

**SREE MAHALAKSHMI SMELTERS PRIVATE
LIMITED**

5TH ANNUAL REPORT 2011-12

SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED

5TH ANNUAL REPORT FOR THE PERIOD ENDED 31ST MARCH 2012

BOARD OF DIRECTORS

:

1. SRI S.N. VARADARAJAN, DIRECTOR
2. SRI VINOD NARSIMAN, DIRECTOR
3. SRI K SARAVANAN, DIRECTOR

AUDITORS

CA M RAMA RAO
KOTHAGARAHARAM
VIZIANAGARAM - 535 001
ANDHRA PRADESH.

BANKERS

STATE BANK OF INDIA, GARIVIDI,
VIZAYANAGARAM, A. P.

YES BANK LTD, COIMBATORE
FEDERAL BANK LTD, COIMBATORE
AXIS BANK, COIMBATORE

REGISTERED OFFICE

MERAKAMUDIDAM MANDALAM
VIZIANAGARAM DISTRICT
GARBHAM - 535 102
ANDHRA PRADESH.

**SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED
NOTICE OF THE SHARE HOLDERS**

NOTICE is hereby given that the 5th Annual General Meeting of the Company will be held at the Registered Office of the Company at Merakamudidam Mandalam, Garbham - 535 102, Andhra Pradesh on Monday, 24th December 2012 at 11.00 A.M to transact the following business :

Members are requested to make it convenient to attend the meeting.

AGENDA

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account, for the period ended on that date together with the Directors' Report, Secretarial Compliance Certificate and Auditor's Report thereon.
2. To appoint a Director in the place of Sri Vinod Narsiman who retires by rotation, and being eligible, offers herself for re-appointment.
3. To Appoint CA M Ramarao Vizanagaram, Andhra Pradesh Chartered Accountant as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be decided by the Board of Directors of the Company.

On behalf of the Board



VINOD NARSIMAN
DIRECTOR

Coimbatore
Date : 01.12.2012

NOTES:

1. A member entitled to attend and vote at the meeting is also entitled to appoint another person as proxy to attend and vote instead of himself and a proxy need not be a member.
2. Proxies in order to be effective must be received in the prescribed form by the Company at the registered office not less than 48 hours before the time set out for the commencement of the meeting.

On behalf of the Board



VINOD NARSIMAN
DIRECTOR

Coimbatore
Date : 01.12.2012

SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors are pleased to present the 5th Annual Report of your Company together with the Audited statements of account for the period ended 31st March 2012 (Financial year being from 01/10/2011 to 31/03/2012)

FINANCIAL RESULTS:

Particulars	Rs.in Lakhs
	31.03.2012
Profit/(Loss) before depreciation & financial charges	129.98
Less: Depreciation	30.48
Profit/(Loss) before Financial Charges	99.50
Less: Financial Charges	88.66
NETPROFIT/(LOSS)	10.84

REVIEW OF OPERATIONS

Before making the provision of Rs.19.14 lakhs towards reduction in the deferred tax asset created during the earlier period, the Company has reported a Net Profit of Rs. 10.84 lakhs for the period comprising of six months from 01/10/2011 to 31/03/2012.

DIVIDEND:

The question of recommending a dividend does not arise.

DEPOSITS

Your Company has not accepted any Deposits within the meaning of Section 58A of Companies Act, 1956 and Rules made thereunder from the public or its employees during the year under review.

DIRECTORS

There is no change in the constitution of the Board of Directors of the Company and as per the Articles of Association of the Company, Directors need not retire by rotation.

STATUTORY AUDITORS

During the year under review M/s K.S.G. Subramanyam & Co., Chartered Accounts, Coimbatore and M/s Haribakthi & Co, Coimbatore resigned as joint auditors of the company and in their place Sr. CA. M Rama Rao, Chartered Account, Vizayanagaram was appointed as statutory auditor in the extra ordinary general meeting. The Company's Statutory Auditors Sri CA M Ramarao retiring at the conclusion of this Annual General Meeting, being eligible, offers himself for re-appointment.

