



**INDO BORAX
&
CHEMICALS LTD.**

30th ANNUAL REPORT 2010-2011

**BOARD OF DIRECTORS**

S.K. Jain	:	Chairman & Managing Director
Sajal Jain	:	Vice Chairman & Executive Director
Sushila Jain	:	Non Executive Director
Arun S. Sureka	:	Non Executive and Independent Director
Narendra Kumar Mittal	:	Non Executive and Independent Director
S. L. Jain (upto 30-05-2011)	:	Non Executive and Independent Director
G.R. Parmar (Appointed Additional Director on 30-05-2011)	:	Non Executive and Independent Director
Bankers	:	Syndicate Bank, Kotak Mahindra Bank Ltd, ICICI Bank Ltd, State Bank of Indore, State Bank of India.
Auditors	:	V.S. Lalpuria & Company Chartered Accountants
Registered Office	:	5A/113, Mittal Industrial Estate, M.Vassanji Road, Andheri (East), Mumbai 400 059.
Works	:	Pithampur : Sector II, Pithampur Industrial Area, Dist. Dhar (M.P.), Pin : 454 775
Registrar & Transfer Agent	:	Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai 400 072
Subsidiary Company	:	Indoborax Infrastructure Pvt. Ltd.

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the members of Indo Borax & Chemicals Ltd. will be held on 18th August, 2011 at Mini Auditorium of S.N.D.T. Women's University, Sir Vithaldas Vidya Mandir, Opp. Lido Cinema, Juhu Road, Santacruz (w), Mumbai 400 049 at 1.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the year ended on that date together with the Report of the Directors and Auditors thereon.
2. To declare a Final Dividend for the year 2010-11 on Equity Shares.
3. To appoint a Director in place of Mrs.Sushila Jain, who retires by rotation and being eligible offers herself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.

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

SPECIAL BUSINESS:

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

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

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

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



the Executive Director of the Company in consultation with the members of the Audit Committee subject, however that the aggregate of remuneration as auditors and for other services (exclusive of the applicable taxes and reasonable out of pocket expenses) in the year shall not exceed Rs. 10,00,000/- (Rupees Ten Lacs Only).”

BY ORDER OF THE BOARD
For INDO BORAX & CHEMICALS LTD

(S. K. JAIN)

Chairman & Managing Director

Mumbai; 30th May, 2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

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

2. The Register of Members and Share Transfer Books will remain closed from 12th August, 2011 to 18th August, 2011 (both days inclusive), in connection with the ensuing Annual General Meeting and the payment of dividend.
3. The final dividend as recommended by the Board of Directors, if approved by the members at the Annual General Meeting, will be paid on or after 19th August, 2011, as under:
 - a) To all beneficial owners in respect of share held in electronic form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of the business hours on 11th August, 2011;
 - b) To all shareholders in respect of shares held in physical form after giving effect to transfers in respect of complete and valid request lodged with the company on or before the close of business hours on 11th August, 2011
4. Explanatory statement in respect of Item No. 5 and 6 of the accompanying notice as required by Section 173 of the Companies Act, 1956 is annexed hereto.
5. Members holding shares in physical form are requested to immediately intimate change of address, if any, to the Registrar and Share Transfer Agent M/s. Sharex Dynamic (India) Private Ltd., quoting reference of the Registered Folio Number. Members holding shares in the electronic form are advised to inform any change in address to their respective Depository Participants. The address as furnished to the Company by the respective Depositories viz. NSDL & CDSL will be printed on the dividend envelopes. The company or its Registrars can not act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandates. Such changes

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

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

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

As required by Section 173 of the Companies Act, 1956 (“Act”) the following explanatory statements set out all material facts relating to the business mentioned under Item No. 5 and 6 of the accompanying Notice dated 30th May, 2011.

Item No. 5

The Board of Directors of your company appointed Shri. Govind R. Parmar, as an Additional Director at their meeting held on 30th May 2011, pursuant to section 260 of the Companies Act, 1956. In terms of the said section he holds office up to the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the Director of the Company.

Shri. Govind R. Parmar, is a commerce graduate having wide experience in Finance, Accounts and Administration

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

His inclusion on the Board will be beneficial to the Company.

Except, Shri. Govind R. Parmar, none of the Directors of the Company is concerned or interested in the said resolution.

The Board of Directors recommends the resolution for your approval.

Item No. 6

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

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

By Order of the Board
For Indo Borax & Chemicals Ltd

(S.K. Jain)
Chairman & Managing Director

Mumbai; 30th May, 2011

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



DIRECTORS' REPORT

To The Members of Indo Borax & Chemicals Ltd,

Your Directors have pleasure to present their 30th Annual Report and the Audited Statement of Accounts for the year ended on 31-Mar-2011.

FINANCIAL RESULTS AND OPERATIONS

The performance of the Company for the financial year ended 31-Mar-2011 is summarized below:

(Rs. in lacs)

Particulars	31-3-2011	31-3-2010
Sales	4423.82	3831.35
Less: Excise Duty	410.22	293.29
Net Sales	4013.60	3538.06
Other Income	139.18	121.44
Profit before Depreciation & Taxation	1136.88	840.44
Less : Depreciation	45.17	46.51
Provision for Taxation	355.00	329.14
Deferred Tax	(10.84)	(9.62)
Profit after Depreciation & Taxation	747.55	474.41
Balance brought forward from previous year	2517.63	2204.31
Profit available for appropriation	3265.18	2678.72
Less : Appropriations		
Proposed Final Dividend	52.22	52.22
Tax on Dividend	8.47	8.87
Transfer to General Reserve	75.00	100.00
Balance carried to Balance Sheet	3129.49	2517.63

DIVIDEND

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

SUBSIDIARY COMPANY

Last year, your company (IBCL) promoted a subsidiary company named 'INDOBORAX INFRASTRUCTURE PVT LTD' (IIPL) for carrying on business in the field of construction, real estate and infrastructure. IIPL has undertaken a 'Residential Building Project' at Santacruz, Mumbai which is progressing well.

A statement pursuant to Section 212 of the Companies Act, 1956 and audited accounts and reports of Board of Directors and Auditors for the period ended 31-03-2011 relating to the subsidiary company are attached to the accounts.

CONSOLIDATED FINANCIAL STATEMENTS

As required under clause 32 of the listing agreement, Consolidated Financial Statements for the year ended 31st March, 2011 along with report of the auditors thereon are attached herewith.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

Industry structure and development:

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

Opportunity, threats, risks and concerns

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

Segment wise or product-wise performance

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

Outlook

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

Internal control system & their adequacy

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

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

Discussion on financial performance with respect to operational performance

The sales in current year stood at Rs.4423.82 Lacs compared to Rs.3831.35 lacs in previous year. Production of boron products was 7698 MT compared to 6123 MT in previous year.

Human Resources Development & Management

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

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS

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



- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2011; the applicable accounting standards had been followed.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

DIRECTORS

Smt. Sushila Jain retires by rotation in the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment. Mr. S. L. Jain has resigned from directorship on 30th May 2011. Mr. G. R. Parmar was appointed as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 and holds office up to the date of ensuing Annual General Meeting. Company has received a notice pursuant to Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director

PERSONNEL

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

Name, Qualification, Designation	Age, Experience, Date of Joining	Remuneration Gross,	Take home pay during the year	Terms of Appointment	Previous Employment
Mr. S.K.Jain B.Sc. Managing Director	67 Years 47 Years 23-09-1980	Rs.5,923,182/-	Rs.36,42,390/-	Contractual, Governed by members' resolution	Self-Employed
Mr. Sajal Jain B. Com. Executive Director	43 Years 23 Years 01-06-1988	Rs. 5,692,014/-	Rs. 34,67,024/-	Contractual, Governed by members' resolution	First Employment

INSURANCE

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

DELISTING OF SECURITIES

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required to be furnished pursuant to section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 to the extent applicable are given in the Annexure.

CORPORATE GOVERNANCE REPORT

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

CERTIFICATE OF SECRETARIAL COMPLIANCE

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

AUDITORS

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

COMMENTS ON AUDITORS REPORT

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

COST AUDIT

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

S. K. Jain
Chairman

Mumbai,
May 30, 2011



ANNEXURE TO DIRECTORS REPORT

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

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

FORM A

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

A	Power and Fuel consumption	Unit	Current Year (ended on 31.3.2011)	Previous year (ended on 31.3.2010)
1.	Electricity			
	a) Purchased	Units / KWH	12,37,478	9,70,632
	Total amount	Rs.	63,19,263	46,10,768
	Rate / Unit	Rs.	5.10	475
	b) Own Generation			
	Through Diesel Generator	Units	24610	11,080
	Units per liter of Diesel Oil	Units	2.80	2.85
	Cost per liter	Rs.	39.55	34.48
2.	Coal			
	Quantity	M.T	4,158	3,014
	Total Cost	Rs.	1,87,58,324	1,64,64,030
	Average rate (per M.T)	Rs.	4511	5,463
3.	Furnace Oil			
	Quantity	Ltrs	Nil	Nil
	Total Amount	Rs.	Nil	Nil
	Average rate (per Ltrs.)	Rs.	Nil	Nil

B	Consumption per unit of production	Current Year (ended on 31.3.2011)		Previous Year (ended on 31.3.2010)	
		Electricity Units/KWH	Coal Kgs	Electricity Units / KWH	Coal Kgs
	Product : Boric Acid & Borax	164	540	160	492

- II. 1. **Research & Development**
The Company has no specific Research & Development Department. However quality control facilities are utilised for product and process improvement and updation.
2. **Technology Absorption**
The Company has not imported any technology.
- III. **Foreign Exchange Earnings and Outgo**
- a) Earnings : Nil
- b) Outgo
- Import of Materials : Rs. 1957.70 lacs
 - Foreign Travel : Rs. 0.14 lacs

For and on behalf of the Board of Directors

Mumbai,
May 30, 2011

S. K. Jain
Chairman



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

1 Name of the Subsidiary	Indoborax Infrastructure Pvt Ltd	
2 Financial year to which account relates	31.03.2011	03-12-2009 (date of incorporation) to 31-03-2010
3 Holding company's interest as at the close of the financial year of the subsidiary company (Shareholding %)	60%	60%
4 Net aggregate amount of subsidiary company's profits after deducting its losses or vice-versa, so far as it concerns members of holding company which are not dealt within the company's accounts	Loss Rs. 10,072/- (Previous Year Loss - Rs. 10,072/-)	Loss Rs. 10,072/- (Previous Year NA-)
5 Net aggregate amount of subsidiary company's profits after deducting its losses or vice-versa, dealt within the company's accounts	NIL (Previous Year NIL)	NIL (Previous Year NIL)

For and on behalf of the Board of Directors

Mumbai,
May 30, 2011

S. K. Jain
Chairman

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

CEO /CFO CERTIFICATION

We hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2011 and that to the best of our knowledge and belief;
- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) No transaction is entered into by the company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting

and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee:

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

For INDO BORAX & CHEMICALS LIMITED

S.K.JAIN
(Managing Director)

SAJAL JAIN
(Executive Director)

Mumbai
May 30, 2011

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

It is hereby certified and confirmed that as provided in Clause 49 I (D) of the listing agreement with the stock exchanges, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of conduct of the Company for the financial year ended 31st March, 2011.
For INDO BORAX & CHEMICALS LTD

(S.K. Jain)
Managing Director

Mumbai
May 30, 2011



REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS

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

During the financial year 2010-11 the Board of Directors met 5 times on the following dates : 31-May-2010, 11-Aug-2010, 27-Sep-2010, 10-Nov- 2010, & 05-Feb-2011.

