

22nd
ANNUAL REPORT
2008 - 2009

INDO ZINC LIMITED

BOARD OF DIRECTORS :

Sri. Sanjay Agrawal	-	Managing Director
Sri. Manoj Agrawal	-	Director
Sri. S.K. Nuwal	-	Director
Sri. B. L. Kakrecha	-	Director
Col. Nitin Bhatnagar	-	Director
Sri. Ritesh Lunkad	-	Director

AUDITORS :

Chaturvedi SK & Fellows
F-2, Vaishali, 1st Floor,
V Mehta Marg, JVPD, Juhu,
Mumbai - 400 049.

REGISTERED OFFICE :

601, Ravi Building, 189/191,
Dr. D.N. Road, Near Central Camera House,
Fort, Mumbai -400 001.

ADMINISTRATION OFFICE :

405, Apollo Tower, 2 M.G. Road,
Indore - 452 001.

Contents	
	Page Nos.
Notice	2
Directors' Report	4
Auditor's Report	10
Balance Sheet	12
Profit & Loss Account	13
Schedules	14
Cash Flow Statement	24
 Note : The members are requested to bring their copy of the annual report to the Meeting.	

INDO ZINC LIMITED

REGISTERED OFFICE :

601, Ravi Building, 189/191, Dr. D.N. Road, Near Central Camera House, Fort, Mumbai -400 001.

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twenty Second Annual General Meeting of Indo Zinc Limited will be held at 12.00 Noon on Tuesday, the 29th day of September 2009, at 601, Ravi Building, 189/191, Dr.D.N. Road, Near Central Camera House, Fort, Mumbai 400 001, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, the accounts of the Company for the year ended 31st March 2009 and the Auditor's Report thereon.
2. To appoint a Director in the place of Mr.Manoj Agrawal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Mr.B.L.Kakrecha who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration:
To consider and if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION:
"RESOLVED THAT M/s.Chaturvedi SK & Fellows, Chartered Accountants, Mumbai, be and are hereby appointed Auditors of the Company including its branch office to hold office from the conclusion of the Twenty second Annual General Meeting until conclusion of the Twenty third Annual General Meeting and that their remuneration be and is hereby fixed at Rs.2,00,000/- exclusive of service tax and all travelling and out of pocket expenses which shall be reimbursed to them."

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification the following resolutions as ORDINARY RESOLUTIONS:
"RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to mortgaging and/or charging by way of first mortgage/charge by the Board of Directors of the Company of all/any of the immovable and movable properties of the Company wheresoever situate, present and future and/or conferring power to enter upon and to take possession of the assets of the Company in certain events to or in favour of The India Cements Limited to secure a loan amount upto Rs.200,00,00,000/- (Rupees Two Hundred Crores only) together with interest thereon at the agreed rate, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, costs, charges, expenses and other monies payable by the Company to The India Cements Limited in terms of their heads of agreements / loan agreements / hypothecation agreements / letters of sanction/ memorandum of terms and conditions entered into / to be entered into by the company

in respect of the said loan."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with The India Cements Limited, the documents for creating the aforesaid mortgage and / or charge and to do all such acts things as may be necessary for giving effect to the above resolution."

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

"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors under Section 293(1)(d) of the Companies Act, 1956 to borrow any sum or sums of monies from time to time notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided that the total amount which may be so borrowed by the Board of Directors and outstanding at any time (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs.600 crores over and above the paid up Capital and free reserves of the Company for the time being."

NOTES :

1. Explanatory Statement is annexed to the Notice of the Twenty second Annual General Meeting of the Company as required by Section 173(2) of the Companies Act, 1956 in respect of item nos.5 & 6.
2. Details pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/ reappointment at the Annual General Meeting are separately annexed hereto for item nos. 2 & 3.
3. ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2009 to 29.09.2009 (both days inclusive).

(By order of the Board)
for **INDO ZINC LIMITED**

Place : Indore
Date : 13th August, 2009

SANJAY AGRAWAL
CHAIRMAN

INDO ZINC LIMITED

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION ARE FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / REAPPOINTED, VIDE ITEMS NO. 2 & 3 OF NOTICE DATED 13th AUGUST, 2009

1. Name of the Director : Mr.Manoj Agrawal
Date of Birth : 23/08/1968
Date of appointment on the Board as Director : 30/08/1993
Date of last reappointment as Director : 30/09/2005
Expertise in specific functional areas : 20 years of experience in trading of Metals. Expertise in all the operations of the Company.
Qualification : B.Com
Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis : 617334
List of outside Directorships held in Public Companies: Nil
Chairman / Member of the Committees of Board of Directors of the Company : Nil
Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director : Nil
Relationship with other Directors : Brother of Mr.Sanjay Agrawal, Chairman & Managing Director.
2. Name of the Director : Mr.B.L.Kakrecha
Date of Birth : 03/11/1943
Date of appointment on the Board as Director : 19/11/1996
Date of last reappointment as Director : 30/09/2005
Expertise in specific functional areas : Having wide experience in industry of more than 45 years at senior management level.
Qualification : B.Com F.C.A.
Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis : Nil

List of outside Directorships held in Public Companies : Nil
Chairman / Member of the Committees of Board of Directors of the Company : Nil
Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director : Nil
Relationship with other Directors : Nil.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE TWENTYSECOND ANNUAL GENERAL MEETING OF THE COMPANY IN RESPECT OF ITEMS NO.5 & 6 OF NOTICE DATED 13th AUGUST, 2009.

Item No.5:

The Company has revived the construction of cement plant at Banswara, Rajasthan, which was abandoned earlier due to financial constraints. For completing the project and for other requirements, the company is required to borrow necessary funds from banks / financial institutions / corporate bodies and others and provide security to the lenders. In this connection, the Company has entered into a loan agreement with The India Cements Limited for availing financial assistance upto Rs.200 crores. The said financial assistance availed / to be availed from The India Cements Limited has to be secured by way of first mortgage/charge on the immovable and movable properties of the Company.

Section 293(1)(a) of the Companies Act, 1956, provides, inter alia, that the Board of Directors of a public company shall not, without the consent of such public company in general meeting, sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. Since the mortgaging/charging by the company of its immovable and movable properties as aforesaid may be regarded as disposal of the company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956, for creation of the said mortgage/charge. Hence the resolution.

Inspection

Copies of relevant agreements/ documents executed with The India Cements Limited are available for inspection at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day prior to the date of the meeting and will also be available for inspection at the meeting.

INDO ZINC LIMITED

Interest of Directors:

No Director of the Company is directly or indirectly concerned or interested in this resolution.

Item No.6:

The shareholders at the Annual General Meeting of the Company held on 28th September 1994 passed necessary resolution under Section 293(1)(d) of the Companies Act, 1956, authorizing the Board of Directors to borrow monies upto Rs.100 crores over and above the paid-up capital and free reserves of the Company.

The Company has revived the construction of cement plant at Banswara, Rajasthan, which was abandoned earlier due to financial constraints. For completing the project and for other requirements, the company is required to borrow necessary funds from banks/ financial institutions / corporate bodies and others from time to time. In view of this and also to provide flexibility in operation, it is necessary that the Board of Directors be authorised to borrow monies upto Rs.600 crores over and above the paid up capital and free reserves of the Company for the time being. Hence the resolution.

Interest of Directors:

No Director of the Company is directly or indirectly concerned or interested in this resolution.

(By order of the Board)
for **INDO ZINC LIMITED**

Place : Indore
Date : 13th August, 2009

SANJAY AGRAWAL
CHAIRMAN

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Twenty second Annual Report together with the audited accounts for the year ended 31st March 2009.

