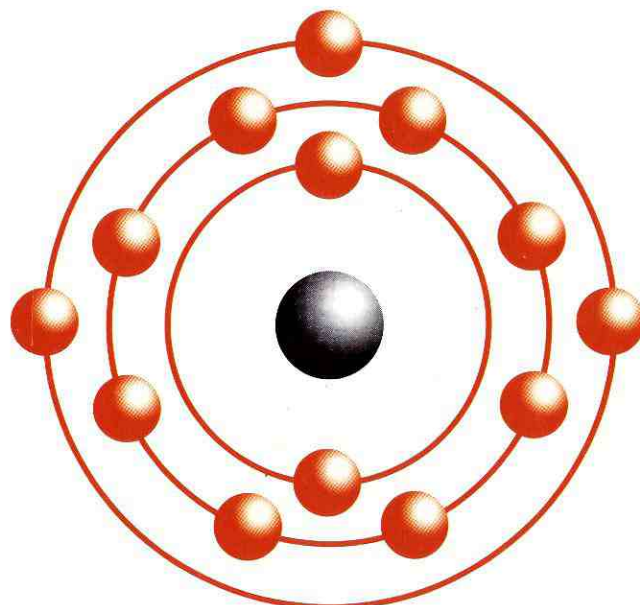


40th ANNUAL REPORT
2012 - 13



MMP

MMP INDUSTRIES LIMITED

(Formerly Known as Maharashtra Metal Powders Ltd.)

211 SHRIMOHINI, 345 KINGSWAY, NAGPUR - 440001, INDIA.

TELEPHONES : 91-712-2524645, 07104-668000

Fax : 91-712-2530461 07104-668032 E-mail : mmp_l@sify.com

NOTICE

NOTICE is hereby given that the 40th Annual General Meeting of **MMP INDUSTRIES LIMITED** (Formerly known as Maharashtra Metal Powders Ltd.) will be held on Saturday 28th September, 2013 at 11 A.M. at the registered office of the company at 211, Shreemohini, 345 Kingsway, Nagpur - 440 001 to transact the following business :

ORDINARY BUSINESS

1. To receive and adopt the profit and Loss Account for the year ended 31st March, 2013 and the Balance sheet as at that date and the Directors and Auditors report thereon.
2. To appoint Directors in place of Shri M. M. Agrawal & Shri Lalit Bhandari who retire by rotation and are eligible for re-appointment.
3. To appoint auditors and to fix their remuneration.

REGISTERED OFFICE :

211, SHRIMOHINI,
345, KINGSWAY,
NAGPUR - 440 001

By order of the Board
For MMP INDUSTRIES LIMITED
(Formerly Known as Maharashtra Metal Powders Ltd.)

-sd-

Dated : 03-09-2013
Place : Nagpur

Arun Bhandari
(Managing Director)

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. The proxy forms duly stamped and signed must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.
3. Please bring your copy of annual report at the meeting.

DIVIDEND

Your company proposes to retain all earnings for growth of the business and hence does not propose any dividend for the year under review. The Company has capacity expansion under implementation and earnings are therefore partially to be used for the capacity expansions.

ENVIRONMENT AND POLLUTION CONTROL

There is no emission of any pollutants from the company's operations. The company has been regularly receiving renewal to the consent to operate from the MPCB.

FUTURE PLANS

The aluminium powder capacity will increase by 750 MT per annum during Q1 of 2014 and the paste capacity by 250 MT per annum by Q3 of 2014. The company has already booked the additional capacity coming up fully with domestic and export customers. Projects are well under implementation and ordering of buildings and machinery is complete.

The conductor division will see capacity increasing to 700 MT per annum by Q1 of 2014 with the addition of balancing machinery and some accessories.

Your company is now exploring possibilities for creating a further capacity for automotive speciality pastes in the next 2 years. Market research and potential customer contact is presently underway.

Your company has purchased approx. 10 acres of land near the existing location and is now taking steps to convert this into Industrial land for its proposed AAC unit.

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

The details as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are annexed.

The company has already installed a producer gas plant and has installed Variable Frequency Drives wherever applicable to conserve energy.

The company has halved the consumption of furnace oil used for the boiler by better loading of vacuum dryers.

Your company plans to replace two of the high energy consuming compressors by energy saving tandem screw type compressors to save a minimum of 20% electrical energy at 10 % enhanced productivity. This project is underway and will be completed during 2013-14.

DIRECTORS

Shri M.M.Agrawal and Shri Lalit Bhandari retire by rotation and both being eligible, offer themselves for re-appointment.

Shri P.M. Lodha founder and chairman of the company resigned from the Directorship of the Company with effect from 30/08/2013 due to advancing age. The Board places on record its deep appreciation for the contribution rendered by him during the tenure of his Directorship.

AUDIT COMMITTEE

According to the provisions of the Companies(Amendment)Act, 2000 the company had set up Audit committee of 02.01.2001 to ensure full compliance of all relevant provisions.

COMPOSITION

As on 31.03.2013 The audit committee consists of three directors : namely Shri Arun Bhandari, (chairman) and Shri S.V. Bhagwat and Shri M.M. Jain.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by sub-section (2AA) of section 217 of the Companies Act, 1956, the Directors hereby confirm :

- i) That in the preparation of annual accounts, the applicable accounting standard have been followed along with proper explanation relating to material departures except that the liability for gratuity and bonus has not been provided for, which is accounted for on cash basis.
- ii) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are a reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
- iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) That the annual accounts have been prepared on a going concern basis.

AUDITORS

The Statutory auditors M/s N.S. Rathore & Co.,Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting. The Company has received a letter from M/s N.S. Rathore & Co. to the effect that their appointment, if made, would be within the limits under Section 224(1-B) of the Companies Act, 1956.