COMPLIANCE CERTIFICATE

A copy of the Compliance Certificate from a firm of Practising Company Secretaries in Whole Time practice as to the compliance of the provisions of the Companies Act, 1956 is attached to the Directors' Report.

PARTICULARS OF EMPLOYEES

With regard to the requirements under Section 217(2A) of the Companies Act, 1956 none of the employees of the Company are drawing more than the prescribed limits.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

NIL

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Board of Directors of the Company confirms that : -

- i. in preparation of the Annual Accounts, the applicable accounting standards have been followed.
- ii. the Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give 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 Account of the Company for that period.
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. the Directors had prepared the Annual Accounts on a going concern basis.

DELAY IN CONVENING ANNUAL GENERAL MEETING:

The financial year was closed for the period from 01/04/2011 to 30/09/2011 and the annual general meeting was convened on 30/03/2012 in view of the change in the management of the company. After the change in the management there was a proposal for extending the financial year from 01/10/2011 to 31/03/2013 by the new management and approval was taken from their Board in their meeting held on 27th September 2012. Necessary application was also made during the November 2012. Subsequently the Company decided to close the financial year from 01/10/2011 to 31/03/2012. Accordingly the accounts were approved by the Board in their meeting held on 01/12/2012. Hence the annual general meeting is proposed to be convened on 12/12/2012.

ACKNOWLEDGEMENT

Your Directors are extremely thankful to the Bankers, staff and shareholders for the confidence reposed by them.

For and On behalf of the Board



**Vinod Narsiman
Director**

Place : Colmbatore
Date : 01.12.2012

AUDITOR'S REPORT

TO THE MEMBERS OF SREE MAHALAKSHMI SMELTERS (PVT) LIMITED,

We have audited the attached Balance Sheet of SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED, as at 31st March 2012 and also the Profit & Loss Account for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. 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.
2. 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 Companies Act, 1956. We enclose in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the said order:
3. Further to our comments in the Annexure referred to the above, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet and Profit and Loss Account, dealt with by this Report, are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and Profit & Loss Account, dealt with by this report comply with the Accounting Standards, referred to in sub section (3C) of Section 211 of the Companies Act, 1956,

- e) On the basis of the written representation received from the Directors as on 31st March 2012, and taken under on record none of the Directors are 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 financial statements, read together with attached schedules and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) In the case of the Balance Sheet, of the state of the Company's affairs for the period from 01.10.2011 to 31.3.2012; and
 - ii) In the case of the Profit & Loss Account, of the Loss for the period ended on that date.

Place : HYDERABAD
Date : 01.12.2012


(CA. M.RAMARAO)
MM NO.202214

**ANNEXURE TO THE AUDITORS' REPORT
TO THE MEMBERS OF SREE MAHALAKSHMI SMELTERS (PVT) LIMITED,**

1. a) The Company is maintaining proper records to show full particulars, including
Quantitative details and situation of fixed assets.
- b) The fixed assets of the Company are physically verified by the management during the period in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. a) As per information and explanation given to us, inventories have been physically verified by the management at regular intervals during the year.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of inventories and there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. a) The Company has neither granted any loans, secured or unsecured, to Companies, firms or other parties listed in the Register maintained u/s. 301 of the Companies Act, 1956.
- b) During the year the Company has taken loan from Companies, covered in the Register maintained u/s. 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business, for purchase of inventory, fixed assets and for sale of goods. Further, on the basis of our examination of the books and records of the Company and according to the information and explanation given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. a) In our opinion and according to the information and explanations given to us, the transaction that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956, have been so entered.
- b) In our opinion and according to the information and explanations given to us the transactions exceeding the value of Rupees Five Lakhs have been entered into during the financial year, are at prices which are reasonable having regard to the prevailing market prices at the relevant time except in case of some transactions where we are unable to comment owing to the unique and specialized nature of the items involved and absence of any comparable prices, whether the transactions are made at prevailing market prices.
6. The Company has not accepted any deposits from the public within the meaning of Sec. 58A and Sec. 58AA of the Act and rules framed there under.
7. In our opinion, the Company's present internal audit system is commensurate with its size and the nature of its business.
8. According to the information and explanations given to us, there are no undisputed amounts of duties and taxes outstanding for a period of more than six months from the date they became payable as on the balance sheet date
9. The Company has an accumulated loss of Rs.3,54,50,805/- as at 31st March 2012 and it has incurred a loss of Rs. 8,30,242/- during the period ended on that date.
10. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders as at the Balance sheet date.
11. As per information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way pledge of shares, debentures and other securities.
12. The provisions of any special statute applicable to chit fund/ nidhi / mutual benefit fund/ societies are not applicable to the Company.
13. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
14. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the period.

