



# big leap

MAITHAN ALLOYS LIMITED  
ANNUAL REPORT, 2011-12

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WHILE 2011-12 WAS A CHALLENGING YEAR FOR MOST, IT WAS AN EVENTFUL ONE FOR US.

IT WAS A YEAR IN WHICH WE COMMISSIONED THE FIRST PHASE (36 MVA) OF OUR 72 MVA CAPACITY IN OUR SUBSIDIARY COMPANY AND WITHIN A SHORT PERIOD OF THREE MONTHS, ACHIEVED PLANT STABILITY.

IT WAS A YEAR IN WHICH WE COMMENCED THE EXPORT OF FERRO-SILICON, WHICH WAS WELL-ACCEPTED BY OUR CUSTOMERS.

IT WAS A YEAR IN WHICH WE SPREAD FAR AND WIDE BY SELLING OUR PRODUCTS THROUGHOUT EUROPE, ASIA, AFRICA AND SOUTH AMERICA, AMONG OTHERS.

THE RESULT WAS REFLECTED IN A REVENUE GROWTH OF 5% TO RS. 64,516 LACS, A GROWING RESPECT AMONG CUSTOMERS AND THE PROSPECT OF BETTER DAYS AHEAD.







**Maithan Alloys  
Limited is one of  
India's largest  
manufacturers  
and suppliers of  
value-added  
manganese alloys**



## Vision

- ▶ Enhancing stakeholder delight

## Mission

- ▶ **Customers:** Taking their business ahead through superior price-value
- ▶ **Employees:** Career growth, remunerative engagement and dignified conduct
- ▶ **Shareholders:** Consistent out-performance of the industry growth average
- ▶ **Community:** Environmentally responsible operations and sensitive community development
- ▶ **Vendors:** Ethical conduct, growing volumes and timely payments

## Business

Maithan is one of India's largest manufacturers and exporters of customised manganese alloys, supplying to customers worldwide

## Location

The Company enjoys a strong foothold across the north-eastern and southern Indian markets

Location	Products	Capacities as on March 31, 2012
Kalyaneshwari (West Bengal)	Ferro silicon, ferro manganese and silico manganese	94600 MT
Ri-Bhoi (Meghalaya)	Ferro silicon, ferro manganese and silico manganese	21000 MT
Visakhapatnam (Andhra Pradesh) (In subsidiary Company)	Ferro silicon, ferro manganese and silico manganese	60000 MT

- ▶ Listed on the National and Calcutta Stock Exchanges; trading permission at the Bombay Stock Exchange

## Customers

Customer portfolio spread across 38 countries

Domestic customers	Clients present across Andhra Pradesh, West Bengal, Haryana, Maharashtra, Odisha, Jharkhand, Chhatisgarh, Madhya Pradesh
International customers	Clients present across Japan, Taiwan, Korea, South East Asia, the Middle East, European Union, Africa and the Americas

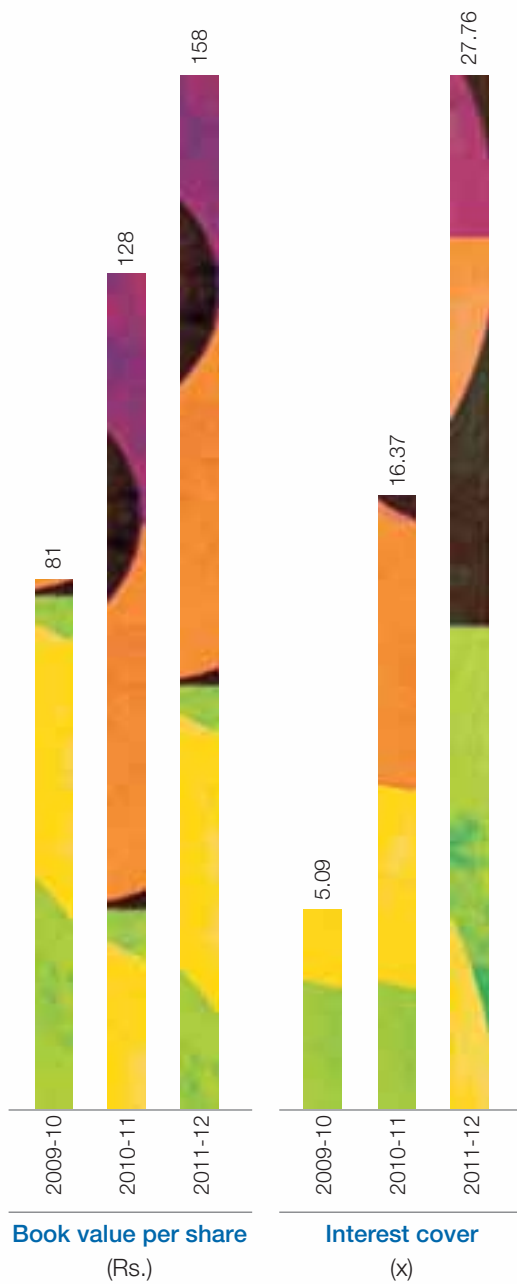
## Quality and environment

- ▶ Products certified by ISO 9001:2008
- ▶ Cutting-edge equipment and technology comprising XRF machines for ore testing, reducing human intervention and errors
- ▶ Operates a 3.75 MW wind turbine in Maharashtra and Rajasthan backed by a power purchase agreement with the respective state electricity boards

# Our story in numbers



\* Includes 36 MVA in subsidiary company



# 100\*

**MVA**

Installed manganese ferro alloys capacity as on March 31, 2012

*\* Includes 36 MVA in the subsidiary company*





BIG LEAP

# going the extra mile





Maithan Alloys is India's only manufacturer and exporter of all three bulk ferro alloys – ferro silicon, ferro manganese and silico manganese. Besides, it is among the few in the country to export ferro silicon, selling to countries such as Turkey, Germany, Italy and Bulgaria. It also enjoys a large value-added output of ferro manganese and silico manganese, constituting a large percentage of the total ferro alloys production in 2011-12.

Going ahead, the Company expects to double ferro silicon production from its current levels of 12000 TPA to 24000 TPA by 2014. Currently, India exports 25,000 TPA of ferro silicon which is expected to go up to 75000 TPA in the next two years. With increased capacity, Maithan intends to export 24,000 TPA in the next two years, thereby capturing a lion's share of the export market.

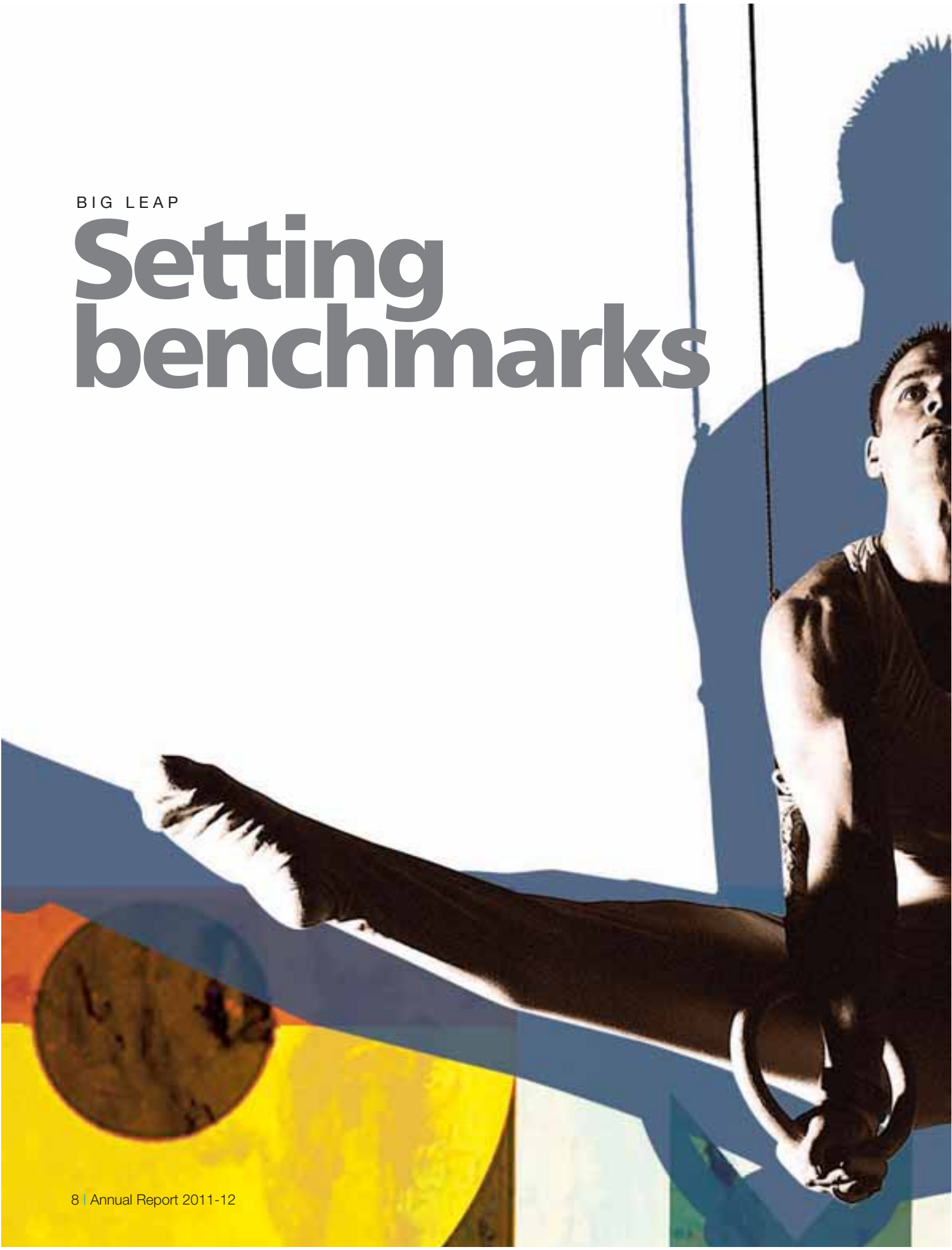
BIG LEAP

32%

Maithan's projected share of India's ferro silicon exports in the next two years

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# Setting benchmarks





While manufacturing a critical downstream product, it is essential to achieve the highest quality standards. One tonne of steel requires only 12 kgs of manganese alloy constituting only 1% of the total manufacturing cost. Even a small percentage of impurity in the manganese alloy can potentially affect the quality of steel manufactured.

Maithan focused on reducing carbon, phosphorous, sulphur and other impurities by 40% over the past few years, thereby setting high-quality benchmarks. As a result, Maithan's product impurity levels are much lower than the industry average.





BIG LEAP

# Winning against odds



High inflation and rising interest rates challenged the business environment. At Maithan, we focused on strengthening our business model, resulting in our cash profit and net worth reporting a 8.17% and 40.19% CAGR respectively over the last three years.

0

Long-term debt



# Our strengths

## EXPERIENCE

Maithan is one of India's leading ferro alloy manufacturers with more than 14 years of industry experience. It has one of India's largest manganese alloy capacities of 100 MVA

## RANGE

The Company possesses a diverse product portfolio and is the only company in India to manufacture all three varieties of manganese alloys

## PIONEER

Pioneered the development of numerous manganese alloy variants used in various grades of steel

## BACKWARD INTEGRATION

With backward integration into ore mines, cost and exposure to industry volatility is expected to reduce. Besides, investments in ore mines at Odisha, Madhya Pradesh and Andhra Pradesh will service domestic raw material needs for more than a decade

## MULTI-LOCATIONAL PRESENCE

The Company's multi-locational manufacturing presence and port proximity (Haldia, Visakhapatnam and Gagavaram) enhances access to Indian and international markets





#### **CAPACITY**

The Company's installed capacity was 64 MVA (Kalyaneshwari 49 MVA and Meghalaya 15 MVA); its production grew 1.20% to 0.83 lac TPA in 2011-12. The Kalyaneshwari unit is engaged in manufacturing manganese alloys (ferro and silico manganese) while the Meghalaya facility manufactures ferro silicon and silico manganese

#### **QUALITY**

The Company's products are ISO 9001:2008-certified and pass through stringent quality checks. As a result, its products are the first choice for the top-five global steel manufacturers

#### **RELATIONSHIPS**

The Company maintains amiable relations with vendors and suppliers to ensure smooth business functioning

#### **REACH**

Extended reach with a wide product acceptance in several western and Asian countries. Within India, the Company emerged as a trusted supplier to the growing manganese alloy needs of large Indian companies like SAIL and Jindal Steel, among others

#### **FINANCIAL STABILITY**

A lower debt-equity ratio of 0.03 reflects fiscal soundness



**“Having built  
scale, capacity and  
market appetite,  
we are ready for  
tomorrow.”**

The Maithan Alloys management discusses the Company's performance in 2011-12 and charts out strategies for the future

**Q Were you pleased with the Company's performance in 2011-12?**

**A** Despite a challenging year, we fared well with our biggest achievement comprising the commissioning of our Visakhapatnam plant. We focused on maximising output, strengthening operational efficiencies and scouring markets which fetched us high realisations. The result was that...

- ▶ We reported a turnover of Rs. 64,516 lacs – the second-highest in the last five years
- ▶ We reported a PBDT of Rs. 7,210 lacs – the second-highest in the last five years
- ▶ We reported a robust net profit of Rs. 4,704 lacs – the second-highest in the last five years

Though the tremors of the downturn were felt by us, a strong focus on value-added products and customer relationships protected our fortunes and helped us cap net profit decline during the period under report.

**Q How will the Visakhapatnam plant be a gamechanger?**

**A** With a capacity of 36 MVA, the first phase of the Visakhapatnam plant was successfully commissioned in January 2012. The plant's proximity to the Visakhapatnam port places us advantageously to import raw materials and export finished products. Going ahead, our Visakhapatnam plant will focus on exports, the Kalyaneshwari plant will focus on exports and the domestic markets, while our Meghalaya plant will cater to domestic needs.

**Q When will the second phase be completed?**

**A** We expect the second phase to be completed by the end of the second quarter of 2012-13. By installing two new furnaces (in addition to the current two), we will double production capacity from the existing levels.

**Q What other features of corporate working gave you pleasure?**

**A** The fact that we operated our Visakhapatnam plant at maximum capacity utilisation, post-commissioning, was a big achievement. Further, we increased value-added products in the sales mix, which was possible on account of impurity reduction. The Meghalaya and Kalyaneshwari plants operated at optimal capacity utilisation levels. The captive power plant at Meghalaya also ran at optimal PLFs during the year under review.

**Q Europe is a major market. How did your exports fare in 2011-12, keeping in mind the crisis faced by the region?**

**A** Last year, our exports to Asia accounted for 88% of the total exports while Europe accounted for 7%. With a view to counter lower off-take in Europe, we strengthened our presence in Asia. With a presence in 17 countries, we plan to further extend our footprint to tap a larger number of geographies.

**Q Why will the Company focus on exporting larger quantities of ferro silicon?**

**A** In the past, China was the leader in exporting ferro manganese, silico manganese and ferro silicon. With large export duties levied in China, the country limited its exports of these products. India successfully filled the vacuum for ferro manganese and silico manganese. We now plan to play an active role in substituting Chinese ferro silicon in the global market. This will strengthen our exports and achieve higher realisations.

**Q What message do you have for your shareholders?**

**A** We are leveraging our unique positioning as India's only major manufacturer of ferro manganese, silico manganese and ferro silicon to access a larger number of markets. We are also strengthening capacity utilisation and with several operational measures we have undertaken, we expect to remain relevant across all market and product cycles.



# Management discussion and analysis

## Global economy

The global environment weakened in the latter half of 2011, owing to turmoil in the euro zone. This scenario spread to other economies and affected the same. The same resulted in a reduction of capital flows to developing countries, declining by almost half in 2011 compared with 2010. Europe seemed to have entered a recession, while growth in several major developing countries (Brazil, India, and to a lesser extent Russia, South Africa and Turkey) slowed partly in reaction to domestic policy tightening.

## Indian economy

The Indian economy grew 6.5% in 2011-12, following an 8.6% GDP growth in 2010-11. The IIP growth of 8.1% in January 2011 declined to 1.8% in December 2011. The manufacturing sector remained volatile with seven out of the 22 industry groups showing negative growth during April to February 2011-12. The services sector increased its GDP share from 58% in 2010-11 to 59% in 2011-12. The agricultural and allied sectors are projected to achieve a 2.5% growth in 2011-12.

## Steel industry

India is the fourth-largest crude steel producer globally, according to the RNCOS research report titled 'Indian Steel Industry Outlook to 2012'. India produced 74 MT of crude steel in 2011-12 against 71 MT in 2010-11 at an average capacity utilisation of 89% in 2011-12. India, at a per capita steel consumption of 59 kgs, is just above the average across most of Africa and significantly lower than the per capita consumption of Malaysia, Thailand, China and Vietnam.

## GDP growth (%)

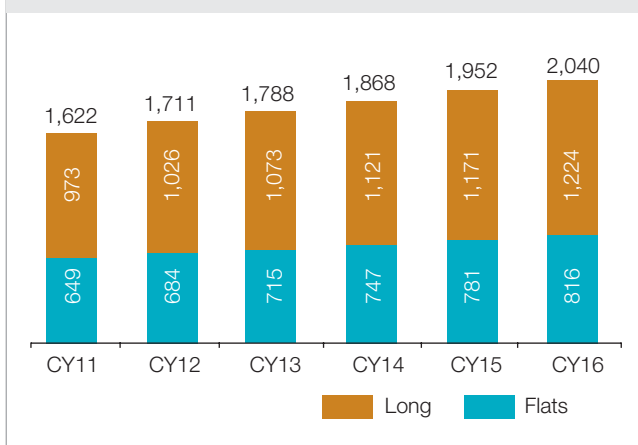
Particulars	2010	2011	2012 (E)	2013(E)
World output	5.3	3.9	3.5	4.1
Advanced economies	3.2	1.6	1.4	2.0
Emerging and developing economies	7.5	6.2	5.7	6.0
Euro Area	1.9	1.4	-0.3	0.9

Source: IMF

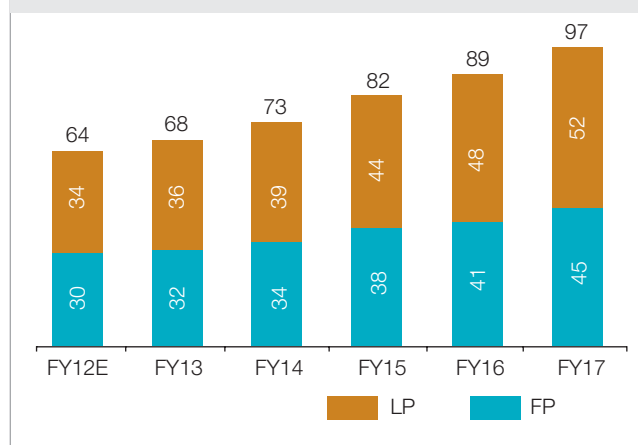
## Top-five steel producing countries

Country	2011	2010	Y-o-y growth (%)
China	696	639	8.9%
Japan	108	110	-1.8%
USA	86	80	7.5%
India	72	68	5.9%
Russia	69	67	3.0%

**Projected Global CS Growth (Mn MT)**



**Projected CS Growth in India (Mn MT)**



## Manganese industry

In terms of tonnage, manganese is the fourth-most used metal worldwide, after iron, aluminium and copper. About 95% of the world's production of manganese ore is used directly or indirectly in steel making and other metallurgical purposes. Manganese ore and the alloy industry have historically derived demand from the steel industry and hence is directly related to the volatility and movement of the global steel industry. World demand for manganese ore depends on the outlook of the steel industry. Global manganese alloy demand is growing at more than 6% y-o-y.