AUDITORS' REPORT

The Notes on the Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments. This will have to be changed in case the qualification is in the Audit Report.

PERSONNEL

Relation with employees remained cordial throughout the year. None of the employees were covered by the disclosure requirements of Section 217(2A) of the Companies Act, 1956 read with the relevant Rules.

APPRECIATION

Your Directors wish to place on record their appreciation for the untiring efforts of the staff and workers for achieving the company's objectives. Your Directors also wish to thank the Bank of Baroda for the timely assistance that has always been rendered by them in connection with the financial needs of the company.

For and on behalf of the Board

Place : Nagpur

Dated : 03-09-2013

-sd-
ARUN BHANDARI
(Managing Director)

-sd-
LALIT BHANDARI
(Director)

ANNEXURE TO DIRECTORS' REPORT

The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY**a) Measures taken for conservation of Energy :**

The company has been giving utmost priority to conservation of various forms of energy used in the manufacturing process. The major conservation measures implemented so far are optimization of utility output to match process requirement thereby reducing wasteful running of equipment and timely replacement or servicing wherever required.

b) Total energy consumption and energy consumption per unit of production.

	<u>2012-13</u>	<u>2011-12</u>
A. Power & Fuel Consumption		
1) Electricity / Diesel		
Purchased Units (Lacs)	77.39	61.23
Total Amount (₹/Lacs)	529.86	452.81
Rate/Unit (₹)	6.84	7.40
2) Furnace Oil		
Quantity (M.T.)	363.430	398.771
Total Amount(₹/Lacs)	156.69	160.82
Average Rate/Ltr. (₹)	43.11	40.32
3) Coal Lumps & Fire Wood		
Quantity (M.T.)	877.760	829.845
Total Amount (₹/Lacs)	30.44	22.12
Average Rate/KG (₹)	3.47	2.67

B. TECHNOLOGY ABSORPTION

The Company has Imported a technology from a foreign company for producing a special grade of Aluminium Powder and fully absorbed.

C. FOREIGN EXCHANGE EARNING AND OUTGO

i) The company has been exploring demand of its product in foreign market and during the year under review company received good response. Export continue to be thrust area.

	2012-13 (₹/Lacs)	2011-12 (₹/Lacs)
a) Foreign Exchange Earning On Account of Export FOB Value	<u>1303.30</u>	<u>786.73</u>
b) Foreign Exchange Outgo		
i) Raw Material	12.99	262.24
ii) Trading Goods	--	41.88
iii) Capital Goods	--	137.08
Total (i+ii+iii)	12.99	441.20
iv) Expenditure in Foreign Currency (Remitted)		
Commission on Export sales	8.85	2.85
Royalty on Technical know how	14.85	6.97
Travelling Expense - others	0.87	--
Total (iv)	24.57	9.82
Grand Total (i+ii+iii+iv)	37.56	451.02

For and on behalf of the Board

Place : Nagpur
Date : 03-09-2013

-sd-
(Arun Bhandari)
Managing Director

-sd-
(Lalit Bhandari)
Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MMP INDUSTRIES LIMITED
(Formerly Known as Maharashtra Metal Powders Ltd.)**

Report on the Financial Statement

We have audited the accompanying financial statements of MMP Industries Limited (Formerly Known as Maharashtra Metal Powders Ltd.) ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31, 2013;
- b) in the case of the Statement of Profit and Loss Account, 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **N. S. RATHORE & COMPANY**
Chartered Accountants
Registration No. - 012414C

Place : Jaipur

Date : 03-09-2013

-sd-
(N.S. VYAS)
PARTNER
Membership No. F10937

Annexure to Auditor's Report

(REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE FOR THE
YEAR ENDED 31.03.2013 OF **MMP INDUSTRIES LIMITED**
(Formerly Known as Maharashtra Metal Powders Ltd.)

- i) On the basis of such checks as we considered appropriate and in terms of information & explanation given to us we state that :
- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed no material discrepancies were noticed on such verification.
 - c) The Company has not disposed of any substantial part of its fixed assets so as to affect its going concern status.
- ii. (a) According to the information & explanations, given to us the physical verification of the finished goods, stores spares parts and raw materials was conducted by management during the year. In our opinion, the frequency of the verification is reasonable.
- (b) In our opinion and according to information and explanations give to us, the procedure of physical verification of inventory followed by management were found reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The Company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to book records. However, the deficiencies noticed on physical verification have been properly dealt with in the books of account.
- iii. (a) The Company has not taken/ granted any loan secured or unsecured loans during the year to or from any of the companies, firm or other parties covered in the register maintained U/s 301 of the Companies Act, 1956. Accordingly the provision of sub clause (b),(c),(d),(e),(f) and (g) of paragraph 4 clause (iii) of the Companies (Auditor's Report) order, 2003. (as amended) are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets, and to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls system
- v) (a) According to the information and explanation given to us, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposit from a public. Therefore, the provision of Clause(vi) of Paragraph 4 of the Order are not applicable to the Company.
- vii) The Company is having an in-house Internal Audit System, which in our opinion is commensurate with the size of the Company and nature of its business.

- viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rule, 2011 prescribed by the Central Government for the maintenance of cost records under section 209(i)(d) of the Companies Act, 1956 and we are of the opinion that the prime facie the prescribed cost records have been made and maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix) (a) In our opinion and according to the information and explanation given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it and there were no arrears of such dues at the year end which have remained outstanding for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no dues of Income-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty or Cess which have not been deposited with the appropriate authorities on account of any dispute. The disputed Statutory dues of Sales Tax which has not been deposited on account of dispute, the particulars of which and the forum where the dispute is pending is given below :-

Name of the Statue	Nature of the Dues	Amount (₹ in lacs)	Period to which the amount is related	Forum where dispute is pending
Central Sales Tax Act	Sales Tax Incentive	37.88	1993	High Court

- x) The company has no accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institutions, banks and debenture holders.
- xii) 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 fund/ society. Therefore, the provisions of Paragraph 4 Clause (xiii) of the Companies (Auditor's Report) Order, 2003(as amended) are not applicable to the company.
- xiv) In our opinion , the company is not dealing in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003(as amended) are not applicable to the company.
- xv) In our opinion and according to the information & explanation given to us the Company has not given any guarantees for loans taken by others from banks or financial institutions . Thus Paragraph 4 Clause (xv) of the Companies (Auditor's Report) Order, 2003(as amended) are not applicable to the company.
- xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long term investments.
- xviii) The Company has not made any preferential allotment of shares during the year to parties or companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the year.

- xx) The Company has not raised money by way of public issues during the year.
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For N. S. RATHORE & COMPANY
Chartered Accountants
Registration No. - 012414C

Place : Jaipur

Date : 03-09-2013

-sd-
(N.S. VYAS)
PARTNER
Membership No. F10937

BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	As at 31st March, 2013 (Amount in ₹.)	As at 31st March, 2012 (Amount in ₹.)
EQUITY AND LIABILITIES			
Shareholders' Funds :			
Share Capital	2	82900500.00	82900500.00
Reserve & Surplus	3	87390246.44	72965858.00
		170290746.44	155866358.00
Non-Current Liabilities :			
Long Term Borrowing	4	95387424.66	100763208.06
Deferred Tax Liabilities	5	21981353.08	20430804.67
		117368777.74	121194012.73
Current Liabilities :			
Short-term Borrowings	6	217416432.62	164647596.91
Trade Payables	7	122707954.04	69964390.48
Other Current Liabilities	8	38306075.31	38087841.46
Short-term provisions	9	1402607.37	2248745.00
		379833069.34	274948573.85
	TOTAL	667492593.52	552008944.58
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	10	201956244.94	185616189.62
Intangible Assets	10	27500.00	27500.00
Capital Work-in-Progress	10	8089981.28	22365192.00
		210073726.22	208008881.62
Non Current Investment	11	11154890.00	10354890.00
Long-term Loans and Advances	12	2801480.00	3236960.00
		13956370.00	13591850.00
Current Assets			
Inventories	13	208496383.55	164999070.23
Trade Receivable	14	205052441.03	147304908.80
Cash & Bank Balance	15	10139432.29	3254168.36
Short Term Loans & Advances	16	2959558.90	3028885.56
Other Current Assets	17	16814681.53	11821180.01
		443462497.30	330408212.96
	TOTAL	667492593.52	552008944.58

SIGNIFICANT ACCOUNTING POLICIES 1

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As per our report of even date attached

FOR N.S. RATHORE & CO.
Chartered Accountants
(FRN-012414C)

For and on behalf of the Board

-sd-
(N. S. Vyas)
Partner (M. No. - 010937)
Place : Jaipur
Date : 03/09/2013-sd-
(ARUN BHANDARI)
Managing Director
Place : Nagpur
Date : 03/09/2013
-sd-
(LALIT BHANDARI)
Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No.	Year Ended March, 2013 (Amount in ₹.)	Year Ended March, 2012 (Amount in ₹.)
INCOME			
Revenue from operations (Gross)	18	1155949193.00	765381475.75
Less : Excise Duty		111715387.00	63075738.00
Revenue from operations (Net)		1044233806.00	702305737.75
Other Income	19	1260915.30	1658480.24
TOTAL INCOME		1045494721.30	703964217.99
EXPENDITURE			
Cost of Material Consumed	20	760523802.89	492225907.09
Purchase of Stock-in-trade		275657.62	5253543.60
Changes in inventories of finished goods, work in progress and Stock-in-trade	21	(8523587.61)	(30519021.81)
Employee benefit expenses	22	70196784.05	62740673.91
Financial Cost	23	49843740.69	31861563.81
Depreciation & amortization expenses	24	17206412.29	15009660.19
Other Expenses	25	133981452.53	112857217.69
TOTAL EXPENDITURE		1023504262.45	689429544.48
PROFIT BEFORE TAX		21990458.85	14534673.51
TAX EXPENSE :			
Current Tax		5000000.00	3000000.00
Deferred Tax		1550548.41	951138.10
Income Tax relating to earlier year		1015522.00	1184450.00
PROFIT FOR THE YEAR		14424388.44	9399085.41
EARNING PER EQUITY SHARE			
Basic and Diluted (in ₹)		1.74	1.13

SIGNIFICANT ACCOUNTING POLICIES 1

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As per our report of even date attached

FOR N.S. RATHORE & CO.

Chartered Accountants
(FRN - 012414C)

-sd-

(N. S. Vyas)

Partner (M. No. - F10937)

Place : Jaipur

Date : 03/09/2013

For and on behalf of the Board

-sd-

(ARUN BHANDARI)

Managing Director

Place : Nagpur

Date : 03/09/2013

-sd-

(LALIT BHANDARI)

