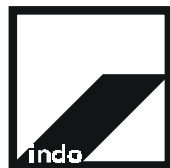


**19<sup>TH</sup>**

# **ANNUAL REPORT**

**2011 – 2012**



**INDO AMINES LIMITED**

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



**BOARD OF DIRECTORS**

Dr. DEEPAK KANEKAR	:	CHAIRMAN & INDEPENDENT NON EXECUTIVE DIRECTOR
Mr. VIJAY B. PALKAR	:	MANAGING DIRECTOR & CEO (PROMOTER)
Mr. KIRIT H. SHAH	:	WHOLE TIME DIRECTOR (PROMOTER)
Mrs. BHARATI V. PALKAR	:	EXECUTIVE DIRECTOR (PROMOTER)
Mr. RAHUL V. PALKAR	:	CFO & EXECUTIVE DIRECTOR
Mr. C.L. KADAM	:	EXECUTIVE DIRECTOR
Mr. NARAYAN G. MANE	:	EXECUTIVE DIRECTOR
CA VISHWAS MEHENDALE	:	INDEPENDENT NON EXECUTIVE DIRECTOR
Mr. R. RAGHAVENDRA RAVI.	:	INDEPENDENT NON EXECUTIVE DIRECTOR
Mr. NISHIKANT SULE	:	INDEPENDENT NON EXECUTIVE DIRECTOR
Dr. SURESH IYER	:	INDEPENDENT NON EXECUTIVE DIRECTOR
CS DHAWAL VORA	:	INDEPENDENT NON EXECUTIVE DIRECTOR

**AUDITORS**

Kulkarni and Khanolkar, Chartered Accountants, Mumbai.

**CORPORATE GOVERNANCE REPORT**

HS Associates, Company Secretaries, Mumbai

**BANKERS**

IDBI Bank Ltd. Nariman Point.  
Dombivli Nagari Sahakari Bank Ltd..

**REGISTERED OFFICE**

W- 44, Phase II, MIDC, Dombivli (E), Dist. Thane - 421 204.

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

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

**MANUFACTURING FACILITIES AT**

- 1 W-35,D-58,W162, W-37/38/39, Phase II, MIDC, Dombivli (E), Dist. Thane – 421 204.
- 2 Survey No. 1723, Tundav, Taluka Savli, Baroda, Gujarat
- 3 W/265, W/266A, TTC Indl Area Rabale MIDC, Navi Mumbai – 400 701
4. 4 Plot No.2, D-151,D- 152,D-70,J-5 Additional Industrial Area, Avadhan, MIDC, Dhule - 424006

**SHARES LISTED AT ;**

The Stock Exchange - Bombay Stock Exchange Limited  
Calcutta Stock Exchange Limited

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

Date : 20<sup>th</sup> December, 2012  
Day : Thursday  
Time : 12.00 Noon  
Place : At C.K.P. Hall, Ram Ganesh Gadkari Path,  
Near Karwa Hospital, Dombivali (E),  
Dist. Thane - 421 201.



**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 19<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF INDO AMINES LIMITED WILL BE HELD ON THURSDAY THE 20<sup>TH</sup> DECEMBER, 2012 AT 12.00 noon. AT C.K.P HALL, RAM GANESH GADKARI PATH, NEAR KARWA HOSPITAL, DOMBIVALI (EAST), DIST THANE – 421 201 TO TRANSACT THE FOLLOWING BUSINESS.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited accounts for the year ended 31<sup>st</sup> March 2012 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To declare Final dividend on equity shares.
3. To appoint a Director in place of Mr. Nishikant Sule, Director of the company who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of CA. Vishwas Mehendale Director of the company who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Dr. Deepak Kanekar, Director of the company who retires by rotation and being eligible offers himself for re-appointment
6. To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

7. To consider and if thought fit to pass, with or without modification(s), following resolution as an Ordinary Resolution:  
“**RESOLVED THAT** pursuant to Articles of Association and section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs.12,30,00,000/- (Rupees Twelve Crores Thirty Lacs only) divided into 1,23,00,000 (One Crore Twenty Three Lacs only) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 17,00,00,000/- (Rupees Seventeen Crores only) divided into 1,70,00,000 (One Crore Seventy Lacs only) Equity Shares of Rs. 10/- (Rupees Ten only) each.”  
**RESOLVED FURTHER THAT** to give effect to the aforesaid resolution, the Board be and is hereby authorized to do all such acts and deeds as may be necessary to implement the above resolution.”
8. To consider and if thought fit to pass, with or without modification(s), following resolution as a Special Resolution:  
“**RESOLVED THAT** pursuant to the provisions of section 16 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted by the following:  
(V) The Authorized Share Capital of the Company is Rs. 17,00,00,000/- (Rupees Seventeen Crores only) divided into 1,70,00,000 (One Crore Seventy Lacs only) Equity Shares of Rs. 10/- (Rupees Ten only) each.”  
**RESOLVED FURTHER THAT** to give effect to the aforesaid resolution, the Board be and is hereby authorized to do all such acts and deeds as may be necessary to implement the above resolution.”
9. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :  
“**RESOLVED THAT** pursuant to the provision of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof) the Articles of Association of the Company be altered as follows :
  - a. The existing Article 189 of the articles of association replaced with new clause.  
The entire dividend on shares if any, declared and paid and disclosed on per share basis.
  - b. In existing Article 196 is amended by inserting word Thirty days in place of forty two days.

By Order Of the Board

Sd/-  
Vijay Palkar  
(Managing Director)

Dombivali, November 20, 2012

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

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **The proxies, in order to be effective should be deposited with the company not less than 48 hours before the time fixed for the commencement of the meeting.**
3. The Register of Members and Share Transfer Register shall remain closed from **Thursday, the 13<sup>th</sup> December, 2012 to Thursday the 20<sup>th</sup> December, 2012**(both days inclusive).
4. Explanatory statement under section 173(2) of the Companies Act, 1956 in respect of the Special Business under item nos.7 and 8 set above is annexed.
5. The dividend as recommended by the Board, if approved at the ensuing Annual General Meeting, will be paid to those Members whose names appear on the Company's Register of members as on **20<sup>th</sup> December, 2012.**  
The dividend in respect of shares held in the electronic form will be paid to the beneficial owners of shares whose name appear in the list furnished by the Depositories for this purpose as at the close of business hours on **13<sup>th</sup> December, 2012.**
6. In order to ensure safety against fraudulent encashment of dividend warrants, members holding shares in physical form are requested to furnish to the Company or Company's R&T Agents, Bigshare Services Private Limited, bank account details which will be printed on the dividend warrants.
7. A Member may avail of the facility of nomination by nominating in the prescribed "NOMINATION FORM", a person to whom his/her shares in the Company shall vest in the event of his/her death.
8. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Managing Director at least seven days before the date of the meeting, so that the information required may be made available at the meeting.
9. Members holding shares in electronic form are advised that address/bank details as furnished to the Company by the respective Depositories viz NSDL and CDSL, will be printed on the dividend warrants. Members are requested to inform the concerned Depository participant of any change in address, dividend mandate, Etc.
10. Shareholders seeking any information with regard to Annual Report are requested to write to the Company at an early date so that the information can be kept ready.
11. In terms of section 205A and 205C of the Companies Act, 1956, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to Investor Education and Protection Fund. Members who have not encashed their dividend warrants are requested to write to the Registrars and Share Transfer Agents.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 7 & 8:**

In view of expansion program and proposed preferential allotment of convertible warrants, it is proposed to increase the authorised capital from Rs.12,30,00,000/- (Rupees Twelve Crores Thirty Lacs only) divided into 1,23,00,000 (One Crore Twenty Three Lacs only) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 17,00,00,000/- (Rupees Seventeen Crores only) divided into 1,70,00,000 (One Crore Seventy Lacs only) Equity Shares of Rs. 10/- (Rupees Ten only) each."

Pursuant to section 94, 16 of the Companies Act, 1956, consent of shareholders is required for increasing the Authorised capital as well as for making consequential changes in the Memorandum Articles of Association of the Company.

None of the Directors of the Company are in any way concerned or interested in these resolutions.

**ITEM NO. 9**

Your Directors considered that the existing Articles of Association of the Company should be in line with the appropriate clauses of Listing Agreement and it is proposed to amend the existing Articles of Association by amending article related to dividend declaration and payment as mentioned in the aforesaid resolution.

Pursuant to section 31 of the Companies Act, 1956, consent of shareholders is required for amendment in articles of association of the Company.

None of the Directors of the Company are in any way concerned or interested in these resolutions.

By Order Of the Board

Sd/-  
**Vijay Palkar**  
(Managing Director)

Dombivli, November 20, 2012

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

**DIRECTORS' REPORT:**

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

Your Directors have great pleasure in presenting **19<sup>th</sup> ANNUAL REPORT** along with the Audited Balance Sheet and Profit and Loss Account, for the year ended 31<sup>st</sup> March, 2012.

**FINANCIAL RESULTS:****(Rs. in lacs)**

Particulars	Year ended	
	2012	2011
Total Income	19331.02	16151.85
Depreciation	342.01	242.42
Profit before tax	690.96	423.12
Provision for taxation	(255.42)	(148.30)
<b><u>Appropriation:</u></b>		
Profit after tax	435.54	274.82
Balance of profit b/f	827.70	651.03
Amount available for appropriation	1263.24	925.85
<b><u>Transfer to:</u></b>		
Dividend and Div Distribution Tax	(141.30)	(103.09)
General reserve	(80.00)	-
Provision for deferred tax Assets/(Liabilities) Goodwill	(33.97)	4.94
Balance carried to Balance sheet	1007.97	827.70

**SCHEME OF ARRANGEMENT & AMALGAMATION:**

As members are aware during the year your Board of Directors approved Composite Scheme of Arrangement and Amalgamation between Versatile Chemicals Ltd, Palkar Commercials Pvt Ltd and the Company. The said Composite Scheme of Arrangement and Amalgamation was approved by the Hon'ble Bombay High Court vide order dt.19<sup>th</sup> October,2012 delivered on 2<sup>nd</sup> November, 2012 and the said orders were filed with the Registrar of Companies, Maharashtra, for registration.

The committee has allotted 23,86,500 (Twenty Three Lacs Eighty Six Thousand Five Hundred Only) equity shares to the shareholders of Transferor Company Pursuant to Hon'ble Bombay High Court order.

Since the appointed date is 1<sup>st</sup> April, 2011, the accounts for the current year are prepared after giving effect of the Scheme of Arrangement and Amalgamation

**FINANCIAL OPERATIONS:**

The turnover of the Company for the Financial year 2011-12 was Rs.19133.48 (in lacs) compared to last year of Rs.15,735.82 (in lacs) increase of almost 21.60 % in comparison to last year.

Company has made a profit before tax of Rs.690.96 (in Lacs) almost a jump of 63.30% compare to last year Rs. 423.12 (in Lacs). This substantial jump in profit is due to increase in sales better product mix and cost control methods adopted by the management.

During the year under review, the Standalone Operating Income has increased by 51.60% from 421.12 lacs for FY 2010-11 to 641.43 lacs in FY 2011-12. Also the Operating Profit before Interest, Depreciation and Tax increased to 1431.60 lacs as compared to 891.77 lacs for the last year recording a growth of over 60%. Operating Margin for the year increased to 7.40% from last year's 5.63%. Likewise Profit after tax and deferred tax also grew more than 45% to 396.99 lacs for FY 2011-12 from 273.06 lacs for FY 2010-11.

With global scale manufacturing units with the latest technologies high level of automation and with adequate technical capabilities, your Company is consider as leading global manufacturer. The Company exports its products across the world to over 45 countries catering to the needs of over 50 global customers. Exports now, accounts for 53% of the total revenue and have increased by over 81.50% to 10066.32 Lacs for FY 2011-12 from 5546.42 Lacs for FY 2010-11.

**SHARE CAPITAL:**

During the year the paid up capital was increased from Rs.8,81,18,900/- (Rupees Eight Crore Eighty One Lacs Eighteen Thousand Nine Hundred Only) to Rs.9,77,18,900(Rupees Nine Crore Seventy Seven Lacs Eighteen Thousand Nine Hundred Only) due to conversion of 4,60,000 warrants into equity shares of Rs.10/- each at a premium of Rs.14/- (issued on 5<sup>th</sup> September, 2011) and 5,00,000 warrants into equity shares of Rs.10/- each at a premium of Rs.13/- (issued on 30<sup>th</sup> March, 2012) respectively, the said shares were duly listed at the concerned Stock Exchanges.



The paid up capital increase from Rs.9,77,18,900 to Rs.12,15,83,900 due to allotment of 23,86,500 (Twenty Three Lacs Eighty Six Thousand Five Hundred Only) equity shares to the shareholders of Transferor Company Pursuant to duly approved Composite Scheme of Arrangement and Amalgamation between Versatile Chemicals Ltd, Palkar Commercials Pvt Ltd and the Company by the Hon'ble Court of Bombay. The said shares are not yet listed on Bombay Stock Exchange.

**PREFERENTIAL ISSUE OF FULLY CONVERTIBLE WARRANTS:**

The company has obtained shareholders approval in the Extra-ordinary general meeting held on 15th September, 2012 for issue of 43,00,000 convertible warrants at the price of Rs.17/- per warrant at a premium of Rs.7/- per warrant in pursuance of SEBI (ICDR) guidelines 2009. However the said warrants will be allotted after obtaining in principle approval from Bombay Stock Exchange.

**DIVIDEND:**

Your Directors are pleased to recommend a final Dividend of Rs.1 per equity share of Rs. 10/- The dividend, if approved by the shareholders at the forthcoming Annual General Meeting would absorb Rs. 121.58 Lacs out of the profits of the year. Dividend distribution tax payable by the company amounting to Rs 19.72 Lacs has been appropriated out of profits.

**DEPOSITS:**

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

**DIRECTORS:**

During the year Mr. Nishikant Sule, CA. Vishwas Mehendale and Dr. Deepak Kanekar Directors of the Company are retiring by rotation and being eligible offers themselves for re-appointment.

