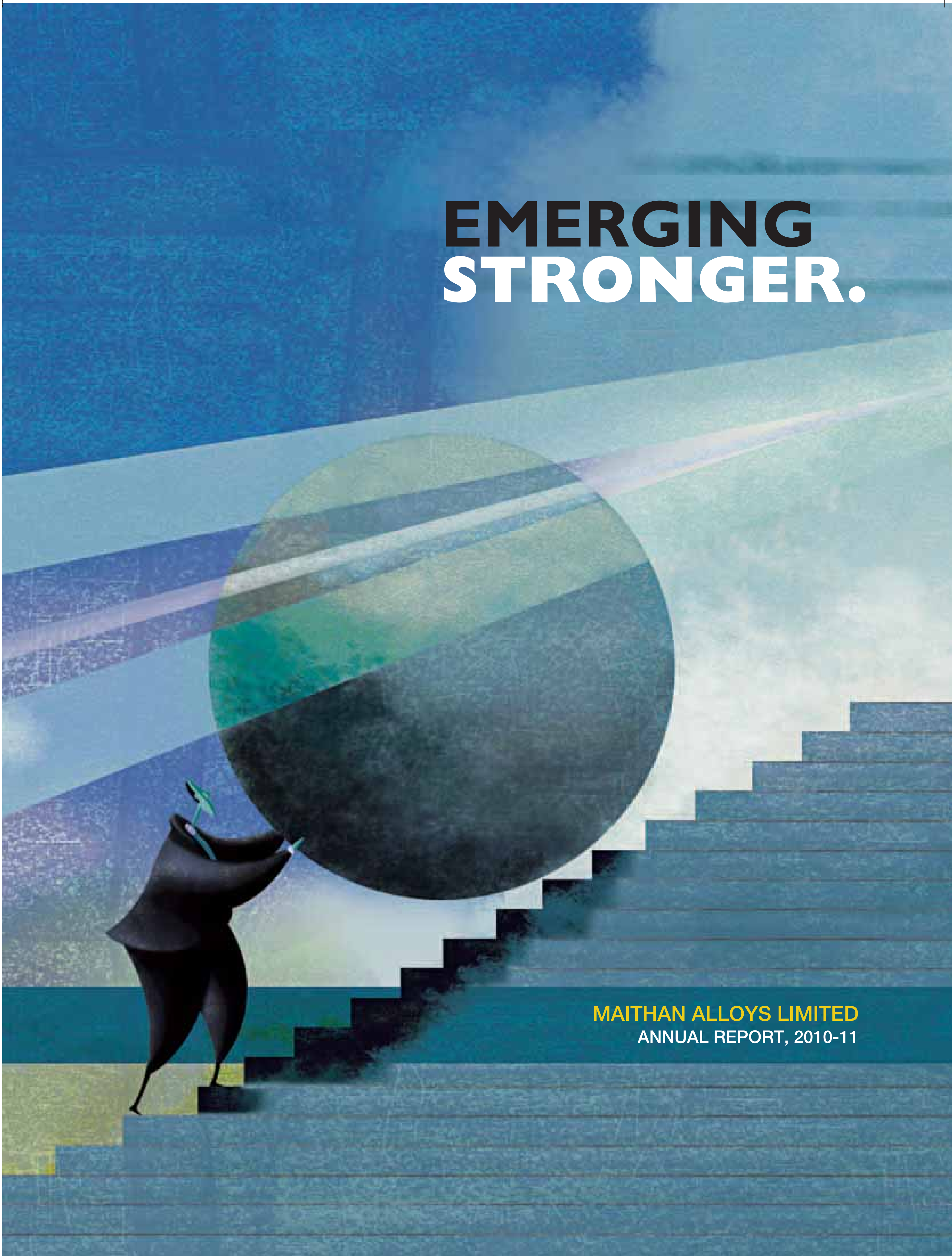
EMERGING STRONGER.



MAITHAN ALLOYS LIMITED
ANNUAL REPORT, 2010-11

Forward-looking statement

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.

ACROSS THE PAGES

EMERGING STRONGER.

THROUGH CAPACITY EXPANSION. GEOGRAPHIC SPREAD. VALUE-ADDED PRODUCTS. REVENUE INCREASE. ROBUST FINANCIALS. ENHANCED SHAREHOLDER VALUE.

MAITHAN ALLOYS IS AMONG INDIA'S LEADING MANUFACTURERS AND EXPORTERS OF NICHE VALUE-ADDED MANGANESE ALLOYS.

MILESTONES

1997

- Commenced commercial production with 10 MVA capacity
- Went public with IPO of Rs. 242 lacs

2000

- Added 7.5 MVA capacity

2004

- Added 8.25 MVA capacity
- Established two 1.25 MW windmills in Rajasthan

2005

- Established a 1.25 MW windmill in Maharashtra

VISION

- Enhancing stakeholder delight

MISSION

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

CORPORATE

- Incorporated in 1985
- Production of various grades of ferro manganese, silico manganese and ferro silicon products
- Among India's leading value-added manganese alloy exporters
- Intends to double ferro alloy manufacturing capacity through a 1.2 lac TPA plant in APSEZ Vishakapatnam for Rs. 250 crore through a 60% subsidiary called Anjaney Alloys. The balance 40% will be held by Maithan Smelters and Meghalaya Carbide & Chemicals (P) Limited.

PRESENCE

- Headquartered in Kalyaneshwari (near Asansol)
- Registered office in Kolkata
- Manufacturing plants located in Kalyaneshwari (West Bengal) and Ri-Bhoi (Meghalaya)
- Listed on Calcutta Stock Exchange, trading permission at Bombay Stock Exchange

2007

- Doubled capacity to 49 MVA

2008

- Created a subsidiary – Anjaney Alloys Limited to establish a 72 MVA ferro alloy plant at APSEZ in Visakhapatnam (Andhra Pradesh)

2009

- Commenced Meghalaya operations with 15 MVA capacity and a 15 MW captive power plant

THROUGH CAPACITY EXPANSION

AT MAITHAN ALLOYS, WE EMBARKED ON THE LARGEST ADDITION TO OUR PRODUCTION CAPACITY IN THE SHORTEST TIME.

- Grew from a single to multi-locational manufacturing presence
- Strengthened our production capacity from 10 MVA in 1997-98 to 64 MVA in 2010-11
- Embarked on adding 72 MVA through a greenfield facility in Visakhapatnam; what the Company achieved in 10 years, it is now replicating in only 21 months (expected commissioning by September 2011 with annual revenue potential of Rs. 600 crore).

The result: Maithan Alloys is positioned to emerge as a reliable supplier of manganese alloy products for large and growing international customers in the long-term.

18%

Growth in ferro alloy production (CAGR over the last five years)

THROUGH WIDENING PRESENCE

AT MAITHAN ALLOYS, THE BIG TEMPTATION WAS TO REMAIN CONTENT IN SERVICING THE INDIAN APPETITE FOR MANGANESE ALLOYS. WE EMBARKED ON THE MORE CHALLENGING OBJECTIVE OF ENHANCING OUR INTERNATIONAL PRESENCE.

- We were largely a Europe-focused company before the meltdown; thereafter, we compensated for the loss of Europe as a market with a growing presence in Asia
- The international market enables us to increase realisations and product requirements, benefiting our experience bandwidth to service growing needs in India
- The repeat volumes to large and demanding global customers serves as an endorsement of our capabilities, when we market products within India

The result: Maithan Alloys grew export revenues from 4.29% of total sales in 2005-06 to 42.88% in 2010-11.

62%

Growth in exports
(CAGR over the last five years)

THROUGH A NICHE PRODUCT MIX

AT MAITHAN ALLOYS, IT WOULD HAVE BEEN SIMPLER BEING RUN-OF-THE MILL. WE WALKED THE ROAD LESS TRAVELLED BY SELECTING TO BE VALUE-ADDED INSTEAD.

- Graduated to the manufacture of challenging products
- Pioneered the manufacture of a number of these products in India
- Painstaking process related to product approval for value-added projects with penalties in the event of product rejection
- Increased in the share of value-added products

Our research team continuously endeavours to achieve product breakthroughs.

The result: Realisations per tonne increased from Rs. 30,800 in 2005-06 to Rs. 61,800 in 2010-11.

THROUGH QUALITY CONSISTENCY

AT MAITHAN ALLOYS, IT WOULD HAVE BEEN FAR EASIER MARKETING RELATIVELY AVERAGE QUALITY MATERIAL; WE RESOLVED TO MARKET HIGH-QUALITY PRODUCTS INSTEAD.

- Created an international reputation for the specialised manufacture of niche products governed by challenging chemistry
- Invested in people, plants, processes and packaging to achieve the highest quality standards
- Invested proactively in quality-testing equipment like XRF Machine, CS Analyzer

The result: Maithan Alloys enlisted four of the top-five global steel producers as customers with repeat orders in the last few years.

"WE REPORTED PROFITABLE GROWTH IN 2010-11, EXCEEDING OUR TARGETS IN VOLUMES AND VALUE."

The management outlines the Company's success in 2010-11 and discusses the blueprint for 2011-12 and beyond.

Were you pleased with the Company's working in 2010-11?

We were satisfied because in a number of ways, the year under review was a microcosm of our business and operating model: Cyclical business, profitable company. During a buoyant 2010-11, when manganese alloy prices strengthened, the industry grew. It is in this context that the performance of Maithan Alloys needs to be appraised. Our bold strategy and strong execution enabled us to outperform industry growth and record robust financials for 2010-11:

- Turnover surged 24% to Rs. 594.42 crore
- Net profit surged 140% to Rs. 72.83 crore

This emphasises the point that in a business characterised by cyclicality, we are optimally placed to maximise value capture during industry upturns and protect profitability during sectoral downturns. It is this positioning that will enable us to grow sustainably over the years.

What reasons would you ascribe for the Company's superior performance?

The primary reason behind this outperformance was our bold intent to augment capacities even during downturns; or rather more so during downturns because of lower capex costs and quicker commissioning schedules. Some of the other reasons that contributed to our solid growth in 2010-11 comprised:

- Enhanced production from 76,451 MT in 2009-10 to 81,604 MT
- Increased value-added product share
- Exported 39,892 MT in 2010-11 (up 27%)

Our Meghalaya unit produced 15,721 MT, down 13.5%, owing to a larger percentage of ferro silicon production in 2010-11, requiring 2.25 times power per tonne of manufacture vis-à-vis silico manganese production. We are happy to report that the plant reported a healthy 93% capacity utilisation with the power plant reporting a robust 90% PLF.

We would like to mention that owing to the breakdown of a transformer at DVC (our power supplier) in March 2011, our production in Kalyaneshwari was sharply hit. The equipment was thereafter restored within 21 days.

What were the other features of corporate working that gave you pleasure?

We emerged as a leading international manganese alloys producer in terms of quality. Our products find global acceptance, reflected in zero rejections from demanding Japanese steel manufacturers, something that we demonstrated over the last three years. The Company lowered its debt portfolio by repaying Rs. 37 crore term loans in 2010-11, translating into a much lower debt-equity ratio of 0.20 as on 31 March 2011.

What is the status of the Company's proposed greenfield facility?

The first phase of 36 MVA of the 72 MVA capacity Visakhapatnam plant is expected to commence production in September 2011 with the second phase of 36 MVA expected to be commissioned in March 2011. Construction is on track and the plant is estimated to operate at a quarter of its full capacity during the first six months.

- The plant will focus on export opportunities and its proximity to manganese ore mines will reduce transportation costs
- It enjoys power assurance from the Andhra Pradesh SEB
- Its strategic location close to the Visakhapatnam port (less than 50 km) will facilitate the easy handling of export-import cargo

The big question is whether this expansion will stretch the Company's balance sheet.

On the contrary, this expansion will eventually put the Company in a much stronger position due to the following reasons:

- Firstly, the Company had a very low debt equity ratio of 0.20 as on 31 March 2011. The consolidated debt-equity ratio of the Company also stands at a healthy 0.46, well below the standard 2:1.
- Secondly, the Company had a net worth of Rs. 187 crore as on 31 March 2011 including free reserves and surplus of Rs. 172 crore.
- Thirdly, the Rs. 250 crore project is being funded through a prudent debt-equity mix of 2:1 on a phase-wise capacity expansion plan

How does the Company intend to enhance shareholder value?

- Our capacities will house sophisticated equipment and state-of-the-art technology, which will facilitate high-value product manufacture.
- We intend to secure natural resources through investments in manganese mines. This initiative will extend our value chain from ore at one end to value-added manganese alloys at the other, duly supported by captive energy.
- We are looking to enhance in-house power generation to provide uninterrupted, quality and low-cost power; we commissioned a 15 MW captive power plant in Meghalaya. In a business where power accounts for 20% of our production cost, any saving on this account will translate into a stronger competitive advantage.

What is the blueprint for 2011-12 and beyond?

Start the commercial production at Visakhapatnam and take it to its intended capacity utilisation levels, scout for manganese ore mines, and move towards achieving full self dependency in our power requirements.

The first phase of 36 MVA of the 72 MVA capacity Visakhapatnam plant is expected to commence production in September 2011

CORPORATE PILLARS

Strategic sourcing

Maithan Alloys possesses among India's largest manganese alloy capacities. Raw material costs accounted for 60% of total sales in 2010-11. We import manganese ore (over 80% of total consumption) from long-term vendors and continuously scout for diverse raw material sources from South Africa and Australia.

Capacity

Our annual production capacity is 64 MVA (Kalyaneshwari unit 49 MVA, Meghalaya unit 15 MVA) which translates into a total installed capacity of 1.15 lac TPA (as on 31 March 2011 based on a given product mix). Our Kalyaneshwari unit manufactures manganese alloys (ferro and silico manganese) while the Meghalaya unit manufactures ferro silicon and silico manganese depending on client requirements.

Greenfield assets

Maithan Alloys intends to double its ferro alloy manufacturing capacity through a 1.2 lac TPA plant in APSEZ Vishakapatnam for Rs. 250 crore. The expansion will be done through a 60% subsidiary Anjaney Alloys. The balance 40% will be held by Maithan Smelters and Meghalaya Carbide & Chemicals (P) Limited. The Vishakapatnam location will facilitate lower cost logistics to the Vishakapatnam Port related to manganese ore import and finished product export.

Presence

Maithan Alloys exports contributed 43% to total revenues in 2010-11. Of the total exports, western (mainly European) countries accounted for nearly 50%, while Asia contributed the rest. Following the global economic slowdown, the Company increased its focus on Asia and commenced exports to Singapore, Malaysia and Thailand in addition to existing exports to Japan, Taiwan and the Middle East.

Sales

Per tonne realisations grew 15.57% to Rs. 61,800 in 2010-11, as the Company passed on increased input costs (primarily manganese ore) to clients. Exports increased from Rs. 175 crore in 2009-10 to Rs. 255 crore in 2010-11. The Company has strong associations with domestic clients like SAIL, JSW, JSPL, JSL and others. The association with SAIL and JSL being over a decade old. It expanded to new international markets.

Customisation

In a commoditised business, Maithan Alloys enjoys premium realisations owing to its ability to manufacture niche products, graded on the basis of the presence of manganese, silicon, carbon, phosphorous and sulphur. Niche products are made by increasing the quantity of desired elements like manganese and silicon and reducing undesired elements like carbon, phosphorous and sulphur.

Also, products witnessed near-zero rejection rates owing to a strict adherence to quality parameters. The Company continuously undertook technological improvements, modernisation and automating laboratory facilities, resulting in a higher output of value-added products.

Backward integration

Maithan Alloys owns a captive manganese mine through a subsidiary company (proven reserve of 1 MT) located around 460 km from its Kalyaneshwari unit. The Company is exploring opportunities to acquire mines in Andhra Pradesh and negotiating with various state governments for a mining lease acquisition. The Company established a 15 MW captive power plant at Meghalaya in April 2009 in addition to enjoying a long-term power supply relationship with the Damodar Valley Corporation (a mere one km from the Kalyaneshwari plant), which translated into voltage stability and lower power costs. Average consumption per tonne of production was 4,407 units for 2010-11 compared with 4,534 units in 2009-10.

Quality and environment

In manganese alloy manufacture, process discipline influences product quality. The Company was successful in maintaining and improving quality standards through the following:

- Sourcing: Procured supplies from respectable leading manganese ore mining companies like MOIL and BHP Billiton
- Process: Products certified in line with ISO 9001:2008, resulting in process consistency; the Company is considering a certification for ISO 14001 in the area of environmental management
- Tests: Laboratories equipped with cutting-edge technologies; the XRF ore testing machine reduces human intervention; the Company reinforced quality through independent third-party checks
- Renewable energy: Operated 3.75 MW wind turbines backed by power purchase agreements with respective state electricity boards, fulfilling environment-related considerations and reducing CO_2 emission

High return on equity

- Low asset cost: Assets are established with hands-on technical experience, resulting in optimal plant design; key managerial personnel are well-versed with plant operations
- High asset turnover: Apart from low asset costs (lower depreciation), a higher asset turnover ratio makes it possible for Maithan Alloys to enjoy a high return on equity vis-à-vis its industry peers

MANAGEMENT DISCUSSION AND ANALYSIS

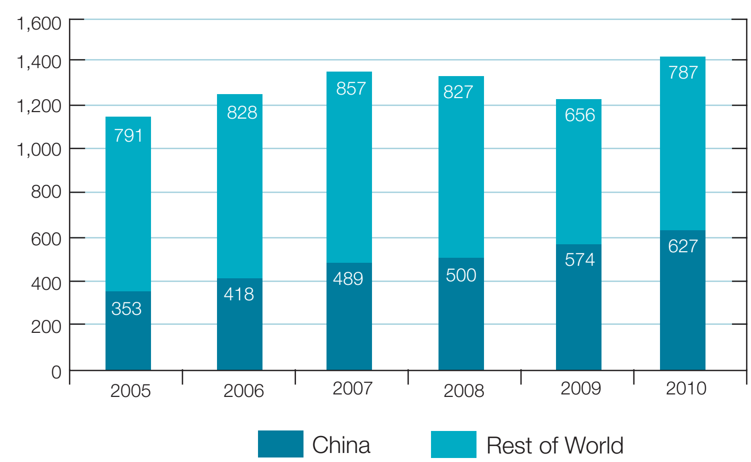
Indian economy

The Indian economy grew 8% during 2009-10 and 8.5% during 2010-11. The manufacturing sector grew 8.8% with merchandise exports reaching USD 230.30 bn and imports being USD 362.30 bn in 2010-11. Gross fiscal deficit was 6.3% in 2009-10 and declined to 5.2% in 2010-11 (projected at 4.8% in 2011-12). Foreign investment in India during 2010-11 was placed at USD 48.10 bn with inbound and outbound FDI being USD 27.60 bn and USD 18.20 bn respectively.

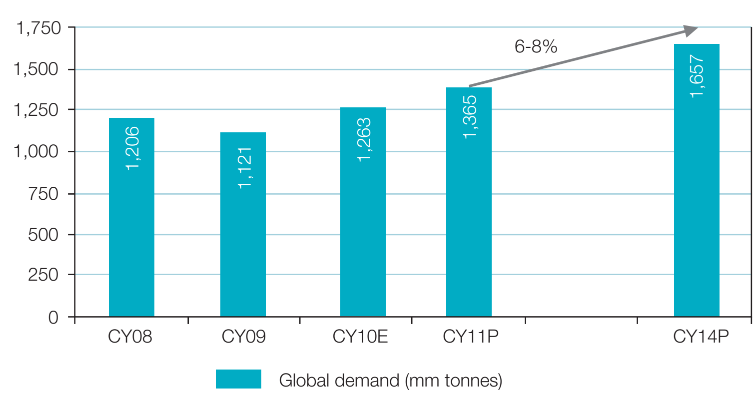
Global steel industry

Global crude steel production grew 15% year-on-year (y-o-y) in 2010 reaching 1.4 bn tonne, an all-time high. This followed a year during which steel production fell to its lowest since 2005, a result of the global economic crisis. Output in countries outside China grew 20% y-o-y to 787 MT, but still below 2007 and 2008 production levels. China's output grew by a lesser extent in 2010, 9.3% y-o-y to 627 MT. This was the primary reason global output reached record levels. It accounted for over 44% of global crude steel production in 2010, down from 47% in 2009.

Steel production (MT)



Global crude steel demand outlook (Mn tonnes)



Source: CRISIL Research

Indian steel industry

India became the world's fourth-largest crude steel producer in 2010 as against the eighth-largest in 2003 and is expected to emerge as the second-largest by 2015. India also maintained its lead position as the world's largest direct reduced iron (DRI/ sponge iron) producer.

Domestic steel demand is expected to grow 11% over the next two years supported by strong growth in the infrastructure, construction and automobile sectors, accounting for 85% of the total domestic steel demand. International steel demand is expected to grow 7-9% CAGR across the next two-three years. The ferro alloy industry is expected to prosper on the back of the steel industry growth.

Manganese alloys – inventory depleted, production up

Alloy smelters ramped up production in 2010 after global inventories depleted in the de-stocking cycle of 2009. Output of alloys surpassed 14 MT after falling to below 12 MT in 2009, a rise of 25% y-o-y. Production of all three types of manganese alloys grew strongly in 2010.