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

Name of Director	Relationship with other Directors	Category *	Designation	No. of Board Meetings Attended	Attendance at last AGM	No. of Director ships in other Boards (Excluding alternate Directorship and private companies) **	No. of Chairmanship/ Membership in other Board Committees
Mr. S. K. Jain	Husband of Mrs. Sushila Jain	Promoter & E.D	Chairman & Managing Director	5	Yes	Nil	Nil
Mr. Sajal Jain	Son of Mr S.K. Jain. & Mrs. Sushila Jain	E.D	Vice-Chairman & Executive Director	5	Yes	Nil	Nil
Mrs. Sushila Jain	Wife of Mr. S.K.Jain	N.E.D	Director	5	Yes	Nil	Nil
Mr. Arun Sureka	None	I & N.E.D	Director	5	Yes	Nil	Nil
Mr. N. K. Mittal	None	I & N.E.D	Director	5	Yes	Nil	Nil
Mr. Shiamlal Jain	None	I & N.E.D	Director	5	Yes	Nil	Nil

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

SHAREHOLDING OF DIRECTORS (no. of shares held as on 31st March 2011)

Mr. S. K. Jain	Mrs. Sushila Jain	Mr. N. K. Mittal	Mr. Sajal Jain	Mr.S.L. Jain
3,33,824	2,88,893	600	2,73,096	85

Code of Conduct

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

3. Audit Committee

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

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



Name of Member	Designation	No. of Audit Committee meetings held	Attendance
Mr. Arun Sureka	Chairman	5	5
Mr. Narendra K. Mittal	Member	5	5
Mrs. Sushila Jain	Member	5	5

During the year under review, Audit Committee met Five times on the following dates : 31-May-2010, 11-Aug-2010, 27-Sep-2010, 10-Nov- 2010, & 05-Feb-2011.

4. Remuneration Committee:

The Remuneration Committee comprised of three independent directors viz, Mr. Arun Sureka (Chairman), Mr. N. K. Mittal (Member) and Mr. Shiamlal Jain (Member). The Remuneration Committee had no meeting during the financial year 2010-11 as there were no matters required to be considered by it.

5. Directors' Remuneration during 2010-11

Name of Director	Salary & HRA	Benefits	Commission	Meeting Fees	Total	Service Contract, Notice Period Serverance Fees
Mr. S. K. Jain	1440000	493848	3989334	Nil	5923182	Contractual
Mr. Sajal Jain	1440000	262680	3989334	Nil	5692014	Contractual
Mrs. Sushila Jain	--	--	--	30000	30000	Retirement by Rotation
Mr. Arun Sureka	--	--	--	30000	30000	Retirement by Rotation
Mr. N. K. Mittal	--	--	--	30000	30000	Retirement by Rotation
Mr. Shiamlal Jain	--	--	--	12000	12000	Retirement by Rotation

- The Company has taken Group Gratuity Policy and contribution for the Managing Director & Executive Director, is not separately determined hence not included above.
- The Managing Director's & Executive Director's commission is governed by the member's resolution passed at the A.G.M. held on 26-09-2007 & 10-07-2008 respectively. The commission is payable after approval of the accounts by shareholders in the AGM.
- The managing director's contract is for 5 years w.e.f. 01.04.2007 which may be determined by six months notice by either side.
- The Executive director's contract is for 5 years w.e.f. 26.05.2008 which may be determined by six months notice by either side.
- Mrs.Sushila Jain retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for reappointment.
- Mr. S.L. Jain has resigned from directorship on 30th May 2011.
- Mr.Govind R.Parmar was appointed as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 and holds office up to the date of ensuing Annual General Meeting. Company has received a notice pursuant to Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director.

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

Name	Govind R.Parmar	Smt. Sushila Jain
Date of Birth	25 th December, 1959,	27 th June, 1943
Date of Appointment	30 th May, 2011	21 st February, 1981
Qualification	B.COM	BA (Hons)
Expertise in specific functional area	Finance, Accounts & Administration	She has been director of the company since 1981
Directorship held in other Public Companies	NIL	NIL
Membership/Chairmanships of Board Committees	NIL	Member of Audit Committee and Shareholder / Investor Grievance Committee.
Number of shares held in the Company as on 31 st March, 2011	NIL	2,88,893



6. Shareholders' Grievance Committee

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

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

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

During the year under review, the Committee met on 5th February, 2011. There is no investor's grievance pending as on 31st March, 2011.

1 Number of Complaints received during the year ended 31.03.2011 - 4, Number of Complaints not resolved up to 31st March 2011 - Nil, Number of Share Transfers pending as on 31.03.2011 Nil -- Transfers involving -Nil-- shares, Number of Share Transfers pending for more than 30 days as on 31.03.2011 - Nil

1 Name & Designation of Compliance Officer -
Mr. Sajal Jain- Executive Director w.e.f.. 01-05-2009

7. General Body Meetings:

a) Annual General Meeting

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue	No. of Special Resolutions
2007-08	10.07.2008	1.00 p.m.	S.N.D.T. University, Juhu, Mumbai	One
2008-09	27.08.2009	1.00 p.m.	S N D T University, Juhu, Mumbai	One
2009-10	26.08.2010	1.00 p.m.	S N D T University, Juhu, Mumbai	One

b) Postal Ballot

No postal ballot was conducted during the year

8. Disclosures:

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

There were no instances of non-compliance nor have any penalties, strictures been imposed by Stock Exchange or SEBI or any other statutory authority during the last three years on any matter related to Capital markets.

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

9. Certificate from Managing Director CEO/CFO:

Certificate from Mr. S. K. Jain, Managing Director and Mr. Sajal Jain, Vice Chairman & Executive Director in terms of clause 49(V) of the Listing Agreement with Bombay Stock Exchange Ltd. for the financial year ended 31st March, 2011 was placed before the Board of Directors of the Company in its meeting dated 30th May, 2011 and enclosed herewith.

10. Means of Communication:

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

1 No presentations have been made to institutional investors or to the analysts.

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

As required, information relating to quarterly financial

results, shareholding pattern etc. were provided to BSE and is available on website www.bseindia.com and www.corpfilings.co.in

11. General Information for Shareholder:

a. Annual General Meeting

The Annual General Meeting of the Company will be held on 18th August, 2011 at 1.00 p.m. at Mini Auditorium of S.N.D.T. Women's University, Sir Vithaldas Vidya Vihar, Opp. Lido Cinema, Juhu Road, Santacruz (W), Mumbai 400 049.

b. Financial Calendar for the financial year 2011-12 (tentative)

Results for First Quarter : On or before 14th Aug., 2011

Results for Second Quarter: On or before 14th Nov., 2011

Results for Third Quarter : On or before 14th Feb., 2012

Results for the year ending 31st March 2012 : On or before 30th May, 2012

c. Date of Book Closure : 12th August 2011 to 18th August, 2011 (both days inclusive)

d. Dividend payment Date : Dividend, if declared, shall be paid/credited on or after 19th August, 2011



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

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

g. Depositories : NSDL and CDSL

h. ISIN No. : INE803D01013.

i. Listing Fees for 2011-12 : Paid for the Bombay Stock Exchange Ltd

j. Custodial Fees to Depositories : Paid to National Security Depository Ltd & Central Depository Services (I) Ltd for the year 2011-12

k. Monthly high / low price at The Bombay Stock Exchange Ltd (Financial Year 2010-11)

Month	High (Rs.)	Low (Rs.)	BSE Sensex High	BSE Sensex Low
April 2010	78.30	69.35	17970.02	17380.08
May 2010	75.60	61.45	17386.08	16022.48
June 2010	70.55	63.45	17876.55	16572.03
July 2010	70.50	62.60	18130.98	17441.44
August 2010	74.60	64.80	18454.94	17971.12
September 2010	74.80	67.95	20117.38	18205.87
October 2010	73.10	68.25	20687.88	19872.15
November 2010	80.90	68.45	21004.96	19136.61
December 2010	87.05	70.65	20509.09	19242.36
January 2011	89.85	74.35	20561.05	18327.76
February 2011	85.40	72.60	18506.82	17463.04
March 2011	84.85	80.60	19445.22	17839.05

l. Registrar and Transfer (R & T) Agents

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

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

m. Share Transfer System

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

n. Dematerialization of Shares

As on 31-Mar-2011, 16,60,950 equity shares representing 47.71% of the Company's paid-up equity share capital is held in electronic form.

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

o. Distribution of Shareholding as on 31-Mar-2011:

Number of equity shares held	No. of Share holders	%	No. Of Shares	%
1 - 100	4235	64.12	356355	10.24
101 - 200	1090	16.50	209200	6.01
201 - 500	740	11.20	287652	8.26
501 - 1000	281	4.26	234353	6.73
1001 - 5000	210	3.18	498916	14.33
5001 - 10000	27	0.41	183034	5.26
10001 - 100000	16	0.24	481460	13.83
100001 & Above	6	0.09	1230030	35.34
Total	6605	100.00	3481000	100.00
In Physical Form	2910	44.06	1820050	52.29
In Electronic Form	3695	55.94	1660950	47.71

Shareholding Pattern as on 31-Mar-2011

Sr. No.	Category of Holders	No. of Shares	% to Total Shares
1	Indian Promoters	14,37,365	41.29
2	Financial Inst./Mutual Funds/ Banks	3,800	0.11
3	Non-Residents/FIIs/ OCBs	1,66,728	4.79
4	Other Corporate Bodies	3,24,768	9.33
5	Indian Public	15,46,021	44.41
6	Clearing Members	2,318	0.07
	Total	34,81,000	100.00



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

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

q. Location of Plant Facilities

Plant locations : Plot No. 43 to 46, 47A, 48, 48A, Industrial Estate, Sector II,
Pithampur 454 775. (M.P.)

r. Address for Correspondence

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

By Order of the Board of Directors

S. K. Jain
Managing Director

Mumbai
May 30, 2011

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Indo Borax & Chemicals Ltd.

We have examined record concerning the compliance of conditions of Corporate Governance by Indo Borax & Chemicals Ltd. for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

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

For **V. S. Lalpuria & Company**
Chartered Accountants

V. S. Lalpuria
Proprietor

Place: Mumbai
Date: May 30, 2011



Pravin Chavan & Associates

Company Secretaries

Nominal Capital : Rs. 6,00,00,000/-
Paid up Capital : Rs. 3,48,10,000/-

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

COMPLIANCE CERTIFICATE

We have examined the registers, records, books and papers of Indo Borax & Chemicals Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In our opinion and to the best of our information and according to the explanations carried out by us and explanations furnished to us by the company, its officers and agent, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provision and the rules made there under and all entries therein have been duly recorded.
 2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Directors, Central Government, Company Law Board or other authorities within the time prescribed/by paying additional fees as prescribed under the Act and the rules made there under.
 3. The Company being Public Limited, comments are not required.
 4. The Board of Directors duly met **5 (Five)** times on **31-May-2010, 11-Aug-2010, 27-Sept-2010, 10-Nov-2010 and 5th-February-2011** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
 5. The company closed its Register of Members from **20-Aug-2010 to 26-Aug-2010** and necessary compliance of **Section 154** of the Act has been made.
 6. The Annual General Meeting for the financial year ended on **31st March, 2010** was held on **26-Aug-2010** after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
 7. There was no extra ordinary meeting was held during the financial year.
 8. The Company has not advanced any loans to its directors and/or persons or firms or companies referred in the section 295.
 9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
 10. The company has made necessary entries in the register maintained under section 301 of the Act.
 11. The company has obtained necessary approvals from the Board of Directors, Members and previous approval of the Central Government pursuant to section 314 of the Act wherever applicable.
 12. The Board of Directors has approved the issue of duplicate share certificates during the financial year.
 13. The company has:
 - i) delivered all the certificates and lodgment thereof for transfer /transmission or any other purpose in accordance with the provision of the Act.
 - ii) deposited the amount of dividend declared in a separated Bank Account on 28-Aug-2010 which is within five days from the date of declaration of such dividend.
 - iii) paid /posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Dividend Account of the Company with Kotak Mahindra Bank Ltd.
 - iv) no amount outstanding in respect of unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed and unpaid for the period of seven years and liable to be transferred to Investor Education and Protection Fund.
 - v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was an appointment of additional director, however there were no appointment of alternate directors and directors to fill casual vacancy during the financial year.
 15. The Company has not appointed any Managing Director/Whole time Director/Manager during the financial year.
 16. Company has not appointed any sole-selling agents during the financial year.
 17. The company has duly obtained necessary approvals of the Central Government, Registrar or such authorities as may be prescribed under various provisions of the Act.
 18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to Section 299 of the Act and the rules made thereunder.
 19. The Company has not issued any shares/debentures/other securities during the financial year.
 20. The company has not bought back any shares during the financial year.
 21. There was no redemption of preference shares or debentures during the financial year.
 22. There were no transactions necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with provisions of the Act.
 23. The company has not accepted any deposits under section 58A and 58AA read with Companies (Acceptance of Deposits) Rules, 1975.
 24. The Company has not made any borrowings during the financial year ended 31st March, 2011.
 25. The company has made loans and investments in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
 26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
 27. The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
 28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
 29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
 30. The company has not altered the provisions of the Articles of Association during the financial year under scrutiny.
 31. So far the information provided to us, the company has not received any show cause notice for any alleged offence/violation under the Companies Act, 1956 or listing agreement or SEBI guidelines and no fine, penalty imposed on the Company in this regard during the year under review.



