)	47,856,027	32,729,993
Total	47,856,027	32,729,993
NOTE - 4		
DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability Depreciation	3,202,169	4,010,952
Total	3,202,169	4,010,952
NOTE - 5		
OTHER LONG-TERM LIABILITIES		
Lease Deposits	6,750,000	—
Total	6,750,000	—


NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2012

	31-Mar-12 ₹	31-Mar-11 ₹
NOTE - 6		
TRADE PAYABLES		
Trade Payables for goods	5,550,811	2,564,815
Trade Payables for services & expenses	16,128,795	16,941,511
Estimated Contract Work Liability (Net of Advances)	1,754,108	980,250
Total	23,433,714	20,486,576

NOTE - 7		
OTHER CURRENT LIABILITIES		
Income Received in advance	6,740,656	—
Unpaid Dividends	2,460,300	1,974,960
Other Payables		
– Customer advances	2,549,632	9,161,958
– Due to Development Corporation of Konkan Ltd.	405,240	405,240
– Taxes & Statutory Dues	2,694,168	1,769,188
Total	14,849,996	13,311,346

NOTE - 8		
SHORT TERM PROVISIONS		
Income Tax	34,857,481	35,507,481
Proposed Dividend	5,221,500	5,221,500
Tax on Proposed Dividend Distribution	847,058	847,058
Total	40,926,039	41,576,039

NOTE - 9
FIXED ASSETS

Sr No.	Particulars of Assets	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
		Balance as at 01-04-2011	Additions	Disposals	Balance as at 31-03-2012	Balance as at 01-04-2011	Depreciation	On Disposal	Balance as at 31-03-2012	Balance as at 31-03-2012	Balance as at 01-04-2011
	Tangible Assets										
1	Land (under lease)	1005924	0	0	1005924	0	0	0	0	1005924	1005924
2	Buildings	15379170	821910	0	16201080	8334023	510450	0	8844473	7356607	7045147
3	Plant & Equipment	54965679	1988957	0	56954636	42362552	2925601	0	45288153	11666483	12603127
4	Furniture & Fixtures	2106993	0	0	2106993	1518438	115036	0	1633474	473519	588555
5	Office Equipment	2088874	132955	0	2221829	1490549	151193	0	1641742	580087	598325
6	Vehicles	10443017	923650	1087500	10279167	6076232	973828	780197	6269863	4009304	4366785
	Total	85989657	3867472	1087500	88769629	59781794	4676108	780197	63677705	25091924	26207863
	Previous Year	82721265	3306156	37764	85989657	55206764	4612793	37763	59781794	26207863	27514501

	31-Mar-12 ₹	31-Mar-11 ₹
NOTE - 10		
NON-CURRENT INVESTMENTS		
Investment (Non-Trade) - At Cost		
A) Investment in Property	120,214,350	—
B) Investment in Equity Instruments (Fully Paid - Quoted) (Financial, non-strategic investments, all insignificant, less than 1% stake) Market Value of long-term investment in quoted shares ₹ 91,00,556/- (Previous Year ₹ 1,12,92,552/-)	15,041,305	15,940,963
C) Investment in Equity Instruments (Fully Paid - Un-quoted)	3,000	3,000



	31-Mar-12 ₹	31-Mar-11 ₹
D) Investment in Mutual Funds		
Year end NAV of long-term investment in Mutual Funds ₹ 4,28,68,604/-	35,000,000	55,000,000
(Previous Year ₹ 5,62,44,466/-)		
None of the above investments are in associates or joint ventures or controlled special purpose entities.		
Total	170,258,655	70,943,963
NOTE - 11		
LONG-TERM LOANS & ADVANCES		
a) Security Deposits	1,609,167	1,433,173
b) Loans and advances to other parties	117,236,265	105,990,097
Total	118,845,432	107,423,270
NOTE - 12		
OTHER NON-CURRENT ASSETS		
Unamortized Preliminary Expenses	33,572	50,358
Total	33,572	50,358
NOTE - 13		
CURRENT INVESTMENTS		
(At lower of cost or market value)		
Investment in Mutual Funds	35,892,303	13,809,056
Total	35,892,303	13,809,056
NOTE - 14		
INVENTORIES		
(As taken, valued & certified by the Management)		
Raw Materials	63,238,481	85,246,652
Work-in-progress	118,978,287	82,500,630
Finished Goods	16,183,948	15,575,794
Stores, Spares, Packing Materials, Fuel etc.	3,349,543	8,864,505
Total	201,750,259	192,187,581
NOTE - 15		
TRADE RECEIVABLES		
(Unsecured, considered good)		
Debts due for period exceeding six months	139,699	605,997
Other Debts	28,074,798	24,417,526
Total	28,214,497	25,023,523
NOTE - 16		
CASH & BANK BALANCES		
A) Cash & Cash Equivalents		
Cash on Hand	121,778	82,542
Balances with Banks		
– In Current Accounts	2,968,249	7,175,685
– In Fixed Deposit Accounts	1,080,000	48,980,000
Sub-total	4,170,027	56,238,227
B) Other Bank Balances		
– In Unclaimed Dividend Accounts	2,460,300	1,975,567
– In Fixed Deposits under Lien	176,300	176,300
– In Fixed Deposits (Maturing within 12 months)	2,900,000	2,500,000
Sub-total	5,536,600	4,651,867
Total	9,706,627	60,890,094