**SUBSIDIARIES:**

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

**DELISTING OF SHARES:**

The Company has received order from the Ahmedabad Stock Exchange Limited for voluntary delisting of securities under the SEBI (Delisting of Equity Shares) Regulations,2009 on 11<sup>th</sup> July, 2011 The Company has submitted application for voluntary Delisting of Equity Shares of the Calcutta Stock Exchange under clause 6(a) of SEBI (Delisting of Equity Shares) Regulations,2009. However as on date of this report, the said approval is not received.

**CORPORATE GOVERNANCE CODE:**

The Board had implemented Corporate Governance Code in pursuance of Clause 49 of Listing Agreement during the year. The report on Corporate Governance is annexed hereto forming part of this report. The requisite certificate from M/S HS Associates, Company Secretaries on implementation of requirements of the Corporate Governance is also annexed herewith forming part of this report.

**AUDITORS:**

**M/s Kulkarni & Khanolkar**, Chartered Accountants, Mumbai, Statutory Auditors of your Company hold office till the conclusion of the coming Annual General Meeting. They have signified their willingness to be re-appointment as Statutory Auditor of the Company.

The aforesaid appointment is proposed for your approval at the forthcoming Annual General Meeting of the Company.

The significant Accounting policies and notes on Account are self explanatory hence no further explanations are required.

**COST AUDITORS:**

As per the Requirement of the Central Government and pursuant to Section 233B of the Companies Act, 1956 the Audit of Cost Accounts. However the Company is in the process of the Cost Auditors for audit of Cost Accounting.

**DIRECTORS RESPONSIBILITY STATEMENT:**

The Board of Directors hereby confirms

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

**PARTICULARS OF EMPLOYEES:**

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

**COMMITTEES OF BOARD:**

Board has constituted Committees pursuant to Clause 49 of Listing Agreement with Stock Exchange. The Audit Committee and the Shareholders Committee was re-constituted dt. 12th November, 2012.

**PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO AS PER SECTION 217(1) COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.****A) CONSERVATION OF ENERGY: 31.03.2012.**

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

**ANNEXURE****FORM A**

<b>Form for disclosure of particulars with respect to conservation of energy.</b>		
<b>A. Power and Fuel consumption</b>	<b>Current Year 2011-12</b>	<b>Previous year 2010-11</b>
<b>1) Electricity</b>		
a) Purchase Units	4281633	2650849
Total Amount (Rs. In Lacs)	272.94	205.56
Rate/Unit ( Rs. in Lacs)	6.37	7.75
b) Own Generation		NIL
(i) Through diesel generator		
Units		NIL
Units per ltr. of diesel oil		NIL
Cost / unit		NIL
(ii) Through steam turbine generator	NIL	
Units		NIL
Units per ltr. Of fuel oil/gas		NIL
Cost / unit		NIL
<b>2) Coal / Wood (specify quality and where used)</b>		
Quantity (Tones)	5876516	4571861
Total Cost	177.37	121.72
Average Rate	3.09	2.66
<b>3) Furnace Oil (LDO, Diesel, SKO, WO)</b>		
Quantity (k. ltrs)	1320946	1020713
Total Amount	525.05	309.68
Average Rate	39.75	30.34
<b>a) Other/Internal Generation</b> (Please give details)		
Quantity	NIL	NIL
Total Cost		NIL
Rate / unit		NIL

**B TECHNOLOGY ABSORPTION**

- e) Effort made in technology absorption as per Form B of the Annexure :



**FORM B**

**Form for disclosure particulars with respect to absorption of technology.**

**Research and Development (R & D)**

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

**Technology absorption, adaptation and innovation.**

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

**C) FOREIGN EXCHANGE EARNINGS & OUTGO:**

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

	<b>2011-2012</b>	<b>2010-2011</b>
a) Foreign Exchange Earnings (Rs. in lacs)	10066.32	5546.43
b) Foreign Exchange Outgo (Rs. in lacs)	225.20	169.37

**16) ACKNOWLEDGEMENTS:**

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

**On behalf of the Board of Directors**

**Sd/-  
Deepak Kanekar  
(Chairman)**

**Place: Dombivali  
Date: 20<sup>th</sup> November, 2012**



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

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

This report, along with the report of Management discussion and Analysis and additional information for the shareholders in the foregoing paras, constitutes Indo's compliances with clause 49 of the Listing Agreement.

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

As on date of report the Board of Directors of the Company comprise of an optimal proportion of Executive and Non-Executive Directors. The Board of Directors of your Company comprises of 12 (Twelve) Directors out of which 1 (One) Managing Director, 5 (five) Executive Directors, and 6 (Six) Independent Non-Executive Directors.

There are no nominees or Institutional Directors in the Company.

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

**Non Executive Directors:**

As per revised code of Corporate Governance, the composition of the Board should be as such that the Board of Directors of the Company shall have an optimum combination of executive and non-executive Directors. Since in our case the Chairman of the Board is a non executive Director, one third of the Board should comprise of independent Directors.

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

**2.2 Board of Directors and Meetings:**

In compliance with the provisions of Clause 49 of the Listing Agreement, the board meets at least once every quarter to review the performance and to deliberate and consider other items on the agenda. During the year there were in total **6 (Six) Board Meetings were held on 2<sup>nd</sup> April, 2011, 28<sup>th</sup> May, 2011, 22<sup>nd</sup> July, 2011, 31<sup>st</sup> October, 2011, 14<sup>th</sup> November, 2011, and 13<sup>th</sup> February 2012.** The time gap between the two meetings was not more than 4 months.

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

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



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

Name of Director	Category	Number of Board Meetings		Last AGM held on 29 <sup>th</sup> Aug. 2011	*Other Directorships as on 31.03.2012	Committee Memberships as on 31.03.2012	Committee Chairmanships as on 31.03.2012
		Held	Attended				
Dr. Deepak Kanekar	NEC	6	3	YES	1	NO	NO
Mr. Vijay Palkar	MD	6	6	YES	6	NO	NO
Mr. Kirit Shah	WTD	6	3	NO	5	NO	NO
Mrs. Bharati Palkar	ED	6	5	YES	7	NO	NO
Mr. N. G. Mane	ED	6	6	YES	1	NO	NO
CA. Vishwas Mehendale	INED	6	3	NO	1	2	NO
Mr. Raghavendra Ravi	INED	6	2	NO	4	NO	NO
Mr. Nishikant Sule	INED	6	4	YES	NO		
Dr. Suresh Iyer	INED	6	5	YES	2	NO	NO
Mr. C.L. Kadam	INED	6	3	YES	1	NO	NO
CS Dhawal Vora	INED	6	2	NO	NO	NO	NO
Mr. Rahul Palkar	ED	6	6	YES	4	NO	NO

- \*MD - Managing Director
- \*NEC - Non Executive Chairperson
- WTD - Whole Time Director
- ED - Executive Director
- INED - Independent Non Executive Director
- \*Including Directorships held in Private Limited Companies

**2.3 Profile of Members of the Board of Directors being re-appointed:**

<b>Name of the Director</b>	<b>Mr. Nishikant Sule</b>
Age	67
Qualification	B.Sc.
Expertise in specific functional areas	Commercial laws, audit, management
Directorship in other Indian Public Companies and the membership of the committees of the Board.	Nil
Shareholding	Nil
Mode	Retire by Rotation and eligible for re-appointment

<b>Name of the Director</b>	<b>CA.Vishwas Mehendale</b>
Age	55
Qualification	B.Com, L.L.B(GEN).F.C.A.
Expertise in specific functional areas	Finance and corporate laws.
Directorship in other Indian Public Companies and the membership of the committees of the Board.	Renaissance Jewellery Limited.
Shareholding	1,500
Mode	Retire by Rotation and eligible for re-appointment

<b>Name of the Director</b>	<b>Dr. Deepak Kanekar</b>
Age	56
Qualification	M.S.C.PHD
Expertise in specific functional areas	In the filed of pharmaceuticals and Speciality chemicals
Directorship in other Indian Public Companies and the membership of the committees of the Board.	Nil
Shareholding	Nil
Mode	Retire by Rotation and eligible for re-appointment

**3. Audit Committee****3.1 Composition:**

Pursuant to the provisions of section 292(A) of the Companies Act, 1956 and clause 49 of the Listing Agreement the audit committee shall have minimum three directors as members. Two thirds of the members of audit committee shall be Independent Directors.. The said committee consists of 6 (Six) Members out of which 5 (Five Members are Independent Non-Executive Directors and 1 (One) Executive Promoter Director.

Following is a composition of audit committee:

1. CA. Vishwas V. Mehendale - Chairman Independent Non Executive Director
2. Mr. Raghavendra Ravi – Member and Independent Non Executive Director.
3. Dr. Suresh Iyer - Member and Independent Non Executive Director.
4. CS Dhawal Vora – Member and Independent Non-Executive Director.
5. Mr. Rahul Palkar - Member and Executive Promoter Director.
6. Mr. Nishikant Sule - Member and Independent Non Executive Director

During the year there were in total 4 Audit Committee Meetings were held on 28<sup>th</sup> May, 2011, 22<sup>nd</sup> July, 2011, 14<sup>th</sup> November, 2011 and 13<sup>th</sup> February,2012. The time gap between the two meetings was not more than 4 months.



THE ATTENDANCE AT THE AUDIT COMMITTEE MEETING WAS AS UNDER:

Name of the Director	Category	Status	Number of Meetings	
			Held	Attended
CA. Vishwas V Mehendale	Independent Non Executive Director	Chairman	4	3
Mr. Raghavendra Ravi	Independent Non-Executive Director	Member	4	2
Dr. Suresh Iyer	Independent Non Executive Director	Member	4	4
Mr. Nishikant Sule	Independent Non Executive Director	Member	4	4
CS Dhawal Vora	Independent Non Executive Director	Member	4	2
Mr. Rahul Palkar	Executive Director	Member	4	4

**3.2 Broad terms of reference of the Audit Committee are as per following:**

- Reviewing audit reports of both statutory and internal auditors with the management.
- Ensuring compliance with regulatory guidelines.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with management, performance of statutory and internal auditors.
- Reviewing the finding of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

In fulfilling the above role, the Audit committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice. The draft minutes of the audit committee meetings are circulated among members before the same is confirmed and placed before the Board.

**4. Remuneration Committee**

All the Executive Directors are drawing remuneration as per agreement/terms of appointment finalized with them. The Company did not have any remuneration policy as such.

Constitution of remuneration committee is a non-mandatory requirement of corporate governance report however the said committee is constituted by the Board consisting of four Independent Non-Executive Directors.

Following is a composition of remuneration committee as on date of this report

1. Mr. Raghavendra Ravi – Chairman and Independent Non Executive Director
2. CA Vishwas V. Mehendale - Member and Independent Non Executive Director.
3. Dr. Suresh Iyer - Member and Independent Non Executive Director.
4. CS Dhawal Vora – Member and Independent Non-Executive Director.

During the year only one Remuneration Committee Meeting was held on 22<sup>nd</sup> July, 2011.

THE ATTENDANCE AT THE REMUNERATION COMMITTEE MEETING WAS AS UNDER:

Director	No. of Committee meetings held	No. of Committee meetings attend.
Mr. R. Ravi – Chairman and Independent Non Executive Director	1	Nil
CA V. V Mehendale – Member and Independent Non Executive Director	1	1
Dr. Suresh Iyer – Member and Independent Non Executive Director	1	1
CS Dhawal Vora - Member and Independent Non-Executive Director	1	Nil

**Disclosure on Remuneration of Directors**

1. All element of remuneration package of individual directors summarized under major groups, such as salary benefits, bonuses, stock option, pension etc. – **The details are as mentioned below :**
2. Details of fixed component and performance linked incentives, along with the performance criteria - NIL
3. Service contracts, notice period, severance fees – NIL
4. Stock option details, if any – and whether issued at a discount as well as the period over which accrued and over which exercisable – NIL

The details of remuneration paid to Directors for the year ended 31<sup>st</sup> March, 2012.

(Amount Rs. in Lacs)

Sr. No.	Name	Salary	Commission	Perquisites	Retirement Benefits
1	Mrs. Bharati Palkar	9.00	6.00	Nil	Nil
2	Mr. Vijay Palkar	15.00	Nil	Nil	Nil
3	Mr. Kirit Shah	13.80	Nil	Nil	Nil
4	Mr. Rahul Palkar	14.40	Nil	Nil	Nil
5	Mr. N.G. Mane	7.34	Nil	Nil	Nil
6	Mr. C. L. Kadam	3.74	Nil	Nil	Nil
7	Dr. Deepak Kanekar	Nil	5.75	Nil	Nil

Following is the list of Non-Executive Directors and their Shareholdings in the Company and Sitting fees paid during the year:

Sr. No.	Name of the Non-Executive Directors	Number of Equity Shares	Sitting fees	Non convertible Instruments
1.	Mr. R. Raghavendra Ravi	Nil	0.12	Nil
2.	CS Dhawal Vora	Nil	0.12	Nil
3	Dr. Suresh Iyer	Nil	0.24	Nil
4.	CA. Vishwas V. Mehendale	1500	0.18	Nil
5.	Dr. Deepak Kanekar	Nil	Nil	Nil
6.	Mr. Nishikant Sule	Nil	0.24	Nil

**5. Shareholders/Investors Grievance Committee**

The Shareholder/Investors Grievance Committee has been formed. The committee looks into the shareholders and investors grievances that are not settled at the level of Compliance Officer and helps to expedite the share transfers and related matters.

Following is a composition of Shareholders/Investors Grievance committee

1. Mr. Raghavendra Ravi – Chairman and Independent Non Executive Director
2. CA Vishwas V. Mehendale – Member and Independent Non Executive Director.
3. Dr. Suresh Iyer - Member and Independent Non Executive Director.
4. CS Dhawal Vora – Member and Independent Non-Executive Director.
5. Mr. Rahul Palkar - Member and Executive Promoter Director.
6. Mr. Nishikant Sule – Member and Independent Non Executive Director.

During the year there were in total 4 Shareholders/Investors Grievance Committee Meeting were held on 28<sup>th</sup> May, 2011, 22<sup>nd</sup> July, 2011, 14<sup>th</sup> November, 2011 and 13<sup>th</sup> February, 2012.