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

For PRAVIN CHAVAN & ASSOCIATES
 Company Secretaries

Mumbai
 30th May, 2011

Pravin Chavan
 Proprietor
 C. P. No.8390

Other Registers

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

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

For PRAVIN CHAVAN & ASSOCIATES
 Company Secretaries

Pravin Chavan
 Proprietor
 C. P. No.8390

Mumbai
 30th May, 2011

Annexure "B"

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2011.

Sr. No.	Form No./ Return	Filed Under Section	For	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fees paid Yes/No
01.	Form No. 32	303(2)	Appointment of Director	08/07/2010	No	Yes
02.	Form No. 66	383A	Compliance Certificate for the year ended 31.03.2010	24/09/2010	No	Yes
03.	Form No. CAR	233B(4)	Cost Audit Report	29/09/2010	Yes	N.A.
04.	Form No. 20B / Annual Return	159	Annual Return for 2009-2010	06/10/2010	Yes	N.A.
05.	Form No. 23C	233B	Approval of Central Govt. Towards appointment of Cost Auditor	06/10/2010	Yes	N.A.
06.	Form No. 23	192	Registration of Special Resolution	13/10/2010	No	Yes
07.	Form No. 32	303(2)	Resignation of Director	13/10/2010	No	Yes
08.	Form No. 23AC/ACA Annual Accounts	220	Balance Sheet and Profit & Loss Account for the year ended 31/03/10	24/10/2010	No	Yes

For PRAVIN CHAVAN & ASSOCIATES
 Company Secretaries

Pravin Chavan
 Proprietor
 C. P. No.8390

Mumbai
 30th May, 2011

**V. S. LALPURIA & CO.**
CHARTERED ACCOUNTANTS**ANNEXURE TO THE AUDITORS' REPORT****REPORT OF AUDITORS TO THE MEMBERS**

1. We have audited the attached Balance Sheet of M/s. **INDO BORAX & CHEMICALS LTD** as at 31st March, 2011 and related Profit & Loss Account and Cash Flow Statement of the company for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express our opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies Auditor's Report (Amendment) Order, 2004 (together 'the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Companies Act, 1956 of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - c. The Balance Sheet, Profit & Loss Account and the Cash Flow statement dealt with by this report are in agreement with the Books of account;
 - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in Section (3C) of Section 211 of the Act;
 - e. On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Act;
 - f. In our opinion and to the best of our information and according to the explanation given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2011;
 - ii. in the case of Profit & Loss Account, of the Profit for the year ended on that date; and
 - iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

(V. S. LALPURIA)
Proprietor

MUMBAI
May 30, 2011

Statement referred to in paragraph 3 of the Auditors' Report of even date to the Members of **INDO BORAX & CHEMICALS LTD.** on the accounts for the year ended 31st March, 2011:

- 1
 - a The Company has maintained proper records showing full particulars, including quantitative details and situation of all its fixed assets
 - b The Fixed Assets of the Company were physically verified by the management of the year end and according to the information and explanations given to us, no material discrepancies were noticed on physical verification carried out during the financial year.
 - c In our opinion and according to the information and explanations given to us, the Company has not disposed off substantial part of its fixed assets during the year, so as to affect its going concern status.
- 2
 - a As per the information furnished, the inventories (excluding material in transit) have been physically verified during the year by the management. In our opinion, having regard to the nature of stocks, the frequency of the physical verification is reasonable.
 - b In our opinion the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business as one of the raw material is in semi loose form and it is difficult to weigh, hence stock is estimated as per experience in the field by the management and we have relied on estimate of management.
 - c On the basis of our examination of the inventory records of the Company, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stock as compared to book records are not material and the same have been properly dealt within the Books of Account.
- 3
 - a The Company has given loans to a subsidiary of the Company. In respect of the said loans, the maximum amount outstanding at any time during the year is Rs.4.98 crore and the year-end balance is Rs.4.74 crore.
 - b In our opinion and according to the information and explanations given to us, the rate of interest, and other terms and conditions, are not prima facie prejudicial to the interest of the Company.
 - c The principal amounts are repayable on demand and there is no repayment schedule. The interest is payable on demand.
 - d In respect of the said loans, the same are repayable on demand and therefore the question of overdue amounts does not arise. In respect of interest, there are no overdue amounts.
 - e The company has not taken any loan during the year from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.
- 4 In our opinion and according to the information and



- explanations given to us, having regard to the explanation certain items purchased are of special nature of which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with size of the Company and the nature of its business, for purchases of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examinations of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- 5 a In our opinion and according to the information and explanations given to us, the particulars of a contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that Section.
- b In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements, exceeding rupees five lakh in respect of any party during the year.
- 6 According to the information and explanations given to us, the Company has not accepted any deposits from the Public. Therefore, the provisions of clause (vi) of paragraph 4 of the order are not applicable to the company
- 7 In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- 8 We have broadly reviewed the books of account and records maintained by the Company in respect of products which, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prime facie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 9 a According to the information and explanation given to us and the records of the company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, service tax, custom duty, excise duty, cess and other statutory dues applicable with the appropriate authorities. According to the information and explanations given to us no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March 2011 for a period of more than six months from the date they become payable.
- b According to the information and explanation given to us the records of the Company examined by us, there are no dues outstanding which have not been deposited on account of any dispute.
- 10 The Company does not have accumulated losses at the end of the financial year. The company has not incurred any cash losses during the financial year covered by the Audit and in immediately preceding financial year.
- 11 According to the records of the Company examined by us and the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- 12 In our opinion and according to the explanations given to us and based on the information available no loans and/or advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the company is not a chit fund/nidhi/mutual benefit fund/societies. Therefore the provision of clause (xiii) of paragraph 4 of the order are not applicable to the company.
- 14 The company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made there-in. All shares securities, debenture and other investments has been held by the company in its own name and through Portfolio Management Scheme.
- 15 In our opinion and according to the information and explanation given to us, the Company has not given any guarantees for loan taken by others from bank or financial institutions during the year.
- 16 According to the information and explanations given to us, no term loan have been raised by the Company.
- 17 As per information and explain given to us and on the basis of an overall examination of the Balance Sheet of the Company, we are of opinion that there are no funds raised on short term basis which have been used for long term investments.
- 18 The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act, during the year.
- 19 The Company has not issued any debentures during the year by creating securities / charges.
- 20 The Company has not raised any money by public issues during the year.
- 21 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

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

MUMBAI
May 30,, 2011


BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedules	Rupees <u>31-Mar-11</u>	Rupees <u>31-Mar10</u>
I. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	I	34,810,000	34,810,000
b) Reserves & Surplus	II	<u>388,871,442</u>	<u>320,185,274</u>
		<u>423,681,442</u>	<u>354,995,274</u>
2. LOAN FUNDS			
Unsecured Loans	III	405,240	405,240
		—	—
		<u>405,240</u>	<u>405,240</u>
3. DEFERRED TAX LIABILITY (NET)			
		<u>4,010,952</u>	<u>5,095,091</u>
TOTAL		<u>428,097,634</u>	<u>360,495,605</u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS			
a) Gross Block	IV	85,261,874	82,718,015
b) Less : Depreciation		<u>59,685,637</u>	<u>55,206,114</u>
c) Net Block		<u>25,576,237</u>	<u>27,511,901</u>
2. INVESTMENTS			
	V	<u>84,813,019</u>	<u>82,125,930</u>
3. CURRENT ASSETS AND LOANS & ADVANCES			
a) Inventories	VI	111,523,712	34,569,895
b) Sundry Debtors		25,023,523	13,266,786
c) Cash & Bank Balances		60,767,666	33,829,658
d) Other Current Assets		379,739	2,125,731
e) Loans & Advances		<u>192,957,821</u>	<u>226,095,980</u>
		<u>390,652,461</u>	<u>309,888,050</u>
Less : Current Liabilities & Provisions	VII	<u>72,944,083</u>	<u>59,030,276</u>
Net Current Assets		<u>317,708,378</u>	<u>250,857,774</u>
TOTAL		<u>428,097,634</u>	<u>360,495,605</u>

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

XIV

As per our report of even date.

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

Sushila Jain - Director
Arun S.Sureka - Director

S.K.Jain
Chairman & Managing Director.

V.S.LALPURIA
Proprietor
M. No. 15926

Narendrakumar Mittal - Director
S.L.Jain -Director

Sajal S. Jain
Vice Chairman &
Executive Director

Mumbai, May 30, 2011


PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011.

	Schedules	Rupees <u>31-Mar-11</u>	Rupees <u>31-Mar-10</u>
INCOME			
Sales (Including Excise Duty)		442,382,840	383,135,685
Less: Excise Duty		<u>41,022,443</u>	<u>29,329,352</u>
Net Sales		401,360,397	353,806,333
Other Income	VIII	<u>13,918,120</u>	<u>12,144,180</u>
Total Income		<u>415,278,517</u>	<u>365,950,513</u>
EXPENDITURE			
Inventory Adjustments	IX	(9,722,528)	11,532,593
Raw Materials & Goods consumed and Traded	X	208,930,812	168,824,710
Staff Cost	XI	10,335,992	8,012,035
Manufacturing & Other Expenses	XII	92,044,577	93,413,482
Interest	XIII	1,750	123,349
Depreciation		<u>4,517,286</u>	<u>4,651,317</u>
Total Expenditure		<u>306,107,889</u>	<u>286,557,486</u>
PROFIT BEFORE TAX		109,170,628	79,393,027
Less : a) Current Tax		35,500,000	33,100,000
b) Deferred Tax		(1,084,139)	(962,413)
c) Adjustment for Tax Provision for earlier years		--	(185,541)
Total Tax		<u>34,415,861</u>	<u>31,952,046</u>
PROFIT AFTER TAX		74,754,767	47,440,981
Add: Profit Brought forward from Previous Year		<u>251,763,267</u>	<u>220,431,221</u>
		326,518,034	267,872,202
Less : Transfer to General Reserve		7,500,000	10,000,000
Less : Proposed Dividend		5,221,500	5,221,500
Less : Tax on Dividend		847,099	887,435
BALANCE CARRIED TO BALANCE SHEET		<u>312,949,435</u>	<u>251,763,267</u>

Basic and diluted earning per share.(Face Value Rs. 10/- each) 21.48 13.63

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

As per our report of even date.

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

Sushila Jain - Director
Arun S.Sureka - Director

S.K.Jain
Chairman & Managing Director.

V.S.LALPURIA
Proprietor
M. No. 15926

Narendrakumar Mittal - Director
S.L.Jain -Director

Sajal S. Jain
Vice Chairman &
Executive Director

Mumbai, May 30, 2011


CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

	Rupees Year ended 31.03.2011	Rupees Year ended 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items adjusted.	109170628	79393027
Adjustments for :		
Depreciation	4517286	4651317
Profit/loss on sale/discarding of assets	(8849)	0
Profit/loss on sale of investment	(1092304)	16765258
Dividend/interest from investments	(11943531)	(9778627)
Interest expense	1750	123349
	<u>(8525648)</u>	<u>11761297</u>
Operating profit before working capital changes	100644980	91154324
Adjustments for :		
Trade and other Receivables	(10010745)	9743179
Inventories	(76953817)	90810527
Loans & Advances	43288434	(115393681)
Trade payable	11554143	(14081005)
	<u>(32121986)</u>	<u>(28920981)</u>
Cash generated from operations	68522994	62233343
Interest expense	(1750)	(123349)
Income-Tax	<u>(38991460)</u>	<u>(36314237)</u>
	<u>(38993210)</u>	<u>(36437586)</u>
Cash Flow before extraordinary items	29529785	25795757
Extraordinary items	0	0
Net Cash Flow from Operating activities --- A	<u>29529785</u>	<u>25795757</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2581623)	(729116)
Sale of Fixed assets	8850	0
Investment in Subsidiaries	0	(60000)
Advances to Subsidiaries	(4258815)	(43149457)
Income from Investments	13035835	(6986631)
Investments in Mutual Fund/Shares	(2687089)	26399324
Net Cash used in Investing Activities --- B	<u>3517158</u>	<u>(24525880)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long term borrowings	0	0
Short term borrowings	0	(18363948)
Unsecured loans	0	0
Dividend & Dividend Tax paid	(6108935)	(6108935)
Net Cash from Financing Activities --- C	<u>(6108935)</u>	<u>(24472883)</u>
Net Increase / (decrease) in Cash and Cash equivalent	<u>26938008</u>	<u>(23203006)</u>
Cash & Cash Equivalent at the beginning of the year	33829658	57032664
Cash & Cash Equivalent end of the year	<u><u>60767666</u></u>	<u><u>33829658</u></u>

Note : Figures in brackets represent outflows

As per our report of even date.