15. The Company has taken term loan during the current year. As per information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
16. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment.
17. The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained u/s. 301 of the Act during the period.
18. The Company has not issued any debentures during the period.
19. The Company has not raised any money by public issue during the period.
20. In our opinion and according to the information and explanations given to us, no fraud by the Company and no significant fraud on the Company has been noticed or reported by the Management during the period, that ultimately causes the financial statements to be materially misstated.

Place : HYDERABAD

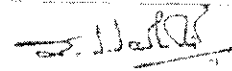
Date : 01.12.2012


(CA. M.RAMARAO)
MM NO.202214

M/S. SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED
 Merakamuddam Mandal, Garbham, Vizianagaram Dist., A.P - 535102
BALANCE SHEET AS AT 31ST MARCH 2012

PARTICULARS	Note No.	On 31/03/2012		On 30/09/2011	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
1. Shareholder's funds					
(a) Share Capital	I	4,29,18,570		4,00,00,000	
(b) Reserves and Surplus	II	(3,54,50,805)		(3,57,87,991)	
(c) Money received against share warrants			74,67,765		42,12,009
2. Share application money pending allotment					
3. Non-current liabilities					
(a) Long-term borrowings	III	14,89,01,817		11,86,09,270	
(b) Deferred Tax liabilities (Net)		-		-	
(c) Other Long term liabilities	IV	-		-	
(d) Long-term Provisions		-		-	
4. Current Liabilities					
(a) Short term borrowings	V	6,70,46,667		3,13,92,603	
(b) Trade payables	VI	6,46,39,372		3,12,44,600	
(c) Other current liabilities	VII	19,42,801		1,34,80,840	
(d) Short term provisions	VIII	81,71,636		1,15,28,219	
TOTAL			14,20,00,476		8,76,46,262
			29,83,70,059		21,04,67,541
II. ASSETS					
1. Non-current assets					
(a) Fixed assets	IX				
(i) Tangible assets		12,82,46,795		12,48,45,676	
(ii) Capital work-in-progress		3,44,21,079		26,83,377	
(b) Non-current investments		-		-	
(c) Deferred tax assets (net)		1,01,72,202		1,20,86,902	
(d) Long-term loans and advances	X	1,57,71,886		1,24,64,486	
(e) Other non-current assets	XI	-		9,570	
2. Current assets					
(a) Current investments		-		-	
(b) Inventories	XII	7,72,33,429		4,19,03,219	
(c) Trade receivables	XIII	1,50,67,226		16,03,320	
(d) Cash and Cash equivalents	XIV	56,21,094		59,41,163	
(e) Short-term loans and advances	XV	1,18,36,348		89,49,829	
(f) Other current assets		-		-	
TOTAL			10,97,58,097		5,83,97,631
			29,83,70,059		21,04,67,541

Prepared on behalf of the Board



S.N. VARADARAJAN
Director



VINOD NARSIMAN
Director

As per our report of even date



CA M RAMARAO

Place: Coimbatore
Date: 01/12/2012

MM. NO. 202214

M/S. SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED
 Merakamuddam Mandal, Garbham, Vizianagaram Dist. A.P - 535102
PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED 31/03/2012