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Year Ended 31.03.2013 ₹	Year Ended 31.03.2012 ₹
A. Cash Flow from Operating Activities		
Profit before taxation as per P & L Account	21990458.85	14534673.51
Adjustment for		
Depreciation	17206412.29	15009660.19
Interest Income	(1081872.00)	(830340.34)
Finance Cost	49843740.69	31861563.81
Profit / Loss on sale of investments	--	(204887.00)
Operating profit before working capital changes	87958739.83	60370670.17
(Increase) decrease in inventories	(43497313.32)	(44323521.07)
(Increase) decrease in trade and other receivables	(57747532.23)	(13628155.57)
(Increase) decrease in loans and advances	504806.66	(211133.06)
(Increase) decrease in other current assets	(4993501.52)	12786635.98
Increase / (decrease) in Current Liabilities	52286345.41	18207326.52
Increase / (decrease) in Provision		2248745.00
Cash Generated from Operation	34511544.83	35450567.97
Direct taxes paid	(6862762.63)	(4694450.00)
Net Cash from Operating activities	27648782.20	30756117.97
B. Cash Flow from Investing Activities		
Investment in Fixed Assets including Capital WIP	(19271256.89)	(84679559.37)
Sales of Fixed Assets		56000.00
Increase / Decrease in investments	(800000.00)	6651895.00
Interest received	1082975.00	830340.34
Net Cash used in Investing Activities	(18988281.89)	(77141324.03)
C. Cash flow from Financing Activities		
Financial Cost	(49843740.69)	(31861563.81)
Term Loan Received	18734507.60	55801393.00
Repayment of Term Loan	(18528000.00)	(7111770.00)
Short Term Borrowing	52768835.71	20999570.30
Long Term Unsecured Loan from others (net)	(4906839.00)	9809074.00
Net Cash from Financing Activities	(1775236.38)	47636703.49
Net Increase / Decrease in Cash and Cash equivalent	6885263.93	1251497.43
Cash and Cash equivalents at the beginning of the year	3254168.36	2002670.93
Cash and Cash equivalents at the end of the year	10139432.29	3254168.36

Note : Figure in brackets represent outflows

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR N.S. RATHORE & CO.

(FRN - 012414C)

-sd-

(N. S. Vyas)

Partner (M. No. - F10937)

-sd-

(ARUN BHANDARI)

Managing Director

-sd-

(LALIT BHANDARI)

Director

Place : Jaipur

Date : 03/09/2013

Place : Nagpur

Date : 03/09/2013

NOTES FORMING PART OF FINANCIAL STATEMENT

a. Nature of Operation

The company is manufacturing Aluminium Powder, Aluminium Pyro & Flake Powder, Paste and Aluminium Conductor. The Company is also engage in trading and manufacturing of MNO and MNO₂ powder.

b. Basis of Accounting

The financial statements are prepared under historical cost convention on accrual basis and are in accordance with the generally accepted accounting principles in India, mandatory accounting standards as specified in the Companies (Accounting Standards) Rule, 2006 and the relevant provisions of the Companies Act, 1956.

c. Current and Non Current Classification

An asset or a liability is classified as current when it satisfies any of the following criteria :

- i. it is expected to be realized/settled, or is intended for sale or consumption, in the Company's normal operation cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is expected to be realized/due to be settled within twelve months after the reporting date;
- iv. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

1. Significant Accounting Policies

i) Fixed Assets

All fixed assets are stated at cost of acquisition less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition/construction of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they related to the period till such assets are ready for commercial use.

ii) Impairment of Fixed Assets

At balance sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an assets exceeds its recoverable amounts.

iii) Depreciation

Depreciation is provided on straight line method at the rates specified in Schedule XIV to the Companies Act, 1956 except depreciation on Fixed Assets related to MIDC Hingna unit has been provided on WDV method at the rate and in the manner provided in Schedule XIV of Companies Act, 1956.

iv) Investment

Investment are stated at cost.

v) Inventories

Finished Goods are valued at cost and market value whichever is lower. Raw Material, Packing Material and Stores are valued at cost net of on First In First Out Method.

vi) Borrowing Cost

Borrowing costs that are directly attributable to the acquisition or Construction of qualifying asset are capitalized as part of the cost of that asset. The amount of borrowing costs eligible for capitalisation is determined in accordance with Accounting Standard 16(AS 16) on "Borrowing Costs". Other borrowing costs are recognized as an expense in the period in which they are incurred. Interest earned is reduced from interest and finance charges.

vii) Revenue Recognition

Sales and other income are accounted on accrual basis. Sales is inclusive of Excise Duty and exclude VAT/CST. Excise Duty to the extent included in the gross turnover is deducted to arrive at the net turnover.

viii) Foreign Currency Transactions

Normal Exchange differences at the time of settlement are dealt with in the Profit & Loss account. Exchange difference arising on forward contract is recognised as income or expense over the life of the contract. Any Profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense for that period. Exchange rate difference in respect of purchase of Fixed Assets is adjusted in the carrying amount of respective Fixed Assets.

ix) Research & Development

Capital Expenditure on Research & Development is treated in the same way as expenditure on fixed assets. The revenue expenditure on Research & Development is Written-off in the year in which it is incurred.

x) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

xi) Gratuity, Bonus, Privilege Leave is provided for as and when they become due for payment.

xii) Earnings Per Share

The Company reports basic and diluted Earnings per Share(EPS) in accordance with Accounting Standard 20 "Earning per Share". Basic EPS is computed by dividing the net profit or loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss attributed to the equity shareholders for the year by weighted average number of equity shares outstanding during the year as adjusted for the effects of all potential equity share, except where the result are anti-dilutive.

xiii) Taxes on Income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the income Tax Act. Deferred income taxes reflects the impact of current period timing difference between taxable income and accounting income for the period and reversal of timing difference of earlier years.