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

Sushila Jain - Director
Arun S.Sureka - Director

S.K.Jain
Chairman & Managing Director.

V.S.LALPURIA
Proprietor
M. No. 15926

Narendrakumar Mittal - Director
S.L.Jain -Director

Sajal S. Jain
Vice Chairman &
Executive Director

Mumbai, May 30, 2011



**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED 31ST MARCH, 2011**

	<u>Rupees</u> <u>31-Mar-11</u>	<u>Rupees</u> <u>31-Mar-10</u>
SCHEDULE I		
SHARE CAPITAL		
<u>Authorised Capital</u>		
60,00,000 Equity Shares of Rs.10/- each	<u>60,00,000</u>	<u>60,00,000</u>
<u>Issued & Subscribed</u>		
35,00,000 Equity Shares of Rs.10/- each	<u>35,00,000</u>	<u>35,00,000</u>
<u>Paid up</u>		
34,81,000 Equity Shares of Rs.10/- each	<u>34,81,000</u>	<u>34,81,000</u>
Total	<u><u>34,81,000</u></u>	<u><u>34,81,000</u></u>
SCHEDULE II		
RESERVES & SURPLUS		
Share Forfeiture Account		
Balance Brought Forward	139,350	139,350
Share Premium Account		
Balance Brought Forward	12,905,000	12,905,000
General Reserve		
Balance Brought Forward	55,377,657	45,377,657
Add: Transfer from Profit & Loss A/c	<u>7,500,000</u>	<u>10,000,000</u>
	62,877,657	55,377,657
Balance as per Profit & Loss Account.	<u>312,949,435</u>	<u>251,763,267</u>
Total	<u><u>388,871,442</u></u>	<u><u>320,185,274</u></u>
SCHEDULE III		
UNSECURED LOANS		
From Development Corporation of Konkan Limited		
	<u>405,240</u>	<u>405,240</u>
Total	<u><u>405,240</u></u>	<u><u>405,240</u></u>

SCHEDULE IV
Fixed Assets

Sr. No	Particulars of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		Cost as on 01-04-2010	Addition during the year	Sale/Adj. during the year	Total as on 31-03-2011	Balance as on 01-04-2010	For the Year	Sale/Adj. during the year	Total as on 31-03-2011	As on 31-03-2011	As on 31-03-2010
1	Leasehold Land-PIT	1005924	0	0	1005924	0	0	0	0	1005924	1005924
2	Factory Building & Others	15379170	0	0	15379170	7829890	504133	0	8334023	7045147	7549280
3	Plant & Machinery	51033363	1366763	0	52400126	37721999	2712500	0	40434499	11965627	13311364
4	Electrical Installation	2565553	0	0	2565553	1806189	121864	0	1928053	637500	759364
5	Furniture & Fixtures & Office Equipments	4184897	8145	0	4193042	2714705	294000	0	3008705	1184337	1470192
6	Vehicles	8549108	1206715	37764	9718059	5133331	884789	37763	5980357	3737702	3415777
	Total	82718015	2581623	37764	85261874	55206114	4517286	37763	59685637	25576237	27511901
	Previous Year	81988899	729116	0	82718015	50554797	4651317	0	55206114	27511901	31434102



**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED 31ST MARCH, 2011**

				Rupees 31-Mar-11	Rupees 31-Mar-10
SCHEDULE V INVESTMENTS					
Particulars	Face Value Rs.	No of Units/Shares			
		Current Year	Previous Year		
A. Investment in Subsidiary Companies					
Indoborax Infrastructure Pvt. Ltd.	10	6000	6000	60000	60000
Sub-total (A)				<u>60000</u>	<u>60000</u>
B. Non-Trade Investments					
(1) Current Investments					
(At lower of cost or market value)					
Kotak Floater (S. Term) Growth Fund	10	0	43877	—	660,817
Kotak Floater - Long. Term (G)	10	37271	0	569,781	—
ICICI Prudential Liquid Plan IP	100	132363	200632	13,239,275	20,040,672
Sub-total (B) (1)				<u>13,809,056</u>	<u>20,701,489</u>
(2) Long Term Investments					
(At cost)					
(a) Mutual Funds					
HDFC FMP 370D M-2011-Growth	10	1000000	0	10,000,000	—
Kotak Global Emerging India Mkt Fund	10	1000000	1000000	10,000,000	10,000,000
Kotak Indo World Infrastructure Fund	10	1000000	1000000	10,000,000	10,000,000
Reliance Banking Fund	10	186895	186895	5,000,000	5,000,000
Reliance Diversified Power Sector Fund	10	105491	105491	5,000,000	5,000,000
Reliance Equity Advantage Fund	10	488998	488998	5,000,000	5,000,000
DSPML Opportunities Fund	10	185357	185357	5,000,000	5,000,000
Franklin India High Growth Companies Fund	10	488998	488998	5,000,000	5,000,000
Sub-total (2a)				<u>55,000,000</u>	<u>45,000,000</u>
Year end NAV of long-term investment in Mutual Funds Rs. 5,62,44,466/- (Previous Year Rs. 4,36,28,263/-)					



**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED 31ST MARCH, 2011**

				Rupees 31-Mar-11	Rupees 31-Mar-10
b) Equity Shares (Fully paid - quoted)					
Ashok Leyland Ltd	1	0	7500	—	419,625
Bharat Heavy Electricals Ltd	10	0	200	—	454,234
Bharati Airtel Ltd	5	1250	1250	532,325	532,325
Coromandal International Ltd	1(2)	600	400	96,036	128,048
Central Bank of India	10	2000	0	290,490	—
Century Textiles & Industries Ltd.	10	250	0	126,053	—
Divi's Laboratories Ltd	2	850	850	806,520	806,520
Escorts India Ltd	10	1500	0	353,730	—
Federal Bank Ltd	10	0	2000	—	493,700
ICICI Bank Ltd	10	1000	850	1,140,341	993,360
Infosys Technologies Ltd	5	100	0	300,511	—
Infrastructure Development Finance Co. Ltd	10	1250	0	226,140	—
IRB Infrastructure Developers Ltd	10	600	1200	148,602	312,072
J. Kumar Infraprojects Ltd	10	0	2000	—	376,485
Jagran Prakashan Ltd	2	4550	4550	728,217	728,217
Jaiprakash Associates Ltd	2	4500	4500	1,359,496	1,359,496
Jindal Steel & Power Ltd	1	300	0	212,091	—
Kalindi Rail Nirman Eng Ltd	10	0	1500	—	273,125
Kamanwala Industries Ltd	10	57395	57395	3,047,081	3,047,081
L & T Ltd	2	400	300	277,869	—
Lupin Ltd	2	750	0	273,203	—
Mphasis Ltd	10	300	300	237,498	237,498
National Thermal Power Corp Ltd	10	3000	5000	591,070	1,003,025
Nagarjun Construction Co. Ltd	10	1500	0	268,790	—
Punj Lloyd Ltd	2	4000	4000	1,259,909	1,259,909
Punjab National Bank	10	200	500	191,164	470,513
Reliance Communications Ltd	5	2000	2000	1,007,500	1,007,500
Reliance Industries Ltd	10	800	800	916,841	916,841
Reliance Media Works Ltd	5	675	675	433,583	433,583
Rural Elec Corpn Ltd	10	0	650	—	126,087
State Bank of India	10	150	0	418,229	—
Sun Pharmaceuticals Ltd	1(5)	1500	350	462,854	539,997
Unity Projects Ltd	2	2000	0	234,820	—
Uco Bank	10	0	7500	—	442,200
Sub-total (B) (2b)				15,940,963	16,361,441
Market Value of long-term investment in quoted shares Rs. 1,12,92,552/- (Previous Year Rs.1,38,74,642/-)					
(c) Equity Shares (Fully paid - unquoted)					
Pavitra Jewellery Pvt Ltd	10	1	1	3,000	3,000
Sub-total (B) (2c)				3,000	3,000



**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED 31ST MARCH, 2011**

Rupees
31-Mar-11 Rupees
31-Mar-10

Investments purchased and sold during the year

Particulars	Face Value Rs.	No. of Units/ Shares	Cost Rs.
UTI Treasury advantage Fund	1000	4810	5,000,000
ICICI Prudential Liquid Plan	10	2109133	210,960,725
HDFC Cash Management Fund (Treasury Advantage Plan)	10	498688	5,000,000
Kotak Floater Long Term	10	202521	3,039,949
Kotak Floater Short Term	10	125395	1,901,030
Canara Bank	10	500	241,215
Eicher Motors Ltd	10	500	519,235
IDBI Bank Ltd	10	1500	226,770
Infrastructure Development Finance Co. Ltd	10	750	136,905
Jindal steel & Power Ltd	1	200	141,394
Lupin Ltd	2	250	91,068
Mahindra & Mahindra Ltd	5	750	457,972
Reliance Capital Ltd	10	500	398,595
Shree Renuka Sugars Ltd	1	7500	417,675
Unity Infraprojects Ltd	2	1000	117,410

Total 84,813,019 82,125,930

Rupees
31-Mar-11 Rupees
31-Mar-10

Rupees
31-Mar-11 Rupees
31-Mar-10

SCHEDULE VI
CURRENT ASSETS AND LOANS & ADVANCES
a. Inventories

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

Stores , Spares , Packing Materials, Fuel etc.

8,864,505 2,514,614

Stock in Trade

-- Raw Materials	85,246,652	25,823,010
-- Semi-Finished Goods	1,836,761	2,110,191
-- Finished Goods	15,575,794	4,122,080
Total (a)	<u>111,523,712</u>	<u>34,569,895</u>

b. Sundry Debtors

(Unsecured, considered good)

Debts outstanding for period exceeding six months

605,997 290,722

Other Debts.

