
MAITHAN ALLOYS LIMITED

3F, East India House, 20 British Indian Street, Kolkata-700 069

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Company will be held on Saturday, the 25th July, 2009 at 11.00 a.m. at "The Conclave" 216, A J C Bose Road, Kolkata-700 017 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009, the Profit & Loss Account for the year ended as on that date and the Reports of the Auditors' and Directors' thereon.
2. To declare dividends.
3. To appoint a Director in place of Sri Makhan Lal Satnaliwala, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sri Nand Kishore Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. Appointment of Sri Biswajit Choudhuri as Director:

To consider and if thought fit, to pass the following resolution, with or without modification(s) as an Ordinary Resolution:

"RESOLVED THAT Sri Biswajit Choudhuri, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company, held on 27th October, 2008, pursuant to the provisions of Section 260 of the Companies Act, 1956, and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose the candidature of Sri Biswajit Choudhuri for the office of Director, be and is hereby elected and appointed as a Director of the Company, liable to retire by rotation."

Registered Office:
3F, East India House,
20, British Indian Street,
Kolkata - 700 069

4th June, 2009

By Order of the Board

Rajesh K Shah
Company Secretary

NOTES:

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no 6 of the Notice set out above is annexed herewith.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and on poll, to vote instead of himself/herself and the Proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time fixed for the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 18th July, 2009 to 25th July, 2009 (both days inclusive).
4. Members are requested to bring their copy of the Annual Report of the Company at the Meeting. As a measure of economy copies of Annual Report will not be distributed at the venue of the meeting.
5. Members seeking any information or clarification on the accounts are requested to send their queries in writing to the Company, at least one week before the date of the meeting, to enable us to keep the information(s) ready.
6. The dividend for the year ended 31st March, 2009 as recommended by the Board, if approved at the Annual General Meeting, will be paid to those members whose names will appear in the Company's Register of Members as on 25th July, 2009 after giving effect to all the valid transfers received upto the close of business hours on 17th July, 2009. In respect of shares held in electronic form, the dividend will be paid on the basis of details of beneficial ownership position provided as at the close of business hours on 17th July, 2009 by National Securities Depository Limited and Central Depository Services (India) Limited.
7. Members, holding shares in the same name or in the same order of names but in several folios are requested to consolidate them into one folio.
8. Pursuant to the provisions of Section 205C of the Companies Act, 1956 the amount of dividends remaining unclaimed and unpaid for a period of seven years from the date lying in the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, till date the Company has transferred the unpaid and unclaimed amount pertaining to the dividend for the financial year 2000-2001 to the IEPF. Members who have not yet en-cashed their dividend warrants for the financial year 2001-2002 onwards are requested to make their claims to the company immediately. Members may please note that no claim shall lie either against the IEPF or the Company in respect of dividend which remain unclaimed and unpaid for a period of Seven years from the date it is lying in the unpaid dividend account and no payment shall be made in respect of such claim.
9. A brief profile of the Directors who are being proposed to be appointed/re-appointed, as required by Clause 49 of the Listing Agreement with the Stock Exchanges, is given below

NAME OF DIRECTOR	Sri Makhan Lal Satnaliwala	Sri Nand Kishore Agarwal	Sri Biswajit Choudhuri
Date of Birth	03-10-1936	11-02-1949	30-04-1942
Qualification	FCA, LLB	B.Com (Hons), FCA	B Tech(Hons), FICWA
Experience	47 Years	37 Years	45 Years
Date of Appointment	18-03-1996	17-08-2001	27-10-2008
Nature of expertise in specific functional areas	Experienced in the field Income Tax, Legal and Management	Experienced in the field of Accounts and Finance	Experienced in the field of Engineering, Banking, Finance and Management

Name(s) of other companies in which directorships held (as per Section 275 and 278 of the Companies Act, 1956)	1. Bankam Investment Ltd.	None	1. Aditya Birla Chemicals (India) Ltd. 2. Orind Exports Ltd. 3. Bengal Sunny Rock Estates Housing Development Co Ltd. 4. Hindusthan Engineering & Industries Ltd. 5. Ludlow Jute & Specialities Ltd. 6. Godawari Power and Ispat Ltd. 7. DIC India Ltd. 8. R. V. Investment & Dealers Limited 9. R. R. Ispat Limited 10. Space Matrix Limited
Number of shares of Rs 10/- each held by the Director or his relatives	1000	Nil	Nil
Number of ESOPs granted	None	None	None
Relationship between Directors interse (as per section 6 read with schedule IA of the Companies Act,1956)	None	None	None

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT 1956

Item No. 6

Sri Biswajit Choudhuri was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 27th October, 2009, pursuant to the provisions of Section 260 of the Companies Act, 1956 and holds office upto the date of the 24th Annual General Meeting of the Company. The Company has received a notice in writing from a member along with requisite deposit pursuant to the provisions of Section 257 of the Companies Act, 1956, proposing the candidature of Sri Biswajit Choudhuri for the office of Director, liable to retire by rotation.

A brief profile of Sri Biswajit Choudhuri has already been provided above in this Notice.

Sri Choudhuri's appointment as a Director will be beneficial and in the interest of the Company.

Your Directors, therefore, recommend the resolution set forth in item no. 6 for your approval.

None of the Directors other than Sri Biswajit Choudhuri, is in any way concerned or interested in the resolution.

Registered Office:
3F, East India House,
20, British Indian Street,
Kolkata - 700 069

4th June, 2009

By Order of the Board

Rajesh K Shah
Company Secretary

MAITHAN ALLOYS LIMITED

3F, East India House, 20 British Indian Street, Kolkata-700 069

BANK ACCOUNT PARTICULARS / ECS MANDATE FORM

I / We do hereby authorize Maithan Alloys Limited to:

*Print the following details on my / our dividend warrant.

*Credit my/our dividend amount directly to my / our bank Account by ECS.

(*Strike out whichever is not applicable)

My / Our Folio No. : DP ID No.: Client ID:.....

Particulars of Bank Account:

1. Name of the Bank :
2. Branch Name & Address :
3. Account Number (As appearing on the Cheque book) :
4. Account type (Saving / Current / Cash Credit) :
5. 9 Digit Code Number of the Bank and branch appearing on the MICR Cheque issued by the Bank :
6. STD Code & Telephone Number :

I / We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, the Company / Registrar will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by RBI / Company.

I / We further undertake to inform the Company any Change in my Bank / branch and account number.

I / We shall not hold the Bank responsible if the ECS could not be implemented or the Bank discontinue(s) the ECS, for any reason.

Date:

Signature of the First Shareholder / Joint Shareholder.

Please attach a Photocopy of a Cheque for verifying the accuracy of the MICR Code Number.

Whenever the Shares in the given folio are entirely dematerialized, then this ECS mandate form will stand rescinded.

Send To:

M/s Maheshwari Datamatics Pvt. Ltd.
Unit: Maithan Alloys Limited
6, Mangoe Lane, 2nd Floor, Kolkata-700 001
Tel: (033) 2248-2248, (033) 2243-5809 / 5029
FAX: (033) 2248-4787

MAITHAN ALLOYS LIMITED

3F, East India House, 20 British Indian Street, Kolkata-700 069

ATTENDANCE SLIP

DP & Clint ID no.: No. of Shares:.....

Regd. Folio No.:

Full Name of the Member or Proxy:

I hereby record my presence at the 24th Annual General Meeting of the Company on Saturday, the 25th July, 2009 at 11.00 a.m. at "The Conclave" 216, A J C Bose Road, Kolkata-700 017.

Member's / Proxy's Signature

Please fill in the attendance slip and hand over the same at the meeting hall. Please bring your copy of the Annual Report for reference at the meeting.



MAITHAN ALLOYS LIMITED

3F, East India House, 20 British Indian Street, Kolkata-700 069

PROXY FORM

DP & Clint ID no.: No. of Shares:.....

Regd. Folio No.:

I / We

of being a member of Maithan Alloys Limited hereby appoint

of or failing him of

..... as my / our proxy to vote for me / us on my / our behalf

at the 24th Annual General Meeting of the Company to be held on Saturday, the 25th July, 2009 at 11.00 a.m.

at "The Conclave" 216, A J C Bose Road, Kolkata-700 017 and/or at any adjournment thereof.

Signed this day of 2009

Affix
Rupee 1
Revenue
Stamp

Signature(s) of the Shareholder(s)

Note : This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

MAITHAN ALLOYS LIMITED

BOARD OF DIRECTORS

Chairman & Whole Time Director

Sri B. K. Agarwalla

Managing Director

Sri S C Agarwalla

Whole Time Director

Sri Subodh Agarwalla

Sri Aditya Agarwalla

Directors

Sri Makhan Lal Satnaliwala

Sri Shrigopal Jhunjhunwala

Sri Raj Kumar Agarwal

Sri Nand Kishore Agarwal

Sri Vikas Kumar Jewrajka

Sri Biswajit Choudhuri

Company Secretary

Sri Rajesh K Shah

Auditors

D K Chhajer & Co.,

Chartered Accountants

Registered Office

3F, East India House,

20, British Indian Street

Kolkata – 700 069

Works

Kalyaneshwari (West Bengal)

Ri-Bhoi (Meghalaya)

Jaisalmer (Rajasthan)

Sangli (Maharashtra)

Banks/Financial Institutions

State Bank of India

Punjab National Bank Ltd.

IndusInd Bank Ltd.

IDBI Bank Ltd.

Citibank N.A.

Axis Bank Ltd.

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DIRECTORS' REPORT

Your Directors have pleasure in submitting the Twenty Fourth Annual Report on the business and operations, together with the audited statements of accounts of the Company for the year ended 31st March, 2009.

FINANCIAL HIGHLIGHTS

	(Rs. in lacs)	
	2008-09	2007-08
Sales & Other Income	65372.20	38540.35
Gross profit	743.53	6631.43
Less : Depreciation	644.63	670.65
Profit before taxes	98.90	5960.78
Less : Provision for taxation:		
For Income Tax	108.46	2046.00
For Fringe Benefit Tax	6.41	4.28
For Deferred Tax	(30.02)	(7.03)
Profit after taxes	14.05	3917.53
Add/(Less): Provision for taxation for earlier year	-	89.65
	14.05	4007.18
Add: Profit brought forward from previous year	7092.34	3654.34
Balance available for appropriation	7106.39	7661.52
Appropriation		
Proposed dividend		
On equity shares	97.04	194.08
On preference shares	10.36	36.00
Income tax on proposed dividend	18.25	39.10
Transfer to General Reserve	-	300.00
Transfer to Capital Redemption Reserve	360.00	-
Balance retained in Profit & Loss A/c	6620.74	7092.34
	7106.39	7661.52

OPERATIONS AND OUTLOOK

During the year under review the total revenue increased to Rs.65372.20 lacs from Rs.38540.35 lacs in 2007-2008 registering a growth of 69.62%. Profit before tax stood at Rs.98.90 lacs and Profit after tax stood at Rs.14.05 lacs in 2008-09. Wind Mill division of the Company has achieved a sales of Rs.248.82 lacs as against Rs.271.55 lacs in the previous year.

The company's operating performance during the first half of the year under review was excellent. But due to severe economic recession in the second half of the year, the Company's operations were adversely effected. There was sharp decline in the prices of Manganese Ore as also Ferro Alloys due to which the company had to suffer huge losses on inventory. Further, unprecedented depreciation of Rupee vis-à-vis US Dollar has resulted in to forex losses. The demand for Ferro Alloys has severely affected due to fall in Global steel production. The Company's profitability was severely hit by all these factors during the year under review.

Going forward, the prices have started stabilizing from the end of fourth quarter of 2008-09. While the Export demand is still very low, domestic demand is picking-up steadily. The economy is showing signs of revival. The Company is expecting better performance during the current financial year.

DIVIDEND

Your Directors are pleased to recommend a dividend of Re.1/- per equity share of Rs 10/- each. (i.e. 10% on paid up capital of the Company) and Rs.2.88 per preference share of Rs.100/- each (i.e. on prorata basis @10% on preference share capital which were redeemed during the year 2008-09). The outgo will be Rs.113.53 lacs (including dividend tax) on account of equity shares and Rs.12.12 lacs (including dividend tax) on account of preference shares.

REDEMPTION OF PREFERENCE SHARES

During the year under review the Company has redeemed 360,000 10% non-cumulative redeemable preference shares of Rs.100/- each at a premium of Rs.50/- per share in accordance with the terms and conditions of allotment.

NEW PROJECT

The Company has successfully completed the construction of manganese alloy plant and captive power plant at Byrnihat in Meghalaya. The project was commissioned during 1st week of April, 2009, enhancing your Company's manganese based ferro alloy capacity from 49 MVA to 64 MVA and captive power capacity from scratch to 15 MW.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

FINANCE

For detailed financial review kindly refer to management discussion and analysis covered under Corporate Governance Report which forms part of this annual report.

INSURANCE

The Company's assets continue to be adequately insured against the risk of fire, riot, earthquake and other risks.

DIRECTORS

Sri Makhan Lal Satnaliwala and Sri Nand Kishore Agarwal, will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. All the Directors of the Company are in compliance with the provisions of Section 274(1)(g) of the Companies Act, 1956.

Sri Biswajit Choudhuri who was appointed as an Additional Director in terms of Section 260 of the Companies Act, 1956, by the Board of Directors at its meeting held on 27th October, 2008, is liable to retire at the ensuing Annual General Meeting. The company has received Notice under Section 257 of the Companies Act, 1956, proposing candidature of Sri Biswajit Choudhuri as Director of the Company.

The necessary information in respect of the Directors seeking reappointment as per Clause 49 of the Listing Agreement is given in the Notice of the ensuing Annual General Meeting.

SUBSIDIARY COMPANIES

During the year under review your company has setup two new subsidiaries namely, Anjaney Alloys Limited and Anjaney Minerals Limited.

Particulars relating to the existing Subsidiary Companies as required under Section 212 of the Companies Act, 1956, are annexed and form part of this Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard 21 on Consolidated Financial Statements read with Accounting Standard 23 on Accounting for Investments in Associates issued by the Institute of Chartered Accountants of India, your Directors have pleasure in attaching the Consolidated Financial Statements which form part of this Annual Report.

DELISTING OF SHARES

Pursuant to the authority granted by the shareholders at their 23rd Annual General Meeting held on 6th September, 2008 the company applied for voluntary delisting of its equity shares from Ahmedabad Stock Exchange Limited, and consequently the equity shares of the company were removed from the list of the said Exchange with effect from 27th November, 2008.

AUDITOR'S REPORT

The Auditor's Report read along with Notes on Accounts are self-explanatory and therefore, does not call for any further comment under Section 217(3) of the Companies Act, 1956.

STATUTORY AUDITORS

M/s. D K Chhajer & Co., Chartered Accountants, the Auditors of your Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Your Directors recommend for their re-appointment at the ensuing Annual General Meeting.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956

The Directors hereby confirm:-

- i) that in the preparation of the Annual Accounts for the financial year ended 31st March, 2009, the applicable Accounting Standards were followed along with proper explanation relating to material departures;
- ii) that the Directors selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii) that the Directors took 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 prepared the accounts for the financial year ended 31st March, 2009 on a 'going concern' basis.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance and a Certificate from the Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated, form part of this Annual Report.

Management Discussion and Analysis of Financial Conditions and Results of Operations of the Company for the year under review, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges, is given as a separate statement in this Annual Report.

INDUSTRIAL RELATIONS AND PERSONNEL

The relation between the management and employees is very cordial and the plant is running smoothly with their co-operation. The following employees received remuneration of Rs 24,00,000/- or more per annum (employed throughout the year) or Rs 2,00,000/- per month (employed for part of the year).

PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956

Sl. No.	Name	Age (Years)	Qualification & Experience in years	Date of Appointment/ Reappointment	Designation (Nature of Duties)	Gross Remuneration (Rs.)	Last Employment held & Designation
1	Sri B K Agarwalla	62	B.Com. 41 years	01.04.2006	Chairman and Whole time Director (To Manage the overall affairs of the company)	Rs 90.00 Lac	None
2	Sri S C Agarwalla	57	B.Com. 38 years	01.04.2006	Managing Director (To manage the affairs of the company on day to day basis)	Rs 48.00 Lac	None
3	Sri Subodh Agarwalla	31	MBA, B.Tech. 7 years	01.07.2006	Whole Time Director (To look after the company's manufacturing activities)	Rs. 30.00 Lac	None
4	Sri Aditya Agarwalla	34	MBA 10 years	23.07.2008	Whole time Director (To look after the company's marketing activities)	Rs.8.29 Lac	None

Notes:

1. Sri S C Agarwalla is father of Sri Subodh Agarwalla.
2. All appointments of the above employees are contractual in nature.

CASH FLOW STATEMENT

The cash flow statement for the year under reference in terms of Clause 32 of the Listing Agreement with the stock exchange is annexed hereto.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The statement containing the necessary information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are annexed hereto and forms part of this report.

ACKNOWLEDGMENT

Your Directors take the opportunity to thank all shareholders, bankers, suppliers, regulatory and other government authorities for their assistance, co-operation and the confidence reposed in your Company. Your Directors also extend their deep sense of appreciation to the employees of the Company.

For and on behalf of the Board

Kalyaneshawari
4th June, 2009

B.K. Agarwalla
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2009.

I. CONSERVATION OF ENERGY :

- a) Energy Conservation measures taken : Regular study is being conducted on the requirement of energy conservation measures and steps will be taken, if any requirement emerges out of the study.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy : None at present
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods : Not applicable
- d) Total energy consumption and energy consumption per unit of production is given below :

FORM - A

Disclosure of particulars with respect to conservation of energy

Part - A

Sl. no.	Power and fuel consumption	Current year ended 31.03.2009	Previous year ended 31.03.2008
1	Electricity		
	a) Purchased		
	Unit (Lacs KWH)	2670.50	2741.64
	Total amount (Rs. in lacs)	7747.73	7673.07
	Rate/unit (Rs.)	2.90	2.80
	b) Own generation	-	-
2	Coal	-	-
3	Furnace oil	-	-
4	Others	-	-

Part - B

Sl. no.	Consumption per M.T. of production of ferro alloys	Current Year	Previous year
1	Electricity (Units)	3837	4206
2	Furnace oil (Ltrs.)	-	-
3	Coal (M.T.)	-	-
4	Others	-	-

II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form 'B' of the Annexure.

Form - B

1. Research & Development (R&D)

During the year 2008-09 the Company has not carried out any R & D activities.

2. Technology absorption, adaptation & innovation

Efforts, in brief, made towards technology absorption and innovation and benefits derived as a result thereof.

Capacity utilisation is high, which shows that the Company has properly absorbed and adopted the available technology.

3. Information regarding imported technology

The Company has not imported any technology and the plant operates on indigenous technology.

III. Foreign exchange earnings and outgo

- a) Over the years the Company has been able to develop a very good export market for its products. The Company has achieved export sales of Rs.38998 lacs, an increase of 90.65% over the previous year. First half of the year has seen robust export demand. But due to economic downturn in the second half, export demand has sharply declined. All major steel producers across the world has cut down their productions by 30% to 50%, which has effected the Global Demand of Ferro Alloys.
- b) The Particulars regarding foreign exchange earnings and outgo are given in Note 2 (F to H) of the Schedule 22 forming part of the accounts.

For and on behalf of the Board

Kalyaneshawari
4th June, 2009

B.K. Agarwalla
Chairman

**MANAGEMENT DISCUSSION
AND
ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

1. Industry Structure and Development

Ferro Alloys represent a critical input in the manufacture of Steel, enhancing metal strength and acting as de-oxidant in manufacture. It's criticality and competitive position is gauged by its positive correlation with steel demand.

India's consumption of ferro alloys grew at 15.6% CAGR over the last 5 years. With erratic Chinese supply, India stepped up its ferro alloys exports 31.4% CAGR during the same period.

The Indian Steel Industry has entered into a new development stage from 2005-06 resulting in India becoming the 5th largest producer of steel globally. Today India accounts for nearly 7% of world's total steel production. The National Steel Policy indicated production and consumption targets for 2019-20 at 110 million tons and 90 million tons respectively. The working group on Steel Industry set up by the Planning Commission for the eleventh five year plan 2007-12 has projected a total demand of 70.37 million tons for finished steel and a total production of 80.23 million tons of crude steel by the end of the Eleventh Plan i.e. 2011-12.

Since demand of Ferro Alloys is directly correlated to steel production the growth in the steel sector will result in growth in Ferro Alloys demand.

During the year 2008-09 Global Economy faced severe recession and impacted every sector of the industry including steel. Indian economy was not isolated and faced the repercussion of the severe recession, resulting sharp fall in the demand and prices of Ferro-Alloys.

However, apart from China, India is the only major steel producing Country to post a positive overall growth of 1.01% in steel production for the January- March'09 quarter over the same period in the previous year. Ferro Alloys industry is witnessing spurge in the domestic demand with increase in demand of Steel from Infrastructure sector very recently, but normalcy in demand strongly depends on the resumption of global demand of Steel.

2. Opportunities and Threats.

India enjoys an abundant supply of low-cost manpower (skilled and unskilled), industrial power and has favorable location for export to developed countries. However, China is the biggest producer of manganese alloys in the world but its government is discouraging exports due to the power intensive nature of the product.

The Ferro Alloys industry mainly thrives on demand of Steel and any adverse impact on the industry will affect the Ferro Alloy Industry. Further, Export and Import Policy of the government relating steel and ferro-alloy plays a major role especially in competitive scenario with China, South Africa and CIS countries. Further, increase in fuel and transportation cost is also likely to pose a threat to the Ferro Alloy Industry.

The global economic recession has taken its toll on the Indian economy that has led to multi-crore loss in business and export orders. It has shaken up the investment regime, which is being restructured. It is expected that in near future national economy will pass thorough a difficult phase but, there are silver linings still amid the dark clouds looming on the horizon. If the recession challenges represent one side of the coin, there are opportunities galore on the other.

3. Discussion on financial performance with respect to operational performance.

The company witnessed growth in sales during the year under review despite of severe recession prevailing across the globe. However profitability of the Company was severally hit by the sharp fall in prices of Manganese Alloys during second half of the year.

- Total income increased by 70% from Rs 38540 lacs in 2007-08 to Rs.65372 lacs in 2008-09.
- EBIDTA reduced by 71% from Rs.7413 lacs in 2007-08 to Rs.2170 lacs in 2008-09.
- PAT reduced from Rs 3918 lacs in 2007-08 to Rs.14 lacs in 2008-09.
- Cash profit decreased from Rs. 4588 lacs in 2007-08 to Rs.659 lacs in 2008-09

Income Analysis

The Company reported a 70% growth in total revenue from Rs.38540 lacs to Rs.65372 lacs in 2008-09, primarily derived from a robust demand for manganese alloys and increased production in the first half of the year.