## Ferro alloys

Operating with around 62% of installed capacity, the ferro alloys industry in India is struggling to raise efficiency and the economic health of production units due to competitive imports. With a production capacity of 4.65 million tonne, the industry is sufficient to meet ferro alloy requirements to produce more than 120 million tonne of steel per annum. Ferro alloys are used for producing mild steel, carbon steel, special alloy steel and stainless steel.

## Internal control systems

The Company's internal control system is commensurate with the Company's

size, enabling it to safeguard assets, prevent and detect frauds as well as other irregularities. The internal control systems are regularly reviewed and evaluated by the management in consultation with the internal auditors.

## Human resource

The Company continues to lay emphasis on the training and development of its human resources. It also strives to maintain a work environment that encourages high performance and cordial relations with its employees.

# Financial review

## Financial analysis

### Financial snapshot (Rs. lacs)

	2011-12	2010-11
Net revenue	64,516	61,491
EBIDTA	7,210	11,364
PAT	4,704	7,284
Cash profit	6,950	10,670
EPS (Rs.)	32.32	50.04
EBIDTA margin (%)	11.18	18.48
PAT margin (%)	7.29	11.85

## Revenue analysis

Net revenues grew 4.9% from Rs. 61,491 lacs in 2010-11 to Rs. 64,516 lacs in 2011-12, owing to a marginal increase in production and trading sales.

## Expenditure analysis

The Company's overall expenditure increased 12.45% from Rs. 51,842 lacs in 2010-11 to Rs. 58,296 lacs in 2011-12, owing largely to an increase in power cost by 42% from Rs.10,450 lacs in 2010-11 to Rs.14,830 lacs.

## Margins analysis

The Company's EBIDTA margin weakened from 18.48% in 2010-11 to

11.18% in 2011-12, mainly due to power cost.

## Capital employed

Total capital employed in the business increased 6.73% from Rs. 22,742 lacs as on 31st March 2011 to Rs. 24,273 lacs as on 31st March 2012, largely due to an increase in reserves and surplus. Return on capital employed (ROCE) decreased from 35% in 2010-11 to 22% in 2011-12.

Networth increased 23.39% from Rs.18,665 lacs as on 31st March 2011 to Rs. 23,032 lacs as on 31st March 2012. Return on networth (RONW) stood at 20.42% in 2011-12 against 39.02% in the previous year.

The Company was debt-free during the year under review.

## Investments

The Company made investments of Rs. 1,350 lacs during the current year in subsidiary Company Anjaney Alloys Ltd. which is setting up a ferro alloy project in APSEZ, Visakhapatnam. Apart from this, the Company has parked surplus funds in liquid mutual fund schemes.

## Working capital

Working capital as a proportion of the total capital employed was 41.70% as

on 31st March 2012 against 49.59% as on 31st March 2011.

	2011-12	2010-11
Current ratio	1.56	1.44
Quick ratio	1.07	0.88

**Trade receivables:** Sundry debtors increased from Rs. 4,526 lacs as on 31st March 2011 to Rs. 8,512 lacs as on 31st March 2012. The Company's receivables cycle increased from 27 days of turnover equivalent in 2010-11 to 48 days in 2011-12.

**Loans and advances:** Short-term and long-term loans and advances decreased 17% from Rs. 2,840 lacs as on 31st March 2011 to Rs. 2,364 lacs as on 31st March 2012, largely due to a refund of advance income tax.

**Trade payables:** Sundry creditors increased 56% to Rs. 17,863 lacs as on 31st March 2012 from Rs. 11,436 lacs as on 31st March 2011, owing to an increase in supplier's credit against raw material purchase.

## Forex management

The Company's foreign currency earnings stood at Rs.19,533 lacs in 2011-12, while foreign currency expenditure stood at Rs. 22,568 lacs.



# Managing risks at Maithan

## BUSINESS RISK

Being cyclical in nature, the Company's business is susceptible to a slowdown and may result in stagnancy

### De-risking measure

The Company is adequately de-risked with a large client base spread across national as well as international markets. Further, the Company's backward integration and enhanced product mix insulates it against a slowdown or cyclical time periods.

## CURRENCY RISK

Importing over 80% of its raw material (manganese-ore) exposes the Company to currency volatility

### De-risking measure

More than 30% of the total sales in 2011-12 were through exports, acting as a natural hedge against imports. Further, short-term contracts with suppliers helped avoid currency fluctuations to a large extent.

## LIQUIDITY RISK

Liquidity challenges might impact growth prospects

### De-risking measure

The Company is debt-free and does not face any funding risks. Its internal accruals of Rs. 21,576 lacs as on 31 March 2012 are sufficient to manage working capital requirements. As on March 31, 2012, the gearing stood at 0.03.

## QUALITY RISK

Any variation in quality may affect the brand and profitability

### De-risking measure

Over the last three years, the Company invested in people, processes and packaging to achieve high quality standards. The Company enjoys higher margins owing to quality.

## LOCATION RISK

The Company's multiple manufacturing locations may be located far from raw material sources

### De-risking measure

The Company's various production facilities enjoy a competitive edge. It sources power from DVC (1 km) and water from river Barakar (4 km). Further, its logistics proximity to Asansol railway station (15 kms) and Haldia port (300 kms) also adds to its competitiveness.

## OPERATIONAL RISK

Not having a continuous power supply and lower asset utilisation could result in lower margins

### De-risking measure

The Company possesses 15 MW captive power plant for its Meghalaya unit and hence is assured of continuous power supply there. In the Kalyaneshwari unit, the Company is dependent on DVC for its power requirement DVC has recently added huge capacities and hence the Company does not foresee any significant risk of disruption in power supply.



# directors' report

Dear Shareholders,

Your Directors have pleasure in submitting the 27th Annual report on the business and operations, together with the audited statements of accounts of the Company for the year ended 31st March 2012.

## Financial Highlights

The financial performance of the Company for the year ended 31st March 2012 is summarised below:

(Rs. in lacs)

	2011-12	2010-11
<b>Financial results</b>		
Sales & Other Income	64,516	61,491
Gross profit	6,950	10,670
Less : Depreciation	729	1,021
Profit before taxes	6,221	9,649
Less : Provision for taxation:		
For Income Tax	1,479	2,450
For Deferred Tax	(19)	(84)
For earlier years	56	–
Profit after taxes	4,705	7,283
Add: Profit brought forward from previous year	15,620	9,274
Balance available for appropriation	20,325	16,558
<b>Appropriation</b>		
Proposed dividend on equity shares	291	291
Income tax on proposed dividend	47	47
Transfer to general reserve	400	600
Balance retained in Profit & Loss A/c	19,587	15,620
	20,325	16,558

## Operations and Outlook

The global economy witnessed lower growth during 2011-12, resulting primarily from the Euro Zone debt crisis and rising unrest in the Middle East and North Africa. The European economies stagnated and the US witnessed a downgrade in its

credit rating, while the growth engines of the other leading economies continuing to suffer from low growth and the resultant adverse impact on demand for most products and services. Additionally, civil unrest in Libya and the tsunami in Japan posed further challenges.

India's growth was clouded with persistent double-digit inflation and power shortages. The infrastructure, skill development and resources remains largely insufficient and ill-adapted to the needs of business. Despite of these odds and a challenging environment, the fiscal 2011-12 has been yet another year with a healthy performance for your Company. This achievement was mainly supported by combination of export and domestic sales of ferro alloys. During the year under review, the total revenue increased to Rs. 64,516 lacs from Rs. 61,491 lacs in 2010-11, registering a growth of 5%. Profit before tax stood at Rs. 6,225 lacs and profit after tax stood at Rs. 4,705 lacs in 2011-12 as compared with Rs. 9,649 lacs and Rs. 7,283 lacs in 2010-11, respectively. The production went up marginally by 1%.

The power cost which jumped by 42% squeezed the profit margins. Further, due to increase in coal prices, power production cost of captive power plant in Byrnihat, Meghalaya unit has gone up.

The windmill division of the Company achieved sales of Rs. 207 lacs as against Rs. 185 lacs in the previous year.

## Dividend

Based on the Company's performance, the Directors are pleased to recommend for approval of the members a dividend of Rs. 2 per share (i.e@ 20%) on 1,45,55,775 equity shares of Rs. 10 each of the Company for the financial year 2011-12. The dividend on the equity shares, if approved by the shareholders, would involve an outflow of Rs. 291.11 lacs towards dividend and Rs. 47.23 lacs towards dividend tax, resulting in a total outflow of Rs. 338.34 lacs.

## Credit Rating

Your Company's rating has been upgraded from "CARE A" to "CARE A+" for its long-term bank facilities. Short-term bank facilities continues to enjoy "CARE A1" rating indicating strong capacity for timely payment of short-term debt obligations and carry lowest credit risk.

## Public Deposits

Your Company did not accept any deposit 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 Review

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 ensured against the risk of fire, riot, earthquake and other risks.

## Directors

Mr. Biswajit Choudhuri and Mr. Shrigopal Jhunjhunwala will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. All the Directors of the Company are in compliance with the provisions of Section 274(1)(g) of the Companies Act, 1956.

Mr. P. K. Venkatramani 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 29th June, 2012, is liable to retire at the ensuing Annual General Meeting. The Company received Notice under Section 257 of the Companies Act, 1956, proposing candidature of Mr. P. K. Venkatramani 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.

During the current year, the Board of Directors at its meeting held on 14th May 2012 accepted the resignation tendered by Mr. M. L. Satnaliwala for health reasons. Consequently, he also ceased to be Chairman and member of Audit Committee of the Board of Directors of the Company.

## Subsidiary Companies

In view of general exemption from the applicability of section 212 of the Companies Act, 1956 granted by the Ministry of Corporate Affairs vide its General Circular no.2/2011 dated 8th





February 2011, the Annual Report of Subsidiary Companies are not annexed.

The annual accounts of the subsidiary companies are available for inspection by any shareholders in the Registered office of both holding and subsidiary companies on any working day during the business hours. The annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the holding and subsidiary companies on receipt of written request from such shareholders. The consolidated balance sheet also comprises the following information for each subsidiary:- (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in the subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend.

### 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 the pleasure in attaching the Consolidated Financial Statements, which form a part of this annual report.

### Auditor's Report

The Auditor's Report read along with Notes on Accounts is 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 reappointment. Your Directors recommend for their reappointment at the ensuing Annual General Meeting.

### Cost Auditors

The Board of Directors pursuant to the provision of Section 233B of the Companies Act, 1956 read with Order No. 52/26/CAB-2010 dated 2nd May, 2011 issued by Government of India, Ministry of Corporate Affairs; had appointed M/s. S K Sahu & Associates, Cost Accountants as the Cost Auditor of the Company for auditing the cost records of the Company.

### 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 2012, 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 or loss 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 Company's assets and for preventing and detecting fraud and other irregularities
- iv) That the Directors prepared the accounts for the financial year ended 31st March 2012 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 the 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. Information u/s 217(2A) of the Companies Act 1956 - read with Companies (Particulars of Employees) Rules, 1975 as amended is given below.

## 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 Reappointment/ appointment/	Designation (Nature of Duties)	Gross Remuneration (Rs.)	Last employment held (Designation)
1	Sri B. K. Agarwalla	66	B.Com. 45 years	1 April 2011	Chairman and Whole time Director (To Manage the overall affairs of the Company)	2,19,67,500	None
2	Sri S. C. Agarwalla	61	B.Com. 42 years	1 April 2011	Managing Director & CEO (To manage the affairs of the Company on day to day basis)	1,83,67,500	None
3	Sri Subodh Agarwalla	34	MBA, B.Tech. 11 years	1 April 2011	Whole time Director & COO (To look after the Company's manufacturing activities)	1,35,10,000	None
4	Sri Aditya Agarwalla	37	MBA 13 years	23 July 2008	Whole time Director & CFO (To look after the Company's finance activities)	1,23,10,000	None

Notes: 1. Mr. S C Agarwalla is father of Mr. Subodh Agarwalla. 2. All appointments of the above employees are contractual.

### 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. This Annexure forms a part of this report.

### Acknowledgment

Your Directors take this opportunity to thank all shareholders, bankers, suppliers, regulatory and other government authorities for their assistance, co-operation and 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

Kalyaneshwari  
29 June 2012

**(S C Agarwalla)**  
Managing Director

**(Subodh Agarwalla)**  
Wholetime Director



## 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 2012.

### 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, : None at present  
if any, being implemented for reduction of consumption of energy
- c) Impact of the measures at (a) and (b) : Not applicable  
above for reduction of energy consumption and consequent impact on the cost of production of goods
- d) Total energy consumption and energy consumption per unit of production 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 March 2012	Previous year ended 31 March 2011
<b>1</b>	<b>Electricity</b>		
	<b>a) Purchased</b>		
	Unit (lacs KWH)	2,744.54	2,443.53
	Total amount (Rs. in lacs)	11,836.95	7,488.44
	Rate/unit (Rs.)	4.31	3.06
	<b>b) Own generation for captive power facilities (Through Coal)</b>		
	Unit (lacs KWH)	1,066.66	1,152.33
	Total Amount (Rs. in lacs)	2,993.42	2,961.42
	Rate/unit (Rs.)	2.81	2.57
<b>2</b>	<b>Coal (see note below)</b>		
	Quantity (tonnes)	74,971	84,195
	Total Cost (Rs. In Lacs)	2,649.65	2,759.42
	Average Rate (Rs. Per tonne)	3,537.11	3,277.43
<b>3</b>	<b>Furnace oil</b>	—	—
<b>4</b>	<b>Others</b>	—	—



## Part - B

Sl. No.	Consumption per M.T. of production of ferro alloys	Current year	Previous year
	Products (with details) units	Ferro Alloys	Ferro Alloys
1	Electricity (Units)	4,615	4,407
2	Furnace oil (Ltrs.)	-	-
3	Coal (specify quality M.T.)	-	-
4	Others	-	-

Note: 1. The higher electricity consumption is due to higher production of Ferro Silicon, which is a more energy intensive product.

2. Company has setup Thermal Power Plant to produce electricity for captive consumption at its Meghalaya unit. Details of Electricity Generation are shown under heading "Own Generation". Coal consumption given above is for generation of electricity at Meghalaya.

## II. Technology Absorption

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

### Form - B

#### 1. Research and Development (R&D)

R&D is carried on by the Company as a part of ongoing product development activity and the expenditure thereof is considered as part of operating expenditure. Hence, there is no amount that can be shown separately under the head of R&D expenses.

#### 2. Technology absorption, adaptation and 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 did not import any technology and the plant operates on indigenous technology.

## III. Foreign exchange earnings and outgo

- During the year under review, the Company's exports decreased by 22%. The Company is continuing its efforts to create new export markets and enter in new countries to increase the exports.
- The particulars regarding foreign exchange earnings and outgo are given in Note Nos. 27, 28 and 29 of Notes on Financial Statements.

For and on behalf of the Board

Kalyaneshwari  
29 June 2012

(S C Agarwalla)  
Managing Director

(Subodh Agarwalla)  
Wholetime Director



# 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 stakeholders. 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 practices which are in line with the requirements under Clause 49 of the Listing Agreement with the stock exchange and will continue to pursue the same to keep pace with the fast-changing environment.

## 2. Composition of Board, Directors Attendance record and Directorship held as on 31 March 2012

During 2011-12, the Board of Directors (The Board) comprised ten Directors viz. the four Executive Directors and six Non-Executive and Independent Directors. However, Mr. M. L. Satnaliwala a Non-Executive and Independent Director of the Company ceased to be a Director of the Company with effect from 14th May 2012 and Mr. P. K. Venkatramani was appointed as Additional Director with effect from 29th June 2012. Hence, presently there are ten Directors on the Board viz. the four Executive Directors and six Non-Executive and Independent Directors.

Five (5) meetings of the Board of Directors were held during 2011-12, on the following dates

12th May 2011      15th June 2011      10th August 2011  
12th November 2011      7th February 2012

The composition of the Board of Directors, attendance record of the Directors during the year 2011-12 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 2011-12		Attendance at the last AGM held on 27 August 2011	No. of directorships held in other public limited Companies <sup>\$</sup>	No. of Committee positions in other public companies#	
			Held	Attended			Chairman	Member
1.	Mr. B.K. Agarwalla	Chairman (Executive)	5	5	N	3	2	0
2.	Mr. S.C. Agarwalla	Managing Director (Executive)	5	4	P	3	0	1
3.	Mr. Aditya Agarwalla	Whole Time Director (Executive)	5	5	P	4	0	1
4.	Mr. Subodh Agarwalla	Wholetime Director (Executive)	5	5	P	2	0	1
5.	Mr. M. L. Satnaliwala <sup>^</sup>	Independent (Non-Executive)	5	5	P	1	0	0
6.	Mr. Nand Kishore Agarwal	Independent (Non-Executive)	5	3	N	1	0	0
7.	Mr. Shrigopal Jhunjhunwala	Independent (Non-Executive)	5	5	P	0	0	0
8.	Mr. Raj Kumar Agarwal	Independent (Non-Executive)	5	5	N	0	0	0
9.	Mr. Vikash Kumar Jewrajka	Independent (Non-Executive)	5	5	N	0	0	0
10	Mr. Biswajit Choudhuri	Independent (Non-Executive)	5	3	P	9	4	3

<sup>\$</sup> Other directorships do not include alternate directorships, directorships of private limited companies, Section 25 companies and of companies incorporated outside India.