24,417,526 12,976,064

Total (b)

25,023,523 13,266,786

c. Cash & Bank Balances

Cash on Hand

66,921 76,690

Balances in Scheduled Banks

--- In Current Accounts 7,576,833 1,570,622

– In Unclaimed Dividend

Accounts 1,467,612 936,046

– In Fixed Deposit Accounts

51,656,300 31,246,300

(Pledged/ deposited against Bank Overdraft, guarantees and to the Govt authorities Rs 1,76,300/- Previous Year Rs. 1,76,300/-)

Total (c) 60,767,666 33,829,658

d. Other Current assets

Interest receivable 379,739 1,862,003

Dividend receivable - 263,728

Total (d) 379,739 2,125,731

e. Loans & Advances

(Unsecured, considered good)

Loans and Advances recoverable in cash or in kind or

for value to be received 107,575,680 151,177,411

Loans & Advances to Subsidiary 47,408,272 43,149,457

Advances to Staff 731,184 752,633

Deposits with Government & Other

Departments 1,433,173 1,098,427

Advance Tax (Including T.D.S) 35,809,512 29,918,052

Total (e) 192,957,821 226,095,980

Total (a + b + c + d + e) 390,652,461 309,888,050



**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED 31ST MARCH, 2011**

	Rupees 31-Mar-11	Rupees 31-Mar-10
SCHEDULE VII		
CURRENT LIABILITIES & PROVISIONS		
a. Current Liabilities		
Sundry Creditors for Trade & Expenses	20,231,126	15,099,497
Unpaid dividend (Not due for credit to Investor Education and Protection Fund)	1,974,960	1,381,736
Advances Received from Customers	9,161,958	3,332,668
Total (a)	31,368,044	19,813,901
b. Provisions		
Income Tax & FBT	35,507,481	33,107,481
Proposed Dividend	5,221,500	5,221,500
Tax on Proposed Dividend Distribution	847,058	887,394
Total (b)	41,576,039	39,216,375
Total (a + b)	72,944,083	59,030,276

SCHEDULE VIII		
OTHER INCOME		
Interest Received (TDS Rs. 7,05,387/- Previous Year Rs. 7,88,225/-)	7,064,715	7,605,628
Dividend received cash/liquid fund (Current Investments)	2,835,236	852,745
Dividend received on investments	2,043,580	1,320,254
Profit on sale of investments	1,110,884	2,317,907
Profit on sale of assets	8,849	-
Bed-Debts Recovered	707,075	-
Miscellaneous Incomes & Credits	147,781	47,646
Total	13,918,120	12,144,180

SCHEDULE IX		
INVENTORY ADJUSTMENTS		
Opening Stock		
- Finished Goods	4,122,080	18,033,512
Opening Stock		
- Semi Finished Goods	2,110,191	1,410,057
Closing Stock		
- Finished Goods	(15,575,794)	(4,122,080)
Closing Stock		
- Semi Finished Goods	(1,836,761)	(2,110,191)
Neutralisation of Excise Duty included in Opening and Closing Stock of Finished Goods	1,457,756	(1,678,705)
Total	(9,722,528)	11,532,593

SCHEDULE X		
RAW MATERIALS AND GOODS CONSUMED AND TRADED		
Opening Stock	25,823,010	103,258,098
Add : Purchases	268,354,454	91,389,622
	294,177,464	194,647,720
Less : Closing Stocks	85,246,652	25,823,010
Total	208,930,812	168,824,710

	Rupees 31-Mar-11	Rupees 31-Mar-10
SCHEDULE XI		
STAFF COST		
Salaries, Wages and Bonus	8,771,776	7,093,471
Workmen & Staff Welfare	143,844	105,443
Employers Contribution to Provident Fund & Other Funds	831,339	758,011
Gratuity Contribution/Payment	589,033	55,110
Total	10,335,992	8,012,035

SCHEDULE XII		
MANUFACTURING & OTHER EXPENSES.		
Consumption of Stores, Spares & Packing Materials	8,217,887	7,258,460
Power & Fuel	25,424,940	21,206,946
Water Charges	109,001	118,104
Factory Expenses	7,385,246	7,097,112
Excise Duty	102,000	193,744
Rates & Taxes	200,559	214,883
Rent and Other Charges	742,820	739,693
Repairs - Plant & Machineries	1,376,715	1,658,137
Repairs - Building	7,903,359	271,608
Repairs - Others	452,371	101,551
Insurance Charges	213,633	192,431
Travelling & Conveyance	1,133,243	3,410,170
Printing & Stationery	236,388	198,015
Postage , Telegram & Telephone	553,579	530,376
Directors Remuneration	11,406,062	10,023,169
Directors Sitting Fees	102,000	156,000
Payment to Auditors	595,000	597,500
Legal & Professional Charges	2,922,717	2,086,334
Motor Car & Vehicle Expenses	871,246	556,532
Freight , Coolie & Cartage	12,601,002	8,397,320
Advertisement & Sales		
Promotion Expenses	197,481	174,359
Commission & Brokerage	4,971,835	4,951,656
Discount & Rebate	1,732	-
Miscellaneous Expenses	525,515	2,097,703
Bank Charges	123,970	58,731
Sales Tax paid	25	89,946
Entry Tax	3,545,671	1,949,837
Donation	110,000	-
Loss on sale of investments	18,580	19,083,165
Total	92,044,577	93,413,482

SCHEDULE XIII		
INTEREST		
Interest to bank & others	1,750	123,349
Total	1,750	123,349



**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED 31ST MARCH, 2011**

SCHEDULE XIV

**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR
THE YEAR ENDED 31st MARCH 2011.**

I SIGNIFICANT ACCOUNTING POLICIES

a) METHOD OF ACCOUNTING

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

b) FIXED ASSETS

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

c) DEPRECIATION

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

d) INVESTMENTS

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

e) INVENTORIES

- i) Stores and spares, packing material and fuel are valued at Cost.
- ii) Raw materials are valued at cost or in case where the resultant finished goods are expected to be sold at less than cost, at net realisable value.
- iii) Semi finished Goods are valued at estimated cost.
- iv) Finished goods are valued at cost or net realisable value whichever is lower.

f) FOREIGN CURRENCY TRANSACTIONS.

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

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

g) SALES

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

h) EMPLOYEES BENEFITS

Defined Contribution Benefits

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

Defined Benefit Plan

- i. The payments to Life Insurance Corporation of India for all the employees covered under 'Employees Group Gratuity cum Life Assurance Scheme' are based on amount of premium determined by them. Premiums so paid/payable for the year adjusted for effect of actuarial valuation at year end are recognized in the profit & loss account.
- ii. Annual Leave Encashment is accounted on accrual basis.

i) CONTINGENT LIABILITY

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

j) DEFERRED TAXATION

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

k) SEGMENT REPORTING

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

II NOTES ON ACCOUNTS

- 1 Contingent Liabilities not provided for
 - a) Guarantees given by the bankers of the Company Rs. 1,65,000/- (Previous Year Rs. 1,65,000/-)
 - b) Overdue interest on loan from Development Corporation of Konkan Ltd. Rs.6,61,389/- (Previous Year Rs.5,98,571/-)
- 2 Previous year figures have been rearranged/regrouped, wherever necessary, to make them comparable with current year figures.



SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

3	Payment to Statutory Auditors.	Current Year Rupees	Previous Year Rupees
a)	As Auditors	250,000	150,000
b)	In Other Capacity		
	For Tax Audit	100,000	60,000
	For Certification	234,000	231,500
	For Taxation Matters	11,000	1,56,000
	Total	595,000	597,500

4	Managerial Remuneration to Directors:		
A)	Break up of Remuneration		
1.	Salary & Allowances	2,880,000	2,880,000
2.	Contribution to provident Fund	216,000	216,000
3.	Commission on profit	7,978,668	6,655,346
4.	Perquisites	540,528	487,823
	Total	11,615,196	10,239,169

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

B)	Computation of net profit in accordance with Section 349/198 of the Companies Act, 1956 and calculation of Managing & Executive Director's Commission.		
	Profit Before Taxation	109,170,628	79,393,027
	Add: 1. Remuneration to Managing & Executive Director	11,615,196	10,239,169
	2. Directors Sitting Fees	102,000	156,000
	3. Loss on Sale of Investments	18,580	19,083,165
	4. Loss on Sale of Capital Assets	—	—
		120,906,404	108,871,361
	Less: Profit on sale of Investments / Assets	1,119,733	2,317,907
		1,119,733	2,317,907
	Profit as per Section 198	119,786,671	106,553,454

i)	Maximum Remuneration (including commission) as per Section 309(3) i.e 5% of net profit payable to Managing Director and Executive Director each	11,978,667	10,655,345
ii)	Remuneration paid (excluding commission) as per terms approved by shareholders	3,636,528	3,583,823
iii)	Balance representing upper limit of commission	8,342,139	7,071,522
iv)	Commission payable as per terms approved by shareholders subject to limit in (iii)	7,978,668	6,655,346

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

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

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

		31.03.2011	31.03.2010
Liabilities			
On account of Depreciation	4,010,952		5,095,091
Assets			
On account of Disallowances	—		—
Net Deferred Tax Liability	4,010,952		5,095,091

8 Related party Disclosures :-

A Where Control Exists

a)	Name	Indoborax Infrastructure Pvt Ltd.	
	Relationship	Subsidiary Company	
	Holding	60%	
		<u>Year Ended</u>	<u>Year Ended</u>
		31.03.2011	31.03.2010

b)	Details of Transactions		
	Investment in Share Capital	60000	60000
	Advances Given during the year	10758815	43149457
	Advances outstanding at year end	47408272	43149457
	Interest Income	3928044	1406640

B Key Management Personnel & their relatives

a)	Shri S. K. Jain , Managing Director and Shri.Sajal Jain, Executive Director of the Company hold significant interest and key management position in the Company.		
b)	Details of Transactions with the persons referred to in (a) above and their relatives are as under:		
1	Remuneration paid to Managing Director*	5,923,182	5,231,019
2	Remuneration paid to Executive Director*	5,692,014	5,008,150
3	Directors Sitting Fees paid	30,000	45,000

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

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

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

		Year Ended	Year Ended
		31.03.2011	31.03.2010
a)	Profit after tax - (Rs.)	74,754,767	47,440,981
b)	Weighted average number of equity Shares	3,481,000	3,481,000
c)	Basic and diluted Earning per Share Rs.	21.48	13.63
	(Face Value of Share Rs. 10/-)		

11 No Provision for diminution in value of long term investments in mutual funds and quoted shares aggregating to Rs. 91,18,829/- (Previous year :Rs.71,85,328/-) has been made in accounts as the diminution is of temporary nature.



SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

<p>12 The company has not entered in any derivative transactions by way of currency and/or interest rate swap or forward exchange contract.</p> <p>13 a) None of the supplier of the company has informed that it is a SSI unit . Therefore, outstanding to SSI units is considered to be NIL.</p> <p>b) In the absence of any intimation received from vendors regarding the status of their registration under the " Micro, Small and Medium Enterprises Development Act, 2006 " the company is unable to comply with the disclosure required to be made relating thereto.</p> <p>14 The company has taken Group Gratuity Policy from LIC and the premiums determined by Lic and payable for the financial year adjusted for effect of actuarial valuation at year end is charged to profit & loss account. Required disclosures as per Particulars received from LIC and accounts are as under :</p>	<table border="0"> <tr> <td></td> <td align="center">Current Year</td> <td align="center">Previous Year</td> </tr> <tr> <td>a) Assumptions</td> <td></td> <td></td> </tr> <tr> <td>Discount Rate</td> <td align="center">8%</td> <td align="center">8%</td> </tr> <tr> <td>Salary Escalation</td> <td align="center">5%</td> <td align="center">7%</td> </tr> <tr> <td>Withdrawal rate 1 to 3% depending on age</td> <td align="center">Withdrawal rate 1 to 3%</td> <td align="center">depending on age</td> </tr> <tr> <td>Mortality Rate</td> <td align="center">LIC(1994-96)</td> <td align="center">LIC(1994-96)</td> </tr> <tr> <td></td> <td align="center">Rupees</td> <td align="center">Rupees</td> </tr> <tr> <td>b) Table showing changes in present value of obligations</td> <td></td> <td></td> </tr> <tr> <td>i) Present value of obligation-beginning of the year</td> <td align="right">1,387,629</td> <td align="right">1,026,383</td> </tr> <tr> <td>ii) Interest cost</td> <td align="right">111,010</td> <td align="right">82,111</td> </tr> <tr> <td>iii) Current Service cost</td> <td align="right">97,259</td> <td align="right">71,110</td> </tr> <tr> <td>iv) Benefits paid</td> <td align="right">(26,654)</td> <td align="right">(37,558)</td> </tr> <tr> <td>v) Actuarial (gain)/loss on obligations</td> <td align="right">738,679</td> <td align="right">245,583</td> </tr> </table>		Current Year	Previous Year	a) Assumptions			Discount Rate	8%	8%	Salary Escalation	5%	7%	Withdrawal rate 1 to 3% depending on age	Withdrawal rate 1 to 3%	depending on age	Mortality Rate	LIC(1994-96)	LIC(1994-96)		Rupees	Rupees	b) Table showing changes in present value of obligations			i) Present value of obligation-beginning of the year	1,387,629	1,026,383	ii) Interest cost	111,010	82,111	iii) Current Service cost	97,259	71,110	iv) Benefits paid	(26,654)	(37,558)	v) Actuarial (gain)/loss on obligations	738,679	245,583	<table border="0"> <tr> <td>vi) Present value of obligations - 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15 ADDITIONAL QUANTITATIVE INFORMATION AS REQUIRED BY PARA 3 & 4 PART II OF THE SCHEDULE VI OF THE COMPANIES ACT, 1956 ARE AS UNDER