THE ATTENDANCE AT THE SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE MEETING WAS AS UNDER:

Director	No. of Committee meetings held	No. of Committee meetings attend.
Mr. Raghavendra Ravi–Chairman and Independent Non Executive Director.	4	2
CA V.V.Mehandale – Member and Independent Non-Executive Director	4	3
Dr. Suresh Iyer – Member and Independent Non Executive Director	4	4
Mr. Nishikant Sule – Member and Independent Non Executive Director	4	4
CS Dhawal Vora – Member and Independent Non Executive Director	4	2
Mr. Rahul Palkar – Member and Executive Director	4	4

The Name and address of Compliance officer is as per following:

Mr. Rahul Palkar – Compliance Officer  
 Add: W-44, M.I.D.C. Phase II,  
 Dombivli (East), Thane – 421 204

Details of investors complaints received and resolved during the year 2011-2012

1. Number of Shareholders Complaints received: 10
2. Number of complaints resolved during the year: 10
3. Number not resolved to the satisfaction of shareholders: Nil
4. Number of pending complaints: Nil

**6. Administrative committee:**

During the year there were in total 10 Administrative Committee Meetings were held on 2<sup>nd</sup> April, 2011, 3<sup>rd</sup> May 2011, 14<sup>th</sup> May 2011, 24<sup>th</sup> May 2011, 20<sup>th</sup> August 2011, 29<sup>th</sup> August 2011, 27<sup>th</sup> September 2011, 4<sup>th</sup> November 2011, 20<sup>th</sup> December 2011, and 15<sup>th</sup> March, 2012.

**Composition of Administrative Committee**

Name	Category	No. of Committee meetings held	No. of Committee meetings attend.
Mr. Vijay Palkar	Chairman	10	10
Mr. Rahul Palkar	Member	10	10
Mr. N. G. Mane	Member	10	10

Broad terms of reference of the administrative Committee are as follows:

- a. To appoint dealers and execute agreements, with them.
- b. To Purchase land and premises and execute the concerned agreements.
- c. To finalize the proposal of taking accommodation on lease for the company and execution and revocation of such lease agreement.
- d. To fix the capital expenditure and placing of orders of capital items.
- e. To authorise to deal with Central /State Government or local bodies.
- f. To open new Bank Accounts and to authorise Directors/Executives/ any other authorised person to operate the same or to withdraw the authority granted.
- g. To close the existing Bank Accounts when not required.
- h. To oversee the operations and activities of the Organization to ensure it fulfils its desired aims and it is on the growth planned.
- i. To prepare the plans and strategy relating to sales, purchase, advertising etc. keeping in mind the purpose and object of the Organization.
- j. To review the performance of the Company in comparison to the plans and to find out the deviation if any, from the projections and to provide for remedial action.
- k. To make sure that the guidelines and framework are provided for everyone in the Organization to know where it is headed, what it aims to achieve, and how each job fits into the overall plan.
- l. To raise awareness and publicize the Organization, it's aims, its services and its achievements.
- m. To inform and involve consumers, members, funding bodies and policy makers about the Organization and its achievements.
- n. To authorise to represent Company before Registrar of Companies, Company Law Board or any other authority under the Companies Act, 1956 and other applicable laws, if any.
- o. To authorise to register Company with Bureau of Indian Standards, various Port Trusts, etc.
- p. To avail loan facility from banks and to revise payment schedule, if required.
- q. To authorise to provide personal or corporate guarantee.
- r. To authorise to comply with filing requirements under the Companies Act, 1956 and other applicable laws.

**7. Preferential Issue Committee**

The Board of Directors of the Company has constituted a Preferential Allotment Committee of Directors to manage the issue of convertible warrants into Equity Shares of the company on 31<sup>st</sup> January, 2009.

During the year there were in total 5 (Five) committee meetings were held on 6<sup>th</sup> June, 2011, 5<sup>th</sup> September, 2011, 11<sup>th</sup> November, 2011, 15<sup>th</sup> February, 2012 and 30<sup>th</sup> March, 2012

Name	Category	No. of Committee meetings held	No. of Committee meetings attend.
Mr. Vijay Palkar	Chairman	5	5
Mr. Rahul Palkar	Member	5	5
Mr. N.G. Mane	Member	5	5

**Broad terms of reference of the Preferential Issue Committee are as follows:**

- To overlook various compliances in relation to issue of warrants on preferential basis and their conversion into Equity Shares of the Company.
- To issue warrants.
- To issue Equity Shares of the Company on conversion of warrants as and when required in compliance with applicable laws and guidelines.

**8. Restructuring Committee for Scheme of Arrangement between the Company, Versatile Chemicals Ltd. and Palkar Commercials Pvt. Ltd.**

The Board of Directors of the Company has constituted a Restructuring Committee of Directors to manage the Scheme of Arrangement between the Company, Versatile Chemicals Ltd. and Palkar Commercials Pvt. Ltd.

During the year there was only 1 (one) committee meeting was held on 23<sup>rd</sup> December, 2011.

**Composition of Restructuring Committee**

Name	Category	No. of Committee meetings held	No. of Committee meetings attend.
Mr. Vijay Palkar	Chairman	1	1
Mrs. Bharati Palkar	Member	1	1
Mr. N.G. Mane	Member	1	1
Dr. Suresh Iyer	Member	1	1

**Broad terms of reference of the Restructuring Committee are as follows:**

- To file scheme of arrangement with the concerned authorities and Hon'ble High Court;
- To make application to the Hon'ble High Court of Bombay for directions for holding meetings of the shareholders/creditors of the Company;
- To make petitions for confirmation of the Hon'ble High Court of Bombay;
- To make such alterations and changes in the arrangement scheme as may be expedient or necessary for satisfying the requirements or conditions for compliance with the statutory requirements and procedures for the arrangement and /or as may be imposed by the hon'ble High Court of Bombay;
- To do all acts and things as may be considered necessary and expedient in relation thereto and for that purpose to engage any counsel, advisor, consultant or such other agency as may be required for the said matter on such terms and conditions as they may deem fit in the interest of the Company

**9. General Body Meetings:**

Details of last three Annual General Meetings are given below:

Financial Year	Date	Time	Venue	Special Resolution(s)
2008-09	30/09/2009	11.00 a.m	C.K. P Hall, Ram Ganesh Gadkari Path, Near Karwa Hospital, Dombivali(East),	Payment of Commission to Non Executive Directors under Section 309 (4) of the Companies Act, 1956.
2009-10	27/09/2010	11.00 a.m	Indo Amines Limited. W/44,Phase II, MIDC, Dombivli (E), Thane-421204	NIL
2010-11	29/08/2011	11.00 a.m	C.K. P Hall, Ram Ganesh Gadkari Path, Near Karwa Hospital, Dombivali(East)	Commencement of business by the company as given in sub-clause 98 of Clause (c) of other object of the Memorandum of Association under section 149(2A)

- At the Extra-Ordinary General Meeting held on 2<sup>nd</sup> May, 2011 the following special resolutions were passed
  - Issue of warrants u/s 81(1A) of the Companies Act, 1956 on preferential basis to promoter of the Company.
- At the Extra-Ordinary General Meeting held on 12<sup>th</sup> December, 2011 the following special resolutions were passed
  - To increase the Authorised Share Capital of the Company;
  - Subsequent to aforesaid increase in Authorised Share Capital of the Company amendment to Memorandum of Association of the Company;

Issue of warrants u/s 81(1A) of the Companies Act, 1956 on preferential basis to promoter of the Company.



**10. Disclosures:**

Related Party Transaction: During the year under review, besides the transactions reported elsewhere, there were no other related party transactions of material nature with the promoters, Directors, the management or their subsidiaries or relatives during the year that may have potential conflict with the interest of the company at large.

Disclosure of accounting Treatment: The Company follows accounting standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and/or by the institute of chartered accountants of India in the preparation of financial statements and has not adopted a treatment different from that prescribed in any accounting standard.

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.

Code of Conduct: The Board of Directors has adopted the code of conduct for the directors and senior management and the same has been placed on the company's website. All board members and senior management personnel have affirmed compliance with the code of conduct for the period under review.

GEO/CFO Certification: The Managing Director (CEO) and the Chief Finance Officer (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31<sup>st</sup> March, 2012 which is annexed hereto.

The Company is in the process of adopting the non-mandatory provisions of corporate governance. The Board hereby affirms that no personnel have been denied access to the audit committee.

**11. Means of Communication:**

- The company has 13,042 shareholders as on 31<sup>st</sup> March, 2012. The main channel of communication to the shareholders is through annual report which includes interalia, the Directors Report, the Report on Corporate Governance and audited financial results.
- The quarterly un-audited/audited results are submitted to all the Stock Exchanges immediately after the Board Meeting held for approval of the same. The said results are published within 48 hours after the Board Meeting in any one of the prominent English publication such as Free Press Journal and one of the prominent vernacular publication as Navshakti Mumbai.
- The aforesaid results and other corporate primary source of information viz. press releases, announcements, shareholding pattern and other corporate information are also displayed at the Company's website [www.indoaminesltd.com](http://www.indoaminesltd.com).
- The Annual General Meeting is the principal forum for face to face communication with shareholders, where the board responds to the specific queries of the shareholders.
- No presentation was made during the year either Institutional Investors or to the analysts. Management discussion and Analysis Report is attached herewith forming part of the Annual Report.
- The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing companies to dispatch documents to the shareholders through electronic mode. Considering the above theme, your company had decided to send Annual Report through electronic mode. However, if required the copy of the Annual Report shall be provided to the shareholder at the Annual General Meeting.

The Members are requested to:

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

**12. General Shareholders Information:**

- i. The 19<sup>th</sup> Annual General Meeting is scheduled to be held on Thursday the 20<sup>th</sup> December, 2012 at 12.00 noon AT C.K.P.Hall, Ram Ganesh Gadkari Path, Near Karwa Hospital, Dombivli(East), Dist. Thane – 421 201.
- ii. The Financial year of the company is from April to March.

The financial calendar is as per following.

- quarter ending 30 <sup>th</sup> June, 2012	August 13, 2012
- quarter ending 30 <sup>th</sup> Sept,2012	November 12, 2012
- quarter ending 31 <sup>st</sup> December, 2012	On or before February 14, 2013
- quarter ending 31 <sup>st</sup> March, 2013	On or before May 15, 2013 or if audited on or before May 30, 2013





- iii) Book closure dates are from Thursday the 13<sup>th</sup> December 2012 to Thursday the 20<sup>th</sup> December, 2012(both days inclusive).
- iv) The company's shares are listed at The Bombay Stock Exchange Limited and Calcutta Stock Exchanges out of which Mumbai is a Regional Stock Exchange. The Listing Fees for the year **2011-12** for Bombay Stock Exchange is paid. However Calcutta Stock Exchanges listing fees for the year 2011-12 are not paid as the Company has submitted application for voluntary Delisting of Equity Shares of the Calcutta Stock Exchange under clause 6(a) of SEBI (Delisting of Equity Shares) Regulations,2009, as on date of this report, the said approval is not received.
- v) Stock Code—524648

The Stock Exchange, Mumbai  
Security in Physical Form No. BSE-  
Scrip Name: Indo Amines Ltd. Stock code 524648

National Security Depository Ltd.  
ISIN: INE760F01010

Central Depository Services (India) Ltd  
INE760F01010

- vi) Market price data : **(All figures in Indian Rupees)**

Months	Price		
	High	Low	Close
April-11	25.25	17.80	21.75
May-11	24.90	20.25	22.00
June-11	23.85	18.60	21.00
July-11	23.60	19.00	21.85
August-11	22.60	19.00	20.85
September-11	23.50	21.05	22.95
October-11	23.45	20.35	22.90
November-11	23.10	20.00	21.00
December-11	21.95	17.00	18.50
January-12	20.00	18.05	18.55
February-12	21.00	17.00	17.55
March-12	18.85	16.00	17.25

(\*\*The prices have been sourced from Bombay Stock Exchange Limited)

- vii) Registrar and Transfer Agent

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

- viii) Share Transfer System

The Share transfer of Securities in Physical form are registered, duly transferred and dispatched within one month of the receipt, if the transfer documents are in order.



ix) Distribution of Shareholding as on 31<sup>st</sup> March, 2012.

Share holding of	Nominal Value of	Total Holders	% of Total Holders	Total Holding	% of Total Capital
Rs.	Rs.			Rs.	
1	500	12109	92.8462	1649884	17.7945
501	1000	562	4.3092	456018	4.9183
1001	2000	182	1.3955	275040	2.9664
2001	3000	58	0.4447	148399	1.6005
3001	4000	20	0.1534	69875	0.7536
4001	5000	21	0.1610	99972	1.0782
5001	10000	37	0.2837	268594	2.8969
10001	99999999	53	0.4064	6304108	67.9916
Total		13042		9271890	100.0000

x) Dematerialization of securities and liquidity.

Your Directors are pleased to report that the Company is having connectivity from the Central Depository Services Limited (CDSL) and National Depository Services Limited (NSDL) to provide facilities to all members and investors to hold the Company's Shares in Dematerialized Form. Equity Shares of the Company may be held in Electronic Form

The company's shares were dematerialized w.e.f. from 17<sup>th</sup> October 2002 vide a Tripartite agreement executed between NSDL and the Company as on 31<sup>st</sup> March 2012, 27,45,498 Equity Shares were representing 29.61% were held in demat form in NSDL.

The company's shares were dematerialized w.e.f. from 21<sup>st</sup> December 2002 vide a Tripartite agreement executed between CDSL and the Company as on 31<sup>st</sup> March, 2012 42,35,912 Equity Shares representing 45.69% were held in Demat form in CDSL and the balance 22,90,480 Equity Shares representing 24.70% were in physical form

xi) The Company has issued 5,00,000 convertible warrants at a price of Rs.23/- per warrant with a right of getting the equity shares against each warrant to promoter group companies, other than this the company has not issued ESOP or any GDRs/ADRs/convertible instrument.

xii) The Company's Plants are located as under.