Financial Results:

	(Rs.in Lakhs)	
	For the year ended 31 st March	
	2009	2008
Total Income	36.35	743.51
Total Expenditure	604.84	1021.83
Gross Profit/(Loss)	(568.49)	(278.32)
Less: Depreciation	11.72	13.62
Profit/(Loss) before tax and exceptional items	(580.21)	(291.94)
Exceptional Items:		
Interest Provision written back on settlement of liabilities	65.15	526.90
Profit/(Loss) before tax	(515.06)	234.96
Provision for Tax	3.79	0.29
Profit/(Loss) after tax	(518.85)	234.67
Add/(Less) balance brought forward	(3053.91)	(3388.58)
Transfer from debenture redemption reserve	0.00	100.00
Balance carried to Balance Sheet	(3572.76)	(3053.91)

DIVIDEND:

In view of the loss incurred during the year, your Directors are unable to recommend any dividend for the year 2008-09.

DISCHARGE FROM BIFR:

The Company has fully settled its dues and liabilities to financial institutions and banks. In view of the Company's net-worth exceeding the accumulated losses and the Company no longer being a sick company, it was discharged from the purview of SICA / BIFR by the Board for Industrial and Financial Reconstruction (BIFR) vide its Order No.277/98 dated 17th March 2009.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors make the following statement in terms of Section 217 (2AA) of the Companies Act,1956 with respect to Directors' responsibility:

"We confirm

1. That in the preparation of the accounts for the year ended 31st March 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That such accounting policies have been selected and applied consistently and made judgments and estimates that

INDO ZINC LIMITED

are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the financial year ended 31st March 2009 and of the loss of the Company for that year.

3. That proper and sufficient care has been taken 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.
4. That the annual accounts for the year ended 31st March 2009 have been prepared on a going concern basis."

OPERATIONS:

The sales and other incomes for the financial year under review were Rs.36.35 lakhs as against Rs.743.51 lakhs in the previous financial year. The Company also registered the Loss after tax of Rs.518.85 Lakhs, during the current financial year as against Profit of Rs.234.67 lakhs in the previous financial year.

PROJECT:

The Company has revived the construction of cement plant at Banswara, Rajasthan, which was abandoned earlier due to financial constraints. The plant on completion, will have an aggregate capacity of approximately 1.5 mtpa and will cater to the cement markets in the states of Rajasthan, Madhya Pradesh and Gujarat.

OPEN OFFER:

During July 2009, ICL Financial Services Limited (ICLFSL), the wholly owned subsidiary of The India Cements Limited (ICL), acquired 13% of the equity shares of the Company and entered into a share purchase agreement with the promoters of the Company to acquire an additional 39.73% of the equity shares of the Company. In compliance with the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, in July 2009, ICLFSL along with ICL have made a public announcement to the shareholders of the Company to acquire a further 20% of the issued shares at Rs.22.50 per share.

CORPORATE GOVERNANCE:

Pursuant to clause 49 of the Listing Agreement with stock exchanges, a report on Corporate Governance along with Auditor's Certificate of its compliance is included as part of the Annual Report of the Company.

PUBLIC DEPOSITS:

During the year under review the company has neither accepted nor invited any public deposits within the meaning of section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975. Also there are no outstanding public deposits at the end of the year.

CONSERVATION OF ENERGY ETC.:

The particulars relating to conservation of energy and technology absorption as stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable to the company.

There was no foreign exchange earning and outgo during the year under review.

PERSONNEL:

There was no employee during the period drawing remuneration attracting the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS:

Mr.Manoj Agrawal and Mr.B.L.Kakrecha retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

AUDITORS:

M/s.Chaturvedi SK & Fellows, Chartered Accountants, Mumbai, Auditors of the Company, retire at the Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGEMENT:

The Board of Directors express their appreciation of the dedicated efforts put in by Executives and staff members at all levels of the company. The Board records their gratitude to the Financial Institutions, Bankers and Shareholders for their assistance, co-operation and continued support, which have been a source of strength to the company. The Board of Directors also wishes to thank the central and the State Governments for their continued guidance and support.

for and on behalf of the Board

Place: Indore
Date: 13th August, 2009

Sanjay Agrawal
Chairman

INDO ZINC LIMITED

CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE - THE PHILOSOPHY

The underlying principles of Corporate Governance are the values, ethics and commitment to follow best business practices. Thus, it rests upon the foundations of transparency, disclosures and fairness in dealing with its shareholders. It is interplay between Company, shareholders, creditors, capital markets, financial sectors, institutions and law. Corporate Governance is concerned with the establishment of systems whereby the Directors are entrusted with the responsibilities and duties in relation to the direction of Corporate Affairs.

Indo Zinc Ltd. is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Our governance practices stems from an inherent desire to improve and innovate and reflects the culture of trusteeship that is deeply ingrained in our value system and forms part of the strategic thought process. Our governance philosophy rests on Board accountability to the Company and shareholders, strategic guidance and effective monitoring by the Board, protection of minority interests and rights, equitable treatment of all shareholders as well as superior transparency and timely disclosure.

Our Corporate structure, business and practices have been aligned to our Corporate Governance philosophy. We will continuously endeavour to take forward the best practices to enhance stakeholders' value. The details of compliance are as follows :

2. BOARD OF DIRECTORS

2.1 COMPOSITION

The present strength of the Board of Directors is 6, comprising of 1 executive Director and 5 Non Executive Directors. The details of the present Board of directors along with the details of their other Directorship/Committee Membership are as under:

NAME OF THE DIRECTOR	POSITION	CATEGORY	OTHER DIRECTORSHIPS	COMMITTEE MEMBERSHIPS	COMMITTEE CHAIRMANSHIPS
Mr.Sanjay Agrawal	Chairman & MD	Executive	2	0	0
Mr.Manoj Agrawal	Director	Non -Executive	2	0	0
Mr.Surendra Kumar Nuwal	Director	Non - Executive	2	3	0
Mr.B.L.Kakrecha	Director	Non-Executive	0	0	0
Col.Nitin Bhatnagar	Director	Non-Executive	4	3	3
Mr.Ritesh Lunkad	Director	Non-Executive	7	3	0

2.2 BOARD MEETINGS AND ATTENDANCE:

During the year 2008-09, 7 Board Meetings were held on 17th April, 2008, 22nd May, 2008, 31st July,2008, 30th August, 2008, 25th October 2008, 20th January, 2009 and 26th February, 2009. The details of attendance of Directors at the Board Meetings during the year and the last Annual General Meeting are as follows:

NAME OF THE DIRECTOR	ATTENDANCE AT BOARD MEETINGS	ATTENDANCE AT LAST AGM
Mr.Sanjay Agrawal	7	YES
Mr.Manoj Agrawal	Nil	NO
Mr.Surendra Kumar Nuwal	7	YES
Mr.B.L.Kakrecha	6	YES
Col.Nitin Bhatnagar	7	YES
Mr.Ritesh Lunkad	7	YES

2.3 REMUNERATION OF DIRECTORS

(i) The details of remuneration paid to the Executive Director of the Company is given below:

NAME OF DIRECTOR	ALL ELEMENTS OF REMUNERATION PACKAGE
Mr.Sanjay Agrawal	Rs.30,000/- P.M

(ii) The remuneration paid to the Non-Executive Directors of the company is NIL.

3. AUDIT COMMITTEE

The role and terms of reference of the Audit Committee cover the areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred to by the Board of Directors from time to time.