Income by product: The proportion of sales from ferro manganese was 58% of the Company's sales in 2008-09 while the proportion of sales from silico manganese was 42%.

Income by geography: The proportion of total sales from exports increased from 54% in 2007-08 to 61% in 2008-09.

Cost analysis

The Company reported a 100% increase in total expenses from Rs.33566 lacs in 2007-08 to Rs.67122 lacs in 2008-09. The principal cost component for the Company continued to be its raw materials.

Break-up showing key cost components (in proportion to total expenses %)

Segment	2008-09	2007-08
Raw material	76.56	59.87
Power and fuel	12.00	24.52
Other manufacturing cost and other expenses	11.44	15.60

Raw material: Raw material costs increased 127% to Rs. 41825 lacs in 2008-09 from Rs.18401 lacs in 2007-08. This was due to increased production and unprecedented rise in Raw Material Prices during the first half of the year.

Power and fuel: These decreased in absolute terms to Rs.8053 lacs in 2008-09 from Rs.8231 lacs in 2007-08, a decline of nearly 2%. However as a proportion of total expenses it has declined from 24.52% in 2007-08 to 12.00% in 2008-09. The Company's power cost was largely insulated by stable rates from the proximate Damodar Valley Corporation.

4. Challenges

The Company's challenges for 2009-10 comprise: effective procurement of the right quality and quantity of Raw Materials at the right price, favourable terms of trade, foreign exchange management and enhancing the proportion of value-added product. The Company is fully geared up to meet these challenges.

5. Material developments in Human Resources / Industrial Relations front, including number of people employed.

The Company continues to lay emphasis on training and development of its human resources. The requirement of professionally qualified and trained personnel is regularly reviewed to obtain optimum results in all spheres of its activity. The Company continued to maintain healthy and harmonious industrial relations at its all level. It also strived to maintain a work environment that encourages high performance and cordial relations with its employees throughout the year.

6. Internal control systems and their adequacy.

The system of internal control is commensurate with the size and nature of the Business of the Company. The Company is determined of maintaining a comprehensive internal control structure across its operations and to ensure that all assets and properties are safeguarded from any misuse, damage or loss and the transactions are authorised, recorded and reported correctly. The Company's internal control and accounting records enables safeguarding of assets, prevention and detection of frauds as well as other irregularities. The Systems are regularly reviewed and evaluated by the management on regular basis to ensure its effectiveness.

7. Risks and concerns

Risk management is basically a process applied in strategy setting across the enterprise, designed to identify risks that may affect the entity and manage risk to be within its set tolerance limit.

The Company is exposed to external risks of price fluctuation in raw materials and finished goods, market fluctuations of foreign exchange and availability of raw materials. Apart from this the Company is also exposed to risks like Government Regulations, Plant Operational Risk (like Machinery Break Down) etc.

The Company has a risk Management policy in force to review risk, mitigate risk and to safeguard its interest. The Senior management of the Company periodically discuss the various risk management framework and adequately address the emerging challenges in dynamic business environment. Departmental heads are entrusted with the responsibility of enforcing various risk mitigates at most cost effective way. Apart from this the Company has adequately covered the apparent risks like fire, theft, machinery break down etc. with Insurance Companies.

8. Outlook

Despite the fact that the Ferro Alloy industry is being severely affected due to the recession, dynamic marketing policies adopted by the Company, optimization of product-mix, customer-mix, cost reduction measures, etc., the Company is hoping to improve the existing level of its performance with improvement in Indian and Global economy. Further, with the expansion and modernization, the Company will be able to further strengthen its position in the Ferro Alloys industry in near future.

9. Forward Looking Statement

In our report we have disclosed forward looking information so that investors can comprehend the Company's prospects and make informed investment decisions. This annual report and other written and oral statements that we make periodically contain such forward-looking statements that set out anticipated results based on the Management's plans and assumptions. We have tried, wherever possible, to qualify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words and terms of similar substance in connection with any discussion of future operating or financial performance.

We do not guarantee that any forward-looking statement will be realised, although we believe we have been diligent and prudent in our plans and assumptions. The achievement of future results is subject to risks, uncertainties and validity of inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind as they consider forward-looking statements. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organisation. Good Corporate Governance leads to the creation of long term shareholder value and enhances interest of other stake holders. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organisation towards creating wealth and shareholder value.

Your Company's philosophy is to implement Corporate Governance practices to achieve excellence in the chosen field and to conduct its business in a way which safeguards and adds value in the long term for the interest of shareholders, customers, employees, creditors and other stakeholders. Corporate Governance is founded upon a rich legacy of fair and transparent governance practises which are in the line of the requirements under Clause 49 of the Listing Agreement with the stock exchange and will continue to pursue the same to keep pace with fast changing environment.

2. Composition of Board, Directors Attendance record and Directorship held as on 31st March, 2009

The Board of Directors of the Company presently comprised of Ten Directors viz. the Four Executive Directors and Six Non-Executive and Independent Directors.

9 (Nine) meetings of the Board of Directors were held during the year 2008-09, on the following dates:

1st April, 2008	30th April, 2008	30th June, 2008
23rd July, 2008	10th September, 2008	27th October, 2008
14th January, 2009	29th January, 2009	7th March, 2009

The Composition of the Board of Directors, attendance record of the Directors during the year 2008-09 as well as at the last Annual General Meeting are given below.

Sl. No.	Name of the Directors	Position	No. of Board meetings during the year 2008-09		Attendance at the last AGM held on 6th September, 2008	No of Directorship held in other public limited Companies	No. of Committee# positions in other public companies	
			Held	Attended			Chairman	Member
1.	Sri B.K. Agarwalla	Chairman (Executive)	9	9	Yes	6	1	–
2.	Sri S.C. Agarwalla	Managing Director (Executive)	9	9	Yes	4	–	–
3.	Sri Aditya Agarwalla	Whole Time Director (Executive)	9	7	Yes	3	–	1
4.	Sri Subodh Agarwalla	Whole Time Director (Executive)	9	8	Yes	2	–	–
5.	Sri M. Satnaliwala	Independent (Non-executive)	9	6	No	1	–	–
6.	Sri Nand Kishore Agarwal	Independent (Non-executive)	9	9	No	–	–	–
7.	Sri Shrigopal Jhunjhunwala	Independent (Non-executive)	9	6	Yes	–	–	–
8.	Sri Raj Kumar Agrawal	Independent (Non-executive)	9	8	Yes	–	–	–
9.	Sri Vikash Kumar Jewrajka*	Independent (Non-executive)	6	4	No	–	–	–
10	Sri Biswajit Choudhuri **	Independent (Non-executive)	4	1	**	10	3	4

* appointed as additional director by the Board of Directors at its meeting held on 23rd July, 2008 and subsequently appointed as director by the shareholders at Annual General Meeting held on 6th September, 2008.

** appointed as additional director by the Board of Directors at its meeting held on 27th October, 2008.

includes the membership /chairmanship only of Audit Committee(s) and Shareholders'/Investors' Grievances Committee.

None of the Directors is a member of more than 10 Board-level committees, or a chairman of more than five such committees.

Information supplied to the Board

Detailed agenda are circulated along with relevant information to the Board members to take appropriate decisions and among others, this includes:

- review of annual operating plans of business and updates,
- Capital Budgets and any updates,
- quarterly results of the Company,
- minutes of meeting of the Audit Committee and other committees of the Board,
- information on recruitment and remuneration of senior officers just below the Board level,
- materially important show cause, demand, prosecution and penalty notices,
- fatal or serious accidents or dangerous occurrences,
- any materially significant effluent or pollution problems,
- any materially relevant default in financial obligations to any by the Company or substantial non-payment for goods sold by the Company,
- any issue which involves possible public or product liability claims of a substantial nature,
- details of any joint venture or collaboration agreement,
- transactions that involve substantial payment towards goodwill, brand equity or intellectual property,
- significant labour problems and their proposed solutions,
- significant development in the human resources and industrial relations fronts,
- sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business,
- quarterly details of foreign exchange exposure and the steps taken by management to limit the risk of adverse exchange rate movement and
- non-compliance of any regulatory or statutory provision or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

The Board of Maithan Alloys is regularly presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meeting or are tabled in the course of the Board meetings considering the nature of Agenda.

3. Audit Committee

The Board has duly constituted the Audit Committee pursuant to the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The terms of reference of Audit Committee are as follows:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
 - Recommending to the Board the appointment and removal of external auditor, fixation of audit fee and approval for payment of any other services;
 - Reviewing with management the annual and/or quarterly financial statements before submission to the Board;
 - Reviewing with the management and external and internal auditors, the adequacy of internal control systems;
 - Reviewing the adequacy of internal audit function;
 - Discussing with internal auditors any significant finding and follow-up on such issues;
 - Reviewing the findings of any internal investigations by the internal auditors in matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature, and then reporting such matter to the Board;
-

- Discussing with external auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern;
- Reviewing the Company's financial and risk management policies; and
- Examining reasons for substantial default in the payment to depositors, shareholders (in case of non payment of declared dividends) and creditors, if any.

4 (Four) meetings of the Audit Committee were held during the year 2008-09, on the following dates:

30th April, 2008	23rd July, 2008	27th October, 2008	29th January, 2009
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The constitution of the Committee and the attendance of each member of the Committee is given below :

Name	Designation	Executive/Non-executive/ Independent	Committee Meetings Attended
Sri M. Satnaliwala	Chairman	Independent (Non-executive)	3
Sri Nand Kishore Agarwal	Member	Independent (Non-executive)	4
Sri Raj Kumar Agrawal	Member	Independent (Non-executive)	4

4. Remuneration Committee

The Remuneration Committee reviews and makes recommendations on annual salaries to be paid to the Company's Managing/ Whole Time Directors within the overall ceiling fixed by the Shareholders.

2 (Two) meetings of the Remuneration Committee were held during the year 2008-09, on the following dates

01.04.2008	23.07.2008
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The composition of the Committee and the attendance of each member of the Committee is given below :

Name	Designation	Executive/Non-executive/ Independent	Committee Meetings Attended
Sri Nand Kishore Agarwal	Chairman	Independent (Non-executive)	2
Sri Shrigopal Jhunjhunwala	Member	Independent (Non-executive)	2
Sri Raj Kumar Agrawal	Member	Independent (Non-executive)	2

Details of remuneration paid to Directors for the year ended 31st March, 2009 are as follows:

Sl. No.	Name of the Director	Remuneration (in Rs.)	Commission (in Rs.)	Other Benefits (in Rs.)
1.	Sri B.K. Agarwalla	90,00,000/-	Nil	Nil
2.	Sri S.C. Agarwalla	48,00,000/-	Nil	Nil
3.	Sri Aditya Agarwalla	8,29,032/-	Nil	Nil
4.	Sri Subodh Agarwalla	30,00,000/-	Nil	Nil

Note:

All the Executive Directors are appointed for a period of 5 years except Sri Subodh Agarwalla, whose tenure is for 4 years 9 months. All the contract of appointment can be terminated by giving one month notice by either side.

The Company has not issued any stock option during the year 2008-09.

The Board of Directors at its meeting held on 14th January, 2009 accorded its consent for payment of sitting fees @ Rs 5000/- to each non-executive Director of the company, for every meeting of the Board attended by them, w.e.f. 15th January, 2009.

5. Investors' Grievances and Share Transfer Committee:

The Board has constituted an "Investors' Grievances and Share Transfer Committee", mainly to look into share transfer and shareholder/ investor grievances.

11 (Eleven) meetings of the Investors' Grievances and Share Transfer Committee were held during the year 2008-09, on the following dates:

10th June, 2008	26th June, 2008	23rd July, 2008
18th August, 2008	30th September, 2008	27th October, 2008
15th November, 2008	8th December, 2008	29th January, 2009
14th February, 2009	31st March, 2009	–

The Composition of the Committee and the attendance record of the Directors during the year 2008-09 is given below:

Name	Designation	Executive/Non-executive/ Independent	Committee Meetings Attended
Sri Raj Kumar Agarwal	Chairman	Independent (Non-Executive)	11
Sri S. C. Agarwalla	Member	Executive	11
Sri Aditya Agarwalla	Member	Executive	11

The Company Secretary of the Company acts as compliance officer.

During the year 2008-09 the Company has received 5 complaints, which were attended. As on 31st March, 2009, no grievances were unaddressed.

6. General Body Meetings:

The location and time of the Annual General Meetings held during the last 3 years are as follows:

Annual General Meeting	For the year	Date	Time	Venue
21st	2006	18th September, 2006	2.30 P.M.	3F, East India House, 20 British Indian Street, Kolkata- 700 069
22nd	2007	22nd September, 2007	2.30 P.M.	-Do-
23rd	2008	6th September, 2008	11.00 A.M.	"The Conclave" 216 A J C Bose Road, Kolkata – 700 017

Details of Special Resolution passed in Last three Annual General Meeting.

Annual General Meeting	For the year	Special Resolution passed
21st	2006	None
22nd	2007	<ul style="list-style-type: none"> Appointment and remuneration of Sri Sudhanshu Agarwalla, President of the Company
23rd	2008	<ul style="list-style-type: none"> Revision in the terms of remuneration of Sri Subodh Agarwalla, Whole Time Director Delisting of Equity shares of the Company from Ahmedabad Stock Exchange Limited.

During the year 2007-08, shareholders approval was accorded pursuant to the provision of Section 192A of the Companies Act, 1956 i.e. Postal Ballot, for enhancing the borrowing limit and for enhancing the limit for hypothecating, creating charge/mortgage on the assets/properties of the Company. However, no special resolution was passed through postal ballot during the year 2008-09 and none of the Resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

7. Disclosures :

A. Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.

- Attention of members is drawn to the disclosures of transaction with the related parties set out in Notes on accounts no. 12(ii) of Schedule 22, forming part of the Annual Accounts.
- None of the transactions with any of the related parties were in conflict with the interests of the Company.
- The Company enters into related party transactions based on various business exigencies such as liquidity, profitability and capital resources of the associates. All related party transactions are negotiated at arms length and are only intended to promote the interests of the Company.

B. Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

- During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities on matters related to capital markets.

C. Whistle Blower policy and affirmation that no personnel have been denied access to the audit committee.

- The Company has not framed any Whistle Blower Policy; however, none of the employees are restrained to approach the members of Audit Committee.

D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

- The Company complies with all the mandatory requirements and one non-mandatory requirement of Clause 49 of Listing Agreement viz. constitution of Remuneration committee of Directors

8. Compliance by the Company:

The CEO and CFO (Managing Director and DGM-Finance & Accounts) certified to the Board on the prescribed matters as required under Clause 49 of the Listing Agreement and the said certificate was considered by the Board at its meeting held on 4th June, 2009.

9. Means of Communication :

- The Company intimates un-audited as well as audited financial results to the Stock Exchanges immediately after these are taken on record by the Board. These financial results are normally published in The Financial Express (English Edition) & Dainik Lipi (Bengali edition).
- Website where financial results are displayed – Under re-construction
- Whether Company also displayed official news releases – Not applicable
- The presentations made to institutional investors or to the analysts during the year – None

10. Management Discussion and Analysis Report:

Pursuant to Clause 49 of the Listing Agreement, a Management Discussion and Analysis Report is given in a separate section elsewhere in this report

11. General Shareholder Information :

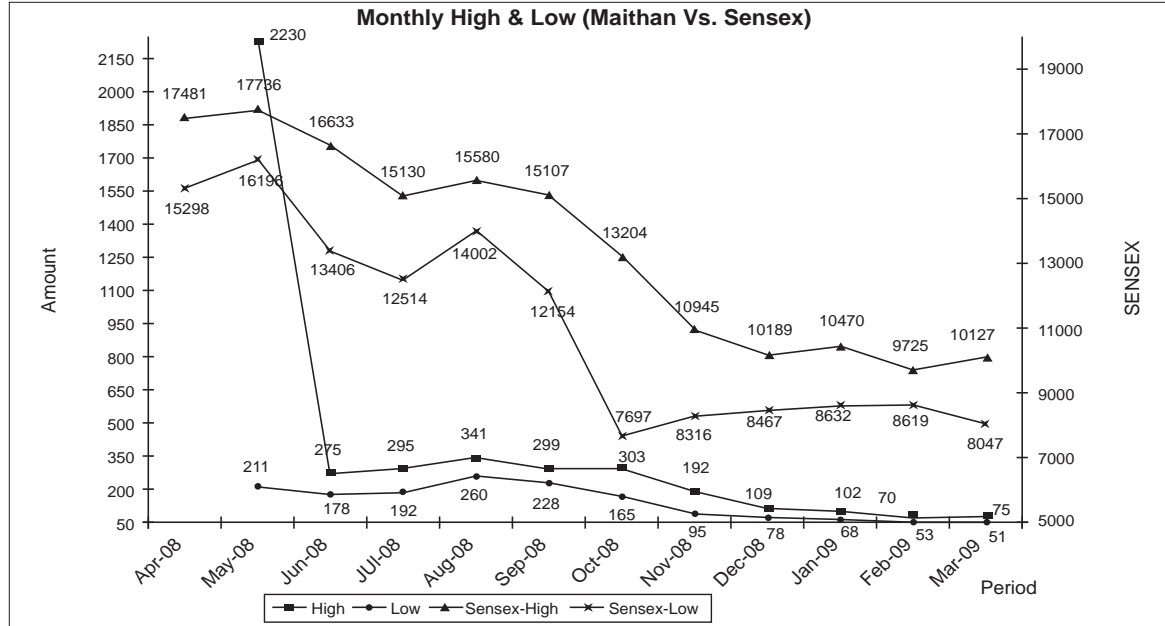
- 1) Annual General Meeting
 - Day, Date, Time and Venue : Saturday, the 25th July, 2009 at 11.00 A.M.
“The Conclave”, 216, A J C Bose Road, Kolkata – 700 017
 - 2) Date of Book Closure : From 18th July, 2009 to 25th July, 2009 (both days inclusive)
 - 3) Dividend payment date : On or before 8th August, 2009.
 - 4) Financial year : 1st April to 31st March
 - 5) Financial Calendar for 2009-10 :
 - Board Meetings for consideration of financial results
 - i) 3rd/4th week of July, 2009 for consideration of unaudited financial results for 3 months ending on 30th June, 2009.
 - ii) 3rd/4th week of October, 2009 for consideration of Unaudited financial results for 3 months & half year ending on 30th September, 2009.
 - iii) 3rd/4th week of January, 2010 for consideration of Unaudited financial results for 3 & 9 months ending on 31st December, 2009.
 - iv) April to June, 2010 for consideration of Un-audited/ audited financial results for the year 2009-2010.
 - 6) Listing of Equity Shares on Stock Exchange : The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Kolkata-700 001.
The Equity shares of the Company are traded at The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai–400 001 w.e.f. from 14th May, 2008 under “Permitted Category”
 - 7) Payment of Listing fees : The Listing fees have been paid by the company
 - 8) ISIN Code : INE683C01011
 - 9) Stock Code : 023915 – The Calcutta Stock Exchange Association Limited
590078 – Bombay Stock Exchange Limited
 - 10) Share Registrar & Transfer Agent : M/s Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor, Kolkata-700001
 - 11) Share Transfer System : The Company has appointed M/s Maheshwari Datamatics Pvt. Ltd. (Share Registrar & Transfer Agent) to carry out share transfer for physical as well as electronic mode. The Company’s shares are traded on stock exchanges in compulsory demat mode. Share transfers, which are received in physical form are processed and the Share Certificates are returned within a period of 14 days from the date of receipt provided the documents being valid and complete in all respects. The dematerialized shares are transferred directly to the beneficiaries by the depositories i.e. National Securities Depository Ltd. and The Central Depository Services (India) Ltd.
-

- 12) Dematerialization of shares liquidity : The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Ltd. and The Central Depository Services (India) Ltd. As on 31st March, 2009, 8479246 Equity Shares of the Company, forming 87.38 % of the share capital of the Company, stand dematerialised.
- 13) Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity : As at 31st March, 2009, the Company had no outstanding GDR's /ADR's/Warrant or any convertible instruments.
- 14) Address for correspondence : The Company Secretary
Maithan Alloys Limited
3F, East India House, 20 British Indian Street,
Kolkata – 700 069
- 15) Investor grievance e-mail id : office@maithanalloys.com
- 16) Plant/Works location
Ferro Alloys Division : **West Bengal**
P.O. Kalyaneshwari-713 369, Dist. Burdwan (W.B.)
Meghalaya
A-6, EPIP, Byrnihat, Dist. Ri-Bhoi, Meghalaya-793101,
Meghalaya
- Wind Mill Division : **Rajasthan**
Vill, Hansuwa, Dist. Jaisalmer , Rajasthan
Maharashtra
Vill. Ghatnandre (Dhalgaon), Tal. Kawathe Mahankal,
Dist. Sangli, Maharashtra
- 17) Market Price - High/ Low during each month in last financial year **The Calcutta Stock Exchange Association Limited.**
There was no trading in shares of the company during the year 2008-09.

Bombay Stock Exchange Limited

The Trading details at Bombay Stock Exchange is given below:

Month	High Price	Low Price	No. of Shares
May-08	2,230.00	211.00	330,497
Jun-08	274.75	177.80	120,770
Jul-08	294.50	191.50	137,860
Aug-08	340.85	260.00	563,425
Sep-08	299.00	228.00	228,642
Oct-08	302.50	165.05	412,408
Nov-08	191.90	94.75	42,794
Dec-08	109.45	77.50	140,123
Jan-09	101.50	68.00	138,466
Feb-09	70.00	53.15	72,637
Mar-09	74.55	50.75	53,615



18) Distribution of shareholding

As on 31st March, 2009

No. of Shares	Shareholders		Shareholding	
	Number	% of Total	Shares	% of Total
Upto 500	1909	85.03	192453	1.98
501 - 1,000	97	4.32	86014	0.89
1001 - 2,000	60	2.67	90795	0.94
2,001 - 3,000	65	2.89	165385	1.70
3,001 - 4,000	14	0.62	49615	0.51
4,001 - 5,000	12	0.54	58952	0.61
5,001 - 10,000	12	0.54	84426	0.87
10,001 and above	76	3.39	8976210	92.50
Total	2245	100.00	9703850	100.00
No of shares in Physical mode	226	10.07	1224604	12.62
No of Shares in Demat mode				
– N S D L	1188	52.92	8129306	83.77
– C D S L	831	37.01	349940	3.61
Total	2245	100.00	9703850	100.00

12. Compliance Certificate from the Auditors

Certificate from the Auditors of the Company, M/s D K Chhajer & Co., confirming compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed herewith.