PARTICULARS	Note No.	01/10/2011 to 31/03/2012		01/04/2011 to 30/09/2011	
		Rs.	Rs.	Rs.	Rs.
i Revenue from operations	XVI	12,86,62,168		12,10,55,555	
ii Other Income	XVII	9,17,053		65,333	
iii Total Revenue (i + ii)			12,95,79,221		12,11,20,888
iv Expenses					
Cost of Materials Consumed	XIX	11,32,77,650		14,76,59,645	
Purchases of Stock in Trade					
Changes in inventories of finished goods, work in progress and Stock-in-trade		(65,67,564)		15,81,150	
Employee benefits expense		41,40,204		44,44,756	
Finance Costs	XVIII	88,66,063		63,42,546	
Depreciation and amortization expense	IX	30,48,241		30,39,406	
Other expense		57,30,170		85,62,919	
Total Expense			12,84,94,763		17,16,30,425
Profit before exceptional and extraordinary items and tax (ii-iv)			10,84,458		(5,05,09,537)
vi Exceptional items					
vii Profit before extraordinary items and tax (v-vi)			10,84,458		(5,05,09,537)
viii Extraordinary items					
ix Profit before tax (vii-viii)			10,84,458		(5,05,09,537)
x Tax expense:					
(1) Current tax					
(2) Deferred tax		19,14,700		(1,40,40,917)	
			19,14,700		(1,40,40,917)
xi Profit/(Loss) for the period from continuing operations (ix - x)			(8,30,242)		(3,64,68,620)
xii Profit/(Loss) for the period from discontinuing operations					
xiii Tax expense of discontinuing operations					
xiv Profit/(Loss) from discontinuing operations (after tax) (xii-xiii)					
xv Profit/(Loss) for the period (xi + xiv)			(8,30,242)		(3,64,68,620)
xvi Earnings per equity share:					
(1) Basic			(0.19)		(0.12)
(2) Diluted			(0.19)		(0.12)
See accompanying notes to the financial statements					

For and on behalf of the Board:

As per our report of even date


 S.N. VARADABALAN
 DIRECTOR


 VINOD NARSIMAN
 DIRECTOR


 CA M RAMARAO

Place: Comstore
 Date: 01/12/2012

MM. NO. 202214

M/S. SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED

NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2012

NOTE I : Share Capital

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
1	AUTHORIZED CAPITAL 43,00,000 Equity shares of Rs. 10 Each	4,30,00,000	4,30,00,000
2	ISSUED , SUBSCRIBED & PAID UP CAPITAL to the Subscribers of the Memorandum 42,91,857 Equity shares of Rs. 10 Each	4,29,18,570	4,00,00,000
		4,29,18,570	4,00,00,000

- a.) The Authorised capital has been increased to 4,30,00,000 from 4,00,00,000.
b.) 2,91,857 shares allotted to Mr. G. Sasidhar Reddy as consideration other than cash for acquiring Land.

- > 21,88,847 Equity Shares are held by M/s. Indsil Hydro Power & Manganese Ltd.
> 21,03,010 Equity Shares are held by M/s. Indsil Energy & Electrochemicals Ltd.

Sr. No	Particulars	Period (Aggregate No. of Shares)	
		31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
	Equity Shares :		
	Fully paid up pursuant to contract(s) without payment being received in		
1	cash	2,91,857	-
2	Fully paid up by way of bonus shares	-	-
3	Shares bought back	-	-

NOTE II : Reserves & Surplus

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
	Opening balance	-	6,80,629
	(+) Net Profit/(Net Loss) For the current year	3,57,87,991	-
	(+) Transfer from Reserves - Security Premium	8,30,242	3,64,68,620
	(-) Proposed Dividends	11,67,428	-
	(-) Interim Dividends	-	-
	(-) Transfer to Reserves	-	-
	Closing Balance	3,54,50,805	3,57,87,991

Debit balance of P & L is shown as a negative figure here instead of showing it on the asset side of the F