The Audit Committee met 4 times during the year on 17th April, 2008, 31st July,2008, 25th October,2008, and 20th January, 2009.

The Composition and the attendance of the members at the meetings are as follows:

NAME OF MEMBERS	DESIGNATION	NO. OF MEETINGS ATTENDED
Col.Nitin Bhatnagar	Chairman	4
Mr.Ritesh Lunkad	Member	4
Mr.Surendra Kumar Nuwal	Member	4

4. REMUNERATION COMMITTEE

The Remuneration Committee comprises of Mr.Nitin Bhatnagar, Mr.Ritesh Lunkad and Mr.Surendra Kumar Nuwal who are all non-executive and independent Directors. Mr.Nitin Bhatnagar is the Chairman of the Committee.

There was no Remuneration Committee meeting held during the year.

INDO ZINC LIMITED

REMUNERATION POLICY

The Remuneration Policy of the Company for managerial personnel is primarily based on the following criteria:

- Performance of the Company
- Track record, potential and performance of individual managerial personnel.
- External competitive environment.

The Company has not introduced any stock option scheme for any of its Director.

REMUNERATION TO NON-EXECUTIVE DIRECTORS

During the year ended 31st March, 2009, the Company has not paid any remuneration either in the form of commission or sitting fee to its non-executive Directors.

RELATED PARTY TRANSACTIONS AND PECUNIARY RELATIONSHIP OF DIRECTORS

There are no significant related party transactions, pecuniary relationship or transactions between the Company and its Directors for the year ended 31st March 2009. Related party transactions are disclosed in the notes to accounts forming part of this annual report.

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

There was no Shareholders'/Investors' Grievance Committee meeting held during the year.

The composition and attendance of the Shareholders / investors grievance Committee meetings are given below:

Name of Members	No. of meetings held	No. of meetings attended
Col.Nitin Bhatnagar, Chairman	0	0
Mr.Ritesh Lunkad	0	0
Mr.Surendra Kumar Nuwal	0	0

During the year no complaints were received from the shareholders and investors.

- Mr. Mayur Shah is the Compliance Officer.

6. GENERAL BODY MEETINGS

The last Three Annual General Meetings were held as under:

FINANCIAL YEAR	DATE	TIME	VENUE
2005-2006	30.09.2006	4.00 p.m	Registered office
2006-2007	29.09.2007	4.00 p.m.	Registered office
2007-2008	30.09.2008	4.00 p.m.	Registered office

No special resolution was required to be put through postal ballot last year.

No item of business relating to matters specified under Clause 49 of the Listing Agreement with the Stock Exchanges and/or the provisions contained in Section 192A of the Companies Act, 1956, requiring voting by postal ballot is included in the Notice convening the 22nd Annual General Meeting of the Company.

7. DISCLOSURES

1. During the year, there were no transactions of material nature with the directors or the management or their subsidiaries or relatives that had potential conflict with the interest of the Company.
2. During the year, there were instances of non-compliance / belated compliance of various provisions of the Listing Agreement. The Company was a sick Company till it was discharged from the purview of BIFR / SICA vide its Order No.277/98 dated 17th March 2009.
3. Presently, the Company does not have a Whistle Blower Policy.
4. Details of information on appointment/re-appointment of directors:

A brief resume, nature of expertise in specific functional areas, number of equity shares held in the Company by the Director or for other person on a beneficial basis, name of companies in which the person already holds directorship, membership of committees of the Board and relationship with other directors, forms part of the Notice convening the 22nd Annual General Meeting.

8. MEANS OF COMMUNICATION

The quarterly, half yearly and yearly financial results of the Company are filed with the stock exchanges for investors' information.

9. GENERAL INFORMATION FOR SHAREHOLDERS :

i. 22nd Annual General Meeting

- Date and Time : 29th September,2009 at 12.00 Noon
- Venue : 601, Ravi Building,189/191, Dr.D.N. Road, Near Central Camera House, Fort, Mumbai 400 001.

ii. Financial Calendar (1st April to 31st March)

- Will be published on or before
- Results for the quarter ending June 30, 2009 : 31st July 2009
- Results for the quarter ending September 30, 2009 : 31st October, 2009
- Results for the quarter ending : 31st January, 2010
December 31, 2009
- Results for quarter ending : 30th June, 2010
March 31, 2010 (audited)

INDO ZINC LIMITED

iii. **Book Closure Date** : 24.09.2009 to 29.09.2009 (both days inclusive)

iv. **Dividend Payment Date** : Not Applicable

v. **Listing on Stock Exchanges:**

- a. The Company's Equity Shares are listed on the following Stock Exchanges:
1. Bombay Stock Exchange Ltd., Mumbai (BSE)
 2. The Delhi Stock Exchange Association Ltd., Delhi
 3. The Stock Exchange, Ahmedabad
 4. Madhya Pradesh Stock Exchange, Indore
- The Company's equity shares have been suspended from trading.
- b. The Company has belatedly paid the Listing Fee to BSE till 2009 - 2010 but has not paid the listing fee to other Stock Exchanges, where the Company's shares are listed, since 2004.

vi. **Market Price Data :**

The shares of the Company have been suspended from trading by the Stock Exchanges. Therefore, price quotations are not available.

vii. **Registrar and Transfer Agent [RTA]:**

The Company has not appointed any registrar & share transfer agent for share registry work and the same are carried out in house. The share certificates sent for transfer in physical form are registered within 30 days of receipt of the documents, if documents are found in order. Shares under objection are returned within two weeks.

viii. **Dematerialisation of shares:**

The Company has not signed agreements with NSDL or CDSL for offering shares in dematerialized form. All the shares of the Company are held in physical form only.

ix. **Distribution of Shareholding:**

The distribution of shareholding of equity shares as on 31st March, 2009 is given below:

No. of Share held	No. of shareholders	% of share holders	shares holding	% of share holding
Upto 500	4190	91.68	663400	14.74
501-1000	223	4.88	191080	4.25
1001-2000	77	1.68	120620	2.68
2001-3000	15	0.33	37900	0.84
3001-4000	12	0.26	44200	0.98
4001-5000	9	0.20	43100	0.96
5001-10000	16	0.35	94800	2.11
10001 and above	28	0.62	3304900	73.44
TOTAL	4570	100.00	4500000	100.00

Shareholding Pattern (as on 31.03.2009)

Category	No. of shares held	% shareholding
Promoters	1895900	42.13
Mutual Funds	100700	2.24
Banks	116100	2.58
Bodies Corporate	850254	18.90
Indian Public	1505846	33.46
NRI's	31200	0.69
TOTAL	4500000	100.00

x. **Outstanding GDRs/ADRS/Warrants or any convertible instruments, conversion date and likely impact on equity shares as on 31.03.2009:**

No GDRs/ADRS/Warrants or any convertible instruments have been issued by the company and hence, there would not be any impact on the equity.

xi. **Plant Location**

- | | |
|--|---|
| 1. Plant (Zinc) -(abandoned)
Plot No. 79, Sector
III Industrial area,
Pithampur, Dist. Dhar (M.P) | 2. Plant (Cement)
(under construction)
Wajwana, Banswara
District, Rajasthan |
|--|---|

xii. **Address for Correspondence**

Registered office: 601, Ravi Building, 189/191, Dr. D.N.Road, Near Central Camera House, Fort, Mumbai-400 001. TeleFax: 022-22654949 Email: indozincltd@gmail.com	Administration Office: 405, Apollo Tower, 2, M.G.Road, Indore-452 001(M.P) Ph: 0731-2518341 - 42 Fax: 0731-4058080 Email: indozincltd@gmail.com
--	--

ADDENDUM

In reply to the comments of the auditors on their certificate dated 13.08.2009 on Corporate Governance, we state that the Company has since made necessary arrangements for filing the requisite information / returns / reports with stock exchanges, though belatedly.

for and on behalf of the Board

Place: Indore
Date: 13th August, 2009

SANJAY AGRAWAL
CHAIRMAN

INDO ZINC LIMITED

CEO AND CFO CERTIFICATION

To the Board of Directors of Indo Zinc Limited

In compliance with Clause 49 (V) of the Listing Agreement with the Stock Exchanges, we hereby certify that:

- (a) We have reviewed financial statements and the cash flow statements for the year ended 31st March 2009 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 ; and
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2008-2009, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have not observed any deficiencies in the design or operation of internal controls.
- (d) We have indicated to the Auditors and the Audit Committee that there are :
- (i) no significant changes in the internal control during the year;
 - (ii) no significant changes in accounting policies during the year; and
 - (iii) no instances of significant fraud where the involvement of management or an employee having a significant role in the Company's internal control system have been observed.