For and on behalf of the Board

Kalyaneshwari
4th June, 2009

B.K. Agarwalla
Chairman

DECLARATION BY THE MANAGING DIRECTOR AND CEO

To the members,
Maithan Alloys Limited

In compliance with the requirements of Clause 49 of the Listing Agreement with the Stock Exchange relating to the Corporate Governance, I confirm that, on the basis of confirmations/ declarations received, all the Directors and Senior Management Personnel of the Company have complied with the Code of Conduct framed by the Company relevant to financial year ended 31st March, 2009.

Place: Kalyaneshwari
Date: 4th June, 2009

(S.C. Agarwalla)
Managing Director

AUDITOR'S CERTIFICATE

ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT

To the Members,
of Maithan Alloys Limited

We have examined the compliance of the conditions of Corporate Governance by Maithan Alloys Limited (the Company) for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the 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.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2009, no investor grievances are pending for a period exceeding 30 days against the Company as on 31st March, 2009 as per the records maintained by the Company and presented to the Investors' Grievances and Share Transfer 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 D.K. Chhajer & Co.
Chartered Accountants

(Niraj K Jhunjhunwala)
Partner
M. No. F057170

Kalyaneshwari,
4th June, 2009

AUDITORS' REPORT

To
The Members of
MAITHAN ALLOYS LIMITED

1. We have audited the attached Balance Sheet of **MAITHAN ALLOYS LIMITED** as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of 'The Companies Act, 1956' (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 explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 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 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 those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the directors, as on 31st March, 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 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 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 :
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - b) in the case of Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of Cash Flow statement, of the cash flows for the year ended on that date.

For D. K. CHHAJER & CO.
Chartered Accountants

Niraj K. Jhunjunwala
Partner
M.No. F-057170

Kalyaneshwari
Dated: 4th June, 2009

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph (3) of our report of even date to the members of Maithan Alloys Limited

- (i) In respect of fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.
 - (b) All fixed assets were physically verified by the management during the year. We have been informed that no material discrepancies were noticed on such physical verification.
 - (c) Substantial part of fixed assets has not been disposed of during the year, which will affect its status as going concern.
- (ii) In respect of inventories:
 - (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation of the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses (iii) (b), (iii) (c), (iii) (d), (iii) (f) and (iii) (g) of the Order are not applicable
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas.
- (v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - (a) In our opinion and according to information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 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, transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.

- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from public hence the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act 1956 are not applicable to the company.
- (vii) In our opinion and according to the information and explanations given to us, the Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) We have been informed that the Central Government has not prescribed the maintenance of cost records by the Company under Section 209 (1) (d) of the Companies Act, 1956.
- (ix) According to the records of the Company, 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 material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty and excise duty were outstanding, at the year end for a period of more than six months from the date they became payable.

According to the information and explanations given to us, details of dues of sales tax, income tax, custom duty, wealth tax, excise duty, service tax and cess which have not been deposited on account of any dispute are given below:

Particulars	Financial years to which the matter pertains	Forum where dispute is pending	Amount (Rs. in lacs)
Excise Duty & Service Tax	2006-07	Joint Commissioner, Bolpur	10.45
Excise Duty & Service Tax	2008-09	Joint Commissioner, Bolpur	12.37
Excise Duty & Service Tax	2008-09	Assistant Commissioner, Asansol	10.91
Excise Duty & Service Tax	2008-09	Commissioner (Appeal), Kolkata	4.98

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- (xi) In our opinion and according to information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) The Company has maintained proper records of the transactions in respect of dealing or trading in shares and timely entries have been made therein. All shares acquired by the company were held in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) Based on information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on the basis of the overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year under review.
- (xix) In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
- (xx) During the year covered by our Audit report, the Company has not raised any monies by public issues.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For D. K. CHHAJER & CO.
Chartered Accountants

Niraj K. Jhunjunwala
Partner
M. No- F057170

Kalyaneshwari
Dated: 4th June, 2009.

BALANCE SHEET AS AT 31st MARCH, 2009

	Schedule	As at 31st March 2009 Rs. (in '000)	As at 31st March 2008 Rs. (in '000)
SOURCES OF FUNDS :			
Shareholders' Fund			
Share Capital	1	97,070	133,070
Reserves & Surplus	2	789,572	818,732
Loan Funds			
Secured Loans	3	1,424,258	887,575
Unsecured Loans	4	–	100,000
Deferred Tax Liability (Net)	5	23,898	26,900
		2,334,798	1,966,277
APPLICATION OF FUNDS :			
Fixed Assets			
Gross Block	6	782,786	765,956
Less : Depreciation		307,512	243,195
Net Block		475,274	522,761
Capital work in progress	7	722,507	444,377
		1,197,781	967,138
Investments			
Current Assets, Loans & Advances			
Inventories	9	880,821	1,037,934
Sundry Debtors	10	396,180	367,122
Loans & Advances	11	746,331	292,776
Cash and Bank Balances	12	87,654	60,184
		2,110,986	1,758,016
Less : Current Liabilities & Provisions	13	1,024,963	906,326
Net Current Assets		1,086,023	851,690
		2,334,798	1,966,277
Notes on Accounts	22		

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date
For **D. K. Chhajer & Co.**
Chartered Accountants

B.K. Agarwalla
Chairman

Niraj K. Jhunjhunwala
Partner
M.No- F057170

S.C. Agarwalla
Managing Director

Kalyaneshwari, 4th June, 2009

Rajesh K Shah
Company Secretary

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

	Schedule	Year ended 31st March 2009 Rs. (in '000)	Year ended 31st March 2008 Rs. (in '000)
INCOME			
Sales (Gross)	14	6,620,149	4,026,490
Less: Excise Duty		174,329	242,222
Net Sales		6,445,820	3,784,268
Export Incentive		71,014	48,133
Other Income	15	20,386	21,634
Increase/(Decrease) in Stock	16	184,857	98,683
		6,722,077	3,952,718
EXPENDITURE			
Purchases		956,478	169,638
Raw Materials Consumed	17	4,182,469	1,840,067
Power & Fuel	18	805,304	823,149
Manufacturing Expenses	19	95,118	74,259
Administrative, Selling & Other Expenses	20	465,715	304,299
Interest	21	142,640	78,163
Depreciation		64,463	67,065
		6,712,187	3,356,640
Profit before Tax		9,890	596,078
Provision for Taxation :			
Current Tax		10,846	204,600
Deferred Tax Charge/(Credit) (Net)		(3,002)	(703)
Fringe Benefit Tax		641	428
Profit After Tax		1,405	391,753
Add/(Less) : Taxation for earlier year		-	8,965
Add: Balance brought forward from Previous year		709,234	365,434
Amount available for Appropriation		710,639	766,152
Appropriations:			
Transfer to General Reserve		-	30,000
Transfer to Capital Redemption Reserve		36,000	-
Proposed Dividend :			
- On Equity Shares		9,704	19,408
- On Preference Shares		1,036	3,600
Tax on Dividend		1,825	3,910
Balance carried to Balance Sheet		662,074	709,234
		710,639	766,152
Earnings Per Share (Basic/Diluted) (Rs.) (Face Value Per Share Rs.10/-)		0.04	40.00

Notes on Accounts**22**

The Schedules referred to above form an integral part of the Profit & Loss Account.

As per our report of even date
For D. K. Chhajer & Co.
Chartered Accountants

B.K. Agarwalla
Chairman

Niraj K. Jhunhunwala
Partner
M.No- F057170

S.C. Agarwalla
Managing Director

Kalyaneshwari, 4th June, 2009

Rajesh K Shah
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2009

	For the year ended 31st March 2009 Rs. (in '000)	For the year ended 31st March 2008 Rs. (in '000)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax and extraordinary items	9,890	596,078
Adjustments for :		
Add : Depreciation	64,463	67,065
Interest (Net of Receipt)	138,335	74,523
Loss / (Profit) on sale of shares	(11,282)	-
Loss / (Profit) on sale of fixed assets	153	(54)
Operating profit before working capital changes	201,559	737,612
Adjustment for:		
Trade and other receivables	(308,643)	(473,865)
Inventories	157,113	(730,230)
Trade and other payables	132,918	682,617
Cash generated from operations	182,947	216,134
Interest Paid (Net of Receipt)	(139,713)	(74,899)
Direct Taxes Received/(Paid)	(184,079)	(213,859)
Cash flow before extraordinary items	(140,845)	(72,624)
Extraordinary items	-	-
NET CASH FROM OPERATING ACTIVITIES (A)	(140,845)	(72,624)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(17,369)	(38,975)
Sale of Fixed Assets	240	273
Capital Work In progress	(278,129)	(344,578)
Purchase of Investments	(18,000)	-
Sale of Investments	125,737	(114,455)
NET CASH USED IN INVESTING ACTIVITIES (B)	(187,521)	(497,735)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Preference Shares	(36,000)	-
Premium on Redemption	(18,000)	-
Dividend Paid including Tax on Dividend	(26,847)	(15,200)
Proceeds / (Repayment) from / of borrowings	436,683	609,963
NET CASH FROM FINANCING ACTIVITIES (C)	355,836	594,763
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	27,470	24,404
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	60,184	35,780
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	87,654	60,184

As per our report of even date
For **D. K. Chhajer & Co.**
Chartered Accountants

Niraj K. Jhunjhunwala
Partner
M.No- F057170

Kalyaneshwari, 4th June, 2009

B.K. Agarwalla
Chairman

S.C. Agarwalla
Managing Director

Rajesh K Shah
Company Secretary

SCHEDULES TO THE BALANCE SHEET AS AT 31st MARCH, 2009

	As at 31st March 2009 Rs. (in '000)	As at 31st March 2008 Rs. (in '000)
SCHEDULE – 1		
SHARE CAPITAL		
A) <u>Authorised Capital :</u>		
1,00,00,000 (PY 1,00,00,000) Equity Shares of Rs 10/- each	100,000	100,000
5,00,000 (PY 5,00,000) 10% Cumulative Non-convertible Redeemable Preference Shares of Rs 100/- each	50,000	50,000
	150,000	150,000
B) <u>Issued & Subscribed Capital :</u>		
97,11,450 (PY 97,11,450) Equity Shares of Rs 10/- each	97,115	97,115
3,60,000 (PY 3,60,000) 10% Cumulative Non-convertible Redeemable Preference Shares of Rs 100/- each	36,000	36,000
Less: Redeemed during the year	36,000	–
	–	36,000
	97,115	133,115
C) <u>Paid up Capital :</u>		
97,03,850 (PY 97,03,850) Equity Shares of Rs 10/- each	97,039	97,039
Add: Forfeited Shares(7600 Nos.)	31	31
	97,070	97,070
3,60,000 (PY 3,60,000) 10% Cumulative Non-convertible Redeemable Preference Shares of Rs 100/- each	36,000	36,000
Less: Redeemed during the year	36,000	–
	–	36,000
	97,070	133,070
Note : Out of above –		
17,91,450 (PY 17,91,450) Equity Shares of Rs 10/- each fully paid up issued for consideration other than cash in pursuance of Scheme of Amalgamation.		
SCHEDULE – 2		
RESERVES & SURPLUS		
General Reserve		
As per last Account	62,500	32,500
Add: Transferred from Profit & Loss Account	–	30,000
	62,500	62,500
Capital Reserve		
As per last Account	18,998	18,998
Share Premium A/c		
As per last Account	28,000	28,000
Less: Premium on Redemption of Preference Shares	18,000	–
	10,000	28,000
Capital Redemption Reserve		
Transferred from Profit & Loss Account	36,000	–
Profit & Loss Account	662,074	709,234
	789,572	818,732

SCHEDULES TO THE BALANCE SHEET AS AT 31st MARCH, 2009

	As at 31st March 2009 Rs. (in '000)	As at 31st March 2008 Rs. (in '000)
SCHEDULE – 3		
SECURED LOAN		
Term-Loan	456,735	503,521
Working Capital Loan		
– Rupee Loan	521,583	309,045
– Foreign Currency Loan	205,940	–
Short-Term Loan :		
Foreign Currency Loan	–	75,009
Rupee Loan	240,000	–
	1,424,258	887,575

* Term Loan from Banks are secured against Pari-Pasu first charge on all tangible immovable and movable fixed assets of the Company's units located at Kalyaneshwari and Meghalaya and further secured by second charge on the entire current assets of the Company, ranking Pari-Pasu among the lenders.

* Working Capital Loans are secured against Hypothecation of Inventory, receivables and all other Current Assets, present and future of the Company and further secured by second charge on the entire fixed assets of the Company, ranking Pari-Pasu among the Bankers.

* Short Term Rupee Loan is secured by mortgage of land of a subsidiary company.

SCHEDULE – 4**UNSECURED LOAN**

Short term loan from Indus Ind Bank	–	100,000
	–	100,000

SCHEDULE – 5**DEFERRED TAX LIABILITY/(ASSET) (NET)**

Deferred Tax Liability arising on a/c of Depreciation	24,241	27,069
Less: Deferred Tax Asset arising on retirement benefits	343	169
Net Liability/(Assets)	23,898	26,900

SCHEDULES TO THE BALANCE SHEET AS AT 31st MARCH, 2009

SCHEDULE – 6

FIXED ASSETS

Sl. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.04.2008	Addition during the year	Sale / Adjustments	As on 31.03.2009	Up to 01.04.2008	For the Year	Adjustments	Up to 31.03.2009	As on 31.03.2009	As on 31.03.2008
	Land										
1	Freehold Land & Development	10,489	1,752	-	12,241	-	-	-	-	12,241	10,489
2	Leasehold Land & Development	3,651	-	-	3,651	-	-	-	-	3,651	3,651
	Building										
3	Non Factory	6,422	4,424	-	10,846	761	201	-	962	9,884	5,661
4	Factory	82,084	-	-	82,084	16,667	4,735	-	21,402	60,682	65,417
	Plant & Machinery										
5	Ferro Alloys Division	476,364	7,665	-	484,029	197,177	48,263	-	245,440	238,589	279,187
6	Windmill Division	176,916	-	-	176,916	25,702	10,164	-	35,866	141,050	151,214
7	Vehicles	5,652	2,766	539	7,879	1,533	649	146	2,036	5,843	4,119
8	Furniture & Fixtures	1,439	167	-	1,606	447	101	-	548	1,058	992
9	Office Equipments	1,324	75	-	1,399	293	65	-	358	1,041	1,031
10	Computers	1,615	520	-	2,135	615	285	-	900	1,235	1,000
	Total	765,956	17,369	539	782,786	243,195	64,463	146	307,512	475,274	522,761
	Previous Year	727,254	38,975	273	765,956	176,183	67,065	54	243,195	522,761	-

Note: Freehold Land purchased at Kalyaneshwari for Rs. 17,52,188/-.

SCHEDULES TO THE BALANCE SHEET AS AT 31st MARCH, 2009

	As at 31st March 2009 Rs. (in '000)	As at 31st March 2008 Rs. (in '000)
<u>SCHEDULE – 7</u>		
<u>CAPITAL WORK-IN-PROGRESS</u>		
Kalyaneshwari	15,076	3,071
Meghalaya	707,431	441,306
	<u>722,507</u>	<u>444,377</u>
<u>SCHEDULE – 8</u>		
<u>INVESTMENTS</u>		
In Subsidiary Company- Unquoted, fully paid up		
AXL Exploration Pvt. Ltd. [23,500 Equity Shares (PY 23,500) of Rs 100/- each]	32,994	32,994
Anjaney Alloys Ltd. [10,00,000 Equity Shares (PY Nil) of Rs 10/- each]	10,000	–
Anjaney Minerals Ltd. [7,99,995 Equity Shares (PY Nil) of Rs.10/- each]	8,000	–
In Associate Company- Unquoted, fully paid up		
Purbanchal Cement Ltd. [NIL Equity Shares (PY 1,14,30,600) of Rs.10/- each]	–	114,455
	<u>50,994</u>	<u>147,449</u>
<u>SCHEDULE – 9</u>		
<u>INVENTORIES</u>		
(as taken, valued & certified by the management)		
Raw Materials [includes Raw Materials in Transit Rs. ('000) 2,00,645 (PY 4,28,134)]	537,823	878,721
Stock-in-Process	15,075	14,063
Finished Goods	323,598	139,321
Scrap and Slag	320	750
Trading Stock	–	32
Stores and Packing Materials [includes Stores in Transit Rs.('000) 186 (PY Nil)]	4,005	5,047
	<u>880,821</u>	<u>1,037,934</u>

SCHEDULES TO THE BALANCE SHEET AS AT 31st MARCH, 2009

	As at 31st March 2009 Rs. (in '000)	As at 31st March 2008 Rs. (in '000)
SCHEDULE – 10		
SUNDRY DEBTORS		
(unsecured, considered good)		
Exceeding six months	9,493	5,104
Other Debts	386,687	362,018
	<u>396,180</u>	<u>367,122</u>
SCHEDULE – 11		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances (recoverable in cash or in kind or for value to be received)	339,954	96,098
Advances for Raw Materials & Stores	107,046	154,945
Prepaid Expenses	11,944	1,775
Security Deposits	8,439	8,430
Accrued Interest on Fixed Deposits	1,968	590
I.T. Refundable	91	1,223
Advance Tax (Net of Provision)	190,844	17,118
Balances with Excise Authorities	86,045	12,597
	<u>746,331</u>	<u>292,776</u>
SCHEDULE – 12		
CASH AND BANK BALANCES		
Cash-in-Hand (as certified by the management)	1,851	2,417
Balance with Banks		
in Fixed Deposit Accounts	57,819	46,679
(in lien against margin money)		
in Current Accounts	14,997	6,372
Cheque/Draft in Hand	12,987	4,716
	<u>87,654</u>	<u>60,184</u>
SCHEDULE – 13		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors		
for Capital Goods	17,370	17,945
for Raw Materials	818,485	726,973
for Expenses	150,550	116,122
for Others	23,111	16,568
Unpaid Dividend	232	162
	<u>1,009,748</u>	<u>877,770</u>
Provisions		
Provision for Leave Encashment/ Gratuity/ Bonus	2,650	1,638
Proposed Dividend	10,740	23,008
Tax on Dividend	1,825	3,910
	<u>15,215</u>	<u>28,556</u>
	<u>1,024,963</u>	<u>906,326</u>

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

	Year ended 31st March 2009 Rs. (in '000)	Year ended 31st March 2008 Rs. (in '000)
SCHEDULE – 14		
SALES (Gross)		
Ferro Alloys	5,599,181	3,815,346
Scrap, Waste etc	1,072	235
DEPB Licence	4,518	–
Trading Sales	990,496	183,754
Power	24,882	27,155
	6,620,149	4,026,490
SCHEDULE – 15		
OTHER INCOME		
Interest on Fixed deposit (Gross) (TDS Rs. 9,63,195/- Previous Year - Rs.4,64,856/-)	4,305	1,486
Interest on IT Refund	–	2,155
Foreign Exchange Fluctuations (Net)	–	17,867
Discount on DEPB Licence	4,727	–
Profit on sale of Shares	11,282	–
Other Receipts	72	72
Profit on sale of Fixed Assets	–	54
	20,386	21,634
SCHEDULE – 16		
INCREASE IN STOCK		
Closing Stock		
Finished Goods	323,598	139,322
Work-In-Progress	15,075	14,063
Scrap and Slag	320	751
	338,993	154,136
Less: Opening Stock		
Finished Goods	139,322	50,382
Work-In-Progress	14,063	4,580
Scrap and Slag	751	491
	154,136	55,453
Increase/(Decrease) in Stock	184,857	98,683
SCHEDULE – 17		
RAW MATERIAL CONSUMED		
Opening stock	450,468	210,495
Add: Purchases	4,206,162	2,080,040
	4,656,630	2,290,535
Less : Closing stock	474,161	450,468
	4,182,469	1,840,067

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

	Year ended 31st March 2009 Rs. (in '000)	Year ended 31st March 2008 Rs. (in '000)
SCHEDULE – 18		
POWER & FUEL		
Electricity charges	774,773	767,307
Electricity duty	30,531	55,842
	805,304	823,149
SCHEDULE – 19		
MANUFACTURING EXPENSES		
Stores & Packing Materials	58,716	56,889
Carriage Inward	1,002	1,476
Claims & Demurrage	25,448	–
Repairs & Maintenance :		
to Machinery	2,508	5,664
to Building	3,256	8,291
Packing & Forwarding Expenses	4,188	1,939
	95,118	74,259
SCHEDULE – 20		
ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Salary, Wages & Bonus	21,762	12,633
Directors' Remuneration	17,629	23,700
Director's Sitting Fees	45	–
Contribution to Provident Fund & Other Funds	1,227	872
Gratuity	594	165
Workmen & Staff Welfare	648	150
Rent	35	83
Rates & Taxes	496	1,949
Professional Charges	4,830	3,048
Insurance Premium	2,290	2,324
Bank and other financial charges	52,297	28,489
Auditor's Remuneration :		
As Audit Fees	185	150
As Tax Audit Fees	25	20
Certification and other services	34	–
Reimbursement of Expenses	19	40
Repair & Maintenance	1,143	1,701
Carriage Outward	11,648	26,217
Rebate & Discount	9,232	12,394
Loss on sale of fixed assets	153	–
Provision for Doubtful advance	–	24,353
Brokerage & Commission	6,225	5,858
Foreign Exchange Fluctuation	182,016	–
Export Expenses	121,454	133,826
Donation	3,811	3,255
Miscellaneous Expenses	27,917	23,072
	465,715	304,299
SCHEDULE – 21		
INTEREST		
On Unsecured Loan	2,131	2,632
On Fixed Loan	37,396	42,193
Others	103,113	33,338
	142,640	78,163

SCHEDULE – 22

NOTES TO THE FINANCIAL STATEMENTS

1) **Significant Accounting Policies**

a) **Nature of Operation**

Company is engaged in the business of manufacturing and trading of Ferro Alloys and generation and supply of Wind Power.

b) **Basis of Accounting**

The financial statements have been prepared to comply, in all material respects, with accounting standards as notified by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956.

The financial statements have been prepared under historical cost convention on accrual basis. The accounting policies have been consistently followed by the Company and are consistent with those used in the previous year except where otherwise stated.

c) **Use of Estimates**

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

d) **Fixed Assets**

Fixed Assets are stated at cost less Depreciation. The cost of an asset comprises its purchase price net of Cenvat credit plus any directly attributable costs of bringing the asset to the working condition for its intended use. Pre-operative expenses for major projects are also capitalised, where appropriate.

e) **Investments**

Long term Investments are stated at cost less write down for any diminution other than temporary, in carrying value.

f) **Depreciation**

- i) Depreciation on Fixed Assets is provided on Straight Line Method in the manner and the rates specified in Schedule XIV to the Companies Act; 1956, except on additions made to Building and Plant & Machineries with effect from 1st April 2006 on which depreciation has been provided on Written Down Value method at the rate specified in Schedule XIV to the Companies Act, 1956.
- ii) Fixed Assets costing below Rs. 5,000/- are fully depreciated in the year of acquisition.
- iii) Depreciation on Fixed Assets added/deducted during the year is provided on pro-rata basis.