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

<sup>^</sup> Ceased to be Director with effect from 14th May 2012.

None of the Directors are members of more than 10 Board-level Committees, or Chairman of more than five such committees.

### Information supplied to the Board

Detailed agenda is circulated along with relevant information to the Board members to take appropriate decisions. This includes:

1. Review of annual operating plans of business and updates.
2. Capital Budgets and any updates.
3. Quarterly results of the Company.
4. Minutes of the meetings of the Audit Committee and other committees of the Board.
5. Information on recruitment and remuneration of senior officers just below the Board level including appointment or removal of Chief Financial Officer and the Company Secretary.
6. Materially important show cause, demand, prosecution and penalty notices.
7. Fatal or serious accidents or dangerous occurrences, any materially significant effluent or pollution problems.
8. Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
9. Any issue which involves possible public or product liability claims of a substantial nature.
10. Details of any joint venture or collaboration agreement.
11. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
12. Significant labour problems and their proposed solutions. Significant development in the human resources and industrial relations fronts.
13. Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
14. Quarterly details of foreign exchange exposure and the steps taken by management to limit the risk of adverse exchange rate movement.
15. 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:

1. Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the appointment and removal of Statutory auditor, fixation of audit fee and approval of payment for any other services.
3. Reviewing with management the annual and/or quarterly financial statements before submission to the Board.
4. Reviewing with the management and statutory and internal auditors, the adequacy of internal control systems.
5. Reviewing the adequacy of internal audit function.
6. Discussing with internal auditors any significant finding and follow-up on such issues.
7. 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.
8. Discussing with statutory auditors, before the audit commences, about the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern.
9. Approval of appointment of any person heading the finance including CFO/WTM (Finance).
10. Reviewing the Company's financial and risk management policies.
11. Examining reasons for substantial default in the payment to depositors, shareholders (in case of non-payment of declared dividends) and creditors, if any





Five (5) meetings of the Audit Committee were held during the year 2011-2012, on the following dates

12th May 2011      15th June 2011      10th August 2011      12th November 2011      7th February 2012

The composition of the Committee and the attendance of each member of the Committee during 2011-12 are given below:

Name	Designation	Executive/Non-Executive/Independent	Committee meetings attended
Mr. M. L. Satnaliwala <sup>^</sup>	Chairman	Independent (Non-Executive)	5
Mr. Nand Kishore Agarwal	Member	Independent (Non-Executive)	3
Mr. Raj Kumar Agarwal	Member	Independent (Non-Executive)	5

<sup>^</sup> ceased to be chairman/member with effect from 14th May 2012.

However, during the current financial year the Board of Directors at its meeting held on 14th May 2012 has inducted Mr. Vikash Kumar Jewrajka, Director to act as the member of Audit committed pursuant to vacancy caused by resignation of Mr. M. L. Satnaliwala who ceased to be member of Board of Directors of the Company with effect from 14th May 2012 and consequently also ceased to be member and Chairman of the Audit Committee. Further, Audit Committee members elected Mr. Nand Kishore Agarwal as the Chairman of the Committee.

#### 4. Remuneration Committee

The Remuneration Committee reviews and makes recommendations on annual remuneration to be paid to the Company's Managing/Wholtime Directors within the overall ceiling fixed by the shareholders.

No Remuneration Committee meeting was held during 2011-12.

The composition of the Committee and the attendance of each member of the Committee during 2011-12 are given below:

Name	Designation	Executive/Non-Executive/Independent	Committee meetings attended
Mr. Nand Kishore Agarwal	Chairman	Independent (Non-Executive)	–
Mr. Shrigopal Jhunjhunwala	Member	Independent (Non-Executive)	–
Mr. Raj Kumar Agarwal	Member	Independent (Non-Executive)	–

Details of remuneration paid/to be paid to the Directors for the year ended 31 March 2012 are as follows:

Sl. No.	Name of the Director	Remuneration (in Rs.)	Commission (in Rs.)	Other benefits (in Rs.)
1.	Mr. B. K. Agarwalla	90,00,000	1,29,67,500	Nil
2.	Mr. S. C. Agarwalla	54,00,000	1,29,67,500	Nil
3.	Mr. Subodh Agarwalla	42,00,000	93,10,000	Nil
4.	Mr. Aditya Agarwalla	30,00,000	93,10,000	Nil

Note:

All the Executive Directors were appointed for a period of five years. All the contracts of appointment can be terminated by giving one month notice by either side.

The Company has not issued any stock option during the year 2011-12.

A sitting fee of Rs. 5,000 is being paid to each Non-Executive Director of the Company for every meeting of the Board of Directors attended by them.

### Remuneration Policy

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through Managing Director and Wholtime Directors, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a mix of fixed pay and benefits. Individual performance pay is determined by business and individual performances measured through the annual appraisal process.

The Company pays remuneration by way of salary (fixed component) and commission (variable component) to its Managing Director and the Wholtime Directors (Executive Directors). Annual increments are approved by Remuneration Committee/Board of Directors. The overall payments made to each of the Executive Directors are within the salary scale approved by the members. The Remuneration Committee also determines the annual commission payable to the Managing Director and the Executive Directors out of the profits of the financial year within the ceilings prescribed under the Companies Act, 1956, based on the performance of the Company as well as that of the Executive Directors.

## 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.

Eight (8) meetings of the Investors' Grievances and Share Transfer Committee were held during 2011-12, on the following dates:

12th May 2011	11th June 2011	15th June 2011	28th June 2011
18th July 2011	7th December 2011	27th December 2011	7th February 2012

The composition of the Committee and the attendance of each member of the Committee during 2011-12 are given below:

Name	Designation	Executive/Non-Executive/Independent	No. of Committee meetings attended
Mr. Raj Kumar Agarwal	Chairman	Independent	8
Mr. S. C. Agarwalla	Member	Executive	6
Mr. Aditya Agarwalla	Member	Executive	8

Name and designation of Compliance Officer: Mr. Rajesh K. Shah, Company Secretary.

During 2011-12, the Company received 5 (five) complaints, which were attended and resolved. As on 31st March 2012, no grievances remained unaddressed.

## 6. General Body Meetings

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

Annual General Meeting	for the year	Date	Time	Venue
24th	2009	25th July 2009	11.00 A.M.	"The Conclave" 216 A J C Bose Road, Kolkata - 700 017
25th	2010	18th August 2010	11.00 A.M.	"The Conclave" 216 A J C Bose Road, Kolkata - 700 017
26th	2011	27th August 2011	11.00 A.M.	"The Conclave" 216 A J C Bose Road, Kolkata - 700 017

No Special Resolution was passed in last three Annual General Meetings.



## Postal Ballot

No special resolution was passed through Postal Ballot during the Financial Year 2011-12. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

## 7. Disclosures

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

- Attention of members is drawn to the disclosures of transaction with the related parties set out in note no.35 under Notes on Financial Statements 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 of the Company have 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 29th June 2012.

## 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 published in The Economic Times (English Edition) and Dainik Lipi (Bengali edition).
- Website where financial results are displayed – [www.maithanalloys.com](http://www.maithanalloys.com)
- Whether the Company also displays 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

a) Annual General Meeting	Friday, the 21st day of September, 2012 at 11.30 A.M.
Day, Date, Time and Venue	"The Conclave" 216, A J C Bose Road, Kolkata – 700 017
b) Date of book closure	From 15.09.2012 to 21.09.2012 (both days inclusive)
c) Dividend payment date	On or before 30.09.2012.
d) Financial year	1 April to 31 March



**e) Financial calendar for 2011-12**

Board meetings for consideration of financial results (Tentative)

- i) 1st/2nd Week of August, 2012 for consideration of unaudited financial results for 3 months ending 30th June, 2012.
- ii) 1st/2nd week of November, 2012 for consideration of Unaudited financial results for three months/half year ending 30th September 2012.
- iii) 1st/2nd week of February, 2013 for consideration of Unaudited financial results for 3-9 months ending 31st December 2012.
- iv) April to June, 2013 for consideration of Un-audited/ audited financial results for the year 2012-2013.

**f) Listing of equity shares on Stock Exchange**

- 1) The Calcutta Stock Exchange Ltd.  
7, Lyons Range, Kolkata - 700 001.
- 2) National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra-Kurla Complex,  
Bandra (E), Mumbai - 400 051
- 3) 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”

**g) Payment of listing fees**

The listing fees have been paid by the Company

**h) ISIN Code**

INE683C01011

**i) Stock Code**

023915 – The Calcutta Stock Exchange Limited  
590078 - Bombay Stock Exchange Limited  
MAITHANALL-EQ - National Stock Exchange of India Ltd.

**j) Share Registrar & Transfer Agent**

M/s Maheshwari Datamatics Pvt. Ltd  
6, Mangoe Lane, 2nd Floor, Kolkata - 700001

**k) 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 dematerialised shares are transferred directly to the beneficiaries by the depositories i.e. National Securities Depository Ltd. and The Central Depository Services (India) Ltd.

**l) Dematerialisation of shares and liquidity**

The shares of the Company are in compulsory demat segment and are available for trading in the depository system of both the National Securities Depository Ltd. and The Central Depository Services (India) Ltd. As on 31st March 2012, 1,39,78,568 equity shares of the Company, forming 96.03% of the share capital of the Company, stand dematerialised.



m) Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity	As at 31st March 2012, the Company had no outstanding GDR's /ADR's/Warrant or any convertible instruments.
n) Address for correspondence	The Company Secretary <b>Maithan Alloys Limited</b> Ideal Centre, 4th Floor, 9, A.J.C. Bose Road, Kolkata – 700 017
o) Investor grievance e-mail id	investor@maithanalloys.com /office@maithanalloys.com
p) Plant/Works location Ferro Alloys Division	<b>1] West Bengal</b> P.O. Kalyaneshwari - 713 369, Dist. Burdwan (W.B.) <b>2] Meghalaya</b> A-6, EPIP, Byrnihat, Dist. Ri-Bhoi, Meghalaya – 793101
Wind Mill Division	<b>1] Rajasthan</b> Vill. Hansuwa, Dist. Jaisalmer, Rajasthan <b>2] Maharashtra</b> Vill. Ghatnandre (Dhalgaon), Tal. Kawathe Mahankal, Dist. Sangli, Maharashtra
q) Market price - high/ low during each month in last financial year	<b>The Calcutta Stock Exchange Limited</b> There was no trading in shares of the Company during the year 2011-12

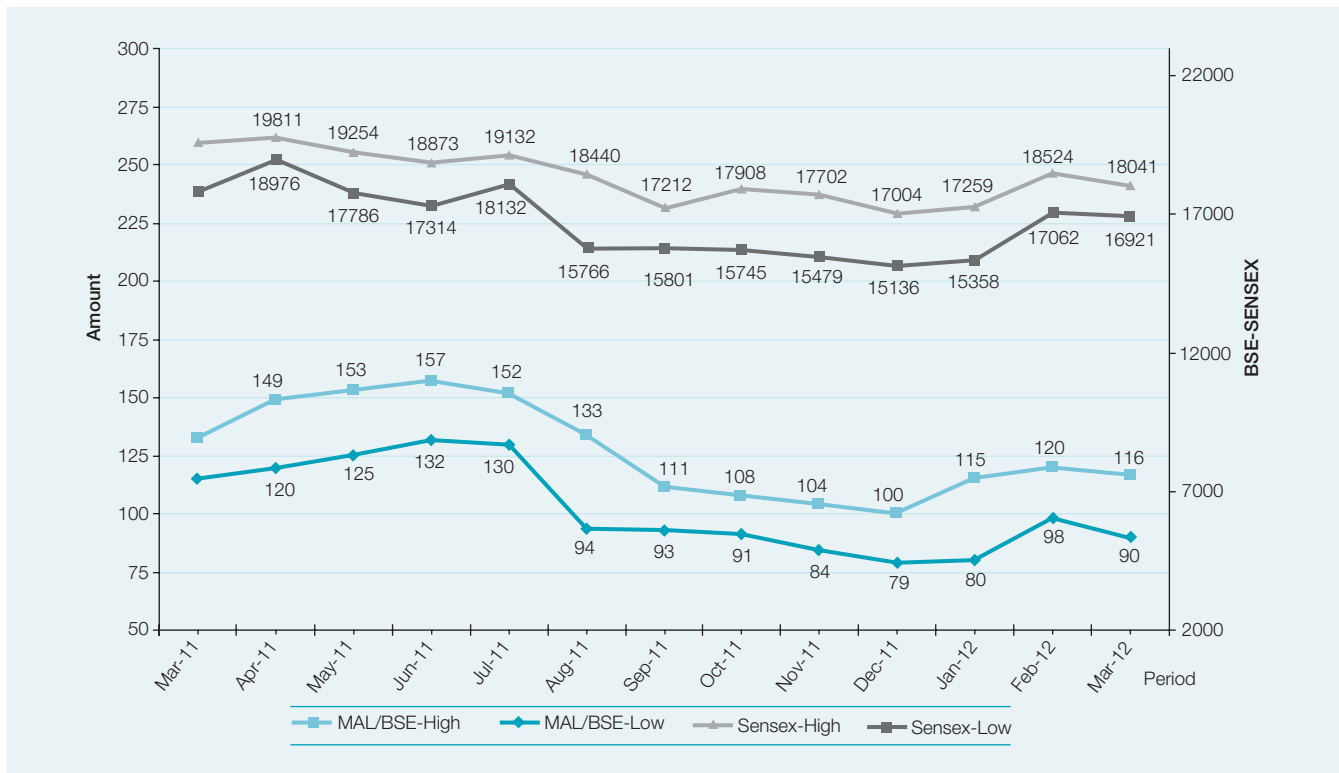
#### Bombay Stock Exchange Limited

The Trading details at Bombay Stock Exchange is given below:

Month	High Price	Low Price	No. of Shares
Apr-11	149.00	120.00	69,580
May-11	153.00	125.35	74,024
Jun-11	157.00	131.50	1,04,169
Jul-11	152.00	130.00	1,00,926
Aug-11	133.45	93.60	50,167
Sep-11	111.25	93.20	36,959
Oct-11	107.90	91.35	18,467
Nov-11	104.00	84.00	22,588
Dec-11	100.00	79.00	17,542
Jan-12	115.40	80.10	36,867
Feb-12	119.75	98.00	70,869
Mar-12	116.40	90.25	21,817

Source: [www.bseindia.com](http://www.bseindia.com)

### MONTHLY HIGH & LOW (MAITHAN VS. SENSEX)



### National Stock Exchange of India

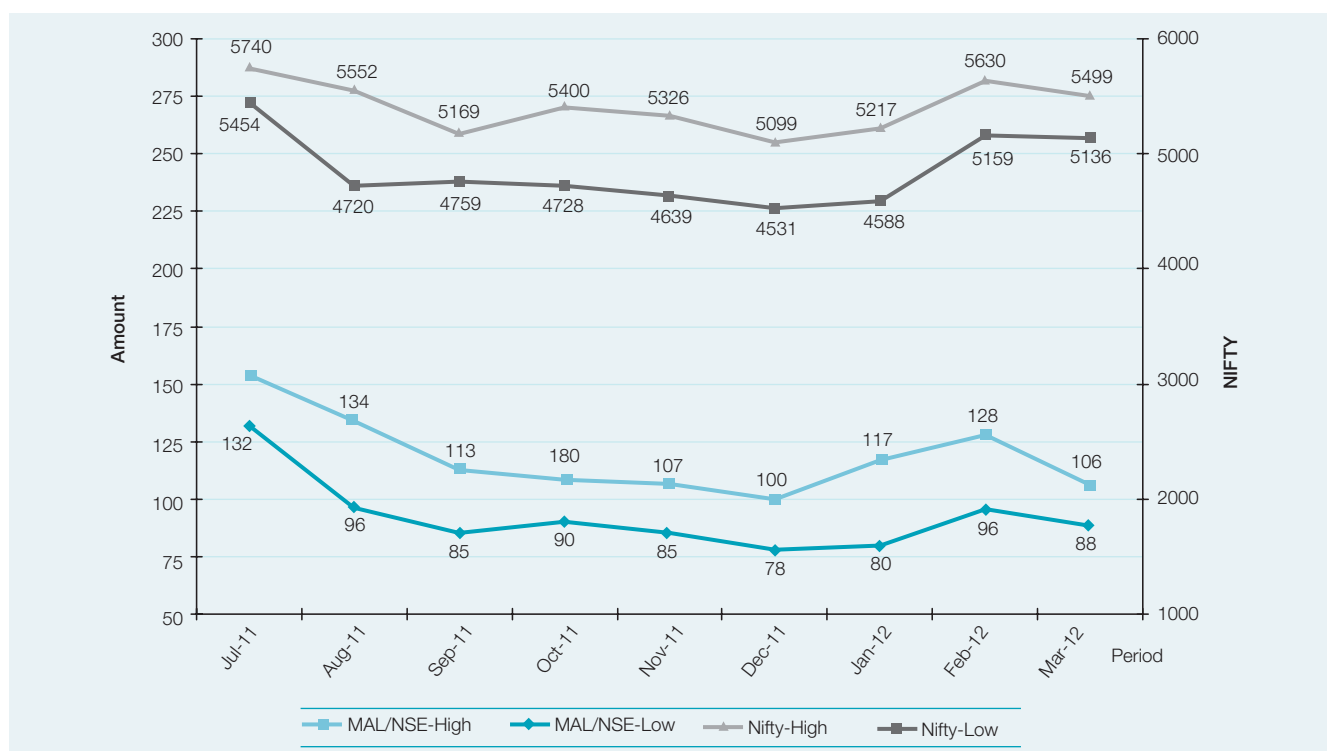
The Trading details at National Stock Exchange since Company shares are listed (5th July 2011) is given below:

Month	High Price	Low Price	No. of Shares
Jul-11	154.00	132.10	134466
Aug-11	134.00	96.10	6086
Sep-11	112.80	85.00	8017
Oct-11	108.10	90.10	8498
Nov-11	106.50	85.00	5982
Dec-11	100.00	78.00	9607
Jan-12	117.00	80.05	18574
Feb-12	127.80	95.50	22724
Mar-12	106.00	88.05	6709

Source: [www.nseindia.com](http://www.nseindia.com)



Monthly High & Low (Maithan vs. NIFTY)



#### r) Distribution of shareholding

As on 31 March 2012

No. of Shares	Shareholders		Shareholding	
	Number	% of Total	Shares	% of Total
Upto 500	2,890	82.74	3,51,443	2.41
501 - 1,000	238	6.81	1,82,081	1.25
1001 - 2,000	145	4.15	2,18,141	1.50
2,001 - 3,000	52	1.49	1,33,640	0.92
3,001 - 4,000	55	1.58	2,00,978	1.38
4,001 - 5,000	13	0.37	59,131	0.41
5,001 - 10,000	26	0.74	1,72,699	1.19
10,001 and above	74	2.12	1,32,37,662	90.94
<b>Total</b>	<b>3,493</b>	<b>100.00</b>	<b>1,45,55,775</b>	<b>100.00</b>
<b>No. of shares in Physical mode</b>	<b>152</b>	<b>4.35</b>	<b>577207</b>	<b>3.97</b>
<b>No. of shares in Demat mode - N S D L</b>	<b>2,132</b>	<b>61.04</b>	<b>1,30,50,015</b>	<b>89.65</b>
<b>- C D S L</b>	<b>1,209</b>	<b>34.61</b>	<b>9,28,553</b>	<b>6.38</b>
<b>Total</b>	<b>3,493</b>	<b>100.00</b>	<b>1,45,55,775</b>	<b>100.00</b>



## 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.

By order of the Board

Place: Kalyaneshwari  
Date: 29th June 2012

**(S. C. Agarwalla)**  
*Managing Director*

**(Subodh Agarwalla)**  
Wholetime Director

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## DECLARATION BY THE MANAGING DIRECTOR AND CEO

To the members,  
Maithan Alloys Limited

In compliance with the requirement of Clause 49 of the Listing Agreement with the Stock Exchange, this is to confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management adopted by the Board, for the financial year ended 31 March 2012.