xiv) Contingent Liabilities

Possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is probable that an outflow of resources will be required to settle the obligation is reported as contingent liability. In rare cases, when a liability cannot be measured reliably, it is classified as contingent liability. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(B) NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	AS AT 31st MARCH, 2013	AS AT 31st MARCH, 2012
2 SHARE CAPITAL		
AUTHORISED		
85,00,000 Equity Shares of ₹ 10/- each (P.Y. 85,00,000 Equity Shares)	<u>85000000.00</u>	<u>85000000.00</u>
ISSUED, SUBSCRIBED & PAID UP		
82,90,050 Equity Shares of ₹ 10/- each Fully Paid up	82900500.00	82900500.00
	<u>82900500.00</u>	<u>82900500.00</u>

a. Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	31.03.2013		31.03.2012	
	No. of Share Held	%	No. of Share Held	%
Shri Arun Bhandari	2283572	27.55%	2283572	27.55%
Smt. Saroj Bhandari	1327893	16.02%	1327893	16.02%
Mayank Fasteners Pvt. Ltd.	928750	11.20%	928750	11.20%

b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	31.03.2013 No. of Shares	31.03.2012 No. of Shares
Shares outstanding at the beginning of the year	8290050.00	8290050.00
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	8290050.00	8290050.00

c. Terms / Rights attached to equity shares

The company has only one class of shares - equity shares - having a per value of ₹ 10/- share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Details of Shares issued as consideration other than cash

Particular	2012-13	2011-12	2010-11	2009-10
No. of Share Alloted	NIL	NIL	NIL	14,43,3550

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	31-03-2013 ₹	31-03-2012 ₹
3 RESERVES & SURPLUS		
Capital Reserve		
Balance as per last financial statements	2500000.00	2500000.00
Revaluation Reserve		
Balance as per last financial statements	607817.35	607817.35
General Reserve		
As per last Balance Sheet	40712922.00	40712922.00
Add : Transferred from Profit and Loss Account	--	--
Closing Balance	40712922.00	40712922.00
Surplus in the Statement of Profit & Loss		
Balance as per last financial statements	29145118.65	19746033.24
Add : Profit of the year	14424388.44	9399085.41
Closing Balance	43569507.09	29145118.65
TOTAL	87390246.44	72965858.00
4 Long Term Borrowings		
4.1 Term Loan		
Secured		
From Bank		
Indian Rupee Loan	69167909.66	68961402.06
Less : Current Maturity (refer note - 8)	18528000.00	18528000.00
Total (a)	50639909.66	50433402.06
Unsecured		
Indian Rupee Loan from others	27134473.00	30562698.00
Total (b)	27134473.00	30562698.00
Total (a) + (b)	77774382.66	80996100.06
4.2 Deferred Payment Liability		
Sales Tax Deferment (unsecured)	19767108.00	21245722.00
Less : Current Maturity (refer note - 8)	2154066.00	1478614.00
Total (c)	17613042.00	19767108.00
Total Long Term Borrowings	Total (a) + (b) + (c)	95387424.66
		100763208.06

Term of Repayment

- Term Loan from Bank of Baroda ₹. 77.93 lacs (P.Y. - ₹ 106.56 lacs) carries interest @ 13.75% and is repayable in 72 installments commencing from April - 2010.
- Term Loan from Bank of Baroda ₹. 613.75 lacs (P. Y. - ₹ 583.05 lacs) carries interest @ 13.75% and is repayable in 60 installments commencing from January 2012.
- Loan from Other Parties is a long term loan and are payable on demand
- Deferred Sales tax loan is interest free and the first installment was started from the F. Y. - 2010-11 and the last installment will be paid by F. Y. 2018-19

Security

- The Term Loan of ₹. 77.93 lacs is secured by Hypothecation of Plant & Machinery equipment etc.
- The Term Loan of ₹. 613.75 lacs is secured by Hypothecation of Plant & Machinery equipment etc. of Alu. Powder Div.

Common Securities for above loans are :

- Factory Land & Building and immovable Machineries of proposed unit II at K-61, MIDC Butibori, Nagpur
- Factory Land & Building and immovable Machineries at Village Maregaon, Post Shahpur, Dist. Bhandara.
- Factory Land & Building situated at Sr. No. 1016 part, Satona Neri Road, Village Neri, Mohad, Dist. Bhandara.
- Factory Land & Building and immovable Machineries at B-28, Hingna Ind. Estate, Nagpur.
- Fixed Assets created out of the proposed Aluminium Conductor Project costing ₹ 13 crores at Gut no. 43, 55/1, 56/1 & 56/2, Maregaon, Tal. & Dist. Bhandara