1. W-35,38/39,D-58,W-162 Phase II, MIDC, Dombivli (E), Dist. Thane.
2. Survey No. 1723, Tundav, Taluka Savli, Baroda, Gujarat.
3. W/265, W/266A, TTC Indl Estate, Rabale, MIDC, Navi Mumbai – 400 701
4. Plot No.2, D- 151,D-152, D-70, J-5 Additional Industrial Area, Avadhan, MIDC, Dhule - 424006

xiii) Address for correspondence:

Shareholders of the company can send correspondence at company's share and Transfer Agent's Office or the registered office of the company situated at following address

W-44, Phase II, MIDC,  
Dombivli (E), Dist. Thane,  
Pin – 421 203.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****A) Overview of the Economy :****CHEMICAL INDUSTRY – STRUCTURE & DEVELOPMENT**

The Chemical Industry is critical for the economic development of any country, providing products and enabling technical solutions for virtually all sectors of the economy.

The global chemical industry is witnessing a gradual eastward shift. The industry is increasingly moving eastwards in line with the shift of its key consumer industries (e.g. automotive, electronics, etc.) to leverage greater manufacturing competitiveness of emerging Asian economies (especially India & China) and also to serve the increasing local demand. Substantial new capacities in the world are expected to come up in Asia and Europe. Operating profits in the sector have increased and many companies were able to push stronger cash flows down to the bottom line. However, the overall growth of the chemical sector was hampered by economic slowdown across US and Europe.

With Asia's growing contribution to the global chemical industry, India emerges as one of the focused destination for chemical companies worldwide. With the current size of approximately \$108 billion, the Indian chemical industry accounts for ~ 3% of the global chemical industry. Two distinct scenarios for the future emerge, based on how effectively the industry leverages its strengths and manages challenges. In the base case scenario, with current initiatives of Industry & Government, the Indian chemical industry can grow at 11% p.a. to reach size of \$224 billion by 2017. High end-use demand based on increasing per capita consumption, improved export competitiveness and resultant growth impact for each sub-sector of the chemical industry can also lead to an overall growth rate of over 15% p.a. and a size of \$290 billion by 2017 (~ 6% of global industry). This has a potential for further upside in the future considering India's increasing competitiveness in manufacturing.

The draft manufacturing policy recently approved by the Union Cabinet targets increasing the share of manufacturing in GDP to at least 25% by 2025 (from current 16%). These zones will enjoy fast track clearances from the Environment Ministry and State Pollution Boards, Special Policy Regimes, Tax Concessions and more favourable labour laws. Investments in manufacturing in the chemical sector are absolutely essential to ensure growth of the Indian chemical industry.

With rising concerns about climate change and depleting natural resources, focus on sustainability is another key trend impacting the global chemical industry. Chemical companies are increasingly working towards reducing energy intensity of their operations, minimizing effluent discharge, increasing the share of recyclable products in their portfolio and diversifying their raw material base to include bio-feedstock.

During last 6-8 months, the Indian Rupee had depreciated by over 22% vis-à-vis US Dollars. This has added to the competitive advantage of Indian Exporters while competing in global markets. Further the devaluation of Indian Rupee has also made imports dearer, thus the share of Indian manufactured goods in domestic consumption is expected to increase.

Your Company is a leading manufacturer of Speciality Chemicals with diversified end-uses into Agrochemicals, Pharmaceuticals, High Performance Polymers, Paints, Pigments, Printing Inks, Rubber Chemicals, Additives, Surfactants, Dyes, Flavours & Fragrances, Home & Personal Care applications, etc. Your Company makes continuous efforts to explore and innovate new products & processes in all segments. This diversified end-user base helps the Company to derisk itself from downturn in any individual business segment and also to capitalize on the growth opportunities in each of the end-user segments. Your Company had made substantial Investments during last financial year into upgrading the ETP setup of the Company including setting up additional process to minimise the quantity and impurity profile of the effluents. The company has put in place various processes to control/limit generation of effluents and improve on the treatment of the same.

**B) Opportunities, Concerns & Outlook :**

Your company is a manufacturer, developer and supplier of Fine chemicals, Oleo chemicals, Specialty chemicals, Performance Chemicals, Perfumery Chemicals and Active Pharmaceutical Ingredients. Major growth opportunities will come from China, far east and European countries like Germany, UK, Spain. Indo Amines knows the importance of its products' use in the production of intermediaries used in major industries like pharmaceuticals, Agro-chemicals, Petrochemicals, Fertilizer, Road construction chemicals and Pesticides industries. Some of the unusual industries include solvent and rubber processing industries. To contribute to all of this, our research team and technical team will stand still as a backbone of company's growth and will provide ample number of opportunities to enlarge company's market share.


**C) Segment-Wise Performance**
**SEGMENT REPORTING - 2011-2012**

( A ) The Company has identified four major Geographical Segments as required by Accounting Standard - 17 'Segment Reporting' and on the basis of which the Company reports internally.

These segments are:

- 1) Dombivli Unit-Manufacturing of Chemicals like Organic Chemicals, & Speciality Chemicals.
- 2) Baroda Unit - Manufacturing of Chemicals like Fatty Amines, Quarternary Ammonium Compounds etc.
- 3) Rabale Unit - Manufacturing of Bulk Drugs & Intermediates for pharmaceutical companies.
- 4) Dhule Unit - Manufacturing of Fatty Acids & Derivatives

**( B ) SEGMENTWISE DETAILS (PRIMARY)**
**(Rs. In lacs)**

Particulars	Dombivli	Baroda	Rabale	Dhule	Consolidated
<u>SEGMENT REVENUE</u>					
Total Revenue	11,034.63	6,343.52	3,019.06	1,859.00	22,256.21
(Previous Year )	(11790.93)	(3133.23)	(1518.20)		(16442.36)
Less : Inter Segment Revenue	1,795.99	842.44	484.30	0.00	3,122.73
(Previous Year )	(703.92)	(488.90)	(39.66)	0	(1232.48)
Total Segment Revenue	9,238.64	5,501.08	2,534.76	1,859.00	19,133.48
<u>SEGMENT RESULT</u>					
Total Segment Results (PBT)	194.40	330.12	71.87	94.57	690.96
(Previous Year )	(573.07)	(178.92)	(28.96)		(423.12)
<u>OTHER INFORMATION</u>					
Fixed Asset (Net Block)	1,174.12	519.01	141.08	398.96	2,233.17
(Previous Year )	(908.64)	(311.73)	(89.01)		(1309.38)
Net Current Assets	187.76	577.38	545.85	97.77	1,408.76
(Previous Year )	(2116.45)	(663.89)	(501.76)		(3282.10)
Depreciation	191.04	78.15	31.49	41.33	342.01
(Previous Year )	(160.32)	(59.61)	(22.49)		(242.42)

**( C ) SEGMENTWISE DETAILS (SECONDARY)**

Particulars	Inside India	Outside India			Consolidated
<u>SEGMENT REVENUE</u>					
Total Revenue	9,067.16	10,066.32			19,133.48
(Previous Year )	(10895.94)	(5546.42)			(16442.36)
Total Segment Revenue	9,067.16	10,066.32			19,133.48
<u>OTHER INFORMATION</u>					
Fixed Asset (Net Block)	2,233.17	0			2,233.17
(Previous Year )	(1309.38)				(1309.38)

**D) Corporate Social Responsibility**

As contribution towards community development to fulfill the Company's obligations towards the society, Company organizes many activities on regular basis including Blood Donation Camp, Eye checkup camp, etc. The Company has been donating to several educational institutions, trusts. In parlance to the objective of providing donation & note books distribution, Tree plantations, Scholarship, reward to SSC,HSC passed students.

**C. Other Major Developments:**

The products of the Company are exported mainly to developed countries like US.A. U.K, Canada, where there is lot of competition from international suppliers, mainly from China and other Eastern Countries. Hence the products are sometime sold at very thin margins and also the quality has to be in line with world standards.

The fluctuations of rupee will make the export market commercial unviable and make lead to more competition in the Local market eroding the margin on the local sales. Also cheap Chinese substitute are available in the Local and international market leading to further pressure on the sale price.

Most of raw materials of the Company are oil based and are witnessing a substantial increase in cost due to increase in oil prices at the International market. if the things continue further then most of margins will be completely eroded .

Also then in the coming years lot of capacities are going to added all over the world for our products leading to increase in supply and the demand may not be in comparison with the increase in supply.

**D. Internal Control and Audit :****Internal Control :**

The system and procedures of the Company are designed to ensure adequate internal controls to give true and accurate information to the Management. A firm of chartered accountants ensure adequacy of the internal controls, adherence to Company's policies and Accountants ensure statutory and other compliance through, periodical checks and internal audit.

**Internal Audit :**

The Company has appointed a firm of Chartered Accountants for Internal Audit and to ensure adequacy of the Internal controls, adherence to Company's policies and ensure statutory and other compliance through, periodical checks and internal audit. The internal auditors is having access to all information in the organization which is largely facilitated by ERP implementation across the organization. The reports have been submitted to Audit Committee comprising independent Directors who are experts in their field on periodical basis and their suggestion on the same implemented immediately.

**E. Human Resources and Industrial Relations :**

Organizational Development is an ongoing process and efforts have been made for developing skills, nurturing and building leadership qualities, attracting and retaining talent. The Company enjoys co-ordial relation with its employees at all levels. Your Company has continues to ensure safety and health of its employees.

**F. Forward looking and Cautionary Statements :**

Statements made in the Report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include materials availability and their prices and domestic demand-supply conditions, changes in the Government regulations and tax policies, economic developments within India and other incidental and relevant factors.

**CEO/CFO CERTIFICATION**

To,  
The Board of Directors,  
**INDO AMINES LIMITED.**  
W- 44, Phase II,  
M. I. D. C., Dombivli (E.)  
Dist. Thane.

We Vijay Palkar, Managing Director and Rahul Palkar Chief Financial Officer and Executive Director of the Company hereby certify that in respect of the financial year ended on March 31, 2012

- 1. We have reviewed the financial statement and the cash flow statements for the year and that to the best of our knowledge and belief:**
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - b. 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.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. we accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We further certify that:
  - a. Significant changes, if any, in internal control over financial reporting during the year;
  - b. Significant changes, if any, in accounting policies during the year.
  - c. Instances of significant fraud, if any, wherein there has been involvement of management or an employee having a significant role in the Company's internal control system over financial reporting

**Vijay Palkar**  
Managing Director

**Rahul Palkar**  
Chief Financial Officer

**Date: November 20, 2012**  
**Place: Dombivli.**



**DECLARATION**

In accordance with Clause 49 sub clause I (D) of the Listing agreement with the stock exchange, I hereby confirm that, all the Directors and senior management personnel have affirmed compliance to their codes of Conduct, as applicable to them for the financial year ended 31<sup>st</sup> March, 2012.

**FOR INDO AMINES LIMITED**

Sd/-

**VIJAY PALKAR**

(Managing Director & CEO)

Date: November 20, 2012.

Place: Dombivli.

**A REPORT ON CORPORATE GOVERNANCE BY COMPANY SECRETARY IN PRACTICE.**

To,

The Shareholders

**INDO AMINES LIMITED**

W-44, Phase II,

M. I. D. C., Dombivli (E.)

Dist. Thane

We have reviewed the implementation of Corporate Governance produced by the company during the year ended **31<sup>st</sup> March, 2012** with the relevant records and documents maintained by the company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The Compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination is neither an audit nor an expression of opinion of the financial statements of the company.

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has complied in all material respects with the conditions of Corporate Governance stipulated in the Clause 49 of the Listing Agreement with the Stock Exchanges.

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

For **HS Associates,**  
Company Secretaries

Sd/-

**Hemant Shetye**  
**Partner**

**Mumbai November 20, 2012**

FCS 2827  
COP 1483

**Auditor's Report to the Members of INDO AMINES LIMITED**

1. We have audited the attached Balance Sheet of Indo Amines Ltd., as at 31<sup>st</sup> March, 2012 and the Statement of Profit and Loss as well as the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Without qualifying our opinion, we draw attention to Note No 42 of the financial statements regarding the Scheme of Arrangement and Amalgamation between Versatile Chemicals Limited (other than Investment Division) hereinafter referred to as the ("Transferor Company") and the Company hereinafter referred to as the ("Transferee Company"), sanctioned by the Hon'ble High Court at Bombay vide order dated 19<sup>th</sup> October, 2012.

Pursuant to the Scheme, the transferee Company has recorded all assets and liabilities in the books of accounts of Transferor Company, at their book values as on 1<sup>st</sup> April, 2011 which are vested in the Transferee Company. The resultant net difference in value of assets and liabilities so taken over of Rs.40,75,995/- is credited to Capital Reserve in the books of Company.

5. Further to our comments in the Annexure referred to above, we report that:
  - (i) 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;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
  - (iii) The Balance sheet, Statement of Profit and loss and cash flow statement dealt with by this report are in agreement with the books of accounts.
  - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March 2012;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For Kulkarni & Khanolkar  
Chartered Accountants  
F.R.N: 105407W**

**Place: Mumbai  
Date : 20<sup>th</sup> November, 2012**

**(P. M. Parulekar)  
Partner  
M No 36362**



**INDO AMINES LIMITED****(Referred to in paragraph-3 of our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situations of the Fixed Assets.  
 (b) The fixed assets have been physically verified by the Management during the year. The discrepancies noticed on such verifications are not material and are properly dealt with.  
 (c) During the year, the company has not disposed off substantial part of its Fixed Assets.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
 (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
 (c) In our opinion, the Company is maintaining proper records of Inventories and the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not taken loans from Companies, firms or other parties covered in the register maintained under section 301 of Companies Act, 1956. The Company has not granted loans to Companies, Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, except to the extent of loan of Rs.14.75 lacs to managing director, which is taken over from erstwhile Versatile Chemicals Ltd on amalgamation of that Company, and the same is recovered subsequently. The Terms and conditions of such loan are prima facie not prejudicial to the interest of Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
 (b) According to the information and explanations given to us, the Company has entered into transactions for purchases / sales of goods & services with the parties mentioned in register maintained under section 301 of the Companies Act, 1956. However, as similar goods or services have not been sold or purchased to / from the unrelated parties, comparison of amount paid or charged in respect of such transactions with the prevailing market prices can not be made.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public.
- (vii) In our opinion, the company has an Internal Audit System commensurate with the size of the Company and nature of its business.
- (viii) As informed to us, the Company is required to maintain cost records in pursuant to Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and the Company is in process of maintaining such records.
- (ix) (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, custom duty, excise duty, cess and other material statutory dues applicable to it.  
 (b) The following disputed sums have not been deposited with the Government:

Sr. No.	Particulars	Amount	Forum Where dispute is pending	(Rs. in Lacs)
1)	Form 'C' liability for F.Y.2002-03 (Flame)	4,23,062	DCST (Appeal) 3, Worli Div, Mazgaon.	
2)	Remission of Excise due to Flood F.Y. 2005-06 (Penalty)	2,82,341	CESTAT, Mumbai	
3)	Excise Duty on Freight Income, FY 2004-05 (Penalty)	74,509/-	CESTAT, Mumbai (Stay granted on Penalty & Interest)	
4)	Service Tax credit reversal on outward services, F.Y.2009-10	1,87,117/-	CESTAT, Mumbai (Stay granted on Penalty & Interest)	
5)	Income Tax Scrutiny Order for AY 2009-10	77,68,470/-	CIT-(Appeal), 1, Thane.	