Place: Kalyaneshwari  
Date: 29th June, 2012

**(S. C. Agarwalla)**  
*Managing Director & CEO*



## AUDITOR'S CERTIFICATE

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

**To the Members,  
Maithan Alloys Limited**

We have examined the compliance of the conditions of Corporate Governance by Maithan Alloys Limited (the Company) for the year ended 31 March 2012 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 a review of 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 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 Jhunjunwala)**  
*Partner*  
M. No. F057170

Kalyaneshwari,  
29th June, 2012

# 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, 2012, the Statement of Profit and Loss and also 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, the Statement of Profit and Loss and the Cash Flow statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Clause (g) of Sub-section (1) of Section 274 of the 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 Significant Accounting Policies and 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 :
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
    - b) in the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
    - c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For **D. K. Chhajer & Co.**  
*Chartered Accountants*

**Niraj K. Jhunjunwala**  
*Partner*

Kalyaneshwari  
Dated: 29th June, 2012

M. No- F057170  
Firm Reg. No. 304138E

## ANNEXURE TO THE AUDITORS' REPORT

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

- |  |   |
|--|---|
| <p>i) In respect of fixed assets:</p> <p>(a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.</p> <p>(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.</p> <p>(c) The fixed assets disposed of during the year are not substantial and hence, it has not affected the going concern status of the company.</p> <p>ii) In respect of inventories:</p> <p>(a) The management has conducted physical verification of inventory at reasonable intervals during the year.</p> <p>(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.</p> <p>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.</p> <p>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 with regard to 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.</p> <p>v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:</p> <p>(a) According to the information and explanation given</p> | <p>to us by the management, 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;</p> <p>(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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>ix) a) 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.</p> <p>b) 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.</p> |
|--|---|



- c) 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
Excise Duty & Service Tax	2009-10	Joint Commissioner, Bolpur	42.85
Excise Duty & Service Tax	2009-10	Assistant Commissioner, Asansol	7.85
Excise Duty & Service Tax	2009-10	Commissioner (Appeal), Bolpur	141.38
Excise Duty & Service Tax	2007-08	CESTAT, Kolkata	44.97
Excise Duty & Service Tax	2009-10	Addl. Commissioner, Bolpur	27.13

- 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) The Company has given Guarantee to Banks for Loans taken by its subsidiary Company. In our opinion and according to the information and explanation given to us, the terms of the said Guarantee is not prima facie prejudicial to the interest of the Company.
- xvi) In our opinion and according to the information and explanation given to us the 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, the Company has not made any public issue and therefore the question of disclosing the end use of money raised by public issue does not arise.
- 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

Kalyaneshwari  
Dated: 29th June, 2012

M. No- F057170  
Firm Reg. No. 304138E

## BALANCE SHEET as at 31st March, 2012

(Rs. in lacs)

Particulars		Note No	As at 31.03.12		As at 31.03.11	
EQUITY AND LIABILITIES						
Shareholder's Funds						
Share Capital	1	1,455.89		1,455.89		
Reserves and Surplus	2	21,575.92		17,209.50		
			23,031.81		18,665.39	
Non-Current Liabilities						
Long-term borrowings	3	0.00		342.06		
Deferred tax liabilities (Net)	4	540.49		559.63		
			540.49		901.69	
Current Liabilities						
Short-term borrowings	5	700.29		3,175.02		
Trade payables	6	17,862.90		11,436.39		
Other current liabilities	7	222.22		646.90		
Short-term provisions	8	420.83		396.88		
			19,206.24		15,655.19	
Total			42,778.54		35,222.27	
Assets						
Non-current assets						
Fixed assets						
Tangible assets	9	7,102.92		8,315.42		
Intangible assets	9	50.35		2.73		
Capital work-in-progress	9	0.00		52.93		
Non-current investments	10	5,660.09		4,309.94		
Long term loans and advances	11	91.55		28.04		
			12,904.91		12,709.06	
Current assets						
Current investments	12	1,501.90		1,201.00		
Inventories	13	9,276.88		8,783.09		
Trade receivables	14	8,512.12		4,525.77		
Cash and cash equivalents	15	5,062.09		2,888.53		
Short-term loans and advances	16	2,272.80		2,811.60		
Other current assets	17	3,247.84		2,303.22		
			29,873.63		22,513.21	
Total			42,778.54		35,222.27	
Significant accounting policies and Notes on Financial Statements 1 to 36						

As per our report of even date

**For D. K. Chhajjar & Co.**  
Chartered Accountants

**S.C. Agarwalla**  
Managing Director

**Niraj K Jhunjhunwala**  
Partner  
Membership No. F057170  
Firm Reg.No.304138E

**Subodh Agarwalla**  
Wholetime Director

**Place: Kalyaneshwari**  
Date: 29th June, 2012

**Rajesh K. Shah**  
Company Secretary

## STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2012

(Rs. in lacs)

Particulars		Note No	2011-12		2010-11	
INCOME						
Revenue from operations	18	63,919.42		60,751.90		
Other Income	19	596.91		738.77		
			64,516.33		61,490.67	
Total Revenue			64,516.33		61,490.67	
EXPENDITURE						
Cost of materials consumed	20		25,284.17		27,344.11	
Purchase of Stock-in-Trade	21		12,933.10		8,781.96	
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22		(678.66)		(556.12)	
Employee benefit expense	23		583.16		469.92	
Financial costs	24		259.67		694.49	
Depreciation and amortization expense	25		729.13		1,020.60	
Other expenses	26		19,185.06		14,086.55	
Total Expenses			58,295.63		51,841.51	
Profit before tax			6,220.70		9,649.16	
Tax expense:						
Current tax			1,479.00		2,450.00	
Deferred tax			(19.14)		(84.24)	
Short /(Excess) provision for earlier years			56.08		(0.51)	
Profit for the year			4,704.76		7,283.91	
Earning per equity share:						
Basic			32.32		50.04	
Diluted			32.32		50.04	
Significant accounting policies and Notes on Financial Statements 1 to 36						

As per our report of even date

**For D. K. Chhajer & Co.**

Chartered Accountants

**S.C. Agarwalla**

Managing Director

**Niraj K Jhunjhunwala**

Partner

Membership No. F057170

Firm Reg.No.304138E

**Subodh Agarwalla**

Wholetime Director

**Place: Kalyaneshwari**

Date: 29th June, 2012

**Rajesh K. Shah**

Company Secretary

## CASH FLOW STATEMENT for the year ended 31st March, 2012

(Rs. in lacs)

Particulars	2011-12	2010-11
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and extraordinary items	6,220.70	9,649.16
Adjusted for :		
Depreciation	729.13	1,020.60
Interest (Net of Receipt )	(300.26)	644.50
Irrecoverable Advances & Debts written off	0.00	16.01
Loss / (Profit) on sale of Investment	(15.11)	0.00
Loss / (Profit) on sale of Fixed Assets	(18.58)	(2.91)
	395.18	1,678.20
<b>Operating profit before Working Capital changes</b>	<b>6,615.88</b>	<b>11,327.36</b>
Adjusted for :		
Trade and other receivables	(5,918.16)	5,159.53
Inventories	(493.79)	(3,013.88)
Trade and other payables	6,328.32	(1,422.85)
	(83.63)	722.80
<b>Cash generated from operations</b>	<b>6,532.25</b>	<b>12,050.16</b>
Interest Paid (Net of Receipt)	296.04	(642.36)
Direct Taxes Received/(Paid)	(68.39)	(2,242.48)
	227.65	(2,884.84)
<b>Net Cash From Operating Activities (A)</b>	<b>6,759.90</b>	<b>9,165.32</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(187.31)	(926.13)
Sale of Fixed Assets	55.60	2.96
Capital Work In progress	52.93	585.64
Capital Subsidy Received	586.03	2,536.45
Purchase of Investments	(4,636.22)	(5,001.00)
Sale of Investments	3,000.29	0.00
<b>Net Cash Used In Investing Activities (B)</b>	<b>(1,128.68)</b>	<b>(2,802.08)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid including Tax on Dividend	(337.15)	(169.93)
Proceeds / (Repayment) from / of borrowings	(3,120.51)	(6,625.05)
<b>Net Cash from Financing Activities (C)</b>	<b>(3,457.66)</b>	<b>(6,794.98)</b>
<b>Net increase/(decrease) in Cash and Cash equivalents</b>	<b>2,173.56</b>	<b>(431.74)</b>
Cash and Cash equivalents at the beginning of the year	2,888.53	3,320.27
<b>Cash and Cash equivalents at the end of the year</b>	<b>5,062.09</b>	<b>2,888.53</b>

As per our report of even date

**For D. K. Chhajer & Co.**  
Chartered Accountants

**S.C. Agarwalla**  
Managing Director

**Niraj K Jhunjhunwala**  
Partner  
Membership No. F057170  
Firm Reg.No.304138E

**Subodh Agarwalla**  
Wholetime Director

**Place: Kalyaneshwari**  
Date: 29th June, 2012

**Rajesh K. Shah**  
Company Secretary



## SIGNIFICANT ACCOUNTING POLICIES

### 1. General Information

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

### 2. Significant Accounting Policies

#### a) Basis of Preparation

The financial statements have been prepared under historical cost convention, on accrual basis and in accordance with generally accepted accounting principles in India. The accounting policies are consistently followed by the Company. The financial statements have been prepared to comply in all material respects, with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

#### b) Use of Estimates

The preparation 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.

#### c) Tangible Assets

Tangible Assets are stated at cost less accumulated depreciation and impairment loss, 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. Pre-operative expenses for major projects are also capitalised where appropriate.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

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 of Ferro Alloys Units with effect from 1st April 2006 on which depreciation has been provided for on Written Down Value method in the manner and the rates specified in Schedule XIV to the Companies Act; 1956.

#### d) Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. All costs, including financing costs till commencement of production, net charges on foreign exchange contracts and at adjustments arising from exchange rate variations attributable to the intangible assets are capitalised.

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

#### e) Impairment

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which asset is identified as impaired. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

#### f) Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date on which such investments are made are classified as Current Investments. All other investments are classified as Non-current Investments. Non-current Investments are stated at cost. Provision for diminution in the value of each non-current investment is made to recognise a decline, other than that of temporary in nature.

#### g) Inventories

Inventories are valued at lower of cost or estimated net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

## SIGNIFICANT ACCOUNTING POLICIES

### 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.

Cost of finished goods includes excise duty.

### h) Revenue Recognition

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection.

#### 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 exports proceeds.

#### iv) Purchases:

Purchases are inclusive of freight and net of Cenvat Credit, trade discount and claims.

### i) Excise Duty and Sales Tax/Value Added 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 / Value Added 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) Employee Benefits

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.

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.

In respect of Employee Stock Option, the excess of fair price on the date of grant, over the exercise price, is recognized as Deferred Compensation cost and amortised over vesting period.

### l) Foreign Currency transaction

#### i) Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction or that approximates the actual rate at the date of the transaction.

#### ii) Subsequent Recognition

Monetary items denominated in foreign currencies at the year end are restated at the year end rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

## SIGNIFICANT ACCOUNTING POLICIES

### Exchange Differences

Foreign currency assets and liabilities 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 there from, is adjusted to the cost of fixed assets or charged to the Profit & Loss Account, as the case may be.

### iii) 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) 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. All other Borrowing costs are recognized as an expense in the year in which they are incurred.

### n) Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. 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.

### o) Financial derivatives and Commodity Hedging Transactions

In respect of derivative contracts, premium paid and gains / losses on settlement are recognised in the profit and loss account except in case where they relate to the acquisition or construction of Fixed assets, in which case, they are adjusted to the carrying cost of such assets.

### p) 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.

### q) 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:

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

## SIGNIFICANT ACCOUNTING POLICIES

### r) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

### 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) Lease Transaction

Where the company is the lessee: Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease's payments are recognized as an expense in the profit & loss Account.

Where the Company is a lessor: Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Profit & Loss Account. Costs including depreciation are recognized as an expense in the Profit & Loss Account.

## NOTE 1. SHARE CAPITAL

(Rs. in lacs)

Particulars	As at 31.03.12	As at 31.03.11
<b>Authorised Share Capital:</b>		
1,50,00,000 Equity Shares of Rs.10/- each (1,50,00,000)	1,500.00	1,500.00
<b>Issued &amp; Subscribed Capital</b>		
1,45,63,375 Equity Shares of Rs.10/- each (1,45,63,375)	1,456.34	1,456.34
<b>Paid up Capital</b>		
1,45,55,775 Equity Shares of Rs.10/- each (1,45,55,775)	1,455.58	1,455.58
Add: Forfeited Shares (7600) Amount originally paid	0.31	0.31
	<b>1,455.89</b>	<b>1,455.89</b>

1.1 48,51,925 Shares out of the Issued, Subscribed & Paid up capital were allotted as Bonus Shares in the last five years by (48,51,925) capitalisation of Share Premium, Capital Redemption Reserve and General Reserves.

1.2 The details of Shareholders holding more than 5% shares

	No. of Shares	% held	No. of Shares	% held
Woodhut Distributors (P) Ltd.	915,000	6.29	915,000	6.29

1.3 The reconciliation of the no. of share outstanding is set out below:

	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	14,555,775	9,703,850
Add: Shares issued as Bonus Shares by capitalisation of Share Premium, Capital Redemption Reserve, and General Reserves	0	4,851,925
Equity Shares at the end of the year	14,555,775	14,555,775



## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 2. RESERVES AND SURPLUS

(Rs. in lacs)

Particulars	As at 31.03.12		As at 31.03.11	
<b>Capital Reserve</b>				
As per last Balance Sheet		189.98		189.98
<b>Capital Redemption Reserve</b>				
As per last Balance Sheet	-		360.00	
Less: Utilised for issue of Bonus Shares	-		360.00	
		-		-
<b>Securities Premium Reserve</b>				
As per last Balance Sheet	-		100.00	
Less: Utilised for issue of Bonus Shares	-		100.00	
		-		-
<b>General Reserve</b>				
As per last Balance Sheet	1,399.81		825.00	
Less: Utilised for issue of Bonus Shares	-		25.19	
	1,399.81		799.81	
Add: Transferred from Profit & Loss A/c	400.00		600.00	
		1,799.81		1,399.81
<b>Profit &amp; Loss Account</b>				
As per last Balance Sheet	15,619.71		9,274.14	
Add: Profit for the year	4,704.76		7,283.91	
	20,324.47		16,558.05	
Less: Appropriations				
Transferred to General Reserve	400.00		600.00	
Proposed Dividend of Equity Shares	291.11		291.11	
Tax on Dividend	47.23		47.23	
		19,586.13		15,619.71
		<b>21,575.92</b>		<b>17,209.50</b>

## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 3. LONG TERM BORROWINGS

(Rs. in lacs)

Particulars	As at 31.03.12	As at 31.03.11
<b>Secured</b>		
Term Loan From Banks	- -	342.06 303.73
	- -	<b>342.06 303.73</b>

3.1 Term Loan referred to above is secured by First Mortgage/ Charge on Plant & Machinery and other moveable fixed assets of the Ferro Alloy Plant situated at Byrnihat, Meghalaya.

3.2 Term Loan of Rs.645.79 lacs is secured by Personal Guarantees of two Directors.

3.3 The Term Loan was repayable in 16 equal quarterly instalments of Rs.75 lacs each. Rate of interest was 11.75% p.a.

### NOTE 4. DEFERRED TAX LIABILITY (NET)

<b>Deferred Tax Liability</b>		
Related to Fixed Assets	553.24	567.17
<b>Deferred Tax Assets</b>		
Related to Retirement Benefits	(12.75)	(7.54)
	540.49	559.63
	<b>540.49</b>	<b>559.63</b>

### NOTE 5. SHORT TERM BORROWINGS

<b>Secured</b>		
<b>Working Capital Loans From Banks</b>		
Foreign Currency Loan	384.86	625.10
Other Loans	315.43	2,164.04
	700.29	2,789.14
<b>Unsecured</b>		
Loans repayable on demand from others	-	385.88
	<b>700.29</b>	<b>3,175.02</b>

5.1 Working Capital Loans from Banks are secured by first charge and hypothecation of Stocks of Finished Goods, work in process, raw materials, stores and consumables, receivables, bills etc. These are further secured by second charge on moveable and immoveable fixed assets both present and future of the Company.