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	31-03-2013 ₹	31-03-2012 ₹
5. Deferred Tax Liability (Net)		
Deferred Tax Liabilities at the beginning of the year	20430804.67	19479666.57
Deferred Tax Liabilities during the year on account of timing difference	1550548.41	951138.10
Deferred Tax Liabilities at the end of the year	<u>21981353.08</u>	<u>20430804.67</u>
6. Short Term Borrowings		
6.1 Loan repayable on demand (secured)		
From Bank		
#Working Capital Loan	209365124.62	137592631.66
Working Capital EPC Loan	8051308.00	--
Working Capital Buyers Credit Loan	--	22820073.50
Total (a)	<u>217416432.62</u>	<u>160412705.16</u>
# Note : Working Capital Loan secured by hypothecation of inventories, book debts and also personal guarantee of 3 Directors and secured by second charge on all fixed assets.		
6.2 Loans repayable on demand (unsecured)		
From others	--	4234891.75
Total (b)	<u>--</u>	<u>4234891.75</u>
Total Short Term Borrowings	<u>217416432.62</u>	<u>164647596.91</u>
7. Trade Payable		
* Micro, Small and Medium Enterprises	--	--
Others (including acceptance)	122707954.04	69964390.48
	<u>122707954.04</u>	<u>69964390.48</u>
* Note : The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2013 as micro, small and medium enterprises. Consequently the amount paid / payable to these parties during the year is nil.		
8. Other Current Liabilities		
Current maturities of Long-term debt (Refer Note No. 4)	18528000.00	18528000.00
Current maturities of Long-term debt (Refer Note No. 4)	2154066.00	1478614.00
Interest accrued but not due on borrowings	403883.00	147758.00
Other Payables	3752557.80	8389415.80
Statutory Liabilities	2625667.02	2837351.02
Liabilities for Expenses	10841901.49	6706702.64
	<u>38306075.31</u>	<u>38087841.46</u>
9. Short Term Provision		
Income Tax Provision (Net of Advance Tax)	1402607.37	2248745.00
	<u>1402607.37</u>	<u>2248745.00</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	31-03-2013 ₹	31-03-2012 ₹
11. Non-Current Investments		
Trade Investments		
Investment in equity instrument at cost (unquoted)		
Fully paid up with face value of ₹ 10/- each unless other specified		
(i) 998860 (P.Y. - 978860) Equity Shares of M/s. Star Circlips & Engg. Ltd.	9782890.00	8982890.00
(ii) 13440 (P.Y. - 13440) Equity Shares of Mayank Fasteners Pvt. Ltd.	1344000.00	1344000.00
Non-Trade Investment		
Govt. Securities (At Cost)		
a) 7 years National Saving Certificate	28000.00	28000.00
Total	<u>11154890.00</u>	<u>10354890.00</u>
12 Long Term Loan and Advance		
Security Deposits		
Unsecured, considered good	2801480.00	3236960.00
Total	<u>2801480.00</u>	<u>3236960.00</u>
CURRENT ASSETS		
13. Inventories		
Stores & Spares	13686183.76	9243516.48
Packing Materials	7935375.37	4599448.00
Raw Materials	54593707.80	27398576.75
Finished Goods	128275018.50	114806426.00
Stock in Process	3364440.00	2866392.00
Bronze / Alu. Powder Trading Stock	641658.11	6084711.00
	<u>208496383.55</u>	<u>164999070.23</u>
14. Trade Receivable		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured but Considered Good	3300446.69	3304149.69
	<u>3300446.69</u>	<u>3304149.69</u>
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Others - Unsecured but Considered Good	201751994.34	144000759.11
	<u>201751994.34</u>	<u>144000759.11</u>
Total	<u>205052441.03</u>	<u>147304908.80</u>

Notes on Financial Statements for the year ended 31st March, 2013

10. FIXED ASSETS
Tangible Fixed Assets

Sr. No.	Particulars	(Amt. in ₹)										
		Gross value as on 01.04.2012	Additions during the year	Deletion / Adjus.	Total value as on 31.03.2013	Depreciation Up to 31.03.2012	Adjustment during the Year	Depreciation for the year	Depreciation up to 31.03.2013	Net Block as on 31.03.2013	Net Block as on 31.03.2012	
1	LAND Lease Hold	9618803.75	-	-	9618803.75	-	-	-	-	9618803.75	9618803.75	
	Free Hold	2660173.95	3792000.00	-	6452173.95	-	-	-	-	6452173.95	2660173.95	
2	Factory Building	82348639.72	10677145.92	-	93025785.64	18115511.41	-	3092679.49	21208190.90	71817594.73	64233128.30	
3	Non - Factory Building	8325037.44	92563.00	-	8417600.44	1559150.43	-	94621.00	1653771.43	6763829.01	6765887.01	
4	Furniture & Fixture	3221429.75	86515.00	-	3307944.75	2117296.69	-	191484.02	2308780.71	999164.04	1104133.06	
5	Plant & Machinery	182470350.00	18856577.69	-	201326927.69	89472844.23	-	11830482.95	101303327.18	100023600.52	92981112.77	
6	Electric Installation	9680158.73	-	-	9680158.73	6120509.59	-	1058120.77	7178630.36	2501528.37	3576042.15	
7	Vehicles	8795559.70	-	-	8795559.70	5750212.93	-	670413.77	6420626.70	2374933.00	3045346.77	
8	Office & Lab. Equipment	2988277.01	-	-	2988277.01	1583100.63	-	140844.18	1723944.81	1264332.20	1405176.38	
9	Computer	2262611.74	41666.00	-	2304277.74	2105283.54	-	125414.74	2230698.28	73579.46	157328.20	
10	Holiday Resort	70400.00	-	-	70400.00	39194.72	-	2351.36	41546.08	28853.92	31205.28	
11	Live Stock	37852.00	-	-	37852.00	-	-	-	-	37852.00	37852.00	
	Total	312479293.79	33546467.61	-	346025761.40	126863104.17	-	17206412.29	144069516.46	201956244.94	185616189.62	
	Previous Year	242012584.92	70522708.87	56000.00	312479293.79	111853443.98	-	15009660.19	126863104.17	185616189.62	130159140.94	
	Capital Work in Progress	22365192.00	9847795.28	24123006.00	8089981.28	-	-	-	-	8089981.28	22365192.00	