- iv) The depreciation charge for the assets which have been impaired, are adjusted to allocate the asset's revised carrying amount less its residual value, if any, over its remaining useful life.
- v) Intangible assets such as softwares, etc. are amortised based upon their estimated useful lives of 5 years.

g) Inventories

Inventories are valued at lower of cost or estimated net realisable value.

Cost Formula :

Raw Materials	:	At Weighted Average Cost
Work-in-Process and Finished Goods	:	At Standard Cost
Trading Stock and Stock-in-Transit	:	At Acquisition Cost
Packing Materials and Stores and Spares	:	At Weighted Average Cost

Standard Cost of inventories approximates actual cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h) Impairment

- a. The carrying amounts of assets are reviewed at each balance sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- b. After Impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- c. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there is no impairment.

i) Excise Duty and Sales Tax

Excise Duty is accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in bonded warehouse. Sales tax paid is charged to profit and loss account.

j) Cenvat Credit

Cenvat Credit on excise duty paid goods /Fixed Assets is accounted for by reducing the acquisition cost of the related goods / Fixed Assets.

k) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be easily measured.

i) Sale of Goods:

Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery. It includes excise duty but excludes value added tax/sales tax. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability that arose during the year.

ii) Interest:

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii) Export Benefits:

Export Entitlements in the form of Duty Drawback and Duty Entitlement Pass book (DEPB) scheme are recognised in the Profit and Loss Account when right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

l) Foreign Currency transaction

i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the transaction; and non monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii) Exchange Differences

Foreign currency assets and liabilities (other than those covered by forward contracts) as on the Balance Sheet date are revalued in the accounts on the basis of exchange rates prevailing at the close of the period and exchange loss/gain arising therefrom, is adjusted to the cost of fixed assets or charged to the Profit & Loss Account, as the case may be.

iv) Forward Exchange Contracts

In case of transactions covered by forward contracts, the difference between the contract rate and exchange rate prevailing on the date of transaction, is adjusted to the cost of fixed assets or charged to the Profit & Loss Account, as the case may be, proportionately over the life of the contract.

m) Government grants and subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, these are deducted from related expense which it is intended to compensate. Where the grants or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

n) Borrowing Cost

Borrowing costs relating to acquisition or construction of fixed assets which takes substantial period of time to get ready for its intended use are included in the cost of fixed assets to the extent they relate to the period till such assets are ready to be put to use. Other Borrowing costs are recognized as an expense in the year in which they are incurred.

o) Segment Reporting Policies

(i) Identification of Segments:

Primary Segment

Business Segment:

The company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The Identified segments are manufacturing of ferro-alloys and wind power.

Secondary segment

Geographical segment:

The analysis of geographical segment is based on the geographical location of customers. The geographical segments considered for disclosure are as follows:

- 1 Sales within India include sales to customers located within India.
- 1 Sales outside India include sales to customers located outside India.

(ii) Allocation of common Costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

(iii) Unallocated Items:

The corporate and other segment include general corporate income and expense items, which are not allocated to any business segment.

p) Intangible Assets

Research and Development Costs:

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project, not exceeding ten years.

The carrying value of intangible assets is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

q) Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the period based on applicable tax rate and laws.

Deferred tax is recognised subject to consideration of prudence in respect of deferred tax asset on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realization.

Fringe Benefit tax is calculated as per the provisions of the Income Tax Act, 1961.

r) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

s) Earnings Per Share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted Earning Per Share, the net profit or loss for the period attributable to equity shareholders and the weighted average no. of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

t) Cash Flow Statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated. Cash and cash equivalents in the balance sheet comprise cash at bank, cash/ cheques in hand and short-term investments with an original maturity of three months or less.

u) Employee Benefits

(i) Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

(ii) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

(Schedule annexed to and forming part of the accounts for the year ended 31st March, 2009)

SCHEDULE - 22

NOTES ON ACCOUNTS

2) A) Information required by Para 3, 4C and 4D of part (II) of Schedule VI to the Companies Act, 1956:

		<u>2008-2009</u>	<u>2007-2008</u>
a) Licenced Capacity	*	N.A.	N.A.
b) Installed Capacity :	Unit	Qty.	Qty.
Ferro Alloys	**	94,600	94,600
Wind Mill	***	3.75	3.75

* Not Applicable in view of changed Industrial Licensing Policy

** As certified by the Management, based on interchangeability of products.

*** As certified by the Management.

Ferro Alloys	2008-2009 Rs. (in '000)		2007-2008 Rs. (in '000)	
	Quantity in MT	Value in Rs.	Quantity in MT	Value in Rs.
Opening Stock				
i) Saleable	1,880.000	76,772	1,180.538	29,681
ii) Unsorted	1,527.249	62,550	770.609	20,701
Production				
i) Saleable	69,593.249	N.A.	65,185.360	N.A.
ii) Unsorted	172.249	N.A.	756.640	N.A.
Sales				
i) Finished Goods	65,965.120	5,424,852	64,485.898	3,573,123
Captive Consumption				
i) Finished Goods	17.629	-	-	-
Closing Stock :				
i) Saleable	5,490.500	262,892	1,880.000	76,772
ii) Unsorted	1,355.000	60,705	1,527.249	62,550
Power	Quantity in KWH	Value in Rs.	Quantity in KWH	Value in Rs.
Production	6,194,913	N.A.	6,320,226	N.A.
Sales	6,194,913	24,882	6,320,226	27,155

Note :

- Quantitative details of slag (waste) is not given as the value of the same is not significant.
- Production includes production of Ferro Manganese of 0.629 MT used as captive consumption.
- Production and Sales excludes 15.00 MT of Ferro Manganese rejected and returned back.
- Sale value of power includes claim amounting to Rs. 41.43 lacs received for minimum guaranteed generation.

B) Raw Material Consumed

Items	2008-2009 (Rs. in '000)		2007-2008 (Rs. in '000)	
	Qty. in M.T.	Value in Rs.	Qty. in M.T.	Value in Rs.
Ores	175689.500	3,567,988	136544.198	1,310,305
Reductants	57543.422	438,551	50259.676	290,905
Fluxes	9356.400	6,886	27825.353	20,435
Others	3194.093	169,044	6458.800	218,422
TOTAL	245783.415	4,182,469	221088.027	1,840,067

C) Value of imported and indigenous raw materials consumed and percentage of each to the total Consumption :

PARTICULARS	2008-2009 (Rs. in '000)		2007-2008 (Rs. in '000)	
	Percentage	Value in Rs.	Percentage	Value in Rs.
Imported	67.85%	2,837,760	23.83%	438,408
Indigenous	32.15%	1,344,709	76.17%	1,401,659
	100%	4,182,469	100%	1,840,067

D) Value of imported and indigenous stores and spare parts consumed and percentage of each to the total Consumption:

Particulars	2008-2009 (Rs. in '000)		2007-2008 (Rs. in '000)	
	Percentage	Value in Rs.	Percentage	Value in Rs.
Imported	NIL	NIL	NIL	NIL
Indigenous	100%	58,716	100	56,889
	100%	58,716	100	56,889

E) Capital work-in-progress includes expenditure during construction period on substantial expansion/new industrial units of the company (Meghalaya Division) as under:

Particulars	Year ended 31st March 2009 (Rs. in '000)	Year ended 31st March 2008 (Rs. in '000)
Opening Balance	20967.52	969.07
Interest on Term Loan	34527.36	14338.83
Legal Fees	41.00	34.03
Insurance Charges	598.14	709.45
Rent	56.00	376.82
Employee Cost	2813.76	1200.73
Bank Charges	1160.26	5.92
Printing & Stationery	128.60	41.60
Boiler (O&M)	5774.16	0.00
Steam Blowing Test	4058.20	0.00
Misc. Cost	2705.96	3291.07
	72830.95	20967.52

F) CIF Value of Imports : Rs. 30896.01 lacs (Previous year Rs. 4544.74 lacs)

G) FOB Value of Exports :Rs. 37942.43 lacs (Previous year Rs. 19837.55 lacs)

H) Expenditure in Foreign Currency :Rs. 304.64 lacs (Previous year Rs. 54.27 lacs)

Particulars	2008-2009 (Rs. in '000)	2007-2008 (Rs. in '000)
(i) Interest and Finance Charges	18,004.19	2,474.24
(ii) Travelling Expenses	800.14	1,664.01
(iii) Demurrage	5,448.37	275.15
(iv) Membership Subscription	2,371.68	-
(v) Others	3,839.75	1,013.28

3) Claims against the Company not acknowledged as debts in respect of disputed excise duty & service tax demand- Gross Rs. 38.71 lacs (Net of Tax Rs. 25.55 lacs) (Previous Year- Gross Rs.62.44 lacs, Net of Taxes- Rs. 41.22 lacs)

4) Contingent Liabilities not provided for in respect of :

- a) Bills Receivable discounted with Bank -
Inland Bills Rs. 590.26 lacs (Previous year Rs 1276.38 Lacs)
Foreign Bills Rs. Nil (Previous year Rs. 138.12 lacs)
- b) Bank guarantee issued by Bank outstanding - Rs. 237.76 Lacs (Previous year Rs.215.33 Lacs)
- c) Letters of Credit issued by Bank and outstanding -
Inland Bills Rs. 1003.70 lacs (Previous year Rs 2103.89 Lacs)
Foreign Bills Rs. 7533.23 lacs (Previous year Rs.3941.33 lacs)
- d) Estimated amount of Contracts remaining to be executed for Capital Expenditure and not provided for amounted to Rs. 13.64 lacs net of Advances (Previous Year Rs.642.11 lacs)

5) Disclosure in respect of Derivative Instruments:

(a) Derivative instruments outstanding:

	2008-2009	2007-2008
	Loans taken (Principal)	USD 4 million

(b) All the derivative instruments have been acquired for hedging purposes.

(c) Foreign currency exposures that are not hedged by derivative instruments :

	2008-2009	2007-2008
Debtors	USD 11.59 lacs	USD 32.11 lacs
Creditors	USD 148.54 lacs	USD 107.87 lacs

6) **Managerial Remuneration under Section 198 of the Companies Act, 1956 :-**

Rs.(in '000)

	2008-09	2007-08	
Directors' Remuneration	17,629.03	11,700.00	
Commission	-	12,000.00	
Computation of Net Profit in accordance with section 349 of the Companies Act, 1956 and the commission payable to Directors.			
	2008-09	2007-08	
Net Profit before Taxation	9,889.63	596,077.78	
Add:			
Director's Remuneration	17,629.03	23700.00	
Loss on sales of fixed assets	152.54	-	
	<u>17,781.57</u>	<u>23,700.00</u>	
Less:			
Profit on sales of fixed assets	-	53.93	
Profit on sales of shares	11,281.98	-	23,646.08
	<u>16,389.23</u>	<u>619,723.85</u>	

Commission as decided by the Board of Directors to be paid to Whole time Directors - 12,000.00

- 7) Expenditure exceeding 1% of revenue included in Miscellaneous Expenses: Nil
- 8) There are no dues to Micro and Small Enterprises as at 31st March 2009. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.
- 9) Profit/Loss on sale of raw materials, if any, stand adjusted in respective consumption account.

10) **SEGMENT REPORTING:**

PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENTS)

Particulars	External Sales	2008-09 Inter Segment Sales	Total	External Sales	2007-08 Inter Segment Sales	Total
1. Segment Revenue						
Ferro Alloys	6,420,938.36	-	6,420,938.36	3,757,113.00	-	3,757,113.00
Wind Power	24,881.78	-	24,881.78	27,155.00	-	27,155.00
Total Revenue	6,445,820.14	-	6,445,820.14	3,784,268.00	-	3,784,268.00
2. Segment Results						
Ferro Alloys	122,659.10	-	122,659.10	653,681.68	-	653,681.68
Wind Power	14,364.17	-	14,364.17	16,792.54	-	16,792.54
Total Segment Results	137,023.27	-	137,023.27	670,474.22	-	670,474.22
Unallocated Income			72.00			72.00
Profit before interest & taxation			137,095.27			670,546.22
Interest Paid			(142,639.86)			(78,162.81)
Interest Income			4,304.79			3,640.64
Profit/(Loss) on Sale of Shares			11,281.98			-
Profit/(Loss) on Sale of Fixed Assets			(152.54)			53.93
Taxation for the year including adjustments of previous year			(8,484.27)			(204,325.45)
Profit after Taxation			1,405.36			391,752.53

OTHER INFORMATION

Particulars	2008-09		2007-08	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Ferro Alloys	3,210,463.36	1,024,957.77	2,718,755.94	906,326.45
Wind Power	149,298.56	5.00	153,847.00	–
Segment Total	3,359,761.92	1,024,962.77	2,872,602.94	906,326.45

Particulars	2008-09			2007-08		
	Capital Expenditure	Depreciation	Non cash expenditure other than depreciation	Capital Expenditure	Depreciation	Non cash expenditure other than depreciation
Ferro Alloys	17,369.01	54,299.35	–	38,975.70	56,901.23	–
Wind Power	–	10,163.99	–	–	10,163.99	–
Total	17,369.01	64,463.33	–	38,975.70	67,065.22	–

Note :

1. Segment have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organisation structure as well as the differential risks and returns of these segments.

- 11) As per As-15 “Employee Benefits”, the disclosures of Employee Benefits as defined in the Accounting Standard are given below:

Defined Contribution Plan

The company provides Provident Fund benefit to all employees. Under the scheme fixed contributions are paid to the regional Provident fund authorities. The company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefit. The company has made the following contributions which are recognised as expense in the profit and loss account for year in which the services are rendered by employees.

	<u>2008-09 (Rs.)</u>	<u>2007-08 (Rs.)</u>
Employer’s Contribution to Provident Fund	1,122,702	796,646

Defined Benefit Plan

Gratuity:

I. Reconciliation of opening and closing balances of Defined Benefit obligation

	<u>2008-09 (Rs.)</u>
Defined Benefit obligation at beginning of the year	446,997
Acquisition Adjustment	–
Interest Cost	30,547
Past Service Cost	–
Current Service Cost	355,338
Curtailment Cost	–
Settlement Cost	–
Benefit paid	79,384
Actuarial gain/loss on obligation	207,755
Defined Benefit obligation at year end	961,254

II. Reconciliation of opening and closing balances of fair value of plan assets	N.A as the scheme is unfunded
III. Reconciliation of fair value of assets and obligation	N.A as the scheme is unfunded
IV. Expense recognised during the year	2008-09 (Rs.)
Current Service Cost	355,338
Past Service Cost	-
Interest Cost	30,547
Expected return on plan assets	-
Curtailment Cost	-
Settlement Cost	-
Actuarial (gain)/loss	207,755
Net Cost	593,641
V. Investment details	N.A as the scheme is unfunded
VI. Fair value of Plan Assets	N.A as the scheme is unfunded
VII. Expected rate of return on Assets	N.A as the scheme is unfunded
VIII. Actual return on Plan Assets	N.A as the scheme is unfunded
IX. Actuarial assumption	2008-09
Mortality Table (LIC)	1994-1996
Superannuation age	58
Early Retirement & Disablement	10 PER THOUSAND P.A 6 above age 45 3 between 29 and 45 1 below age 29
Discount rate	7.50%
Rate of escalation in inflation(per annum)	5.00%
Return on Assets	-
Remaining Working Life	21
Formula used	PROJECTED UNIT CREDIT METHOD
The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The expected rate of return on plan assets is not applicable as the scheme is unfunded.	
X. Effects of changes in the assumed medical Cost	N.A as the scheme is unfunded
XI. Valuation record of the last 4 years	N.A as the scheme is unfunded
XII. Employer's best estimate	N.A as the scheme is unfunded
12 i) Related Parties Disclosure :	
Related Parties :	
A. Controlling Companies	: Nil
B. Subsidiary Companies	: 1. AXL Exploration (P) Ltd. 2. Anjaney Minerals Ltd. 3. Anjaney Alloys Ltd.
C. Associate Companies	: 1. Anjaney Ferro Alloys Ltd. 2. Maithan Smelters Ltd. 3. Maithan Ceramic Ltd. 4. Maithan Ispat Ltd.
D. Fellow Companies	: 1. Meghalaya Carbide & Chemicals (P) Ltd.
E. Key Management Personnel	: Shri Basant Kumar Agarwalla Shri Subhas Chandra Agarwalla Shri Subodh Agarwalla Shri Aditya Agarwalla

F. Relatives of Key Management Personnel :

Shri Sudhanshu Agarwalla
Shri Kaushal Agarwalla

Details of Transactions with related parties during the period under audit are as follows :

Nature of Transactions	Associates	Subsidiary	Fellow	Key Management Personnel	Relatives of Key Management Personnel
Purchase of Goods	295,834.93	–	6702.72	–	–
Sale of Goods	767,985.00	–	48204.93	–	–
Receiving of Services	–	–	–	17,629.03	4,800.00
Rent Received	60.00	–	–	–	–
Rent Paid	12.00	–	–	–	–
Investments	–	231,999.95	–	–	–

12 ii) Related party transaction :

1. Sale of goods

Detail of sales to Fellow/Associate which are material (more than 10% of total sales to the related parties)

Name of the Party	Relation	Transaction value	Outstanding balance (Dr.)
Anjaney Ferro Alloys Ltd.	Associate	737451.24	146740.30
Maithan Ispat Ltd.	Associate	30533.76	22312.36
Meghalaya Carbide & Chemicals(P) Ltd.	Fellow	48204.93	–

2. Purchase of goods

Detail of purchase from Fellow/Associate which are material (more than 10% of total purchase from the related parties)
Rs.(in '000)

Name of the Party	Relation	Transaction value	Outstanding balance (Cr.)
Anjaney Ferro Alloys Ltd.	Associate	158493.03	–
Maithan Ceramics Ltd.	Associate	109.64	4.50
Maithan Smelters Ltd.	Associate	137232.27	–
Meghalaya Carbide & Chemicals(P) Ltd.	Fellow	6702.72	–

3. Receiving of services

Detail of receiving of services from Key Management Personnel and their relatives which are material (more than 10% of total receiving of services from the related parties)
Rs.(in '000)

Name of the Party	Transaction value	Outstanding balance
Directors' remuneration	17629.03	–
Executive's salary	4800.00	–

4. Rent received

Detail of rent received from Fellow/Associate which are material (more than 10% of total rent received from the related parties)
Rs.(in '000)

Name of the Party	Transaction value	Outstanding balance
Maithan Smelters Ltd.	60.00	–

5. Rent paid

Detail of rent paid to Fellow/Associate which are material (more than 10% of total rent paid to the related parties)

Rs.(in '000)

Name of the Party	Transaction value	Outstanding balance
Maithan Smelters Ltd.	12.00	–

6. Investment (including Share application Money) in Subsidiaries

Detail of investment made in Subsidiaries which are material

Rs.(in '000)

Name of the Party	Transaction value	Outstanding balance
Anjaney Alloys Limited	200000.00	200000.00
Anjaney Minerals Limited	31999.95	31999.95

- 13) 10% Cumulative Non-Convertible Redeemable Preference Shares have been redeemed as per the terms on 15th July 2008 at 50% Premium.

14) Deferred Taxation:

Particulars	Deferred Tax (Asset) / Liability as on 01.04.2008	Current Year Charge / (Credit)	Deferred Tax (Asset) / Liability as on 31.03.2009
Difference between Book & Income Tax Depreciation	27,069	(2,659)	24,410
Difference of Provision for Retirement Benefits	(169)	(343)	(512)
Deferred Tax Asset on carry forward of losses	–	–	–
Total	26,900	(3,002)	23,898

15) Basic and Diluted Earnings Per Share :

	As at 31st March, 2009	As at 31st March, 2008
a) Number of Equity Shares at the beginning of the year	9,703,850	9,703,850
b) Number of Equity Shares at the end of the year	9,703,850	9,703,850
c) Weighted Average number of Equity Shares outstanding during the year	9,703,850	9,703,850
d) Face Value of each Equity Share (Rs)	10.00	10.00
e) Profit after Tax available for Equity Shareholders (Rs.)	369,743	388,152,529
f) Basic Earning Per Share (Rs)	0.04	40.00
g) Diluted Earnings per Share (Rs)	0.04	40.00

- 16) Previous year figures have been regrouped and rearranged wherever found necessary.

As per our report of even date

For D. K. Chhajer & Co.

Chartered Accountants

Niraj K. Jhunjunwala

Partner

M.No- F057170

Kalyaneshwari, 4th June, 2009

B.K. Agarwalla

Chairman

S.C. Agarwalla

Managing Director

Rajesh K Shah

Company Secretary

17) Additional Information as required under Part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract and Company's Business Profile :

I) Registration Details :

a) Registration No.	:	L27101WB1985PLC039503
b) State Code	:	21
c) Balance Sheet Date	:	31.03.2009

II) Capital Raised during the year (Amount in Rs thousands) :

a) Public Issue	:	NIL
b) Rights Issue	:	NIL
c) Bonus Issue	:	NIL
d) Private Placement (Including Share Premium)	:	NIL

III) Position of Mobilisation & Deployment of funds (in Rs thousand) :

a) Total Liabilities	:	3,359,761
b) Total Assets	:	3,359,761
c) Sources of funds :		
Paid-up capital	:	97,070
Reserves & Surplus	:	789,572
Deferred Tax Liability	:	23,898
Secured Loans	:	1,424,258
Unsecured Loans	:	-
d) Application of funds :		
Net Fixed Assets	:	1,197,781
Investments	:	50,994
Deferred Tax Assets	:	-
Net Current Assets	:	1,086,023
Misc. Expenditure	:	-

IV) Performance of Company (in Rs thousand) :

a) Turnover & Other Incomes	:	6,537,220
b) Total Expenditures	:	6,527,330
c) Profit before Tax	:	9,890
d) Profit after Tax	:	1,405
e) Earning per Share (in Rs.)	:	-
f) Dividend Rate %	:	10%

V) Generic Names of three Principal Products/Services of Company (as per Monetary Terms):

a) Item Code No. (ITC Code)	:	7202 3000
Product Description	:	Ferro-Silico-Manganese
b) Item Code No. (ITC Code)	:	7202 1100
Product Description	:	Ferro-Manganese containing by weight more than 2% of carbon
c) Item Code No. (ITC Code)	:	-
Product Description	:	Wind Power

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors of
Maithan Alloys Limited

1. We have audited the attached Consolidated Balance Sheet of **MAITHAN ALLOYS LIMITED** as at 31st March, 2009 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have also audited the Financial Statements of the subsidiaries M/s AXL Exploration Pvt. Ltd., M/s Anjaney Alloys Ltd. and M/s Anjaney Minerals Ltd. whose financial statements are considered in the consolidated financial statements.
4. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirement of Accounting Standard (AS) 21, "Consolidated Financial Statements" and Accounting Standard (AS) 23, "Accounting for Investment in Associate in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of separate audited Financial Statements of Maithan Alloys Ltd and its subsidiaries included in the Consolidated Financial Statements.
5. On the basis of the information and explanations given to us and on consideration of the separate audit report on individual audited financial statements of Maithan Alloys Ltd and its aforesaid subsidiaries, we are of the opinion that the attached consolidated financial statements 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 state of affairs of Maithan Alloys Ltd and its Subsidiaries as at 31st March, 2009;
 - b) in the case of Consolidated Profit and Loss Account, of the profit of Maithan Alloys Ltd and its Subsidiaries for the year ended on that date; and
 - c) in the case of Consolidated Cash Flow statement, of the cash flows of Maithan Alloys Ltd. and its subsidiaries for the year ended on that date.