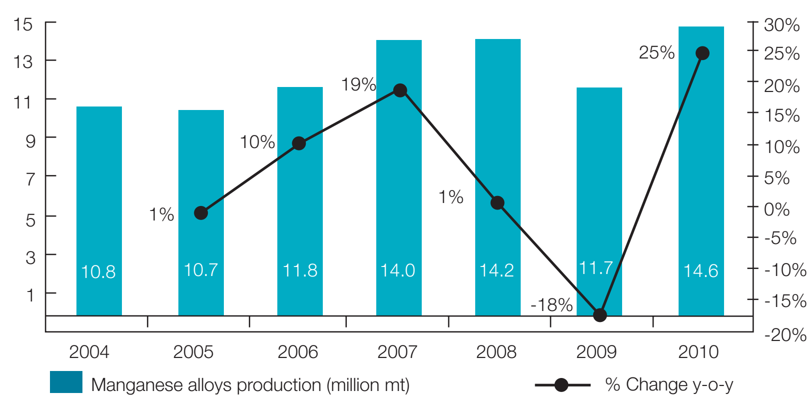
- High carbon FeMn grew 33% to 4.4 MT after dropping to 3.3 MT the year before
- Refined ferro-manganese increased the most, rising 50% y-o-y to 1.5 MT, a reflection of the improvement in the industrialised world steel sector
- SiMn rose 18% to 8.7 MT in 2010; the alloy fared best in 2009, owing to significant stimulus spending on infrastructure as well as its heavy use in China

The global consumption of manganese ferro alloys continued to vary geographically, owing to different steel production processes, diverse raw materials quality (iron ore grades) and types of manufactured steel products. As per the prevailing global average, around 10 kg manganese alloys was consumed per MT of steel produced in 2010.

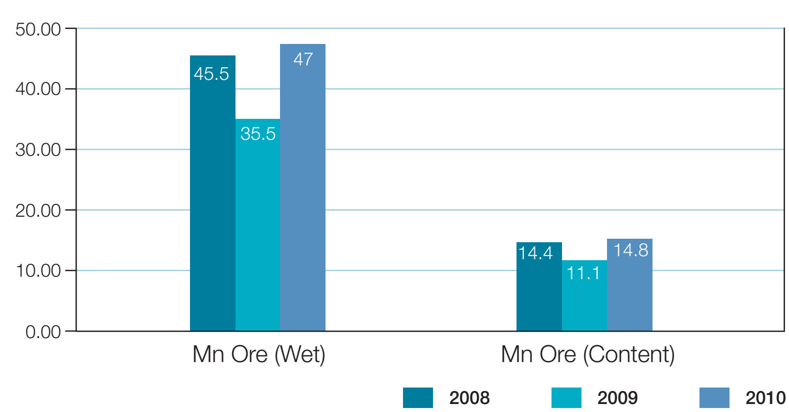
Manganese ore – production comes back strong

Manganese ore mines ramped up production rates in 2010, with global output nearing 15 MT in manganese units (content), up 33% from 2009. This represents 47 MT of wet manganese ore, a record high. With increased supply, ore grade quality declined with new lower grade ore suppliers entering the market. China, a major manganese ore consumer, imported over 11 MT, while domestic ore quality and reserves declined.

Manganese alloy production



Global manganese ore production



The India advantage

Well-placed in the export market

India accounts for 10% of the world's ferro alloy production. With raw material availability being a key factor for ferro alloy industry growth, production is concentrated in a few pockets. India, South Africa, China and the CIS countries represent a large source for ferro alloys. However, India is the preferred supplier owing to low-cost manpower, ore availability and favourable locations (access to sea transport and proximity to major steel producing countries), ongoing power issues in South Africa and the recent export clampdown in China. Hence, India's ferro alloy industry has lined expansions to cater to growing global demand.

Preferred global supplier

Country	Issues	India's competitive edge
South Africa	▶ Ferro alloy manufacturing took a hit due to power shortage ▶ Logistics make it difficult to transport material	▶ Possesses the seventh-largest quantity of medium-quality manganese ore
China	▶ Moderating ferro alloy manufacturing capacities to intensify supervision of high-energy consumption and high-pollution enterprises ▶ Energy price is a constraint to focus on ferro alloy production ▶ The government levied 20% export duty on exports to curb the same	▶ Around 75% of landmass is accessible by sea (deep sea, all-weather ports) ▶ Logistics issues resolved to a large extent, enhancing ability to cater to global needs
Japan	▶ Land limits demarcated for setting up ferro alloy manufacturing capacities	▶ Government's increased focus on infrastructure building and export-related industries (SEZs etc)

Although India enjoys an edge over China and Africa, it faces challenges from upcoming ferro alloy units in the Middle Eastern countries (Iran and Oman). These countries enjoy an access to cheap gas-based power and focus on ferro alloy manufacture backed by ore imports. The rise of the Middle East as a ferro alloy manufacturing hub is a threat, but is less likely to impact during the medium-term considering rising steel demand and a clampdown on Chinese capacities.

Ferro alloys

Ferro alloys are alloying elements that enhance steel strength, durability, anti-corrosion and anti-stain properties. These alloys are primarily consumed by the steel industry to manufacture steel (includes stainless steel and specialty steel products for railways and construction equipment). Constituting upto 3% of manganese in the overall steel mix, every added percentage enhances steel tensile strength by about 10 kg/mm^2.

Of the total ferro alloy production, manganese alloy is the most extensively used, owing to superior de-oxidising and refining properties. Thus, production growth of manganese alloy is directly linked to the steel industry. With manganese ore-rich CIS countries landlocked and 75% of India's landmass accessible by sea, the country enjoys a distinct edge in servicing global demand.

Internal control systems

The Company's internal control system is commensurate with the Company's size, which enables a safeguard of assets, prevention and detection of 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.

FINANCE REVIEW

Income accounting method

The Company's financial statement was prepared on the basis of conventional historical costs. The Company adopted Generally Accepted Accounting Principles and Accounting Standards as per Section 211(3C) of the Companies Act, 1956.

Review of 2010-11

Total income increased 24.69% from Rs. 493.16 crore in 2009-10 to Rs. 614.91 crore whereas EBIDTA increased 63.23% from Rs. 69.62 crore in 2009-10 to Rs. 113.64 crore and PAT increased at an even higher rate of 140.76% from Rs. 30.24 crore in 2009-10 to Rs. 72.83 crore, indicating the Company's ability to effectively leverage economies of scale. EPS (basic) increased from Rs. 20.77 (adjusted for bonus issue) in 2009-10 to Rs. 50.04

A topline increase was also accompanied by an increase in margins - EBIDTA margin increased from 14.56% in 2009-10 to 19.12% - resulting in an attractive volume-value play. Net profit margin almost doubled from 6.33% in 2009-10 to 12.25%.

Income analysis

The Company's total income increased 24.69% from Rs. 493.16 crore in 2009-10 to Rs. 614.91 crore in 2010-11, largely owing to an increase in production and realisations: from Rs. 53,466 per MT in 2009-10 to Rs. 61,790 per MT in 2010-11.

Income by source: Other operating income (export incentives and foreign exchange gains) increased from Rs. 14.07 crore in 2009-10 to Rs. 19.87 crore in 2010-11, owing to increase in export incentives from Rs. 3.29 crore in 2009-10 to Rs. 13.10 crore in 2010-11. Other operating income accounted for 3.23% of the total income and a healthy 17.48% of the EBIDTA for the year under review.

Income by geography: Exports stood at 43% of sales, compared with 37% in 2009-10. Most of the Company's exports were made to large consumers in Asia.

Revenues (Rs. crore)

	2008-09	2009-10	2010-11
Domestic	254.16	302.61	339.55
Exports	389.97	175.38	254.87
Total	**644.13**	**477.99**	**594.42**

Percentage share (%)

	2008-09	2009-10	2010-11
Domestic sales	39	63	57
Exports sales	61	37	43
Total	**100**	**100**	**100**

Cost analysis

The Company's total cost (excluding trading purchase) increased 19% from Rs. 353.22 crore in 2009-10 to Rs. 418.81 crore in 2010-11. Raw materials accounted for the major costs (65%) in 2010-11 (previous year 53%).

Raw materials: Raw material expense increased significantly by 47% from Rs. 186.28 crore in 2009-10 to Rs. 273.44 crore in 2010-11, owing to an increased consumption and increase in manganese ore prices.

Power and fuel: Power and fuel costs declined 18% from Rs. 127.83 crore in 2009-10 to Rs. 104.50 crore in 2010-11. The power cost accounted for 25% of the total expenses in 2010-11.

Electricity consumption per metric tonne of ferro alloys produced declined from an average 4,534 units to 4,407 units due to a change in the product mix.

Manufacturing expenses: Manufacturing expenses declined marginally from Rs. 12.69 crore in 2009-10 to Rs. 11.87 crore in 2010-11, owing to lower claims and demurrage.

Cost break-up

Segment	Amount (in Rs. crore)	% of total cost in 2010-11	Amount (in Rs. crore)	% of total cost in 2009-10
Raw material	273.44	65%	186.28	53%
Power and fuel	104.50	25%	127.83	36%
Manufacturing and other expenses	40.87	10%	39.11	11%

Taxation: Total taxation (including current tax and deferred tax) for 2010-11 increased to Rs. 23.66 crore as against Rs. 13.71 crore in 2009-10. The current tax provided for the year increased from Rs. 9.66 crore to Rs. 24.50 crore in 2010-11, owing to an increase in profits. The effective tax rate for the year was 25%.

Capital employed

Capital employed increased 1% from Rs. 228.10 crore in 2009-10 to Rs. 230.46 crore in 2010-11. The Company's return on average capital employed stood at 45% for 2010-11.

Own funds: Own funds comprised share capital, reserves and surplus. The Company's net worth increased 59% from Rs. 117.20 crore in 2009-10 to Rs. 186.65 crore in 2010-11, owing to an increase in reserves and surplus (increased from Rs. 107.49 crore in 2009-10 to Rs. 172.10 crore in 2010-11). During the year under review, equity capital increased from Rs. 9.71 crore to Rs.14.56 crore, owing to issue of bonus shares in the ratio of one equity share for every two shares held. Consequently, the Company's equity share capital increased to 1,45,55,775 equity shares with a face value of Rs.10.

External funds: External funding decreased 63% during the year. The Company's debt (secured and unsecured) stood at Rs. 38.21 crore as on 31 March 2011 as against Rs. 104.46 crore as on 31 March 2010. Interest cost decreased 49% from Rs. 13.68 crore in 2009-10 to Rs. 6.94 crore in 2010-11. Interest cover improved from 5.09 in 2009-10 to 16.37 in 2010-11, reflecting the Company's growing ability to service debt. The Company lowered its debt portfolio by repaying Rs. 37 crore term loans in 2010-11, translating into a much lower debt-equity ratio of 0.20 as on 31 March 2011 compared with 0.89 as on 31 March 2010.

Gross block

The Company's gross block declined 11% from Rs. 152.22 crore in 2009-10 to Rs. 136.07 crore in 2010-11, mainly owing to an adjustment in capital subsidy of Rs. 25.36 crore against the cost of assets. Consequently, the Company's depreciation declined from Rs. 11.98 crore to Rs. 10.21 crore in 2010-11. Accumulated depreciation was 39% of the gross block, indicating the newness of assets. Return on average net block for 2010-11 stood at 107%. The Company's capital work-in-progress decreased from Rs. 6.39 crore in 2009-10 to Rs. 0.53 crore in 2010-11.

Working capital

The Company's working capital was used for purchasing raw material, managing overheads and providing customer credit. The Company's working capital decreased from Rs. 107.11 crore in 2009-10 to Rs. 91.64 crore. Working capital, as a percentage of capital employed for the year, stood at 40% for the year as compared with 47% in the previous year due to major decline in loans and advances and other current assets.

Sundry debtors: Debtors decreased 26% from Rs. 60.78 crore in 2009-10 to Rs. 45.26 crore in 2010-11. Debtors exceeding six months stood at only Rs. 0.56 crore for the year against Rs. 1.29 crore in the previous year. The average debtors' cycle decreased to 28 days of turnover equivalent in 2010-11 (previous year 46 days).

Cash and bank balance: Cash and bank balance decreased from Rs. 33.20 crore in 2009-10 to Rs. 28.89 crore in 2010-11, largely owing to long-term debt repayments.

Loans and advances: Loans and advances decreased 64% from Rs. 73.38 crore in 2009-10 to Rs. 26.47 crore in 2010-11.

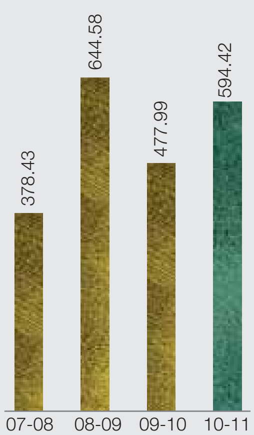
Current liabilities and provisions: Current liabilities and provisions decreased 9% from Rs. 134.31 crore in 2009-10 to Rs. 121.76 crore in 2010-11, owing to sundry creditors, which decreased from Rs. 132.19 crore in 2009-10 to Rs. 117.80 crore 2010-11.

Forex management

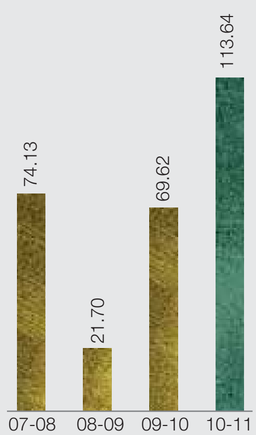
The Company imported basic raw materials worth Rs. 185.93 crore (CIF basis). The Company's exports (FOB value) for the year stood at Rs. 241.49 crore as compared with Rs. 173.02 crore in 2009-10. The Company's exports served as a natural hedge against imports.

PERFORMANCE HIGHLIGHTS, 2010-11

Net sales (Rs. crore)

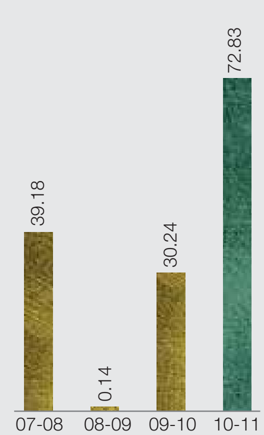


EBIDTA (Rs. crore)

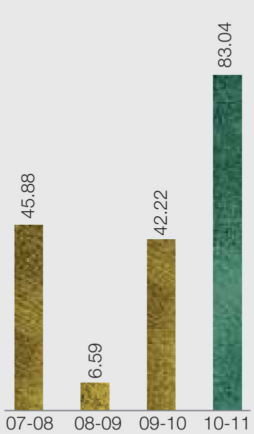


EBIDTA margin (%)

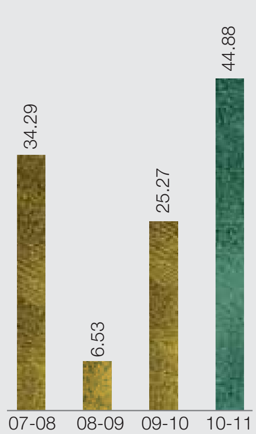
Post-tax profit (Rs. crore)



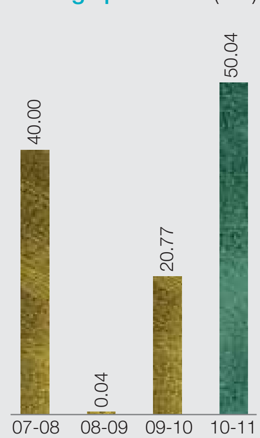
Cash profit (Rs. crore)



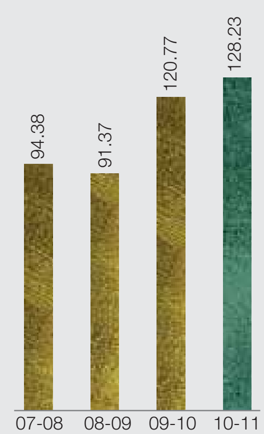
ROCE (%)



Earnings per share (Rs.)



Book value per share (Rs.)



RISK MANAGEMENT

1 Cyclicality risk

Maithan Alloys's products find application in steel manufacture, a cyclical industry. Manganese alloys are used by construction and auto end-user industries that are highly susceptible to economic cycles and varying demand patterns.

Mitigation

- Maithan Alloys is insulated by entering in growing Asian markets as opposed to its erstwhile focus on western markets
- Enhanced revenues and earnings predictability through capex growth, enriched product mix and backward integration

2 Currency risk

Maithan Alloys is exposed to volatility in exchange rate as 80% of manganese ore requirement is imported. A sharp volatility in raw material prices due to exchange rate can make earnings susceptible.

Mitigation

- Maithan Alloys enjoys a natural hedge against foreign exchange volatility on raw material imports since 43% of its sales are derived from exports
- Suppliers and procurers moved towards monthly contracts, reducing the volatility in input prices

3 Funding risk

Projects promoted by the Company may not achieve financial closure.

Mitigation

- Maithan Alloys achieved financial closure of Rs. 165 crore (debt component) for the outlined capacity enhancement plan for the Vishakapatnam project in November 2010
- Existing operations do not face any funding risks as the Company possesses sufficient internal accruals and working capital facilities
- Attractive gearing of 0.20 (31 March 2011) will translate into a low fund cost when the Company decides to mobilise debt

4 Asset utilisation risk

Indian ferro alloy manufacturers lined-up huge capacity expansion to cater to growing demand both in the export and domestic markets. Lower capacity absorption can adversely impact profitability.

Mitigation

- The export market for manganese alloys is robust.
- Considering logistics issue and elimination of existing capacities by a few countries (intensified supervision of high-energy consumption), increased production from Indian players is likely to be easily absorbed

5 Energy risk

Access to continuous power supply is critical for higher asset utilisation and improved productivity.

Mitigation

- Maithan Alloys commissioned a 15 MW captive power plant in April 2009 in Meghalaya
- Invested Rs. 250 crore in a 72 MVA plant in APSEZ in Vishakapatnam (Andhra Pradesh) through a subsidiary, derisking dependence on the Asansol location

6 Receivables risk

Customers may default in their payment obligations, increasing debt and debt cost.

Mitigation

- Maithan Alloys's debtors' turnover period declined from 45 days of turnover equivalent in 2009-10 to 28 days in 2010-11
- Value-added products catered to specific customer needs; the Company secured majority sales with letter of credits for domestic clients as also for exports

7 Location risk

Geographically proximate plants with respect to key inputs and infrastructure can enhance competitiveness.

Mitigation

- Maithan Alloys sources power from DVC (1 km) and water from River Barakar (4 km)
- A railway siding at Radhanagar/Asansol is 15 km away, Haldia port 300 km away and mines (owned by subsidiary) 460 km away

8 Region risk

Excessive geographic dependence may prove to be a risk.

Mitigation

- Maithan Alloys's domestic sales contributed 57% to total revenues in 2010-11
- Export revenues grew from 37% of total sales in 2009-10 to 43% in 2010-11

9 Environment risk

Non-adherence to environmental regulations, may attract censure.

Mitigation

- Maithan Alloys invested in emission-managing equipment (ESPs and bag filters), processes, practices and periodic audits
- Operations were declared safe as emissions remained well below statutory norms

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in submitting the 26th Annual report on the business and operations, together with the audited statements of accounts of the Company for the year ended 31 March 2011.

Financial Highlights

The financial performance of the Company for the year ended 31 March 2011 is summarised below: (Rs. in lacs)

	2010-11	2009-10
Financial results		
Sales & Other Income	61,491	49,316
Gross profit	10,670	5,593
Less : Depreciation	1,021	1,198
Profit before taxes	9,649	4,395
Less : Provision for taxation:		
For Income Tax	2,450	966
For Deferred Tax	(84)	405
Profit after taxes	7,283	3,024
Add: Profit brought forward from previous year	9,274	6,621
Balance available for appropriation	16,558	9,645
Appropriation		
Proposed dividend on equity shares	291	146
Income tax on proposed dividend	47	25
Transfer to general reserve	600	200
Balance retained in Profit & Loss A/c	15,620	9,274
	16,558	**9,645**

Operations and Outlook

Fiscal 2011 has been yet another landmark year with robust performance. Your Company made marked progress in financial as well as operational performance. This achievement was mainly supported by better realisations coupled with volume growth.

During the year under review, the total revenue increased to Rs. 61,491 lacs from Rs. 49,316 lacs in 2009-10 registering a growth of 25%. Profit before tax stood at Rs. 9,649 lacs and profit after tax stood at Rs. 7,283 lacs in the year 2010-11 as compared with Rs. 4,395 lacs and Rs. 3,024 lacs in the year 2009-10, respectively. This has resulted in increase in profit before tax by 119% and profit after tax by 140%. The production went up by 7% from 76,451 MT to 81,604 MT. Export sales showed an increase from Rs.17,538 lacs to Rs. 25,487 lacs, a growth of 45%. The windmill division of the

Company has achieved sales of Rs.185 lacs as against Rs. 216 lacs in the previous year.

Government's thrust on infrastructure development is showing continuous increasing demand of steel resulting in proportionate increase in domestic demand of ferro alloys. Your Company has been able to create a good export market for its products covering countries across the world. There is constant endeavour by your Company for increasing the share in existing international markets and entering new countries.

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 2010-11. The Dividend on the equity shares, if approved as above, 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 continues to enjoy the rating as "CARE A" for its long term bank facilities and "PR1" for its Short Term Bank facilities. "CARE A" rating indicates adequate safety for timely servicing of debt obligations. "PR1" rating indicates strong capacity for timely payment of short term debt obligations and carry lowest credit risk.

Re-classification of authorised share capital and issue of bonus shares

The Board of Directors at its meeting held on 28 April 2010, re-classified the Company's Authorised Share Capital by converting the redeemable preference share capital portion of Rs. 5,00,00,000 (Rs. five crore) into Equity Share Capital. Thus, after re-classification the Authorised Share Capital of the Company is Rs. 15,00,00,000 (Rs. fifteen crore) divided into 1,50,00,000 (one crore fifty lacs) Equity Shares of Rs. 10 each.

The Board of Directors, at the said meeting also recommended issue of bonus equity shares, subject to the approval of the shareholders, in proportion to one bonus equity share of the Company of Rs. 10 each for every two equity shares of the Company held by the members of the Company and the same were allotted on 21 June 2010. This resulted in issue of additional 48,51,925 equity shares of Rs. 10 each and consequently the paid-up equity share capital of the Company stand increased to Rs. 14,55,57,750 consisting of 1,45,55,775 equity shares of Rs. 10 each (excluding forfeiture amount of Rs. 31,475).