Place : Indore **S.K.NUWAL** **SANJAY AGRAWAL**
Date : 13th August, 2009 DIRECTOR CHAIRMAN

CHATURVEDI SK & FELLOWS

CHARTERED ACCOUNTANTS

F-2, VAISHALI, 1ST FLOOR, V. MEHTA MARG, JVPD,
JUHU, MUMBAI 400 049

Telefax: (+9122) 67419960, E-mail: cskfelos_ca @vsnl.net

Auditor's Certificate on Corporate Governance

To the Members of Indo Zinc Ltd

We have examined the compliance of conditions of Corporate Governance by Indo Zinc Ltd, for the year ended on 31st March 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange(s) in India.

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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and subject to the observation that the company has not sent the quarterly results nor submitted quarterly compliance report to the stock exchanges as required under sub clause IV(G)(ii) and VI(ii) of clause 49 of the Listing Agreement, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We 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 Chaturvedi SK & Fellows
Chartered Accountants

Place : Indore
Dated : 13th August, 2009

Srikant Chaturvedi
(Membership No. 70019)
Partner

CODE OF CONDUCT - DECLARATION UNDER CLAUSE 49(I)(D)

This is to certify that :

1. In pursuance of the provisions of Clause 49(I)(D) of the Listing Agreement with Stock Exchanges, a Code of Conduct for the Board Members and the senior Management Personnel of the Company has been approved by the Board of Directors of the Company.
2. The said Code of Conduct has been circulated to the Board members and the Senior Management Personnel of the Company.
3. All Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct, for the period ended 31st March, 2009.

For INDO ZINC LIMITED

Place : Indore
Date : 13th August, 2009

Sanjay Agrawal
Managing Director

CHATURVEDI SK & FELLOWS

CHARTERED ACCOUNTANTS

F-2, VAISHALI, 1ST FLOOR, V. MEHTA MARG, JVPD,
JUHU, MUMBAI 400 049

Telefax: (+9122) 67419960, E-mail: cskfelos_ca @vsnl.net

AUDITOR'S REPORT

To the Members of Indo Zinc Ltd

We have audited the attached Balance Sheet of INDO ZINC LTD. as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order 2003, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraph 4 of the said Order.

Further to our comments in the Annexure referred to 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 purpose 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 Cash Flow Statement dealt with by this report are in agreement with the books of account and, in our opinion comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- d) On the basis of written representation received from the directors as on 31.03.2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of provisions of section 274 (1) (g) of the Companies Act, 1956.
- e) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read with the notes to accounts 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 the Balance Sheet, of the state of affairs of the company as at 31st March, 2009;
 - (ii) In the case of Profit & Loss Account, of the Loss for the year ended on that date;
 - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For CHATURVEDI SK & FELLOWS
Chartered Accountants

Srikant Chaturvedi (Membership No.70019)
Partner

Place : Indore
Date : 13th August, 2009

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in our report of even date on the accounts of INDO ZINC LIMITED for the year ended 31st March 2009.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, the fixed assets were physically verified during the period by the management. No material discrepancies were noticed on such verification.
 - (c) The company has disposed off during the year whole of the plant and machinery of its zinc division which formed substantial part of its fixed assets. This sale has no bearing on the 'going concern' status of the company in view of it continuing execution of its cement project.
2. (a) According to the information given to us, physical verification of inventory was conducted by the management during the year at reasonable intervals.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company is maintaining proper records of inventory. According to the information and explanations given to us, shortages valued at Rs. 2.33 lacs were noticed on physical verification of inventories. These have been charged off to the Profit & Loss A/c.
3. (a) The company has granted one interest free advance of Rs. 354.49 lacs to a party covered in the register maintained under section 301 of the Companies Act, 1956. According to the information and explanations given to us, no repayment schedule is agreed for the said loan.
 - (b) The company has not taken any unsecured loan from parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to the purchase of inventory and fixed assets and for the sale of goods and services.
5. According to the information and explanations given to us, the company has not entered any transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public. The provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.

7. According to information and explanations given to us, the company did not have formal internal audit system during the year under consideration.
8. We are informed that the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the Company's products.
9. According to the records of the company, the company is some times late in depositing undisputed statutory dues including Income-tax, Sales-tax, Custom duty, Excise duty and other statutory dues applicable to it. According to information and explanations given to us, provisions of Provident Fund Scheme and Employees' State Insurance Scheme were not applicable to the company during this year. Following amounts of above mentioned statutory dues were in arrears as at 31/03/2009 for a period of more than six months from the date they became payable.
19. The company did not have any outstanding secured debentures as on the date of the balance sheet.
20. The company has not raised any money by public issue of securities in recent past.
21. According to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year

For CHATURVEDI SK & FELLOWS
Chartered Accountants

Place : Indore
Date : 13th August,2009

Srikant Chaturvedi
(Membership No.70019)
Partner

Nature of dues	Amount- Rs. In lacs
Income-tax	55.45
Central Sales-tax	10.45
MP Sales-tax	1.86
MP Entry Tax	39.02
UP Trade Tax	2.19

10. The company is registered for a period of more than five years. Its accumulated losses at the end of the financial year were more than fifty per cent of its net worth. The company has incurred cash losses during this financial year as also during the previous financial year.
11. The company has repaid all dues of the financial institutions, banks and debenture holders as per terms of settlement with them and did not have any dues payable to them as on the date of the balance sheet.
12. The company has not granted loans and advances on the basis of security of shares, debentures and other securities.
13. The company is not engaged in the business of chit funds, nidhi, mutual benefit fund or mutual benefit society.
14. The company is not dealing or trading in shares, securities, debentures or other investments.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others.
16. According to the information and explanations given to us, the loan availed by the company during the year was prima facie applied by the company for the purpose for which the loan was raised.
17. According to the information and explanations given to us and on an overview of the balance sheet and cash flow statement of the company, the company has not used funds raised on short-term basis for long term investment.
18. The company has not made any preferential allotment of shares during the year.