For D. K. CHHAJER & CO.
Chartered Accountants

Niraj K. Jhunjhunwala
Partner
M. No- F057170
Kalyaneshwari
Dated: 4th June, 2009

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2009

	Schedule	As at 31st March 2009 Rs. (in '000)	As at 31st March 2008 Rs. (in '000)
SOURCES OF FUNDS :			
Shareholders' Fund			
Share Capital	1	97,070	133,070
Reserves & Surplus	2	781,953	811,425
Loan Funds			
Secured Loans	3	1,424,258	887,575
Unsecured Loans	4	45,318	100,000
Minority Interest		2,000	–
Deferred Tax Liability (Net)	5	19,987	23,149
		2,370,586	1,955,219
APPLICATION OF FUNDS :			
Fixed Assets			
Gross Block	6	1,046,469	789,028
Less : Depreciation		308,657	244,225
Net Block		737,812	544,803
Capital work in progress	7	725,098	444,376
		1,462,910	989,179
Investments	8	–	114,455
Current Assets, Loans & Advances			
Inventories	9	883,270	1,040,384
Sundry Debtors	10	396,180	367,122
Loans & Advances	11	562,695	290,054
Cash and Bank Balances	12	90,255	60,410
		1,932,400	1,757,970
Less : Current Liabilities & Provisions	13	1,025,174	906,385
Net Current Assets		907,226	851,585
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Preliminary Expenses		450	–
		2,370,586	1,955,219
Notes on Accounts	22		

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date
For D. K. Chhajer & Co.
Chartered Accountants

B.K. Agarwalla
Chairman

Niraj K. Jhunjunwala
Partner
M.No- F057170

S.C. Agarwalla
Managing Director

Kalyaneshwari, 4th June, 2009

Rajesh K Shah
Company Secretary

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

	Schedule	Year ended 31st March 2009 Rs. (in '000)	Year ended 31st March 2008 Rs. (in '000)
INCOME			
Sales (Gross)	14	6,620,149	4,026,490
Less: Excise Duty		174,329	242,222
Net Sales		6,445,820	3,784,268
Export Incentive		71,014	48,133
Other Income	15	20,386	21,634
Increase/(Decrease) in Stock	16	184,857	98,683
		6,722,077	3,952,718
EXPENDITURE			
Purchases		956,478	169,638
Raw Materials Consumed	17	4,182,469	1,840,067
Power & Fuel	18	805,304	823,149
Manufacturing Expenses	19	95,118	74,259
Administrative, Selling & Other Expenses	20	466,068	304,918
Interest	21	142,640	78,163
Depreciation		64,578	67,225
		6,712,655	3,357,419
Profit before Tax		9,422	595,299
Provision for Taxation :			
Current Tax		10,846	204,600
Deferred Tax Charge/(Credit) (Net)		(3,162)	(968)
Fringe Benefit Tax		645	432
Profit After Tax		1,093	391,235
Add/(Less) : Taxation for earlier year		-	8,965
Add: Balance brought forward from Previous year		701,927	358,645
Amount available for Appropriation		703,020	758,845
Appropriations :			
Transfer to General Reserve		-	30,000
Transfer to Capital Redemption Reserve		36,000	-
Proposed Dividend :			
- On Equity Shares		9,704	19,408
- On Preference Shares		1,036	3,600
Tax on Dividend		1,825	3,910
Balance carried to Balance Sheet		654,455	701,927
		703,020	758,845
Earnings Per Share (Basic/Diluted) (Rs.) (Face Value Per Share Rs.10/-)		0.01	39.95

Notes on Accounts **22**

The Schedules referred to above form an integral part of the Profit & Loss Account.

As per our report of even date
For D. K. Chhajer & Co.
Chartered Accountants

B.K. Agarwalla
Chairman

Niraj K. Jhunjhunwala
Partner
M.No- F057170

S.C. Agarwalla
Managing Director

Kalyaneshwari, 4th June, 2009

Rajesh K Shah
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2009

	For the year ended 31.03.09 Rs. (in '000)	For the year ended 31.03.08 Rs. (in '000)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax and extraordinary items	9,422	595,299
Adjustments for :		
Add : Depreciation	64,578	67,225
Interest (Net of Receipt)	138,335	74,523
Provision for doubtful Advances	-	24,353
Loss / (Profit) on sale of shares	(11,282)	-
Miscellaneous expenditure written off	-	17
Loss / (Profit) on sale of fixed assets	153	(54)
Operating profit before working capital changes	201,206	761,363
Adjustment for :		
Trade and other receivables	(128,332)	(470,988)
Inventories	157,113	(730,232)
Trade and other payables	133,673	658,112
Cash generated from operations	363,660	218,255
Interest Paid (Net of Receipt)	(139,713)	(74,899)
Direct Taxes Received/(Paid)	(184,083)	(213,864)
Cash flow before extraordinary items	39,864	(70,508)
Extraordinary items	-	-
NET CASH FROM OPERATING ACTIVITIES (A)	39,864	(70,508)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(257,980)	(40,997)
Sale of Fixed Assets	240	273
Capital Work In progress	(281,170)	(344,577)
Sale of Investments	125,737	(114,455)
NET CASH USED IN INVESTING ACTIVITIES (B)	(413,173)	(499,756)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Capital (Including Premium)	2,000	-
Redemption of Preference Shares incl Premium	(54,000)	-
Dividend Paid including Tax on Dividend	(26,847)	(15,200)
Proceeds / (Repayment) from / of borrowings	482,001	609,963
NET CASH FROM FINANCING ACTIVITIES (C)	403,154	594,763
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	29,845	24,499
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	60,410	35,911
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	90,255	60,410

As per our report of even date
For **D. K. Chhajer & Co.**
Chartered Accountants

Niraj K. Jhunjunwala
Partner
M.No- F057170

Kalyaneshwari, 4th June, 2009

B.K. Agarwalla
Chairman

S.C. Agarwalla
Managing Director

Rajesh K Shah
Company Secretary

SCHEDULES TO THE BALANCE SHEET AS AT 31st MARCH, 2009

	As at 31st March 2009 Rs. (in '000)	As at 31st March 2008 Rs. (in '000)
SCHEDULE – 1		
SHARE CAPITAL		
A) <u>Authorised Capital :</u>		
1,00,00,000 (PY 1,00,00,000) Equity Shares of Rs 10/- each	100,000	100,000
5,00,000 (PY 5,00,000) 10% Cumulative Non-convertible Redeemable Preference Shares of Rs 100/- each	50,000	50,000
	150,000	150,000
B) <u>Issued & Subscribed Capital :</u>		
97,11,450 (PY 97,11,450) Equity Shares of Rs 10/- each	97,115	97,115
3,60,000 (PY 3,60,000) 10% Cumulative Non-convertible Redeemable Preference Shares of Rs 100/- each	36,000	36,000
Less: Redemption	36,000	–
	–	36,000
	97,115	133,115
C) <u>Paid up Capital :</u>		
97,03,850 (PY 97,03,850) Equity Shares of Rs 10/- each	97,039	97,039
Add: Forfeited Shares(7600 Nos.)	31	31
	97,070	97,070
3,60,000 (PY 3,60,000) 10% Cumulative Non-convertible Redeemable Preference Shares of Rs 100/- each	36,000	36,000
Less: Redemption	36,000	–
	–	36,000
	97,070	133,070
Note : Out of above – 17,91,450 (PY 17,91,450) Equity Shares of Rs 10/- each fully paid up issued for consideration other than cash in pursuance of Scheme of Amalgamation.		
SCHEDULE – 2		
RESERVES & SURPLUS		
General Reserve		
As per last Account	62,500	32,500
Add: Transferred from Profit & Loss Account	–	30,000
	62,500	62,500
Capital Reserve		
As per last Account	18,998	18,998
Share Premium A/c		
As per last Account	28,000	28,000
Less: Premium on Redemption of Preference Shares	18,000	–
	10,000	28,000
Capital Redemption Reserve		
Transferred from Profit & Loss Account	36,000	–
Profit & Loss Account	654,455	701,927
	781,953	811,425

SCHEDULES TO THE BALANCE SHEET AS AT 31st MARCH, 2009

	As at 31st March 2009 Rs. (in '000)	As at 31st March 2008 Rs. (in '000)
SCHEDULE – 3		
SECURED LOAN		
Term-Loan	456,735	503,521
Working Capital Loan		
– Rupee Loan	521,583	309,045
– Foreign Currency Loan	205,940	–
Short-Term Loan		
– Foreign Currency Loan	–	75,009
– Rupee Loan	240,000	–
	1,424,258	887,575

* Term Loan from Banks are secured against Pari-Pasu first charge on all tangible immovable and movable fixed assets of the Company's units located at Kalyaneshwari and Meghalaya and further secured by second charge on the entire current assets of the Company, ranking Pari-Pasu among the lenders.

* Working Capital Loans are secured against Hypothecation of Inventory, receivables and all other Current Assets, present and future of the Company and further secured by second charge on the entire fixed assets of the Company, ranking Pari-Pasu among the Bankers.

* Short Term Rupee Loan is secured by mortgage of land of a subsidiary company.

SCHEDULE – 4**UNSECURED LOAN**

Body Corporate	45,318	–
Short term loan from Indus Ind Bank	–	100,000
	45,318	100,000

SCHEDULE – 5**DEFERRED TAX LIABILITY/(ASSET) (NET)**

Deferred Tax Liability arising on a/c of Depreciation	24,154	26,987
Less: Deferred Tax Asset arising on retirement benefits	343	169
Deferred Tax Asset arising on account of Unabsorbed Business Loss	(3,824)	(3,669)
Net Liability/(Assets)	19,987	23,149

SCHEDULES TO THE BALANCE SHEET AS AT 31st MARCH, 2009

SCHEDULE – 6

FIXED ASSETS

Sl. No.	PARTICULARS	GROSS BLOCK						DEPRECIATION				NET BLOCK	
		As on 01.04.2008	Addition during the year	Sale / Adjustments	As on 31.03.2009	Up to 01.04.2008	For the Year	Adjustments	Up to 31.03.2009	As on 31.03.2009	As on 31.03.2008		
1	Goodwill on Consolidation	19595	-	-	19595	-	-	-	-	-	19595	19595	
2	Land Freehold Land & Development	12510	1752	-	14262	-	-	-	-	-	14262	12510	
3	Leasehold Land & Development	3651	240611	-	244262	-	-	-	-	-	244262	3651	
4	Building Non Factory	6434	4424	-	10858	763	202	-	965	9893	9893	5671	
5	Factory	82084	-	-	82084	16667	4735	-	21402	60682	60682	65417	
	Plant & Machinery												
6	Ferro Alloys Division	477255	7665	-	484920	197830	48335	-	246165	238755	238755	279425	
7	Windmill Division	176916	-	-	176916	25702	10164	-	35866	141050	141050	151214	
8	Vehicles	6160	2766	539	8387	1889	688	146	2431	5955	5955	4270	
9	Furniture & Fixtures	1439	167	-	1606	447	101	-	548	1058	1058	992	
10	Office Equipments	1369	75	-	1444	311	68	-	380	1064	1064	1058	
11	Computers	1615	520	-	2135	616	285	-	900	1235	1235	999	
	Total	789028	257980	539	1046469	244225	64578	146	308657	737811	737811	544802	
	Previous Year	748304	40997	273	789028	177055	67225	54	244225	544802	544802	-	

Note: 1. Freehold Land & Development purchased at Kalyaneshwari for Rs. 17,52,188/-.

2. Leasehold Land & Development purchased at Achutapuram (AP) for Rs. 24,06,11,000/-.

SCHEDULES TO THE BALANCE SHEET AS AT 31st MARCH, 2009

	As at 31st March 2009 Rs. (in '000)	As at 31st March 2008 Rs. (in '000)
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SCHEDULE – 7**CAPITAL WORK-IN-PROGRESS**

Kalyaneshwari	15,076	3,071
Meghalaya	707,431	441,305
Achutapuram	2,579	–
Maharashtra	12	–
	725,098	444,376

SCHEDULE – 8**INVESTMENTS****In Associate Company– Unquoted, fully paid up**

Purbanchal Cement Ltd.

[Nil Equity Shares (PY 1,14,30,600) of Rs.10/- each]

–	114,455
–	114,455

SCHEDULE – 9**INVENTORIES**

(as taken, valued & certified by the management)

Raw Materials	540,272	881,169
Stock-in-Process	15,075	14,063
Finished Goods	323,598	139,322
Scrap and Slag	320	751
Trading Stock	–	32
Stores and Packing Materials	4,005	5,047
	883,270	1,040,384

SCHEDULE – 10**SUNDRY DEBTORS**

(unsecured, considered good)

Exceeding six months	9,493	5,104
Other Debts	386,687	362,018
	396,180	367,122

SCHEDULES TO THE BALANCE SHEET AS AT 31st MARCH, 2009

	As at 31st March 2009 Rs. (in '000)	As at 31st March 2008 Rs. (in '000)
SCHEDULE – 11		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances (recoverable in cash or in kind or for value to be received)	155,672	93,353
Advances for Raw Materials & Stores	107,046	154,945
Prepaid Expenses	12,563	1,775
Security Deposits	8,464	8,455
Accrued Interest on Fixed Deposits	1,976	590
I.T. Refundable	91	1,223
Advance Tax (Net of Provision)	190,838	17,116
Balances with Excise Authorities	86,045	12,597
	<u>562,695</u>	<u>290,054</u>
SCHEDULE – 12		
CASH AND BANK BALANCES		
Cash-in-Hand	2,260	2,474
Balance with Banks		
in Fixed Deposit Accounts	59,319	46,679
(in lien against margin money)		
in Current Accounts	15,689	6,541
Cheque/Draft in Hand	12,987	4,716
	<u>90,255</u>	<u>60,410</u>
SCHEDULE – 13		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors		
for Capital Goods	17,370	17,945
for Raw Materials	818,485	726,973
for Expenses	150,550	116,122
for Others	23,322	16,627
Unpaid Dividend	232	162
	<u>1,009,959</u>	<u>877,829</u>
Provisions		
Provision for Leave Encashment/ Gratuity/ Bonus	2,650	1,638
Proposed Dividend	10,740	23,008
Tax on Dividend	1,825	3,910
	<u>15,215</u>	<u>28,556</u>
	<u>1,025,174</u>	<u>906,385</u>

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

	Year ended 31st March 2009 Rs. (in '000)	Year ended 31st March 2008 Rs. (in '000)
SCHEDULE – 14		
SALES (Gross)		
Ferro Alloys	5,599,181	3,815,346
Scrap, Waste etc	1,072	235
DEPB Licence	4,518	–
Trading Sales	990,496	183,754
Power	24,882	27,155
	<u>6,620,149</u>	<u>4,026,490</u>
SCHEDULE – 15		
OTHER INCOME		
Interest on Fixed deposit (Gross:TDS Rs. 9,79,821/- Previous Year - Rs.4,64,856/-)	4,305	1,486
Interest on IT Refund	–	2,155
Foreign Exchange Fluctuations (Net)	–	17,867
Discount on DEPB Licence	4,727	–
Profit on sale of Shares	11,282	–
Other Receipts	72	72
Profit on sale of Fixed Assets	–	54
	<u>20,386</u>	<u>21,634</u>
SCHEDULE – 16		
INCREASE IN STOCK		
Closing Stock		
Finished Goods	323,598	139,322
Work-In-Progress	15,075	14,063
Scrap and Slag	320	751
	<u>338,993</u>	<u>154,136</u>
Less: Opening Stock		
Finished Goods	139,322	50,382
Work-In-Progress	14,063	4,580
Scrap and Slag	751	491
	<u>154,136</u>	<u>55,453</u>
Increase/(Decrease) in Stock	<u>184,857</u>	<u>98,683</u>
SCHEDULE – 17		
RAW MATERIAL CONSUMED		
Opening stock	450,468	210,495
Add: Purchases	4,206,162	2,080,040
	4,656,630	2,290,535
Less : Closing stock	474,161	450,468
	<u>4,182,469</u>	<u>1,840,067</u>

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

	Year ended 31st March 2009 Rs. (in '000)	Year ended 31st March 2008 Rs. (in '000)
SCHEDULE – 18		
POWER & FUEL		
Electricity charges	774,773	767,307
Electricity duty	30,531	55,842
	805,304	823,149
SCHEDULE – 19		
MANUFACTURING EXPENSES		
Stores & Packing Materials	58,716	56,889
Carriage Inward	1,002	1,476
Claims & Demurrage	25,448	–
Repairs & Maintenance :		
to Machinery	2,508	5,664
to Building	3,256	8,291
Packing & Forwarding Expenses	4,188	1,939
	95,118	74,259
SCHEDULE – 20		
ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Salary, Wages & Bonus	21,970	12,781
Directors' Remuneration	17,629	23,700
Director's Sitting Fees	45	–
Contribution to Provident Fund & Other Funds	1,253	885
Gratuity	594	165
Workmen & Staff Welfare	648	150
Rent	53	95
Rates & Taxes	496	1,951
Professional Charges	4,870	3,351
Insurance Premium	2,290	2,333
Bank and other financial charges	52,299	28,513
Auditor's Remuneration :		
As Audit Fees	198	162
As Tax Audit Fees	25	20
Certification and Other Services	34	–
Reimbursement of Expenses	19	40
Repair & Maintenance	1,166	1,713
Carriage Outward	11,648	26,217
Rebate & Discount	9,232	12,394
Loss on sale of Fixed Assets	153	–
Provision for Doubtful advance	–	24,353
Brokerage & Commission	6,225	5,858
Foreign Exchange Fluctuation	182,016	–
Export Expenses	121,454	133,826
Donation	3,811	3,255
Preliminary & Share Issue Expenses Written Off	–	17
Miscellaneous Expenses	27,940	23,139
	466,068	304,918
SCHEDULE – 21		
INTEREST		
On Unsecured Loan	2,131	2,632
On Fixed Loan	37,396	42,193
Others	103,113	33,338
	142,640	78,163

SCHEDULE – 22

CONSOLIDATED NOTES ON ACCOUNTS

1) Significant Accounting Policies

a) The Consolidated Financial Statement represents consolidation of financial statements of Maithan Alloys Limited (the Parent Company) with its wholly owned subsidiaries, M/s AXL Exploration (P) Ltd. and M/s Anjaney Alloys Ltd. and partly owned subsidiary M/s Anjaney Minerals Ltd.

b) Principles of Consolidation

The consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS-21) – “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India. The consolidated Financial Statements have been prepared on the following basis:

Investment in Subsidiary:

- The Financial Statements of Maithan Alloys Ltd (“The Parent Company”) and its Subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra company balances and transactions.
- The excess of cost to the Parent company of its investment in the subsidiary over the Parent company’s portion of equity of the Subsidiary is recognized in the Financial Statements as Goodwill.
- The Financial Statements of the Subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Parent Company, i.e. year ended 31st March’ 2009.
- The holding of the Parent Company in various subsidiaries are as under:

	AXL Exploration (P) Ltd.	Anjaney Alloys Ltd.	Anjaney Minerals Ltd.
Maithan Alloys Ltd.	100%	100%	79.9995%

Investment in Associate:

- In the case of associates, where the company directly or indirectly holds more than 20% of equity, investments in associates are accounted for using Equity Method in accordance with Accounting Standard (AS) 23 – “Accounting for Investments in associates in consolidated financial statements”.

c) Other Significant Accounting Policies

The Significant Accounting Policies, which are generally uniform, are set out in the notes to the accounts in the financial statements of the Parent Company and its subsidiaries.