The shareholders' approval was accorded by passing of resolution by Postal Ballot pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 for re-classification of Authorised Share Capital and issue of bonus shares, the result of which was announced on 9 June 2010 by the Chairman Shri B. K. Agarwalla. Both the resolutions were declared as 'carried unanimously'.

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

Directors

Sri Raj Kumar Agarwal and Sri Nand Kishore Agarwal 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.

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 year, the Board of Directors at its meeting held on 3 February 2011 reappointed Sri B. K. Agarwalla as Chairman and Whole time Director, Sri S. C. Agarwalla as Managing Director and CEO and Sri Subodh Agarwalla as Whole time Director and COO of the Company for a period of five years, with effect from 1 April 2011. The shareholders have also accorded their approval for the said appointments by passing the resolution through postal ballot process the result of which was announced on 25 March 2011.

Subsidiary Companies

Particulars relating to the subsidiary companies as required under Section 212 of the Companies Act, 1956, are annexed and form part of this report.

Consolidated Financial Statements

In accordance with the Accounting Standard 21 on Consolidated Financial Statements read with Accounting Standard 23 on Accounting for Investments in Associates issued by the Institute of Chartered Accountants of India, your Directors have 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 are self-explanatory and therefore, does not call for any further comment under Section 217(3) of the Companies Act, 1956.

Statutory Auditors

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

Directors Responsibility Statement Pursuant to Section 217(2AA) of the Companies Act, 1956

The Directors hereby confirm:

i) That in the preparation of the annual accounts for the financial year ended 31 March 2011, 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 31 March 2011 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	65	B.Com. 44 years	1 April 2006	Chairman and Whole time Director (To Manage the overall affairs of the Company)	Rs. 225 lacs	None
2	Sri S. C. Agarwalla	60	B.Com. 41 years	1 April 2006	Managing Director & CEO (To manage the affairs of the Company on day to day basis)	Rs. 183 lacs	None
3	Sri Subodh Agarwalla	33	MBA, B.Tech. 10 years	1 July 2006	Whole time Director & COO (To look after the Company's manufacturing activities)	Rs. 120 lacs	None
4	Sri Aditya Agarwalla	36	MBA 12 years	23 July 2008	Whole time Director & CFO (To look after the Company's finance activities)	Rs. 102 lacs	None

Notes: 1. Sri S. C. Agarwalla is the father of Sri 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
15 June 2011

B. K. Agarwalla
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31 March 2011.

I. Conservation Of Energy:

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

d) Total energy consumption and energy consumption per unit of production is given below:

FORM - A

Disclosure of particulars with respect to conservation of energy:

Part - A

Sl. No.	Power and fuel consumption	Current year ended 31 March 2011	Previous year ended 31 March 2010
1	**Electricity**		
	a) Purchased		
	Unit (lacs KWH)	2,443.53	2,370.61
	Total amount (Rs. in lacs)	7,488.44	9,630.02
	Rate/unit (Rs.)	3.06	4.06
	b) Own generation (through coal)		
	Unit (lacs KWH)	1,152.33	1,095.85
	Total amount (Rs. in lacs)	2,961.42	3,152.92
	Rate/unit (Rs.)	2.57	2.88
2	**Coal (see note below)**		
	Quantity (tons)	84,195	83,508
	Total cost (Rs. in lacs)	2,759.42	2,879.61
	Average rate (Rs. per ton)	3,277.43	3,448.30
3	**Furnace oil**	–	–
4	**Others**	–	–

Part - A

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)	4,407	4,534
2	Furnace oil (ltrs.)	–	–
3	Coal (specify quality MT)	–	–
4	Others	–	–

Note: The Company has set up thermal power plant to produce electricity for captive consumption at its Meghalaya unit. Details of electricity generation is 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 on-going 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

a) During the year under review, the Company’s exports increased by 45%. The Company is continuing its efforts to create new export markets and enter in new countries to increase the exports further.

b) The particulars regarding foreign exchange earnings and outgo are given in Clause 2(E), 2(F) and 2(G) of Schedule 23 – Significant Accounting Policies & Notes on Accounts.

For and on behalf of the Board

Kalyaneshwari
15 June 2011

B. K. Agarwalla
Chairman

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Corporate Governance

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organisation. Good Corporate Governance leads to the creation of long-term shareholder value and enhances interest of other 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 practises which are in line of the requirements under Clause 49 of the Listing Agreement with the stock exchange and will continue to pursue the same to keep pace with fast-changing environment.

2. Composition of Board, Directors Attendance record and Directorship held as on 31 March 2011

The Board of Directors of the Company presently comprises ten Directors viz. the four Executive Directors and six Non-Executive and Independent Directors.

Five (5) meetings of the Board of Directors were held during the year 2010-11, on the following dates:

28 April 2010	21 June, 2010	10 August 2010
1 November 2010	3 February 2011	

The composition of the Board of Directors, attendance record of the Directors during the year 2010-11 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 2010-11		Attendance at the last AGM held on 18 August 2010	No. of directorships held in other public limited Companies$	No. of Committee positions in other public companies#	
			Held	Attended			Chairman	Member
1.	Sri B. K. Agarwalla	Chairman (Executive)	5	4	P	3	2	0
2.	Sri S. C. Agarwalla	Managing Director (Executive)	5	5	P	4	0	1
3.	Sri Aditya Agarwalla	Whole time Director (Executive)	5	3	P	3	0	1
4.	Sri Subodh Agarwalla	Whole time Director (Executive)	5	5	P	2	0	1
5.	Sri M. Satnaliwala	Independent (Non-Executive)	5	4	P	1	0	0
6.	Sri Nand Kishore Agarwal	Independent (Non-Executive)	5	5	P	1	0	0
7.	Sri Srigopal Jhunjhunwala	Independent (Non-Executive)	5	3	P	0	0	0
8.	Sri Raj Kumar Agarwal	Independent (Non-Executive)	5	4	N	0	0	0
9.	Sri Vikash Kumar Jewrajka	Independent (Non-Executive)	5	4	N	0	0	0
10	Sri Biswajit Choudhuri	Independent (Non-Executive)	5	5	P	11	3	3

$ 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.

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:

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

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

3. Audit Committee

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

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending to the Board the appointment and removal of external auditor, fixation of audit fee and approval of payment for any other services
- Reviewing with management the annual and/or quarterly financial statements before submission to the Board
- Reviewing with the management and external and internal auditors, the adequacy of internal control systems
- Reviewing the adequacy of internal audit function
- Discussing with internal auditors any significant finding and follow-up on such issues
- Reviewing the findings of any internal investigations by the internal auditors in matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature, and then reporting such matter to the Board
- Discussing with external auditors, before the audit commences, on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern
- Approval of appointment of any person heading the finance including CFO/WTD (Finance)
- Reviewing the Company's financial and risk management policies
- 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 2010-11, on the following dates:

28 April 2010 21 June 2010 10 August 2010 01 November 2010 03 February 2011

The composition of the Committee and the attendance of each member of the Committee during the year 2010-11 are given below:

Name	Designation	Executive/Non-Executive/Independent	Committee meetings attended
Sri M. Satnaliwala	Chairman	Independent (Non-Executive)	4
Sri Nand Kishore Agarwal	Member	Independent (Non-Executive)	5
Sri Raj Kumar Agarwal	Member	Independent (Non-Executive)	5

4. Remuneration Committee

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

Two (2) meetings of the Remuneration Committee were held during the year 2010-11, on 28 April 2010 and 03 February 2011.

The composition of the Committee and the attendance of each member of the Committee during the year 2010-11 are given below:

Name	Designation	Executive/Non-Executive/Independent	Committee meetings attended
Sri Nand Kishore Agarwal	Chairman	Independent (Non-Executive)	2
Sri Srigopal Jhunjhunwala	Member	Independent (Non-Executive)	2
Sri Raj Kumar Agarwal	Member	Independent (Non-Executive)	2

Details of remuneration paid to Directors for the year ended 31 March 2011 are as follows:

Sl. No.	Name of the Director	Remuneration (in Rs.)	Commission (in Rs.)	Other benefits (in Rs.)
1.	Sri B. K. Agarwalla	90,00,000	1,35,00,000	Nil
2.	Sri S. C. Agarwalla	48,00,000	1,35,00,000	Nil
3.	Sri Aditya Agarwalla	12,00,000	90,00,000	Nil
4.	Sri Subodh Agarwalla	30,00,000	90,00,000	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 2010-11.

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 Whole time 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 Whole time 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.

Six (6) meetings of the Investors' Grievances and Share Transfer Committee were held during the year 2010-11, on the following dates:

21 May 2010 | 11 June 2010 | 13 July 2010 | 03 August 2010 | 01 November 2010 | 25 March 2011

The composition of the Committee and the attendance of each member of the Committee during the year 2010-11 are given below:

Name	Designation	Executive/Non-Executive/Independent	No. of Committee meetings attended
Sri Raj Kumar Agarwal	Chairman	Independent	6
Sri S. C. Agarwalla	Member	Executive	6
Sri Aditya Agarwalla	Member	Executive	4

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

During the year 2010-11, the Company received Ten (10) complaints, which were attended and resolved. As on 31 March 2011, 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
23rd	2008	6 September 2008	11.00 A.M.	"The Conclave" 216 A J C Bose Road, Kolkata - 700 017
24th	2009	25 July 2009	11.00 A.M.	"The Conclave" 216 A J C Bose Road, Kolkata - 700 017
25th	2010	18 August 2010	11.00 A.M.	"The Conclave" 216 A J C Bose Road, Kolkata - 700 017

Details of Special Resolution passed in last three Annual General Meetings.

Annual General Meeting	for the year	Special Resolution passed
23rd	2008	■ Revision in the terms of remuneration of Sri Subodh Agarwalla, Whole time Director ■ Delisting of equity shares of the Company from Ahmedabad Stock Exchange Limited.
24th	2009	None
25th	2010	None

Postal Ballot

Three special resolutions and four ordinary resolutions were passed through three postal ballot processes during the year 2010-11. All the resolutions were circulated to the shareholders in accordance with the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001 for according approval of the members.

First Postal Ballot

In April 2010, the Company sought shareholders approval through Postal Ballot, by a Notice dated 28 April 2010, for:

1) Re-classification of authorised share capital and alteration of Capital Clause in the Memorandum of Association of the Company by passing an Ordinary Resolution (referred to as "Item No. 1" in the following table); and
2) Issue of bonus shares by passing a Special Resolution (referred to as "Item No. 2" in the following table).

The voting pattern of the postal ballot is given below:

Particulars	Item No 1	Item No 2
No. of votes with assent	77,90,542	77,85,092
% of votes with assent	100%	100%
No. of votes with dissent	Nil	Nil
% of votes with dissent	Nil	Nil

Mr. Jitendra Patnaik, a Company Secretary in whole time practice, Kolkata was appointed as the Scrutiniser for the Postal Ballot process, who after due scrutiny of all the postal ballot forms received, had submitted his report dated 8 June 2010 and the results of the Postal Ballot were announced by Sri B. K. Agarwalla, the Chairman of the Company on 9 June 2010. Both the resolutions were declared as "carried unanimously'.

Second Postal Ballot

In November 2010, the Company sought shareholders approval through Postal Ballot, by a Notice dated 1 November 2010, for providing inter-corporate investments, loans, securities and/or guarantees by passing a Special Resolution (referred to as "Item No. 1" in the following table). The voting pattern of the Postal Ballot is given below:

Particulars	Item No. 1
No. of votes with assent	1,17,40,123
% of votes with assent	99.9999%
No. of votes with dissent	100
% of votes with dissent	0.0001%

Mr. Jitendra Patnaik, a Company Secretary in whole time practice, Kolkata was appointed as the Scrutiniser for the Postal Ballot process, who after due scrutiny of all the postal ballot forms received, had submitted his report dated 21 December 2010 and the results of the Postal Ballot were announced by Sri B. K. Agarwalla, the Chairman of the Company on 22 December 2010. The resolution was declared as "carried with requisite majority".

Third Postal Ballot

In February 2011, the Company sought shareholders approval through Postal Ballot, by a Notice dated 3 February 2011, for:

1) Reappointment of Sri B. K. Agarwalla as Chairman and Whole time Director by passing an Ordinary Resolution (referred to as "Item No. 1" in the following table);
2) Reappointment of Sri S. C. Agarwalla as Managing Director and Chief Executive Officer of the Company by passing an Ordinary Resolution (referred to as "Item No. 2" in the following table);

3) Reappointment of Sri Subodh Agarwalla as Whole time Director and Chief Operating Officer of the Company by passing a Special Resolution (referred to as "Item No. 3" in the following table)

4) Increase in remuneration limit of Sri Aditya Agarwalla, Whole time Director and Chief Financial Officer of the Company by passing an Ordinary Resolution (referred to as "Item No. 4" in the following table)

The voting pattern of the Postal Ballot is given below:

Particulars	Item No. 1	Item No. 2	Item No. 3	Item No. 4
No. of votes with assent	62,95,065	62,97,564	62,97,564	62,97,354
% of votes with assent	99.99%	99.99%	99.99%	99.99%
No. of votes with dissent	1	1	1	211
% of votes with dissent	0.01%	0.01%	0.01%	0.01%

Mr. Jitendra Patnaik, a Company Secretary in whole time practice, Kolkata was appointed as the Scrutiniser for the Postal Ballot process, who after due scrutiny of all the postal ballot forms received, had submitted his report dated 24 March 2011 and the results of the Postal Ballot were announced by Sri B. K. Agarwalla, the Chairman of the Company on 25 March 2011. All the resolutions were declared as "carried with requisite majority".

None of the business 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 Notes on accounts No. 12 in Schedule 23, 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 15 June 2011.

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.in
- Whether 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

1) Annual General Meeting Day, Date, Time and Venue	Saturday, the 27th day of August, 2011 at 11 A.M. "The Conclave" 216, A J C Bose Road, Kolkata – 700 017
2) Date of book closure	From 23 August 2011 to 27 August 2011 (both days inclusive)
3) Dividend payment date	On or before 15 September 2011.
4) Financial year	1 April to 31 March
5) Financial calendar for 2011-12 Board meetings for consideration of financial results (Tentative)	i) 1st/2nd week of August 2011 for consideration of unaudited financial results for three months ending 30 June 2011. ii) 1st/2nd week of November 2011 for consideration of unaudited financial results for three months/half year ending 30 September 2011. iii) 1st/2nd week of February 2012 for consideration of unaudited financial results for three and nine months ending 31 December 2011. iv) April to June 2012 for consideration of unaudited/audited financial results for the year 2011-12.
6) Listing of equity shares on Stock Exchange	The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata - 700 001. The equity shares of the Company are traded at The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 w.e.f. from 14 May 2008 under "Permitted Category"
7) Payment of listing fees	The listing fees have been paid by the Company
8) ISIN Code	INE683C01011

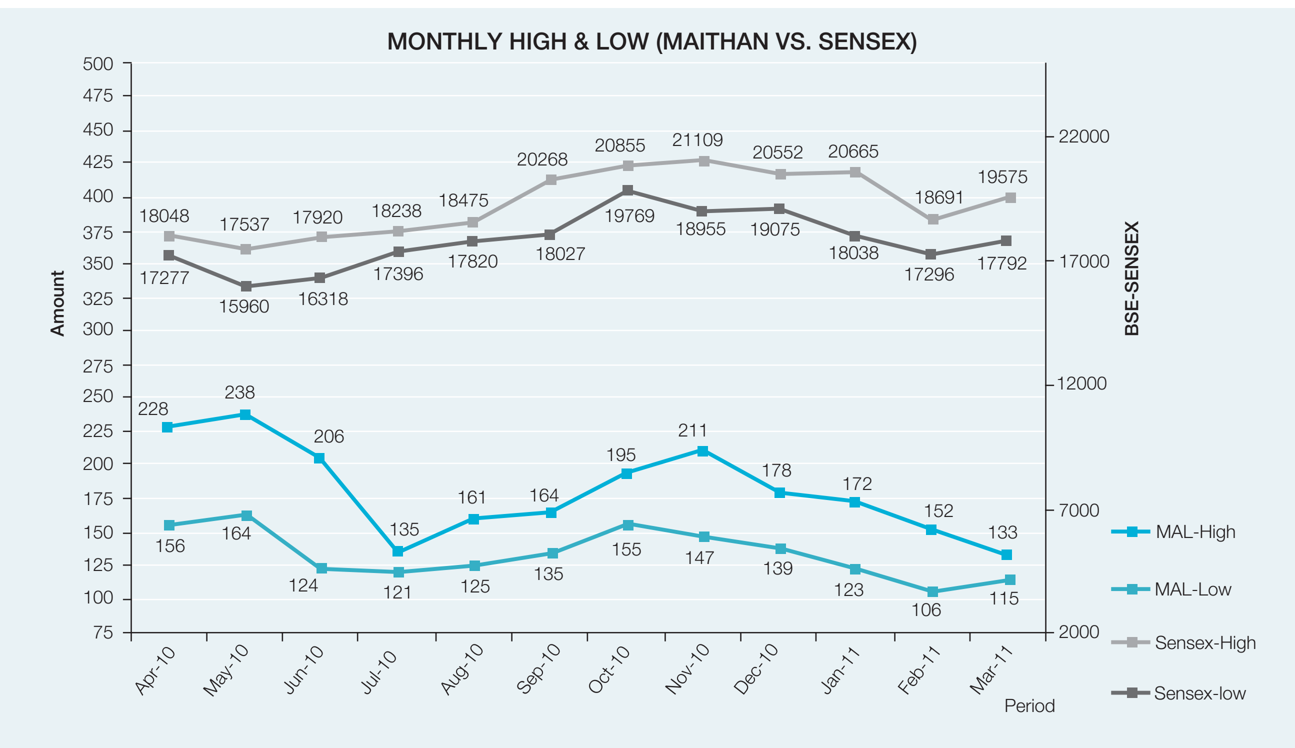
9) **Stock Code**	023915 – The Calcutta Stock Exchange Limited 590078 - Bombay Stock Exchange Limited
10) **Share Registrar & Transfer Agent**	M/s Maheshwari Datamatics Pvt. Ltd 6, Mangoe Lane, 2nd Floor, Kolkata - 700001
11) **Share Transfer System**	The Company has appointed M/s Maheshwari Datamatics Pvt. Ltd (Share Registrar & Transfer Agent) to carry out share transfer for physical as well as electronic mode. The Company's shares are traded on stock exchanges in compulsory demat mode. Share transfers, which are received in physical form are processed and the share certificates are returned within a period of 14 days from the date of receipt provided the documents being valid and complete in all respects. The dematerialised shares are transferred directly to the beneficiaries by the depositories i.e. National Securities Depository Ltd. and The Central Depository Services (India) Ltd.
12) **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 31 March 2011, 1,35,25,168 equity Shares of the Company, forming 92.92% of the share capital of the Company, stand dematerialised.
13) **Outstanding GDRs/ADRs/ warrants or any convertible instruments, conversion date and likely impact on equity**	As at 31 March 2011, the Company had no outstanding GDR's /ADR's/warrant or any convertible instruments.
14) **Address for correspondence**	The Company Secretary **Maithan Alloys Limited** Ideal Centre, 4th Floor, 9, A.J.C. Bose Road, Kolkata – 700 017
15) **Investor grievance e-mail id**	investor@maithanalloys.com /office@maithanalloys.com
16) **Plant/Works location** **Ferro Alloys Division**	1] **West Bengal** P.O. Kalyaneshwari - 713 369, Dist. Burdwan (W.B.) 2] **Meghalaya** A-6, EPIP, Byrnihat, Dist. Ri-Bhoi, Meghalaya – 793101
Wind Mill Division	1] **Rajasthan** Vill. Hansuwa, Dist. Jaisalmer, Rajasthan 2] **Maharashtra** Vill. Ghatnandre (Dhalgaon), Tal. Kawathe Mahankal, Dist. Sangli, Maharashtra
17) **Market price - high/ low during each month in last financial year**	**The Calcutta Stock Exchange Limited** There was no trading in shares of the Company during the year 2010-11.

Bombay Stock Exchange Limited

The Trading details at Bombay Stock Exchange is given below:

Month	High Price	Low Price	No. of Shares
Apr-10	228.30	155.50	1,96,384
May-10	238.40	164.40	1,73,976
Jun-10	205.70	124.05	1,82,498
Jul-10	134.95	120.50	97,783
Aug-10	160.70	124.50	4,97,387
Sep-10	164.00	135.00	3,85,135
Oct-10	195.00	155.00	5,09,067
Nov-10	211.00	147.00	6,64,031
Dec-10	178.40	139.00	2,25,578
Jan-11	172.30	123.05	1,30,692
Feb-11	151.50	106.00	1,70,446
Mar-11	132.50	115.15	89,772

Source: www.bseindia.com



18) Distribution of shareholding

As on 31 March 2011

No. of Shares	Shareholders		Shareholding	
	Number	% of Total	Shares	% of Total
Upto 500	2,776	81.89	3,37,993	2.32
501 - 1,000	243	7.17	1,84,856	1.27
1001 - 2,000	148	4.37	2,19,124	1.50
2,001 - 3,000	58	1.71	1,50,835	1.04
3,001 - 4,000	49	1.45	1,79,003	1.23
4,001 - 5,000	16	0.47	72,543	0.50
5,001 - 10,000	30	0.88	2,09,906	1.44
10,001 and above	70	2.06	1,32,01,515	90.70
Total	**3,390**	**100.00**	**1,45,55,775**	**100.00**
No. of shares in Physical mode	**167**	**4.92**	**10,30,607**	**7.08**
No. of shares in Demat mode - N S D L	**2,038**	**60.12**	**1,29,47,422**	**88.95**
- C D S L	**1,185**	**34.96**	**5,77,746**	**3.97**
Total	**3,390**	**100.00**	**1,45,55,775**	**100.00**

12. Compliance Certificate from the Auditors

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

By order of the Board

Place: Kalyaneshwari
Date: 15 June 2011

(S. C. Agarwalla)
Managing Director

(B. K. Agarwalla)
Chairman

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 2011.