	Current Year		Previous Year	
	Qty (M.T.)	Value in Rupees	Qty (M.T.)	Value in Rupees
a. LICENCED CAPACITY	-	NOT APPLICABLE	-	NOT APPLICABLE
b. INSTALLED CAPACITY				
Boron Products -Boric Acid and/or Borax	14,400		14,400	
In view of partial interchangeability of production of Boric Acid and Borax within overall installed capacity, combined installed capacity has been stated. Installed capacity is technical matter, hence Auditors have relied on the certificate given by the management.				
c. PRODUCTION				
Boron Products	7698.200	-	6122.550	-
d. OPENING STOCK O F FINISHED GOODS				
Boron Products	93.245	4,122,080	384.335	18,033,512
	Total	4,122,080		18,033,512
e. SALES				
Boron Products	7448.300	439,798,481	6413.640	377,740,585
Other chemicals & Minerals		2,584,359		5,395,100
	Total	442,382,840		383,135,685
f. CLOSING STOCK OF FINISHED GOODS				
Boron Products	343.145	15,575,794	93.245	4,122,080
	Total	15,575,794		4,122,080



SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

g. RAW MATERIALS AND GOODS CONSUMED AND TRADED				
Boron Mineral & Products	13715.550	179,002,957	11340.670	146,074,965
Other chemicals & Minerals	—	29,927,855	—	22,749,745
Total		<u>208,930,812</u>		<u>168,824,710</u>
h. CONSUMPTION OF IMPORTED & INDIGENOUS MATERIAL				
RAW MATERIALS		%	VALUE	%
i) Imported	83.04	173,105,757	85.97	142,035,681
ii) Indigenous	16.96	35,362,086	14.03	23,172,373
	<u>100.00</u>	<u>208,467,843</u>	<u>100.00</u>	<u>165,208,054</u>
i. STORES & SPARES				
i) Imported	—	—	—	—
ii) Indigenous	100.00	4,859,330	100.00	4,604,826
	<u>100.00</u>	<u>4,859,330</u>	<u>100.00</u>	<u>4,604,826</u>
j. C.I.F VALUE OF IMPORTS				
Raw Materials, Chemicals & Minerals		195,770,426		53,655,827
k. EARNINGS IN FOREIGN EXCHANGE				
		NIL		NIL
l. EXPENDITURE IN FOREIGN CURRENCY				
FOR TRAVEL/SUBSCRIPTION/PROFESSIONAL FEES ETC		14,271		1,259,611
16 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE				
I Registration Details				
Registration No.	23177	State Code	11	
Balance Sheet dated :	31.03.2011			
II Capital Raised during the year				
Public Issue	Nil	Rights Issue	Nil	
Bonus Shares	Nil	Private Placement	Nil	
III Position of Mobilisation and Deployment of Funds		IV Performance of Company		
	(Rs. in Thousands)			
Total Liabilities	428,098	a) Turnover (Gross Revenue)	456,301	
Total Assets	428,098	b) Total Expenditure	347,130	
Sources of Funds		c) Profit & Loss Before Tax	109,171	
Paid up Capital	34,810	d) Profit & Loss After Tax	74,755	
Reserves & Surplus	388,871	e) Earning per Share in Rs.	21.48	
Secured Loans	-	f) Dividend Rate	15%	
Unsecured Loans	405	V Generic Name of Principal Products/Services of Company		
Deferred Tax Liability	4,011	Item Code No. (ITC Code)	: 281000.20	
Application of funds.		Product Description	: Boric Acid	
Net Fixed Assets	25,576			
Investments	84,813			
Net Current Assets	317,708			
Misc. Expenditure	0			
Accumulated Losses	0			

SIGNATURES TO THE SCHEDULES I TO XIV

As per our report of even date.

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

Sushila Jain - Director
Arun S.Sureka - Director

S.K.Jain
Chairman & Managing Director.

V.S.LALPURIA
Proprietor
M. No. 15926

Narendrakumar Mittal - Director
S.L.Jain -Director

Sajal S. Jain
Vice Chairman &
Executive Director

Mumbai, May 30, 2011



AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the attached Consolidated Balance Sheet of INDO BORAX & CHEMICALS LIMITED (the "Company"), its subsidiary ("the Group") as at March 31, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Accounts have been prepared by the Management in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), issued by the Institute of Chartered Accountants of India
4. Based on our audit and to the best of our information and according to the explanations given to us, we are of the opinion that the aforesaid Consolidated Accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2011;
 - b) in the case of the Consolidated Profit and Loss Account, of the consolidated profit of the Group for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement , of the consolidated cash flows of the Group for the year ended on that date.

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

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

**PLACE : MUMBAI
DATED: 30th May, 2011**


CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedules	Rupees 31-Mar-11	Rupees 31-Mar-10
I. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	I	34,810,000	34,810,000
b) Reserves & Surplus	II	388,851,298	320,175,202
		<u>423,661,298</u>	<u>354,985,202</u>
2. MINORITY INTEREST			
		<u>26,572</u>	<u>33,286</u>
3. LOAN FUNDS			
b) Unsecured Loans	III	33,135,233	21,054,141
		<u>33,135,233</u>	<u>21,054,141</u>
4. DEFERRED TAX LIABILITY (NET)			
		<u>4,010,952</u>	<u>5,095,091</u>
	TOTAL	<u>460,834,055</u>	<u>381,167,720</u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS			
a) Gross Block	IV	85,989,657	82,721,265
b) Less : Depreciation		<u>59,781,794</u>	<u>55,206,764</u>
c) Net Block		<u>26,207,863</u>	<u>27,514,501</u>
2. INVESTMENTS			
	V	<u>84,753,019</u>	<u>82,065,930</u>
3. CURRENT ASSETS AND LOANS & ADVANCES			
a) Inventories		192,187,581	96,059,588
b) Sundry Debtors		25,023,523	13,266,786
c) Cash & Bank Balances		60,890,094	33,888,420
d) Other Current Assets		379,739	2,125,731
e) Loans & Advances		<u>146,310,599</u>	<u>185,555,770</u>
		<u>424,791,536</u>	<u>330,896,295</u>
Less : Current Liabilities & Provisions	VII	<u>74,968,721</u>	<u>59,376,150</u>
Net Current Assets		<u>349,822,815</u>	<u>271,520,145</u>
4. MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted.)			
Preliminary Expenses	VIII	<u>50,358</u>	<u>67,144</u>
	TOTAL	<u>460,834,055</u>	<u>381,167,720</u>
Significant Accounting Policies and Notes forming integral part of the accounts.			
	XV		

As per our report of even date.

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

Sushila Jain - Director
Arun S.Sureka - Director

S.K.Jain
Chairman & Managing Director.

V.S.LALPURIA
Proprietor
M. No. 15926

Narendrakumar Mittal - Director
S.L.Jain - Director

Sajal S. Jain
Vice Chairman &
Executive Director

Mumbai, May 30, 2011


CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011.

	Schedules	Rupees <u>31-Mar-11</u>	Rupees <u>31-Mar-10</u>
INCOME			
Sales (Including Excise Duty)		442,382,840	383,135,685
Less: Excise Duty		<u>41,022,443</u>	<u>29,329,352</u>
Net Sales		401,360,397	353,806,333
Other Income	IX	9,990,076	10,737,540
Total Income		<u>411,350,473</u>	<u>364,543,873</u>
EXPENDITURE			
Inventory Adjustments	X	(28,896,704)	(49,957,100)
Raw Materials & Goods consumed and Traded	XI	208,930,812	168,824,710
Cost of Land		-	58,666,500
Staff Cost	XII	10,743,395	8,070,835
Manufacturing & Other Expenses	XIII	104,808,809	94,150,061
Interest	XIV	1,980,740	743,873
Depreciation		4,612,793	4,651,967
Preliminary Expenses Written Off		16,786	16,786
Total Expenditure		<u>302,196,631</u>	<u>285,167,632</u>
PROFIT BEFORE TAX	-	109,153,842	79,376,241
Less : a) Current Tax		35,500,000	33,100,000
b) Deferred Tax		(1,084,139)	(962,413)
c) Adjustment for Tax Provision for earlier years		-	(185,541)
Total Tax		<u>34,415,861</u>	<u>31,952,046</u>
PROFIT AFTER TAX		<u>74,737,981</u>	<u>47,424,195</u>
Add: Minority Interest		6,714	6,714
		74,744,695	47,430,909
Add: Profit Brought forward from Previous Year		<u>251,753,195</u>	<u>220,431,221</u>
		326,497,890	267,862,130
Less : Transfer to General Reserve		7,500,000	10,000,000
Less : Proposed Dividend		5,221,500	5,221,500
Less : Tax on Dividend		<u>847,099</u>	<u>887,435</u>
BALANCE CARRIED TO BALANCE SHEET		<u>312,929,291</u>	<u>251,753,195</u>
Basic and diluted earning per share. (Face Value Rs. 10/- each)		21.47	13.63
Significant Accounting Policies and Notes forming integral part of the accounts.	XV		

As per our report of even date.

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

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Arun S.Sureka - Director

S.K.Jain
Chairman & Managing Director.

V.S.LALPURIA
Proprietor
M. No. 15926

Narendrakumar Mittal - Director
S.L.Jain - Director

Sajal S. Jain
Vice Chairman &
Executive Director

Mumbai, May 30, 2011


CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

	Rupees	
	Year ended 31.03.2011	Year ended 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items adjusted.	109153842	79376241
Adjustments for :		
Depreciation	4612793	4651967
Profit/loss on sale/discarding of assets	(8849)	
Preliminary Expenses W/off	16786	16786
Profit/loss on sale of investment	(1092304)	16765258
Dividend/interest from investments	(8015487)	(8371987)
Interest	1980740	743873
	<u>(2506321)</u>	<u>13805897</u>
Operating profit before working capital changes	106647521	93182138
Adjustments for :		
Trade and other Receivables	(10010745)	9743178
Inventories	(96127993)	29320834
Loans & Advances	45136631	(118002928)
Trade payable	13232907	(13735131)
	<u>(47769200)</u>	<u>(92674047)</u>
Cash generated from operations	58878321	508091
Interest	(1980740)	(743873)
Income-Tax	(38991460)	(36314237)
	<u>(40972200)</u>	<u>(37058110)</u>
Cash Flow before extraordinary items	17906121	(36550019)
Extraordinary items	0	0
Net Cash Flow from Operating activities --- A	<u>17906121</u>	<u>(36550019)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3306156)	(732366)
Sale of Fixed assets	8850	
Preliminary Expenses	0	(83930)
Income from Investments	9107791	(8393271)
Investments in Mutual Fund/debentures	(2687089)	26399324
Net Cash used in Investing Activities --- B	<u>3123396</u>	<u>17189757</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings	0	(18363948)
Unsecured loans	12081092	20648901
Adjustment for minority interest	0	40000
Dividend & Dividend Tax paid	(6108935)	(6108935)
Net Cash from Financing Activities --- C	<u>(5972157)</u>	<u>(3783982)</u>
Net Increase / (decrease) in Cash and Cash equivalent	<u>27001674</u>	<u>(23144244)</u>
Cash & Cash Equivalent at the beginning of the year	33888420	57032664
Cash & Cash Equivalent end of the year	<u><u>60890094</u></u>	<u><u>33888420</u></u>

Note : 1) Figures in brackets represent outflows

As per our report of even date.

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

Sushila Jain - Director
Arun S.Sureka - Director

S.K.Jain
Chairman & Managing Director.