2) Claims against the Parent Company not acknowledged as debts in respect of disputed excise duty and service tax demand – Gross Rs 38.71 lacs (Net of Tax Rs 25.55 lacs) (Previous Year- Gross Rs. 62.44 lacs, Net of Taxes- Rs. 41.22 lacs)

3) **Contingent Liabilities not provided for in respect of :**

- a) Bills Receivable discounted with Bank -
Inland Bills Rs. 590.26 lacs (Previous year Rs. 1276.38 lacs)
Foreign Bills Nil (Previous year Rs.138.12 lacs)

- b) Bank guarantee issued by Bank outstanding - Rs. 237.76 lacs (Previous year Rs. 215.33 lacs)
- c) Letters of Credit issued by Bank and outstanding -
Inland Bills Rs. 1003.70 lacs (Previous year Rs. 2103.89 lacs)
Foreign Bills Rs. 7543.23 lacs (Previous year Rs. 3941 .33 lacs)
- d) Estimated amount of Contracts remaining to be executed for Capital Expenditure and not provided for amounted to Rs. 13.64 lacs net of Advances (Previous Year Rs. 642.11 lacs)

4) **Managerial Remuneration under Section 198 of the Companies Act, 1956 :-**

	2008-2009 (Rs. in Lacs)	2007-2008 (Rs. in Lacs)
Directors' Remuneration	176.29	117.00
Commission to Whole Time Directors	-	120.00

5) Expenditure exceeding 1% of revenue included in Miscellaneous Expenses: **Nil**

6) There are no dues to Micro and Small Enterprises as at 31st March, 2009. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

- 7) a) In compliance with the Accounting Standards – AS 22 relating to “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India, the Parent Company has provided for the net Deferred tax charge/(asset) arising out of timing difference of depreciation and accumulated losses and retirement benefits amounting to Rs. 30.02 lacs in the Profit and Loss Account.(Previous year Deferred tax asset of Rs. 7.03 lacs)
- b) The Subsidiary Company has provided, for the net deferred tax asset arising out of Business Losses and timing differences of Depreciation, in Profit and Loss account amounting to Rs. 1.60 lacs (Previous Year Rs. 2.65 lacs)

c) Deferred Tax Liability(Net):

	2008-2009 (Rs. in Lacs)	2007-2008 (Rs. in Lacs)
Deferred Tax Liability/(Assets) (Parent Company)	238.98	269.00
Deferred tax liability/(Asset) (Subsidiary Company)	(39.11)	(37.52)
	<u>199.87</u>	<u>231.48</u>

(Schedule annexed to and forming part of the accounts for the year ended 31st March, 2009)

SCHEDULE - 22**NOTES ON ACCOUNTS****8) SEGMENT REPORTING:****PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENTS)**

Particulars	2008-09			2007-08		
	External Sales	Inter Segment Sales	Total	External Sales	Inter Segment Sales	Total
1. Segment Revenue						
Ferro Alloys	6,420,938.36	–	6,420,938.36	3,757,113.00	–	3,757,113.00
Wind Power	24,881.78	–	24,881.78	27,155.00	–	27,155.00
Mining	–	–	–	–	–	–
Total Revenue	6,445,820.14	–	6,445,820.14	3,784,268.00	–	3,784,268.00
2. Segment Results						
Ferro Alloys	122,661.10	–	122,661.10	653,681.93	–	653,681.93
Wind Power	14,364.17	–	14,364.17	16,792.54	–	16,792.54
Mining	(469.35)	–	(469.35)	(779.03)	–	(779.03)
Total Segment Results	136,555.92	–	136,555.92	669,695.44	–	669,695.44
Unallocated Income			72.00			72.00
Profit before interest & taxation			136,627.92			669,767.44
Interest Paid			(142,640.25)			(78,162.81)
Interest Income			4,304.79			3,640.64
Profit/(Loss) on Sale of Shares			11,281.98			–
Profit/(Loss) on Sale of Fixed Assets			(152.54)			53.93
Taxation for the year including adjustments of previous year			(8,328.63)			(204,064.21)
Profit after Taxation			1,093.27			391,234.99

OTHER INFORMATION

Particulars	2008-09		2007-08	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Ferro Alloys	3,210,757.58	1,022,982.02	2,718,756.04	906,326.45
Wind Power	149,298.56	5.00	153,847.00	–
Mining	5,403.88	3,538.02	5,316.12	2,975.22
Segment Total	3,365,460.02	1,026,525.04	2,877,919.16	909,301.68

Particulars	2008-09			2007-08		
	Capital Expenditure	Depreciation	Non cash expenditure other than depreciation	Capital Expenditure	Depreciation	Non cash expenditure other than depreciation
Ferro Alloys	17,369.01	54,299.35	–	38,975.70	56,901.23	–
Wind Power	–	10,163.99	–	–	10,163.99	–
Mining	–	114.60	–	2,021.20	159.42	16.98
Total	17,369.01	64,577.93	–	40,996.90	67,224.64	16.98

Note :

1. Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organisation structure as well as the differential risks and returns of these segments.

9 i) Related Parties Disclosure :**Related Parties :**

- A. Controlling Companies** : Nil
- B. Subsidiary Companies** : 1. AXL Exploration (P) Ltd.
2. Anjaney Minerals Ltd.
3. Anjaney Alloys Ltd.
- C. Associate Companies** : 1. Anjaney Ferro Alloys Ltd.
2. Maithan Smelters Ltd.
3. Maithan Ceramic Ltd.
4. Maithan Ispat Ltd.
- D. Fellow Companies** : 1. Meghalaya Carbide & Chemicals (P) Ltd.
- E. Key Management Personnel** :
Shri Basant Kumar Agarwalla
Shri Subhas Chandra Agarwalla
Shri Subodh Agarwalla
Shri Aditya Agarwalla
- F. Relatives of Key Management Personnel** :
Shri Sudhanshu Agarwalla
Shri Kaushal Agarwalla

Details of Transactions with related parties during the period under audit are as follows :

Nature of Transactions	Associates	Subsidiary	Fellow	Key Management Personnel	Relatives of Key Management Personnel
Purchase of Goods	295,834.93	–	6702.72	–	–
Sale of Goods	767,985.00	–	48204.93	–	–
Receiving of Services	–	–	–	17,629.03	4,800.00
Rent Received	60.00	–	–	–	–
Rent Paid	12.00	–	–	–	–
Investments	–	231,999.95	–	–	–

9 ii) Related party transaction :**1. Sale of goods**

Detail of sales to Fellow/Associate which are material (more than 10% of total sales to the related parties)

Name of the Party	Relation	Transaction value	Outstanding balance (Dr.)
Anjaney Ferro Alloys Ltd.	Associate	737451.24	146740.30
Maithan Ispat Ltd.	Associate	30533.76	22312.36
Meghalaya Carbide & Chemicals (P) Ltd.	Fellow	48204.93	–

2. Purchase of goods

Detail of purchase from Fellow/Associate which are material (more than 10% of total purchase from the related parties)
Rs.(in '000)

Name of the Party	Relation	Transaction value	Outstanding balance (Cr.)
Anjaney Ferro Alloys Ltd.	Associate	158493.03	–
Maithan Ceramics Ltd.	Associate	109.64	4.50
Maithan Smelters Ltd.	Associate	137232.27	–
Meghalaya Carbide & Chemicals (P) Ltd.	Fellow	6702.72	–

3. Receiving of services

Detail of receiving of services from Key Management Personnel and their relatives which are material (more than 10% of total receiving of services from the related parties)

Rs. (in '000)

Name of the Party	Transaction value	Outstanding balance
Directors' remuneration	17629.03	–
Executive's salary	4800.00	–

4. Rent received

Detail of rent received from Fellow/Associate which are material (more than 10% of total rent received from the related parties)

Rs. (in '000)

Name of the Party		Transaction value	Outstanding balance
Maithan Smelters Ltd.	Associate	60.00	–

5. Rent paid

Detail of rent paid to Fellow/Associate which are material (more than 10% of total rent paid to the related parties)

Rs. (in '000)

Name of the Party		Transaction value	Outstanding balance
Maithan Smelters Ltd.	Associate	12.00	–

6. Investment (including Share application Money) in Subsidiaries

Detail of investment made in Subsidiaries which are material

Rs. (in '000)

Name of the Party		Transaction value	Outstanding balance
Anjaney Alloys Limited	Subsidiary	200000.00	200000.00
Anjaney Minerals Limited	Subsidiary	31999.95	31999.95

- 10) 10% Cumulative Non-Convertible Redeemable Preference Shares have been redeemed as per the terms on 15th July 2008 at 50% Premium.

11) **Basic and Diluted Earnings Per Share :**

	As at 31st March, 2009	As at 31st March, 2008
a) Number of Equity Shares at the beginning of the year	9,703,850	9,703,850
b) Number of Equity Shares at the end of the year	9,703,850	9,703,850
c) Weighted Average number of Equity Shares outstanding during the year	9,703,850	9,703,850
d) Face Value of each Equity Share (Rs)	10.00	10.00
e) Profit after Tax available for Equity Shareholders (Rs.)	57,655	387,634,990
f) Basic Earning Per Share (Rs)	0.01	39.95
g) Diluted Earnings per Share (Rs)	0.01	39.95

- 12) Previous year figures have been regrouped and rearranged wherever found necessary.

As per our report of even date
For **D. K. Chhajer & Co.**
Chartered Accountants

Niraj K. Jhunjhunwala
Partner
M.No- F057170

Kalyaneshwari, 4th June, 2009

B.K. Agarwalla
Chairman

S.C. Agarwalla
Managing Director

Rajesh K Shah
Company Secretary

DIRECTORS' REPORT

To
The Shareholders of
AXL Exploration Private Limited

Your Directors have pleasure in submitting the 9th Annual Report together with the Audited Statement of Account of the Company for the year ended 31 March 2009.

FINANCIAL RESULTS

	(Rs. in lacs)	
	<u>2008-09</u>	<u>2007-08</u>
Net Sales	NIL	NIL
Profit/(Loss) before Depreciation	(3.55)	(6.20)
Depreciation	1.15	1.59
Profit/(Loss) before Tax	(4.70)	(7.79)
Provision for Taxation (incd. Deff. Tax)	(1.56)	(2.61)
Profit/ (Loss) after tax	(3.14)	(5.18)

OPERATION

The Company has made an application to Government Authorities for renewal of its mining lease and necessary approval thereon is awaited. Company has not undertaken activity pending renewal of mining lease.

DIVIDEND

In absence of any profit your Directors do not recommend any Dividend for the year 2008-09.

PUBLIC DEPOSIT

The Company has not accepted any deposit during the year within the meaning of Section 58A of the Companies Act, 1956.

COMPLIANCE CERTIFICATE

In accordance with Section 383A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules, 2001, the Company has obtained a certificate from a Secretary in whole time practice confirming that the Company has complied with all the provisions of the Companies Act, 1956 and a copy of such certificate is annexed to this report.

AUDITORS' REPORT

The observation made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

AUDITORS

M/s. D K Chhajer & Co., Chartered Accountants, the auditors of the Company retire, at the conclusion of the ensuring Annual General Meeting and being eligible, offer themselves for re-appointment.

PERSONNEL

There are no employees who have received remuneration of Rs.24,00,000/- or more per annum (if employed throughout the year) or Rs.2,00,000/- per month (if employed for part of the year).

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

A statement containing the necessary information as required, pursuant to Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto.

DIRECTORS' RESPONSIBILITY STATEMENT

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 31 March 2009, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review;
- 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 accounts for the financial year ended 31 March 2009 on a 'going concern' basis.

ACKNOWLEDGMENT

Your Directors wish to place on record their deep sense of appreciation for the assistance and co-operation received from all statutory bodies, banks and employees, during the year under review.

On behalf of the Board of Directors

Place : Kalyaneshwari
Date : 2nd June, 2009

Vishal Agarwalla
Director

S. C. Agarwalla
Director

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(1)(e) read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2009.

I. CONSERVATION OF ENERGY

Energy Conservation measures taken, Additional investments and proposals, Impact thereof, total energy consumption:

During the year company has not consumed any Power and Fuel for its activities. Company's operations are not energy intensive.

II. TECHNOLOGY ABSORPTION :

a) Efforts made in technology absorption is given below:

FORM B : form for disclosure of partic

A. RESEARCH AND DEVELOPMENT (R & D):

1. Specific areas in which R & D carried out by the Company : None
2. Benefits derived as a result of the above R & D : Not applicable
3. Future plan of action : None at present
4. Expenditure on R&D : NIL

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

Efforts, in brief, made towards technology, absorption, adaptation and innovation, Benefits derived, Technology imported: The Company has not imported any Technology at present therefore we have nothing to report at present.

III. FOREIGN EXCHANGE EARNING AND OUTGO:

- a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans: None at present
- b) Total foreign exchange used and earned: NIL

On behalf of the Board of Directors

Place : Kalyaneshwari
Date : 2nd June, 2009

Vishal Agarwalla
Director

S. C. Agarwalla
Director

Sandip Kumar Kejriwal
Company Secretaries

COMPLIANCE CERTIFICATE

Regn. No.: 15-05643

The Members
AXL-Exploration Private Limited
HIG - 17, BDA Colony,
Jaidev Vihar,
Bhubaneswar – 751 007

Dear Members,

We have examined the registers, records, books and papers of **AXL-Exploration Private 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, 2009 (financial year). In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the company, its officers and agents, 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 provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the Forms>Returns as stated in Annexure `B' to this certificate, with the Ministry of Corporate Affairs within the time prescribed under the Act or with the additional fee if filed beyond the prescribed time and the rules made thereunder.
3. The company being a private limited company has the minimum prescribed paid-up capital and its maximum number of members during the said financial year was 2 excluding its present and past employees and the company during the year under scrutiny.
 - (i) has not invited public to subscribe for its shares or debentures; and
 - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met respectively on 28.04.2008, 15.07.2008, 24.10.2008 and 27.01.2009 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 was not required to close its Register of Members or Debenture holders during the financial year.
6. Annual General Meeting for the financial year ended on 31.03.2008 has been held on 06.09.2008 after giving due notice to the members of the company and the resolutions passed there at was duly recorded in the Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The company, being a private limited company, the provisions of section 295 of the Act are not applicable.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The company was not required to make any entry in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government.
12. The company has not issued any duplicate share certificate during the financial year.
13.
 - (i) There was no allotment / transfer or transmission of securities, during the financial year.
 - (ii) The company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) The company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - (iv) The company was not required to transfer any amount to Investor Education and Protection Fund as there was no unpaid dividend, matured deposits, debentures or accrued interest thereon, application money due for refund which have remained unpaid or unclaimed for seven years or more,
 - (v) The company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and there was no appointment of additional director, alternate director and director to fill casual vacancy during the financial year.
15. The company, being a private limited company, the provisions of section 269 is not applicable.
16. The company has not appointed any sole selling agents during the financial year.

17. The company was not required to obtain any approvals of the Central Government / Company Law Board / Regional Director / Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year as we were explained.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any share / debenture or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial Year.
22. There was no transaction necessitating the company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A and 58AA read with companies (Acceptance of Deposit) rules 1975, during the financial year.
24. The company, being a private limited company, the provisions of section 293 (1) (d) of the Act are not applicable.
25. The company, being a private limited company, the provisions of section 372 A of the Act are not applicable.
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 its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act as we were explained.
32. The company has not received any money as security from its employees during the financial year.
33. The company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under section 418 of the Act,

Place: Kolkata
Date: 02.06.2009

(Sandip Kumar Kejriwal)
C P No. 3821

Annexure A
Registers as maintained by the Company

Register of Member U/S 150
Register & Return U/S 163
Minutes Book
Books of Accounts U/S 209
Register of Directors U/S 303
Register of Directors' Shareholding U/S 307
Register of Share Transfer 108.
Register of Charges U/S 143
Register of Contract U/S 301 read with 299

Annexure B
Forms>Returns filed by the company

- 1) Form 20B alongwith Annual Return (U/S 159) for the AGM held on 06.09.2008 has been filed on 17.10.2008
- 2) Form 23AC & 23ACA alongwith sets of Balance Sheet (U/S 220) as on 31.03.2008 has been filed on 27.09.2008
- 3) Form 66 alongwith Compliance Certificate (U/S 383A) for the financial year ended on 31.03.2008 has been filed on 04.10.2008

AUDITORS' REPORT

To
The Members of
AXL EXPLORATION PRIVATE LIMITED

1. We have audited the attached Balance Sheet of **AXL EXPLORATION PRIVATE LIMITED** as at 31st March, 2009 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (As amended) issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order. 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 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 it appears from our examination of such books.
 - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account of the Company.
 - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report has been prepared in compliance with the accounting standards referred to in Sub-section (3C) of Section 211 of the Act, to the extent applicable.
 - e. On the basis of written representation received from the directors, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified as on 31st March, 2009 from being appointed as director under section 274(1)(g) 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 the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (ii) in the Case of the Profit & Loss account, of the loss 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 D K Chhajer & Co.
Chartered Accountants

Niraj K. Jhunjhunwala
Partner
M.No. F-057170

Kalyaneshwari, 2nd June, 2009

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph (3) of our report of even date to the members of **AXL EXPLORATION PRIVATE LIMITED**.

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.
(b) These Fixed assets were physically verified by the management during the year. We have been informed that no material discrepancies were noticed on such physical verification.
(c) No fixed assets have been disposed off during the year.
- ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
(b) The procedure of physical verification of inventory followed by the management is 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 and no material discrepancies were noticed on physical verification.
- iii) The Company has neither granted nor taken any loans, secured or unsecured, to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas.
- v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.
- vi) The Company has not accepted any deposits from the public during the year.
- vii) The Company is not required to have an internal audit system during the year under review.
- viii) The Central Government has not prescribed the maintenance of cost records by the Company under section 209(1)(d) of the Companies Act, 1956.
- ix) (a) According to the information and explanations given to us, there are no statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service-tax, customs duty, excise duty, cess and others outstanding as at 31st March 2009 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no disputed statutory dues remaining outstanding as at the year end.
- x) The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash loss in current year and in the immediately preceding financial year.
- xi) The Company has not obtained any loan/money from a bank or financial institution or debenture holders and hence the provisions of Clause 4(xi) of the order are not applicable to the Company.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- xiii) The Company is not a chit fund, nidhi or mutual benefit fund/society. Therefore, the provisions of clause (xiii) of the order are not applicable to the Company.
- xiv) The Company is not dealing or trading in shares, securities, debentures & other investments. Therefore, the provisions of Clause (xiv) of the order are not applicable to the Company.
- xv) The Company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
- xvi) The Company has not obtained any term loan during the year under review.
- xvii) According to the information and explanations given to us and on the basis of the overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- xviii) According to the information and explanations given to us, the Company has made allotment of shares to parties covered in the register maintained under Section 301 of the Companies Act, 1956 at prices not prejudicial to the interest of the Company.
- xix) The Company has not issued any secured debentures during the year and hence the provisions of Clause 4(xix) of the order are not applicable to the Company.
- xx) During the year covered by our Audit report, the Company has not raised any money by public issues.
- xxi) During the checks carried out by us, any fraud on or by the Company has not been noticed or reported during the year under report.

For D K Chhajer & Co.

Chartered Accountants

Niraj K. Jhunjhunwala

Partner

M.No. F-057170

Kalyaneshwari, 2nd June, 2009

BALANCE SHEET AS AT 31st MARCH, 2009

	Schedule	As at 31st March 2009 Rs.	As at 31st March 2008 Rs.
SOURCES OF FUNDS :			
Shareholders' Fund			
Share Capital	1	2,350,000	2,350,000
Reserve & Surplus	2	11,050,000	11,050,000
		<u>13,400,000</u>	<u>13,400,000</u>
APPLICATION OF FUNDS :			
Fixed Assets			
Less : Depreciation	3	3,476,936	3,476,936
		1,145,241	1,030,645
Net Block		<u>2,331,695</u>	<u>2,446,291</u>
Current Assets, Loans & Advances :			
Inventories	4	2,448,491	2,448,491
Loans & Advances	5	194,649	194,649
Cash and Bank Balances	6	429,048	226,685
		3,072,188	2,869,825
Less : Current Liabilities & Provisions	7	3,538,022	2,975,224
Net Current Assets		<u>(465,835)</u>	<u>(105,399)</u>
Deferred Tax Assets (Net)	8	3,911,475	3,751,814
Miscellaneous Expenditure			
Profit & Loss Account		7,622,664	7,307,294
		<u>13,400,000</u>	<u>13,400,000</u>
Notes on Accounts	10		

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date
For D. K. Chhajer & Co.
Chartered Accountants

S.C. Agarwalla
Director

Niraj K. Jhunjhunwala
Partner
M.No- F057170

Vishal Agarwalla
Director

Kalyaneshwari, 4th June, 2009

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

	Schedule	Year ended 31st March 2009 Rs.	Year ended 31st March 2008 Rs.
A) INCOME			
Sales		–	–
B) EXPENDITURE			
Administrative, Selling & Other Expenses	9	355,133	602,625
Depreciation		114,596	159,420
Preliminary Expenses Written Off		–	16,983
		469,729	779,028
Profit/(loss) Before Taxation		(469,729)	(779,028)
Provision for Taxation:			
– Current Tax		–	–
– Deferred Tax		(159,661)	(264,791)
– Fringe Benefit Tax		4,020	3,552
Profit/(loss) after Taxation		(314,088)	(517,789)
Add/(Less) : Taxation for earlier year		(1,282)	–
Add: Balance Brought forward from previous year		(7,307,294)	(6,789,505)
Balance carried to Balance Sheet		(7,622,664)	(7,307,294)
Earning Per Share (Basic & Diluted) Rs. (Refer Note No. 5 of Schedule 10)		(13.37)	(22.03)

Notes on Accounts **10**

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date
For D. K. Chhajer & Co.
Chartered Accountants

S.C. Agarwalla
Director

Niraj K. Jhunjhunwala
Partner
M.No- F057170

Vishal Agarwalla
Director

Kalyaneshwari, 2nd June, 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2009

	For the year ended 31.03.09 Rs.	For the year ended 31.03.08 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax and extraordinary items	(469,729)	(779,028)
Adjustments for :		
Add : Depreciation	114,596	159,420
Preliminary Expenses written off	-	16,983
Operating profit before working capital changes	(355,133)	(602,625)
Adjustment for:		
Trade and other receivables	-	(30,986)
Trade and other payables	561,050	2,756,216
Cash generated from operations	205,917	2,122,605
Direct Taxes Received/(Paid)	(3,554)	(4,970)
NET CASH FROM OPERATING ACTIVITIES (A)	202,363	2,117,635
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(2,021,201)
NET CASH USED IN INVESTING ACTIVITIES (B)	-	(2,021,201)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B)	202,363	96,434
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	226,685	130,251
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	429,048	226,685

As per our report of even date
For D. K. Chhajer & Co.
Chartered Accountants

S.C. Agarwalla
Director

Niraj K. Jhunjunwala
Partner
M.No- F057170

Vishal Agarwalla
Director

Kalyaneshwari, 2nd June, 2009

SCHEDULES TO THE BALANCE SHEET AS AT 31st MARCH, 2009

	As at 31st March 2009 Rs.	As at 31st March 2008 Rs.
SCHEDULE – 1		
SHARE CAPITAL		
A) Authorised Capital :		
30,000 (PY 30,000) Equity Shares of Rs 100/- each	3,000,000	3,000,000
B) Issued, Subscribed & Paid up :		
23,500 (PY 23,500) Equity Shares of Rs 100/- each, fully paid	2,350,000	2,350,000
	2,350,000	2,350,000

SCHEDULE – 2

RESERVES & SURPLUS

Securities Premium A/c

As per last A/c	11,050,000	11,050,000
	11,050,000	11,050,000

SCHEDULE – 3

FIXED ASSETS

(Amount in Rs.)