- (x) The Company has no accumulated losses as on 31<sup>st</sup> March, 2012 and it has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank.
- (xii) We are informed that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no part of the funds raised on short term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has made preferential allotment of warrants to companies covered in the register maintained under section 301 of the Act. In our opinion, the price at which warrants have been issued is not prejudicial to the interest of the Company.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued debentures.
- (xx) During the year no money was raised by public issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For Kulkarni & Khanolkar**  
**Chartered Accountants**  
**F R N: 105407W**

**Place: Mumbai**  
**Date : 20<sup>th</sup> November, 2012**

**(P. M. Parulekar)**  
**Partner (M No 36362)**



**INDO AMINES LIMITED**  
**Balance Sheet as at 31st March, 2012**

(Rs. in Lacs)

Particulars	Note No.	31-Mar-2012 Amount (Rs.)	31-Mar-2011 Amount (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHARE HOLDERS' FUNDS</b>			
(a) Share Capital	1	1,215.84	881.19
(b) Reserves and Surplus	2	1,465.37	1,055.94
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Long-term borrowings	3	806.69	1,164.23
(b) Other Long term liabilities	4	223.30	92.61
<b>(3) CURRENT LIABILITIES</b>			
(a) Short-term borrowings	5	3,416.95	1,367.14
(b) Trade payables		2,744.55	2,104.38
(c) Other current liabilities	6	784.03	691.15
(d) Short-term provisions	7	873.97	489.08
<b>Total</b>		<b>11,530.68</b>	<b>7,845.72</b>
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed assets	8		
(i) Tangible assets		1,944.94	1,287.29
(ii) Intangible assets		18.63	22.05
(iii) Capital work-in-progress		304.10	-
(b) Non-current investments	9	3.94	2.29
(c) Deferred tax assets (net)	10	30.83	39.99
(d) Long term loans and advances	11	1,759.27	1,053.66
(e) Other non-current assets	12	141.98	263.39
<b>(2) CURRENT ASSETS</b>			
(a) Inventories	13	2,437.88	1,853.81
(b) Trade receivables	14	4,473.15	3,080.86
(c) Cash and Bank Balances	15	354.88	191.53
(d) Short-term loans and advances	16	45.83	14.42
(e) Other current assets	17	15.25	36.43
<b>Total</b>		<b>11,530.68</b>	<b>7,845.72</b>

As per our report of even date attached

For KULKARNI & KHANOLKAR  
Chartered Accountants  
Firm Registration No. 105407 W

For and on behalf of the Board  
For Indo Amines Limited

**P M Parulekar**  
Partner  
Membership No. :036362

**Vijay B Palkar**  
Managing Director

**Kirit H Shah**  
Whole Time Director

Place : Mumbai  
Date : 20th November, 2012

**Rahul V Palkar**  
CFO & Director

**Jyoti U Thorve**  
Company Secretary



**INDO AMINES LIMITED**  
Profit & Loss Statment for the year ended 31st March, 2012

(Rs. in Lacs)

Particulars	Note No.	31-Mar-2012 Amount (Rs.)	31-Mar-2011 Amount (Rs.)
<b>I. Revenue from operations</b>			
Sales	18	20,495.65	16,600.12
(-) Excise Duty		1,362.17	864.30
		<b>19,133.48</b>	<b>15,735.82</b>
<b>II. Other Income</b>	19	197.54	113.36
<b>III. Total Revenue (I +II)</b>		<b>19,331.02</b>	<b>15,849.18</b>
<b>IV. Expenses :</b>			
i) Cost of materials consumed	20	13,870.98	7,592.10
ii) Purchase of Stock in trade		84.27	4,949.99
iii) Changes in inventories of finished goods, WIP & stock in trade	21	(210.53)	(320.49)
iv) Employees Benefit Expenses	22	426.94	318.97
vi) Finance costs	23	448.16	226.23
vii) Depreciation and amortization expense	24	342.01	242.42
viii) Other expenses	25	3,678.24	2,416.84
<b>IV. Total Expenses</b>		<b>18,640.06</b>	<b>15,426.06</b>
<b>V. Profit before tax</b>	(III - IV)	<b>690.96</b>	<b>423.12</b>
<b>VI. Tax expense :</b>			
Current Tax		(260.00)	(155.00)
Deferred Tax		(33.97)	4.94
<b>Profit before Prior Period Items</b>		<b>396.99</b>	<b>273.06</b>
Prior Period Items		(5.21)	-
<b>VII. Profit for the period</b>	(V - VII)	<b>391.78</b>	<b>273.06</b>
<b>Earning Per Share before considering Prior Period Items</b>	33		
<b>Basic</b>		<b>3.76</b>	<b>3.07</b>
<b>Diluted</b>		<b>3.76</b>	<b>3.07</b>
<b>Earning Per Share after considering Prior Period Items</b>			
<b>Basic</b>		<b>3.71</b>	<b>-</b>
<b>Diluted</b>		<b>3.71</b>	<b>-</b>

As per our report of even date attached

For KULKARNI & KHANOLKAR  
Chartered Accountants  
Firm Registration No. 105407 W

For and on behalf of the Board  
For Indo Amines Limited

P M Parulekar  
Partner  
Membership No. :036362

Vijay B Palkar  
Managing Director

Kirit H Shah  
Whole Time Director

Place : Mumbai  
Date : 20th November, 2012

Rahul V Palkar  
CFO & Director

Jyoti U Thorve  
Company Secretary



**INDO AMINES LIMITED**

Notes Annexed to and Forming parts of the Accounts as on 31st March 2012

(Rs. in Lacs)

PARTICULARS	LIST	Current Year 31-Mar-2012	Previous Year 31-Mar-2011
<b>NOTE 1 - SHARE CAPITAL</b>			
<b>Authorised :</b>			
1,23,00,000 Equity Shares of Rs. 10/- Each (Prev year 1,00,00,000 Equity Shares of Rs.10/- each)		1,230.00	1,000.00
<b>Total</b>		<b>1,230.00</b>	<b>1,000.00</b>
<b>Issued, Subscribed &amp; Fully Paid Up :</b>			
1,21,58,390 Equity Shares of Rs. 10/- Each (Prev year 88,11,890 Equity Shares of Rs.10/- each)		1,215.84	881.19
<b>Total</b>		<b>1,215.84</b>	<b>881.19</b>

**NOTE 1-A - RECONCILIATION OF NUMBER OF SHARES**

Particulars	31-Mar-2012		31-Mar-2011	
	Equity Shares		Equity Shares	
	Number	RS	Number	RS
Shares outstanding at the beginning of the year	8,811,890	881.19	8378,890	837.89
Shares Issued during the year by Preferential Convertible Warrants	960,000	96.00	433,000	43.30
Shares to be issued in pursuance of scheme of arrangement with Versatile Chemicals Limited	2,386,500	238.65	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>12,158,390</b>	<b>1,215.84</b>	<b>88,11,890</b>	<b>881.19</b>

**NOTE 1-B - SHAREHOLDERS HOLDING MORE THAN 5 % SHARE CAPITAL**

Name of Shareholder	31-Mar-2012		31-Mar-2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
BHARATI V PALKAR	690892	7.07	690892	7.84
UNIGROUP RESOURCES PVT LTD	679480	6.96	596480	6.77
VIJAY B PALKAR	569482	5.83	569482	6.47
PALKAR COMMERCIALS PRIVATE LIMITED	1017500	10.41	0	Nil
VERSATILE CHEMICALS LTD	0	-	1017500	11.55

**Note : 1 - C - Issue of Shares on Amalgamation**

The Company is in the process of issuing 23,86,500 Equity Shares to the shareholders of erstwhile Versatile Chemicals Ltd in pursuance of Scheme of Arrangement and Amalgamation sanctioned by Hon'ble High Court at Bombay vide their order dated 19th October, 2012. Such shares will rank pari passu with other shares.

**Note : 1 - D - Increase in Authorised Capital**

During the year, the Authorised Share Capital of Company is increased by Rs.2.30 Crore, out of which increase of Rs.2.05 crore is in pursuance of Scheme of Arrangement and Amalgamation sanctioned by Hon'ble High Court at Bombay vide their order dated 19th October, 2012, for which the Company is in the process of completing the procedural formalities.



## INDO AMINES LIMITED

Notes Annexed to and Forming parts of the Accounts as on 31st March 2012

<b>NOTE : 1 - E - Terms/Rights/Restrictions.</b>		
The company has only one class of equity shares having par value of Rs 10/- per share. Each holder of equity share is entitled to one vote per share.		
The company declares and pays dividend in Indian rupees. The dividend proposed by Board of directors, if any is subject to the approval of shareholders in the ensuing Annual General Meeting.		
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
<b>Note 2 - RESERVES &amp; SURPLUS</b>		
<b>Particulars</b>	<b>31-Mar-12 Amount (Rs.)</b>	<b>( Rs. In Lacs ) 31-Mar-11 Amount (Rs.)</b>
<b>a. Capital Reserve</b>		-
Opening Balance	-	-
(+) Current Year Addition due to Merger with Versatile Chemicals Ltd	40.76	-
(-) Goodwill in books of Verstile Chemicals Ltd written off	20.99	-
<b>Closing Balance</b>	<b>19.77</b>	<b>-</b>
<b>b. Securities Premium Account</b>		
Opening Balance	28.25	19.59
Add : Securities premium credited on issue of shares against convertible warrants.	129.40	8.66
<b>Closing Balance</b>	<b>157.65</b>	<b>28.25</b>
<b>c. General Reserve</b>		
Opening Balance	200.00	200.00
(+) Current Year Transfer	80.00	-
<b>Closing Balance</b>	<b>280.00</b>	<b>200.00</b>
<b>e. Surplus, i.e. Balance in statement of Profit &amp; Loss.</b>		
Opening balance	827.70	651.03
(+) Net Profit/(Net Loss) For the current year	391.78	273.06
(-) Proposed Dividend	(121.58)	26.44
(-) Interim Dividend	-	61.68
(-) Dividend Distribution Tax	(19.72)	14.98
(+) Short/Excess Provision W/Back	9.79	6.70
(-) Transfer to General Reserve	(80.00)	-
<b>Closing Balance</b>	<b>1,007.95</b>	<b>827.69</b>
<b>Total</b>	<b>1,465.37</b>	<b>1,055.94</b>
<b>Note 3 - LONG TERM BORROWINGS</b>		
<b>I. Secured</b>		
<b>Term loans - From Others</b>	438.95	866.50
(Term Loans are Secured by Equitable Mortgage of Plant & Machineries, Land & Building, Motor Vehicles and personal guarantee of some of Directors)		
Period and Amount of Default: - Car Loan From HDFC Ltd o/s for more than 12 months amounting to Rs.31079/-		
<b>Total (I)</b>	<b>438.95</b>	<b>866.50</b>


**INDO AMINES LIMITED**

Notes Annexed to and Forming parts of the Accounts as on 31st March 2012

(Rs. In Lacs)

Particulars	31-Mar-12	31-Mar-11
<b>II. Unsecured</b>		
<b>Term loans from Others</b>	367.74	297.73
Period and Amount of Default: - Nil		
<b>Total (II)</b>	367.74	297.73
<b>Total (I + II)</b>	<b>806.69</b>	<b>1,164.23</b>
<b>Note 4 - OTHER LONG TERM LIABILITIES</b>		
Payables on purchase of fixed Assets	59.28	64.75
Trade/Security Deposits received	7.72	6.43
Advances from Customers	53.66	21.43
Sales Tax deferred liability	68.14	-
Stamp Duty on Merger - Payable	34.50	-
<b>Total</b>	<b>223.30</b>	<b>92.61</b>
<b>Note 5 - SHORT TERM BORROWINGS</b>		
<b>I. Secured</b>		
<b>Loans repayable on demand - From banks</b>	<b>3,416.95</b>	<b>1,357.14</b>
(Working Capital is secured by Hypothecation of Stock, Receivables and personal guarantee of some of Directors)		
Period and Amount of Default: - NIL		
<b>Total (I)</b>	<b>3,416.95</b>	<b>1,357.14</b>
<b>II. Unsecured</b>		
<b>Loans and advances from related parties</b>	-	10.00
Period and Amount of Default: - NIL		
<b>Total (II)</b>	-	<b>10.00</b>
<b>Total</b>	3,416.95	1,367.14
<b>Note 6 - OTHER CURRENT LIABILITIES</b>		
(1) Current maturities of long-term debt	408.60	160.24
(2) Unpaid dividends	11.41	11.41
(3) Other		
(a) Statutory Remittances	134.19	51.82
(b) Provision for Expenses	63.21	2.44
(c) Trade / Security Deposits Received	2.38	2.33
(d) Advances from Customers	147.97	462.91
(e) other payables	16.27	-
<b>TOTAL</b>	<b>784.03</b>	<b>691.15</b>
<b>Note 7 - SHORT TERM PROVISIONS</b>		
<b>(a) Provision for employee benefits</b>		
Bonus Payable	16.66	23.16
<b>(b) Others (Specify nature)</b>		
Provision for Taxation	716.00	435.00
Provision for Dividend	121.58	26.43
Provision for Dividend Distribution Tax	19.72	4.49
<b>Total</b>	<b>873.97</b>	<b>489.08</b>