5.2 Working Capital Loans are secured by personal guarantees of two directors.

### NOTE 6. TRADE PAYABLES

For Goods	10,654.29	6822.85
For Services	7,208.61	4613.54
	<b>17,862.90</b>	<b>11436.39</b>

### NOTE 7. OTHER CURRENT LIABILITIES

Current Maturities of Long Term Loan (Refer Note 3)	-	303.73
Unpaid Dividend	4.21	3.03
Creditors for Capital Expenditure	0.36	4.94
Other Payables*	217.65	335.20
	<b>222.22</b>	<b>646.90</b>

\* Includes statutory dues and advance from customers.

## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 8. SHORT TERM PROVISIONS

(Rs. in lacs)

Particulars	As at 31.03.12	As at 31.03.11
Provision for Leave encashment/ Gratuity/ Bonus	82.49	58.54
Proposed Dividend	291.11	291.11
Tax on Dividend	47.23	47.23
	<b>420.83</b>	<b>396.88</b>

### NOTE 9. FIXED ASSETS

(Rs. in lacs)

Particulars	Gross Block				Depreciation			Net Block		
	As on 01.04.11	Addition during the year	Sale/ Adjustment	As on 31.03.2012	Up to 01.04.2011	For the Year	Adjustment	As on 31.03.2012	As on 31.03.2012	As on 31.03.2011
<b>TANGIBLE ASSETS:</b>										
<b>OWN ASSETS</b>										
<b>Land</b>										
Freehold Land & Development	117.66	-	37.02	80.64	-	-	-	-	80.64	117.66
<b>Building</b>										
Non Factory Building	618.73	3.67	-	622.40	27.30	28.91	-	56.21	566.19	591.43
Factory Building	1,262.42	-	-	1,262.42	383.17	74.66	-	457.83	804.59	879.25
<b>Plant &amp; Machinery</b>										
Ferro Alloys Division	6,104.22	42.41	586.03	5,560.60	3,771.75	312.21	-	4,083.96	1,476.64	2,332.47
Power Plant Division	3,428.12	-	-	3,428.12	480.06	180.52	-	660.58	2,767.54	2,948.06
Windmill Division	1,769.16	-	-	1,769.16	561.94	101.64	-	663.58	1,105.58	1,207.22
<b>Other Assets</b>										
Motor Vehicles	106.25	50.45	-	156.70	33.98	10.71	-	44.69	112.01	72.27
Furniture & Fixtures	61.70	0.37	-	62.07	8.96	3.86	-	12.82	49.25	52.74
Office Equipments	22.92	7.09	-	30.01	5.49	1.30	-	6.79	23.22	17.43
Computers	32.31	26.06	-	58.37	14.47	7.08	-	21.55	36.82	17.84
<b>Sub-total</b>	<b>13,523.49</b>	<b>130.05</b>	<b>623.05</b>	<b>13,030.49</b>	<b>5,287.12</b>	<b>720.89</b>	<b>-</b>	<b>6,008.01</b>	<b>7,022.48</b>	<b>8,236.37</b>
<b>LEASED ASSETS</b>										
Leasehold Land & Development	79.05	1.39	-	80.44	-	-	-	-	80.44	79.05
Sub-total	79.05	1.39	-	80.44	-	-	-	-	80.44	79.05
<b>Total (A)</b>	<b>13,602.54</b>	<b>131.44</b>	<b>623.05</b>	<b>13,110.93</b>	<b>5,287.12</b>	<b>720.89</b>	<b>-</b>	<b>6,008.01</b>	<b>7,102.92</b>	<b>8,315.42</b>
<b>INTANGIBLE ASSETS:</b>										
Software	4.46	55.87	-	60.33	1.74	8.24	-	9.98	50.35	2.73
<b>Total (B)</b>	<b>4.46</b>	<b>55.87</b>	<b>-</b>	<b>60.33</b>	<b>1.74</b>	<b>8.24</b>	<b>-</b>	<b>9.98</b>	<b>50.35</b>	<b>2.73</b>
<b>Total (A + B)</b>	<b>13,607.00</b>	<b>187.31</b>	<b>623.05</b>	<b>13,171.26</b>	<b>5,288.86</b>	<b>729.13</b>	<b>-</b>	<b>6,017.99</b>	<b>7,153.27</b>	<b>8,318.15</b>
Previous Year	15,222.45	926.13	2,541.58	13,607.00	4,273.33	1,020.60	5.08	5,288.85	8,318.15	-
Capital work in progress										52.93

### NOTE 10. NON CURRENT INVESTMENT

(Rs. in lacs)

Particulars	As at 31.03.12	As at 31.03.11
<b>Other Investments</b>		
<b>In Equity Shares of Subsidiary Companies</b>		
<b>Unquoted, Fully Paid up</b>		
23,500 AXL Exploration (P) Ltd. of Rs.10 each (23,500)	329.94	329.94
2,97,50,000 Anjaney Alloys Ltd. of Rs.10 each (2,30,00,000)	5,250.00	3,900.00
7,99,995 Anjaney Minerals Ltd. of Rs.10 each (7,99,995)	80.00	80.00
<b>In equity Shares of Other Companies</b>		
1,500 Ideal Centre Services Pvt Ltd of Rs.10 each (0)	0.15	-
<b>Total Non Current Investment</b>	<b>5,660.09</b>	<b>4,309.94</b>
Aggregate amount of unquoted Investments	5,660.09	4,309.94

## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 11. LONG TERM LOANS & ADVANCES

(Rs. in lacs)

Particulars	As at 31.03.12		As at 31.03.11	
Capital Advances		17.92		18.71
Deposits		73.63		9.33
		<b>91.55</b>		<b>28.04</b>

### NOTE 12. CURRENT INVESTMENTS

Investments in Units of Mutual Funds				
150.34 SBI-SHF-Ultra Short Term Fund Retail Plan (3971951.018) Growth of Rs.100/- each (Previous Year Rs.10/- each)		1.90		501.00
1,07,105.373 SBI-SHF-Ultra Short Term Fund Institutional Plan (5468518.170) Growth of Rs.100/- each (Previous Year Rs.10/- each)		1,500.00		700.00
		<b>1,501.90</b>		<b>1,201.00</b>

### NOTE 13. INVENTORIES

Raw Materials	6,036.69		6,051.43
Raw Materials in transit	969.58		1,203.55
Stock-in-process	182.42		134.42
Finished Goods	1,824.52		1,188.49
Scrap & Slag	3.79		9.15
Stores and Packing Material	259.88		196.05
	<b>9,276.88</b>		<b>8,783.09</b>

### NOTE 14. TRADE RECEIVABLES (Unsecured and Considered Good)

Outstanding for over six months from the due date	83.96		56.09
Others	8,428.16		4,469.68
	<b>8,512.12</b>		<b>4,525.77</b>

### NOTE 15. CASH & CASH EQUIVALENTS

Cash on Hand	17.69		20.00
Cheques on Hand	0.12		13.59
Bank Balances			
- in Current Accounts	1,699.24	892.25	
- Debit Balances in Cash Credit Accounts	5.12	578.80	
- in Fixed Deposits of 12 months and less maturity*	3,335.71	1,380.86	
	5,040.07		2,851.91
Unpaid dividend a/c	4.21		3.03
	<b>5,062.09</b>		<b>2,888.53</b>

\* Fixed Deposits include Rs.794.60 lacs (P.Y. Rs. 380.86 lacs) given as margin money.

## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 16. SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)

(Rs. in lacs)

Particulars	As at 31.03.12	As at 31.03.11
Loans & Advances to Related Parties	118.25	55.95
Other Loans & Advances		
- Advance Income Tax (Net of Provisions)	209.03	1,676.56
- Income Tax Refundable	1.77	0.94
- Balance with Customs & Central Excise Authorities	334.32	414.21
- Others	1,609.43	663.94
	<b>2,272.80</b>	<b>2,811.60</b>

### NOTE 17. OTHER CURRENT ASSETS

Prepaid Expenses	24.55	8.19
Interest Accrued on Fixed Deposits	16.12	11.90
Export Incentives Receivable	1,315.20	1,161.03
Share Application Money	690.00	178.00
Others	1,201.97	944.10
	<b>3,247.84</b>	<b>2,303.22</b>

### NOTE 18. REVENUE FROM OPERATIONS

Particulars	Year ended 31.03.12	Year ended 31.03.11
Sale of Products		
- Finished Goods	51,285.05	52,578.57
- Traded Goods	13,536.55	9,147.34
	64,821.60	61,725.91
Other Operating Revenue		
- Sale of Waste	64.44	8.99
- Export Incentives	1,429.11	1,309.94
	1,493.55	1,318.93
	66,315.15	63,044.84
Less: Excise Duty Recovered	2,395.73	2,292.94
	<b>63,919.42</b>	<b>60,751.90</b>

#### 18.1 Details of sales

Finished Goods		
- Ferro Alloys	51,077.58	52,393.97
- Wind Power	207.47	184.60
	51,285.05	52,578.57
Traded Goods		
- Ferro Alloys	3,126.89	3,564.14
- Manganese Ore	7,348.04	5,566.51
- Others	3,061.62	16.69
	13,536.55	9,147.34



## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 19. OTHER INCOME

(Rs. in lacs)

Particulars	Year ended 31.03.12		Year ended 31.03.11	
Interest Income		559.93		49.98
Net Gain on sale of Investment		15.11		-
Bad Debt Recovery		0.75		-
Profit on sale on Fixed Assets		18.58		2.91
Miscellaneous Receipts		2.54		8.85
Net Gain on foreign currency transaction and translation		-		677.03
		<b>596.91</b>		<b>738.77</b>

### NOTE 20. COST OF RAW MATERIALS CONSUMED

Opening Stock	5,369.47		3,769.53	
Add: Purchases	24,768.42		28,944.05	
	30,137.89		32,713.58	
Less: Closing Stock	4,853.72		5,369.47	
Raw Materials Consumed		25,284.17		27,344.11
		<b>25,284.17</b>		<b>27,344.11</b>

#### 20.1 Details of Raw Materials Consumed

ORES				
- Imported	14,078.37		17,763.96	
- Indigenous	1,787.25		1,755.26	
		15,865.62		19,519.22
REDUCTANTS		7,737.73		6,591.22
FLUXES		516.09		438.11
OTHERS		1,164.72		795.56
		<b>25,284.16</b>		<b>27,344.11</b>

### NOTE 21. DETAILS OF PURCHASE OF TRADED GOODS

Ferro Alloys		2,925.09		3,501.14
Manganese Ore		7,031.31		5,264.98
Others		2,976.70		15.84
		<b>12,933.10</b>		<b>8,781.96</b>

### NOTE 22. CHANGES IN INVENTORY OF FINISHED GOODS & WORK IN PROCESS

Stock at the end of the year				
- Finished Goods	1,824.52		1,188.49	
- Work-in-process	182.42		134.43	
- Scrap & Slag	3.79		9.15	
Total (A)		2,010.73		1,332.07
Stock at the beginning of the year				
- Finished Goods	1,188.49		680.69	
- Work-in-process	134.43		91.59	
- Scrap & Slag	9.15		3.67	
Total (B)		1,332.07		775.95
Increase / (Decrease) in Stock (A-B)		<b>678.66</b>		<b>556.12</b>

## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 23. EMPLOYEE BENEFITS EXPENSE

(Rs. in lacs)

Particulars	Year ended 31.03.12	Year ended 31.03.11
Salaries and Wages	528.33	417.92
Contribution to Provident and Other Funds	41.73	39.77
Staff Welfare Expenses	13.10	12.23
	<b>583.16</b>	<b>469.92</b>

23.1 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

Employer's Contribution to Provident Fund	18.68	16.30
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#### Defined Benefit Plan

##### Gratuity & Leave

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

Particulars	Leave		Gratuity	
	2011-2012	2010-2011	2011-2012	2010-2011
Defined Benefit obligation at beginning of the year	3.13	0.49	23.16	15.82
Acquisition Adjustment	-	-	-	-
Interest Cost	0.25	0.04	1.94	1.16
Past Service Cost	-	-	-	0.51
Current Service Cost	2.63	9.81	9.21	6.72
Curtailment Cost	-	-	-	-
Settlement Cost	-	-	-	-
Benefit paid	0.47	0.29	0.61	2.56
Actuarial gain/loss on obligation	(0.09)	(6.92)	(0.79)	1.50
Defined Benefit obligation at year end	<b>5.44</b>	<b>3.13</b>	<b>32.91</b>	<b>23.16</b>

II. Reconciliation of opening and closing balances of fair value of plan assets N.A. N.A.

III. Reconciliation of fair value of assets and obligation N.A. N.A.

IV. Expense recognised during the year

Particulars	Leave		Gratuity	
	2011-2012	2010-2011	2011-2012	2010-2011
Current Service Cost	5.81	9.81	9.21	6.72
Past Service Cost	-	-	-	0.51
Interest Cost	0.43	0.04	1.94	1.16
Expected return on plan assets	-	-	-	-
Curtailment Cost	-	-	-	-
Settlement Cost	-	-	-	-
Actuarial (gain)/loss	1.31	-6.92	-0.79	1.50
Net Cost	<b>7.55</b>	<b>2.92</b>	<b>10.36</b>	<b>9.90</b>

V. Investment details N.A. N.A. N.A. N.A.

VI. Fair value of Plan Assets N.A. N.A. N.A. N.A.

VII. Expected rate of return on Assets N.A. N.A. N.A. N.A.

VIII. Actual return on Plan Assets N.A. N.A. N.A. N.A.

## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2012

### IX. Actuarial assumption

Particulars	2011-12	2010-11
Mortality Table (LICI)	1994-1996	1994-1996
Superannuation age	58	58
Early Retirement & Disablement	10 Per Thousand P.A	10 Per Thousand P.A
	6 above age 45	6 above age 45
	3 between 29 and 45	3 between 29 and 45
	1 below age 29	1 below age 29
Discount rate	8.50%	8.00%
Rate of escalation in inflation(per annum)	6.00%	5.00%
Return on Assets	-	-
Remaining Working Life	21	21
Formula used	Projected Unit Credit Method	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.

### NOTE 24. FINANCE COST

(Rs. in lacs)

Particulars	Year ended 31.03.12	Year ended 31.03.11
Interest Expenses	259.67	694.49
	<b>259.67</b>	<b>694.49</b>

### NOTE 25. DEPRECIATION AND AMORTISATION EXPENSES

Depreciation and Amortisation	729.13	1,020.60
	<b>729.13</b>	<b>1,020.60</b>

### NOTE 26. OTHER EXPENSES

Stores and Packing Material	903.98	727.85
Excise Duty #	35.39	20.05
Power & Fuel	14,830.19	10,449.86
Carriage Inward	11.54	12.27
Demurrage Charges	41.45	191.34
Repairs to Machinery	147.27	127.94
Repairs to Building	14.39	33.05
Repairs to Others	19.05	9.27
Packing & Forwarding Expenses	195.26	93.28
Others	10.37	0.78

## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 26. OTHER EXPENSES (Contd.)

(Rs. in lacs)

Particulars	Year ended 31.03.12		Year ended 31.03.11	
Director's Remuneration & Commission		661.55		630.00
Director's Meeting Fees		1.30		1.25
Medical Reimbursement		1.57		-
Pollution Control Expenses		2.00		-
Rent		12.40		4.64
Lease Rent		5.29		3.65
Rates & Taxes		11.59		8.17
Professional Charges		96.77		75.52
Insurance Premium		38.09		31.50
Bank Commission and Charges		174.23		205.12
Payment to Auditors				
As Audit Fees		5.00		3.75
Tax Audit Fees		0.50		0.50
Other Services		0.73		0.10
Reimbursement of Expenses		1.39		0.16
Carriage Outward		158.56		171.07
Rebate & Discounts		300.18		232.07
Service Tax - Outward Transportation		8.73		7.84
Sundry Balance Written-off		-		16.01
Brokerage & Commission		89.06		41.29
Export Expenses		703.85		728.44
Net loss on foreign currency transaction and translation		379.94		-
Miscellaneous Expenses		323.44		259.78
		<b>19,185.06</b>		<b>14,086.55</b>

# Represents excise duty related to the difference between the closing stock and opening stock.

### 26.1 Details of Power Cost

Raw Material Consumed in Power Plant				
Opening Stock	681.96		263.10	
Add: Purchases	3,162.84		3,192.11	
	3,844.80		3,455.21	
Less: Closing Stock	1,182.97		681.96	
		2,661.83		2,773.25
Sampling & Chemical Analysis		16.73		-
Electricity Charges		11,538.51		7,227.06
Electricity Duty		369.21		207.38
Operation & Maintenance of Power Plant		243.91		242.17
		<b>14,830.19</b>		<b>10,449.86</b>

## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 27. VALUE OF IMPORTS ON CIF BASIS

(Rs. in lacs)

	2011-2012	2010-2011
Raw Materials & Stock in trade	22,308.33	18,592.98
Capital Goods	23.65	-

### NOTE 28. EXPENDITURE IN FOREIGN CURRENCY

Interest and Finance Charges	146.32	118.84
Travelling Expenses	24.20	8.28
Demurrage	41.45	279.82
Membership & Subscription	8.94	9.66
Others	14.71	3.15
	<b>235.62</b>	<b>419.75</b>

### NOTE 29. EARNING IN FOREIGN EXCHANGE

FOB Value of Exports	19,532.61	24,148.54
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### NOTE 30. CONTINGENT LIABILITIES AND COMMITMENTS

30.1 Contingent Liabilities		
a) Claims against the Company/ disputed liabilities not acknowledged as debts:		
In respect of disputed Excise Duty & Service Tax demand	302.88	302.88
b) Letters of Credit issued by banks and outstanding	665.83	2,070.79
c) Bank Guarantees issued by Banks and Outstanding	1,033.56	373.86
d) Guarantee provided to bank in respect of term loan and ECB extended by them to a subsidiary company	15,445.16	12,530.00
e) Liability in respect of bills discounted with banks	396.93	647.09
30.2 Commitments:		
a) Estimated amount of contracts remaining to be executed on capital account	44.58	-

### NOTE 31. PROPOSED DIVIDEND

The Dividend proposed for the year is as follows:		
On Equity Shares of Rs.10 each		
Amount of Dividend Proposed	291.11	291.11
Dividend per Equity Share	Rs.2/-	Rs.2/-

### NOTE 32. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

(USD in million)

a) Derivative Contracts entered into by the Company and outstanding as on 31.03.12		
Forward Contracts to Sell USD	\$8.00	-
Forward Contracts to Purchase USD	\$1.50	-
b) Unhedged currency exposures as on 31.03.12		
Trade Receivables	\$6.15	\$5.01
Trade Payables	\$18.69	\$13.18



## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 33. DUES TO MICRO AND SMALL ENTERPRISES

There are no dues to Micro and Small Enterprises as at 31st March, 2012. 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.