NOTES TO THE CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2012

	31-Mar-12 ₹	31-Mar-11 ₹
NOTE - 17		
SHORT-TERM LOANS & ADVANCES		
Loans and Advances recoverable in cash or in kind or for value to be received	4,843,377	2,968,165
Advances to Staff	133,058	109,652
Income Tax Advances	32,217,452	35,809,512
Total	37,193,887	38,887,329
NOTE - 18		
OTHER CURRENT ASSETS		
Interest receivable	173,757	379,739
Total	173,757	379,739
NOTE - 19		
REVENUE FROM OPERATIONS		
Sales of Products (Gross)	510,432,430	442,382,840
Less : Excise Duty	46,729,801	41,022,443
Total	463,702,629	401,360,397
NOTE - 20		
OTHER INCOME		
Interest Income	8,116,573	3,136,671
Dividend on current investments	3,503,028	2,835,236
Dividend on other investments	540,074	2,043,580
Gain/(Loss) on sale of investments	2,250,259	1,092,304
Profit/(Loss) on sale of assets	(67,303)	8,849
Bad-Debts Recovered	-	707,075
Rent & Facility Charges	7,119,344	-
Miscellaneous Incomes & Credits	43,514	147,781
Total	21,505,489	9,971,496
NOTE - 21		
COST OF RAW MATERIALS CONSUMED		
Opening Stock	85,246,652	25,823,010
Add : Purchases	230,292,196	268,354,454
	315,538,848	294,177,464
Less : Closing Stocks	63,238,481	85,246,652
Total	252,300,367	208,930,812
NOTE - 22		
COST OF LAND & CONSTRUCTION		
Site Development Expenses	-	4,973
Architect & Design Expenses	947,274	1,472,648
Construction Contracts	4,727,925	9,950,000
Municipal & Other Charges	10,904,100	150,683
Purchase of Materials	82,168	-
Purchase of Development Rights	10,227,690	-
Other Construction & Site Expenses	132,627	60,638
Total	27,021,784	11,638,942


NOTES TO THE CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2012

	31-Mar-12 ₹	31-Mar-11 ₹
NOTE - 23		
CHANGES IN INVENTORY		
Opening Stock - Finished Goods	15,575,794	4,122,080
Opening Stock - Work-in-Progress	82,500,630	63,599,884
Closing Stock - Finished Goods	(16,183,948)	(15,575,794)
Closing Stock - Work-in-Progress	(118,978,287)	(82,500,630)
Neutralisation of Excise Duty included in Opening and Closing Stock of Finished Goods	182,577	1,457,756
Total	(36,903,234)	(28,896,704)
NOTE - 24		
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	12,991,631	9,161,093
Workmen & Staff Welfare	255,116	161,930
Employers Contribution to Provident Fund & Other Funds	1,141,005	831,339
Gratuity Contribution/Payment	717,499	589,033
Total	15,105,251	10,743,395
NOTE - 25		
FINANCE COSTS		
Interest	3,625,478	1,980,740
Total	3,625,478	1,980,740
NOTE - 26		
OTHER EXPENSES		
Consumption of Stores, Spares & Packing Materials	9,973,815	8,217,887
Power & Fuel	32,099,176	25,424,940
Water Charges	154,364	109,001
Excise Duty	184,082	102,000
Rates & Taxes	280,283	200,559
Rent and Other Charges	1,491,689	742,820
Repairs - Plant & Machineries	1,786,626	1,376,715
Repairs - Building	787,001	7,903,359
Repairs - Others	515,222	526,366
Insurance Charges	147,952	213,633
Directors Remuneration	11,091,233	11,406,062
Directors Remuneration - Subsidiary	900,000	750,000
Directors Sitting Fees	159,000	102,000
Payment to Auditors	903,250	595,000
Freight , Coolie & Cartage	14,454,978	12,601,002
Commission & Brokerage	6,142,298	4,971,835
Discount & Rebate	19,744	1,732
Miscellaneous Expenses	28,226,269	14,236,185
Bank Charges	399,887	124,520
Entry Tax	3,082,995	3,545,671
Preliminary Expenses Amortized	16,786	16,786
Total	112,816,650	93,168,073