Place: Kalyaneshwari
Date: 15 June 2011

(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 2011 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 Jhunjhunwala)
Partner
M. No. F057170

Kalyaneshwari,
15 June 2011

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, 2011, the Profit and Loss Account 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 Profit and Loss Account 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 Profit and Loss Account 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;

   f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

      a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

      b) in the case of the 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.

For D. K. Chhajer & Co.
Chartered Accountants

Niraj K. Jhunjhunwala
Partner
M. No- F057170
Firm Reg. No. 304138E

Place: Kalyaneshwari
Dated: 15 June 2011

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

i) In respect of fixed assets:

a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

b) All fixed assets were physically verified by the management during the year. We have been informed that no material discrepancies were noticed on such physical verification.

c) The fixed assets disposed of during the year are not substantial and hence, it has not affected the going concern status of the Company.

ii) In respect of inventories:

a) The management has conducted physical verification of inventory at reasonable intervals during the year.

b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

iii) a) During the year, the Company has granted unsecured loan to a Company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs.3.00 crore and the year end balance was nil.

b) In our opinion the rate of interest and other terms and conditions of the loans are not prima facie prejudicial to the interest of the Company.

c) In respect of aforesaid loan, there is no stipulation as to repayment thereof.

d) In our opinion and according to the information and explanation given to us there is no overdue amount outstanding in respect of the said loan.

e) During the year, the Company has taken unsecured loan from a Company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs.11.00 Crores and the year end balance was nil.

f) In our opinion and according to the information and explanation given to us, the rate o interest and other terms and condition of the above loan are not prima facia prejudicial to the interest of the Company.

g) In respect of aforesaid loan, there is no stipulation as to repayment thereof.

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.

v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:

a) According to the information and explanation given 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;

b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.

vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from public hence the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 are not applicable to the Company.

vii) In our opinion and according to the information and explanations given to us, the Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.

viii) We have been informed that the Central Government has not prescribed the maintenance of cost records by the Company under Section 209 (1) (d) of the Companies Act, 1956.

ix) 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.

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.

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

Place: Kalyaneshwari
Dated: 15 June 2011

BALANCE SHEET As at 31 March 2011

(Rs. in '000)

	Schedule	As at 31 March 2011	As at 31 March 2010
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	1	145,589	97,070
Reserves & Surplus	2	1,720,951	1,074,912
Loan Funds			
Secured Loans	3	343,492	824,354
Unsecured Loans	4	38,588	220,231
Deferred Tax Liability (Net)	5	55,963	64,388
Total		**2,304,583**	**2,280,955**
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	1,360,700	1,522,245
Less : Depreciation		528,886	427,333
Net Block		831,814	1,094,912
Capital work in progress		5,293	63,857
		837,107	1,158,769
Investments	7	551,094	50,995
Current Assets, Loans & Advances			
Inventories	8	878,310	576,921
Sundry Debtors	9	452,577	607,820
Cash and Bank Balances	10	288,854	332,027
Other Current Assets	11	249,594	163,727
Loans & Advances	12	264,691	733,784
		2,134,026	2,414,279
Less : Current Liabilities & Provisions	13	1,217,644	1,343,088
Net Current Assets		916,382	1,071,191
Total		**2,304,583**	**2,280,955**
Notes on Accounts	23		

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

As per our report of even date

For D. K. Chhajer & Co.
Chartered Accountants

B. K. Agarwalla
Chairman

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

S. C. Agarwalla
Managing Director

Place: Kalyaneshwari
Date : 15 June 2011

Rajesh K. Shah
Company Secretary

PROFIT AND LOSS ACCOUNT For the year ended 31 March 2011

(Rs. in '000)

	Schedule	Year ended 31 March 2011	Year ended 31 March 2010
INCOME			
Sales (Gross)	14	6,173,490	4,976,695
Less: Inter Unit Transfer		–	28,127
		6,173,490	4,948,568
Less: Excise Duty		229,294	168,675
Net Sales		5,944,196	4,779,893
Other Operating Income	15	198,697	140,656
Other Income	16	6,174	11,041
Increase/(Decrease) in Stock	17	53,607	(267,514)
		6,202,674	**4,664,076**
EXPENDITURE			
Purchase of Traded Goods		878,196	435,683
Raw Materials Consumed	18	2,734,411	1,862,764
Power & Fuel	19	1,044,986	1,278,295
Manufacturing Expenses	20	118,651	126,916
Administrative, Selling & Other Expenses	21	290,005	264,225
Interest	22	69,449	136,839
Depreciation		102,060	119,842
		5,237,758	**4,224,564**
Profit before Tax		**964,916**	**439,512**
Provision for Taxation			
Current Tax		245,000	96,631
Deferred Tax Charge/(Credit) (Net)		(8,424)	40,490
Profit After Tax		**728,340**	**302,391**
Add: Excess/(Short) Tax Provision for earlier years		52	(23)
Add: Balance brought forward from Previous year		927,414	662,076
Amount available for Appropriation		**1,655,806**	**964,444**
APPROPRIATION			
Transfer to General Reserve		60,000	20,000
Proposed Dividend on Equity Shares		29,111	14,556
Corporate Dividend Tax		4,723	2,474
Balance carried to Balance Sheet		1,561,972	927,414
		1,655,806	**964,444**
Earnings Per Share (Basic/Diluted) (Rs.)			
(Face Value Per Share Rs.10/-)		50.04	20.77
Notes on Accounts	23		

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

As per our report of even date

For D. K. Chhajer & Co.
Chartered Accountants

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

Place: Kalyaneshwari
Date : 15 June 2011

B. K. Agarwalla
Chairman

S. C. Agarwalla
Managing Director

Rajesh K. Shah
Company Secretary

CASH FLOW STATEMENT For the year ended 31 March 2011

(Rs. in '000)

	Year ended 31 March 2011	Year ended 31 March 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	**964,916**	**439,512**
Adjustments for :		
Depreciation	102,060	119,842
Interest (Net of Receipt)	64,451	128,820
Irrecoverable Advances & Debts written off	1,601	35,962
Loss / (Profit) on sale of Fixed Assets	(291)	16
Operating profit before Working Capital changes	**1,132,737**	**724,152**
Adjustment for :		
Trade and other receivables	515,953	(401,829)
Inventories	(301,388)	303,900
Trade and other payables	(142,286)	313,627
Cash generated from operations	**1,205,016**	**939,850**
Interest Paid (Net of Receipt)	(64,236)	(128,257)
Direct Taxes Received/(Paid)	(224,248)	(94,170)
Cash flow before extraordinary items	**916,532**	**717,423**
Extraordinary items	–	–
Net Cash From Operating Activities (A)	**916,532**	**717,423**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(92,613)	(739,501)
Sale of Fixed Assets	296	5
Capital Work In progress	58,564	658,650
Capital Subsidy Received	253,645	–
Purchase of Investments	(500,100)	–
Sale of Investments	–	–
Net Cash Used In Investing Activities (B)	**(280,208)**	**(80,846)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid including Tax on Dividend	(16,992)	(12,531)
Proceeds / (Repayment) from / of borrowings	(662,505)	(379,673)
Net Cash From Financing Activities (C)	**(679,497)**	**(392,204)**
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	(43,173)	244,373
Cash and Cash equivalents at the beginning of the year	332,027	87,654
Cash and Cash equivalents at the end of the year	**288,854**	**332,027**

As per our report of even date

For D. K. Chhajer & Co.
Chartered Accountants

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

Place: Kalyaneshwari
Date : 15 June 2011

B. K. Agarwalla
Chairman

S. C. Agarwalla
Managing Director

Rajesh K. Shah
Company Secretary

SCHEDULES TO THE BALANCE SHEET

As at 31 March 2011

(Rs. in '000)

	As at 31 March 2011	As at 31 March 2010
Schedule 1 SHARE CAPITAL		
A) Authorised Capital		
1,50,00,000 (PY 1,00,00,000) Equity Shares of Rs 10/- each	150,000	100,000
Nil (PY 5,00,000) 10% Cumulative Non-convertible Redeemable Preference Shares of Rs 100/- each	–	50,000
	150,000	**150,000**
B) Issued & Subscribed Capital :		
1,45,63,375 (PY 97,11,450) Equity Shares of Rs 10/- each	145,634	97,115
	145,634	**97,115**
C) Paid up Capital :		
1,45,55,775 (PY 97,03,850) Equity Shares of Rs 10/- each	145,558	97,039
Add: Forfeited Shares (7600 Nos.)	31	31
	145,589	**97,070**

	As at 31 March 2011	As at 31 March 2010
Schedule 2 RESERVES & SURPLUS		
General Reserve		
As per last Account	82,500	62,500
Less: Utilised for Issue of Bonus Shares	2,519	–
	79,981	62,500
Add: Transferred from Profit &Loss Account	60,000	20,000
	139,981	82,500
Capital Reserve		
As per last Account	18,998	18,998
Share Premium A/c		
As per last Account	10,000	10,000
Less: Utilised for Issue of Bonus Shares	10,000	–
	–	10,000
Capital Redemption Reserve		
Transferred from Profit & Loss Account	36,000	36,000
Less: Utilised for Issue of Bonus Shares	36,000	–
	–	36,000
Profit & Loss Account	1,561,972	927,414
	1,720,951	**1,074,912**

	As at 31 March 2011	As at 31 March 2010
Schedule 3 SECURED LOAN		
Term-Loan	64,579	434,107
Working Capital Loan		
- Rupee Loan	216,403	197,409
- Foreign Currency Loan	62,510	192,838
	343,492	**824,354**

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

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

	As at 31 March 2011	As at 31 March 2010
Schedule 4 UNSECURED LOAN		
From Bodies Corporate	38,588	220,231
	38,588	**220,231**

(Rs. in '000)

	As at 31 March 2011	As at 31 March 2010
Schedule 5 DEFERRED TAX LIABILITY/(ASSET) (NET)		
Deferred Tax Liability arising on a/c of Depreciation	56,717	68,655
Less: Deferred Tax Asset arising on retirement benefits	754	4,267
Net Liability / (Assets)	**55,963**	**64,388**

Schedule 6 FIXED ASSETS

Sl. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.04.2010	Addition during the year	Sale / Adjustments	As on 31.03.2011	Up to 01.04.2010	For the Year	Adjustments	Up to 31.03.2011	As on 31.03.2011	As on 31.03.2010
	Land										
1	Freehold Land & Development	12,240	–	–	12,240	–	–	–	–	12,240	12,240
2	Leasehold Land & Development	5,112	2,318	–	7,430	–	–	–	–	7,430	5,112
	Building										
3	Non Factory Building	12,085	49,787	–	61,872	1,437	1,292	–	2,729	59,143	10,648
4	Factory Building	126,242	–	–	126,242	30,207	8,110	–	38,317	87,925	96,035
	Plant & Machinery										
5	Ferro Alloys Division	708,861	21,571	120,010	610,422	320,676	56,715	216	377,175	233,247	388,185
6	Power Plant Division	463,934	12,731	133,853	342,812	23,879	24,127	–	48,006	294,806	440,055
7	Windmill Division	176,916	–	–	176,916	46,030	10,164	–	56,194	120,722	130,886
	Other Assets										
8	Motor Vehicles	10,177	743	295	10,625	2,757	934	292	3,399	7,226	7,420
9	Furniture & Fixtures	2,392	3,779	–	6,171	693	203	–	896	5,275	1,699
10	Office Equipments	1,903	390	–	2,293	446	103	–	549	1,744	1,457
11	Computers	2,383	1,294	–	3,677	1,208	412	–	1,620	2,057	1,175
	Total	**1,522,245**	**92,613**	**254,158**	**1,360,700**	**427,333**	**102,060**	**508**	**528,885**	**831,815**	**1,094,912**
	Previous Year	782,786	739,501	42	1,522,245	307,512	119,842	20	427,333	1,094,912	

	As at 31 March 2011	As at 31 March 2010
Schedule 7 INVESTMENTS		
In Subsidiary Company- Unquoted, fully paid up		
AXL Exploration Pvt. Ltd. [23,500 Equity Shares (PY 23,500) of Rs 100/- each]	32,994	32,995
Anjaney Alloys Ltd. [2,30,00,000 Equity Shares (PY 10,00,000) of Rs 10/- each]	390,000	10,000
Anjaney Minerals Ltd. [7,99,995 Equity Shares (PY 7,99,995) of Rs.10/- each]	8,000	8,000
In Units of Mutual Funds		
SBI-SHF Ultra Short Term Fund - Retail Plan - Growth [39,71,951.018 Units (PY Nil) of Face Value Rs.10/- each]	50,100	–
SBI-SHF Ultra Short Term Fund - Institutional Plan - Growth [54,68,518.170 Units (PY Nil) of Face Value Rs.10/- each]	70,000	–
	551,094	**50,995**

Schedule 8 INVENTORIES		
(as taken, valued & certified by the management)		
Raw Materials	605,143	403,263
Stock-in-Process	13,443	9,159
Finished Goods	118,849	68,069
Scrap and Slag	915	367
Stock in Transit	120,355	86,204
Stores and Packing Materials	19,605	9,859
	878,310	**576,921**

SCHEDULES TO THE BALANCE SHEET

As at 31 March 2011

(Rs. in '000)

	As at 31 March 2011	As at 31 March 2010
Schedule 9 SUNDRY DEBTORS		
(unsecured, considered good)		
Exceeding six months	5,609	12,893
Other Debts	446,968	594,927
	452,577	**607,820**
Schedule 10 CASH AND BANK BALANCES		
Cash-in-Hand (as certified by the management)	2,000	1,815
Balance with Banks		
In Fixed Deposit Accounts (includes Rs. 38,086 thousand PY Rs. 67,472 thousand in lien against margin money)	138,086	67,472
In Current Accounts	89,528	198,048
Debit balance in cash credit accounts	57,881	64,662
Cheque/Draft in Hand	1,359	30
	288,854	**332,027**
Schedule 11 OTHER CURRENT ASSETS		
Prepaid Expenses	819	5,603
Accrued Interest on Fixed Deposits	1,190	1,405
Balances with Excise Authorities	41,421	53,222
Accrued Export & Other Incentives	206,164	103,497
	249,594	**163,727**
Schedule 12 LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances (recoverable in cash or in kind or for value to be received):	30,625	34,619
Advances for Capital Goods	1,591	–
Advances for Raw Materials & Stores	45,993	489,584
Security Deposits	932	5,631
I.T. Refundable	94	94
Advance Tax (Net of Provision)	167,656	188,356
Share Application Money	17,800	15,500
	264,691	**733,784**
Schedule 13 CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors		
for Capital Goods	494	454
for Raw Materials	682,285	878,511
for Expenses	461,354	412,768
for Others	33,520	29,911
Unpaid Dividend	303	265
	1,177,956	1,321,909
Provisions		
Provision for Leave Encashment/ Gratuity/ Bonus	5,854	4,149
Proposed Dividend	29,111	14,556
Tax on Dividend	4,723	2,474
	39,688	21,179
	1,217,644	**1,343,088**

(Rs. in '000)

	Year ended 31 March 2011	Year ended 31 March 2010
Schedule 14 SALES (GROSS)		
Ferro Alloys	5,239,397	4,490,693
Scrap, Waste etc	899	6,659
Trading Sales	914,734	457,742
Power	18,460	21,601
	6,173,490	**4,976,695**

	Year ended 31 March 2011	Year ended 31 March 2010
Schedule 15 OTHER OPERATING INCOME		
Export Incentive	130,994	32,866
Foreign Exchange Fluctuations (Net)	67,703	107,790
	198,697	**140,656**

	Year ended 31 March 2011	Year ended 31 March 2010
Schedule 16 OTHER INCOME		
Interest (Gross) (TDS Rs. 5,42,906/- PY- Rs. 10,85,980/-)	4,998	8,019
Discount on DEPB Licence	156	680
Commission received (TDS - Nil PY- Rs. 2,20,600/-)	–	2,000
Miscellaneous Receipts	729	342
Profit on sale of Fixed Assets	291	–
	6,174	**11,041**

	Year ended 31 March 2011	Year ended 31 March 2010
Schedule 17 INCREASE / (DECREASE) IN STOCK		
Closing Stock		
Finished Goods	118,849	68,069
Work-In-Progress	13,443	9,159
Scrap and Slag	915	367
	133,207	77,595
Less: Opening Stock		
Finished Goods	68,069	323,598
Work-In-Progress	9,159	15,075
Scrap and Slag	367	320
	77,595	338,993
Increase/(Decrease) in Stock	55,612	(261,399)
Less: Change in Excise Duty on Stock	2,005	6,115
	53,607	**(267,514)**

	Year ended 31 March 2011	Year ended 31 March 2010
Schedule 18 RAW MATERIAL CONSUMED		
Opening stock	376,953	505,585
Add: Purchases	2,894,405	1,762,259
	3,271,358	2,267,844
Less : Inter Unit Transfer	–	28,127
Less : Closing stock	536,947	376,953
	2,734,411	**1,862,764**

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2011

(Rs. in '000)

	Year ended 31 March 2011	Year ended 31 March 2010
Schedule 19 POWER & FUEL		
Raw Material Consumed (CPP)		
Opening Stock	26,310	30,731
Add :Purchases	319,211	284,651
	345,521	315,382
Less : Closing Stock	68,196	26,310
	277,325	289,072
Electricity charges	722,706	932,877
Electricity duty	20,738	36,701
Operation & Maintenance Cost	24,217	19,645
	1,044,986	**1,278,295**
Schedule 20 MANUFACTURING EXPENSES		
Stores & Packing Materials	72,785	66,532
Carriage Inward	1,227	1,156
Claims & Demurrage	19,134	40,214
Repairs & Maintenance :		
to Machinery	12,794	10,942
to Building	3,305	2,034
Packing & Forwarding Expenses	9,328	5,265
Others	78	773
	118,651	**126,916**
Schedule 21 ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Salary Wages & Bonus	41,792	32,233
Contribution to Providend Fund & Other Funds	2,987	1,615
Gratuity	990	621
Directors Remuneration	18,000	18,000
Directors Commission	45,000	9,000
Directors Meeting Fees	125	95
Workmen & Staff Welfare	1,223	596
Rent	464	413
Lease Rent	365	599
Rates &Taxes	817	489
Professional Charges	7,477	3,723
Insurance Premium	3,150	4,097
Bank and Other Financial Charges	20,512	14,620
Auditors' Remuneration		
As Audit Fees	375	300
Tax Audit Fees	50	25
Certification and other services	10	14
Other Exp.	16	22
Internal Audit Expenses	75	–
Repair & Maintenance	927	1,080
Carriage Outward	17,107	35,099
Rebate & Discount	23,207	11,544
Service Tax - Outward Transportation	784	–
Sundry Balance Written Off	1,601	35,962
Brokerage & Commission	4,129	13,408
Loss on Sale of fixed Assets	–	16
Export Expenses	72,844	55,255
Miscellaneous Expenses	25,978	25,399
	290,005	**264,225**

(Rs. in '000)

	Year ended 31 March 2011	Year ended 31 March 2010
Schedule 22 INTEREST		
On Unsecured Loan	18,987	16,923
On Fixed Loan	29,280	51,359
Others	21,182	68,557
	69,449	**136,839**

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNT For the year ended 31 March 2011

Schedule 23 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1) **Significant Accounting Policies**

a) **Nature of Operation**

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

b) **Basis of Accounting**

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

c) **Use of Estimates**

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

d) **Fixed Assets**

Fixed Assets are stated at cost less 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 it's intended use. Pre -operative expenses for major projects are also capitalised, where appropriate.

e) **Intangible Assets**

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

f) **Depreciation**

i) Depreciation on Fixed Assets is provided on Straight Line Method in the manner and the rates specified in Schedule XIV to the Companies Act, 1956 over their useful life, 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 on Written Down Value method over their useful life.

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

g) **Impairment**

An asset is treated as impaired when the carrying cost of assets 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. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

h) **Investments**

Long term Investments are stated at cost. Provision for diminution in the value of each long term investment is made to recognise a decline, other than that of temporary in nature.

Schedule 23 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

i) **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.

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 realisable 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.

j) **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.

k) **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.

l) **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.

m) **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.

n) **Foreign Currency transaction**

i) **Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the

Schedule 23 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd...)*

exchange rate between the reporting currency and the foreign currency prevailing at the date of the transaction or that approximates the actual rate at the date of the transaction..

ii) **Conversion**

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;

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.

o) **Borrowing Cost**

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

p) **Taxation**

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

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

q) **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.

r) **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.

s) **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.

Schedule 23 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd...)*

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.

t) **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.

u) **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.

v) **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.

w) **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.

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

			2010-11	2009-10
a)	Licenced Capacity *		N.A.	N.A.
b)	Installed Capacity :			
	Ferro Alloys**	MT	115,600	115,600
	Wind Mill***	MW	3.75	3.75

* Not Applicable in view of changed Industrial Licensing Policy
** As certified by the Management, based on interchangeability of products.
*** As certified by the Management.