### NOTE 34. SEGMENT REPORTING

#### A. Primary Segment (Business Segment)

	Ferro Alloy	Wind Mill	Total	Ferro Alloy	Wind Mill	Total
Revenue						
- External Sales	62,218.40	207.47	62,425.87	59,248.37	184.60	59,432.97
- Inter Segment Sales	0.00	0.00	0.00	0.00	0.00	0.00
- Other Operating Revenue	1,493.55	0.00	1,493.55	1,318.93	0.00	1,318.93
Total	63,711.95	207.47	63,919.42	60,567.30	184.60	60,751.90
Segment Result	5,824.96	60.09	5,885.05	10,219.98	70.05	10,290.03
Unallocated Income			0.72			0.72
Operating Profit			5,885.77			10,290.75
Interest Paid			(258.69)			(694.49)
Interest Received			559.93			49.98
Profit/ (Loss) on sale of Investment			15.11			0.00
Profit/ (Loss) on sale of Fixed Assets			18.58			2.91
Taxation for the year including adjustments of previous year			(1,515.94)			(2,365.24)
			<b>4,704.76</b>			<b>7,283.91</b>
Other Information						
- Segment Assets	41,602.43	1,176.11	42,778.54	33,969.55	1,252.72	35,222.27
- Segment Liabilities	19,206.18	0.06	19,206.24	15,654.97	0.22	15,655.19
Capital Expenditure	187.31	-	187.31	926.13	-	926.13
Depreciation and Amortisation	627.49	101.64	729.13	918.96	101.64	1,020.60
Non Cash Expenses other than depreciation	-	-	-	-	-	-

#### B. Secondary Segment (Geographic Segment)

	Within India	Outside India	Total	Within India	Outside India	Total
Segment Revenue	44,096.04	19,823.36	63,919.40	35,264.74	25,487.16	60,751.90
Segment Assets	39,630.39	3,148.15	42,778.54	32,984.80	2,237.47	35,222.27
Segment Liabilities	9,643.50	9,562.74	19,206.24	9,768.96	5,886.23	15,655.19

## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 35. RELATED PARTY DISCLOSURES

#### a) List of related parties with whom transactions have taken place and nature of relationship

##### Subsidiary Companies

1. AXL Exploration (P) Ltd.
2. Anjaney Alloys Ltd.
3. Anjaney Minerals Ltd.

##### Key Management Personnel

1. Mr. Basant Kumar Agarwalla
2. Mr. Subhas Chandra Agarwalla
3. Mr. Subodh Agarwalla
4. Mr. Aditya Agarwalla

##### Relatives of Key Managerial Personnel

1. Mr. Sudhanshu Agarwalla

##### Enterprises over which Key Managerial Personnel are able to exercise significant influence

1. Anjaney Ferro Alloys Ltd.
2. Maithan Smelters Ltd.
3. Meghalaya Carbide & Chemicals (P) Ltd.
4. Maithan Ceramic Ltd.

#### b) Transactions during the year with related parties (Figures in '( )' are for previous year)

(Rs. in lacs)

Sl. No.	Nature of Transaction	Subsidiary	Key Managerial Personnel	Relative of Key Managerial Personnel	Others
1.	Sale of Goods	5,323.22 ( - )	- ( - )	- ( - )	6,246.56 (6,300.90)
2.	Purchase of Goods	2,442.82 ( - )	- ( - )	- ( - )	1,034.05 (1,353.59)
3.	Purchase of Fixed Assets	1.70 ( - )	- ( - )	- ( - )	11.55 (7.55)
4.	Receiving of Services	- ( - )	661.55 (630.00)	36.00 (36.00)	- ( - )
5.	Rent received	- ( - )	- ( - )	- ( - )	0.66 (0.60)
6.	Rent Paid	- ( - )	- ( - )	- ( - )	2.40 (2.40)
7.	Interest Paid	- ( - )	- ( - )	- ( - )	- (103.51)
8.	Electricity Charges Paid	- ( - )	- ( - )	- ( - )	5.86 (7.40)
9.	Loans/ Advances Given	10.00 (316.00)	- ( - )	- ( - )	- ( - )
10.	Investment made/ Share Application Money Paid	2,040.00 (3,873.00)	- ( - )	- ( - )	- ( - )
11.	Loan Received	- ( - )	- ( - )	- ( - )	- (100.00)

## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2012

### b) Transactions during the year with related parties (Figures in '( )' are for previous year) (Contd.) (Rs. in lacs)

Sl. No.	Nature of Transaction	Subsidiary	Key Managerial Personnel	Relative of Key Managerial Personnel	Others
	<b>Balances as at year end</b>				
1.	Trade Receivable	895.86 ( - )			934.18 (98.65)
2.	Trade Payable	- ( - )	305.92 (310.95)	-	2.16 (0.02)
3.	Short Term Loans & Advances	118.25 (55.95)	- ( - )	- ( - )	- ( - )
4.	Other Current Assets	690.00 (148.00)	- ( - )	- ( - )	- ( - )
5.	Investment	5,250.00 (3,900.00)			

### c) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties

	Transaction		Balances	
	2011-2012	2010-2011	2011-2012	2010-2011
<b>i) Sale of Goods</b>				
<b>Subsidiary</b>				
Anjaney Alloys Ltd.	5,323.22	-	895.86	-
<b>Other</b>				
Anjaney Ferro Alloys Ltd.	6,246.56	5,504.48	934.01	-
<b>ii) Purchase of Goods</b>				
<b>Subsidiary</b>				
Anjaney Alloys Ltd.	2,442.82	-		
<b>Other</b>				
Anjaney Ferro Alloys Ltd.	974.06	953.89	-	538.35
Maithan Smelters Ltd.	-	379.75	-	301.28
<b>iii) Purchase of Fixed Assets</b>				
<b>Subsidiary</b>				
AXL Exploration (P) Ltd.	1.70	-	-	-
<b>Other</b>				
Maithan Smelters Ltd.	9.95	1.22	-	-
Meghalaya Carbide & Chemicals (P) Ltd.	1.60	6.33	-	-
<b>iv) Receiving of Services</b>				
<b>Key Management Personnel</b>				
B.K.Agarwalla	219.67	225.00	88.02	93.29
S.C.Agarwalla	183.67	183.00	89.49	93.28
Subodh Agarwalla	135.10	120.00	64.00	62.19
Aditya Agarwalla	123.10	102.00	64.42	62.19
<b>Relatives of Key Management Personnel</b>				
Sudhanshu Agarwalla	36.00	36.00	-	-
<b>v) Rent Received</b>				
<b>Other</b>				
Maithan Smelters Ltd.	0.66	0.60	-	0.33

## NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2012

- c Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties (Contd.) (Rs. in lacs)

	Transaction		Balances	
	2011-2012	2010-2011	2011-2012	2010-2011
vi) Rent Paid				
Other				
Maithan Smelters Ltd.	0.60	0.60	-	-
Meghalaya Carbide & Chemicals (P) Ltd.	1.80	1.80	-	-
vii) Interest Paid				
Other				
Maithan Smelters Ltd.	-	103.51	-	-
viii) Electricity Charges Paid				
Other				
Meghalaya Carbide & Chemicals (P) Ltd.	5.86	7.40	2.01	0.02
ix) Loans & Advances Given				
Subsidiary				
AXL Exploration (P) Ltd.	10.00	316.00	64.25	55.95
x) Investments made/ Share Application Money Paid				
Subsidiary				
Anjaney Alloys Ltd.	1,350.00	3,850.00	-	-
Anjaney Minerals Ltd.	690.00	23.00	690.00	148.00
xi) Loans Received				
Other				
Maithan Smelters Ltd.	-	100.00	-	-

### NOTE 36. EARNINGS PER SHARE

	2011-2012	2010-2011
i) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (Rs. In Lacs)	4,704.76	7,283.91
ii) Weighted Average number of equity shares used as denominator for calculating EPS	14,555,775	14,555,775
iii) Basic and Diluted Earning per share (Rs.)	32.32	50.04
iv) Face Value per equity share (Rs.)	10.00	10.00

As per our report of even date

**For D. K. Chhajjar & Co.**  
Chartered Accountants

**S.C. Agarwalla**  
Managing Director

**Niraj K Jhunjunwala**  
Partner  
Membership No. F057170  
Firm Reg.No.304138E

**Subodh Agarwalla**  
Wholetime Director

**Place: Kalyaneshwari**  
Date: 29th June, 2012

**Rajesh K. Shah**  
Company Secretary

## 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, 2012 and also the Consolidated Statement of Profit and Loss 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, 2012;
  - b) in the case of the Consolidated Statement of Profit and Loss, of the profit of Maithan Alloys Ltd and its Subsidiaries for the year ended on that date; and
  - c) in the case of the 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. Jhunjunwala**  
*Partner*

Kalyaneshwari  
Dated: 29th June, 2012

M. No- F057170  
Firm Reg. No. 304138E



## CONSOLIDATED BALANCE SHEET as at 31st March, 2012

(Rs. in lacs)

Particulars		Note No	As at 31.03.12		As at 31.03.11	
EQUITY AND LIABILITIES						
Shareholder's Funds						
Share Capital	1	1,455.89		1,455.89		
Reserves and Surplus	2	21,308.23		17,112.30		
			22,764.12		18,568.19	
Share Application Money			310.00		840.00	
Minority Interest			2,558.98		2,560.17	
Non-Current Liabilities						
Long-term borrowings	3	16,605.00		5,099.27		
Deferred tax liabilities (Net)	4	498.75		520.38		
			17,103.75		5,619.66	
Current Liabilities						
Short-term borrowings	5	3,735.04		3,175.01		
Trade payables	6	21,321.47		11,463.73		
Other current liabilities	7	918.63		744.74		
Short-term provisions	8	420.83		396.88		
			26,395.97		15,780.36	
Total			69,132.82		43,368.38	
Assets						
Non-current assets						
Fixed assets						
Tangible assets	9	22,100.54		11,820.66		
Intangible assets	9	426.16		296.73		
Capital work-in-progress	9	6,503.35		6,597.70		
Non-current investments	10	0.15		0.00		
Long term loans and advances	11	1,237.96		1,180.06		
			30,268.16		19,895.15	
Current assets						
Current investments	12	1,501.89		1,201.00		
Inventories	13	16,025.61		8,807.58		
Trade receivables	14	8,639.20		4,525.77		
Cash and cash equivalents	15	7,829.49		3,693.92		
Short-term loans and advances	16	2,301.57		3,131.70		
Other current assets	17	2,566.90		2,113.26		
			38,864.66		23,473.23	
Total			69,132.82		43,368.38	
Significant accounting policies and Notes on Consolidated Financial Statements 1 to 31						

As per our report of even date

**For D. K. Chhajjar & Co.**  
Chartered Accountants

**S.C. Agarwalla**  
Managing Director

**Niraj K Jhunjhunwala**  
Partner  
Membership No. F057170  
Firm Reg.No.304138E

**Subodh Agarwalla**  
Wholetime Director

**Place: Kalyaneshwari**  
Date: 29th June, 2012

**Rajesh K. Shah**  
Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2012

(Rs. in lacs)

Particulars		Note No	2011-12		2010-11	
INCOME						
Revenue from operations	18	67,610.65		60,751.90		
Other Income	19	692.57		745.94		
			68,303.22		61,497.84	
Total Revenue			68,303.22		61,497.84	
EXPENDITURE						
Cost of materials consumed	20		27,206.45		27,344.11	
Purchase of Stock-in-Trade	21		14,467.17		8,781.96	
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22		(1,645.05)		(556.11)	
Employee benefit expense	23		657.93		530.50	
Financial costs	24		419.92		694.49	
Depreciation and amortization expense	25		953.20		1,022.19	
Other expenses	26		20,276.86		14,048.13	
Total Expenses			62,336.48		51,865.27	
Profit before tax			5,966.74		9,632.57	
Tax expense:						
Current tax			1,479.00		2,450.00	
Deferred tax			(21.63)		(81.40)	
Short /(Excess) provision for earlier years			56.08		(0.51)	
Profit after tax before minority interests			4,453.29		7,264.49	
Less: Minority Interests			(82.94)		(3.65)	
Profit for the year			4,536.23		7,268.14	
Earning per equity share:						
Basic			31.16		49.93	
Diluted			31.16		49.93	
Significant accounting policies and Notes on Consolidated Financial Statements 1 to 31						

As per our report of even date

**For D. K. Chhajer & Co.**  
Chartered Accountants

**S.C. Agarwalla**  
Managing Director

**Niraj K Jhunjunwala**  
Partner  
Membership No. F057170  
Firm Reg.No.304138E

**Subodh Agarwalla**  
Wholetime Director

**Place: Kalyaneshwari**  
Date: 29th June, 2012

**Rajesh K. Shah**  
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2012

(Rs. in lacs)

Particulars	2011-12	2010-11
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and after minority interest	6,049.68	9,636.22
Adjusted for :		
Depreciation	953.20	1,033.08
Interest (Net of Receipt )	(234.84)	644.50
Deferred Revenue Expenditure	–	11.50
Irrecoverable Advances & Debts written off	–	16.01
Loss / (Profit) on sale of Investment	(15.11)	–
Loss / (Profit) on sale of Fixed Assets	(19.26)	(2.91)
	683.99	1,702.18
<b>Operating profit before Working Capital changes</b>	<b>6,733.67</b>	<b>11,338.40</b>
Adjusted for :		
Trade and other receivables	(5,249.40)	4,429.48
Inventories	(7,218.03)	(3,013.88)
Trade and other payables	10,358.12	(1,306.46)
	(2,109.32)	109.14
<b>Cash generated from operations</b>	<b>4,624.35</b>	<b>11,447.54</b>
Interest Paid (Net of Receipt)	230.33	(642.36)
Direct Taxes Received/(Paid)	(76.00)	(2,242.48)
	154.33	(2,884.84)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>4,778.68</b>	<b>8,562.70</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(11,986.38)	(2,873.00)
Sale of Fixed Assets	57.10	2.96
Capital Work In progress	94.35	(5,413.16)
Capital Subsidy Received	586.03	2,536.45
Purchase of Investments	(3,286.23)	(1,201.00)
Sale of Investments	3,000.29	–
Share application money received/(Refunded)	(530.00)	(1,287.00)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(12,064.85)</b>	<b>(8,234.75)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid including Tax on Dividend	(337.16)	(169.93)
Proceeds / (Repayment) from / of borrowings	11,762.03	(2,734.78)
Payment (to)/ from minority interest	(3.14)	2,543.61
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>11,421.73</b>	<b>(361.10)</b>
<b>Net increase/(decrease) in Cash and Cash equivalents</b>	<b>4,135.57</b>	<b>(33.15)</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>3,693.92</b>	<b>3,727.07</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>7,829.49</b>	<b>3,693.92</b>

As per our report of even date

**For D. K. Chhajera & Co.**

Chartered Accountants

**Niraj K Jhunjhunwala**

Partner

Membership No. F057170

Firm Reg.No.304138E

**Place: Kalyaneshwari**

Date: 29th June, 2012

**S.C. Agarwalla**

Managing Director

**Subodh Agarwalla**

Wholtime Director

**Rajesh K. Shah**

Company Secretary

## CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

### Significant Accounting Policies

- A.** The Consolidated Financial Statement represents consolidation of financial statements of Maithan Alloys Limited (the Parent Company) with its wholly owned subsidiary, M/s AXL Exploration (P) Ltd. and partly owned subsidiaries M/s Anjaney Alloys Ltd. and 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’ 2012.
- 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%	65.928%	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

These are set out under “The Significant Accounting Policies” as given in the Company’s separate financial statements.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 1. SHARE CAPITAL

(Rs. in lacs)

Particulars	As at 31.03.12		As at 31.03.11	
<b>Authorised Share Capital:</b>				
1,50,00,000 Equity Shares of Rs.10/- each (1,50,00,000)		1,500.00		1,500.00
<b>Issued &amp; Subscribed Capital</b>				
1,45,63,375 Equity Shares of Rs.10/- each (1,45,63,375)		1,456.34		1,456.34
<b>Paid up Capital</b>				
1,45,55,775 Equity Shares of Rs.10/- each (1,45,55,775)		1,455.58		1,455.58
Add: Forfeited Shares (7600) Amount originally paid		0.31		0.31
		<b>1,455.89</b>		<b>1,455.89</b>

1.1 4,851,925 Shares out of the Issued, Subscribed & Paid up capital were allotted as Bonus Shares in the last five years by (48,51,925) capitalisation of Share Premium, Capital Redemption Reserve and General Reserves.

1.2 The details of Shareholders holding more than 5% shares

	No. of Shares	% held	No. of Shares	% held
Woodhut Distributors (P) Ltd.	915,000	6.29	915,000	6.29

1.3 The reconciliation of the no. of share outstanding is set out below:

	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	14,555,775	9,703,850
Add: Shares issued as Bonus Shares by capitalisation of Share Premium, Capital Redemption Reserve, and General Reserves	0	4,851,925
Equity Shares at the end of the year	14,555,775	14,555,775

### NOTE 2. RESERVES AND SURPLUS

Particulars	As at 31.03.12		As at 31.03.11	
<b>Capital Reserve</b>				
As per last Balance Sheet		189.98		189.98
<b>Capital Redemption Reserve</b>				
As per last Balance Sheet	-		360.00	
Less: Utilised for issue of Bonus Shares	-		360.00	
		-		-
<b>Securities Premium Reserve</b>				
As per last Balance Sheet	-		100.00	
Less: Utilised for issue of Bonus Shares	-		100.00	
		-		-



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 2. RESERVES AND SURPLUS (Contd.)