Sl. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As on 01.04.2008	Addition/ (Adjustment) during the year	As on 31.03.2009	Up to 01.04.2008	For the Year	Up to 31.03.2009	As on 31.03.2009	As on 31.03.2008
1	Land	2,021,201	–	2,021,201	–	–	–	2,021,201	2,021,201
2	Magazine	11,836	–	11,836	2,500	467	2,967	8,869	9,336
3	Vehicle	507,132	–	507,132	355,997	39,129	395,126	112,006	151,135
4	Dumper	891,267	–	891,267	653,906	71,208	725,114	166,153	237,361
5	Office Equipment	45,500	–	45,500	18,242	3,792	22,034	23,466	27,258
	Total	3,476,936	–	3,476,936	1,030,645	114,596	1,145,241	2,331,695	2,446,291
	Previous Year	1,455,735	2,021,201	3,476,936	871,225	159,420	1,030,645	2,446,291	

SCHEDULES TO THE BALANCE SHEET AS AT 31st MARCH, 2009

	As at 31st March 2009 Rs.	As at 31st March 2008 Rs.
SCHEDULE – 4		
INVENTORIES (As Certified by Management)		
Manganese Ores	2,448,491	2,448,491
	<u>2,448,491</u>	<u>2,448,491</u>
SCHEDULE – 5		
LOANS AND ADVANCES (Advances Recoverable in Cash or in kind or for value to be received)		
Advances	169,649	169,649
Security Deposits	25,000	25,000
	<u>194,649</u>	<u>194,649</u>
SCHEDULE – 6		
CASH AND BANK BALANCES		
Cash-in-Hand (as certified by the management)	248,394	57,352
Balance with Scheduled Banks in Current Accounts	180,654	169,333
	<u>429,048</u>	<u>226,685</u>
SCHEDULE – 7		
CURRENT LIABILITIES & PROVISIONS		
Current Account with Holding Company	3,514,412	2,914,412
Other Liabilities	20,052	59,002
Provision for Taxation	3,558	1,810
	<u>3,538,022</u>	<u>2,975,224</u>
SCHEDULE – 8		
DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets:		
On account of Depreciation	87,643	82,414
On account of Unabsorbed Business Loss	3,823,831	3,669,400
	<u>3,911,475</u>	<u>3,751,814</u>

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

SCHEDULE – 9		
ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Salary	208,127	148,460
Employer's Contribution to Provident Fund & Other Funds	25,950	12,909
Rent	18,000	12,000
Travelling & Conveyance	10,788	–
Bank Commission	1,998	24,598
Auditor's Remuneration :		
For Audit Fees	13,483	12,000
Pollution control Expenses	–	60,000
Vehicle Maintenance	22,807	12,690
General Expenses	10,330	4,947
Filing Fees	1,900	2,084
Insurance Premium	–	8,483
Professional Charges	40,110	303,300
Interest	383	–
Miscellaneous Expenses	1,257	1,154
	<u>355,133</u>	<u>602,625</u>

SCHEDULE – 10

NOTES TO THE FINANCIAL STATEMENTS

1) **Significant Accounting Policies**

i) Basis of Accounting

The financial statements have been prepared to comply, in all material respects, with accounting standards as notified by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956.

The financial statements have been prepared under historical cost convention on an accrual basis. The accounting policies have been consistently followed by the Company and are consistent with those used in the previous year except where otherwise stated.

ii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

iii) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of an asset comprises its purchase price net of Cenvat credit plus any directly attributable costs of bringing the asset to the working condition for its intended use.

iv) Depreciation

a) Depreciation on Fixed Assets is provided on Written down Value method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956.

b) Fixed Assets costing below Rs.5,000/- are fully depreciated in the year of acquisition.

c) Depreciation on Fixed Assets added/deducted during the year is provided on pro-rata basis.

d) The depreciation charge for the assets which have been impaired, are adjusted to allocate the asset's revised carrying amount less its residual value, if any, over its remaining useful life.

e) Intangible assets such as softwares are amortised based upon their estimated useful lives of 5 years.

v) Impairment

a) The carrying amounts of assets are reviewed at each balance sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

b) After Impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

c) A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there is no impairment.

vi) Preliminary Expenses

Preliminary Expenses are written off over a period of five years.

vii) Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the period based on applicable tax rate and laws.

Deferred tax is recognized subject to consideration of prudence in respect of deferred tax asset, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rate and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realisation.

Fringe Benefit tax is calculated as per the provisions of the Income Tax Act, 1961

viii) Inventories

Inventories have been valued at Cost or Net Realisable Value whichever is lower.

ix) Revenue Recognition

Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery. It includes excise duty but excludes value added tax/sales tax.

x) Provisions

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates

xi) Segment Reporting

The Company is engaged primarily in mining of Manganese ores, which is the only reportable segment.

xii) Earnings Per Share (Basic & Diluted)

Basic earnings (loss) per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2. Expenditure exceeding 1% of revenue included in Miscellaneous expenses: NIL
3. The Company operates in only one segment i.e. the mining and sale of Manganese Ores. Hence, the requirements of segment reporting as per Accounting Standard 17 issued by the Institute of Chartered Accountants of India (ICAI) are not applicable.
4. Related Party Disclosures pursuant to Accounting Standard 18 issued by ICAI:

Related Parties :

- | | | |
|------------------------------------|---|-------------------------------|
| A. Controlling Companies | : | NIL |
| B. Holding Company | : | Maithan Alloys Ltd. |
| C. Key Management Personnel | : | |
| | | Shri Subhas Chandra Agarwalla |
| | | Shri Vishal Agarwalla |

Details of Transactions with related parties during the period under audit are as follows:

(Rs in '000)

Nature of Transactions	Holding	Key Management Personnel
Current Account with holding company	3,514	—

5. Basic and Diluted Earnings per Share:

		As at 31st March, 2009	As at 31st March, 2008
a)	Number of Equity Shares at the beginning of the year	23,500	23,500
b)	Number of Equity Shares at the end of the year	23,500	23,500
c)	Weighted Average number of Equity Shares outstanding during the year	23,500	23,500
d)	Face Value of each Equity Share (Rs)	100.00	100.00
e)	Profit/(loss) as per Profit & Loss A/c.	(314,088)	(517,789)
f)	Basic & Diluted Earning Per Share (Rs)	(13.37)	(22.03)

6. Previous year's figures have been regrouped or rearranged wherever considered necessary.
7. Figures have been rounded off to the nearest rupee.

For D. K. Chhajer & Co.
Chartered Accountants

S.C. Agarwalla
Director

Niraj K. Jhunjunwala
Partner
M.No- F057170

Vishal Agarwalla
Director

Kalyaneshwari, 2nd June, 2009

8. Additional information as required under Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile:

- I) Registration Details :
- | | | |
|-----------------------|---|-----------------------|
| a) Registration No. | : | U14292OR1999PTC005643 |
| b) State Code | : | 15 |
| c) Balance Sheet Date | : | 31.03.2009 |
- II) Capital Raised during the year (Amount in Rs. Thousands) :
- | | | |
|----------------------|---|-----|
| a) Public Issue | : | NIL |
| b) Rights Issue | : | NIL |
| c) Bonus Issue | : | NIL |
| d) Private Placement | : | NIL |
- III) Position of Mobilisation & Deployment of funds (Amount in Rs. Thousands) :
- | | | |
|---------------------------|---|-------|
| a) Total Liabilities | : | 13400 |
| b) Total Assets | : | 13400 |
| c) Sources of funds : | | |
| Paid-up capital | : | 2350 |
| Reserves & Surplus | : | 11050 |
| Secured Loans | : | NIL |
| Unsecured Loans | : | NIL |
| d) Application of funds : | | |
| Net Fixed Assets | : | 2332 |
| Investments | : | NIL |
| Net Current Assets | : | (466) |
| Misc. Expenditure | : | - |
| Accumulated Losses | : | 7623 |
| Deferred Tax Assets | : | 3911 |
- IV) Performance of Company (Amount in Rs. Thousands) :
- | | | |
|-----------------------------|---|---------|
| a) Turnover & Other Incomes | : | NIL |
| b) Total Expenditures | : | 470 |
| c) Profit before Tax | : | (470) |
| d) Profit after Tax | : | (314) |
| e) Earning per Share in Rs. | : | (13.37) |
| f) Dividend Rate | : | NIL |
- V) Generic Names of three Principal Products/Services of Company (as per Monetary Terms):
- | | | |
|-----------------------------|---|----------------|
| a) Item Code No. (ITC Code) | : | 980100X |
| Product Description | : | MINING PROJECT |

DIRECTORS' REPORT

To
The Shareholders of
ANJANEY ALLOYS LIMITED

Your Directors have pleasure in presenting First Annual Report on the business and operations of the Company together with the Audited Accounts for the period 3rd September, 2008 to 31st March, 2009.

OPERATIONS

Your Company proposes to set up its Ferro Alloy manufacturing unit in the State of Andhra Pradesh near Visakhapatnam. The Company has already acquired Land for the project and is in the process of obtaining necessary approvals from various authorities for setting up the project.

DIVIDEND

Since the Company is in process of setting up its manufacturing plant, your Directors do not recommend any dividend.

DIRECTOR

Shri B K Agarwalla, Director of the Company will retire by rotation at the 1st Annual General Meeting and being eligible offer himself for reappointment.

PUBLIC DEPOSIT

The Company has not accepted any deposit during the year within the meaning of Section 58A of the Companies Act, 1956.

COMPLIANCE CERTIFICATE

In accordance with Section 383A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules, 2001, the Company has obtained a certificate from a Secretary in whole time practice confirming that the Company has complied with all the provisions of the Companies Act, 1956 and a copy of such certificate is annexed to this report.

AUDITORS' REPORT

The Report of the Auditors read together with the Notes on accounts are self explanatory and do not call for any further comments under Section 217 of the Companies Act, 1956.

AUDITORS

M/s. D K Chhajer & Co., Chartered Accountants, the auditors of the Company will retire at the conclusion of the ensuring Annual General Meeting and being eligible, offer themselves for re-appointment.

PERSONNEL

There are no employees who have received remuneration of Rs.24,00,000.00 or more per annum (if employed throughout the year) or Rs.2,00,000.00 per month (if employed for part of the year).

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

A statement containing the necessary information as required, pursuant to Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto.

DIRECTORS' RESPONSIBILITY STATEMENT

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 accounts for the period ended 31 March 2009, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the accounting period and of the loss of the Company for the accounting period under review;
- 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 accounts for the accounting period ended 31 March 2009 on a 'going concern' basis.

ACKNOWLEDGMENT

Your Directors wish to place on record their deep sense of appreciation for the assistance and co-operation received from all statutory bodies, banks and employees, during the year under review.

On behalf of the Board of Directors

Place : Kalyaneshwari
Date : 2nd June, 2009

B. K. Agarwalla
Director

S. C. Agarwalla
Director

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(1)(e) read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2009.

I. CONSERVATION OF ENERGY:

Energy Conservation measures taken, Additional investments and proposals, if any, its Impact and total energy consumption and energy consumption per unit of production:

There was no consumption of Energy, Power and Fuel during the period ended 31st March, 2009, since the Company is in process of setting up its plant.

II. TECHNOLOGY ABSORPTION :

a) Efforts made in technology absorption is given below:

FORM B : form for disclosure of par

A. RESEARCH AND DEVELOPMENT (R & D):

1. Specific areas in which R & D carried out by the Company : None
2. Benefits derived as a result of the above R & D : Not applicable
3. Future plan of action : None
4. Expenditure on R&D : Nil

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

Efforts, in brief, made towards technology, absorption, adaptation and innovation, Benefits derived, Technology imported: Company has not imported any Technology at present therefore we have nothing to report at present.

III. FOREIGN EXCHANGE EARNING AND OUTGO:

- a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans: None at present
- b) Total foreign exchange used and earned: NIL

On behalf of the Board of Directors

Place : Kalyaneshwari
Date : 2nd June, 2009

B. K. Agarwalla
Director

S. C. Agarwalla
Director

Sandip Kumar Kejriwal
Company Secretaries

COMPLIANCE CERTIFICATE

Regn. No.: 21-129049

The Members
Anjaney Alloys Limited
3F, East India House,
20, British Indian Street,
Kolkata - 700 069

Dear Members,

We have examined the registers, records, books and papers of **Anjaney Alloys Limited** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the company From 03.09.2008 to 31.03.2009 (Financial Year). In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the company, its officers and agents, 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 provisions of the Act and the rules made thereunder 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 Ministry of Corporate Affairs within the time prescribed under the Act or with the additional fee if filed beyond the prescribed time and the rules made there under.
3. The company, being a limited company, comments are not required.
4. The Board of Directors duly met respectively on 10.09.2008, 08.12.2008, 14.01.2009 and 17.02.2009 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 has not closed its Register of Members or Debenture holder during the financial year.
6. This is the first financial year of the company.
7. Two Extra Ordinary General Meetings were held during the financial year, after giving due notice to the members of the company and the resolutions passed there at was duly recorded in the Minutes Book maintained for the purpose.
8. The company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The company was not required to make any entry in the register maintained U/S 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government.
12. The company has not issued any duplicate share certificate during the financial year.
13. (i) There was no allotment / transfer or transmission of securities, during the financial year.
(ii) The company was not required to deposit the dividend money in separate bank account as no dividend was declared during the financial year.
(iii) The company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
(iv) The company was not required to transfer any amount to Investor Education and Protection Fund as there was no unpaid dividend, matured deposits, debentures or accrued interest thereon, application money due for refund which have remained unpaid or unclaimed for seven years or more.
(v) The company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and there is no appointment of additional director, alternate director and director 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. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government / Company Law Board / Regional Director / Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year as we were explained.

18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any share / debenture or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/accepted any deposits within the provisions of sec. 58A and 58AA read with Companies (Acceptance of Deposits) Rules, 1975.
24. The amount borrowed by the company from directors / members / public / financial institutions / bank and others during the financial year is within the borrowing limits of the company and that necessary resolutions as per section 293(1) (d) of the Act have been passed in duly convened in Extra Ordinary General Meeting dated 14.01.2009.
25. The company has not made any loans / advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made 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 altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act as we were explained.
32. The company has not received any money as security from its employees during the financial year.
33. The company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under section 418 of the Act.

Place: Kolkata
Date: 02.06.2009

Sandip Kumar Kejriwal:
C P No. 3821

Annexure A
Registers as maintained by the Company

1. Register of Member U/S 150
2. Index of members U/S 151
3. Register & Return U/S 163
4. Minutes Book U/S 193
5. Books of Accounts U/S 209
6. Register of Directors U/S 303
7. Register of Directors' Shareholding U/S 307
8. Register of Shares Transfer U/S 108
9. Register of Contracts under Sec. 301 read with Sec. 299
10. Register of Charges U/S 143
11. Register of Fixed Assets

Annexure B
Forms>Returns filed by the Company

- 1) Form 20 (U/S 49) dated 10.09.2008 has been filed on 25.09.2008
- 2) Form 23 (U/S 192) dated 18.09.2008 has been filed on 25.09.2008
- 3) Form 23 (U/S 192) dated 14.01.2009 has been filed on 14.02.2009
- 4) Form 22B (U/S 187C (4)) dated 10.09.2008 has been filed on 11.01.2009
- 5) Form 22 (U/S 165) dated 17.02.2009 has been filed on 06.03.2009
- 6) Form 8 (U/S 125 / 128) dated 14.01.2009 has been filed on 17.04.2009

AUDITORS' REPORT

To
The Members of
Anjaney Alloys Limited

1. We have audited the attached Balance Sheet of **ANJANEY ALLOYS LIMITED** as at 31st March, 2009 and Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (As amended) issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order. 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 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 it appears from our examination of such books.
 - c. The Balance Sheet and Cash Flow Statement referred to in this report is in agreement with the books of account of the Company.
 - d. In our opinion, the Balance Sheet and Cash Flow Statement dealt with by this report has been prepared in compliance with the accounting standards referred to in Sub-section (3C) of Section 211 of the Act, to the extent applicable.
 - e. On the basis of written representation received from the directors, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified as on 31st March, 2009 from being appointed as director under section 274(1)(g) 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 the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009; and
 - (ii) in the case of Cash Flow statement, of the cash flows for the year ended on that date.

For D K Chhajer & Co.
Chartered Accountants

Niraj K. Jhunjunwala
Partner
M.No. F-057170

Kalyaneshwari, 2nd June, 2009

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph (3) of our report of even date to the members of **ANJANEY ALLOYS LIMITED**.

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.
(b) These Fixed assets were physically verified by the management during the period. We have been informed that no material discrepancies were noticed on such physical verification.
(c) No fixed assets have been disposed off during the period.
- ii) There being no inventory in the Company this clause is not applicable.
- iii) The Company has neither granted nor taken any loans, secured or unsecured, to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas.
- v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.
- vi) The Company has not accepted any deposits from the public during the period.
- vii) The Company is not required to have an internal audit system during the period under review.
- viii) The Central Government has not prescribed the maintenance of cost records by the Company under section 209(1)(d) of the Companies Act, 1956.
- ix) (a) According to the information and explanations given to us, there are no statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service-tax, customs duty, excise duty, cess and others outstanding as at 31st March 2009 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no disputed statutory dues remaining outstanding as at the end of the period.
- x) The Company does not have any accumulated losses at the end of the financial period. The Company has not incurred cash loss in current period and in the immediately preceding financial year.
- xi) The Company has not obtained any loan/money from a bank or financial institution or debenture holders and hence the provisions of clause 4(xi) of the order are not applicable to the Company.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund, nidhi or mutual benefit fund/society. Therefore, the provisions of clause (xiii) of the order are not applicable to the Company.
- xiv) The Company is not dealing or trading in shares, securities, debentures & other investments. Therefore, the provisions of clause (xiv) of the order are not applicable to the Company.
- xv) The Company has given guarantee for loan taken by holding company from a Bank. The terms and conditions of the same are not prejudicial to the interest of the Company.
- xvi) The Company has not obtained any term loan during the year under review.
- xvii) According to the information and explanations given to us and on the basis of the overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- xviii) According to the information and explanations given to us, the Company has made allotment of shares to parties covered in the register maintained under Section 301 of the Companies Act, 1956 at prices not prejudicial to the interest of the Company.
- xix) The Company has not issued any secured debentures during the year and hence the provisions of clause 4(xix) of the order are not applicable to the Company.
- xx) During the period covered by our Audit report, the Company has not raised any money by public issues.
- xxi) During the checks carried out by us, any fraud on or by the Company has not been noticed or reported during the period under report.

For D K Chhajer & Co.
Chartered Accountants

Niraj K. Jhunjhunwala
Partner
M.No. F-057170

Kalyaneshwari, 2nd June, 2009

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	As at 31st March 2009 Rs.
SOURCES OF FUNDS :		
Shareholders' Funds		
Share Capital	1	10,000,000.00
Share Application Money		190,000,000.00
Loan Funds		
Unsecured Loans	2	45,317,835.00
		245,317,835.00
APPLICATION OF FUNDS:		
Fixed Assets		
Gross Block	3	240,611,000.00
Less: Depreciation		-
Net Block		240,611,000.00
Capital Work-in-Progress	4	2,578,791.20
Current Assets, Loans & Advances		
Loans & Advances	5	1,581,571.00
Cash & Bank Balances	6	500,841.00
		2,082,412.00
Less: Current Liabilities & Provisions	7	179,268.20
Net Current Assets		1,903,143.80
Miscellaneous Expenditure (to the extent not written off or adjusted)	8	
Preliminary Expenses		224,900.00
		245,317,835.00
Notes on Accounts	9	-

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date
For D. K. Chhajer & Co.
Chartered Accountants

B.K. Agarwalla
Director

Niraj K. Jhunjhunwala
Partner
M.No- F057170

S.C. Agarwalla
Director

Kalyaneshwari, 2nd June, 2009

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

	As at 31st March 2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:	
Net profit before tax and extraordinary items	–
Add/ Less: Adjustments	–
Operating Profit before working capital changes	–
Adjustments for:	
Trade and other receivables	(1,581,571.00)
Trade and other Payables	179,268.20
NET CASH FROM OPERATING ACTIVITIES (A)	(1,402,302.80)
B. CASH FLOW FROM INVESTING ACTIVITIES:	
Purchase of Fixed Assets	(240,611,000.00)
Pre-operative Expenses	(2,578,791.20)
Preliminary Expenses	(224,900.00)
NET CASH FROM INVESTING ACTIVITIES (B)	(243,414,691.20)
C. CASH FLOW FROM FINANCING ACTIVITIES:	
Issue of Share Capital	10,000,000.00
Share application Money	190,000,000.00
Proceeds/ (Repayment) from/ of borrowings	45,317,835.00
NET CASH FROM FINANCING ACTIVITIES (B)	245,317,835.00
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	500,841.00
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	–
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	500,841.00

As per our report of even date
For D. K. Chhajer & Co.
Chartered Accountants

Niraj K. Jhunjhunwala
Partner
M.No- F057170

Kalyaneshwari, 2nd June, 2009

B.K. Agarwalla
Director

S.C. Agarwalla
Director

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009

As at
31st March 2009
Rs.

SCHEDULE-1

SHARE CAPITAL

A) Authorised Capital:	
20,00,000 Equity Shares of Rs 10/ each	20,000,000.00
B) Issued & Subscribed Capital	
10,00,000 Equity Shares of Rs 10/- each	10,000,000.00
C) Paid up Capital:	
10,00,000 Equity Shares of Rs 10/- each	10,000,000.00
	10,000,000.00

SCHEDULE-2

UNSECURED LOAN

Loans from Bodies Corporate	45,317,835.00
	45,317,835.00

SCHEDULE-3

FIXED ASSETS

Sl. No.	Particulars	GROSS BLOCK			Depreciation for the Year	NET BLOCK
		As at 01.04.08	Addition/ Sales	As at 31.03.09		As at 31.03.09
1	Lease hold Land	–	240,611,000.00	240,611,000.00	–	240,611,000.00
		–	240,611,000.00	240,611,000.00		240,611,000.00

SCHEDULE-4

CAPITAL WORK-IN-PROGRESS

Pre-Operative Expenses

Bank Charges	20,661.00
Travelling Expenses	155,146.00
Filing Fee	4,153.00
General Expenses	362,319.00
Professional Charges	3,000.00
Consultancy charges	350,000.00
Trade Licence Fee	1,900.00
Printing & Stationery	6,724.20
Interest Paid	410,959.00
Lease Rent	1,179,929.00
Rent	72,000.00
Audit Fees	12,000.00
	2,578,791.20

SCHEDULE-5

LOANS & ADVANCES

(Unsecured, Considered Good)	
Advances (recoverable in cash or in kind or value to be received)	962,500.00
Prepaid Lease Rent	619,071.00
	1,581,571.00

SCHEDULE-6

CASH AND BANK BALANCES

Cash-in-Hand (as certified by the management)	51,686.00
Balance with Banks:	
In Current Account	449,155.00
	500,841.00

SCHEDULE-7

CURRENT LIABILITIES & PROVISIONS

Liability for Expenses	12,499.20
Liability for Other	166,769.00
	179,268.20

SCHEDULE-8

MISCELLANEOUS EXPENDITURE

Preliminary Expenses

Filing Fee	208,500.00
Professional Charges	11,500.00
Printing & Stationery	4,900.00
	224,900.00

SCHEDULE – 9

NOTES TO THE FINANCIAL STATEMENTS

1) Significant Accounting Policies

i) Basis of Accounting

The financial statements have been prepared to comply, in all material respects, with accounting standards as notified by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956.