(Rs. in '000)

		2010-11		2009-10	
	Unit	Quantity in MT	Value	Quantity in MT	Value
Opening Stock					
Ferro Alloys					
i) Saleable	MT	1,105	55,050	5,491	262,892
ii) Unsorted	MT	285	13,018	1,355	60,705
Total			**68,068**		**323,597**
Production					
Ferro Alloys					
i) Saleable	MT	81,604	N.A.	76,451	N.A.
ii) Unsorted	MT	383	N.A.	(1,071)	N.A.
Power	KWH	5,102,224	–	6,223,507	–

Schedule 23 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd...)*

(Rs. in '000)

		2010-11		2009-10	
	Unit	Quantity in MT	Value	Quantity in MT	Value
Sales					
Ferro Alloys	MT	81,083	5,010,104	80,837	4,322,018
Power	KWH	5,102,224	18,460	6,223,507	21,601
Scrap Waste,etc	–	–	898	–	6,659
Less: Inter Unit Transfer	–	–	–	–	28,127
Total			**5,029,462**		**4,322,151**
Captive Consumption	–	–	–	–	–
Closing Stock :					
Ferro Alloys					
i) Saleable	MT	1,625	86,593	1,105	55,050
ii) Unsorted	MT	668	32,256	285	13,018
Total			**118,849**		**68,068**
Trading Goods:					
Sales					
Ferro Alloys	MT	6,108	356,413	1,651	107,728
Others	MT	45,749	558,320	39,926	350,014
Total		**51,857**	**914,733**	**41,577**	**457,742**
Purchases					
Ferro Alloys	MT	6,108	350,113	1,651	111,315
Others	MT	45,749	528,082	39,926	324,368
Total		**51,857**	**878,195**	**41,577**	**435,683**

Note :

i) Quantitative details of slag (waste) is not given as the value of the same is not significant.

ii) Excise Refund of Rs.51,308 thousand (Previous year Rs.49,335 thousand) is included in the value of Sales.

B) Raw Material Consumed (Rs. in '000)

	2010-11		2009-10	
Items	**Quantity in MT**	**Value**	**Quantity in MT**	**Value**
Ores	162327	1,951,922	158271	1,339,002
Reductants	67778	659,122	64123	421,122
Fluxes	37679	43,811	33492	37,283
Others	5909	79,556	5969	65,358
Total	**273694**	**2734411**	**261855**	**1862765**

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

(Rs. in '000)

	2010-11		2009-10	
Particulars	**Percentage**	**Value**	**Percentage**	**Value**
Imported	64.96%	1,776,396	48.77%	908,554
Indigenous	35.04%	958,015	51.23%	954,211
	100%	**2,734,411**	**100%**	**1,862,765**

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

(Rs. in '000)

	2010-11		2009-10	
Particulars	**Percentage**	**Value**	**Percentage**	**Value**
Imported	NIL	NIL	NIL	NIL
Indigenous	100%	72,785	100%	66,532
	100%	**72,785**	**100%**	**66,532**

Schedule 23 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd...)*

E) CIF Value of Imports : Rs.1,859,298 thousand (Previous year Rs.927,788 thousand)

F) FOB Value of Exports : Rs.2,414,854 thousand (Previous year Rs.1,730,442 thousand)

G) Expenditure in Foreign Currency : Rs.41,975 thousand (Previous year Rs.54,474 thousand) (Rs. in '000)

		2010-11	2009-10
i)	Interest and Finance Charges	11,884	41,675
ii)	Travelling Expenses	828	27
iii)	Demurrage	27,982	2,355
iv)	Membership & Subscription	966	2,350
v)	Others	315	8,068

3) Claims against the Company not acknowledged as debts in respect of disputed excise duty & service tax demand- Gross Rs.30,288 thousand (Net of Tax Rs. 20,227 thousand) (Previous Year- Gross Rs.23,078 thousand Net of Taxes- Rs.15,234 thousand)

4) Contingent Liabilities not provided for in respect of :

a) Bills Receivable discounted with Bank
Inland Bills Rs.50,785 thousand (Previous year Rs.91,472 thousand)
Foreign Bills Rs.13,924 thousand (Previous year Rs. NIL)

b) Letters of Credit issued by Bank and outstanding -
Inland LC Rs.73,277 thousand (Previous year Rs 49.230 thousand)
Foreign LC Rs.133,802 thousand (Previous year Rs.104,382 thousand)

c) Bank Guarantees issued by Bank and outstanding Rs.37,386 thousand (Previous Year Rs.17,277 thousand)

d) Guarantee provided to Banks in respect of Term Loans and ECB extended by them to a Subsidiary Company Rs.1253000 thousand (Previous Year Rs.Nil)

e) Electricity Bills of Damodar Valley Corporation(DVC) from May, 2010 were raised on provisional basis as DVC does not accept the tariff fixed by Central Electricity Regulatory Commission (CERC). The same is the subject matter of challenge before the Hon'ble Supreme Court. A liability may arise on account of this upon final decision by Hon'ble Supreme Court.

5) Disclosure in respect of Derivative Instruments:

a) Derivative instruments outstanding: (in '000)

	2010-11		2009-10	
Foreign Currency Contracts	**Bought/Sold**	**Amount**	**Bought/Sold**	**Amount**
USD–	–	–	Sold	9,575
USD–	–	–	Bought	888
JPY-USD	–	–	Bought	86,127

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

c) Foreign currency exposure outstanding at the year end that are not hedged by derivative instruments : (in '000)

	2010-11	2009-10
Sundry Debtors	USD 5,011	USD 4,860
Sundry Creditors	USD13,183	USD 17,169

6) Managerial Remuneration under Section 198 of the Companies Act, 1956 :- (Rs. in '000)

	2010-11	2009-10
Directors' Remuneration	18,000	18,000
Commission	45,000	9,000

Computation of Net Profit in accordance with section 349 of the Companies Act, 1956 and the commission payable to Directors.

Schedule 23 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd...)*

(Rs. in '000)

	2010-11		2009-10	
Net Profit before Taxation		964,916		439,512
Add:				
Director's Remuneration	63,000		27,000	
Director's Sitting Fees	125		95	
Loss/ (Profit) on sales of fixed assets	(291)		16	
		62,834		27,111
		1,027,750		**466,623**
Maximum Amount payable to Executive Directors@10%		102,775		46,662
Amount paid to Executive Directors		63,000		27,000

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

8) There are no dues to Micro and Small Enterprises as at 31st March 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

9) Profit/Loss on sale of raw materials, if any, stand adjusted in respective consumption account.

10) **Segment Reporting**

Primary Segment Information (Business Segments) (Rs. in '000)

	2010-11			2009-10		
Particulars	**External Sales**	**Inter Segment Sales**	**Total**	**External Sales**	**Inter Segment Sales**	**Total**
1. Segment Revenue						
Ferro Alloys	5,925,736	–	5,925,736	4,758,291	–	4,758,291
Wind Power	18,460	–	18,460	21,601	–	21,601
Total Revenue	**5,944,196**	**–**	**5,944,196**	**4,779,893**	**–**	**4,779,893**
2. Segment Results						
Ferro Alloys	1,021,998	–	1,021,998	558,740	–	558,740
Wind Power	7,005	–	7,005	9,537	–	9,537
Total Segment Results	**1,029,003**		**1,029,003**	**568,276**		**568,276**
Unallocated Income			72			72
Profit before interest & taxation			**1,029,075**			**568,348**
Interest Paid			69,449			136,839
Interest Income			4,998			8,019
Profit/(Loss) on Sale of Shares			–			–
Profit/(Loss) on Sale of Fixed Assets			291			(16)
Taxation for the year including adjustments of previous year			(236,576)			(137,121)
Profit after Taxation			**728,340**			**302,391**

Other Information (Rs. in '000)

	2010-11		2009-10	
Particulars	**Segment Assets**	**Segment Liabilities**	**Segment Assets**	**Segment Liabilities**
Ferro Alloys	3,396,955	1,217,623	3,489,726	1,343,066
Wind Power	125,272	22	134,317	22
Segment Total	**3,522,227**	**1,217,644**	**3,624,042**	**1,343,087**

Schedule 23 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd...)*

(Rs. in '000)

Particulars	2010-11			2009-10		
	Capital Expenditure	Depreciation	Non cash expenditure other than depreciation	Capital Expenditure	Depreciation	Non cash expenditure other than depreciation
Ferro Alloys	92,613	91,896	–	739,501	109,678	–
Wind Power	–	10,164	–	–	10,164	–
Total	**92,613**	**102,060**	**–**	**739,501**	**119,842**	**–**

Note

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

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

Defined Contribution Plan

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

(Rs. in '000)

	2010-11	2009-10
Employer's Contribution to Provident Fund	1,630	1,215

Defined Benefit Plan

Gratuity & Leave:

(Rs. in '000)

	Leave		Gratuity	
	2010-11	2009-10	2010-11	2009-10
I. Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit obligation at beginning of the year	49	–	1,582	961
Acquisition Adjustment	–	–	–	–
Interest Cost	4	–	116	77
Past Service Cost	–	–	51	–
Current Service Cost	981	–	672	524
Curtailment Cost	–	–	–	–
Settlement Cost	–	–	–	–
Benefit paid	29	–	256	–
Actuarial gain/loss on obligation	(692)	–	150	20
Defined Benefit obligation at year end	**313**	**–**	**2,316**	**1,582**
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				
Current Service Cost	981	–	672	524
Past Service Cost	–	–	51	–
Interest Cost	4	–	116	77
Expected return on plan assets	–	–	–	–
Curtailment Cost	–	–	–	–
Settlement Cost	–	–	–	–
Actuarial (gain)/loss	(692)	–	150	20
Net Cost	**292**	**–**	**990**	**621**

Schedule 23 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd...)*

(Rs. in '000)

	Leave		Gratuity	
	2010-11	2009-10	2010-11	2009-10
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

	2010-11	2009-10
IX. Actuarial assumption		
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	8.00%	8.00%
Rate of escalation in inflation(per annum)	5.00%	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.

(Rs. in '000)

	2010-11	2009-10
X. Effects of changes in the assumed medical Cost	N.A.	N.A.
XI. Valuation record of the last 4 years	N.A.	N.A.
XII. Employer's best estimate	N.A.	N.A.

12 i) Related Partys' Disclosure:

Related Parties :

A. Subsidiary Companies :
1. AXL Exploration (P) Ltd.
2. Anjaney Minerals Ltd.
3. Anjaney Alloys Ltd.

B. Associate Companies :
1. Anjaney Ferro Alloys Ltd.
2. Maithan Smelters Ltd.
3. Maithan Ceramic Ltd.
4. Maithan Ispat Ltd.
5. Meghalaya Carbide & Chemicals (P) Ltd.

C. Key Management Personnel :
1. Shri Basant Kumar Agarwalla
2. Shri Subhas Chandra Agarwalla
3. Shri Subodh Agarwalla
4. Shri Aditya Agarwalla

D. Relatives of Key Management Personnel :
1. Shri Sudhanshu Agarwalla

Schedule 23 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd...)*

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

(Rs. in '000)

Nature of Transactions	Associates	Subsidiary	Key Management Personnel	Relatives of Key Management Personnel
Sale of Goods	630,090	–	–	–
	(442,751)	(563)	–	–
Purchase of Goods	135,359	–	–	–
	(84,548)	–	–	–
Purchase of Plant & Machinery	755	–	–	–
	(2,206)	–	–	–
Receiving of Services	–	–	63,000	3,600
	–	–	(27,000)	(2,400)
Rent Received	60	–	–	–
	(60)	–	–	–
Interest Received	312	–	–	–
	–	–	–	–
Rent Paid	240	–	–	–
	(240)	–	–	–
Interest Paid	10,351	–	–	–
	(9,811)	–	–	–
Electricity Charges Paid	740	–	–	–
	–	–	–	–
Commission Received	–	–	–	–
	(2,206)	–	–	–
Loan Received	10,000	–	–	–
	(100,000)	–	–	–
Loans/ Advances Given	30,000	31,600	–	–
	–	(480)	–	–
Investment/ Share Application Given/ (Refunded)	–	387,300	–	–
	–	(-201,500)	–	–

ii) **Related party transaction:**

1. **Sale of goods**

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

(Rs. in '000)

		Transaction value		Outstanding balance (Dr.)	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Anjaney Ferro Alloys Ltd.	Associate	550,448	393,526	–	74,115
Maithan Ispat Ltd.	Associate	41,719	44,326	9,366	3,743
Maithan Smelters Ltd.	Associate	37,923	4,900	466	4,900

2. **Purchase of Goods and Plant & Machinery**

Detail of purchase from Associates which are material (more than 10% of total purchase from the related parties)

(Rs. in '000)

		Transaction value		Outstanding balance (Cr.)	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
a. Purchase of Goods					
Anjaney Ferro Alloys Ltd.	Associate	95,389	53,835	–	–
Maithan Ceramic Ltd	Associate	1,784	–	–	–
Maithan Smelters Ltd.	Associate	37,975	30,128	–	–
b. Purchase of Plant & Machinery					
Maithan Smelters Ltd	Associate	122	–	–	–
Meghalaya Carbide & Chemicals (P) Ltd.	Associate	633	2,206	–	–

Schedule 23 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd...)*

3. **Receiving of services**

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

(Rs. in '000)

	Transaction value		Outstanding balance	
Name of the Party	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Directors' remuneration	63,000	27,000	31,095	6,219
Executive's salary and others	3,600	2,400	–	–

4. **Rent received**

Detail of rent received from Associates which are material (more than 10% of total rent received from the related parties

(Rs. in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Maithan Smelters Ltd.	Associate	60	60	33	15

5. **Interest received**

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

(Rs. in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Maithan Ispat Ltd.	Associate	312	–	280	–

6. **Rent paid**

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

(Rs. in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Meghalaya Carbide & Chemicals (P) Ltd.	Associate	180	180	–	–
Maithan Smelters Ltd.	Associate	60	60	–	–

7. **Interest paid**

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

(Rs. in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Maithan Smelters Ltd.	Associate	10,351	9,811	–	8,830

8. **Details of Electricity Charges Paid**

Detail of Electricity Charges paid to Associate which are material
(more than 10% of Electricity Charges paid to the related parties)

(Rs. in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Meghalaya Carbide & Chemicals P Ltd	Associate	740	–	2	–

9. **Commission Received**

Detail of commission received from Associates which are material
(more than 10% of total commission received from the related parties)

(Rs. in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Anjaney Ferro Alloys Ltd.	Associate	–	2,206	–	–

Schedule 23 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd...)*

10. Loans Received

Detail of loan received from Associate which is material
(more than 10% of total loan received from the related parties)

(Rs. in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Maithan Smelters Ltd.	Associate	10,000	100,000	–	100,000

11. Details of Loans/ Advances given

Detail of loan/ advances given to Subsidiary/Associate which are material
(more than 10% of total loans/ advances given to the related parties)

(Rs. in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Maithan Ispat Ltd.	Associate	30,000	–	–	–
AXL Exploration (P) Ltd.	Subsidiary	31,600	480	5,595	3,995

12. Investment (including Share application Money) given/ (refunded) in Subsidiaries

Detail of investment (including Share application Money) given/ (refunded) in Subsidiaries which are material

(Rs. in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Anjaney Alloys Limited	Subsidiaries	385,000	(190,000)	–	–
Anjaney Minerals Limited	Subsidiaries	2,300	(11,500)	14,800	12,500

13 Deferred Taxation:

(Rs. in '000)

Particulars	**Deferred Tax (Asset) / Liability as on 01.04.2010**	**Current Year Charge / (Credit)**	**Deferred Tax (Asset) / Liability as on 31.03.2011**
Difference between Book & Income Tax Depreciation	64,874	(8,157)	56,717
Difference of Provision for Retirement Benefits	(486)	267	754
Total	**64,388**	**(8,424)**	**55,964**

14 Basic and Diluted Earnings Per Share:

(Rs. in '000)

	As at 31 March 2011	**As at 31 March 2010**
i) Net Profit after tax as per Profit & Loss Account attributable to Equity Shareholders (Rs. In Thousand)	728,340	302,391
ii) Weighted Average number of equity shares used as denominator for calculating EPS	14555775**	14555775**
iii) Basic & Diluted Earning Per Share (Rs.)	50.04	20.77
iv) Face Value per equity share (Rs.)	10.00	10.00

** Adjusted for issue of bonus shares in the year 2010-11 in the ratio of 1:2 (One bonus share for every two shares)

15 Previous year figures have been regrouped and rearranged wherever found necessary.

As per our report of even date

For D. K. Chhajer & Co.
Chartered Accountants

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

Place: Kalyaneshwari
Date : 15 June 2011

B. K. Agarwalla
Chairman

S. C. Agarwalla
Managing Director

Rajesh K. Shah
Company Secretary

BALANCE SHEET ABSTRACT

Information pursuant to the provisions of Part IV of the Schedule VI to the Companies Act, 1956

I. Registration Details

Registration No.	L27101WB1985PLC039503	State Code	21
Balance Sheet Date	31 (Date) 03 (Month) 2011 (Year)		

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	48519	Private Placement (Including Shares Premium)	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	2304583	Total Assets	2304583
Sources of Funds			
Paid-up Capital	145589	Reserves & Surplus	1720951
Deferred Tax Liability	55963	Secured Loans	343492
Unsecured Loans	38588		
Application of Funds			
Net Fixed Assets	837108	Investments	551094
Deferred Tax Assets	NIL	Net Current Assets	916381
Misc. Expenditure	NIL		

IV. Performance of Company (Amount in Rs. Thousands)

Turnover & Other Incomes	6149067	Total Expenditure	5184151
Profit before Tax	964916	Profit after Tax	728340
Earning per Share (in Rs.)	50.04	Dividend Rate	20%

V. Generic Names of three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	7202 3000
Product Description	Ferro-Silico-Manganese
Item Code No. (ITC Code)	7202 1100
Product Description	Ferro-Manganese containing by weight more than 2% of carbon
Item Code No. (ITC Code)	7202 2100
Product Description	Ferro Silicon containing by weight more than 55% of silicon
Item Code No. (ITC Code)	–
Product Description	Wind Power

CONSOLIDATED AUDITORS' REPORT

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, 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We have also audited the Financial Statements of the subsidiaries M/s AXL Exploration Pvt. Ltd., M/s Anjaney Alloys Ltd. and M/s Anjaney Minerals Ltd. whose financial statements are considered in the consolidated financial statements.

4. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirement of Accounting Standard (AS) 21, "Consolidated Financial Statements" and Accounting Standard (AS) 23, "Accounting for Investment in Associate in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of separate audited Financial Statements of Maithan Alloys Ltd and its subsidiaries included in the Consolidated Financial Statements.

5. On the basis of the information and explanations given to us and on consideration of the separate audit report on individual audited financial statements of Maithan Alloys Ltd and its aforesaid subsidiaries, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   a) in the case of the Consolidated Balance Sheet, of the state of affairs of Maithan Alloys Ltd and its Subsidiaries as at 31st March, 2011;

   b) in the case of the Consolidated Profit and Loss Account, of the profit of Maithan Alloys Ltd and its Subsidiaries for the year ended on that date; and

   c) in the case of 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. Jhunjhunwala
Partner
M. No- F057170
Firm Reg. No. 304138E

Place: Kalyaneshwari
Dated: 15 June 2011

(Rs. in '000)

	Schedule	As at 31 March 2011	As at 31 March 2010
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	1	145,589	97,070
Share Application Money		84,000	215,000
Reserves & Surplus	2	1,711,231	1,066,426
Minority Interest		256,017	2,000
Loan Funds			
Secured Loans	3	819,214	824,354
Unsecured Loans	4	38,588	306,926
Deferred Tax Liability (Net)	5	52,039	60,179
Total		**3,106,678**	**2,571,955**
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	1,743,208	1,710,078
Less : Depreciation		531,468	428,672
Net Block		1,211,740	1,281,406
Capital work in progress		659,770	118,454
		1,871,510	1,399,860
Investments	7	120,100	–
Current Assets, Loans & Advances			
Inventories	8	880,758	579,370
Sundry Debtors	9	452,577	607,820
Cash and Bank Balances	10	369,392	372,707
Other Current Assets	11	249,612	163,727
Loans & Advances	12	392,756	792,528
		2,345,095	2,516,152
Less : Current Liabilities & Provisions	13	1,230,162	1,345,566
Net Current Assets		1,114,933	1,170,586
Miscellaneous Expenditure			
(To the extent not written-off or adjusted)			
Preliminary Expenses		135	359
Deferred Revenue Expenses		–	1,150
Total		**3,106,678**	**2,571,955**
Consolidated Accounting Policies & Notes on Accounts	23		

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

As per our report of even date

For D. K. Chhajer & Co.
Chartered Accountants

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

Place: Kalyaneshwari
Date : 15 June 2011

B. K. Agarwalla
Chairman

S. C. Agarwalla
Managing Director

Rajesh K. Shah
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT For the year ended 31 March 2011

Rs. (in '000)

	Schedule	Year ended 31 March 2011	Year ended 31 March 2010
INCOME			
Sales (Gross)	14	6,173,490	4,976,695
Less: Inter Unit Transfer		–	28,127
		6,173,490	4,948,568
Less: Excise Duty		229,294	168,675
Net Sales		5,944,196	4,779,893
Other Operating Income	15	198,697	140,656
Other Income	16	6,891	11,846
Increase/(Decrease) in Stock	17	53,606	(267,512)
		6,203,390	**4,664,883**
EXPENDITURE			
Purchases		878,196	435,683
Raw Materials Consumed	18	2,734,411	1,862,765
Power & Fuel	19	1,044,986	1,278,294
Manufacturing Expenses	20	118,650	126,916
Administrative, Selling & Other Expenses	21	292,222	265,987
Interest	22	69,449	136,839
Depreciation		102,219	120,035
		5,240,133	**4,226,519**
Profit before Tax		**963,257**	**438,364**
Provision for Taxation :			
Current Tax		245,000	96,631
Deferred Tax Charge/(Credit) (Net)		(8,140)	40,192
Profit After Tax		**726,397**	**301,541**
Add/(Less): Prior Period Item		–	(12)
Add/(Less): Taxation for earlier years		51	(23)
Add: Balance brought forward from Previous year		918,928	654,453
Amount available for Appropriations		**1,645,376**	**955,959**
APPROPRIATIONS :			
Minority Interest		(365)	–
Transfer to General Reserve		60,000	20,000
Proposed Dividend		29,112	14,556
Corporate Dividend Tax		4,723	2,474
Balance carried to Balance Sheet		1,551,908	918,928
		1,645,377	**955,958**
Earnings Per Share (Basic/Diluted) (Rs.)			
(Face Value Per Share Rs.10/-)		49.90	20.72
Consolidated Accounting Policies & Notes on Accounts	23		