NOTE III : Long Term Borrowings

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
1	Term Loan (Secured)		
	- From Banks for Capital Assets	5,05,30,822	4,53,03,159
	- From HDFC for Loader	8,27,899	14,11,204
2	Loans & Advances From Related Parties	9,75,43,097	84,59,707
3	Loans From Directors	-	84,35,200
4	Other Loans & Advances	-	5,50,00,000
	Total	14,89,01,817	11,86,09,270

NOTE IV : Other Long Term Liabilities

Sr. No	Other Long Term Liabilities	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
1	(a) Trade Payables	-	-
	(b) Others	-	-
	Total	-	-

NOTE V : Short Term Borrowings

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
1	Loan Repayable on Demand		
	- From Bank (Secured)	6,70,46,667	3,13,92,603
	Total	6,70,46,667	3,13,92,603

NOTE VI : Trades Payable

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
1	Sundry Creditors for Materiel/Supplies:	6,06,51,206	2,85,67,250
2	Sundry Creditors for Stores & Expenses	41,88,166	26,77,350
	Total	6,48,39,372	3,12,44,600

NOTE VII : Other Current Liabilities

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
1	Advance From Customers	19,42,801	
2	Share application money refundable	-	1,34,80,840
	Total	19,42,801	1,34,80,840

NOTE VIII : Short Term Provisions

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
	Provision for Employee Benefits		
	Salary Payable	-	
	Wages Payable	5,88,482	6,24,645
	Provident Fund Payable	-	4,28,226
		57,505	
	Other short Term provisions		
	Electricity & Power Charges Payable		
	Statutory Dues Payable	63,69,639	1,04,15,180
	Provision for Income Tax	9,89,430	60,168
	Others	-	-
		1,66,580	
	Total	81,71,636	1,15,28,219

NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2012
NOTE IX - TANGIBLE FIXED ASSETS

Particulars	Gross Block		Disposals	Cost as on 31.03.2012	Balance as at 30.09.2011	Depreciation withdrawn on deletions	Balance as at 31.03.2012	Net Block	
	Balance as at 1.10.2011	Additions						Balance as at 31.03.2012	Balance as at 30.9.2011
Tangible Assets									
Land	11,83,459	60,77,540	-	72,60,999	-	-	-	72,60,999	11,83,459
Buildings (Factory)	3,80,28,751	-	-	3,80,28,751	12,54,501	6,35,080	18,89,581	3,61,39,170	3,67,74,250
Buildings (Others)	13,13,500	-	-	13,13,500	21,146	10,705	31,851	12,81,649	12,92,354
Electrical Equipments	2,41,70,193	80,500	05-12-2011	2,42,50,693	12,48,104	6,39,464	18,87,568	2,23,63,125	2,29,22,089
P&M	6,00,88,768	1,17,773	31-01-12, 05-02-12	6,02,06,541	31,33,571	15,87,347	47,20,918	5,54,85,623	5,69,55,197
Vehicles - Plant	44,43,899	58,665	12-01-2012	1,36,000	4,486	2,271	6,757	1,29,243	1,31,514
Computer	1,57,505	1,04,482	30-11-2011	45,02,564	2,31,417	1,17,996	3,49,413	41,53,151	42,12,482
Furniture	4,08,779	10,400	11-02-2012	2,61,987	24,229	18,457	42,686	2,19,301	1,33,276
Weigh Bridge	9,05,030	-	-	4,19,179	25,557	13,028	38,585	3,80,594	3,83,222
Capitals WIP	13,08,35,884	64,49,360	-	9,05,030	47,197	23,893	71,090	8,33,940	8,57,833
Total	25,55,122	3,18,65,957	-	13,72,85,244	59,90,208	30,48,241	90,38,449	12,82,46,795	12,48,45,676
Figures for Previous period	13,33,91,006	3,83,15,317	-	3,44,21,079	-	-	-	3,44,21,079	26,63,377
	53,56,924	12,96,52,425	42,12,965	13,07,36,384	59,90,208	30,48,241	90,38,449	16,26,67,874	12,75,09,053
								29,50,799	12,78,45,565