INDO ZINC LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2009**

	Schedule No.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	44,878,000	44,878,000
Share Application Money		100,000	16,652,000
Reserves & Surplus	2	<u>51,476,754</u>	<u>86,161,681</u>
		<u>96,454,754</u>	<u>147,691,681</u>
Loan Funds	3		
Secured Loans		870,002,283	31,515,668
Unsecured Loans		0	<u>32,819,434</u>
		<u>870,002,283</u>	<u>64,335,102</u>
		<u>966,457,037</u>	<u>212,026,783</u>
APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		38,391,612	98,789,909
Less : Depreciation		<u>20,591,461</u>	<u>77,269,763</u>
Net Block		17,800,151	21,520,146
Capital Work in Progress	5A	311,971,962	127,523,146
Pre-operative expenses (pending capitalisation)	5B	66,287,587	0
Advances for Capital Goods		<u>540,147,306</u>	<u>69,722,787</u>
		936,207,006	218,766,079
Investments	6	0	720,000
Current Assets, Loans & Advances			
Inventories	7	986,562	10,143,580
Debtors	8	1,657,998	6,707,108
Cash & Bank Balances	9	6,688,908	1,691,605
Loans & Advances	10	<u>72,549,095</u>	<u>10,202,793</u>
		81,882,563	28,745,086
Less : Current Liabilities & Provisions	11	<u>51,632,532</u>	<u>36,204,382</u>
Net Current Assets		<u>30,250,031</u>	<u>(7,459,296)</u>
		<u>966,457,037</u>	<u>212,026,783</u>
Notes to Accounts	15		

AS PER OUR REPORT OF EVEN DATE

For CHATURVEDI SK & FELLOWS

Chartered Accountants

SANJAY AGRAWAL

Managing Director

Srikant Chaturvedi- Membership No.70019

Partner

Place: Indore

Date: 13th August,2009**COL. NITIN BHATNAGAR****S. K. NUWAL**

Directors

INDO ZINC LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule No.	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
INCOME			
Sales		7,510,986	28,235,267
Other income	12	2,736,579	2,173,081
Increase/(decrease) in stocks	13	(6,612,543)	(6,078,083)
Provision for bad & doubtful debts no longer required		0	35,039,316
Provision for bad & doubtful advances no longer required		0	14,981,441
		<u>3,635,022</u>	<u>74,351,022</u>
EXPENDITURE			
Cost of Traded Goods		2,311,165	21,710,128
Excise Duty (net)		1,143,853	3,446,390
Manufacturing & other expenses	14	7,768,934	9,387,241
Interest paid		847	1,557,885
Depreciation		1,171,694	1,362,658
Expenditure on abandoned project (See Note No. 5 in Schedule- 15)		0	1,068,183
Loss in value of raw material stock due to deterioration		0	14,191,082
Provision for bad & doubtful advances made		42,780,000	0
Bad & doubtful debts written off		0	35,840,665
Bad & doubtful advances written off		6,479,464	14,981,441
		<u>61,655,957</u>	<u>103,545,673</u>
Profit/(Loss) before income tax and exceptional items		(58,020,935)	(29,194,651)
Exceptional items:			
Interest provision written back on settlement of liabilities (See Note No.2 in Schedule-15)		6,515,668	52,690,003
Profit before income tax		(51,505,267)	23,495,352
Less: Income tax		0	0
Less: Fringe Benefit Tax		379,660	28,823
Profit /(Loss) after Tax		(51,884,927)	23,466,529
Balance brought forward from last year		(305,391,072)	(338,857,601)
Transfer from debenture redemption reserve		0	10,000,000
Balance carried to Balance Sheet		<u>(357,275,999)</u>	<u>(305,391,072)</u>
Earnings per equity share (Basic and diluted) (Face value of share- Rs. 10 each)			
Before extra-ordinary items		(12.98)	(6.49)
After extra-ordinary items		(11.53)	5.21
Notes to Accounts	15		

AS PER OUR REPORT OF EVEN DATE

For CHATURVEDI SK & FELLOWS

Chartered Accountants

SANJAY AGRAWAL

Managing Director

Srikant Chaturvedi- Membership No.70019

Partner

Place: Indore

Date: 13th August,2009

COL. NITIN BHATNAGAR

S. K. NUWAL

Directors

INDO ZINC LIMITED

Schedules Forming Part of the Balance Sheet

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
1 SHARE CAPITAL		
Authorised capital		
25,000,000 equity shares of Rs. 10 each	250,000,000	250,000,000
1,000,000 preference shares of 100 each	<u>100,000,000</u>	<u>100,000,000</u>
	<u>350,000,000</u>	<u>350,000,000</u>
Issued, subscribed and paid up		
4,500,000 equity shares of Rs. 10 each	45,000,000	45,000,000
Less : Calls unpaid (other than directors)	<u>122,000</u>	<u>122,000</u>
	<u>44,878,000</u>	<u>44,878,000</u>
Note : Of the above shares		
I) 250,000 equity shares are allotted as fully paid bonus shares by capitalisation of general reserve.		
II) 384,000 shares are allotted as fully paid shares to the shareholders of Mahi Cement Limited, the amalgamating company for consideration other than cash.		
2 RESERVES & SURPLUS		
Capital investment subsidy:		
As per last balance sheet	1,500,000	1,500,000
Amalgamation reserve		
As per last balance sheet	15,360,000	15,360,000
Share premium account :		
As per last balance sheet	46,557,000	46,557,000
Debenture Redemption Reserve :		
As per last balance sheet	0	10,000,000
Less:- Transferred to profit and loss account on settlement of debenture dues.	<u>0</u>	<u>10,000,000</u>
	<u>0</u>	<u>0</u>
General reserve :		
As per last balance sheet	328,135,753	0
Loan liabilities written back on settlement of dues (See Note No. 2 in Schedule No.15)	<u>17,200,000</u>	<u>328,135,753</u>
	<u>345,335,753</u>	<u>328,135,753</u>
Profit and Loss account-debit balance	<u>(357,275,999)</u>	<u>(305,391,072)</u>
	<u>51,476,754</u>	<u>86,161,681</u>
3 LOANS		
Secured :		
From The India Cements Ltd.	870,002,283	0
From Industrial Investment Bank of India	0	25,000,000
Interest accrued & due on above	<u>0</u>	<u>6,515,668</u>
	<u>870,002,283</u>	<u>31,515,668</u>
Unsecured :		
From directors	0	4,229,517
From companies	<u>0</u>	<u>28,589,917</u>
	<u>0</u>	<u>32,819,434</u>
	<u>870,002,283</u>	<u>64,335,102</u>

INDO ZINC LIMITED

SECURITY :

Loan from The India Cements Ltd. is secured by first mortgage of the company's immovable properties both present and future situated at village Parthipura, Tehsil Garhi and by first mortgage of specified land at village Nokhla and village Jhalo ka Gadha, all in districts Banswara in Rajasthan. The loan is the further secured by hypothecation of whole of Company's movable properties both present and future.

Term loan from Industrial Investment Bank of India, before it was repaid was secured by :

- I) Equitable mortgage of the company's immovable properties both present and future situated at village Parthipura, Tehsil Garhi Dist. Banswara (Raj.) and at Plot No.79, Sector-III, Pithampur, Dist.Dhar (M.P.).
- II) Hypothecation of all the company's movable machinery, machinery spares, tools and accessories subject to prior charges created/ to be created in favour of Banks for securing the working capital advance.
- III) Personal guarantees of some of the directors.