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012****NOTE - 27****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.

iii) Work-in-progress for manufactured goods is 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 Statement of Profit & Loss.

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.

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 Statement of Profit & Loss.

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 adjusted for effect of actuarial valuation at year end are recognized in the Statement of Profit & Loss.

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.

k) 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.


NOTES TO THE CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2012
l) 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'.

m) Normal Operating Cycle for activities of Subsidiary

Normal operating cycle for the current operations of the company commence with the process of acquiring land / development rights and ends with realisation of sale proceeds of constructed units. Thus the normal operating cycle is longer than a year and differ from project to project. Assets and liabilities are classified as current or non-current accordingly on the basis of expected time of realisation of sale proceeds of constructed units.

NOTE - 28
OTHER DISCLOSURES & NOTES
1. Basis of Consolidation

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	Country of Incorporation	% of ultimate holding
Indoborax Infrastructure Pvt. Ltd.	INDIA	60%

2. Contingent Liabilities and commitments not provided for

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

b) Overdue interest on loan from Development Corporation of Konkan Ltd. ₹ 7,24,207/-
(Previous Year ₹ 6,61,389/-)

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

4. Payment to Statutory Auditors.

	Current Year ₹	Previous Year ₹
a) As Auditors	250,000	250,000
b) In Other Capacity		
For Tax Audit	100,000	100,000
For Certification	282,500	234,000
For Taxation Matters	270,750	11,000
	903,250	595,000

5. Managerial Remuneration to Directors:

Break up of Remuneration (Holding Company)

1. Salary & Allowances	2,880,000	2,880,000
2. Contribution to provident Fund	216,000	216,000
3. Commission on profit	7,372,327	7,978,668
4. Perquisites	838,906	540,528
	11,307,233	11,615,196

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

Break up of Remuneration (Subsidiary Company)

Salary & Allowances	900,000	750,000
---------------------	---------	---------

6. 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.

7. In the opinion of the Board of Directors, the assets (other than fixed assets and non-current investments) have value on realisation in the ordinary course of business at least equal to the amount at which they are stated.


NOTES TO THE CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2012

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

	31.03.2012 ₹	31.03.2011 ₹
Liabilities		
On account of Depreciation	3,202,169	4,010,952
Assets		
On account of Disallowances	—	—
Net Deferred Tax Liability	<u>3,202,169</u>	<u>4,010,952</u>

9. 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) above and their relatives (Smt. Sushila Jain, Smt. Shreelekha Jain, S. K. Jain - HUF and Sajal Jain - HUF) and Associated Borax Pvt Ltd having one director in common, are as under:

1. Remuneration paid to Managing Director *	5,789,924	5,923,182
2. Remuneration paid to Executive Director *	5,517,309	5,692,014
3. Directors Sitting Fees paid	33,000	30,000
4. Interest Expense	3,533,896	1,971,791
5. Loans received during the year	29,105,507	12,074,612
6. Loans repaid during the year	13,980,000	—
7. Loans outstanding at year end	47,849,020	32,723,513
8. Remuneration paid to Executive Director (Subsidiary)	900,000	750,000

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

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 31.03.2012	Year Ended 31.03.2011
a) Profit after tax - (₹)	72,531,211	74,744,695
b) Weighted average number of equity Shares	3,481,000	3,481,000
c) Basic and diluted Earning per Share ₹ (Face Value of Share ₹ 10/-)	20.84	21.48

12. No Provision for diminution in value of long term investments in mutual funds and quoted shares aggregating to ₹ 1,15,58,130/- (Previous year ₹ 91,18,829/-) 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 the premiums determined by LIC and payable for the financial year adjusted for effect of actuarial valuation at year end is charged to Statement of Profit & Loss. Required disclosures as per particulars received from LIC and accounts are as under:

	Current Year	Previous Year
a) Assumptions		
Discount Rate	8%	8%
Salary Escalation	5%	5%
Withdrawal rate	1 to 3% depending on age	
Mortality Rate	LIC (1994-96)	LIC (1994-96)



	Rupees (₹)	Rupees (₹)
b) Table showing changes in present value of obligations		
i) Present value of obligations -beginning of the year	2,307,923	1,387,629
ii) Interest cost	184,634	111,010
iii) Current Service cost	116,500	97,259
iv) Benefits paid	–	(26,654)
v) Actuarial (gain)/loss on obligations	639,222	738,679
vi) Present value of obligations -end of the year	3,248,279	2,307,923
c) Table showing changes in the fair value of plan assets		
i) Fair value of plan assets -beginning of the year	2,587,137	1,618,579
ii) Expected return on the plan assets	258,964	162,714
iii) Contributions	831,426	832,498
iv) Benefits paid	–	(26,654)
v) Actuarial gain / (loss) on plan assets	–	–
vi) Fair value of plan assets -end of the year	3,677,527	2,587,137
d) Amount to be recognised in the balance sheet		
i) Fair value of plan assets -end of the year	3,677,527	2,587,137
ii) Present value of obligations -end of the year	3,248,279	2,307,923
iii) Asset /(Liability) recognised	429,248	279,214
e) Expenses recognised in statement of profit & loss account		
i) Current service cost	116,500	97,259
ii) Interest cost	184,634	111,010
iii) Expected return on plan assets	(258,964)	(162,714)
iv) Actuarial (gain) / loss recognised	639,222	738,679
v) Adjustment for prepaid portion/LCSA premium/Renewal date variation	36,107	(195,201)
vi) Expenses recognised in profit & loss account	717,499	589,033
16. Segmentwise revenue, results and capital employed		
1. Segment Revenue		
a) Chemicals	463,702,629	401,360,397
b) Construction	–	–
	Total	463,702,629
		401,360,397
2. Segment Result		
a) Chemicals	80,576,253	95,272,838
b) Construction (Net of Interest)	(16,786)	(16,786)
	Total	80,559,467
		95,256,052
Less : Interest	(86,227)	(1,750)
Add: Other Income/Expenses	26,092,474	13,899,540
Profit before Tax	106,565,714	109,153,842
3. Capital Employed		
a) Chemicals	106,008,989	168,567,799
b) Construction	116,139,655	80,154,335
c) Unallocated	319,018,948	211,656,323
	541,167,593	460,378,457

As per our report of even date.

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

V. S. LALPURIA
Proprietor
M. No. 15926

S. K. Jain Chairman &
Managing Director

Sajal S. Jain Vice Chairman &
Executive Director

Arun S. Sureka Director

Narendrakumar Mittal Director

G. R. Parmar Director

Sushila Jain Director

Mumbai, May 30, 2012

**DIRECTORS' REPORT**

To
The Members of
Indoborax Infrastructure Pvt. Ltd.

Your Directors have pleasure to present their Third Annual Report and the Audited Statement of Accounts for the year ended on 31-Mar-2012.

FINANCIAL RESULTS AND OPERATIONS

The performance of the Company for the financial year ended 31-Mar-2012 is summarized below:

(Rs. in lacs)

Particulars	31-3-2012	31-3-2011
Sales	0	0
Profit before Depreciation & Taxation	1.49	0.79
Less : Depreciation	1.66	0.96
Provision for Taxation	0	0
Profit after Depreciation & Taxation	(0.17)	(0.17)
Balance brought forward	(0.34)	(0.17)
Balance carried to Balance Sheet	(0.51)	(0.34)

DIVIDEND

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

OPERATIONS

The Project has been delayed on account of regulatory approval being upheld on account of policy changes. The company is hopeful of restarting the project work shortly as there is greater clarity about the policy changes now.

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, 2012; 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 year;
- (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

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.

For and on behalf of the Board of Directors

Mumbai,
May 30, 2012

S. K. Jain
Chairman



AUDITORS REPORT TO SHAREHOLDERS

We have audited the attached Balance Sheet of M/S. INDOBORAX INFRASTRUCTURE PRIVATE LIMITED, as on 31st March, 2012 and statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date annexed there to. 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.