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

As per our report of even date

For D. K. Chhajer & Co.
Chartered Accountants

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

Place: Kalyaneshwari
Date : 15 June 2011

B. K. Agarwalla
Chairman

S. C. Agarwalla
Managing Director

Rajesh K. Shah
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT For the year ended 31 March 2011

Rs. (in '000)

	Year ended 31 March 2011	Year ended 31 March 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	**963,258**	**438,350**
Adjustments for :		
Depreciation	103,308	120,035
Interest (Net of Receipt)	64,450	128,820
Deferred Revenue Expenditure	1,150	(1,150)
Irrecoverable Advances & Debts written off	1,601	35,962
Prior Period Items	–	12
Miscellaneous Expenditure Written off	45	90
Loss / (Profit) on sale of Fixed Assets	(291)	16
Operating profit before Working Capital changes	**1,133,521**	**722,135**
Adjustment for :		
Trade and other receivables	442,722	(443,185)
Inventories	(301,388)	303,900
Trade and other payables	(130,646)	316,370
Cash generated from operations	**1,144,209**	**899,220**
Interest Paid (Net of Receipt)	(64,236)	(128,257)
Direct Taxes Received/(Paid)	(224,248)	(94,170)
Net Cash From Operating Activities (A)	**855,725**	**676,794**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(277,494)	(743,799)
Sale of Fixed Assets	296	5
Capital Work In progress	(541,316)	606,631
Capital Subsidy Received	253,645	–
Surrender of Leasehold Fixed Assets	–	80,148
Investment	(120,100)	–
Preliminary Expenses	180	–
Net Cash Used In Investing Activities (B)	**(684,789)**	**(57,015)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) from/of borrowings	(186,783)	(338,295)
Term Loan & External Commercial Borrowing	(86,695)	–
Proceeds from Issue Of Equity Share Capital	244,920	–
Dividend Paid including Tax on Dividend	(16,993)	(12,531)
Share Application Money Received / (Refunded)	(128,700)	13,500
Net Cash From Financing Activities (C)	**(174,251)**	**(337,327)**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(3,315)	282,453
Cash and Cash Equivalents at the beginning of the year	372,707	90,254
Cash and Cash Equivalents at the end of the year	**369,392**	**372,707**

As per our report of even date

For D. K. Chhajer & Co.
Chartered Accountants

B. K. Agarwalla
Chairman

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

S. C. Agarwalla
Managing Director

Place: Kalyaneshwari
Date : 15 June 2011

Rajesh K. Shah
Company Secretary

Rs. (in '000)

	As at 31 March 2011	As at 31 March 2010
Schedule 1 SHARE CAPITAL		
A) Authorised Capital		
1,50,00,000 (PY 1,00,00,000) Equity Shares of Rs 10/- each	150,000	100,000
Nil (PY 5,00,000) 10% Cumulative Non-convertible Redeemable Preference Shares of Rs 100/- each	–	50,000
	150,000	**150,000**
B) Issued & Subscribed Capital :		
1,45,63,375 (PY 97,11,450) Equity Shares of Rs 10/- each	145,634	97,115
	145,634	**97,115**
C) Paid up Capital :		
1,45,55,775 (PY 97,03,850) Equity Shares of Rs 10/- each	145,558	97,039
Add: Forfeited Shares(7600 Nos.)	31	31
	145,589	**97,070**

Schedule 2 RESERVES & SURPLUS		
General Reserve		
As per last Account	82,500	62,500
Less: Utilised for Issue of Bonus Shares	2,519	–
	79,981	62,500
Add: Transferred from Profit & Loss Account	60,000	20,000
	139,981	82,500
Capital Reserve		
As per last Account	18,998	18,998
Share Premium A/c		
As per last Account	10,000	10,000
Less: Utilised for Issue of Bonus Shares	10,000	–
	–	10,000
Capital Redemption Reserve		
Transferred from Profit & Loss Account	36,000	36,000
Less: Utilised for Issue of Bonus Shares	36,000	–
	–	36,000
Profit & Loss Account	1,551,908	918,928
	1,710,887	1,066,426
Less : Share of Loss of Subsidiary Co Pre Acquisition	(344)	–
Total	**1,711,231**	**1,066,426**

Schedule 3 SECURED LOAN		
Term-Loan		
- Rupee Loan	267,000	434,107
- Foreign Currency Loan	273,300	–
Working Capital Loan		
- Rupee Loan	216,404	197,409
- Foreign Currency Loan	62,510	192,838
	819,214	**824,354**

* Term Loan from Banks are secured against Pari-Pasu first charge on all tangible immovable and movable fixed assets of the respective Companies and further secured by second charge on the entire current assets of the Companies ranking Pari-Pasu among the lenders.

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

Rs. (in '000)

	As at 31 March 2011	As at 31 March 2010
Schedule 4 UNSECURED LOAN		
From Bodies Corporate	38,588	306,926
	38,588	**306,926**
Schedule 5 DEFERRED TAX LIABILITY/(ASSET) (NET)		
Deferred Tax Liability arising on a/c of Depreciation	64,481	68,564
Less: Deferred Tax Asset arising on retirement benefits	8,424	4,267
Deferred Tax Asset arising on account of Unabsorbed Business Loss	(4,018)	(4,118)
Net Liability/(Assets)	**52,039**	**60,179**

Schedule 6 FIXED ASSETS

Sl. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.04.2010	Addition during the year	Sale / Adjustments	As on 31.03.2011	Up to 01.04.2010	For the Year	Adjustments	Up to 31.03.2011	As on 31.03.2011	As on 31.03.2010
1	Goodwill on Consolidation	19,595	9,806		29,401	–	–	–	–	29,401	19,595
	Land										
2	Freehold Land & Development	14,262	74,528	–	88,790	–	–	–	–	88,790	14,262
3	Leasehold Land & Development	165,575	103,034	–	268,609	–	–	–	–	268,609	165,575
	Building										
4	Non Factory Building	12,097	49,787	11	61,873	1,441	1,293	4	2,730	59,143	10,656
5	Factory Building	126,242	–	–	126,242	30,207	8,110	–	38,317	87,925	96,035
	Plant & Machinery										
6	Ferro Alloys Division	710,408	24,294	120,011	614,691	320,694	57,268	216	377,746	236,945	389,714
7	Power Plant Division	463,934	12,731	133,853	342,812	23,879	24,127	–	48,006	294,806	440,055
8	Windmill Division	176,916	–	–	176,916	46,030	10,164	–	56,194	120,722	130,886
9	Mining Division	891	–	–	891	775	35	–	810	81	116
	Other Assets										
10	Motor Vehicles	12,368	5,963	295	18,036	3,242	1,422	292	4,372	13,664	9,126
11	Furniture & Fixtures	3,036	4,636	–	7,672	708	273	–	981	6,691	2,328
12	Office Equipments	2,096	724	–	2,820	474	123	–	597	2,223	1,622
13	Computers	2,658	1,797	–	4,455	1,222	494	–	1,716	2,739	1,436
	Total	1,710,078	287,300	254,170	1,743,208	428,672	103,309	512	531,469	1,211,739	1,281,406
	Less: Transferred to Pre-operative Exp						1,090				
	Total	1,710,078	287,300	254,170	1,743,208	428,672	102,219	512	531,469	1,211,739	1,281,406
	Previous Year	1,046,469	743,799	80,190	1,710,078	308,657	120,035	20	428,672	1,281,406	

	As at 31 March 2011	As at 31 March 2010
Schedule 7 INVESTMENTS		
In unit of Mutual Funds		
SBI-SHF Ultra Short Term Fund - Retail Plan - Growth [39,71,951.018 Units (PY Nil) of Face Value Rs.10/- each]	50,100	–
SBI-SHF Ultra Short Term Fund - Institutional Plan - Growth [54,68,518.170 Units (PY Nil) of Face Value Rs.10/- each]	70,000	–
	120,100	**–**

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

As at 31 March 2011

Rs. (in '000)

	As at 31 March 2011	As at 31 March 2010
Schedule 8 INVENTORIES		
(as taken, valued & certified by the management)		
Raw Materials	605,143	403,263
Stock-in-Process	13,443	9,159
Finished Goods	121,297	70,517
Scrap and Slag	915	367
Stock in Transit	120,355	86,204
Stores and Packing Materials	19,605	9,860
	880,758	**579,370**
Schedule 9 SUNDRY DEBTORS		
(unsecured, considered good)		
Exceeding six months	5,609	12,893
Other Debts	446,968	594,927
	452,577	**607,820**
Schedule 10 CASH AND BANK BALANCES		
Cash-in-Hand (as certified by the management)	2,573	2,292
Balance with Banks		
In Fixed Deposit Accounts (includes Rs. 41,201 thousand; PY Rs. 67,472 thousand in lien against margin money)	171,271	67,472
In Current Accounts	136,309	238,251
Debit balance in cash credit accounts	57,881	64,662
Cheque/Draft in Hand	1,359	30
	369,393	**372,707**
Schedule 11 OTHER CURRENT ASSETS		
Prepaid Expenses	819	5,603
Accrued Interest on Fixed Deposits	1,208	1,405
Balances with Excise Authorities	41,421	53,222
Accrued Exports & Other Incentives	206,164	103,497
	249,612	**163,727**
Schedule 12 LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances (recoverable in cash or in kind or for value to be received)	58,083	62,899
Advances for Capital Goods	115,338	41,457
Advances for Raw Materials & Stores	45,993	489,584
Security Deposits	2,389	7,028
I.T. Refundable	94	94
Advance Tax (Net of Provision)	167,859	188,466
Share Application Money	3,000	3,000
	392,756	**792,528**

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

As at 31 March 2011

Rs. (in '000)

	As at 31 March 2011	As at 31 March 2010
Schedule 13 CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors		
for Capital Goods	8,762	1,614
for Raw Materials	682,286	878,511
for Expenses	463,829	413,053
for Others	35,295	30,944
Unpaid Dividend	302	265
	1,190,474	**1,324,387**
Provisions		
Provision for Leave Encashment/ Gratuity/ Bonus	5,853	4,149
Proposed Dividend	29,112	14,556
Tax on Dividend	4,723	2,474
	39,688	**21,179**
	1,230,162	**1,345,566**

SCHEDULES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT For the year ended 31 March 2011

	Year ended 31 March 2011	Year ended 31 March 2010
Schedule 14 SALES (GROSS)		
Ferro Alloys	5,239,397	4,490,693
Scrap, Waste etc	899	6,659
Trading Sales	914,734	457,742
Power	18,460	21,601
	6,173,490	**4,976,695**
Schedule 15 OTHER OPERATING INCOME		
Export Incentive	130,994	32,866
Foreign Exchange Fluctuations (Net)	67,703	107,790
	198,697	**140,656**
Schedule 16 OTHER INCOME		
Interest (Gross) (TDS Rs. 637 thousand, PY - Rs. 1,198 thousand)	5,715	8,824
Discount on DEPB Licence	156	680
Commission received (TDS - Nil, PY - Rs. 221 thousand)	–	2,000
Miscellaneous Receipts	729	342
Profit on sale of Fixed Assets	291	–
	6,891	**11,846**

SCHEDULES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT For the year ended 31 March 2011

Rs. (in '000)

	Year ended 31 March 2011	Year ended 31 March 2010
Schedule 17 INCREASE (DECREASE) IN STOCK		
Closing Stock		
Finished Goods	118,849	68,069
Work-In-Progress	13,442	9,159
Scrap and Slag	915	367
	133,206	**77,595**
Less: Opening Stock		
Finished Goods	68,069	323,597
Work-In-Progress	9,159	15,075
Scrap and Slag	367	320
	77,595	**338,992**
Increase/(Decrease) in Stock	55,611	(261,397)
Less: Change in Excise Duty on Stock	2,005	6,115
	53,606	**(267,512)**
Schedule 18 RAW MATERIAL CONSUMED		
Opening stock	376,953	505,585
Add: Purchases	2,894,405	1,762,259
	3,271,358	2,267,844
Less : Inter Unit Transfer	–	28,127
Less : Closing stock	536,947	376,952
	2,734,411	**1,862,765**
Schedule 19 POWER & FUEL		
Raw Material Consumed (CPP)		
Opening Stock	26,310	30,730
Add :Purchases	319,211	284,651
	345,521	315,381
Less : Closing Stock	68,196	26,310
	277,325	289,071
Electricity charges	722,706	932,877
Electricity duty	20,738	36,701
Operation & Maintenance Cost	24,217	19,645
	1,044,986	**1,278,294**
Schedule 20 MANUFACTURING EXPENSES		
Stores & Packing Materials	73,214	68,169
Carriage Inward	1,287	1,531
Claims & Demurrage	19,134	40,214
Repairs & Maintenance :		
to Machinery	12,794	10,942
to Building	3,305	2,034
Packing & Forwarding Expenses	9,327	5,265
Others	78	773
	119,139	128,928
Less: Amount transferred to Capital Work in Progress expenses related to project under construction	489	2,012
	118,650	**126,916**

Rs. (in '000)

	As at 31 March 2011	As at 31 March 2010
Schedule 21 ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Salary Wages & Bonus	47,299	33,276
Contribution to Providend Fund & Other Funds	3,054	1,641
Gratuity	990	621
Directors Remuneration	18,000	18,000
Directors Commission	45,000	9,000
Directors Meeting Fees	125	95
Workmen & Staff Welfare	1,707	642
Rent	1,667	1,424
Lease Rent	365	599
Rates &Taxes	816	489
Professional Charges	35,915	5,076
Insurance Premium	3,577	4,097
Bank and Other Financial Charges	20,782	14,646
Auditors' Remuneration		
As Audit Fees	449	340
Tax Audit	50	25
Certification and other services	10	14
Other Exp.	16	22
Internal Audit Expenses	75	–
Repair & Maintenance	1,189	1,087
Carriage Outward	17,107	35,099
Rebate & Discount	23,207	11,544
Service Tax - Outward Transportation	784	–
Sundry Balance Written Off	1,610	35,962
Brokerage & Commission	4,129	13,408
Loss on Sale of fixed Assets	–	16
Export Expense	72,844	55,255
Preliminary & Share Issue Expenses Written-off	45	90
Depreciation on Fixed Assets	1,090	–
Misc. Expenses	30,013	27,109
	331,915	269,577
Less: Amount transferred to Capital Work in Progress expenses related to Project under Construction	39,693	3,590
	292,222	**265,987**

Schedule 22 INTEREST		
On Unsecured Loan	18,987	16,923
On Fixed Loan	46,626	58,153
Others	21,182	68,557
	86,795	143,633
Less: Amount transferred to Capital Work in Progress expenses related to Project under Construction	17,346	6,794
	69,449	**136,839**

Schedule 23 CONSOLIDATED ACCOUNTING POLICIES & NOTES ON ACCOUNTS

Significant Accounting Policies

1) 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.

2) **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’ 2010.
- 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%	59.9349%	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”.

3) **Other Significant Accounting Policies**

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

Notes on Accounts

1) Claims against the Company not acknowledged as debts in respect of disputed excise duty & service tax demand- Gross Rs.30,288 thousand (Net of Tax Rs.20,227 thousand) (Previous Year- Gross Rs.23,078 thousand, Net of Tax Rs.15,233 thousand)

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

a) Bills Receivable discounted with Bank :
Inland Bills Rs.50,785 thousand (Previous year Rs.91,472 thousand)
Foreign Bills Rs.13,924 (Previous year Rs. NIL)

b) Letters of Credit issued by Bank and outstanding :
Inland LC Rs.73,277 thousand (Previous year Rs 49.230 thousand)
Foreign LC Rs.133,802 thousand (Previous year Rs.104,382 thousand)

c) Bank Guarantees issued by Bank and outstanding :
Rs.37,386 thousand (Previous Year Rs.17,277 thousand)

d) Guarantee provided to Banks in respect of Term Loans and ECB extended by them to a Subsidiary Company Rs.1253000 thousand (Previous Year Rs.Nil)

e) Electricity Bills of Damodar Valley Corporation(DVC) from May, 2010 were raised on provisional basis as DVC does not accept the tariff fixed by Central Electricity Regulatory Commission (CERC). The same is the subject matter of challenge before the Hon'ble Supreme Court. A liability may arise on account of this upon final decision by Hon'ble Supreme Court.

3) **Managerial Remuneration under Section 198 of the Companies Act, 1956 :-** (Rs. in ‘000)

	2010-11	2009-10
Directors' Remuneration	18,000/-	18,000/-
Commission to Whole Time Directors	45,000/-	9,000/-

Schedule 23 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd...)*

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

5) There are no dues to Micro and Small Enterprises as at 31st March, 2011. 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.

6) a) In compliance with the Accounting Standards – AS 22 relating to "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Parent Company has provided for the net Deferred tax asset arising out of timing difference of depreciation and retirement benefits amounting to Rs.84,24,378.00 in the Profit and Loss Account. (Previous year Deferred tax charge of Rs.4,04,90,066.00)

b) The Subsidiary Company has provided, for the net deferred tax liabilities arising out of Business Losses and timing differences of Depreciation, in Profit and Loss account amounting to Rs.2,84,268.00 (Previous Year deferred tax asset of Rs.2,98,075.00).

c) Deferred Tax Liability (Net):

Rs. (in '000)

	2010-11	2009-10
Deferred Tax Liability/(Assets) (Parent Company)	55,963	64,388
Deferred tax liability/(Asset) (Subsidiary Company)	(3,925)	(4,209)

7) Segment Reporting

Primary Segment Information (Business Segments)

Rs. (in '000)

Particulars	2010-11 External Sales	2010-11 Inter Segment Sales	2010-11 Total	2009-10 External Sales	2009-10 Inter Segment Sales	2009-10 Total
1. Segment Revenue						
Ferro Alloys	5,925,736	–	5,925,736	4,758,291	–	4,758,291
Wind Power	18,460	–	18,460	21,601	–	21,601
Mining	–	–	–	–	–	–
Total Revenue	**5,944,196**	**–**	**5,944,196**	**4,779,892**	**–**	**4,779,892**
2. Segment Results						
Ferro Alloys	1,021,145	–	1,021,145	557,649	–	557,649
Wind Power	7,005	–	7,005	9,537	–	9,537
Mining	(1,522)		(1,522)	(864)		(864)
Total Segment Results	**1,026,628**		**1,026,628**	**566,322**		**566,322**
Unallocated Income			72			72
Profit before interest & taxation			1,026,701			566,393
Interest Paid			(69,449)			(136,839)
Interest Income			5,715			8,824
Profit/(Loss) on Sale of Shares			–			–
Profit/(Loss) on Sale of Fixed Assets			291			(16)
Taxation for the year including adjustments of previous year			(236,860)			(136,823)
Profit after Taxation			**726,398**			**301,539**

Other Information

Rs.(in '000)

Particulars	2010-11 Segment Assets	2010-11 Segment Liabilities	2009-10 Segment Assets	2009-10 Segment Liabilities
Ferro Alloys	4,097,625	1,230,046	3,776,450	1,345,297
Wind Power	125,272	22	134,317	22
Mining	113,807	94	5,244	248
Segment Total	**4,336,704**	**1,230,162**	**3,916,011**	**1,345,567**

Schedule 23 CONSOLIDATED ACCOUNTING POLICIES & NOTES ON ACCOUNTS

Rs. (in '000)

Particulars	2010-11 Capital Expenditure	2010-11 Depreciation	2010-11 Non cash expenditure other than depreciation	2009-10 Capital Expenditure	2009-10 Depreciation	2009-10 Non cash expenditure other than depreciation
Ferro Alloys	202,966	91,995	–	743,799	109,788	–
Wind Power	–	10,164	–	–	10,164	–
Mining	74,528	59	–	–	83	–
Total	**277,494**	**102,218**	**–**	**743,799**	**120,035**	**–**

Note :

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

8 i) **Related Partys' Disclosure:**

Related Parties :

A. Associate Companies :
1. Anjaney Ferro Alloys Ltd.
2. Maithan Smelters Ltd.
3. Maithan Ceramic Ltd.
4. Maithan Ispat Ltd.
5. Meghalaya Carbide & Chemicals (P) Ltd.