V.S.LALPURIA
Proprietor
M. No. 15926

Narendrakumar Mittal - Director
S.L.Jain -Director

Sajal S. Jain
Vice Chairman &
Executive Director

Mumbai, May 30, 2011

Indo Borax & Chemicals Ltd. - Consolidated



SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011 AND CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Rupees 31-Mar-11	Rupees 31-Mar-10
SCHEDULE I		
SHARE CAPITAL		
Authorised Capital		
60,00,000 Equity Shares of Rs.10/- each	60,000,000	60,000,000
Issued & Subscribed		
35,00,000 Equity Shares of Rs.10/- each	35,000,000	35,000,000
Paid up		
34,81,000 Equity Shares of Rs.10/- each	34,810,000	34,810,000
Total	34,810,000	34,810,000
SCHEDULE II		
RESERVES & SURPLUS		
Share Forfeiture Account		
Balance Brought Forward	139,350	139,350
Share Premium Account		
Balance Brought Forward	12,905,000	12,905,000
General Reserve		
Balance Brought Forward	55,377,657	45,377,657
Add: Transfer from Profit & Loss A/c	7,500,000	10,000,000
	62,877,657	55,377,657
Balance as per Consolidated Profit & Loss Account.	312,929,291	251,753,195
Total	388,851,298	320,175,202
SCHEDULE III		
UNSECURED LOANS		
From Development Corporation of Konkan Limited	405,240	405,240
From Members/Directors/Relatives	32,519,829	20,648,901
From Companies	210,164	
Total	33,135,233	21,054,141

SCHEDULE IV - Fixed Assets

Sr. No	Particulars of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01-04-2010	Addition during the year	Sale/Adj. during the year	Total as on 31-03-2011	Balance as on 01-04-2010	For the Year	Sale/Adj. during the year	Total as on 31-03-2011	As on 31-03-2011	As on 31-03-2010
1	Leasehold Land-PIT	1005924	0	0	1005924	0	0	0	0	1005924	1005924
2	Factory Building & Others	15379170	0	0	15379170	7829890	504133	0	8334023	7045147	7549280
3	Plant & Machinery	51033363	1368013	0	52401376	37721999	2712607	0	40434606	11966770	13311364
4	Electrical Installation	2565553	0	0	2565553	1806189	121864	0	1928053	637500	759364
5	Furniture & Fixtures & Office Equipments	4184897	9720	0	4194617	2714705	294175	0	3008880	1185737	1470192
6	Vehicles	8552358	1928423	37764	10443017	5133981	980014	37763	6076232	4366785	3418377
	Total	82721265	3306156	37764	85989657	55206764	4612793	37763	59781794	26207863	27514501
	Previous Year	81988899	732366	0	82721265	50554797	4651967	0	55206764	27514501	31434102

SCHEDULE V INVESTMENTS

Non-Trade Investments

(1) Current Investments	13,809,056	20,701,489
(2) Long Term Investments		
(a) Mutual Funds	55,000,000	45,000,000
(Year end NAV of long-term investment in Mutual Funds Rs. 5,62,44,466/- : Previous Year Rs. 4,36,28,263/-)		
(b) Equity Shares (Fully paid - quoted)	15,940,963	16,361,441
(Market Value of long-term investment in quoted shares Rs. 1,12,92,552/- : Previous Year Rs. 1,38,74,642/-)		
(c) Equity Shares (Fully paid - unquoted)	3,000	3,000
Total	84,753,019	82,065,930



SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011 AND CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Rupees	Rupees			
	<u>31-Mar-11</u>	<u>31-Mar-10</u>			
SCHEDULE XIII					
<u>MANUFACTURING & OTHER EXPENSES.</u>					
Consumption of Stores, Spares &			Directors Sitting Fees	102,000	156,000
Packing Materials	8,217,887	7,258,460	Payment to Auditors	595,000	597,500
Power & Fuel	25,424,940	21,206,946	Legal & Professional Charges	3,008,788	2,127,834
Water Charges	109,001	118,104	Motor Car & Vehicle Expenses	993,301	565,347
Factory Expenses	7,385,246	7,097,112	Freight , Coolie & Cartage	12,601,002	8,397,320
Construction Expenses	11,584,962	673,654	Advertisement & Sales		
Excise Duty	102,000	193,744	Promotion Expenses	201,941	174,359
Rates & Taxes	200,559	214,883	Commission & Brokerage	4,971,835	4,951,656
Rent and Other Charges	796,800	739,693	Discount & Rebate	1,732	-
Repairs - Plant & Machineries	1,376,715	1,658,137	Miscellaneous Expenses	525,515	2,097,703
Repairs - Building	7,903,359	271,608	Bank Charges	124,520	59,757
Repairs - Others	526,366	101,551	Sales Tax paid	25	89,946
Insurance Charges	213,633	192,431	Entry Tax	3,545,671	1,949,837
Travelling & Conveyance	1,176,445	3,410,170	Donation	110,000	-
Printing & Stationery	276,565	209,524	Loss on sale of investments	18,580	19,083,165
Postage , Telegram & Telephone	558,359	530,451	Total	<u>104,808,809</u>	<u>94,150,061</u>
Directors Remuneration	11,406,062	10,023,169	SCHEDULE XIV		
Directors Remuneration-Subsidiary	750,000	-	<u>INTEREST</u>		
			Interest to bank & others	1,750	123,349
			Interest on unsecured loans	1,978,990	620,524
			Total	<u>1,980,740</u>	<u>743,873</u>

SCHEDULE XV

ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011.

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

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

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

Name of the Subsidiaries : Indoborax Infrastructure Pvt Ltd

Country of Incorporation : INDIA

% of ultimate holding : 60%

II SIGNIFICANT ACCOUNTING POLICIES

a) METHOD OF ACCOUNTING

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

b) FIXED ASSETS

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

c) DEPRECIATION

Depreciation on all assets at Pithampur is provided on

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

d) INVESTMENTS

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

e) INVENTORIES

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

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

iii) Semi finished Goods are valued at estimated cost.

Work in progress for construction projects are valued at aggregate of cost of land, cost of materials, construction expenses, other direct expenses and indirect expenses attributable or allocable to it.

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

f) FOREIGN CURRENCY TRANSACTIONS.

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

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

g) SALES

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

Indo Borax & Chemicals Ltd. - Consolidated



SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011 AND CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

h) Income Recognition Income from sale of units is recognised when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.	1. Salary & Allowances 2,880,000 2,880,000 2. Contribution to provident Fund 216,000 216,000 3. Commission on profit 7,978,668 6,655,346 4. Perquisites 540,528 487,823 Total 11,615,196 10,239,169
---	---

i) **EMPLOYEES BENEFITS**
Defined Contribution Benefits
Company's contributions paid/payable during the year to Provident Fund, Family Pension Fund, ESIC and Labour Welfare Fund are recognized in Profit & Loss Account.

Defined Benefit Plan

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

ii. Annual Leave Encashment is accounted on accrual basis.

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

j) **CONTINGENT LIABILITY**
Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts.

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

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

III NOTES ON ACCOUNTS

1 Contingent Liabilities not provided for
a) Guarantees given by the bankers of the Company Rs. 1,65,000/- (Previous Year Rs. 1,65,000/-)
b) Overdue interest on loan from Development Corporation of Konkan Ltd. Rs.6,61,389 /- (Previous Year Rs.5,98,571/-)

2 Previous year figures have been rearranged/regrouped, wherever necessary, to make them comparable with current year figures. Previous Year figures for subsidiary company relate to the period from date of incorporation (i.e. 3-12-2009) to 31-3-2010 only, hence not comparable to those for the current year.

3 Payment to Statutory Auditors.

	Current Year	Previous Year
	Rupees	Rupees
a) As Auditors	250,000	150,000
b) In Other Capacity		
For Tax Audit	100,000	60,000
For Certification	234,000	231,500
For Taxation Matters	11,000	156,000
Total	595,000	597,500

4 Managerial Remuneration to Directors:
Break up of Remuneration (Holding Company)

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

Break up of Remuneration (Subsidiary Company)
Salary & Allowances 750,000 -

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

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

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

	31.03.2011	31.03.2010
Liabilities		
On account of Depreciation	4,010,952	5,095,091
Assets		
On account of Disallowances	-	-
Net Deferred Tax Liability	4,010,952	5,095,091

8 Related party Disclosures :-

Key Management Personnel & their relatives

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

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

1 Remuneration paid to Managing Director*	5,923,182	5,231,019
2 Remuneration paid to Executive Director / Chief Executive *	5,692,014	5,008,150
3 Directors Sitting Fees paid	30,000	45,000
4 Interest Expense	1,971,791	620,524
5 Loans received during the year	12,074,612	20,648,901
6 Loans outstanding at year end	32,723,513	20,648,901

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

**DIRECTORS' REPORT**

To The Members of Indoborax Infrastructure Pvt. Ltd,

Your Directors have pleasure to present their Second Annual Report and the Audited Statement of Accounts for the year ended on 31-Mar-2011.

FINANCIAL RESULTS AND OPERATIONS

The performance of the Company for the financial period ended 31-Mar-2011 is summarized below:

Rs. in lacs)

Particulars	31-3-2011	31-3-2010
Sales	0	0
Profit before Depreciation & Taxation	0.79	(0.16)
Less : Depreciation	0.96	0.01
Provision for Taxation	0	0
Profit after Depreciation & Taxation	(0.17)	(0.17)
Balance brought forward	(0.17)	0
Balance carried to Balance Sheet	(0.34)	(0.17)

DIVIDEND

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

OPERATIONS

During the year, work up to plinth level has been completed for Santacruz project

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS

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

- (i) that in the preparation of the annual accounts for the financial period ended 31st March, 2011; the applicable accounting standards had been followed.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that year;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars required to be furnished pursuant to section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

AUDITORS

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

COMMENTS ON AUDITORS REPORT

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

For and on behalf of the Board of Directors

S. K. Jain
Chairman

Mumbai,
May 30, 2011

**REPORT OF AUDITORS TO THE SHAREHOLDERS**

We have audited the attached Balance Sheet of **M/s. INDOBORAX INFRASTRUCTURE PVT. LTD.** as ON **31st March, 2011** and Profit & Loss Account and Cash Flow Statement of the company for the year ended on that date annexed there to. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

- e. On the basis of written representations received from the directors, as on 31-03-2011, and taken on record by the Board of Directors, wherever applicable, we report that none of the Directors is disqualified as on 31-03-2011 from being appointed as a Director of the company in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2011;
 - ii. in the case of Profit & Loss Account, of the loss of the company for the year ended on that date; and
 - iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

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

MUMBAI
May 30, 2011


BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedules	Rupees 31-Mar-11	Rupees 31-Mar-10
I. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
Share Capital	I	100,000	100,000
		<u>100,000</u>	<u>100,000</u>
2. LOAN FUNDS			
Unsecured Loans	II	80,138,265	63,798,358
		<u>80,138,265</u>	<u>63,798,358</u>
	TOTAL	<u>80,238,265</u>	<u>63,898,358</u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS			
	III		
a) Gross Block		727,783	3,250
b) Less : Depreciation		96,157	650
c) Net Block		<u>631,626</u>	<u>2,600</u>
2. CURRENT ASSETS AND LOANS & ADVANCES			
	IV		
a) Inventories		80,663,869	61,489,693
b) Cash & Bank Balances		122,428	58,762
c) Loans & Advances		761,050	2,609,247
		<u>81,547,347</u>	<u>64,157,702</u>
Less : Current Liabilities & Provisions	V	<u>2,024,638</u>	<u>345,874</u>
Net Current Assets		<u>79,522,709</u>	<u>63,811,828</u>
3. MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted.)			
Preliminary Expense	VI	50,358	67144
Profit & Loss Account		33,572	16,786
	TOTAL	<u>80,238,265</u>	<u>63,898,358</u>
Significant Accounting Policies and Notes forming integral part of the accounts.	XII		

As per our report of even date.

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

Piyush Shah - Executive Director

S.K.Jain - Director

Sajal S. Jain - Director

V.S.LALPURIA
Proprietor
M. No. 15926

Mumbai, May 30, 2011


PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2011.

Schedules	Rupees 31-Mar-11	Rupees 31-Mar-10
INCOME		
Sales	-	-
Total Income	<u>-</u>	<u>-</u>
EXPENDITURE		
Inventory Adjustments VII	(19,174,176)	(61,489,693)
Cost of land	-	58,666,500
Staff Cost VIII	407,403	58,800
Construction Expenses IX	11,584,962	673,654
Selling, Administrative & Other Expenses X	1,179,270	62,925
Interest XI	5,907,034	2,027,164
Depreciation	95,507	650
Preliminary Expenses Written off	16,786	16,786
Total Expenditure	<u>16,786</u>	<u>16,786</u>
PROFIT BEFORE TAX	(16,786)	(16,786)
Less : Current Tax	-	-
PROFIT AFTER TAX	(16,786)	(16,786)
Balance Brought Forward	(16,786)	
BALANCE CARRIED TO BALANCE SHEET	<u>(33,572)</u>	<u>(16,786)</u>
Basic and diluted earning per share. (Face Value Rs. 10/- each)	(1.68)	(1.68)
Significant Accounting Policies and Notes forming integral part of the accounts.	XII	

As per our report of even date.