**INDO AMINES LIMITED**

Notes Annexed to and Forming parts of the Accounts as on 31st March 2012

(Rs. In Lacs)

<b>Note 9 - NON-CURRENT INVESTMENTS</b>	<b>31-Mar-12</b>	<b>31-Mar-11</b>
<b>A Trade Investments</b>		
(a) Investment in Equity instruments (2 Equity shares of Indo Amines (Malaysia) Sdn Bhd being a subsidiary Company (Total paid up capital Rs.30/-)	0	-
(b) Investments in Equity instruments ( Associates ) (Indo Amines (Europe) Ltd (25A type and 25 B type Equity Shares of face value 1 GBP each valued at Rs.84.88 per GBP)	0.04	0.04
<b>Total (A)</b>	<b>0.04</b>	<b>0.04</b>
<b>B Other Investments</b>		
(a) Investments in Equity instruments of others (7796 shares of Dombivli Nagari Sahakari Bank Ltd, FV Rs.50/- each)	3.90	2.25
<b>Total (B)</b>	<b>3.90</b>	<b>2.25</b>
<b>Grand Total (A + B)</b>	<b>3.94</b>	<b>2.29</b>
<b>Total</b>	<b>3.94</b>	<b>2.29</b>
Aggregate amount of quoted investments		
Aggregate amount of unquoted investments	3.94	2.29
<b>Total</b>	<b>3.94</b>	<b>2.29</b>
<b>Note 10 - DEFERRED TAX ASSETS</b>		
Difference in WDV as per books and as per Income Tax Act, 1961	22.83	32.76
Disallowances u/s 43B of the Income Tax Act, 1961.	5.41	7.23
Deferment of Amalgamation Expenses u/s 35DD of Income Tax Act, 1961	2.60	
Net Deferred Tax Assets	30.83	39.99
<b>Note 11 - LONG TERM LOAN AND ADVANCES</b>		
a. Capital Advances	212.64	47.21
b. Security Deposits	66.67	70.04
c. Prepaid Expenses	6.77	13.95
d. Advance Tax	564.18	409.09
e. Cenvat Credit Receivable	602.12	423.31
f. VAT Credit Receivable	306.89	90.06
<b>Total</b>	<b>1,759.27</b>	<b>1,053.66</b>
<b>Note 12 - OTHER NON-CURRENT ASSETS</b>		
Trade Receivables	141.98	263.39
<b>Total</b>	<b>141.98</b>	<b>263.39</b>
<b>Note 13 - INVENTORIES</b>		
a. Raw Materials	599.44	592.63
b. Work-in-progress	854.68	681.10
c. Finished goods	449.94	387.85
d. Stores and spares, Packing Material and Fuel	85.95	91.74
e. Goods in Transit	3.18	-
f. Stock at Port	444.69	100.49
<b>Total</b>	<b>2,437.88</b>	<b>1,853.81</b>





## INDO AMINES LIMITED

Notes Annexed to and Forming parts of the Accounts as on 31st March 2012

(Rs. In Lacs)

	31-Mar-12	31-Mar-11
<b>Note 14 - TRADE RECEIVABLES</b>		
Trade receivables outstanding for a period upto six months from the date they are due for payment Unsecured, considered good	4,112.05	2,859.45
Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	361.10	221.41
<b>Total</b>	<b>4,473.15</b>	<b>3,080.86</b>
<b>Note 15 - CASH AND BANK BALANCES</b>		
<b>I. Cash and Cash equivalents</b>		
a) Cash on hand	5.87	4.00
b) Balances with Banks - Current Accounts	8.86	1.88
c) Balances with Banks - EEFC Accounts	29.11	28.09
<b>II. Other Bank Balances :-</b>		
Unpaid Dividend Bank A/c	11.51	11.51
Margin Money	139.84	146.05
Other Earmarked accounts ( Refer Note No. 27 )	159.70	-
<b>Total</b>	<b>354.88</b>	<b>191.53</b>
<b>Note 16 - SHORT TERM LOAN AND ADVANCES (unsecured, considered good)</b>		
a) Loans and Advances to related parties	16.38	-
b) Advance to Employees	29.44	14.42
<b>Total</b>	<b>45.83</b>	<b>14.42</b>
<b>Note 17 - OTHER CURRENT ASSETS</b>		
Duty Drawback Refund Receivable	15.25	36.43
<b>Total</b>	<b>15.25</b>	<b>36.43</b>
<b>Note 18 - REVENUE FROM OPERATIONS</b>		
Sale of Products ( Gross)	23,424.36	17,744.61
Other Operating Revenues	194.02	87.99
<b>Gross Sales</b>	<b>23,618.38</b>	<b>17,832.60</b>
Less : Inter Division Sales	3,122.73	1,232.48
<b>Total</b>	<b>20,495.65</b>	<b>16,600.12</b>
<b>Note 18 - A - OTHER OPERATING REVENUES</b>		
a) Export Benefits - Duty Drawback	46.13	50.44
b) Processing Income	147.89	37.55
<b>Total</b>	<b>194.02</b>	<b>87.99</b>


**INDO AMINES LIMITED**

Notes Annexed to and Forming parts of the Accounts as on 31st March 2012

(Rs. In Lacs)

	31-Mar-12	31-Mar-11
<b>Note 19 - OTHER INCOME</b>		
a) Other Non Operating Income	10.75	10.52
(b) Profit on Sale of Assets	49.53	-
c) Interest Received	1.14	5.59
d) Dividend Received	1.19	-
e) Exchange Gain/Loss	94.47	34.17
f) Sundry Balances Written back (net)	22.66	8.11
g) Sales Tax Refund	-	27.38
h) Excise Duty on Opening stock of Finished Goods	17.81	27.59
<b>Total</b>	<b>197.54</b>	<b>113.36</b>
<b>Note 20 - COST OF RAW MATERIALS CONSUMED</b>		
Opening Stock	592.63	354.15
Add : Opening stock of Versatile Chemicals Ltd	23.46	-
Add : Purchases	12,643.79	7126.19
	13,259.88	7,480.34
Less : Closing Stock	599.45	592.63
<b>Total Raw Material Consumption</b>	<b>12,660.43</b>	<b>6,887.71</b>
Add : Consumption of Packing Material & Fuel	1,210.54	704.39
<b>Total RM/PM/Fuel Consumption</b>	<b>13,870.98</b>	<b>7,592.10</b>
<b>Note 21 - CHANGES IN INVENTORIES</b>		
<b>I) Finished goods</b>		
Opening Stock	387.85	295.45
Add : Opening stock of Versatile Chemicals Ltd	1.25	
Less :Closing Stock	449.94	387.85
<b>Total A</b>	<b>(60.84)</b>	<b>(92.40)</b>
<b>II) Work in Progress</b>		
Opening Stock	681.10	453.01
Add : Opening stock of Versatile Chemicals Ltd	23.89	
Less: Closing Stock	854.68	681.10
<b>Total B</b>	<b>(149.69)</b>	<b>(228.09)</b>
<b>Grand Total (A+B)</b>	<b>(210.53)</b>	<b>(320.49)</b>
<b>Note 22 - EMPLOYEES BENEFIT EXPENSES</b>		
i) Salaries & Wages	386.16	290.35
ii) Contribution to Provident & other Funds	23.72	17.55
iii) Staff Welfare Expenses	17.06	11.07
<b>Total</b>	<b>426.94</b>	<b>318.97</b>
<b>Note 23 - FINANCE COSTS</b>		
i) Interest expense	358.78	194.37
ii) Bank Charges	89.38	31.86
<b>Total</b>	<b>448.16</b>	<b>226.23</b>

**INDO AMINES LIMITED**

Notes Annexed to and Forming parts of the Accounts as on 31st March 2012

(Rs. In Lacs)

<b>Note 24 - DEPRECIATION &amp; AMORTISATION EXPENSES</b>	<b>31-Mar-12</b>	<b>31-Mar-11</b>
i) Depreciation on Tangible Assets	331.27	233.45
ii) Amortisation of Intangible Assets	10.74	8.97
<b>Total</b>	<b>342.01</b>	<b>242.42</b>
<b>Note 25 - OTHER EXPENSES</b>		
Consumption of stores and spare parts	195.92	126.29
VAT Expenses	440.35	437.96
Excise Duty on Finished Goods	40.54	17.81
Freight Inward	227.49	177.61
Import Expenses	295.68	189.82
Laboratory Expenses & R&D Expenses	25.83	25.78
Subcontracting	275.81	119.31
Labour Charges / Service Charges	266.77	180.20
Power Charges	357.72	202.04
Water Charges	26.83	11.41
Repairs and maintenance - Factory Buildings	12.72	10.87
Repairs and maintenance - Machinery	114.27	109.83
Repairs and maintenance - Others	43.37	7.86
Pollution Control and other Testing Expenses	12.63	2.81
Commission on Purchases	4.02	5.58
Insurance Charges	13.71	13.84
Rates and taxes	116.62	41.95
Communication Charges	22.92	18.46
Travelling and conveyance Expenses	74.50	54.15
Printing and stationery Expenses	30.23	17.82
Freight and forwarding (outward) Charges	390.93	185.90
Sales commission	176.54	134.83
Business promotion Expenses	52.69	46.40
Legal and professional Charges	71.70	52.35
Directors Remuneration	63.28	63.98
Directors Sitting Fees	0.90	0.96
Advertisement Expenses	15.49	7.18
Office Expenses	29.02	11.76
Export related Expenses	189.00	62.36
Local Sales Expenses	56.63	70.77
Auditor's Remuneration	3.67	2.85
Meetings and ROC related Expenses	8.70	3.66
Amalgamation Expenses	10.00	-
Commission on Profit to Directors	11.75	2.44
<b>Total</b>	<b>3,678.24</b>	<b>2,416.84</b>


**Note 26 - SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Accounting:** The financial statements are prepared under historical cost convention, in accordance with applicable mandatory accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

**B. Use of Estimates:**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the reasons are known/ materialized.

**C. Fixed Assets :**

- i) The cost of major civil works required for plant and machinery support is considered as plant and machinery.
- ii) Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition or construction is inclusive of purchase price, duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.

**D. Depreciation:**

Depreciation on Fixed Assets is provided on Written Down Value method at the rates prescribed in Schedule XIV of the Companies Act, 1956. In case of plant & machinery depreciation is charged on the basis of triple shift rate as per Schedule XIV of the Companies Act, 1956.

**E. Inventories:**

Inventories are stated at lower of cost and net realizable value. The cost of inventories are arrived at as follows: Raw Materials, Packing

Material & fuel	: Valued on FIFO basis.
Semi Finished Goods	: At Raw Material Cost, Labour plus estimated overheads.
Finished Goods	: At Raw Material Cost, Labour plus estimated overheads.

**F. Revenue Recognition:**

Sale of products is recognized when the products are shipped from the factory / stock points to the customers. Sales include excise duty & sales tax. Revenue in respect of interest, commission, etc. is recognized only when it is reasonably certain that ultimate collection will be made.

**G. Excise Duty on Finished Goods:**

Closing stock of finished goods includes excise duty accrued thereon. Similarly provision is made for Excise Duty payable in respect of finished goods lying in the factory premises as at year-end.

**H. Foreign exchange transactions (AS-11):**

Foreign exchange transactions are recorded on following basis :-

- i) In case of Import, on the basis of rate mentioned on Bill of Entry of Import.
- ii) In case of Export, on the basis of rates declared by Customs Department.
- iii) In case of Expenses, on the basis of rates prevailing on date of transaction.

Exchange differences arising on settlement of items of Income/Expenditure are accounted for as exchange gain/loss as the case may be. The current assets/liabilities in foreign currency on the date of the balance sheet are translated at the prevailing rate on the balance sheet date and the exchange gain/loss arising from such translation is recognized in the Profit & Loss account.

**I. Employee benefits (AS-15):**

- a) Defined Contribution Plan – Contribution to Defined contribution plan namely employer's contribution to Provident fund & Pension Plan is charged to Profit and Loss Account Rs.17.23 lacs ( Prev Year Rs. 14.23 lacs).
- b) Defined Benefit Plan - The employees Gratuity Fund Scheme managed by Life Insurance Corporation of India is defined benefit Plan. The present value of obligation is determined by Life Insurance Corporation of India on actuarial valuation. The contribution of Rs. 3.96 Lacs ( Prev year Rs. 2.40 lacs ) paid to Life Insurance Corporation of India is charged to Profit and Loss Account.

**J. Accounting for Taxes on Income :**

- i) Provision for current tax is made based on estimated taxable income for current financial year.
- ii) In accordance with Accounting Standard 22 – 'Accounting for Taxes on Income', the Company has recognized deferred tax arising out of timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent years and are measured using relevant enacted tax rates.

**K. Investments :**

- i) Trade Investments are valued at Cost.
- ii) Other Investments are valued at Cost or Market Value, whichever is less.

**Note 27 : Preferential Convertible Warrants :**

In terms of the approval of shareholders of the Company and as per the applicable statutory provisions including Securities and Exchange Board of India (Disclosure & Investor Protection) Guidelines 2000, the Company, on 2<sup>nd</sup> May, 2011 and on 12<sup>th</sup> December, 2011 has issued and allotted 4,60,000 and 5,00,000 preferential convertible warrants respectively to entities in the Promoter Group entitling them to apply for equivalent number of fully paid up equity shares of Face Value of Rs. 10/- each of the Company, at a Premium of Rs. 14/- per equity share and Rs.13/- per equity share respectively. During the year 9,60,000 equity warrants have been converted into equity shares. The Share Premium of Rs. 1,29,40,000/- (prev. year Rs.8,66,000/-) is transferred to share premium account.

**Utilisation of Proceeds :-**

Amount Received	Rs.225.40 lacs
Amount Utilised during the year	Rs. 65.70 lacs
Balance unutilized and kept in bank account	Rs.159.70 lacs
(Shown under Note No 15 in Balance Sheet as other earmarked accounts)	

**Note 28 : Notes on Micro Small or Medium Enterprises**

In the absence of necessary information in relation to the suppliers registered as Micro or Small enterprises under the Micro, Small and Medium Enterprises (Development) Act, 2006, the company is not able to identify such suppliers and the information required under the said Act could not be compiled and disclosed.