B. Key Management Personnel :
1. Shri Basant Kumar Agarwalla
2. Shri Subhas Chandra Agarwalla
3. Shri Subodh Agarwalla
4. Shri Aditya Agarwalla

D. Relatives of Key Management Personnel :
1. Shri Sudhanshu Agarwalla

Details of Transactions with related parties during the period under audit are as follows : Rs. (in '000)

Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Management Personnel
Sale of Goods	630,090	–	–
	(442,751)	(–)	(–)
Purchase of Goods	135,359	–	–
	(84,548)	(–)	(–)
Purchase of Plant & Machinery	755	–	–
	(2,206)	(–)	(–)
Receiving of Services	–	63,000	3,600
	(–)	(27,000)	(2,400)
Rent Received	60	–	–
	(60)	(–)	(–)
Interest Received	312	–	–
	(–)	(–)	(–)
Rent Paid	240	–	–
	(240)	(–)	(–)
Interest Paid	10,351	–	–
	(9,811)	(–)	(–)
Electricity Charges Paid	740	–	–
	(–)	(–)	(–)
Commission Received	–	–	–
	(2,206)	(–)	(–)

Schedule 23 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd...)*

Details of Transactions with related parties during the period under audit are as follows : Rs. (in '000)

Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Management Personnel
Loan Received	10,000	–	–
	(100,000)	–	–
Loan Given	30,000	–	–
	–	–	–
Share Application Received	67,500	–	–
	(215,000)	–	–
Share Application Refunded	25,000	–	–
	(–)	–	–
Share Allotment	247,500	–	–
	(–)	–	–

ii) **Related party transaction:**

1. **Sale of goods**

Detail of sales to Associate which are material (more than 10% of total sales to the related parties) Rs. (in '000)

		Transaction value		Outstanding balance (Dr.)	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Anjaney Ferro Alloys Ltd.	Associate	550,448	393,526	–	74,115
Maithan Ispat Ltd.	Associate	41,719	44,326	9,366	3,743
Maithan Smelters Ltd.	Associate	37,923	4,900	466	4,900

2. **Purchase of Goods and Plant & Machinery**

Detail of purchase from Associate which are material (more than 10% of total purchase from the related parties)

Rs. (in '000)

		Transaction value		Outstanding balance (Cr.)	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
a. Purchase of Goods					
Anjaney Ferro Alloys Ltd.	Associate	95,389	53,835	–	–
Maithan Ceramic Ltd.	Associate	1,784	–	–	–
Maithan Smelters Ltd.	Associate	37,975	30,128	–	–
b. Purchase of Plant & Machinery					
Maithan Smelters Ltd	Associate	122	–	–	–
Meghalaya Carbide & Chemicals (P) Ltd.	Associate	633	2,206	–	–

3. **Receiving of services**

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

	Transaction value		Outstanding balance	
Name of the Party	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Directors' remuneration	63,000	27,000	31,095	6,219
Executive's salary and others	3,600	2,400	–	–

4. **Rent received**

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

Rs. (in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Maithan Smelters Ltd.	Associate	60	60	33	15

Schedule 23 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd...)*

5. **Interest received**

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

Rs. (in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Maithan Ispat Ltd.	Associate	312	–	280	–

6. **Rent paid**

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

Rs. (in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Meghalaya Carbide & Chemicals (P) Ltd.	Associate	180	180	–	–
Maithan Smelters Ltd.	Associate	60	60	–	–

7. **Interest paid**

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

Rs. (in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Maithan Smelters Ltd.	Associate	10,351	9,811	–	8,830

8. **Details of Electricity Charges Paid**

Detail of Electricity Charges paid to Associate which are material (more than 10% of Electricity Charges paid to the related parties)

Rs. (in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Meghalaya Carbide & Chemicals P Ltd	Associate	740	–	2	–

9. **Commission Received**

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

Rs. (in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Anjaney Ferro Alloys Ltd.	Associate	–	2,206	–	–

10. **Loans Received**

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

Rs. (in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Maithan Smelters Ltd.	Associate	10,000	100,000	–	100,000

11. **Details of Loans given**

Detail of loan/ advances given to Associate which are material (more than 10% of total loans/ advances given to the related parties)

Rs. (in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Maithan Ispat Ltd.	Associate	30,000	–	–	–

Schedule 23 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS *(Contd...)*

12. Details of Share Application Received

Detail of Share Application Received from Associate which are material (more than 10% of total share application received from the related parties)

Rs. (in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Maithan Smelters Ltd.	Associate	62,500	20,000	–	20,000
Meghalaya Carbide & Chemicals P Ltd	Associate	5,000	195,000	–	195,000

13. Details of Share Application Refund

Detail of Share Application Refund to Associate which are material (more than 10% of total share application refund to the related parties)

Rs. (in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Maithan Smelters Ltd.	Associate	20,000	–	–	–
Meghalaya Carbide & Chemicals P Ltd	Associate	5,000	–	–	–

14. Details of Share Allotment

Detail of Share Allotment to Associate which are material (more than 10% of total share allotment to the related parties)

Rs. (in '000)

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Maithan Smelters Ltd.	Associate	62,500	–	–	–
Meghalaya Carbide & Chemicals P Ltd	Associate	185,000	–	–	–

9 Basic and Diluted Earnings Per Share:

	As at 31 March 2011	**As at 31 March 2010**
i) Net Profit after tax as per Profit & Loss Account attributable to Equity Shareholders (Rs.)	726,397,908	301,539,272
ii) Weighted Average number of equity shares used as denominator for calculating EPS	14555775**	14555775**
iii) Basic & Diluted Earning Per Share (Rs.)	49.90	20.72
iv) Face Value per equity share (Rs.)	10.00	10.00

** Adjusted for issue of bonus shares in the year 2010-11 in the ratio of 1:2 (One bonus share for every two shares)

10 Previous year figures have been regrouped and rearranged wherever found necessary.

As per our report of even date

For D. K. Chhajer & Co.
Chartered Accountants

B. K. Agarwalla
Chairman

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

S. C. Agarwalla
Managing Director

Place: Kalyaneshwari
Date : 15 June 2011

Rajesh K. Shah
Company Secretary

Statement regarding Subsidiary Companies Pursuant to Section 212 of Companies Act, 1956

1. Name of the Subsidiary Company	AXL Exploration (P) Ltd.	Anjaney Alloys Limited	Anjaney Minerals Limited
2. The Financial Year of the Subsidiary Company.	Year ended on 31st March, 2011	Year ended on 31st March, 2011	Year ended on 31st March, 2011
3. Holding Company's interest	Entire Subscribed Capital comprising of 23,500 Equity Shares of Rs.100/- each.	23,000,000 Equity Shares of Rs 10/-each out of the subscribed and paid up capital of 38,375,000 Equity Shares of Rs.10/-each.	799,995 Equity Shares of Rs.10/- each out of the Subscribed and paid up Capital of 1,000,000 Equity Shares of Rs.10/-each.
4. Extent of holding	100%	59.9349%	79.9995%
5. Net Profit/ (Loss) of the subsidiary	(Rs. 986,614/-)	(Rs. 308,653/-)	(Rs. 646,968/-)
6. For the financial year of the Subsidiary			
a] Profits/(Losses) so far as it concerns the members of the holding Company and not dealt with in the holding Company's accounts.	(Rs. 986,614/-)	(Rs. 184,991/-)	(Rs. 517,571/-)
b] Profits/(Losses) so far as it concerns the members of the holding Company and dealt with in the holding Company's accounts.	Nil	Nil	Nil
7. For previous financial years since it become a subsidiary.			
a] Profits/(Losses) so far as it concerns the members of the holding Company and not dealt with in the holding Company's accounts.	(Rs. 8,193,166/-)	(Rs. 159,223/-)	(Rs. 21,866/-)
b] Profits/(Losses) so far as it concerns the members of the holding Company and dealt with in the holding Company's accounts.	Nil	Nil	Nil

B. K. Agarwalla
Chairman

S. C. Agarwalla
Managing Director

Place: Kalyaneshwari
Date : 15 June, 2011

Rajesh K. Shah
Company Secretary

To
The Shareholders of
AXL Exploration Private Limited.

Your Directors have pleasure in submitting the 11th Annual Report together with the Audited Statement of Account of the Company for the year ended 31 March 2011.

Financial Results (Rs. in lacs)

	Year ended 31.03.2011	Year ended 31.03.2010
Net sales	NIL	NIL
Profit/(Loss) before depreciation	(8.15)	(7.82)
Depreciation	0.59	0.83
Profit/(Loss) before tax	(8.75)	(8.64)
Provision for taxation (incd. deff. tax)	1.12	(2.94)
Add: Balance brought from last year	(81.93)	(76.23)
Balance carried forward	(91.80)	(81.93)

Operation

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

Dividend

Your Directors do not recommend any dividend for the year 2010-11

Directors

Sri Vishal Agarwalla, Director of the Company, will retire by rotation from the Board of Directors of the Company at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

Sri S. C. Agarwalla has resigned from the Board w.e.f. 29 November 2010. The Board recorded its appreciation of valuable contributions during his tenure on the Board.

Further Sri Kunal Agarwal who was appointed as Additional Director in terms of Section 260 of the Companies Act, 1956, by the Board of Directors at its meeting held on 15 November 2010, is liable to retire at the ensuing Annual General Meeting. The Company has received Notice under Section 257 of the Companies Act, 1956, proposing the candidature of Sri Kunal Agarwal as Director of the Company.

Public Deposit

The Company has not accepted any deposit during the year 2010-11, within the meaning of Section 58A of the Companies Act, 1956.

Compliance Certificate

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

Auditors' Report

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

Auditors

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

Personnel

The Company has no employees in the category specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Conservation of Energy & Technology Absorption & Foreign Exchange Earnings & Outgo

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

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

i) that in the preparation of the annual accounts for the financial year ended 31 March 2011; the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review;

iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) that the Directors had prepared the accounts for the financial year ended 31 March 2011 on a going concern basis.

Acknowledgment

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

On behalf of the Board of Directors

Kunal Agarwalla
Director

Vishal Agarwalla
Director

Place : Kalyaneshwari
Date : 8 June 2011

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31 March 2011.

I. Conservation of Energy

Conservation of energy measures taken, additional investments and proposals (if any), impact of such measures, investments and proposals and total energy consumption and energy consumption per unit of production: During the year, the Company has not consumed any power and fuel for its activities. The Company's operations are not energy-intensive.

II. Technology Absorption

a) Efforts made in technology absorption are given below:

FORM B : FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

A. Research and Development (R & D):

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

B. Technology Absorption, Adaptation and Innovation :

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

III. Foreign Exchange Earning and Outgo:

b) **Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:** None at present

c) **Total foreign exchange used and earned:** NIL (P.Y. NIL)

On behalf of the Board of Directors

Place : Kalyaneshwari
Date : 8 June 2011

Kunal Agarwalla
Director

Vishal Agarwalla
Director

COMPLIANCE CERTIFICATE

Registration No: 15 - 05643

The Members
AXL Exploration Private Limited
HIG - 17, BDA Colony,
Jaidev Vihar,
Bhubaneswar – 751 013

Dear Members,

We have examined the registers, records, books and papers of **AXL-Exploration Private Limited** (The Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011 (financial year). In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure `A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the Forms/Returns as stated in Annexure `B' to this certificate, with the Ministry of Corporate Affairs within the time prescribed under the Act or with the additional fee if filed beyond the prescribed time and the rules made thereunder.
3. The Company being a private limited Company has the minimum prescribed paid-up capital and its maximum number of members during the said financial year was 2 excluding its present and past employees and the Company during the year under scrutiny.
   i) has not invited public to subscribe for its shares or debentures; and
   ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met respectively on 29.04.2010, 15.06.2010, 09.08.2010, 15.11.2010, 28.11.2010 and 03.02.2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members or Debenture holders during the financial year.
6. Annual General Meeting for the financial year ended on 31.03.2010 has been held on 16.08.2010 after giving due notice to the members of the Company and the resolutions passed there at was duly recorded in the Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company, being a private limited Company, the provisions of section 295 of the Act are not applicable.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company was not required to make any entry in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. i) There was no allotment / transfer or transmission of securities, during the financial year.
    ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
    iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
    iv) The Company was not required to transfer any amount to Investor Education and Protection Fund as there was no unpaid dividend, matured deposits, debentures or accrued interest thereon, application money due for refund which have remained unpaid or unclaimed for seven years or more,
    v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was appointment of additional director / alternate director / director during the financial year and complied with the provisions of the Act.
15. The Company, being a private limited Company, the provisions of section 269 is not applicable.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the

Central Government / Company Law Board / Regional Director/ Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year as we were explained.

18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any share / debenture or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial Year.
22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A and 58AA read with companies (Acceptance of Deposit) rules 1975, during the financial year.
24. The Company, being a private limited Company, the provisions of section 293 (1) (d) of the Act are not applicable.
25. The Company, being a private limited Company, the provisions of section 372 A of the Act are not applicable.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act as we were explained.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under the section 418 of the Act.

Place: Kolkata **(Sandip Kumar Kejriwal)**
Date: 8 June 2011 C P No. 3821

Annexure A
Registers as maintained by the Company

Register of Member U/S 150

Register & Return U/S 163

Minutes Book

Books of Accounts U/S 209

Register of Directors U/S 303

Register of Directors' Shareholding U/S 307

Register of Share Transfer 108.

Register of Charges U/S 143

Register of Contract U/S 301 read with 299

Annexure B
Forms/Returns filed by the Company

1) Form 20B alongwith Annual Return (U\S 159) for the AGM held on 16.08.2010 has been filed on 30.09.2010
2) Form 23AC & 23ACA alongwith sets of Balance Sheet (U\S 220) as on 31.03.2010 has been filed on 08.09.2010
3) Form 66 alongwith Compliance Certificate (U\S 383A) for the financial year ended on 31.03.2010 has been filed on 26.08.2010
4) Form 32 (U/S 303(2)) dated 28.11.2010 has been filed on 01.12.2010

To
The Members of
AXL EXPLORATION PRIVATE LIMITED

1. We have audited the attached Balance Sheet of AXL EXPLORATION PRIVATE LIMITED as at 31st March, 2011, the Profit & Loss Account 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) issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

   Further to our comments in the Annexure referred to in paragraph (3) above, we report that:

   a. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books.

   c. The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement referred to in this report are in agreement with the books of account of the Company.

   d. In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report have been prepared in compliance with the accounting standards referred to in Sub-section (3C) of Section 211 of the Act, to the extent applicable.

   e. On the basis of written representation received from the directors, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified as on 31st March, 2011 from being appointed as director under Section 274(1)(g) of the Companies Act, 1956.

   f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

      i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

      ii) in the Case of the Profit & Loss account, of the loss for the year ended on that date and

      iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For D. K. Chhajer & Co.
Chartered Accountants

Niraj K. Jhunjhunwala
Partner
M. No- F057170
Firm Reg. No. 304138E

Place: Kalyaneshwari
Dated: 8 June 2011

Annexure to the Auditor's Report

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

i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.

b) These Fixed assets were physically verified by the management during the year. We have been informed that no material discrepancies were noticed on such physical verification.

c) No fixed assets have been disposed off during the year.

ii) a) The management has conducted physical verification of inventory at reasonable intervals during the year.

b) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.

c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

iii) The Company has neither granted nor taken any loans, secured or unsecured, to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of the Order are not applicable.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas.

v) a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.

b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.

vi) The Company has not accepted any deposits from the public during the year.

vii) The Company is not required to have an internal audit system during the year under review.

viii) The Central Government has not prescribed the maintenance of cost records by the Company under section 209(1)(d) of the Companies Act, 1956.

ix) a) According to the information and explanations given to us, there are no statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service-tax, customs duty, excise duty, cess and others outstanding as at 31st March 2011 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no undisputed statutory dues remaining outstanding as at the year end.

x) The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash loss in current year and in the immediately preceding financial year.

xi) The Company has not obtained any loan/money from a bank or financial institution or debenture holders and hence the provisions of clause 4(xi) of the order are not applicable to the Company.

xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The Company is not a chit fund, nidhi or mutual benefit fund/society. Therefore, the provisions of clause (xiii) of the order are not applicable to the Company.

xiv) The Company is not dealing or trading in shares, securities, debentures & other investments. Therefore, the provisions of clause (xiv) of the order are not applicable to the Company.

xv) The Company has not given any guarantee for loans taken by others from Bank or Financial Institutions.

xvi) The Company has not obtained any term loan during the year under review.

xvii) According to the information and explanations given to us and on the basis of the overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.

xviii) According to the information and explanations given to us, the Company has not made any allotment of shares during the year and hence this clause is not applicable.

xix) The Company has not issued any secured debentures during the year and hence the provisions of clause 4(xix) of the order are not applicable to the Company.

xx) During the year covered by our Audit report, the Company has not raised any money by public issue.

xxi) As per the information and explanation given to us no fraud on or by the Company has been noticed or reported during the year under report.

For D. K. Chhajer & Co.
Chartered Accountants

Niraj K. Jhunjhunwala
Partner
M. No- F057170
Firm Reg. No. 304138E

Place: Kalyaneshwari
Dated: 8 June 2011

BALANCE SHEET As at 31 March 2011

(Amount in Rs.)

	Schedule	As at 31 March 2011	As at 31 March 2010
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	1	2,350,000	2,350,000
Reserves & Surplus	2	11,050,000	11,050,000
		13,400,000	**13,400,000**
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	3,465,100	3,476,936
Less : Depreciation		1,283,575	1,227,792
Net Block		2,181,525	2,249,144
Current Assets, Loans & Advances :			
Inventories	4	2,448,491	2,448,491
Cash and Bank Balances	5	933,798	347,036
Loans & Advances	6	221,410	199,480
		3,603,699	2,995,007
Less : Current Liabilities & Provisions	7	5,658,226	4,242,557
Net Current Assets		(2,054,527)	(1,247,550)
Deferred Tax Assets (Net)	8	4,093,223	4,205,240
Miscellaneous Expenditure			
(to the extent not written off or adjusted)			
Profit & Loss Account		9,179,779	8,193,166
		13,400,000	**13,400,000**
Significant Accounting Policies & Notes on Accounts	10		

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

As per our report of even date

For D. K. Chhajer & Co.
Chartered Accountants

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

Kunal Agarwalla
Director

Place: Kalyaneshwari
Date : 8 June 2011

Vishal Agarwalla
Director

PROFIT AND LOSS ACCOUNT For the year ended 31 March 2011

(Amount in Rs.)

	Schedule	Year ended 31 March 2011	Year ended 31 March 2010
INCOME			
Interest Received - Gross; (TDS Rs.4386/- P.Y. Nil)		21,930	–
		21,930	**–**
EXPENDITURE			
Administrative & Other Expenses	9	837,334	781,715
Depreciation		59,193	82,551
		896,527	**864,266**
Profit/(loss) Before Taxation		**(874,597)**	**(864,266)**
Provision for Taxation:			
- Current Tax		–	–
- Deferred Tax		112,016	(293,764)
Profit/(loss) after Taxation		**(986,613)**	**(570,502)**
Add: Balance Brought forward from previous year		(8,193,166)	(7,622,664)
Balance carried to Balance Sheet		**(9,179,779)**	**(8,193,166)**
Earning Per Share (Basic & Diluted) Rs.		(41.98)	(24.28)
Significant Accounting Policies & Notes on Accounts	10		

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

As per our report of even date

For D. K. Chhajer & Co.
Chartered Accountants

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

Kunal Agarwalla
Director

Place: Kalyaneshwari
Date : 8 June 2011

Vishal Agarwalla
Director

CASH FLOW STATEMENT For the year ended 31 March 2011

(Amount in Rs.)

	Year ended 31 March 2011	Year ended 31 March 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	**(874,597)**	**(864,266)**
Adjusted for :		
Add : Depreciation	59,193	82,551
Operating profit before working capital changes	**(815,404)**	**(781,715)**
Adjusted for :		
Trade and other receivables	(13,503)	(4,832)
Trade and other payables	1,415,669	704,535
Cash generated from operations	**586,762**	**(82,012)**
Direct Taxes Received/(Paid)	–	–
Net cash from operating activities (A)	**586,762**	**(82,012)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	–	–
Net cash used in investing activities (B)	**–**	**–**
Net increase/(decrease) in cash and cash equivalent (A+B)	**586,762**	**(82,012)**
Cash and cash equivalents at the beginning of the year	347,036	429,048
Cash and cash equivalents at the end of the year	**933,798**	**347,036**

As per our report of even date

For D. K. Chhajer & Co.
Chartered Accountants

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

Kunal Agarwalla
Director

Place: Kalyaneshwari
Date : 8 June 2011

Vishal Agarwalla
Director

SCHEDULES TO THE BALANCE SHEET

As at 31 March 2011

(Amount in Rs.)

	As at 31 March 2011	As at 31 March 2010
Schedule 1 SHARE CAPITAL		
A) Authorised Capital		
30,000 (30,000) Equity Shares of Rs.100/- each	3,000,000	3,000,000
	3,000,000	**3,000,000**
B) Issued, Subscribed & Paid up :		
23,500 (23,500) Equity Shares of Rs.100/- each, fully paid-up	2,350,000	2,350,000
	2,350,000	**2,350,000**

Schedule 2 RESERVES & SURPLUS		
Securities Premium A/c		
As per last A/c	11,050,000	11,050,000
	11,050,000	**11,050,000**

Schedule 3 FIXED ASSETS

Sl. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
		As on 01.04.2010	Addition/ (Adjustment) during the year	As on 31.03.2011	Up to 01.04.2010	For the Year	Adjustments	Up to 31.03.2011	As on 31.03.2011	As on 31.03.2010
1	Land	2,021,201	–	2,021,201	–	–	–	–	2,021,201	2,021,201
2	Magazine	11,836	(11,836)	–	3,410	–	3410	–	–	8,426
3	Vehicle	507,132	–	507,132	424,124	21,491	–	445,615	61,517	83,008
4	Dumper	891,267	–	891,267	774,960	34,892	–	809,852	81,415	116,307
5	Office Equipment	45,500	–	45,500	25,298	2,810	–	28,108	17,392	20,202
	Total	**3,476,936**	**(11,836)**	**3,465,100**	**1,227,792**	**59,193**	**3,410**	**1,283,575**	**2,181,525**	**2,249,144**
	Previous Year	3,476,936	–	3,476,936	1,145,241	82,551	–	1,227,792	2,249,144	

	As at 31 March 2011	As at 31 March 2010
Schedule 4 INVENTORIES		
(As Certified by Management)		
Manganese Ores	2,448,491	2,448,491
	2,448,491	**2,448,491**

Schedule 5 CASH & BANK BALANCES		
Cash in hand (as certified by the Management)	122,521	126,429
Balance with Scheduled Banks		
In Current Accounts	811,277	220,607
	933,798	**347,036**

Schedule 6 LOANS & ADVANCES		
(Advances Recoverable in Cash or in kind or for value to be received)		
Advances	174,480	174,480
Security Deposits	25,000	25,000
Accrued Interest	17,544	–
TDS Receivable	4,386	–
	221,410	**199,480**

Schedule 7 CURRENT LIABILITIES & PROVISIONS		
Current Account with Holding Company	5,594,768	3,994,768
Other Liabilities	63,458	247,789
	5,658,226	**4,242,557**

(Amount in Rs.)