The financial statements have been prepared under historical cost convention on an accrual basis. The accounting policies have been consistently followed by the Company and are consistent with those used in the previous year except where otherwise stated.

ii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

iii) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of an asset comprises its purchase price net of Cenvat credit plus any directly attributable costs of bringing the asset to the working condition for its intended use.

iv) Depreciation

Depreciation on Fixed Assets is provided on Written down Value method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956.

v) Impairment

a) The carrying amounts of assets are reviewed at each balance sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

b) After Impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

c) A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there is no impairment.

vi) Preliminary Expenses

As the Company is still in the preoperative phase hence all the Preliminary and Share Issue Expenditure are put under separate head and will be amortised over a period of five years.

vii) Taxation

As the revenue generating activities have not been started, no provisions for current and deferred tax are required to be made.

Fringe Benefit Tax has been calculated as per the provisions of the Income Tax Act, 1961.

viii) Inventories

Inventories have been valued at Cost or Net Realisable Value whichever is lower.

ix) Revenue Recognition

Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery. It includes excise duty but excludes value added tax/sales tax.

x) Provisions

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates

xi) Earnings Per Share (Basic & Diluted)

Basic earnings (loss) per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2. Related Party Disclosures pursuant to Accounting Standard 18 issued by ICAI:

Related Parties :

- A. Controlling Companies** : NIL
B. Holding Company : Maithan Alloys Ltd.
C. Key Management Personnel :
 Shri Basant Kumar Agarwalla
 Shri Subhas Chandra Agarwalla
 Shri Vishal Agarwalla
 Shri Sudhanshu Agarwalla

Details of Transactions with related parties during the period under audit are as follows :

(Rs in '000)

Nature of Transactions	Holding	Key Management Personnel
Investment	10000	–
Share Application Money	190000	–

For D. K. Chhajer & Co.
Chartered Accountants

B.K. Agarwalla
Director

Niraj K. Jhunjhunwala
Partner
M.No- F057170

S.C. Agarwalla
Director

Kalyaneshwari, 2nd June, 2009

4. Additional information as required under Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile:

I) Registration Details	:	
a) Registration No.	:	U27106WB2008PLC129049
b) State Code	:	21
c) Balance Sheet Date	:	31.03.2009
II) Capital Raised during the year (Amount in Rs. Thousands) :		
a) Public Issue	:	NIL
b) Rights Issue	:	NIL
c) Bonus Issue	:	NIL
d) Private Placement	:	10000
III) Position of Mobilisation & Deployment of funds (Amount in Rs. Thousands) :		
a) Total Liabilities	:	245318
b) Total Assets	:	245318
c) Sources of funds :		
Paid-up capital	:	10000
Reserves & Surplus	:	NIL
Secured Loans	:	NIL
Unsecured Loans	:	45318
d) Application of funds :		
Net Fixed Assets	:	243190
Investments	:	NIL
Net Current Assets	:	(188097)
Misc. Expenditure	:	225
Accumulated Losses	:	NIL
Deferred Tax Assets	:	NIL
IV) Performance of Company (Amount in Rs. Thousands) :		
a) Turnover & Other Incomes	:	NIL
b) Total Expenditures	:	NIL
c) Profit before Tax	:	NIL
d) Profit after Tax	:	NIL
e) Earning per Share in Rs.	:	NIL
f) Dividend Rate	:	NIL
V) Generic Names of three Principal Products/Services of Company (as per Monetary Terms):		
a) Item Code No. (ITC Code)	:	7202 3000
Product Description	:	Ferro-Silico – Manganese
b) Item Code No. (ITC Code)	:	7202 1100
Product Description	:	Ferro-Manganese containing by weight more than 2% of Carbon

DIRECTORS' REPORT

To
The Shareholders of
ANJANEY MINERALS LIMITED

Your Directors have pleasure in presenting First Annual Report on the business and operations of the Company together with the Audited Accounts for the period 22nd October, 2008 to 31st March, 2009.

OPERATIONS

Your Company is exploring various opportunities for acquiring mines. The Company has identified one Manganese Ore mine near Nagpur in Maharashtra. The negotiations are in process with various State Governments, agents and/or brokers for acquiring more mines in India.

DIVIDEND

Since the Company is in process of acquiring mines, your Directors do not recommend any dividend.

DIRECTOR

Shri S C Agarwalla, Director of the Company will retire by rotation from the Board of Directors of the Company at the 1st Annual General Meeting and being eligible offer himself for reappointment.

PUBLIC DEPOSIT

The Company has not accepted any deposit during the year within the meaning of Section 58A of the Companies Act, 1956.

COMPLIANCE CERTIFICATE

In accordance with Section 383A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules, 2001, the Company has obtained a certificate from a Secretary in whole time practice confirming that the Company has complied with all the provisions of the Companies Act, 1956 and a copy of such certificate is annexed to this report.

AUDITORS' REPORT

The Report of the Auditors read together with the Notes on accounts are self explanatory and do not call for any further comments under Section 217 of the Companies Act, 1956.

AUDITORS

M/s. D K Chhajer & Co., Chartered Accountants, the auditors of the Company will retire at the conclusion of the ensuring Annual General Meeting and being eligible, offer themselves for re-appointment.

PERSONNEL

There are no employees who have received remuneration of Rs.24,00,000.00 or more per annum (if employed throughout the year) or Rs.2,00,000.00 per month (if employed for part of the year).

**CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS
& OUTGO**

A statement containing the necessary information as required, pursuant to Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto.

DIRECTORS' RESPONSIBILITY STATEMENT

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 accounts for the period ended 31 March 2009, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the accounting period and of the loss of the Company for the accounting period under review;
- 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 accounts for the accounting period ended 31 March 2009 on a 'going concern' basis.

ACKNOWLEDGMENT

Your Directors wish to place on record their deep sense of appreciation for the assistance and co-operation received from all statutory bodies, banks and employees, during the year under review.

On behalf of the Board of Directors

Place : Kalyaneshwari
Date : 2nd June, 2009

S. C. Agarwalla
Director

Sudhanshu Agarwalla
Director

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(1)(e) read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2009.

I. CONSERVATION OF ENERGY:

Energy Conservation measures taken, Additional investments and proposals, Impact thereof, total energy consumption:

During the year company has not consumed any Power and Fuel for its activities. Company's operations are not energy intensive.

II. TECHNOLOGY ABSORPTION :

a) Efforts made in technology absorption is given below:

FORM B : form for disclosure of particulars with respect to absorption

A. RESEARCH AND DEVELOPMENT (R & D):

1. Specific areas in which R & D carried out by the Company : None
2. Benefits derived as a result of the above R & D : Not Applicable
3. Future plan of action : None at present
4. Expenditure on R&D : Nil

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

Efforts, in brief, made towards technology, absorption, adaptation and innovation, Benefits derived, Technology imported,

Company has not imported any Technology at present therefore we have nothing to report at present.

III. FOREIGN EXCHANGE EARNING AND OUTGO:

- a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans: None at present
- b) Total foreign exchange used and earned: NIL

On behalf of the Board of Directors

Place : Kalyaneshwari
Date : 2nd June, 2009

S. C. Agarwalla
Director

Sudhanshu Agarwalla
Director

Sandip Kumar Kejriwal
Company Secretaries

COMPLIANCE CERTIFICATE

Regn. No.: 21-130114

The Members
Anjaney Minerals Limited
3F, East India House,
20, British Indian Street,
Kolkata - 700 069

Dear Members,

We have examined the registers, records, books and papers of **Anjaney Minerals Limited** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the company From 22.10.2008 to 31.03.2009 (Financial Year). In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the company, its officers and agents, 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 provisions of the Act and the rules made thereunder 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 Ministry of Corporate Affairs within the time prescribed under the Act or with the additional fee if filed beyond the prescribed time and the rules made there under.
3. The company, being a limited company, comments are not required.
4. The Board of Directors duly met respectively on 10.11.2008, 08.12.2008 and 16.03.2009 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 has not closed its Register of Members or Debenture holder during the financial year.
6. This is the first financial year of the company.
7. No Extra Ordinary General Meeting was held during the financial year,
8. The company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The company was not required to make any entry in the register maintained U/S 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government.
12. The company has not issued any duplicate share certificate during the financial year.
13. (i) There was no allotment / transfer or transmission of securities, during the financial year.
(ii) The company was not required to deposit the dividend money in separate bank account as no dividend was declared during the financial year.
(iii) The company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
(iv) The company was not required to transfer any amount to Investor Education and Protection Fund as there was no unpaid dividend, matured deposits, debentures or accrued interest thereon, application money due for refund which have remained unpaid or unclaimed for seven years or more.
(v) The company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and there is no appointment of additional director, alternate director and director 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. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government / Company Law Board / Regional Director/Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year as we were explained.

18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any share / debenture or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/accepted any deposits within the provisions of sec. 58A and 58AA read with Companies (Acceptance of Deposits) Rules, 1975.
24. The company has not made any borrowing during the financial year
25. The company has not made any loans / advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made 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 its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act as we were explained.
32. The company has not received any money as security from its employees during the financial year.
33. The company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under section 418 of the Act.

Place: Kolkata
Date: 02.06.2009

Sandip Kumar Kejriwal:
C P No. 3821

Annexure A

Registers as maintained by the Company

1. Register of Member U/S 150
2. Index of members U/S 151
3. Register & Return U/S 163
4. Minutes Book U/S 193
5. Books of Accounts U/S 209
6. Register of Directors U/S 303
7. Register of Directors' Shareholding U/S 307
8. Register of Shares Transfer U/S 108
9. Register of Contracts under Sec. 301 read with Sec. 299
10. Register of Charges U/S 143
11. Register of Fixed Assets

Annexure B

Forms>Returns filed by the Company

- 1) Form 20 (U/S 49) dated 10.11.2008 has been filed on 13.11.2008
- 2) Form 22 (U/S 165) dated 16.03.2009 has been filed on 24.03.2009

AUDITORS' REPORT

To
The Members of
Anjaney Minerals Limited

1. We have audited the attached Balance Sheet of **ANJANEY MINERALS LIMITED** as at 31st March, 2009 and the Cash Flow statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (As amended) issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order. 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 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 it appears from our examination of such books.
 - c. The Balance Sheet and Cash Flow Statement referred to in this report are in agreement with the books of account of the Company.
 - d. In our opinion, the Balance Sheet and Cash Flow Statement dealt with by this report has been prepared in compliance with the accounting standards referred to in Sub-section (3C) of Section 211 of the Act, to the extent applicable.
 - e. On the basis of written representation received from the directors, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified as on 31st March, 2009 from being appointed as director under section 274(1)(g) 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 the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009; and
 - (ii) in the case of Cash Flow statement, of the cash flows for the period ended on that date

For D K Chhajer & Co.
Chartered Accountants

Niraj K. Jhunjunwala
Partner
M.No. F-057170

Kalyaneshwari, 2nd June, 2009

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph (3) of our report of even date to the members of **ANJANEY MINERALS LIMITED**.

- i) The Company is not having any fixed assets and hence this clause is not applicable.
- ii) There being no inventory in the Company this clause is not applicable.
- iii) The Company has neither granted nor taken any loans, secured or unsecured, to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas.
- v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.
- vi) The Company has not accepted any deposits from the public during the period.
- vii) The Company is not required to have an internal audit system during the period under review.
- viii) The Central Government has not prescribed the maintenance of cost records by the Company under section 209(1)(d) of the Companies Act, 1956.
- ix) (a) According to the information and explanations given to us, there are no statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service-tax, customs duty, excise duty, cess and others outstanding as at 31st March 2009 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no disputed statutory dues remaining outstanding as at the period end.
- x) The Company does not have any accumulated losses at the end of the financial period. The Company has not incurred cash loss in current period and in the immediately preceding financial year.
- xi) The Company has not obtained any loan/money from a bank or financial institution or debenture holders and hence the provisions of clause 4(xi) of the order are not applicable to the Company.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund, nidhi or mutual benefit fund/society. Therefore, the provisions of clause (xiii) of the order are not applicable to the Company.
- xiv) The Company is not dealing or trading in shares, securities, debentures & other investments. Therefore, the provisions of clause (xiv) of the order are not applicable to the Company.
- xv) The Company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
- xvi) The Company has not obtained any term loan during the period under review.
- xvii) According to the information and explanations given to us and on the basis of the overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- xviii) According to the information and explanations given to us, the Company has made allotment of shares to parties covered in the register maintained under Section 301 of the Companies Act, 1956 at prices not prejudicial to the interest of the Company.
- xix) The Company has not issued any secured debentures during the period and hence the provisions of clause 4(xix) of the order are not applicable to the Company.
- xx) During the period covered by our Audit report, the Company has not raised any money by public issues.
- xxi) During the checks carried out by us, any fraud on or by the Company has not been noticed or reported during the period under report.

For D K Chhajer & Co.
Chartered Accountants

Niraj K. Jhunjhunwala
Partner
M.No. F-057170

Kalyaneshwari, 2nd June, 2009

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	As at 31st March 2009 Rs.
SOURCES OF FUNDS :		
Shareholders' Funds		
Share Capital	1	10,000,000.00
Share Application Money		24,000,000.00
		34,000,000.00
APPLICATION OF FUNDS:		
Capital Work-in-Progress	2	11,678.00
Current Assets, Loans & Advances		
Loans & Advances	3	32,107,747.00
Cash & Bank Balances	4	1,670,558.00
		33,778,305.00
Less: Current Liabilities & Provisions	5	14,633.00
Net Current Assets		33,763,672.00
Miscellaneous Expenditure (to the extent not written off or adjusted)		
Preliminary Expenses	6	224,650.00
		34,000,000.00
Notes on Accounts	7	-

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

For D. K. Chhajer & Co.

Chartered Accountants

S.C. Agarwalla

Director

Sudhanshu Agarwalla

Director

Niraj K. Jhunjhunwala

Partner

M.No- F057170

Kalyaneshwari, 2nd June, 2009

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

Particulars	As at 31st March 2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:	
Net profit before tax and extraordinary items	–
Add/ Less: Adjustments	–
Operating Profit before working capital changes	–
Adjustments for:	
Trade and other receivables	(32,107,747.00)
Trade and other Payables	14,633.00
NET CASH FROM OPERATING ACTIVITIES (A)	(32,093,114.00)
B. CASH FLOW FROM INVESTING ACTIVITIES:	
Preliminary Expenses	(224,650.00)
Pre-operative Expenses	(11,678.00)
NET CASH FROM INVESTING ACTIVITIES (B)	(236,328.00)
C. CASH FLOW FROM FINANCING ACTIVITIES:	
Issue of Share Capital	10,000,000.00
Share application Money	24,000,000.00
NET CASH FROM FINANCING ACTIVITIES (B)	34,000,000.00
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	1,670,558.00
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	–
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,670,558.00

As per our report of even date
For D. K. Chhajer & Co.
Chartered Accountants

S.C. Agarwalla
Director

Niraj K. Jhunjunwala
Partner
M.No- F057170

Sudhanshu Agarwalla
Director

Kalyaneshwari, 2nd June, 2009

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009

As at
31st March 2009
Rs.

SCHEDULE-1**SHARE CAPITAL**

A) <u>Authorised Capital:</u> 20,00,000 Equity Shares of Rs 10/ each	<u>20,00,000.00</u>
B) <u>Issued & Subscribed Capital</u> 10,00,000 Equity Shares of Rs 10/- each	<u>10,00,000.00</u>
C) <u>Paid up Capital:</u> 10,00,000 Equity Shares of Rs 10/- each	<u>10,00,000.00</u>
	10,00,000.00

SCHEDULE-2**CAPITAL WORK-IN-PROGRESS**Pre-Operative Expenses

Filing Fees	2,179.00
General Expenses	1,510.00
Printing & Stationery	353.00
Bank Charges	750.00
Interest on FD	(7,747.00)
Provision for Taxation	2,633.00
Audit Fees	12,000.00
	<u>11,678.00</u>

SCHEDULE-3**LOANS & ADVANCES**

(Unsecured, Considered Good)

Advances (recoverable in cash or in kind or value to be received)	32,100,000.00
Accrued Interest on FD	7,747.00
	<u>32,107,747.00</u>

SCHEDULE-4**CASH AND BANK BALANCES**

Cash-in-Hand (as certified by the management)	108,641.00
Balance with Banks:	
In Current Account	61,917.00
In Fixed Deposit Account SBI	1,500,000.00
	<u>1,670,558.00</u>

SCHEDULE-5**CURRENT LIABILITIES & PROVISIONS**

Provision for Tax	2,633.00
Audit Fees	12,000.00
	<u>14,633.00</u>

SCHEDULE-6**MISCELLANEOUS EXPENDITURE**

<u>Preliminary Expenses</u>	
Filing Fee	208,500.00
Professional Charges	11,500.00
Printing & Stationery	4,650.00
	<u>224,650.00</u>

SCHEDULE – 7**NOTES TO THE FINANCIAL STATEMENTS****1) Significant Accounting Policies****i) Basis of Accounting**

The financial statements have been prepared to comply, in all material respects, with accounting standards as notified by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956.

The financial statements have been prepared under historical cost convention on an accrual basis. The accounting policies have been consistently followed by the Company and are consistent with those used in the previous year except where otherwise stated.

ii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

iii) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of an asset comprises its purchase price net of Cenvat credit plus any directly attributable costs of bringing the asset to the working condition for its intended use.

iv) Depreciation

Depreciation on Fixed Assets is provided on Written down Value method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956.

v) Impairment

a) The carrying amounts of assets are reviewed at each balance sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

b) After Impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

c) A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there is no impairment.

vi) Preliminary Expenses

As the Company is still in the preoperative phase hence all the Preliminary and Share Issue Expenditure are put under separate head and will be amortised over a period of five years.

vii) Taxation

As the revenue generating activities have not been started, no provisions for current and deferred tax are required to be made.

Fringe Benefit Tax has been calculated as per the provisions of the Income Tax Act, 1961.

viii) Inventories

Inventories have been valued at Cost or Net Realisable Value whichever is lower.

ix) Revenue Recognition

Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery. It includes excise duty but excludes value added tax/sales tax.

x) Provisions

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates

xi) Earnings Per Share (Basic & Diluted)

Basic earnings (loss) per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2. Related Party Disclosures pursuant to Accounting Standard 18 issued by ICAI:

Related Parties :

- A. Controlling Companies** : NIL
B. Holding Company : Maithan Alloys Ltd.
C. Associates : Anjaney Ferro Alloys Limited
D. Key Management Personnel :
Shri Subhas Chandra Agarwalla
Shri Aditya Agarwalla
Shri Sudhanshu Agarwalla

Details of Transactions with related parties during the period under audit are as follows :

(Rs in '000)

Nature of Transactions	Holding	Associate	Key Management Personnel
Investment	8000	2000	–
Share Application Money	24000	–	–

3. Figures have been rounded off to the nearest rupee.

For D. K. Chhajer & Co.
Chartered Accountants

S.C. Agarwalla
Director

Niraj K. Jhunjunwala
Partner
M.No- F057170

Sudhanshu Agarwalla
Director

Kalyaneshwari, 2nd June, 2009

4. Additional information as required under Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile:

- I) Registration Details :
- | | | |
|-----------------------|---|-----------------------|
| a) Registration No. | : | U13100WB2008PLC130114 |
| b) State Code | : | 21 |
| c) Balance Sheet Date | : | 31.03.2009 |
- II) Capital Raised during the year (Amount in Rs. Thousands) :
- | | | |
|----------------------|---|-------|
| a) Public Issue | : | NIL |
| b) Rights Issue | : | NIL |
| c) Bonus Issue | : | NIL |
| d) Private Placement | : | 10000 |
- III) Position of Mobilisation & Deployment of funds (Amount in Rs. Thousands) :
- | | | |
|---------------------------|---|-------|
| a) Total Liabilities | : | 34000 |
| b) Total Assets | : | 34000 |
| c) Sources of funds : | | |
| Paid-up capital | : | 10000 |
| Reserves & Surplus | : | NIL |
| Secured Loans | : | NIL |
| Unsecured Loans | : | NIL |
| d) Application of funds : | | |
| Net Fixed Assets | : | 12 |
| Investments | : | NIL |
| Net Current Assets | : | 9763 |
| Misc. Expenditure | : | 225 |
| Accumulated Losses | : | NIL |
| Deferred Tax Assets | : | NIL |
- IV) Performance of Company (Amount in Rs. Thousands) :
- | | | |
|-----------------------------|---|-----|
| a) Turnover & Other Incomes | : | NIL |
| b) Total Expenditures | : | NIL |
| c) Profit before Tax | : | NIL |
| d) Profit after Tax | : | NIL |
| e) Earning per Share in Rs. | : | NIL |
| f) Dividend Rate | : | NIL |
- V) Generic Names of three Principal Products/Services of Company (as per Monetary Terms):
- | | | |
|-----------------------------|---|----------------|
| a) Item Code No. (ITC Code) | : | 980100X |
| Product Description | : | MINING PROJECT |

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF COMPANIES ACT, 1956

1.	Name of the Subsidiary Company	AXL Exploration (P) Ltd.	Anjaney Alloys Limited	Anjaney Minerals Limited
2.	The Financial Year of the Subsidiary Company	Year ended on 31st March, 2009	Year ended on 31st March, 2009	Year ended on 31st March, 2009
3.	Holding Company's interest	Entire Subscribed Capital comprising of 23,500 Equity Shares of Rs.100/- each.	Entire Subscribed Capital comprising of 10,00,000 Equity Shares of Rs.10/- each.	7,99,995 Equity Shares of Rs.10/- each out of the Subscribed and paid up Capital of 10,00,000 Equity Shares of Rs.10/- each.
4.	Extent of holding	100%	100%	79.9995%
5.	Net Profit/ (Loss) of the subsidiary	(Rs. 3,14,088/-)	Nil	Nil
6.	For the financial year of the Subsidiary			
	A] Profits/(Losses) so far as it concerns the members of the holding company and not dealt with in the holding company's accounts.	(Rs. 3,14,088/-)	Nil	Nil
	B] Profits/(Losses) so far as it concerns the members of the holding company and dealt with in the holding company's accounts.	Nil	Nil	Nil
7.	For previous financial years since it become a subsidiary.			
	A] Profits/(Losses) so far as it concerns the members of the holding company and not dealt with in the holding company's accounts.	(Rs.73,07,294/-)	Nil	Nil
	B] Profits/(Losses) so far as it concerns the members of the holding company and dealt with in the holding company's accounts.	Nil	Nil	Nil

Kalyaneshwari
4th June, 2009

Rajesh K Shah
Company Secretary

S C Agarwalla
Managing Director

B K Agarwalla
Chairman