M/S. SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2012

NOTE X : Long Term Loans and Advances

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
	Security Deposits Secured, considered good	1,57,71,886	1,24,64,486
	Total	1,57,71,886	1,24,64,486

NOTE XI : Other non-current assets

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
1	Miscellaneous Expenditure Opening Balance		
	(-) Written off during the period	9,570	12,760
		9,570	3,190
	Closing Balance	-	9,570

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
1	Directors *		
2	Other officers of the Company *	NIL	NIL
3	Firm in which director is a partner *	NIL	NIL
4	Private Company in which director is a member	NIL	NIL
		-	

NOTE XII : Inventories

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
a	Raw Materials and components (Valued at cost) Goods-in transit	3,88,29,251	1,00,66,605
b	Work-in-progress (Valued at average cost) Goods-in transit	-	-
c	Finished goods (Valued at lower of cost or net realisable value) Goods-in transit	3,55,46,584	2,74,18,672
d	Stores and spares (Valued at Cost) Goods-in transit	28,57,594	44,17,942
	Total	7,72,33,429	4,19,03,219

NOTE XIII : Trade Receivables

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
1	<u>Trade receivables outstanding for a period less than six months from the date they are due for payment</u>		
	Secured, considered good	-	-
	Unsecured, considered good	1,50,67,226	16,03,320
	Unsecured, considered doubtful	-	-
	Less: Provision for doubtful debts	-	-
	1,50,67,226	16,03,320	
2	<u>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</u>		
	Secured, considered good	-	-
	Unsecured, considered good	-	-
	Unsecured, considered doubtful	3,82,286	-
	Less: Provision for doubtful debts	-	-
	3,82,286	-	
	-	-	
	-	-	
	Total	1,50,67,226	16,03,320

Trade Receivable stated above include debts due by:

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
1	Directors *		
2	Other officers of the Company *	NIL	NIL
3	Firm in which director is a partner *	NIL	NIL
4	Private Company in which director is a member	NIL	NIL
		-	-

NOTE XIV : Cash and cash equivalents

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
1	Balances with banks		
	Earmarked Balances (eg/- unpaid dividend accounts)	51,90,246	4,00,761
	Margin money	-	-
	Security against borrowings	-	14,43,498
	Guarantees	-	-
	Other Commitments	-	-
	Bank deposits with more than 12 months maturity	-	-
2	Cheques, drafts on hand	3,19,485	40,34,892
3	Cash on hand	-	-
		1,11,363	62,012
	Total	56,21,094	59,41,163

NOTE XV : Short-term loans and advances

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
1	Loans and advances to related parties		
	Secured, considered good	-	-
	Unsecured, considered good	-	-
	Doubtful	-	-
2	Others		
	Secured, considered good (Statutory balances)	-	-
	Unsecured, considered good	20,76,767	74,37,154
	- Advance for Capital Expenses - Mahalakshmi & Co.	-	-
	- Advance for Purchase	75,40,000	-
	- Advance for Expenses	10,88,066	-
	- Prepaid Expenses	9,09,331	15,12,672
	- Other Advances	2,07,681	-
	Doubtful	14,500	-
	Total	1,18,36,345	89,49,826

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
1	Directors		
2	Other officers of the Company	NIL	NIL
3	Firm in which director is a partner	NIL	NIL
4	Private Company in which director is a member	NIL	NIL
	Total		

M/S. SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED

NOTE X VI : Revenue From Operation

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
1	Sale of products	13,70,42,883	12,32,40,418
	Less:		
2	Excise duty	83,80,715	21,84,863
		12,86,62,168	12,10,55,555

NOTE X VII : Other Income

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
1	Interest Income		
2	Other non-operating income (net of expenses directly attributable to such income)	6,81,964	51,332
		2,35,089	14,001
	Total	9,17,053	65,333