(Rs. in lacs)

Particulars	As at 31.03.12		As at 31.03.11	
<b>General Reserve</b>				
As per last Balance Sheet	1,399.81		825.00	
Less: Utilised for issue of Bonus Shares	-		25.19	
	1,399.81		799.81	
Add: Transferred from Profit & Loss A/c	400.00		600.00	
		1,799.81		1,399.81
<b>Surplus in the Statement of Profit &amp; Loss</b>				
As per last Balance Sheet	15,519.08		9,189.29	
Add: Profit for the year	4,536.23		7,268.14	
	20,055.31		16,457.43	
Less: Appropriations				
Transferred to General Reserve	400.00		600.00	
Proposed Dividend of Equity Shares	291.12		291.12	
Tax on Dividend	47.24		47.23	
		19,316.95		15,519.08
Share of Loss of Subsidiary Co. Pre Acquisition		1.49		3.44
		<b>21,308.23</b>		<b>17,112.30</b>

### NOTE 3. LONG TERM BORROWINGS

	Non-Current	Current	Non-Current	Current
<b>Secured</b>				
Term Loan From Banks :				
Rupee Loan	1,769.61	279.41	2,366.27	303.73
Foreign Currency Loan*	14,835.39	-	2,733.00	-
	<b>16,605.00</b>	<b>279.41</b>	<b>5,099.27</b>	<b>303.73</b>

\* Includes Rs.15,07,01,572.00 on account of Foreign Currency Translation Difference.

- 3.1 Rupee Term Loan from Banks of Rs.2049.02 lacs (Previous Year Rs.2,024.21 lacs) referred to above is secured by First Mortgage/ Charge on entire Fixed Assets of the Subsidiary Company Anjaney Alloys Ltd. and Second Charge on current assets of that Company.
- 3.2 Rupee Term Loan from Banks of Rs. nil (Previous Year Rs. 342.06 lacs) referred to above is secured by First Mortgage/ Charge on Plant & Machinery and other moveable fixed assets of the Ferro Alloy Plant situated at Byrnihat, Meghalaya.
- 3.3 Foreign Currency Term Loan from Banks of Rs.14,835.39 lacs (Previous Year Rs.2,733.00 lacs) referred to above is secured by First Mortgage/ Charge on entire Fixed Assets of the Subsidiary Company Anjaney Alloys Ltd. and Second Charge on current assets of that Company.
- 3.4 Term Loans from Banks referred to above are further secured by personal guarantees of two directors.
- 3.5 Rupee Term Loan of Rs.2049.02 lacs (Previous Year Rs.2,024.21 lacs) and Foreign Currency Term Loan of Rs.14,835.39 lacs (Previous Year Rs.2,733.00 lacs) is further secured by Corporate guarantee of Maithan Alloys Ltd.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2012

### 3.6 Maturity Profile of Term Loan is set out below:

(Rs. in lacs)

	2012-13	2013-14	2014-15	beyond 2015
Foreign Currency Loan (ROI - LIBOR + 425 BPS)	–	446	2,101	12,289
Rupee Loan (ROI - Base Rate + 2.50%)	279	373	373	1,025

### NOTE 4. DEFERRED TAX LIABILITY (NET)

Particulars	As at 31.03.12		As at 31.03.11	
<b>Deferred Tax Liability</b>				
Related to Fixed Assets	554.93		568.85	
<b>Deferred Tax Assets</b>				
Related to Retirement Benefits	(56.18)		(48.47)	
		498.75		520.38
		<b>498.75</b>		<b>520.38</b>

### NOTE 5. SHORT TERM BORROWINGS

<b>Secured</b>				
<b>Working Capital Loans From Banks</b>				
Foreign Currency Loan	384.86		625.10	
Rupee Loans	3,350.18		2,164.04	
		3,735.04		2,789.14
<b>Unsecured</b>				
Loans repayable on demand from others		–		385.87
		<b>3,735.04</b>		<b>3,175.01</b>

- 5.1 Working Capital Rupee Loan from Banks of Rs. 315.43 Lacs (Previous Year Rs. 2164.04 Lacs) are secured by first charge and hypothecation of Stocks of Finished Goods, work in process, raw materials, stores and consumables, receivables, bills etc. These are further secured by second charge on moveable and immoveable fixed assets both present and future of the Company.
- 5.2 Working Capital Foreign Currency Loan from Banks of Rs. 384.86 Lacs (Previous Year Rs. 625.10 Lacs) are secured by first charge and hypothecation of Stocks of Finished Goods, work in process, raw materials, stores and consumables, receivables, bills etc. These are further secured by second charge on moveable and immoveable fixed assets both present and future of the Company.
- 5.3 Working Capital Rupee Loan from Banks of Rs 3034.75 Lacs (Previous Year Nil) are secured by first charge and hypothecation of Stocks of Finished Goods, work in process, raw materials, stores and consumables, receivables, bills etc. of the Subsidiary Company, Anjaney Alloys Limited. These are further secured by second charge on moveable and immoveable fixed assets both present and future of the Same Company.
- 5.4 Working Capital Loans are secured by personal guarantees of two directors.

### NOTE 6. TRADE PAYABLES

For Goods	13,684.93	6,822.85
For Services	7,636.54	4,640.88
	<b>21,321.47</b>	<b>11,463.73</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 7. OTHER CURRENT LIABILITIES

(Rs. in lacs)

Particulars	As at 31.03.12		As at 31.03.11	
Current Maturities of Long Term Loan (Refer Note 3)		279.41		303.73
Unpaid Dividend		4.21		3.02
Creditors for Capital Expenditure		306.43		87.62
Other Payables*		328.58		350.37
		<b>918.63</b>		<b>744.74</b>

\* Includes statutory dues and advance from customers.

### NOTE 8. SHORT TERM PROVISIONS

Provision for Leave encashment/ Gratuity/ Bonus		82.48		58.53
Proposed Dividend		291.12		291.12
Tax on Dividend		47.23		47.23
		<b>420.83</b>		<b>396.88</b>

### NOTE 9. FIXED ASSETS

(Rs. in lacs)

Particulars	Gross Block				Depreciation			Net Block		
	As on 01.04.11	Addition during the year	Sale/ Adjustment	As on 31.03.2012	Up to 01.04.2011	For the Year	Adjustment	As on 31.03.2012	As on 31.03.2012	As on 31.03.2011
<b>TANGIBLE ASSETS:</b>										
<b>OWN ASSETS</b>										
<b>Land</b>										
Freehold Land & Development	162.37	32.28	37.02	157.63	-	-	-	-	157.63	162.37
<b>Building</b>										
Non Factory Building	685.68	373.25	-	1,058.93	27.30	30.52	-	57.82	1,001.11	658.38
Factory Building	1,262.42	440.75	-	1,703.17	383.17	82.80	-	465.97	1,237.20	879.25
<b>Plant &amp; Machinery</b>										
Ferro Alloys	6,175.48	10,656.95	586.03	16,246.40	3,780.00	517.33	-	4,297.33	11,949.07	2,395.48
Power Plant	3,428.12	-	-	3,428.12	480.06	180.52	-	660.58	2,767.54	2,948.06
Windmill	1,769.15	-	-	1,769.15	561.94	101.64	-	663.58	1,105.57	1,207.21
<b>Other Assets</b>										
Motor Vehicles	151.81	63.08	-	214.89	41.18	15.07	-	56.25	158.64	110.63
Dumper	8.91	-	8.91	-	8.10	-	8.10	-	-	0.81
Furniture & Fixtures	76.72	26.35	-	103.06	9.80	5.86	-	15.66	87.40	66.91
Office Equipment	28.20	11.94	-	40.14	5.97	1.71	-	7.68	32.46	22.23
Computers	40.08	42.03	-	82.12	15.43	9.30	-	24.73	57.39	24.65
<b>Sub-total</b>	<b>13,788.94</b>	<b>11,646.63</b>	<b>631.96</b>	<b>24,803.61</b>	<b>5,312.95</b>	<b>944.75</b>	<b>8.10</b>	<b>6,249.60</b>	<b>18,554.01</b>	<b>8,475.98</b>
<b>LEASED ASSETS</b>										
Leasehold Land & Development	3,344.68	201.85	-	3,546.53	-	-	-	-	3,546.53	3,344.68
<b>Sub-total</b>	<b>3,344.68</b>	<b>201.85</b>	<b>-</b>	<b>3,546.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,546.53</b>	<b>3,344.68</b>
<b>Total (A)</b>	<b>17,133.62</b>	<b>11,848.48</b>	<b>631.96</b>	<b>28,350.14</b>	<b>5,312.95</b>	<b>944.75</b>	<b>8.10</b>	<b>6,249.60</b>	<b>22,100.54</b>	<b>11,820.66</b>
<b>INTANGIBLE ASSETS:</b>										
Goodwill	294.00	79.80	-	373.80	-	-	-	-	373.80	294.00
Software	4.47	58.09	-	62.56	1.73	8.45	-	10.19	52.36	2.73
<b>Total (B)</b>	<b>298.47</b>	<b>137.89</b>	<b>-</b>	<b>436.36</b>	<b>1.73</b>	<b>8.45</b>	<b>-</b>	<b>10.19</b>	<b>426.16</b>	<b>296.73</b>
<b>Total (A + B)</b>	<b>17,432.09</b>	<b>11,986.37</b>	<b>631.96</b>	<b>28,786.50</b>	<b>5,314.68</b>	<b>953.20</b>	<b>8.10</b>	<b>6,259.79</b>	<b>22,526.70</b>	<b>12,117.39</b>
Previous Year	17,100.78	2,872.88	2,541.58	17,432.08	4,286.72	1,033.09	5.12	5,314.69	12,117.39	-
Capital work in progress	-	-	-	-	-	-	-	-	6,503.35	6,597.70

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 10. NON CURRENT INVESTMENT

(Rs. in lacs)

Particulars	As at 31.03.12	As at 31.03.11
Other Investments		
In Equity Shares of Other Companies		
Unquoted, Fully Paid up		
1,500 Ideal Centre Services Pvt Ltd		
(0)	0.15	-
Total Non Current Investment	0.15	-
Aggregate amount of unquoted Investments	0.15	-

### NOTE 11. LONG TERM LOANS & ADVANCES

Capital Advances	569.27	1,156.17
Deposits	668.69	23.89
	<b>1,237.96</b>	<b>1,180.06</b>

### NOTE 12. CURRENT INVESTMENTS

Investments in Units of Mutual Funds		
150.34 SBI-SHF-Ultra Short Term Fund Retail Plan		
(3971951.018) Growth of Rs.100/- each		
(Previous Year Rs.10/- each)	1.89	501.00
1,07,105.373 SBI-SHF-Ultra Short Term Fund Institutional Plan		
(5468518.170) Growth of Rs.100/- each		
(Previous Year Rs.10/- each)	1,500.00	700.00
	<b>1,501.89</b>	<b>1,201.00</b>

### NOTE 13. INVENTORIES

Raw Materials	11,782.59	6,051.43
Raw Materials in transit	969.58	1,203.55
Stock-in-process	252.10	134.43
Finished Goods	2,745.70	1,212.97
Scrap & Slag	3.79	9.15
Stores and Packing Material	271.85	196.05
	<b>16,025.61</b>	<b>8,807.58</b>

### NOTE 14. TRADE RECEIVABLES (Unsecured considered good)

Outstanding for over six months from the due date	83.96	56.09
Others	8,555.24	4,469.68
	<b>8,639.20</b>	<b>4,525.77</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 15. CASH & CASH EQUIVALENTS

(Rs. in lacs)

Particulars	As at 31.03.12		As at 31.03.11	
Cash in Hand		24.77		25.73
Cheques in Hand		0.12		13.59
Bank Balances				
- in Current Accounts	3,675.64		1,360.07	
- Debit Balances in Cash Credit Accounts	5.12		578.81	
- in Fixed Deposits of 12 months and less maturity*	4,119.63		1,712.70	
		7,800.39		3,651.58
Unpaid dividend a/c		4.21		3.02
		<b>7,829.49</b>		<b>3,693.92</b>

\* Fixed Deposits include Rs.1075.71 given as margin money.

### NOTE 16. SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)

Other Loans & Advances				
- Advance Income Tax net of provisions		209.18		1,678.59
- Income Tax Refundable		11.27		0.94
- Balance with Customs, Central Excise Authorities		342.68		414.21
- Others		1,738.44		1,037.96
		<b>2,301.57</b>		<b>3,131.70</b>

### NOTE 17. OTHER CURRENT ASSETS

Pre paid expenses		32.24		8.19
Interest Accrued on Fixed Deposits		16.59		12.08
Export Incentives Receivable		1,315.20		1,161.03
Share Application Money		-		30.00
Unamortized Expenses		0.90		1.35
Others		1,201.97		900.61
		<b>2,566.90</b>		<b>2,113.26</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 18. REVENUE FROM OPERATIONS

(Rs. in lacs)

Particulars	Year ended 31.03.12		Year ended 31.03.11	
Sale of Products				
- Finished Goods	53,379.25		52,578.57	
- Traded Goods	15,128.09		9,147.34	
		68,507.33		61,725.91
Other Operating Revenue				
- Sale of Waste	69.93		8.99	
- Export Incentives	1,429.11		1,309.94	
		1,499.04		1,318.93
		70,006.38		63,044.84
Less: Excise Duty Recovered		2,395.73		2,292.94
		<b>67,610.65</b>		<b>60,751.90</b>

#### 18.1 Details of Sales

Finished Goods				
Ferro Alloys		53,171.78		52,393.97
Power		207.47		184.60
		<b>53,379.25</b>		<b>52,578.57</b>
Traded Goods				
Ferro Alloys		3,126.88		3,564.13
Manganese Ore		8,846.88		5,566.51
Others		3,154.33		16.70
		<b>15,128.09</b>		<b>9,147.34</b>

### NOTE 19. OTHER INCOME

Interest Income		654.77		57.15
Net Gain on sale of Investment		15.11		-
Bad Debt Recovery		0.75		-
Profit on sale on Fixed Assets		19.26		2.91
Miscellaneous Receipts		2.68		8.85
Net Gain on foreign currency transaction and translation		-		677.03
		<b>692.57</b>		<b>745.94</b>

### NOTE 20. COST OF RAW MATERIALS CONSUMED

Opening Stock	5,369.47		3,769.53	
Add: Purchases	32,436.60		28,944.05	
	37,806.07		32,713.58	
Less: Closing Stock	10,599.62		5,369.47	
Raw Materials Consumed		27,206.45		27,344.11
		<b>27,206.45</b>		<b>27,344.11</b>



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 20.1 COST OF RAW MATERIALS CONSUMED

(Rs. in lacs)

Particulars	Year ended 31.03.12		Year ended 31.03.11	
ORES				
- Imported	15,131.52		17,763.96	
- Indigenous	1,805.91		1,755.26	
		16,937.43		19,519.22
REDUCTANTS				
- Imported	311.64		-	
- Indigenous	8,079.05		6,591.22	
		8,390.68		6,591.22
FLUXES		589.57		438.11
OTHERS		1,288.77		795.56
		<b>27,206.45</b>		<b>27,344.11</b>

### NOTE 21. DETAILS OF PURCHASE OF TRADED GOODS

Ferro Alloys	2,925.09		3,501.14
Manganese Ore	8,472.68		5,264.98
Others	3,069.40		15.84
	<b>14,467.17</b>		<b>8,781.96</b>

### NOTE 22. CHANGES IN INVENTORY OF FINISHED GOODS & WORK IN PROCESS

Stock at the end of the year				
Finished Goods	2,721.22		1,188.49	
Work-in-process	252.10		134.43	
Scrap & Slag	3.79		9.15	
Total (A)		2,977.11		1,332.06
Stock at the beginning of the year				
Finished Goods	1,188.49		680.69	
Work-in-process	134.43		91.59	
Scrap & Slag	9.15		3.67	
Total (B)		1,332.06		775.95
Increase / (Decrease) in Stock (A-B)		1,645.05		556.11

### NOTE 23. EMPLOYEE BENEFITS EXPENSE

Salaries and Wages	599.21		472.99
Contribution to Provident and Other Funds	42.49		40.44
Staff Welfare Expenses	16.23		17.07
	<b>657.93</b>		<b>530.50</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 24. FINANCE COST

(Rs. in lacs)

Particulars	Year ended 31.03.12		Year ended 31.03.11	
Interest Expenses		419.92		694.49
		<b>419.92</b>		<b>694.49</b>

### NOTE 25. DEPRECIATION AND AMORTISATION EXPENSES

Depreciation and Amortisation		953.20		1,022.19
		<b>953.20</b>		<b>1,022.19</b>

### NOTE 26. OTHER EXPENSES

Stores and Packing Material		922.19		732.14
Excise Duty#		35.39		20.05
Power & Fuel		15,734.14		10,449.86
Carriage Inward		12.63		12.87
Demurrage Charges		41.45		191.34
Repairs to Machinery		147.95		127.94
Repairs to Building		14.39		33.05
Repairs to Others		22.11		11.89
Packing & Forwarding Expenses		233.81		93.28
Others		10.37		0.78
Director's Remuneration & Commission		661.55		630.00
Director's Meeting Fees		1.30		1.25
Medical Reimbursement		1.57		-
Pollution Control Expenses		3.51		-
Rent		15.07		16.67
Lease Rent		9.28		3.65
Rates & Taxes		11.67		8.17
Professional Charges		100.26		359.90
Insurance Premium		39.61		35.77
Bank Commission and Charges		223.95		207.83
Payment to Auditors				
– As Audit Fees		6.24		4.49
– Tax Audit Fees		0.65		0.50
– Other Services		0.73		0.10
– Reimbursement of Expenses		1.38		0.16
Carriage Outward		158.56		171.07
Rebate & Discounts		300.18		232.07
Service Tax - Outward Transportation		8.73		7.84
Sundry Balance Written-off		-		16.10
Brokerage & Commission		89.06		41.29
Depreciation		-		10.90
Export Expenses		732.92		728.44
Net loss on foreign currency transaction and translation		372.93		-
Miscellaneous Expenses		362.84		300.13
Preliminary Expenses Written off		0.45		0.45
		20,276.86		14,449.96
Less: Amount transferred to Capital W-I-P expenses related to project under construction		-		401.82
		<b>20,276.86</b>		<b>14,048.13</b>

# Represents excise duty related to the difference between the closing stock and opening stock.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 26.1 Details of Power Cost

(Rs. in lacs)