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

Piyush Shah - Executive Director

S.K.Jain - Director

Sajal S. Jain - Director

V.S.LALPURIA
Proprietor
M. No. 15926

Mumbai, May 30, 2011


CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2011

	<u>Year ended</u> <u>31.03.2011</u>	<u>Year ended</u> <u>31.03.2010</u>
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items adjusted.	(16786)	(16786)
Adjustments for :		
Depreciation	95507	650
Preliminary Expenses W/off	16786	16786
Interest	5907034	2027164
	<u>6019327</u>	<u>2044600</u>
Operating profit before working capital changes	6002541	2027814
Adjustments for :		
Trade and other Receivables	0	0
Inventories	(19174176)	(61489693)
Loans & Advances	1848197	(2609247)
Trade payable	1678764	345874
	<u>(15647215)</u>	<u>(63753066)</u>
Cash generated from operations	(9644674)	(61725252)
Interest	(5907034)	(2027164)
Income-Tax	0	0
	<u>(5907034)</u>	<u>(2027164)</u>
Cash Flow before extraordinary items	(15551708)	(63752416)
Extraordinary items	0	0
Net Cash Flow from Operating activities --- A	<u>(15551708)</u>	<u>(63752416)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(724533)	(3250)
Preliminary Expenses	0	(83930)
Net Cash used in Investing Activities --- B	<u>(724533)</u>	<u>(87180)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital	0	100000
Loan from Holding Co.	4258815	43149457
Unsecured loans	12081092	20648901
Net Cash from Financing Activities --- C	<u>16339907</u>	<u>63898358</u>
Net Increase / (decrease) in Cash and Cash equivalent	<u>63666</u>	<u>58762</u>
Cash & Cash Equivalent at the beginning of the year	58762	0
Cash & Cash Equivalent end of the year	<u>122428</u>	<u>58762</u>

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

As per our report of even date.

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

Piyush Shah - Executive Director

S.K.Jain - Director

V.S.LALPURIA
Proprietor
M. No. 15926

Sajal S. Jain - Director

Mumbai, May 30, 2011


SCHEDULES TO THE BALANCE SHEET AS AT 31st MARCH, 2011

	Rupees <u>31-Mar-11</u>	Rupees <u>31-Mar-10</u>
SCHEDULE I		
SHARE CAPITAL		
Authorised Capital		
2,50,000 Equity Shares of		
Rs.10/- each	2,500,000	2,500,000
Issued & Subscribed		
10,000 Equity Shares of		
Rs.10/- each	100,000	100,000
Paid up		
10,000 Equity Shares of		
Rs.10/- each	100,000	100,000
Total	<u><u>100,000</u></u>	<u><u>100,000</u></u>

	Rupees <u>31-Mar-11</u>	Rupees <u>31-Mar-10</u>
SCHEDULE II		
UNSECURED LOANS		
From Members/Directors/ Relatives	79,928,101	63,798,358
From Companies	210,164	—
Total	<u><u>80,138,265</u></u>	<u><u>63,798,358</u></u>

	Rupees <u>31-Mar-11</u>	Rupees <u>31-Mar-10</u>
SCHEDULE IV		
CURRENT ASSETS AND LOANS & ADVANCES.		
a. Inventories		
(As taken, valued & certified by the Management)		
Stock in Trade		
-- Work-in-Progress	80,663,869	61,489,693
Total (a)	<u><u>80,663,869</u></u>	<u><u>61,489,693</u></u>

	Rupees <u>31-Mar-11</u>	Rupees <u>31-Mar-10</u>
b. Cash & Bank Balances		
Cash on Hand	15,621	18,512
Balances in Scheduled Banks		
-- In Current Accounts	106,807	40,250
Total (b)	<u><u>122,428</u></u>	<u><u>58,762</u></u>
c. Loans & Advances		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	761,050	2,609,247
Total (c)	<u><u>761,050</u></u>	<u><u>2,609,247</u></u>
Total (a + b + c)	<u><u><u>81,547,347</u></u></u>	<u><u><u>64,157,702</u></u></u>

	Rupees <u>31-Mar-11</u>	Rupees <u>31-Mar-10</u>
SCHEDULE V		
CURRENT LIABILITIES & PROVISIONS		
a. Current Liabilities		
Sundry Creditors for		
Trade & Expenses	1,044,388	345,874
Work done pending billing/approval	980,250	—
(Net of advances Rs. 6489750; Previous year Nil)		
Total (a)	2,024,638	345,874
b. Provisions		
Total (b)	-	-
Total (a + b)	<u><u><u>2,024,638</u></u></u>	<u><u><u>345,874</u></u></u>

SCHEDULE III - Fixed Assets

Sr. No	Particulars of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01-04-2010	Addition during the year	Sale/Adj. during the year	Total as on 31-03-2011	Balance as on 01-04-2010	For the Year	Sale/Adj. during the year	Total as on 31-03-2011	As on 31-03-2011	As on 31-03-2010
1	Office Equipments	0	1250	0	1250	0	107	0	107	1143	0
2	Furniture & Fixture	0	1575	0	1575	0	175	0	175	1400	0
3	Cycle	3250	0	0	3250	650	520	0	1170	2080	2600
4	Motor Car	0	721708	0	721708	0	94705	0	94705	627003	0
	TOTAL	3250	724533	0	727783	650	95507	0	96157	631626	2600
	Previous year	0	3250	0	3250	0	650		650	2600	



SCHEDULE VI		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary expenses Brought forward/incurred	67,144	83,930
Less : Written off during the year	16,786	16,786
Total	50,358	67,144

SCHEDULE VII		
INVENTORY ADJUSTMENTS		
Opening -		
Work-in-Progress	61,489,693	-
Closing -		
Work-in-Progress	(80,663,869)	(61,489,693)
Total	(19,174,176)	(61,489,693)

SCHEDULE VIII		
STAFF COST		
Salaries, Wages and Bonus	389,317	58,800
Staff Welfare Expenses	18,086	-
Total	407,403	58,800

SCHEDULE IX		
CONSTRUCTION EXPENSES		
Site Development Expenses	4,973	48,284
Architect & Design Expenses	1,472,648	-
Construction Contracts	9,950,000	-
Municipal & Other Charges	150,683	625,370
Other Construction Expenses	6,658	-
Total	11,584,962	673,654

SCHEDULE X		
SELLING, ADMINISTRATIVE & OTHER EXPENSES		
Printing & Stationery	40,177	11,509
Conveyance & Traveling	43,202	-
Repairs to other	73,995	-
Rent & other Charges	53,980	-
Legal & Professional Charges	29,455	-
Postage, Telegram & Telephone	4,780	75
Directors Remuneration	750,000	-

Audit Fees	44,120	30,000
Payment to Auditors for other services	12,496	11,500
Advertisement	4,460	-
Motor Car Expenses	122,055	8,815
Bank Charges	550	1,026
Total	1,179,270	62,925

SCHEDULE XI		
INTEREST		
Interest on unsecured Loan	5,907,034	2,027,164
Total	5,907,034	2,027,164

SCHEDULE XII
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011.

I SIGNIFICANT ACCOUNTING POLICIES

a) METHOD OF ACCOUNTING

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

b) FIXED ASSETS

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

c) DEPRECIATION

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

d) INVESTMENTS

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

e) INVENTORIES

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



c) Completed units are valued at lower of cost and net realisable value.

f) FOREIGN CURRENCY TRANSACTIONS.

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

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

g) INCOME RECOGNITION

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

h) CONTINGENT LIABILITY

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

i) DEFERRED TAXATION

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

j) SEGMENT REPORTING

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

II NOTES ON ACCOUNTS

- 1 Previous year figures relate to the period from date of incorporation (i.e. 3-12-2009) to 31-3-2010. hence not comparable to those for the current year.
- 2 The Balances of sundry creditors, loans and advances are subject to confirmation & reconciliation, if any. In the opinion of the management, adjustment, if any, arising out of reconciliation are not expected to be significant.
- 3 In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realised in

the ordinary course of business.

4 Break up of remuneration paid to the Executive Director		
Salary & allowance -	Current year <u>750000</u>	Previous year <u>0</u>

Note : Computation of net profit in accordance with Section 349/198 of the companies Act 1956 is not applicable as no commission is payable to the Executive Director based on the profit in the current year.

5 Related party Disclosures :-

A Where Control Exists

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

	<u>Current year</u>	<u>Previous year</u>
b) Details of Transactions		
Subscription in Share Capital	60000	60000
Advances received during the year	10758815	43149457
Advances (liability) outstanding at year end	47408272	43149457
Interest Expense	3928044	1406640

B Key Management Personnel & their relatives

- a) Shri Piyush Shah, Executive Director, Shri S. K. Jain , Director and Shri.Sajal Jain, Director of the Company hold significant interest and key management position in the Company.
- b) Details of Transactions with the persons referred to in (a) above and their relatives (Smt. Sushila Jain, Smt. Shreelekha Jain, S. K. Jain - HUF and Sajal Jain - HUF) and Associated Borax Pvt Ltd having one director in common, are as under:-

1 Interest Expense	1,971,791	620,524
2 Loans received during the year	12,074,612	20,648,901



3 Loans outstanding at year end 32,723,513 20,648,901

4 Remuneration paid to Executive Director 750,000 —

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

a) Profit after tax (Rs.) (16,786) (16,786)
 b) Weighted average number of equity Shares 10,000 10,000
 c) Basic and diluted Earning per Share (not annualised) Rs.(Face Value of Share Rs. 10/-) (1.68) (1.68)

7 a) None of the supplier of the company has informed that it is a SSI unit . Therefore, outstanding to SSI units is considered to be NIL.
 b) In the absence of any intimation received from vendors regarding the status of their registration under the " Micro, Small and Medium Enterprises Development Act, 2006" the company is unable to comply with the disclosure required to be made relating thereto.

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

9 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No. 197583 State Code 11

Balance Sheet dated : 31.03.2011

II Capital Raised during the year

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

III Position of Mobilisation and Deployment of Funds

(Rs. in Thousands)

Total Liabilities 80,238
 Total Assets 80,238

Sources of Funds

Paid up Capital 100
 Reserves & Surplus -
 Secured Loans -
 Unsecured Loans 80,138
 Deferred Tax Liability -

Application of funds.

Net Fixed Assets 632
 Investments -
 Net Current Assets 79,523
 Misc. Expenditure 50
 Accumulated Losses 34

IV Performance of Company

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

V Generic Name of Principal Products/Services of Company : NA

SIGNATURES TO THE SCHEDULES I TO XII

As per our report of even date.

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

Piyush Shah - Executive Director

S.K.Jain - Director

V.S.LALPURIA
 Proprietor
 M. No. 15926

Sajal S. Jain - Director

Mumbai, May 30, 2011

INDO BORAX & CHEMICALS LIMITED

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

ATTENDANCE SLIP 30th ANNUAL GENERAL MEETING 18th August, 2011

DP ID Regd. Folio No.*
Client ID No. of Shares

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

I hereby record my presence at the Thirtieth Annual General Meeting of the Company at the Mini Auditorium of S.N.D.T Women's University, Sir Vithaldas Vidya Vihar, Opp. Lido Cinema, Juhu Road, Santacruz (W), Mumbai 400 049 on Thursday, 18th August, 2011

Member's/Proxy's name in BLOCK letters

Member's/Proxy's Signature.

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

* Applicable for investors holding shares in Physical Form.

INDO BORAX & CHEMICALS LIMITED

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

FORM OF PROXY

DP ID Regd. Folio No.*
Client ID No. of Shares

I/We _____

_____ in the district of _____

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

_____ or failing him _____

of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the 30th Annual General Meeting of the Company to be held at the Mini Auditorium of S.N.D.T Women's University, Sir Vithaldas Vidya Vihar, Opp. Lido Cinema, Juhu Road, Santacruz (W), Mumbai 400 049 on Thursday, 18th August, 2011 and at any adjournment thereof.

Signed this _____ day _____ 2011

Signature _____

Reg. Folio No. _____

Affix
Rs. 1/-
Revenue
Stamp

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

* Applicable for investors holding shares in Physical Form.

BOOK-POST

To,

If undelivered, please return to :

INDO BORAX & CHEMICALS LIMITED

113/5A, Mittal Ind. Estate, M.V.Road,
Andheri (E), Mumbai 400 059.
Ph. : 2850 4012 / 2856 2743 / 2850 4493
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