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 amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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.

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 explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of accounts as required by Law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet and statement of Profit and Loss dealt with by this report are in agreement with the books of accounts.
 - d. In our opinion, the Balance Sheet and the statement of Profit and Loss, dealt with by this report have been prepared in compliance with 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 31.03.2012 and taken on record by the Board of Directors, wherever applicable, we report that none of the Directors is disqualified as on 31.3.2012 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 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, 2012;
 - ii. in the case of statement of Profit and Loss, of the loss of the Company 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 & COMPANY
CHARTERED ACCOUNTANTS
(Firm No. 105581W)

PLACE : MUMBAI
DATED: 30th May 2012

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


BALANCE SHEET AS AT 31ST MARCH, 2012

	Note	31-Mar-12 ₹	31-Mar-11 ₹
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	1	100,000	100,000
b) Reserves & Surplus	2	(50,358)	(33,572)
Total (1)		49,642	66,428
2. NON-CURRENT LIABILITIES			
Long Term Borrowings	3	116,123,585	80,138,265
Total (2)		116,123,585	80,138,265
3. CURRENT LIABILITIES			
a) Trade Payables	4	2,513,606	1,356,442
b) Other Current Liabilities	5	826,027	668,196
Total (3)		3,339,633	2,024,638
Total		119,512,860	82,229,331
II. ASSETS			
1. NON-CURRENT ASSETS			
(a) Fixed Assets			
– Tangible Assets	6	497,604	631,626
(b) Long-term Loans & Advances	7	3,000	–
(c) Other Non-current Assets	8	33,572	50,358
Total (1)		534,176	681,984
2. CURRENT ASSETS			
(a) Inventories	9	118,330,827	80,663,869
(b) Cash & Cash Equivalents	10	338,016	122,428
(c) Short-term Loans & Advances	11	309,841	761,050
Total (2)		118,978,684	81,547,347
Total		119,512,860	82,229,331
Significant Accounting Policies	17		
Other Disclosures & Notes	18		

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 30, 2012



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012.

	Note	31-Mar-12 ₹	31-Mar-11 ₹
INCOME			
Revenue from Operations		—	—
Total Income		—	—
EXPENSES			
Cost of Land & Construction	12	27,021,784	11,638,942
Changes in Inventory	13	(37,666,958)	(19,174,176)
Employee Benefits Expense	14	1,079,787	407,403
Finance Costs	15	8,126,236	5,907,034
Depreciation	6	166,246	95,507
Other Expenses	16	1,272,905	1,125,290
Preliminary Expenses Amortised		16,786	16,786
Total Expenditure		16,786	16,786
PROFIT BEFORE TAX		(16,786)	(16,786)
TAX EXPENSE		—	—
PROFIT AFTER TAX		(16,786)	(16,786)
Basic and diluted earning per share. (Face Value ₹ 10/- each)		(1.68)	(1.68)
Significant Accounting Policies	17		
Other Disclosures & Notes	18		

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 30, 2012


CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	Year ended 31.03.2012 Amount in ₹	Year ended 31.03.2011 Amount in ₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items adjusted.	(16,786)	(16,786)
Adjustments for :		
Depreciation	166,246	95,507
Preliminary Expenses Amortised	16,786	16,786
Interest	8,126,236	5,907,034
	<u>8,309,268</u>	<u>6,019,327</u>
Operating profit before working capital changes	8,292,482	6,002,541
Adjustments for :		
Trade and other Receivables	–	–
Inventories	(37,666,958)	(19,174,176)
Loans & Advances	448,209	1,848,197
Trade and other payables	1,314,995	1,678,764
	<u>(35,903,754)</u>	<u>(15,647,215)</u>
Cash generated from operations	(27,611,272)	(9,644,674)
Interest	(8,126,236)	(5,907,034)
Income-Tax	–	–
	<u>(8,126,236)</u>	<u>(5,907,034)</u>
Cash Flow before extraordinary items	(35,737,508)	(15,551,708)
Extraordinary items	–	–
Net Cash Flow from Operating activities – A	(35,737,508)	(15,551,708)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(32,224)	(724,533)
Preliminary Expenses	–	–
Net Cash used in Investing Activities – B	(32,224)	(724,533)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loan from Holding Co.	20,859,286	4,258,815
Long term borrowings	15,126,034	12,081,092
Net Cash from Financing Activities – C	35,985,320	16,339,907
Net Increase / (decrease) in Cash and Cash equivalent	215,588	63,666
Cash & Cash Equivalent at the beginning of the year	122,428	58,762
Cash & Cash Equivalent end of the year	338,016	122,428