4. FIXED ASSETS :

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2008	ADDITION	Deduction	AS AT 31.03.2009	AS AT 01.04.2008	For the year	Write back	AS AT 31.03.2009	AS AT 31.03.2009	AS AT 31.03.2008
LAND (LEASE HOLD)	4,406,997	0	0	4,406,997	0	0	0	0	4,406,997	4,406,997
LAND (FREE HOLD)	3,183,871	140,000	0	3,323,871	0	0	0	0	3,323,871	3,183,871
BUILDING	24,393,514	0	0	24,393,514	16,625,842	523,528	0	17,149,370	7,244,144	7,767,672
PLANT & MACHINERY	51,194,233	0	49,952,210	1,242,023	47,111,122	361,119	46,661,615	810,626	431,397	4,083,111
ELECTRIC INSTALLATIONS	2,341,982	0	2,341,982	0	2,189,914	0	2,189,914	0	0	152,068
FURNITURE & FIXTURES	3,758,206	163,334	2,578,870	1,342,670	3,267,386	116,421	2,387,638	996,169	346,501	490,820
VEHICLES	2,662,407	0	2,662,407	0	2,581,330	1,948	2,583,278	0	0	81,077
OTHER ASSETS	6,848,699	1,400,544	4,566,706	3,682,537	5,494,169	232,924	4,091,797	1,635,296	2,047,241	1,354,530
GRAND TOTAL	98,789,909	1,703,878	62,102,175	38,391,612	77,269,763	1,235,940	57,914,242	20,591,461	17,800,151	21,520,146
PREVIOUS YEAR	110,406,587	0	11,616,678	98,789,909	86,971,521	1,707,341	11,409,098	77,269,763	21,520,146	23,435,066

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
5A CAPITAL WORK IN PROGRESS		
Site developement	23,629,930	21,667,842
Buildings under construction	98,803,289	91,549,640
Plant & machinery in progress	179,305,341	4,072,262
Material at site	<u>10,233,402</u>	<u>10,233,402</u>
	<u>311,971,962</u>	<u>127,523,146</u>

INDO ZINC LIMITED**Schedules Forming Part of the Balance Sheet**

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
5B PRE-OPERATIVE EXPENSES PENDING CAPITALISATION:		
Labour charges	2,223,069	0
Stores & spares	288,636	0
Electricity expenses	2,627,353	0
Building repairs	96,800	0
Mechanical & electrical repairs	1,292,614	0
Rent	62,449	0
Travelling & conveyance	1,765,500	0
Business promotion	8,357,417	0
Professional fees	1,636,991	0
Sundry expenses	27,130,453	0
Interest (Net)	20,761,743	0
Depreciation	<u>64,246</u>	<u>0</u>
	66,307,271	0
Less:		
Sundry receipts	<u>19,684</u>	<u>0</u>
	66,287,587	0
6 Investments		
Long term (quoted)		
Equity shares fully paid :		
E-Metals India Limited (sold during the year 1200000 shares of Rs. 10 each)	<u>0</u>	<u>720,000</u>
	<u>0</u>	<u>720,000</u>
Aggregate market value of quoted shares (Market quotes not available hence previous valuation retained.)		-
7 INVENTORIES (as taken valued and certified by one of the directors)		
Materials (at cost)	929,593	3,474,068
Finished Goods (at lower of cost or market value)	<u>56,969</u>	<u>6,669,512</u>
	986,562	10,143,580
8 SUNDRY DEBTORS (Unsecured considered good)		
Debts outstanding for a period exceeding six months	1,657,998	0
Other debts	<u>0</u>	<u>6,707,108</u>
	1,657,998	6,707,108

INDO ZINC LIMITED**Schedules Forming Part of the Balance Sheet**

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
9 CASH & BANK BALANCES		
Cash on hand	5,398,963	853,156
Bank balances		
With scheduled banks		
-in current accounts	33,644	638,449
-in margin deposit accounts	536,301	0
-in no-lien deposit accounts	0	200,000
Cheques in hand	720,000	0
	<u>6,688,908</u>	<u>1,691,605</u>
10 LOANS AND ADVANCES		
(Unsecured-considered good except doubtful amount specified below)		
Advance recoverable in cash or in kind or for value to be received	112,901,435	4,366,630
Accrued income	12,427	0
Prepaid expenses	17,280	8,160
Deposits	2,001,066	5,932,415
Tax deducted at source	396,887	395,588
	<u>115,329,095</u>	<u>10,702,793</u>
Less:Provision for doubtful advances	42,780,000	500,000
	<u>72,549,095</u>	<u>10,202,793</u>
11 CURRENT LIABILITIES & PROVISIONS		
Current liabilities:		
Sundry creditors		
-outstanding dues of micro and small enterprises	0	0
-outstanding dues of other creditors	37,779,204	21,109,460
Other liabilities	7,863,390	5,363,315
Advance from customers	69,938	3,933,160
	<u>45,712,532</u>	<u>30,405,935</u>
PROVISIONS :		
Provision for staff benefits scheme	0	229,947
Provision for income-tax (including fringe benefit tax)	5,920,000	5,568,500
	<u>5,920,000</u>	<u>5,798,447</u>
	<u>51,632,532</u>	<u>36,204,382</u>

INDO ZINC LIMITED

Schedules Forming Part of the the Profit & Loss Account

	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
12 OTHER INCOME		
Rent	0	60,000
Interest received	12,427	39,422
Sale of scrap & other items	109,194	304,548
Profit on sale of fixed assets	0	178,191
Miscellaneous receipts	30,060	5,980
Sundry balances written back	311,561	177,116
Excess provisions no more required	<u>2,273,337</u>	<u>1,407,824</u>
	<u>2,736,579</u>	<u>2,173,081</u>
13 INCREASE /(DECREASE) IN STOCKS		
Closing stocks		
Finished goods	56,969	6,669,512
Less : Opening Stocks :		
Finished goods	<u>6,669,512</u>	<u>12,747,595</u>
Increase/(decrease) in stocks	<u>(6,612,543)</u>	<u>(6,078,083)</u>
14 MANUFACTURING & OTHER EXPENSES		
Salaries, wages & bonus	979,068	1,817,276
Contribution to provident and other funds	0	63,112
Staff welfare expenses	11,000	0
Electricity & water charges	54,510	77,212
Rent	6,530	0
Rates & taxes	4,737,990	34,860
Insurance	0	52
Repairs & maintenance:		
Buildings	453,336	91,258
Plant & machinery	0	7,700
Others	0	110
Travelling & conveyance	82,165	54,249
Vehicle expenses	1,337	8,424
Bank charges	29,387	10,318
Security expenses	15,578	0
Sales commission	0	59,804
Discount on sales	0	6,236,000
Freight & carriage	0	274,387
Labour charges	415	38,784
Audit fees (including tax Audit fees of Rs. 27575, Previous year Rs. 22472)	165,450	78,652
Other Professional fees	412,720	64,000
Postage & telephone	40,169	196,120
Stock shortage written off	233,310	0
Loss on sale of fixed assets	97,729	0
Loss on disposal of CWIP	225,539	0
Prior period expenses	175,400	0
Sundry expenses	<u>47,301</u>	<u>274,923</u>
	<u>7,768,934</u>	<u>9,387,241</u>

INDO ZINC LIMITED

15. NOTES FORMING PART OF ACCOUNTS

1. Significant Account Policies:

i. Basis of preparation of financial statements:

The financial statements are prepared under the historical cost convention on the accrual basis of accounting, unless otherwise stated, in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act 1956 and the applicable accounting standards.

ii. Use of Estimates:

The preparation of financial statements requires estimates and assumptions. Differences between the estimates and actual results are recognised in the period in which the same are known.

iii. Fixed Assets:

Fixed assets are stated at cost of acquisition or construction and include proportionate amount of expenditure during construction capitalised to respective assets.

iv. Depreciation:

- a) Depreciation on fixed assets of Zinc plant is provided on written down value (WDV) method and in the manner provided in schedule XIV to the Companies Act, 1956. Depreciation on additions is provided on pro-rata basis for the period for which the assets are put to use.
- b) Depreciation on fixed assets of cement division is provided on straight-line basis and in the manner provided in schedule XIV to the Companies Act, 1956. Depreciation on additions is provided on pro-rata basis for the period for which the assets are put to use.
- c) Assets costing less than Rs. 5000 are fully depreciated in the year of purchase.
- d) Leasehold land is not amortised.

v. Impairment of Assets:

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use.

vi. Foreign Exchange Transactions:

Foreign exchange transactions are recorded at the exchange rates prevailing on the date of transaction and net loss or gain arising on settlement of transaction is adjusted to profit and loss account.

vii. Valuation of inventory:

- a) Raw materials are valued at cost on FIFO basis. Cost includes incidental expenses such as freight, transport and clearing charges.
- b) Stores & spare parts are valued at cost.
- c) Finished goods are valued at cost or market value whichever is lower.
- d) Goods in process are valued at cost or net realisable value whichever is lower.

viii. Sales/ Turnover:

Sales/ Turnover include sale value of goods and excise duty thereon but exclude VAT recovered.

ix. Excise duty and Cenvat Credits:

Sales and purchases (other than those of capital goods) are stated inclusive of excise duty. Cenvat credits relating to capital goods are reduced from the value of the capital goods.

x. Retirement benefits:

None of the employees of the company was entitled to any retirement benefit at the end of the current year.

2. Settlement of dues of financial institutions/ bank:

- i. During the previous year, the financial institutions and bank namely Industrial Development Bank of India (IDBI), Life Insurance Corporation of India (LIC), and the State Bank of India had agreed to the company's offer of settlement of all their dues on payment to them by the company of specified amounts aggregating Rs. 1139.85 lacs. The company made payment of the said amount in terms of above said settlements. During the current year, the remaining financial institution namely Industrial Investment Bank of India (IIBI) agreed to the company's offer of settlement of all its dues on payment of Rs. 78 lacs, which amount was duly paid by the company to IIBI.

INDO ZINC LIMITED

- ii. In view of above-mentioned settlements, the company has written back interest liability amounting to Rs. 65.15 lacs (Previous year- Rs.526.90 lacs) relating to the above mentioned accounts as amounts no more payable. The said amounts are credited to the profit and loss account as extra-ordinary item of income.
- iii. The company has also written back loan liability of Rs. 172.00 lacs (Previous year- loan liabilities and debentures amounting to Rs. 3281.36 lacs) relating to the above-mentioned accounts as amounts no more payable. The said amounts of write back are credited to the General Reserve.

3. Contingent liabilities:

		As at 31.03.2009	As at 31.03.2008
		(Rupees in Lacs)	
a)	Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for.	21740	3534
b)	Interest and penal liabilities for late payment/ non payment of statutory dues.	Amount not known	Amount not known

4. In view of the losses incurred by the Company during last few years, the Company has accumulated net deferred tax assets of Rs. 415 lacs as on 31.03.2009 (Rs.546 lacs as on 31.03.2008) in terms of provisions of Accounting Standard 22 "Accounting for Taxes on Income", issued by the Institute of Chartered Accountants of India. However, following prudent accounting policy and the guidelines contained in paragraphs 15 to 18 of the said Accounting Standard, the management has decided not to make the adjustment in the books of accounts for the value of the said deferred tax assets until such time that there is reasonable certainty of realisation of the said deferred tax assets against sufficient future taxable income.
5. The Company decided during the financial year 1997-98 to abandon its cement project at Banswara in Rajasthan due to its inability to raise equity funds required for the project and due to change in market conditions for the product. Following this decision, the Company charged to Profit & Loss A/c during the said financial year 1997-98 all pre-operative expenses incurred up to that date, aggregating Rs. 1326.30 lacs. Subsequent to that date, the Company followed the policy of charging expenditure on the abandoned project to the Profit & Loss A/c every year.
During the current year, the company has decided to revive the said cement project with the help of new investors. Accordingly, pre-operative expenses incurred during the year on this project are shown separately pending capitalisation.
6. On physical verification of stock of raw material, it was found that some of the items in stock were in shortage. Loss of Rs. 2.33 lacs in value of such stocks has been provided in the books.
7. Related party disclosure in accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

List of Related Parties:

Name of Related Party	Relationship
Mr Sanjay Agrawal, Mr Manoj Agrawal, Mr SK Nuwal. E-Metals India Ltd., Globex Export (I) Pvt. Ltd.	Key management persons. Company in which key management persons are having control or substantial interest.

Related party relationships are as identified by the Company and are relied upon by the auditors.

INDO ZINC LIMITED

Transaction with related parties:

Related parties	Nature of transactions	For the period 31.03.2009		For the period 31.03.2008	
		Amount	Outstanding	Amount	Outstanding
		Rs. In lacs		Rs. In lacs	
Key management persons	Remuneration paid	3.60	1.44	8.35	5.60
	Loan received	0.00	0.00	0.00	40.30
	Share application money received	0.00	0.00	0.00	140.52
	Rent deposit given	0.00	10.00	0.00	50.00
E-Metals India Ltd	Rent received	0.00	0.00	0.24	0.00
	Loan received	0.00	0.00	248.01	83.42
	Loan given	354.49	354.49	0.00	0.00
	Investment in shares	0.00	0.00	0.00	7.20
Globex Export (I) Pvt Ltd	Rent received	0.00	0.00	0.12	0.00
	Loan received	0.00	0.00	0.00	183.80
	Loan given			0.00	0.00

8. Managerial remuneration includes:

	<u>2008-09 (Rs.)</u>	<u>2007-08 (Rs.)</u>
Salary and allowances	3,60,000	835,000

Computation of net profit in accordance with section 349 of the Companies Act, 1956 has not been given, as commission by way of percentage of profit is not payable for the year any of the directors of the Company.

9. Payment to Auditors :

	<u>2008-09 (Rs.)</u>	<u>2007-08 (Rs.)</u>
For audit fee	125,000	50,000
For tax audit fees	25,000	20,000
For service tax	15,450	8,652

10. Calculation of Earnings per Share:

	2008-09	2007-08
Profit after tax but before extra-ordinary items (Rs. in lacs)	(-) 584.00	(-) 292.23
Profit after tax and extra-ordinary items (Rs. in lacs)	(-) 518.85	234.67
No. of Equity Shares- Weighted average (in lacs)	45.00	45.00
Earnings per share- Basic and Diluted (Face value- Rs. 10 per share):-		
Before extra-ordinary items (Rs.)	(-) 12.98	(-) 6.49
After extra-ordinary items (Rs.)	(-) 11.53	5.21

11. Segment Results: The company had only one segment during the year, that of Non Ferrous Metals. Its cement project is still under implementation.

12. Classification of suppliers as Micro, Small or Medium Enterprises is done where such information is provided by the supplier. No interest is paid or payable during the year to Micro Small or Medium Enterprises.

INDO ZINC LIMITED

13. Balances of debtors, creditors and loans and advances are subject to confirmation. In the opinion of the management these accounts will fetch the amount as stated in the books of accounts on realisation in the ordinary course of business.