**Note 29 : C I F Value of Imports.**

	Rs. In Lacs	
	2011-2012	2010-2011
Raw Materials (Rs.)	3,840.24	2,671.85

**Note 30 : Expenditure in foreign currency**

	Rs. In Lacs	
	2011-2012	2010-2011
Commission on Sales	150.06	130.74
Business Promotion Exp	47.17	26.60
Travelling	27.97	12.03
	<u>225.20</u>	<u>169.37</u>

**Note 31 : Earning in Foreign Exchange**

	Rs. In Lacs	
	2011-2012	2010-2011
FOB Value of Exports (Rs.)	10,066.32	5546.42

**Note 32 : Auditors Remuneration:**

	Rs. In Lacs	
	2011-2012	2010-2011
Audit Fees	2.70	2.00
Tax Audit Fees	0.66	0.40
Out of Pocket Exp	0.15	0.15
Company Law matters	0.16	0.30
	<u>3.67</u>	<u>2.85</u>

**Note 33 : Earning Per Share (AS-20 )**

	2011-2012	2010-2011
Net Profit after Tax as per P&L A/c	4,30,95,981	2,79,76,749
Weighted Average no. of Equity Shares (Basic)	1,14,64,527	87,44,271
Weighted Average no. of Equity Shares (Diluted)	1,14,64,527	87,44,271
Earning Per Share (Basic)	3.76	3.20
Earning Per Share (Diluted)	3.76	3.20
( Face Value of Rs.10/- each )		

**Note 34 : Percentage of Consumption of Raw Materials.**

(Rs. In Lacs)

Particulars	2011-2012		2010-2011	
	Value in Rs.	%	Value in Rs.	%
Imported	3,840.24	30.33%	2,671.85	38.79%
Indigenous	8,820.19	69.67%	4,215.86	61.21%
Total Consumption	12,660.43	100.00%	6,887.71	100.00%

**Note 35 : Amount remitted in foreign currencies on account of Dividend**

2011-12	2010-11
NIL	NIL


**Note 36 : Contingent Liabilities:**

- Contingent Liability in respect of Central Sales tax for the financial year 2005-2006 is amounting to Rs. 16.08 lacs ( Prev Year Rs. 16.08 lacs )
- Contingent Liability in respect of penalty on remission of duty on loss due to flood during the Financial year 2005-06 is amounting to Rs. 2.82 lacs/- ( Prev Year Rs. 2.82 lacs)
- Contingent Liability in respect of Penalty on non payment of excise Duty on Freight Income is Rs.0.75 lacs (Prev Year Rs.0.75 lacs)
- Contingent liability in respect of Income Tax Scrutiny Order for tax amount of Rs.77.68 lacs.(Prev year Rs.Nil)
- Bank Guarantee with IDBI is amounting to Rs 152.37 Lacs. (Previous year Rs. 152.37 Lacs )
- Letter of Credit with IDBI for Import Bills is amounting to Rs. 470.96 Lacs. (Previous Year Rs.778.64 Lacs)
- Letter of Credit with IDBI for Local Bills is amounting to Rs. 392 lacs. (Previous Year Rs.Nil Lacs)

**Note 37 : Raw Material Consumption Details.**
**(Rs. In Lacs)**

Materials Consumed	2011-12	2010-11
Fatty Amines/Fatty Acids	3,880.08	895.87
Consumable Gases	407.31	321.42
Organic Chemicals	2,378.69	1,926.82
Performance Chemicals	9,117.08	4,982.53
<b>Total</b>	<b>15,783.16</b>	<b>8,126.64</b>
<b>Less : Inter-Division Purchases</b>	<b>3,122.73</b>	<b>1,238.93</b>
<b>Total</b>	<b>12,660.43</b>	<b>6,887.71</b>

**Note 38 : Manufactured Goods**
**(Rs. In Lacs)**

Sr	Product Name	Sales	Closing Stock	Opening Stock
A	Fatty Amines	3,357.75 (6740.05)	28.51	40.07
B	Organic Chemicals	2,063.66 (1371.70)	192.37	39.78
C	Performance Chemicals	4,285.40 (1352.49)	41.56	59.14
D	Quaternary Ammonium Compound	242.77 (211.42)	18.65	3.92
E	Short Chain Amine	1,249.55 (1016.27)	14.71	17.28
F	Speciality Chemicals	5,731.61 (4002.06)	67.30	174.70
G	Bulk Drugs	2,478.13 (1461.14)	32.83	18.57
H	TC	40.39 (8.96)	2.67	4.85
I	Others & RM Cleared	366.28 (274.77)	0.79	2.02
J	Fatty Acides	1714.30 (Nil)	9.99	
	Rate Diff/DN/CN/Rejections	-15.22 (-3.50)		
		21,514.62	409.40	360.32
	Less:Interbranch Transaction	(16435.36) 3122.73 (1232.48)		
	Add:Excise Duty Collected on Sales	1362.17 (864.30)		
	Add:VAT/CST on Sales	440.35 (437.96)		
	Add:Excise Duty on F.G.		40.54	17.81
	As per Books	20,194.41	449.94	378.13
		(16505.14)		



(Rs. In Lacs)

Traded Goods	Purchase	Sales	Opening Stock	Closing Stock
Sale of Finished Goods	0.00	9.72	9.72	0.00
High Seas Sales	84.27	97.50	0.00	0.00
<b>Total</b>	<b>84.27</b>	<b>107.22</b>	<b>9.72</b>	<b>0.00</b>

The product wise details of Semi Finished Goods (i.e. work in progress ) cannot be ascertained.

**Note 39 : Related Party Statement – AS 18 :**

A)	Name of the related parties	Nature of relationship
1	Palkar Commercials Pvt. Ltd.	
2	Techno Holdings (I) Pvt. Ltd.	
3	Techno Securities (I) Pvt. Ltd.	
4	Palkar Finance & Consultancy Services Pvt. Ltd.	
5	Marvel Indenting Pvt. Ltd.	
6	Mecham Engineers	Associates
7	Universal Distributor	
8	Pure Organics Industries Pvt Ltd	
9	Unigroup Resources Pvt Ltd	
10	Indo Amines (Europe) Ltd.	

**Directors & Relatives**

Dr Deepak Kanekar	Chairman
Mr Vijay B Palkar	Managing Director
Mr Kirit H Shah	Whole Time Director
Mr Rahul V Palkar	CFO & Executive Director
Mrs Bharati V Palkar	Executive Director
Mr N G Mane	Executive Director
Mr C L Kadam	Executive Director
Mr Raghavendra Ravi	Independent Director
CS Dhawal Vora	Independent Director
CA Vishwas Mehendale	Independent Director
Mr Nishikant Sule	Independent Director
Mr Suresh Iyer	Independent Director

**B) Nature of Transactions with Related Parties during the year :**

Nature of Transactions	Associates	Directors	Rs. In Lacs
			Prev. Year
Sales Income	1.79	-	2.35
Commission to Directors	-	11.75	2.44
Office Rent	1.65	-	1.54
Purchase	0.00	-	160.45
Processing Charges	0.00	-	93.90
Directors Remuneration	-	63.28	61.54
Directors Sitting Fees	-	0.90	0.96
Commission on Sales	89.28	-	96.03
Loan Given	14.75	0.00	
Advances Received	16.27		0.00
Outstanding as at year end 31/03/2012			
Net Receivables		14.75	0.60
Net Payables	69.58		42.59

**Note 40 : Segment Report.****SEGMENT REPORTING - 2011-2012**

(A) The Company has identified four major Geographical Segments as required by Accounting Standard - 17 'Segment Reporting' and on the basis of which the Company reports internally.

These segments are :

- 1) Dombivli Unit-Manufacturing of Chemicals like Organic Chemicals, & Speciality Chemicals.
- 2) Baroda Unit - Manufacturing of Chemicals like Fatty Amines, Quarternary Ammonium Compounds etc.
- 3) Rabale Unit - Manufacturing of Bulk Drugs & Intermediates for pharmaceutical companies.
- 4) Dhule Unit - Manufacturing of Fatty Acids & Derivatives.


**( B ) SEGMENTWISE DETAILS (PRIMARY)**
**(Rs. In lacs)**

Particulars	Dombivli	Baroda	Rabale	Dhule	Consolidated
<b>SEGMENT REVENUE</b>					
Total Revenue	11,034.63	6,343.52	3,019.06	1,859.00	22,256.21
(Previous Year )	(11790.93)	(3133.23)	(1518.20)		(16442.36)
Less : Inter Segment Revenue	1,795.99	842.44	484.30	0.00	3,122.73
(Previous Year )	(703.92)	(488.90)	(39.66)	0	(1232.48)
Total Segment Revenue	9,238.64	5,501.08	2,534.76	1,859.00	19,133.48
<b>SEGMENT RESULT</b>					
Total Segment Results (PBT)	194.40	330.12	71.87	94.57	690.96
(Previous Year )	(573.07)	(178.92)	(28.96)		(423.12)
<b>OTHER INFORMATION</b>					
Fixed Asset (Net Block)	1,174.12	519.01	141.08	398.96	2,233.17
(Previous Year )	(908.64)	(311.73)	(89.01)		(1309.38)
Net Current Assets	187.76	577.38	545.85	97.77	1,408.76
(Previous Year )	(2116.45)	(663.89)	(501.76)		(3282.10)
Depreciation	191.04	78.15	31.49	41.33	342.01
(Previous Year )	(160.32)	(59.61)	(22.49)		(242.42)

**( C ) SEGMENTWISE DETAILS (SECONDARY)**

Particulars	Inside India	Outside India			Consolidated
<b>SEGMENT REVENUE</b>					
Total Revenue	9,067.16	10,066.32			19,133.48
(Previous Year )	(10895.94)	(5546.42)			(16442.36)
Total Segment Revenue	9,067.16	10,066.32			19,133.48
<b>OTHER INFORMATION</b>					
Fixed Asset (Net Block)	2,233.17	0			2,233.17
(Previous Year )	(1309.38)				(1309.38)





## Note 41 : Cash Flow Statement

Cash Flow Statement for the year ended 31st March, 2012				
Particulars for the year ended	31-Mar-2012		31-Mar-2011	
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
<b><u>A. Cash Flow From Operations</u></b>				
Profit/(loss) before taxation		690.96		423.12
<u>Adjusted for :</u>				
Depreciation	342.01		242.42	
Profit on Sale of Car	(49.53)		(0.51)	
Interest & Finance Charges	448.16		226.23	
Bank Interest Received	(1.15)	739.51	(5.59)	462.55
<u>Operating Profit/(Loss) before Working Capital Changes :</u>		1,430.47		885.67
Trade & Other Receivables	(1,392.29)		(25.67)	
Inventories	(584.07)		(700.69)	
Trade Payables	639.37		200.42	
Other Liabilities	608.45		-	
Provision for Taxation	(293.97)		(148.30)	
Provision for Div and DDT	(141.31)		(30.93)	
Loans & Advances	(594.43)	(1,758.25)	(26.95)	(732.12)
<b>Net Cash from Operations (A)</b>		<b>(327.78)</b>		<b>153.55</b>
<b><u>B. Cash Flow from Investing Activities</u></b>				
Purchase of Fixed Assets	(1018.33)		(402.80)	
Sale of Fixed Assets	60.00		1.03	
Purchase of Investment	(1.65)		(1.37)	
Interest Received from Bank	1.14		5.59	
<b>Net Cash used in investing activity (B)</b>		<b>(958.85)</b>		<b>(397.55)</b>
<b><u>C. Cash Flow from Financing Activities :</u></b>				
Share Capital Increase	96.00		43.30	
Warrants application money	-		(13.04)	
Share Premium received	129.40		8.66	
Finance Received from Bank	1,632.26		663.23	
Finance from Unsecured Loans	60.01		(34.90)	
Interest & Finance Charges	(448.16)		(226.23)	
Dividend & DDT Paid	(19.52)		(72.17)	
<b>Cash Flow from Financing Activity(C)</b>		<b>1,449.99</b>		<b>368.85</b>
Net Increase in Cash & Cash Equivalents(A+B+C)		163.36		124.85
Opening Balance of Cash & Cash Equivalents		191.52		66.67
<b>Closing Balance of Cash &amp; Cash Equivalents</b>		<b>354.88</b>		<b>191.52</b>

## Note 42 : Note on Amalgamation.

**Amalgamation of M/s Versatile Chemicals Ltd with M/s Indo Amines Limited**

In Pursuant to the scheme of Arrangement and Amalgamation u/s 391 to 394 of the Companies Act, 1956 sanctioned by the Hon'ble Bombay High Court vide Order dated 19<sup>th</sup> October, 2012 delivered on 2<sup>nd</sup> November, 2012, Versatile Chemicals Ltd (other than Investment Division) hereinafter referred to as the ("Transferor Company") has been amalgamated with M/s Indo Amines Limited hereinafter referred to as the ("Transferee Company") with effect from 1<sup>st</sup> April, 2011, being appointed date.

As per the scheme, the Transferee Company is required to issue and allot 12 ( Twelve ) Equity Shares of Rs.10/- (Rupees Ten) each, credited as fully paid-up in the capital of Transferee Company to all Equity Shareholders of the Transferor Company, for every 1 ( One ) Equity Shares of the face value of Rs.100/- each held by the Shareholders in the Transferor Company.

As per the Scheme, the Transferee Company is required to record all assets and liabilities in the Books of Accounts of Transferor Company which are transferred to and vested in the Transferee Company pursuant to the Scheme at their book values as on 1<sup>st</sup> April, 2011.



Accordingly all assets and liabilities of the Transferor Company have been incorporated in the books of Transferee Company as given below.