Intangible Fixed Assets

Sr. No.	Particulars	(Amt. in ₹)									
		Gross value as on 01.04.2012	Additions during the year	Deletion / Adjus.	Total value as on 31.03.2013	Depreciation Up to 31.03.2012	Adjustment during the Year	Depreciation for the year	Depreciation up to 31.03.2013	Net Block as on 31.03.2012	
1	Good Will	27500.00	-	-	27500.00	-	-	-	-	27500.00	27500.00
	Total	27500.00	0.00	0.00	27500.00	0.00	0.00	0.00	0.00	27500.00	27500.00
	Previous Year Figure	27500.00	-	-	27500.00	-	-	-	-	27500.00	27500.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	31-03-2013 ₹	31-03-2012 ₹
15. Cash & Bank Balance		
Cash in Hand	1204357.45	2769529.50
Balance with Bank in current A/cs	8935074.84	484638.86
	<u>10139432.29</u>	<u>3254168.36</u>
16. Short Term Loans and Advances (Unsecured, considered good)		
Loans to Employees	2198984.90	2005186.15
Prepaid Expenses	760574.00	1023699.41
	<u>2959558.90</u>	<u>3028885.56</u>
17. Other Current Assets		
Welfare Cess	-	591.00
Central Excise Duty Deposit	609035.21	1447107.78
Central Excise Duty Deposit Stk trf	256744.00	380936.00
Deposit Against Sales Tax Appeal	35000.00	35000.00
Excise Duty Deposit (Under Dispute)	3321766.00	3321766.00
Service tax deposit	626190.22	882898.77
Service Tax receivable A/c	45792.53	69094.53
Sales Tax U.P. (Demand)	-	146400.00
Sales Tax Appeal (02-03)	250000.00	250000.00
Sales Tax Appeal (03-04)	350000.00	350000.00
Interest Receivable from MSEB	208360.00	149551.34
Excise Duty Drawback	1344141.00	-
VAT Credit	879537.81	959255.94
Advance to Non Trade Suppliers	400000.00	1225000.00
Advance to Trade Suppliers	8488114.76	2603578.65
	<u>16814681.53</u>	<u>11821180.01</u>
18. Revenue from Operation (Gross)		
Sales of Products	883800437.50	585437297.50
Job Work	21466112.50	27970366.25
Export Sales	134129736.00	86174433.00
Excise Duty & Cess	111715387.00	63075738.00
Sales of DEP B Licence	4837520.00	2723641.00
	<u>1155949193.00</u>	<u>765381475.75</u>
19. Other Income		
Exchange Rate Difference	-	462512.50
Interest Income	1082975.00	830340.34
Sales of Scrap	4762.00	-
Commission Received	71000.00	-
Other Income	102178.30	160740.40
Surplus on Sales of investment	-	204887.00
	<u>1260915.30</u>	<u>1658480.24</u>
20. Cost of Raw Material Consumed		
Alu. Ingots	568447895.15	388008275.11
Alu. Foils	40185056.00	49111106.00
Steric Acid	13288636.95	10208563.98
M.T.O. / Solvent Naptha / M.E.G.	25243078.00	15425632.00
Manganese / Magnetite	25306436.79	29175134.60
Alu. Wire Rod / Alloys	86268172.00	244485.40
Iron Non Alloy Steel Reinforce	1784528.00	52710.00
	<u>760523802.89</u>	<u>492225907.09</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	31-03-2013 ₹	31-03-2012 ₹
21. Change in Inventories of Finished Goods / Semi-Finished and Stock in Trade		
Finished Goods		
Opening Stock	114806426.00	75994092.00
Closing Stock	128275018.50	114806426.00
	13468592.50	38812334.00
Stock in Process		
Opening Stock	2866392.00	5454800.00
Closing Stock	3364440.00	2866392.00
	498048.00	(2588408.00)
Trading Goods (Bronze & Aluminium Powder)		
Opening Stock	6084711.00	11789615.19
Closing Stock	641658.11	6084711.00
	(5443052.89)	(5704904.19)
22. Employee Benefit Expenses		
Salaries, Wages & Bonus	39349134.97	35461420.96
Contribution to PF & Other Funds	4288021.00	4070208.00
Allowance & Fringe benefits	25809219.08	22446677.95
Staff and labour Welfare Expenses	750409.00	762367.00
	70196784.05	62740673.91
23. Finance Cost		
Interest expense	47152645.43	30066634.66
Bank Charges	2691095.26	1794929.15
	49843740.69	31861563.81
24. Depreciation and Amortization		
Depreciation of Tangible Assets	17206412.29	15009660.19
	17206412.29	15009660.19
25. Other Expenses		
Manufacturing Expenses		
Stores Consumed	12002381.63	10699179.54
Packing Material Consumed	22843551.09	18333928.66
Power & Fuel	71698757.94	63575681.51
Repair to Machinery	1382620.75	1233393.00
Repair to Building	161371.00	556268.17
Computers and Other	209626.20	136600.00
	108298308.61	94535050.88
Establishment Expenses		
Garden Maintenance exp.	9198.00	32407.00
Rates & Taxes	751572.00	644851.00
Insurance Expenses	2002840.41	2100204.41
Advertisement	106000.00	78345.00
Books and periodicals	11451.00	8520.00
Conveyance	437499.00	484759.00
General Charges	320118.07	256066.00
Legal & Professional Charges	1073765.60	636866.00
Office & Other Charges	1240746.00	1089980.00
Postage, Telegram & Telephone	1232862.57	1178586.33
Printing & Stationery	224058.00	211658.00
Pollution Control Expenses	127460.00	15680.00
Total (a)	108298308.61	94535050.88

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	31-03-2013 ₹	31-03-2012 ₹		
Rent Charges	270000.00	220500.00		
Light & Water Charges	643992.00	334383.00		
Technical Consultancy Charges - Others	1204425.00	1066980.00		
Travelling Expenses	1276709.83	1250779.00		
Vehicle Expenses	757884.30	721641.00		
Expenses on Live Stock	24108.00	12759.00		
Sundry Balance W/off	356912.84	22654.57		
Website Development Expense	-	9000.00		
Donation	81000.00	125000.00		
Total (b)	<u>12152602.62</u>	<u>10501619.31</u>		
Selling & Distribution Expenses				
Freight Outwards	3228646.00	2486341.00		
Export Freight & Shipment	2876144.00	1723432.00		
Transit Insurance	257437.00	175343.00		
Depot Expense	21760.00	150000.00		
Seminar & Conference Exp.	18000.00	-		
Excise Duty Expenses	111602.00	6269.00		
Vat Tax / Sales Tax Expenses	1432623.00	156819.00		
Service Tax GTA	716.00	1771.00		
Sampling / Analysis Charges	305246.30	116456.00		
Selling Expenses	723374.00	291236.00		
Commission & Discount	27622740.00	1919603.50		
Royalty	1752719.00	753250.00		
Total (c)	<u>13490541.30</u>	<u>7780547.50</u>		
Audit Fees Incl. Tax Audit Fees	Total (d)	40000.00		
Total (a+b+c+d+e)	<u>133981452.53</u>	<u>112857217.69</u>		
20.1 Raw Material Consumed	₹ in Lacs	%	₹ in Lacs	%
Raw Material - Indigenous consumption	763.698	99.87%	4736.51	94.81%
Raw Material - Imported consumption	9.50	0.13%	259.49	5.19%
	<u>773.198</u>	<u>100.00%</u>	<u>4996.00</u>	<u>100.00%</u>
25.1 Stores & Spares Consumed	₹ in Lacs	%	₹ in Lacs	%
Stores & spares - indigenous consumption	150.00	100%	106.99	100%
Stores & spares - imported consumption	-	-	-	-
	<u>150.00</u>	<u>100%</u>	<u>106.99</u>	<u>100%</u>
25.2 Packing Material Consumed	₹ in Lacs	%	₹ in lacs	%
Packing - Indigenous consumption	258.44	100%	183.34	100%
Packing - Imported consumption	-	-	-	-
	<u>258.44</u>	<u>100%</u>	<u>183.34</u>	<u>100%</u>
25.3 Payment to Auditor				
Audit Fee	25000.00		25000.00	
Tax Audit Fee	15000.00		15000.00	
	<u>40000.00</u>		<u>40000.00</u>	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