NOTE X VIII : FINANCE COSTS

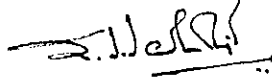
Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
1	Interest expense		
2	Other borrowing costs	89,33,396	61,50,213
		67,333	1,92,333
3	Applicable net gain/loss on foreign currency transactions and translation		
	Total	88,66,063	63,42,546

NOTE XIX : Additional Information

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
1	Changes in Inventories of Finished Goods, Work-in-Process & Stores		
	Finished Goods: Opening Stock	2,74,18,672	2,89,69,002
	Less: Closing Stock	(3,55,46,584.00)	(2,74,18,672.00)
	TOTAL (A)	(81,27,912.00)	15,50,330
	Work-in-Process: Opening Stock	-	26,82,308
	Less: Closing Stock	-	-
	TOTAL (B)	-	26,82,308
	Stores & Consumables : Opening Stock	44,17,942	17,66,454
	Less: Closing Stock	(28,57,594.00)	(44,17,942.00)
	TOTAL (C)	15,60,348	(26,51,488.00)
	TOTAL (A) + (B)+ (C)	(65,67,564.00)	15,81,150
2	Cost of Materials Consumed:		
	Opening Stock		
	Purchases	1,00,66,605	2,65,42,973
	Less: Closing stock	7,49,06,396	7,36,36,991
		(3,88,29,251)	(1,00,66,605)
	Freight Inward	4,61,43,750	9,01,13,359
		97,96,850	41,94,682
		5,59,40,600	9,43,08,041
	Manufacturing Expenses:		
	Stores & Spares Consumed		
	Electricity Charges	1,42,47,613	12,79,480
	Direct Wages	4,00,44,176	4,82,68,719
	Labour Charges	3,74,444	25,78,217
		18,72,448	-
		5,65,38,681	5,21,26,416
	Repairs & Maintenance:		
	Calibration Expenses	-	15,200
	Cartage & Freight - Repairs	-	-
	Fabrication Charges	27,350	-
	Generator Maintenance	-	1,36,500
	Land Development Charges	39,950	8,132
	Painting Charges	-	73,700
	Repairs & Maintenance - Plant	-	5,370
	Computer Maintenance	38,010	2,45,276
	Vehicle Maintenance	900	3,550
	Repairs & Maintenance - Others	2,95,901	7,37,461
		3,96,258	-
		7,98,369	12,25,189
	Total Cost of Materials Consumed	11,32,77,650	14,76,59,646
3	Employee Benefits Expenses:		
	(i) salaries and wages	34,72,770	40,32,931
	(ii) contribution to provident and other funds,	2,33,972	1,02,437
	(iii) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP),	-	-
	(iv) staff welfare expenses	4,33,462	3,09,388
		41,40,204	44,44,756
4	Depreciation and amortization expense	30,48,241	30,39,408

Sr. No	Particulars	31.03.2012 (In Rs.)	30.09.2011 (In Rs.)
5	Other Expenses:		
	Payment to Auditors for Statutory Audit		-
	Audit Expenses		-
	Advertisement	1,800	3,600
	Bank Charges	36,744	20,000
	Security Charges	77,675	67,333
	Consultancy Service Charges	5,13,881	2,37,458
	Courier Charges	2,26,937	67,000
	Directors Remuneration	662	5,337
	Donation	75,000	3,90,000
	Filing Fees	25,000	-
	Freight Outward	24,792	-
	General Expenses	19,09,164	1,91,680
	Insurance	1,62,264	1,92,707
	Irrecoverable Expenses Written Off	34,040	3,63,722
	Licence & Taxes	1,58,503	58,31,360
	Misc. Expenses Written Off	76,183	3,60,469
	Packing Materials	12,760	-
	Penal Interst Charges	4,16,837	9,000
	Printing & Stationery	-	-
	Pooja Expenses	89,718	44,236
	Rent	4,871	17,919
	Provision for Bad & Doubtful Debts	40,000	-
	Sales Commission	3,82,286	-
	Service Tax	3,25,900	64,600
	Subscription & Periodicals	35,983	1,870
	Supervisor Charges	45,000	-
	Telephone Charges	1,50,000	-
	Travelling & Conveyance Expenses	1,33,616	91,056
	TOTAL	13,05,310	68,816
		62,64,926	80,28,163