		(Rs. In Lacs)
<b>ASSETS &amp; LIABILITIES</b>		Transferor Company Assets and Liabilities as on 01/04/2011
<b>ASSETS</b>		
Fixed Assets (Net Block)		435.07
Investments		1.65
Current Assets		
Inventories	48.60	
Sundry Debtors	342.20	
Cash & Bank Balances	18.56	
Other Current Assets	91.96	
Total Current Assets		501.32
Total Assets	(A)	938.04
<b>LIABILITIES</b>		
Current Liabilities		
Sundry Creditors	275.59	
Provisions and other current liabilities	34.31	
		309.90
<b>LOAN FUNDS</b>		
Secured Loan	346.55	
Unsecured Loan	2.18	
		348.73
Total Liabilities	(B)	658.63
Net Worth (A-B)		279.41
Value of Shares to be issued in Transferee Co(198875*12*10)		238.65
<b>Capital Reserve as on 1st April, 2011</b>		40.76
Less : Balance in Goodwill a/c in books of Transferor Company adjusted.		20.99
<b>Capital Reserve as on 31<sup>st</sup> March, 2012</b>		19.77

The Scheme provides for accounting treatment on amalgamation of Transferor Company. The difference between the value of the shares of the Transferee Company to be issued to the share holders of the Transferor Company and the net worth of the Transferor Company is required to be treated as Capital Reserve in the accounts of the Transferee Company. Accordingly Capital Reserve of Rs.40.76 Lacs is created in the books of Transferee Company. The Company is in the process of issuing shares to the shareholders of erstwhile Versatile Chemicals Ltd. The value of such shares amounting to Rs.238.65 lacs is shown under Share Capital in Balance Sheet.

In Pursuant to the amalgamation of Transferor Company, Goodwill amounting to Rs.20.99 lacs is transferred to Indo Amines Limited. While consolidating, the same has been adjusted against Capital Reserve of Rs.40.76 lacs created on Amalgamation with Transferor Company. The year end balance of Capital Reserve after writing off Goodwill of Transferor Company is Rs.19.77 lacs.

#### **Note 43 : Revised Schedule VI**

During the year ended 31st March 2012, the Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the company for preparation and presentation of its Financial Statements. Accordingly, the presentation and disclosures are made in the Financial Statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

#### **Note 44 : Previous Year Figures**

Due to the amalgamation of Versatile Chemicals Ltd (other than Investment Division) with the Company w e f 1<sup>st</sup> April, 2011, the previous year figures are not comparable.

#### **Note 45 : Capital Subsidy / Grant**

During the year, Company has received Capital Subsidy of Rs.3,00,000/- which is reduced from cost of Plant & Equipments.

**For KULKARNI & KHANOLKAR**  
Chartered Accountants  
Firm Registration No. 105407W

**For and on behalf of the Board**  
For Indo Amines Limited

**P M Parulekar**  
Partner  
Membership No. :036362

**Vijay B Palkar**  
Managing Director

**Kirit H Shah**  
Whole Time Director

Place : Mumbai  
Date : 20th November, 2012

**Rahul V Palkar**  
CFO & Director

**Jyoti U Thorve**  
Company Secretary

**Auditor's Report to the Members of INDO AMINES LIMITED**

1. We have audited the attached Consolidated Balance Sheet of Indo Amines Ltd. and its Associate Company "Indo Amines (Europe) Ltd.", as at 31<sup>st</sup> March, 2012, the statement of Profit and Loss for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the company's management & have been prepared by the Management on the basis of separate Financial Statements & other financial information regarding parent and its Associate. Our responsibility is to express an opinion on these consolidated 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 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Financial Statements of the Associate reflect the Company's Share of Profit (net) for the year ended 31<sup>st</sup> March, 2012 of Rs. 10.78 lacs ( Prev. yr Profit of Rs.8.44 lacs) We are informed that the Associate which is incorporated in UK is exempted from audit and its un-audited results have been considered while preparing the consolidated financial Statements.
4. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of the AS-23 'Accounting for Investments in Associate in consolidated Financial Statement' issued by the Institute of Chartered Accountants of India and on the basis of the separate unaudited statements of its Associate included in the Consolidated Financial Statements.
5. Further to our comments in the Annexure referred to above, we report that:
  - (i) 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;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
  - (iii) The Balance sheet, Profit and loss account and cash flow statement dealt with by this report are in agreement with the books of accounts.
  - (iv) In our opinion, the Balance Sheet, statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 ;

Subject to non availability of the audited accounts of the Associate "M/s Indo Amines (Europe) Ltd." whose accounts are incorporated in the consolidated financial statements, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true & fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March 2012;
- (b) in the case of the Consolidated statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement of the state of affairs of the company as at 31<sup>st</sup> March 2012;

**For Kulkarni & Khanolkar  
Chartered Accountants  
FRN – 105407W**

**Place: Mumbai  
Date: 20<sup>th</sup> November, 2012**

**(P. M. Parulekar)  
Partner  
M No 36362**



**INDO AMINES LIMITED**  
Consolidated Balance Sheet as at 31st March, 2012

(Rs. in Lacs)

Particulars	31-Mar-12	31-Mar-11
<b>I. EQUITY AND LIABILITIES</b>		
<b>(1) SHARE HOLDERS' FUNDS</b>		
(a) Share Capital	1,215.84	881.19
(b) Reserves and Surplus	1,490.33	1,068.33
<b>(2) NON-CURRENT LIABILITIES</b>		
(a) Long-term borrowings	806.69	1,164.23
(b) Other Long term liabilities	223.30	92.61
<b>(3) CURRENT LIABILITIES</b>		
(a) Short-term borrowings	3,416.95	1,367.14
(b) Trade payables	2,744.55	2,104.38
(c) Other current liabilities	784.03	691.15
(d) Short-term provisions	873.97	489.08
<b>Total</b>	<b>11,555.64</b>	<b>7,858.10</b>
<b>II. ASSETS</b>		
<b>(1) NON-CURRENT ASSETS</b>		
(a) Fixed assets		
(i) Tangible assets	1,944.94	1,287.29
(ii) Intangible assets	18.63	22.05
(iii) Capital work-in-progress	304.10	-
(b) Non-current investments	28.90	14.67
(c) Deferred tax assets (net)	30.83	39.99
(d) Long term loans and advances	1,759.27	1,053.66
(e) Other non-current assets	141.98	263.39
<b>(2) CURRENT ASSETS</b>		
(a) Inventories	2,437.88	1,853.81
(b) Trade receivables	4,473.15	3,080.86
(c) Cash and Bank Balances	354.88	191.53
(d) Short-term loans and advances	45.83	14.42
(e) Other current assets	15.25	36.43
<b>Total</b>	<b>11,555.64</b>	<b>7,858.10</b>

As per our report of even date attached

For KULKARNI & KHANOLKAR  
Chartered Accountants  
Firm Registration No. 105407 W

For and on behalf of the Board  
For Indo Amines Limited

P M Parulekar  
Partner  
Membership No. :036362

Vijay B Palkar  
Managing Director

Kirit H Shah  
Whole Time Director

Place : Mumbai  
Date : 20th November, 2012

Rahul V Palkar  
CFO & Director

Jyoti U Thorve  
Company Secretary



## INDO AMINES LIMITED

Consolidated Profit &amp; Loss Statement for the year ended 31 March 2012

(Rs. in Lacs)

Particulars	31-Mar-12	31-Mar-11
<b>I. Revenue from operations</b>		
Sales	20,495.65	16,512.13
(-) Excise Duty	1,362.17	864.30
	<b>19,133.48</b>	<b>15,647.83</b>
<b>II. Other Income</b>	245.17	208.13
<b>III. Total Revenue (I +II)</b>	<b>19,378.65</b>	<b>15,855.96</b>
<b>IV. Expenses:</b>		
i) Cost of materials consumed	13,870.98	7,592.10
ii) Purchase of Stock in trade	84.27	4,949.99
iii) Changes in inventories of finished goods WIP & stock in trade	(210.53)	(320.49)
iv) Employees Benefit Expenses	426.94	318.97
vi) Finance costs	448.16	226.23
vii) Depreciation and amortization expense	342.01	242.42
vi) Other expenses	3,712.43	2,412.86
<b>IV. Total Expenses</b>	<b>18,674.24</b>	<b>15,422.08</b>
<b>V. Profit before tax (III-IV)</b>	<b>704.41</b>	<b>433.88</b>
<b>VI. Tax expense :</b>		
Current Tax	(262.67)	(157.16)
Deferred Tax	(33.97)	4.94
<b>Profit before Prior Period Items</b>	<b>407.77</b>	<b>281.66</b>
Prior Period Items	(5.21)	-
<b>VII. Profit for the period (V-VII)</b>	<b>402.56</b>	<b>281.66</b>
<b>Earning Per Share before considering Prior Period Items</b>		
<b>Basic</b>	<b>3.85</b>	<b>3.14</b>
<b>Diluted</b>	<b>3.85</b>	<b>3.14</b>
<b>Earning Per Share after considering Prior Period Items</b>		
<b>Basic</b>	<b>3.81</b>	<b>-</b>
<b>Diluted</b>	<b>3.81</b>	<b>-</b>

As per our report of even date attached

For KULKARNI & KHANOLKAR  
Chartered Accountants  
Firm Registration No. 105407 W

For and on behalf of the Board  
For Indo Amines Limited

P M Parulekar  
Partner  
Membership No. :036362

Vijay B Palkar  
Managing Director

Kirit H Shah  
Whole Time Director

Place : Mumbai  
Date : 20th November, 2012

Rahul V Palkar  
CFO & Director

Jyoti U Thorpe  
Company Secretary


**AUDITORS REPORT**

We have audited the attached consolidated cash flow statement of INDO AMINES LIMITED derived from the audited financial statements, books and records maintained by the Company for the year ended 31st March, 2012 and found the same in agreement therewith.

<b>Cash Flow Statement for the year ended 31st March, 2012</b>				
<b>Particulars for the year ended</b>	<b>31-Mar-2012</b>		<b>31-Mar-2011</b>	
	<b>(Rs.in Lacs)</b>	<b>(Rs.in Lacs)</b>	<b>(Rs.in Lacs)</b>	<b>(Rs.in Lacs)</b>
<b>A. Cash Flow From Operations</b>				
Profit/(loss) before taxation		704.41		197.93
<u>Adjusted for :</u>				
Depreciation	342.01		242.42	
Profit on Sale of Car	(49.53)		(0.51)	
Interest & Finance Charges	448.16		226.23	
Bank Interest Received	(1.15)	739.51	(5.59)	462.56
<u>Operating Profit/(Loss) before Working Capital Changes:</u>		1,443.92		896.44
Trade & Other Receivables	(1,392.29)		(25.67)	
Inventories	(584.07)		(700.69)	
Trade Payables	639.37		200.42	
Other Liabilities	608.45		-	
Provision for Taxation	(296.64)		(150.46)	
Provision for Div & DDT	-			
Distribution Tax	(141.31)		(30.93)	
Loans & Advances	(594.43)	(1,760.92)	(26.95)	(734.28)
<b>Net Cash from Operations (A)</b>		<b>(317.00)</b>		<b>162.16</b>
<b>B. Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets	(1018.33)		(402.80)	
Sale of Fixed Assets	60.00		1.03	
Purchase of Investment	(12.43)		(9.96)	
Interest Received from Bank	1.14		5.59	
<b>Net Cash used in investing activity(B)</b>		<b>(969.63)</b>		<b>(406.15)</b>
<b>C. Cash Flow from Financing Activities:</b>				
Share Capital Increase	96.00		43.30	
Warrant Application Money	-		(13.04)	
Share Premium received	129.40		8.66	
Finance Received from Bank	1,632.25		663.23	
Finance from Unsecured Loans	60.01		(34.90)	
Interest & Finance Charges	(448.16)		(226.23)	
Dividend & DDT Paid	(19.52)		(72.17)	
<b>Cash Flow from Financing Activity(C)</b>		<b>1,449.99</b>		<b>368.86</b>
Net Increase in Cash & Cash Equivalents(A+B+C)		163.36		124.86
Opening Balance of Cash & Cash Equivalents		191.52		66.67
<b>Closing Balance of Cash &amp; Cash Equivalents</b>		<b>354.88</b>		<b>191.52</b>

**For KULKARNI & KHANOLKAR**  
Chartered Accountants  
Firm Registration No. 105407 W

**For and on behalf of the Board**  
For Indo Amines Limited

**P M Parulekar**  
Partner  
Membership No. :036362

**Vijay B Palkar**  
Managing Director

**Kirit H Shah**  
Whole Time Director

Place : Mumbai  
Date : 20th November, 2012

**Rahul V Palkar**  
CFO & Director

**Jyoti U Thorve**  
Company Secretary



**INDO AMINES LIMITED**

**W-44, PHASE II, MIDC, DOMBIVLI (E), DIST. THANE.**

**ATTENDANCE SLIP**

Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 19<sup>th</sup> Annual General Meeting of the Company at Registered Office of the Company on Thursday the 20<sup>th</sup> December, 2012 at AT C.K.P HALL, RAM GANESH GADKARI PATH, NEAR KARWA HOSPITAL, DOMBIVALI (EAST), THANE – 421 201.

\_\_\_\_\_  
Name of the Shareholder

\_\_\_\_\_  
Signature

Folio No. \_\_\_\_\_

\_\_\_\_\_  
(Full name of Proxy)

**Note :** No Duplicate Attendance Slip will be issued at the meeting hall. You are requested to bring your copy of Annual Report to the Meeting.

**INDO AMINES LIMITED**

**W-44, PHASE II, MIDC, DOMBIVLI (E), DIST. THANE.**

**PROXY FORM**

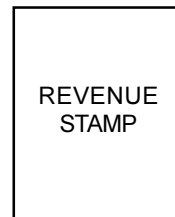
I/We.....of.....  
..... in the district of ..... being a member/members  
of the above named Company hereby appoint ..... of ..... in the district  
of..... or failing him ..... of  
..... In the district of ..... as

my / our proxy to vote for me/us on my our behalf at the **19<sup>th</sup> ANNUAL GENERAL MEETING** of the Company to be held at C.K.P. Hall, Ram Ganesh Gadkari Path, Near Karwa Hospital, Dombivali(E), Dist. Thane - 421 201, on 20, On Thursday the, **20<sup>th</sup> December, 2012** at **AT C.K.P HALL, RAM GANESH GADKARI PATH, NEAR KARWA HOSPITAL, DOMBIVALI (EAST), THANE – 421 201.** and at any adjournment thereof.

Signed this..... day of ....., 2012.

Reg. Folio No.....

No. of Shares .....



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