26. Related Party Disclosures

a) Name of related parties and description of relationship

Description of Relationship	Name of Related Parties
Related Enterprises where significant influence exist	Star Circlips & Engineering Ltd.
Key Management Personnel	Shri Arun Bhandari
	Shri Lalit Bhandari
	Shri Madan Mohan Agrawal
Relative of Key Management Personnel	Smt. Saroj Bhandari

b) Material Transaction with Related Parties (Amt. in Lacs)

Particulars	Related Enterprises	Key Management Personnel	Management Personnel
Sale of Goods	59.55		
Remuneration		33.14	
Salaries & Perquisites			9.75

27. Contingent Liabilities (Amt. in Lacs)

Guarantee given by the Company's Bankers	138.99	93.16
Bills discounted with the Company's banker under letter of credit	320.60	181.65
Sales Tax Demand	37.88	37.88

28. Capital and other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for. ₹. Nil (P.Y. ₹. Nil)

29. Foreign Exchange Earning & Outgo

Earning in foreign exchange (₹. in Lacs)

Particulars	2012-13	2011-12
FOB Value of Export (Direct)	1303.30	786.73

Foreign Exchange outgo (₹. in Lacs)

Particulars	2012-13	2011-12
Value of import calculated on cif basis		
Raw Materials	12.99	262.24
Capital Goods	--	137.08
Trading Goods	--	41.88
Expenditure in foreign currency		
Travelling Expense	0.87	--
Royalty	14.85	6.97
Commission	8.85	2.85

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30. Earnings Per Share (EPS)

Net Profit after tax as per statement of Profit & Loss attributable to Equity Shareholders (₹)	14424388.44	9399085.41
Nominal Value of Equity Shares (₹)	10.00	10.00
Weighted average number of Equity Shares used as denominator for calculating EPS	8290050.00	8290050.00
Basic and Diluted Earnings per Share (₹)	1.74	1.13

31. Previous year figures has been recast / regrouped / restated wherever necessary to make them comparable

SIGNATURE TO NOTE "1" TO "31"

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR N.S. RATHORE & CO.

Chartered Accountants
(FRN - 012414C)

-sd-

(N. S. Vyas)
Partner (M. No. - F10937)
Place : Jaipur
Date : 03/09/2013

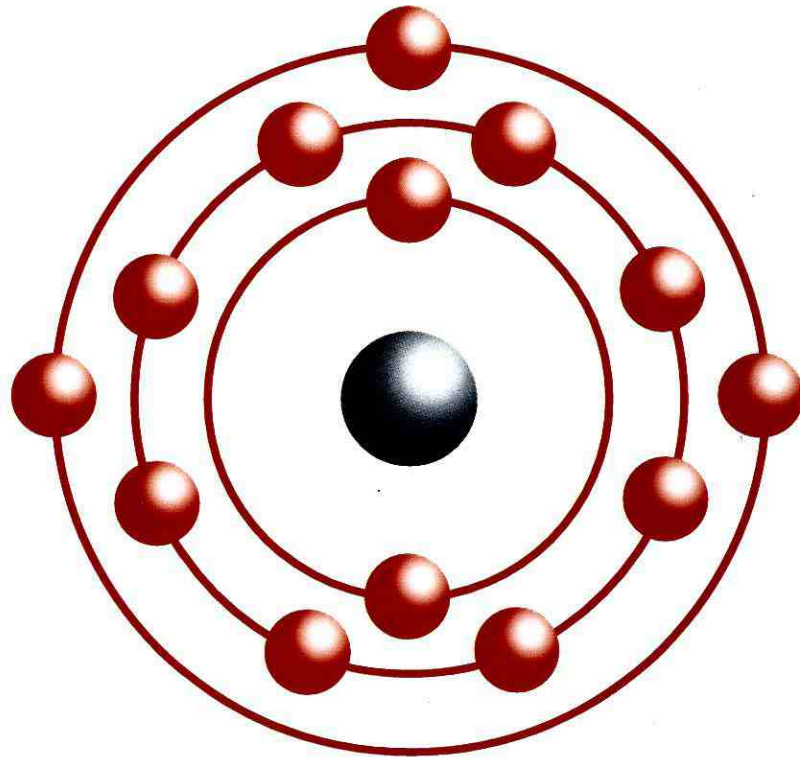
For and on behalf of the board

-sd-

(ARUN BHANDARI)
Managing Director
Place : Nagpur
Date : 03/09/2013

-sd-

(LALIT BHANDARI)
Director



MIMP