For and on behalf of the Board



S.N.VARADARAJAN
Director
Place : Coimbatore
Date: 01/12/2012



VINOD NARSIMAN
Director

SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED

Significant Accounting Policies and Additional notes forming part of Accounts

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The financial statements are prepared under historical cost convention, on the accrual basis of accounting and in accordance with the accounting principles generally accepted in India to comply with Accounting Standards notified under section 211 (3C) of the Companies Act 1956 ('the Act') and the relevant provisions of the Act.

2. Fixed Assets & Depreciation

- a) Fixed Assets are stated at cost of acquisition less accumulated depreciation. The cost of acquisition includes taxes, duties, freights and other incidental expenses related to the acquisition and installation of respective assets.
- b) Depreciation is provided on straight-line method at the rates prescribed under Schedule XIV of the Act. Capitalised software costs are amortised on the straight-line method over a period of two to six years as appropriate.
- c) Assets individually costs less that Rs. 5000 are fully depreciated at the rate of 100% in respect of the assets acquired, sold or discarded during the year, depreciation is provided on pro-rata basis for the period for which each asset was in use.

3. Impairment of Assets

The company assesses at each Balance Sheet date whether there is any indication of impairment to the assets. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generated unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit & Loss Account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to the maximum of depreciated historical cost.

4. Investments

Long term investments are stated at cost of acquisition inclusive of expenditure incidental to acquisition.

5. Inventories

Inventories are valued at cost or net realizable value whichever is lower. Cost of raw Material and stores is determined on weighted average cost basis. In case of goods in transit, cost represents the cost incurred up to the stage at which the goods in transit.

SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED

Significant Accounting Policies and Additional notes forming part of Accounts

6. Revenue Recognition.

The Company generally follows the mercantile system of accounting and revenue is recognized and expenditure is accounted for on their accrual.

7. Employee Benefits.

The contribution to Provident Fund is made as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and remitted to the Provident Fund Commissioner and is charged to Profit and Loss account.

8. Taxes on Income

Taxes on Income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax is recognized on timing differences between accounting income and taxable income and quantified using the tax rates enacted or substantively enacted on the Balance Sheet date. Deferred Tax assets are recognized and carried forward to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

9. Provisions & Contingent Liability

- a) Company creates a provision when there is a present obligation as a result of past event that requires an outflow of resources and a reliable estimate can be made of the amount of obligation.
- b) Disclosure for a contingent liability is made when there is possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot made.

10. Earnings Per Share

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

SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED

Significant Accounting Policies and Additional notes forming part of Account

B. ADDITIONAL NOTES TO ACCOUNTS

1. The company has license to produce Ferro Silicon, Silico Manganese, Ferro Manganese and Ferro Chrome. However during the period the company has manufactured Silico Manganese only.
2. The company has taken steps to identify the Micro, Small and Medium Enterprise Vendors based on information currently available with the company. There are no dues to MSME – vendors and hence disclosures relating to such vendors under Micro, Small and Medium Enterprises Development Act, 2006 are not furnished.
3. Balances of Sundry Debtors, Loans & Advances are subject to confirmation. Adjustments if any will be considered in the accounts in the period of such confirmation.
4. Amounts have been rounded off to the nearest rupee and previous year figures regrouped wherever necessary.
5. Previous period figures have been re-grouped, reclassified and accordingly disclosed as per the requirements of revised schedule VI.

For and on behalf of the Board



S.N. VARADARAJAN

Director



VINOD NARSIMAN

Director

PLACE : COIMBATORE

DATE : 01.12.2012



CA. M. RAMARAO

MM. NO. 202214