Note : Figures in brackets represent outflows

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 30, 2012



NOTES TO THE BALANCE SHEET AS AT 31st MARCH, 2012

	31-Mar-12 ₹	31-Mar-11 ₹
NOTE - 1		
SHARE CAPITAL		
Authorised Capital		
2,50,000 Equity Shares of ₹ 10/- each	2,500,000	2,500,000
Issued & Subscribed		
10,000 Equity Shares of ₹ 10/- each	100,000	100,000
Paid up		
10,000 Equity Shares of ₹ 10/- each	100,000	100,000
Total	100,000	100,000

- 1) There were no changes in outstanding shares during the current and preceding reporting period.
- 2) Number of shares held by persons holding more than 5% of outstanding share capital :
- | | | |
|--|-------|-------|
| Indo Borax & Chemicals Ltd (Holding Company) | 6,000 | 6,000 |
| Shri S. K. Jain | 2,000 | 2,000 |
| Shri Sajal jain | 1,900 | 1,900 |
- 3) Since inception, no shares were allotted without payment being received in cash or as bonus shares or bought back.

NOTE - 2		
RESERVES & SURPLUS		
Surplus		
Balance Brought Forward	(33,572)	(16,786)
Profit transferred from Statement of Profit & Loss	(16,786)	(16,786)
Closing Balance	(50,358)	(33,572)
Negative values, appropriations and deductions are shown in bracket.		
Total	(50,358)	(33,572)

NOTE - 6
Fixed Assets

Sr No.	Particulars of Assets	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
		Balance as at 01-04-2011	Additions	Disposals	Balance as at 31-03-2012	Balance as at 01-04-2011	Depreciation	On Disposal	Balance as at 31-03-2012	Balance as at 31-03-2012	Balance as at 01-04-2011
Tangible Assets											
1	Plant & Equipment	–	32,224	–	32,224	–	3,087	–	3,087	29,137	–
2	Furniture & Fixture	1,575	–	–	1,575	175	253	–	428	1,147	1,400
3	Office Equipments	1,250	–	–	1,250	107	159	–	266	984	1,143
4	Vehicles	724,958	–	–	724,958	95,875	162,747	–	258,622	466,336	629,083
	Total	727,783	32,224	–	760,007	96,157	166,246	–	262,403	497,604	631,626
	Previous Year	3,250	724,533	0.00	727,783	650	95,507		96,157	631,626	2,600

NOTE - 7		
LONG-TERM LOANS & ADVANCES		
Loans and advances to other parties	3,000	–
Total	3,000	–

	31-Mar-12 ₹	31-Mar-11 ₹
NOTE - 3		
LONG TERM BORROWINGS		
Unsecured		
Loans & advances from Holding Company	68,267,558	47,408,272
Loans & advances from other related parties (Long term borrowing with no fixed repayment schedule)	47,856,027	32,729,993
Total	116,123,585	80,138,265

NOTE - 4		
TRADE PAYABLES		
Trade Payables for services & expenses	759,498	376,192
Estimated Contract Work Liability (Net of Advances)	1,754,108	980,250
Total	2,513,606	1,356,442

NOTE - 5		
OTHER CURRENT LIABILITIES		
Other Payables		
– Taxes & Statutory Dues	826,027	668,196
Total	826,027	668,196

NOTE - 8		
OTHER NON-CURRENT ASSETS		
Unamortized Preliminary Expenses	33,572	50,358
Total	33,572	50,358