14. Expenses include prior period expenses (net) Rs. 175,400 (Previous year- 1,080,002).

15. Information pursuant to paragraph 3, 4C of Part II of Schedule VI to the Companies Act:

(i) The company is setting up a new cement plant at Banswara in Rajasthan. The project is under execution at present. The company disposed off all plant and machinery of its zinc plant at Pithampur in MP during the current year. Consequently, the company does not have any manufacturing facility at present. No production activity was carried on during current or the previous year.				
(ii) Sales, Purchases & Stocks:				
2008-09				
2007-08				
	Quantity- MT	Value- Rs	Quantity- MT	Value- Rs
Item	Non ferrous metals & scrap		Non ferrous metals & scrap	
Turnover	673	7,510,986	739	28,235,267
Purchases	624	2,311,165	691	21,710,128
Opening stock	73	6,669,512	121	12,747,595
Closing stock	24	56,969	73	6,669,512
(iii) There were no exports, imports, remittances in foreign currency or earnings in foreign currency during this or previous year.				

16. Previous year's figures have been reclassified / regrouped wherever necessary.

AS PER OUR REPORT OF EVEN DATE

For CHATURVEDI SK & FELLOWS

Chartered Accountants

SANJAY AGRAWAL

Managing Director

Srikant Chaturvedi- Membership No.70019

Partner

Place: Indore

Date: 13th August,2009

COL. NITIN BHATNAGAR

S. K. NUWAL

Directors

INDO ZINC LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details		
Registration No.	:	42858
State Code	:	11
Balance Sheet Date	:	31-03-2009
II. Capital raised during the year (Amount in Rs. thousands)		
Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Private placement	:	Nil
III. Position of Mobilisation and deployment of funds (Amount in Rs. thousands)		
Total Liabilities	:	966457
Total Assets	:	966457
Sources of Funds		
Paid up Capital*	:	44978
Reserve and Surplus	:	51477
Secured Loans	:	870002
Unsecured Loans	:	0
* Including share application money.		
Application of Funds		
Net Fixed Assets	:	936207
Investments	:	0
Net Current Assets	:	30250
Miscellaneous Expenditure	:	0
Accumulated Losses	:	0
IV. Performance of Company (Amount in Rs. thousands)		
Turnover including other income	:	10247
Total Expenditure	:	61752
Profit/(Loss) Before Tax	:	(51505)
Profit/(Loss) After Tax	:	(51885)
Earning per Share in Rs.	:	(11.53)
Dividend Rate %	:	0%
V. Generic Names of three Principal Products of Company.		
Item Code No.	:	790112-00
Product Description	:	Zinc metal, Brass metal, Copper metal Less than 99.99 %

AS PER OUR REPORT OF EVEN DATE

For CHATURVEDI SK & FELLOWS

Chartered Accountants

SANJAY AGRAWAL

Managing Director

Srikant Chaturvedi- Membership No.70019

Partner

Place: Indore

Date: 13th August, 2009

COL. NITIN BHATNAGAR

S. K. NUWAL

Directors

INDO ZINC LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	Year ended 31.03.2009 Rs. in Lacs	Year ended 31.03.2008 Rs. in Lacs	
A. Cash flow from operating activities:			
Net profit before tax and exceptional items	(580.21)		(291.95)
<u>Adjustments for non operating and non cash expenses:</u>			
Depreciation	11.72	13.63	
Interest paid	0.01	15.58	
Bad & doubtful debts written off	0.00	8.01	
Bad & doubtful advances written off	492.59	0.00	
Stock deterioration	0.00	141.91	
Loss on sale of fixed assets	0.98	0.00	
Loss on disposal of CWIP	2.26	0.00	
Expenditure on abandoned project	<u>0.00</u>	<u>10.68</u>	<u>189.81</u>
	(72.65)		(102.14)
<u>Adjustment for non operating income:</u>			
Profit on sale of fixed asset	0.00	(1.78)	
Interest received	<u>(0.12)</u>	<u>(0.39)</u>	<u>(2.17)</u>
Operating profit before working capital changes	(72.77)		(104.31)
<u>Adjustment for changes in working capital:-</u>			
(Increase)/decrease in inventories	91.57	71.25	
(Increase)/decrease in debtors	50.49	(46.60)	
(Increase)/decrease in other receivables	(623.46)	40.41	
Increase/(Decrease) in trade payable and other liabilities	<u>150.77</u>	<u>(330.63)</u>	<u>222.67</u>
Cash generated from operation	(403.41)	(157.61)	118.36
Less: Interest paid	(0.01)	(15.58)	
Less: Direct taxes paid	<u>(0.28)</u>	<u>(0.52)</u>	<u>(16.10)</u>
Net cash from operating activities..A	(403.70)	(173.71)	102.26
B. Cash flow from investing activities			
Interest received	0.12	0.39	
Sale of investments	7.20	0.00	
Sales of fixed assets	40.90	3.86	
Sale of CWIP	0.05	0.00	
Purchase of fixed assets	(17.04)	0.00	
Pre-operative expenses	(662.23)	0.00	
Capital work in progress	(1846.80)	12.22	
Advances for capital goods	(5196.84)	201.37	
Expenditure on abandoned project	<u>0.00</u>	<u>(7.24)</u>	210.60
Net cash used in investing activities..B	(7674.64)	(7.24)	
C. Cash flow from financing activities:			
Loan from India Cement Ltd	8700.02	0.00	
Repayment of term loan	(78.00)	(208.50)	
Refund of share application money	(165.52)	0.00	
Working capital finance	0.00	(133.13)	
Unsecured loans/deposits	<u>(328.19)</u>	<u>8128.31</u>	<u>(567.91)</u>
Net cash from financing activities..C	8128.31	(226.28)	
D. Net increase/(Decrease) in cash & cash equivalents (A+B+C)	49.97		(255.05)
Cash and equivalents at the beginning of the year	16.92		271.97
Cash and equivalents at the end of the year	66.89		16.92

Note : Figures in brackets represent cash outflow.

AS PER OUR REPORT OF EVEN DATE

For CHATURVEDI SK & FELLOWS

Chartered Accountants

SANJAY AGRAWAL

Managing Director

Srikant Chaturvedi- Membership No.70019

Partner

Place: Indore

Date: 13th August, 2009

COL. NITIN BHATNAGAR

S. K. NUWAL

Directors

INDO ZINC LIMITED

Registered Office : 601, Ravi Building, 189/191, Dr.D.N.Road,
Near Central Camera House, Fort, Mumbai 400 001.

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the meeting hall. Only members or their proxies are entitled to be present at the meeting.

Name and address of the Shareholder Folio No. :

No of Shares held :

I hereby record my presence at the twenty second Annual General Meeting of the Company at 601, Ravi Building, 189/191, Dr.D.N. Road, Near Central Camera House, Fort, Mumbai 400001 on Tuesday, the 29th day of September 2009 at 12.00 Noon.

Signature of the Member/Proxy

Name :

----- *Please Tear Here* -----

INDO ZINC LIMITED

Registered Office : 601, Ravi Building, 189/191, Dr.D.N.Road,
Near Central Camera House, Fort, Mumbai 400 001.

PROXY FORM

I/WE Folio No :

of No. of shares held :

being a member/members of INDO ZINC LIMITED do hereby appoint.....of
..... (or failing him..... of
.....) as my/our proxy and to vote for me/us on my/our behalf at the twenty second Annual
General Meeting of the Company to be held at 601, Ravi Building, 189/191, Dr.D.N. Road, Near Central Camera
House, Fort, Mumbai 400 001 on Tuesday, the 29th day of September 2009 and at any adjournment thereof.

Signed thisday of2009.

N.B.

Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member. This form duly completed should be deposited at the Registered office of the Company before 12.00 Noon on Sunday the 27th September 2009.

Affix
15 Paise
Revenue
Stamp

Please Tear Here

Book-Post

If undelivered please return to :
INDO ZINC LIMITED
405, Apollo Tower, 2 M. G. Road,
Indore-452 001