Particulars	Year ended 31.03.12		Year ended 31.03.11	
Raw Material Consumed in Power Plant				
Opening Stock	681.96		263.10	
Add: Purchases	3,162.84		3,192.11	
	3,844.80		3,455.21	
Less: Closing Stock	1,182.97		681.96	
		2,661.83		2,773.25
Sampling & Chemical Analysis.		16.73		-
Electricity Charges		12,442.46		7,227.06
Electricity Duty		369.21		207.39
Operation & Maintenance of Power Plant		243.91		242.16
		<b>15,734.14</b>		<b>10,449.86</b>

### NOTE 27. CONTINGENT LIABILITIES AND COMMITMENTS

#### NOTE 27.1 Contingent Liabilities

a) Claims against the Company/ disputed liabilities not acknowledged as debts:				
In respect of disputed Excise Duty & Service Tax demand		302.88		302.88
b) Letters of Credit issued by banks and outstanding		2,138.95		2,070.79
c) Bank Guarantees issued by Banks and Outstanding		1,077.72		373.86
d) Guarantee provided to bank in respect of term loan and ECB extended by them to a subsidiary Company		15,445.16		12,530.00
e) Liability in respect of bills discounted with banks		396.93		647.09

#### NOTE 27.2 Commitments

a) Estimated amount of contracts remaining to be executed on capital account		778.58		-
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### NOTE 28. DUES TO MICRO AND SMALL ENTERPRISES

There are no dues to Micro and Small Enterprises as at 31st March, 2012. 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.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 29. SEGMENT REPORTING

#### A. Primary Segment (Business Segment)

(Rs. in lacs)

	Ferro Alloy	Wind Mill	Total	Ferro Alloy	Wind Mill	Total
Revenue						
– External Sales	65,904.14	207.47	66,111.61	59,248.37	184.60	59,432.97
– Inter Segment Sales	0.00	0.00	0.00	0.00	0.00	0.00
– Other Operating Revenue	1,499.04	0.00	1,499.04	1,318.93	0.00	1,318.93
<b>Total</b>	<b>67,403.18</b>	<b>207.47</b>	<b>67,610.65</b>	<b>60,567.30</b>	<b>184.60</b>	<b>60,751.90</b>
Segment Result	5,634.00	60.09	5,694.09	10,188.11	70.05	10,258.16
Unallocated Income			3.43			8.85
Operating Profit			5,697.52			10,267.01
Interest Paid			(419.92)			(694.49)
Interest Received			654.77			57.15
Profit/ (Loss) on sale of Investment			15.11			0.00
Profit/ (Loss) on sale of Fixed Assets			19.26			2.91
Taxation for the year including adjustments of previous year			(1,513.45)			(2,368.09)
			<b>4,453.29</b>			<b>7,264.49</b>
<b>Other Information</b>						
– Segment Assets	67,956.71	1,176.11	69,132.82	42,115.66	1,252.72	43,368.38
– Segment Liabilities	26,116.50	0.06	26,116.56	15,780.14	0.22	15,780.36
Capital Expenditure	11,986.38	-	11,986.38	2,873.00	-	2,873.00
Depreciation and Amortisation	851.56	101.64	953.20	920.55	101.64	1,022.19
Non Cash Expenses other than depreciation	-	-	-	-	-	-

#### B. Secondary Segment (Geographic Segment)

	Within India	Outside India	Total	Within India	Outside India	Total
Segment Revenue	46,735.81	20,874.84	67,610.65	35,264.75	25,487.16	60,751.91
Segment Assets	65,857.60	3,275.22	69,132.82	41,130.91	2,237.47	43,368.38
Segment Liabilities	14,427.71	11,688.85	26,116.56	9,894.13	5,886.23	15,780.36

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 30. RELATED PARTY DISCLOSURES

#### a) List of related parties with whom transactions have taken place and nature of relationship

##### Key Management Personnel

1. Mr. Basant Kumar Agarwalla
2. Mr. Subhas Chandra Agarwalla
3. Mr. Subodh Agarwalla
4. Mr. Aditya Agarwalla

##### Relatives of Key Managerial Personnel

1. Mr. Sudhanshu Agarwalla

##### Enterprises over which Key Managerial Personnel are able to exercise significant influence

1. Anjaney Ferro Alloys Ltd.
2. Maithan Smelters Ltd.
3. Meghalaya Carbide & Chemicals (P) Ltd.
4. Maithan Ceramic Ltd.

#### b) Transactions during the year with related parties (Figures in '( )' are for previous year) (Rs. in lacs)

Sl. No.	Nature of Transaction	Key Managerial Personnel	Relative of Key Managerial Personnel	Others
1.	Sale of Goods	- ( - )	- ( - )	6,246.56 (6,300.90)
2.	Purchase of Goods	- ( - )	- ( - )	1,034.05 (1,353.59)
3.	Purchase of Fixed Assets	- ( - )	- ( - )	11.55 (7.55)
4.	Receiving of Services	661.55 (630.00)	36.00 (36.00)	- ( - )
5.	Rent received	- ( - )	- ( - )	0.66 (0.60)
6.	Rent Paid	- ( - )	- ( - )	2.40 (2.40)
7.	Interest Paid	- ( - )	- ( - )	- (103.51)
8.	Electricity Charges Paid	- ( - )	- ( - )	5.86 (7.40)
9.	Loans/ Advances Given	- ( - )	- ( - )	- ( - )
10.	Share Application Received (Net of Refund)	- ( - )	- ( - )	210.00 (100.00)
11.	Loan Received	- ( - )	- ( - )	- (100.00)
<b>Balances as at year end</b>				
1.	Trade Receivable	- ( - )	- ( - )	934.18 (98.65)
2.	Trade Payable	305.92 (310.95)	-	2.16 (0.02)
3.	Share Application Received (Net of Refund)	- ( - )	- ( - )	310.00 (100.00)

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2012

- c Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties

	Transaction		Balances	
	2011-2012	2010-2011	2011-2012	2010-2011
<b>i) Sale of Goods</b>				
Others				
Anjaney Ferro Alloys Ltd.	6,246.56	5,504.48	934.01	-
<b>ii) Purchase of Goods</b>				
Others				
Anjaney Ferro Alloys Ltd.	974.06	953.89	-	538.35
Maithan Smelters Ltd.	-	379.75	-	301.28
<b>iii) Purchase of Fixed Assets</b>				
Others				
Maithan Smelters Ltd.	9.95	1.22	-	-
Meghalaya Carbide & Chemicals (P) Ltd.	1.60	6.33	-	-
<b>iv) Receiving of Services</b>				
Key Management Personnel				
B.K.Agarwalla	219.67	225.00	88.02	93.29
S.C.Agarwalla	183.67	183.00	89.49	93.29
Subodh Agarwalla	135.10	120.00	64.00	62.19
Aditya Agarwalla	123.10	102.00	64.42	62.19
Relatives of Key Management Personnel				
Sudhanshu Agarwalla	36.00	36.00	-	-
<b>v) Rent Received</b>				
Others				
Maithan Smelters Ltd.	0.66	0.60	-	0.33
<b>vi) Rent Paid</b>				
Others				
Maithan Smelters Ltd.	0.60	0.60	-	-
Meghalaya Carbide & Chemicals (P) Ltd.	1.80	1.80	-	-
<b>vii) Interest Paid</b>				
Others				
Maithan Smelters Ltd.	-	103.51	-	-
<b>viii) Electricity Charges Paid</b>				
Others				
Meghalaya Carbide & Chemicals (P) Ltd.	5.86	7.40	2.01	0.02
<b>ix) Loans Received</b>				
Others				
Maithan Smelters Ltd.	-	100.00	-	-
<b>x) Share Application Received (Net of Refund)</b>				
Others				
Meghalaya Carbide & Chemicals (P) Ltd.	(100.00)	-	-	100.00
Anjaney Ferro Alloys Ltd.	310.00	-	310.00	-



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2012

### NOTE 31. EARNINGS PER SHARE

	2011-2012	2010-2011
i) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (Rs. In Lacs)	4,536.23	7,268.14
ii) Weighted Average number of equity shares used as denominator for calculating EPS	14,555,775	14,555,775
iii) Basic and Diluted Earning per share (Rs.)	31.16	49.93
iv) Face Value per equity share (Rs.)	10.00	10.00

As per our report of even date

**For D. K. Chhajjer & Co.**  
Chartered Accountants

**S.C. Agarwalla**  
Managing Director

**Niraj K Jhunjhunwala**  
Partner  
Membership No. F057170  
Firm Reg.No.304138E

**Subodh Agarwalla**  
Wholetime Director

**Place: Kalyaneshwari**  
Date: 29th June, 2012

**Rajesh K. Shah**  
Company Secretary

**FINANCIAL INFORMATION RELATING TO SUBSIDIARY COMPANIES REQUIRED PURSUANT TO CLAUSE (IV) OF GENERAL CIRCULAR NO.- 2/2011 DATED 8TH FEBRUARY 2011 ISSUED BY MINISTRY OF CORPORATE AFFAIRS, GOVERNMENT OF INDIA.**

1.	Name of the Subsidiary Company	AXL-Exploration Pvt. Ltd.	Anjaney Alloys Ltd.	Anjaney Minerals Ltd.
2.	The Financial Year of the Subsidiary Company.	Year ended on 31st March, 2012	Year ended on 31st March, 2012	Year ended on 31st March, 2012
3.	Holding Company's interest	Entire Subscribed Capital comprising of 23,500 Equity Shares of Rs.100/- each.	2,97,50,000 Equity Shares of Rs.10/- each out of the Subscribed and paid up Capital of 4,51,25,000 Equity Shares of Rs.10/-each.	79,99,995 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%	65.93%	79.99%
				(Rs. in lacs)
A	Capital	23.50	4,512.50	100.00
B	Reserves	13.06	2,941.44	(13.07)
C	Total Assets	101.27	31,249.53	1,141.29
D	Total Liabilities	64.71	23,795.59	1,054.36
E	Investments (Except in case of investment in subsidiaries)	NIL	NIL	NIL
F	Turnover/Total Income	1.01	3,792.90	0.00
G	Profit/ (Loss) Before Taxation	(8.13)	(239.52)	(6.32)
H	Provision for Taxation	(2.49)	0.00	0.00
I	Profit/ (Loss) After Taxation			
	(Including deferred tax)	(5.64)	(239.52)	(6.32)
J	Proposed Dividend	NIL	NIL	NIL

# Corporate Information

## Chairman and Whole time Director

Sri B. K. Agarwalla

## Managing Director and CEO

Sri S. C. Agarwalla

## Whole time Director and COO

Sri Subodh Agarwalla

## Whole time Director and CFO

Sri Aditya Agarwalla

## Directors

Sri Makhan Lal Satnaliwala

Sri Shrigopal Jhunjhunwala

Sri Raj Kumar Agarwal

Sri Nand Kishore Agarwal

Sri Vikash Kumar Jewrajka

Sri Biswajit Choudhuri

## Company Secretary

Rajesh K Shah

## Auditors

D. K. Chhajer & Co.

Chartered Accountants

## Registered office

Ideal Centre, 4th Floor,

9, AJC Bose Road,

Kolkata – 700 017

## Works

Kalyaneshwari (West Bengal)

Ri-Bhoi (Meghalaya)

Jaisalmer (Rajasthan)

Sangli (Maharashtra)

## Banks/financial institutions

State Bank of India

IndusInd Bank

Citibank N.A.

Axis Bank Limited

## Disclaimer

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral –that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans' 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



**Corporate Office**

P.O. Kalyaneshwari 713369, Dist. Burdwan, West Bengal, India

■ Phone: +91 341 6464693/4 ■ Fax: +91 341 2521303

**Registered Office**

"Ideal Centre", 4th Floor, 9, AJC Bose Road, Kolkata – 700 017



"Ideal Centre", 4th Floor, 9 AJC Bose Road, Kolkata - 700 017

## NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Company will be held on Friday, the 21st September, 2012 at 11:30 a.m. at "The Conclave", 216 AJC Bose Road, Kolkata - 700 017 to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31 March 2012, the Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares of the Company.
3. To appoint a Director in place of Sri Biswajit Choudhuri, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Sri Shrigopal Jhunjhunwala, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

### Special Business:

6. Appointment of Sri P K Venkatramani 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 Palghat Krishnan Venkatramani, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 29th June, 2012, 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 Palghat Krishnan Venkatramani for the office of Director be and is hereby elected and appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board

For Maithan Alloys Limited

Registered Office :

"Ideal Centre" 4th Floor,  
9 AJC Bose Road,  
Kolkata – 700 017

**Rajesh K Shah**

*Company Secretary*

Date : 29th June, 2012

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing the proxy(ies), in order to be effective, must be deposited at the registered office of the Company not less than forty-eight hours before the time fixed for the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 15th September, 2012 to 21st September, 2012 (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 the 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, so that requisite information is made available at the meeting.
6. The dividend for the year ended 31 March 2012 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 after giving effect to all the valid transfers received upto the close of business hours on 14th September, 2012. 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 14th September, 2012 by National Securities Depository Limited and Central Depository Services (India) Limited.
7. Members holding shares in electronic form may note that bank particulars registered against their respective

depository accounts will be used by the Company for payment of dividend. The Company or its registrars cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to Depository Participant of the members.

8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandate to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company Registrar and Share Transfer Agent, M/s. Maheshwari Datamatics Pvt. Ltd.
9. 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.
10. Pursuant to the provisions of Section 205A and 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 2003-04 to the IEPF. Members who have not yet encashed their dividend warrants for the financial year 2004-05 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.

11. Members/proxies are requested to bring the attendance slip duly filled in. Corporate members are requested to send a duly certified copy of the resolution authorising their representatives to attend and vote at the meeting.

12. 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:

1]

NAME OF DIRECTOR	Sri Biswajit Choudhuri
Date of Birth	30-04-1942
Qualification	B Tech(Hons), FICWA
Experience	47 years
Date of Appointment on the Board of Directors of the Company	27-10-2008
Nature of expertise in specific functional areas	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. Aditya Birla Chemicals (India) Ltd. (Formerly Bihar Caustic & Chemicals Ltd.)
	2. Hindustan Engineering & Industries Ltd.
	3. Ludlow Jute & Specialities Ltd. (Formerly Aekta Ltd.)
	4. Godawari Power and Ispat Ltd.
	5. R. V. Investment & Dealers Limited
	6. Khaitan Electricals Limited
	7. NKG Infrastructure Limited
	8. Hira Ferro Alloys Limited



Name(s) of Companies in which Committee membership(s) /Chairmanship(s) held	1. Aditya Birla Chemicals (India) Ltd. (Formerly Bihar Caustic & Chemicals Ltd. – Chairman of Audit Committee & Member of Shareholders' Grievances Committee & Remuneration Committee
	2. Ludlow Jute & Specialties Ltd. (Formerly Aekta Ltd.) – Chairman of Audit Committee & Member of Remuneration Committee
	3. Hira Ferro Alloys Ltd. – Chairman of Audit Committee & Member of Remuneration Committee
	4. Hindusthan Engineering & Industries Ltd. – Chairman of Audit Committee
	5. Godawari Power and Ispat Ltd. – Chairman of Audit Committee
Number of shares of Rs 10/- each held by the Director or his relatives	Nil
Number of ESOPs granted	Nil
Relationship between Directors interse (as per section 6 read with schedule IA of the Companies Act, 1956)	None

2]

<b>NAME OF DIRECTOR</b>	<b>Sri Shrigopal Jhunjunwala</b>
Date of Birth	30 April 1943
Qualification	M.COM, LLB
Experience	47 years
Date of Appointment on the Board of Directors of the Company	17 August 2001
Nature of expertise in specific functional areas	Expertise in the field of Iron and steel industry
Name(s) of other companies in which directorships held (as per Section 275 and 278 of the Companies Act, 1956)	None
Name(s) of Companies in which Committee membership(s) /Chairmanship(s) held	None
Number of shares of Rs 10/- each held by the Director or his relatives	7429 Shares
Number of ESOPs granted	Nil
Relationship between Directors interse (as per section 6 read with schedule IA of the Companies Act, 1956)	None

3]

<b>NAME OF DIRECTOR</b>	<b>Sri Palghat Krishnan Venkatramani</b>
Date of Birth	10 October 1950
Qualification	Part – I CAIIB, B.Sc. with Honours in Chemistry
Experience	38 years
Date of Appointment on the Board of Directors of the Company	29th June, 2012
Nature of expertise in specific functional areas	Experienced in the field of banking with specialty in Industrial Finance and staff training and Foreign Exchange and Management Accountancy.
Name(s) of other companies in which directorships held (as per Section 275 and 278 of the Companies Act, 1956)	None
Name(s) of Companies in which Committee membership(s) /Chairmanship(s) held	None
Number of shares of Rs 10/- each held by the Director or his relatives	345
Number of ESOPs granted	Nil
Relationship between Directors interse (as per section 6 read with schedule IA of the Companies Act, 1956)	None

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT 1956

Item No. 6

Sri Palghat Krishnan Venkatramani was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 29th June 2012, pursuant to the provisions of Section 260 of the Companies Act, 1956. He holds office upto the date of the 27th 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 his candidature for the office of Director, liable to retire by rotation.

A brief profile of Sri Venkatramani has already been provided elsewhere above in this Notice.

His 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 Palghat Krishnan Venkatramani is in any way concerned or interested in the resolution.

Registered Office :  
 "Ideal Centre" 4th Floor,  
 9 AJC Bose Road,  
 Kolkata – 700 017

Date : 29th June, 2012

By Order of the Board  
 For Maithan Alloys Limited

**Rajesh K Shah**  
 Company Secretary



"Ideal Centre", 4th Floor, 9 AJC Bose Road, Kolkata - 700 017

## ATTENDANCE SLIP

DP & Client ID No. ....

No. of Shares: .....

Regd. Folio No. ....

Full Name of the Member or Proxy: .....

I hereby record my presence at the 27th Annual General Meeting of the Company on Friday, the 21st of September, 2012 at 11:30 a.m. at "The Conclave" 216, AJC Bose Road, Kolkata-700017.

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.



"Ideal Centre", 4th Floor, 9 AJC Bose Road, Kolkata - 700 017

## PROXY FORM

DP & Client 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 27th Annual General Meeting of the company to be held on Friday, the 21st of September, 2012 at 11:30 a.m. at "The Conclave" 216, AJC Bose Road, Kolkata-700017 and / or at any adjournment thereof.

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

Affix  
Re. 1  
Revenue  
Stamp here

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.



"Ideal Centre", 4th Floor, 9 AJC Bose Road, Kolkata – 700 017

## 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. .... 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