NOTES TO THE BALANCE SHEET AS AT 31st MARCH, 2012

	31-Mar-12 ₹	31-Mar-11 ₹
NOTE - 9		
INVENTORIES		
(As taken, valued & certified by the Management)		
Work-in-progress	118,330,827	80,663,869
Total	118,330,827	80,663,869
NOTE - 10		
CASH & CASH EQUIVALENTS		
Cash on Hand	13,567	15,621
Balances with Banks		
– In Current Accounts	324,449	106,807
Total	338,016	122,428
NOTE - 11		
SHORT TERM LOANS & ADVANCES		
OTHERS		
Advances recoverable in cash or in kind or for value to be received	287,841	761,050
Advances to Staff	22,000	–
Total	309,841	761,050
NOTE - 12		
COST OF LAND & CONSTRUCTION		
Site Development Expenses	–	4,973
Architect & Design Expenses	947,274	1,472,648
Construction Contracts	4,727,925	9,950,000
Municipal & Other Charges	10,904,100	150,683
Purchase of Materials	82,168	–
Purchase of Development Rights	10,227,690	–
Other Construction & Site Expenses	132,627	60,638
Total	27,021,784	11,638,942
NOTE - 13		
CHANGES IN INVENTORY		
Opening Stock - Work-in-Progress	80,663,869	61,489,693
Closing Stock-Work-in-Progress	(118,330,827)	(80,663,869)
Total	(37,666,958)	(19,174,176)
NOTE - 14		
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	1,028,346	389,317
Workmen & Staff Welfare	51,441	18,086
Total	1,079,787	407,403
NOTE - 15		
FINANCE COSTS		
Interest	8,126,236	5,907,034
Total	8,126,236	5,907,034
NOTE - 16		

	31-Mar-12 ₹	31-Mar-11 ₹
OTHER EXPENSES		
Rates & Taxes	5,000	–
Repairs - Others	1,480	73,995
Directors Remuneration	900,000	750,000
Payment to Auditors	44,944	56,616
Motor Car & Vehicle Expenses	141,826	122,055
Miscellaneous Expenses	179,105	122,074
Bank Charges	550	550
Total	1,272,905	1,125,290

NOTE - 17
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.

k) Normal Operating Cycle

Normal operating cycle for the current operations of the company commence with the process of acquiring land/development rights and ends with realisation of sale proceeds of constructed units. Thus the normal operating cycle is longer than a year and differ from project to project. Assets and liabilities are classified as current or non-current accordingly on the basis of expected time of realisation of sale proceeds of constructed units.

NOTE - 18

Other Disclosures & Notes

- 1 Previous year figures have been rearranged/regrouped, wherever necessary, to make them comparable with current year figures.
- 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 assets (other than fixed assets and non-current investments) have value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
- 4 Break up of remuneration paid to the Executive Director

	Current Year ₹	Previous Year ₹
Salary & allowances	900,000	750,000
Total	900,000	750,000

5 Related party Disclosures :

A Where Control Exists

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

b) Details of Transactions

Outstanding Investment in Share Capital	60,000	60,000
Advances received during the year	29,359,286	10,758,815
Amount repaid during the year	8,500,000	6,500,000
Advances outstanding at year end	68,267,558	47,408,272
Interest Expense	4,586,985	3,928,044

B Key Management Personnel & their relatives

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.

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) and Associated Borax Pvt Ltd having one director in common, are as under:-

1. Interest Expense 3,533,896 1,971,791
2. Loans received during the year 29,105,507 12,074,612
3. Loans repaid during the year 13,980,000 —
4. Loans outstanding at year end 47,849,020 32,723,513
5. Remuneration paid to Executive Director 900,000 750,000
6. Earning per share is computed based on the following:-
 - a) Profit after tax - (₹) (16,786) (16,786)
 - b) Weighted average number of equity Shares 10,000 10,000
 - c) Basic and diluted Earning per Share (not annualised) ₹ (Face Value of Share ₹ 10/-) (1.68) (1.68)
- 7 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.

SIGNATURES TO THE NOTES TO ACCOUNTS

As per our report of even date.

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

V. S. LALPURIA
Proprietor
M. No. 15926

Piyush Shah **Executive Director**

S.K.Jain **Director**

Sajal S. Jain **Director**

Mumbai, May 30, 2012

INDO BORAX & CHEMICALS LIMITED

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

ATTENDANCE SLIP

31st ANNUAL GENERAL MEETING - 26th July, 2012

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 Thirty First 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 July, 2012

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

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 31st 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 July, 2012 and at any adjournment thereof.

Signed this _____ day _____ 2012

Signature _____

Reg. Folio No. _____

Affix
Rs. 1/-
Revenue
Stamp

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 time for holding the aforesaid meeting. A proxy need not be a member.

* Applicable for investors holding shares in Physical Form.

BOOK-POST

To,

If undelivered, please return to:

INDO BORAX & CHEMICALS LIMITED

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

Tel.: 2850 4012 / 2856 2743 / 2850 4493

Fax: 2850 9348

E-mail: indoborax@vsnl.com