	As at 31 March 2011	As at 31 March 2010
Schedule 8 DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets:		
On account of Depreciation	75,386	87,025
On account of Unabsorbed Business Loss	4,017,837	4,118,215
	4,093,223	**4,205,240**

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2011

(Amount in Rs.)

	Year ended 31 March 2011	Year ended 31 March 2010
Schedule 9 ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Salary	276,000	220,837
Employer's Contribution to Providend & Other Funds	67,620	26,576
Rent	30,000	24,000
Travelling & Conveyance	11,598	12,853
Bank Charges	13,018	403
Auditor's Remuneration:		
For Audit Fees	12,000	13,236
Pollution control Expenses	–	75,000
Vehicle Maintenance	9,628	20,208
Miscellaneous Expenses	211,000	15,736
Filing Fees	2,150	1,390
Professional Charges	180,223	371,476
Insurance premium	506	–
Postage & courier charges	25	–
Printing & Stationary	15,140	–
Sundry balance written off	8,426	–
	837,334	**781,715**

Schedule 10 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1) **Significant Accounting Policies**

i) **Basis of Accounting**

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 comply, in all material respects, with accounting standards as notified by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956.

ii) **Use of Estimates**

The preparation of financial statements requires estimates and assumption 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 / materialised

iii) **Fixed Assets**

Fixed 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 cost of bringing the asset to the working condition for its intended use. Pre-operative expenses for major projects are also capitalised, where appropriate.

iv) **Impairment**

An asset is treated as impaired when the carrying cost of assets 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. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

v) **Depreciation**

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

Schedule 10 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

vi) Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the period based on applicable tax rate and laws as per the provisions of the Income Tax Act, 1961.

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

vii) Revenue Recognition

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

viii) 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.

ix) Earnings Per Share (Basic & Diluted)

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

x) Cash Flow Statement

Cash Flow is reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of none cash nature, any deferrals or accruals of past or future cash receipts or payments. .

2) Notes on Accounts

i. The paid-up share capital of Rs.23,50,000/- divided into 23,500 equity shares of Rs.100/- each fully paid-up, is held by the holding Company viz. Maithan Alloys Limited.

ii. The Company has not received the required information from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosure relating to amounts unpaid at the year end together with interest paid / payable as required under the said Act could not be made.

iii. Since no Manufacturing and/or trading activities were carried out during the period, information required under para 3 and 4 of part II of schedule VI to the Companies Act, 1956 are given to the extent applicable.

iv. Company operates in only one distinguishable business segment.

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

Related Parties:

A. Controlling Companies : NIL
B. Holding Company : Maithan Alloys Ltd.
C. Key Management Personnel : Shri Kunal Agarwalla
Shri Vishal Agarwalla

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

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Maithan Alloys Ltd.	Holding	16,00,000	4,80,356	55,94,768	39,94,768

vi. Previous year's figures have been regrouped or rearranged wherever considered necessary.

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

For D. K. Chhajer & Co.
Chartered Accountants

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

Place: Kalyaneshwari
Date : 8 June 2011

Kunal Agarwalla
Director

Vishal Agarwalla
Director

BALANCE SHEET ABSTRACT

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

Balance Sheet Abstract and Company's General Business Profile:

I. Registration Details

Registration No.	U14292OR1999PTC005643	State Code	15
Balance Sheet Date	31 (Date) 03 (Month) 2011 (Year)		

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	13400	Total Assets	13400

Sources of Funds

Paid-up Capital	2350	Reserves & Surplus	11050
Secured Loans	NIL	Unsecured Loans	NIL

Application of Funds

Net Fixed Assets	2181	Investments	NIL
Net Current Assets	(2054)	Misc. Expenditure	NIL
Accumulated Losses	9180	Deferred Tax Assets	4093

IV. Performance of Company (Amount in Rs. Thousands)

Turnover & Other Incomes	22	Total Expenditure	896
Profit before Tax	(875)	Profit after Tax	(987)
Earning per Share (in Rs.)	(41.98)	Dividend Rate	NIL

V. Generic Names of three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	980100X
Product Description	Mining Project

To
The Shareholders of
ANJANEY ALLOYS LIMITED.

Your Directors have pleasure in presenting the Third Annual Report on the business and operations of the Company together with the audited accounts for the year ended 31March 2011.

Operations

Your Company is in the process of setting up its ferro alloy manufacturing unit in the state of Andhra Pradesh near Visakhapatnam in two phases. The Company has already acquired the land for the project. Construction is going on in full swing at the project site. The Company has placed orders for procurement of major plants and machinery. During the year, the Company has achieved the financial closure for the project. Debt component of the project is funded through mix of rupee term loan and external commercial borrowing. The first phase of the project is expected to start commercial production in second quarter of FY 2011-12.

Capital

The Company increased its authorised share capital from Rs. 25,00,00,000 (rupees twenty five crores only) to Rs. 50,00,00,000 (rupees fifty crores only). During the year, the Company issued 3,73,75,000 equity shares of Rs.10 each fully paid-up. Consequently, the paid-up share capital of the Company increased from Rs. 1,00,00,000 to Rs. 38,37,50,000.

Dividend

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

Directors

Sri Vishal Agarwalla, Director of the Company, will retire by rotation from the Board of Directors of the Company at the third Annual General Meeting and being eligible offer himself for reappointment.

Further, pursuant to the provision of Section 269 of the Companies Act, 1956, Sri S. C. Agarwalla has been appointed as Managing Director of the Company for a period of five years with effect from 1 September 2010. Shri S. C. Agarwalla is also the Managing Director of Maithan Alloys Limited, (the holding Company).

Further, Sri Nand Kishore Agarwal who was appointed as Additional Director in terms of Section 260 of the Companies Act, 1956, by the Board of Directors at its meeting held on 9 December 2010, is liable to retire at the ensuing Annual General Meeting. The appointment of Sri Agarwal is also in compliance of Clause 49 (III) of the listing agreement with recognised stock exchange, by Maithan Alloys Ltd (the listed holding Company). The Company has received a notice under Section 257 of the Companies Act, 1956, proposing the candidature of Sri Nand Kishore Agarwal as Director of the Company.

Public Deposit

The Company has not accepted any deposit during the year 2010-11, within the meaning of Section 58A of the Companies Act, 1956.

Audit Committee

The Company constituted a committee of the Board called the "Audit Committee" during the year under review, comprising Mr. B. K. Agarwalla as the Chairman, Mr. S. C. Agarwalla, Mr. Vishal Agarwalla and Mr. Sudhanshu Agarwalla as its members.

Auditors' Report

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

Auditors

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

Personnel

The Company has no employees in the category specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Conservation of Energy & Technology Absorption & Foreign Exchange Earnings & Outgo

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

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

i) that in the preparation of the accounts for the period ended 31 March 2011, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the accounting period and of the loss of the Company for the accounting period under review;

iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) that the Directors had prepared the accounts for the accounting period ended 31 March 2011 on a going concern basis.

Acknowledgment

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

On behalf of the Board of Directors

B. K. Agarwalla	**S. C. Agarwalla**
Director	Director

Place : Kalyaneshwari
Date : 10 June 2011

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31 March 2011.

I. Conservation of Energy

a) Conservation of energy measures taken, additional investments and proposals (if any), impact of such measures, investments and proposals and total energy consumption and energy consumption per unit of production: There was no consumption of energy, power and fuel for manufacturing operations during the year ended 31 March 2011, since the Company is in process of setting up its plant.

II. Technology Absorption

a) Efforts made in technology absorption is given below:

FORM B : FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

A. Research and Development (R & D):

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

B. Technology Absorption, Adaptation and Innovation :

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

III. Foreign Exchange Earning and Outgo:

a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans: None at present

b) Total foreign exchange used and earned
   a. Used - Rs. 1,250.48 lacs (P.Y. Nil)
   b. Earned – Nil (P.Y. Nil)

On behalf of the Board of Directors

Place : Kalyaneshwari	**B. K. Agarwalla**	**S. C. Agarwalla**
Date : 10 June 2011	Director	Director

AUDITORS' REPORT

To
The Members of
ANJANEY ALLOYS LIMITED

1. We have audited the attached Balance Sheet of **ANJANEY ALLOYS LIMITED** as at 31st March, 2011, the Profit and Loss Account 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) issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

   Further to our comments in the Annexure referred to in paragraph (3) above, we report that:

   a. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books.

   c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report is in agreement with the books of account of the Company.

   d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report have been prepared in compliance with the accounting standards referred to in Sub-section (3C) of Section 211 of the Act, to the extent applicable.

   e. On the basis of written representation received from the directors, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified as on 31st March, 2011 from being appointed as director under section 274(1)(g) of the Companies Act, 1956.

   f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

      i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

      ii) in the case of Profit & Loss account, of the loss for the year ended on that date; and

      iii) 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. Jhunjhunwala
Partner
M. No- F057170
Firm Reg. No. 304138E

Place: Kalyaneshwari
Dated: 10 June 2011

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

i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.

b) These Fixed assets were physically verified by the management during the year. We have been informed that no material discrepancies were noticed on such physical verification.

c) No fixed assets have been disposed off during the year.

ii) The Company does not have any inventory. Accordingly, clause (ii) of paragraph 4 of the order is not applicable.

iii) The Company has neither granted nor taken any loans, secured or unsecured, to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of the Order are not applicable.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas.

v) a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.

b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.

vi) The Company has not accepted any deposits from the public and hence clause 4(vi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business during the year under review.

viii) The Central Government has not prescribed the maintenance of cost records by the Company under section 209(1)(d) of the Companies Act, 1956.

ix) a) According to the information and explanations given to us, there are no statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service-tax, customs duty, excise duty, cess and others outstanding as at 31st March 2011 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no undisputed statutory dues remaining outstanding as at the end of the year.

x) The Company has been registered for the period of less than 5 years and hence clause (x) of para 4 of the order is not applicable to the Company.

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) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The Company is not a chit fund, nidhi or mutual benefit fund/society. Therefore, the provisions of clause (xiii) of the order are not applicable to the Company.

xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of the order are not applicable to the Company.

xv) According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.

xvi) 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) The Company has made allotment of shares during the year to parties covered in the register maintained under Section 301 of the Companies Act, 1956. In our opinion and according to the information and explanation given to us the prices at which shares have been issued is not prima facie prejudicial to the interest of the Company.

xix) The Company has not issued any secured debentures during the year and hence the provisions of Clause 4(xix) of the order is not applicable to the Company.

xx) During the year covered by our Audit report, the Company has not raised any money by public issues.

xxi) As per the information and explanation given to us no fraud on or by the Company has been noticed or reported during the year under report.

For D. K. Chhajer & Co.
Firm Registration No. 304138E
Chartered Accountants

Niraj K. Jhunjhunwala
Partner
M. No- F057170
Firm Reg. No. 304138E

Place: Kalyaneshwari
Dated: 10 June 2011

BALANCE SHEET As at 31 March 2011

(Amount in Rs.)

	Schedule	As at 31 March 2011	As at 31 March 2010
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	1	383,750,000	10,000,000
Share Application Money		–	205,000,000
Reserve & Surplus	2	251,170,080	–
Loan Funds			
Secured Loan	3	475,721,402	–
Unsecured Loans	4	–	86,695,169
Deferred Tax Liabilities/(Assets)		167,941	(4,311)
		1,110,809,423	**301,690,858**
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		275,114,030	164,761,242
Less: Depreciation		1,299,274	110,772
Net Block		273,814,756	164,650,470
Capital Work-in-Progress		654,476,624	54,596,963
		928,291,380	219,247,433
Current Assets, Loans & Advances			
Cash & Bank Balances	6	78,996,899	40,135,321
Loans & Advances	7	115,370,261	42,931,809
		194,367,160	83,067,130
Less: Current Liabilities & Provisions	8	12,423,430	2,219,285
Net Current Assets		181,943,730	80,847,845
Miscellaneous Expenditure			
(to the extent not written off or adjusted)			
Preliminary Expenses		–	179,920
Deferred Revenue Expenses		–	1,150,000
Profit & Loss Account		574,313	265,660
		1,110,809,423	**301,690,858**
Significant Policies & Notes on Accounts	10		

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

As per our report of even date

For D. K. Chhajer & Co.
Chartered Accountants

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

Place: Kalyaneshwari
Date : 10 June 2011

B. K. Agarwalla
Director

S. C. Agarwalla
Director

Anamika Gupta
Company Secretary

PROFIT AND LOSS ACCOUNT For the year ended 31 March 2011

(Amount in Rs.)

	Schedule	Year ended 31 March 2011	Year ended 31 March 2010
INCOME			
Interest (Gross)		695,212	758,525
(TDS: Rs.89393/- Previous Year Rs.102690/-)			
		695,212	**758,525**
EXPENDITURE			
Administrative & Other Expenses	9	732,676	872,744
Depreciation		98,937	110,772
Preliminary Expenses written off		–	44,980
		831,613	**1,028,496**
Profit/ (Loss) Before Taxation		**(136,401)**	**(269,971)**
Less: Provision For Taxation:			
Current Tax		–	–
Deferred Tax		172,252	(4,311)
Profit / (Loss) After Taxation		**(308,653)**	**(265,660)**
Add: Balance Brought Forward from previous year		(265,660)	–
Balance Carried to Balance Sheet		**(574,313)**	**(265,660)**
Earning per Share (Basic & Diluted)		(0.01)	(0.27)
Significant Policies & Notes on Accounts	10		

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

As per our report of even date

For D. K. Chhajer & Co.
Chartered Accountants

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

Place: Kalyaneshwari
Date : 10 June 2011

B. K. Agarwalla
Director

S. C. Agarwalla
Director

Anamika Gupta
Company Secretary

CASH FLOW STATEMENT For the year ended 31 March 2011

(Amount in Rs.)

	Year ended 31 March 2011	Year ended 31 March 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	**(136,401)**	**(269,971)**
Adjustments for :		
Add : Depreciation	1,188,502	110,772
Deferred Revenue Expenses	1,150,000	(1,150,000)
Preliminary Expenses written off	–	44,980
Operating profit before working capital changes	**2,202,101**	**(1,264,219)**
Adjustment for :		
Trade and other receivables	(72,438,452)	(41,350,238)
Trade and other payables	10,204,144	2,040,017
Cash generated from operations	**(60,032,207)**	**(40,574,440)**
Net cash from operating activities (A)	**(60,032,207)**	**(40,574,440)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	(110,352,788)	(4,298,149)
Preliminary Expenses	179,920	–
Surrender of Leasehold Fixed Assets	–	80,147,907
Pre-operative Expenses	(599,879,661)	(52,018,172)
Net cash from investing activities (B)	**(710,052,529)**	**23,831,586**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from / of borrowings	475,721,402	41,377,334
Term Loan & ECB	(86,695,169)	–
Issue of Share Capital	373,750,000	–
Share Premium Money	251,170,080	–
Share Application Money	(205,000,000)	15,000,000
Net cash from financing activities (B)	**808,946,313**	**56,377,334**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	38,861,577	39,634,480
Cash and cash equivalents at the beginning of the year	40,135,321	500,841
Cash and cash equivalents at the end of the year	**78,996,899**	**40,135,321**

As per our report of even date

For D. K. Chhajer & Co.
Chartered Accountants

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

Place: Kalyaneshwari
Date : 10 June 2011

B. K. Agarwalla
Director

S. C. Agarwalla
Director

Anamika Gupta
Company Secretary

SCHEDULES TO THE BALANCE SHEET

As at 31 March 2011

(Amount in Rs.)

	As at 31 March 2011	As at 31 March 2010
Schedule 1 SHARE CAPITAL		
Authorised Capital		
5,00,00,000 (2,50,00,000) Equity Shares of Rs 10/ each	500,000,000	250,000,000
	500,000,000	**250,000,000**
Issued, Subscribed & Paid-up Capital		
3,83,75,000 (10,00,000) Equity Shares of Rs 10/- each fully paid-up in cash	383,750,000	10,000,000
	383,750,000	**10,000,000**
Schedule 2 RESERVES & SURPLUS		
Share Premium		
As per Last Year	–	–
Add : During the year	253,750,000	–
	253,750,000	–
Less: Share Issue Expenses	2,579,920	–
	251,170,080	**–**
Schedule 3 SECURED LOAN		
Term-Loan from Banks		
- Rupee Loan	202,421,402	–
- Foreign Currency Loan	273,300,000	–
	475,721,402	**–**

(Secured by way of first charge on all movable and immovable fixed assets and further secured by second charge on Current Assets of the Company.)

	As at 31 March 2011	As at 31 March 2010
Schedule 4 UNSECURED LOAN		
From Body Corporates	–	86,695,169
	–	**86,695,169**

Schedule 5 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As on 01.04.2010	Addition	Sales/ transfer	As on 31.03.2011	Up to 01.04.2010	For the Year	Up to 31.03.2011	As on 31.03.2011	As on 31.03.2010
Land & Land Development	160,463,093	100,716,470	–	261,179,563	–	–		261,179,563	160,463,093
Plant & Machinery	1,547,284	2,722,276	–	4,269,560	17,534	552,732	570,266	3,699,294	1,529,750
Vehicle	1,684,601	5,219,876	–	6,904,477	61,358	466,819	528,177	6,376,300	1,623,243
Furniture & Fixture	643,914	857,176	–	1,501,090	14,789	70,014	84,803	1,416,287	629,125
Office Equipment	147,700	334,640	–	482,340	2,950	17,148	20,098	462,242	144,750
Computer	274,650	502,350	–	777,000	14,141	81,789	95,930	681,070	260,509
Sub-Total	164,761,242	110,352,788	–	275,114,030	110,772	1,188,502	1,299,274	273,814,756	164,650,470
Less:Transferred to Pre-operative Expenses	–	–	–	–	–	1,089,565	–	–	–
Total	**164,761,242**	**110,352,788**	**–**	**275,114,030**	**110,772**	**98,937**	**1,299,274**	**273,814,756**	**164,650,470**
Previous Year	240,611,000	4,298,149	80147907	164761242	–	110,772	110772	164650470	
Capital work in progress								654476624	54596963

SCHEDULES TO THE BALANCE SHEET

As at 31 March 2011

(Amount in Rs.)

	As at 31 March 2011	As at 31 March 2010
Schedule 6 CASH & BANK BALANCES		
Cash-in-Hand (as certified by the management)	279,101	244,063
Balance with Scheduled Banks:		
In Current Account	45,532,684	39,891,258
In Fixed Deposits Account*	33,185,114	–
	78,996,899	**40,135,321**

* Includes Rs.31,15,210 kept as lien marked deposit with ECB Lender

	As at 31 March 2011	As at 31 March 2010
Schedule 7 LOANS & ADVANCES		
Advances (recoverable in cash or in kind or for value to be received)		
Advance against Capital Expenditure	113,746,578	41,456,419
Security Deposits	1,431,600	1,372,700
TDS Receivable	192,083	102,690
	115,370,261	**42,931,809**

	As at 31 March 2011	As at 31 March 2010
Schedule 8 CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors		
For Capital Goods	8,268,063	1,160,408
For Expenses	2,639,411	273,451
Other Liabilities	1,515,956	785,426
	12,423,430	**2,219,285**

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2011

(Amount in Rs.)

	Year ended 31 March 2011	Year ended 31 March 2010
Schedule 9 ADMINISTRATIVE & OTHER EXPENSES		
Salary & Wages	5,230,475	822,353
Staff Welfare	484,132	46,067
Stores Consumed	428,712	1,636,921
Repairs to Others	262,296	6,789
Professional Charges	27,958,105	979,103
Transportation Charges	60,350	375,507
Interest	17,346,292	6,793,427
Audit Fees	50,000	13,236
Bank Charges	256,287	25,430
Travelling & Conveyance	999,831	–
Lease rent	1,173,469	986,198
Statutory & Legal Clearance	372,405	–
Insurance Premium	426,488	–
Vehicle Running Expenses	584,512	99,495
Depreciation on Fixed Assets	1,089,565	–
Miscellaneous Expenses	1,538,493	1,484,003
	58,261,412	13,268,529
Less: Amount Transferred to Capital Work in Progress expenses related to project under construction	57,528,736	12,395,785
	732,676	**872,744**

Schedule 10 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1) **Significant Accounting Policies**

i) **Basis of Accounting**

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 comply, in all material respects, with accounting standards as notified by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956.

ii) **Use of Estimates**

The preparation of financial statements requires estimates and assumption 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 / materialised

iii) **Fixed Assets**

Fixed Assets are stated at cost net of Cenvat / value added tax, less accumulated depreciation and impairment loss, if any. All cost including financial cost till commencement of revenue operations, net charges on foreign exchange contracts and adjustments arising from exchange rates variations relating to long term borrowings attributable to fixed assets, are capitalised. Pre-operative expenses are also capitalised, where appropriate.

Capital Work-in-Progress is stated at the amount incurred up to the date of Balance Sheet. All expenditures including finance cost during construction / implementation of project are included under capital work in progress and to be allocated to the fixed assets on commencement of commercial operations.

iv) **Impairment**

An asset is treated as impaired when the carrying cost of assets 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. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

v) **Depreciation**

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

vi) **Foreign Currency transaction**

a) **Initial Recognition**

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

b) **Conversion**

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.

c) **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.

d) **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.

vii) **Revenue Recognition**

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

viii) **Taxation**

Current tax is determined as the amount of tax payable in respect of taxable income for the period based on applicable tax rate and laws as per the provisions of the Income Tax Act, 1961.

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.

Schedule 10 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

ix) **Borrowing Costs**

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

x) **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.

xi) **Earnings Per Share (Basic & Diluted)**

Basic earnings 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 earnings 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.

xii) **Cash Flow Statement**

Cash Flow is reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of none cash nature, any deferrals or accruals of past or future cash receipts or payments.

2) **Notes on Accounts:**

i) The entire Paid-up capital of Rs.383,750,000 (Previous Year Rs.1,00,00,000) is divided into 38,375,000 (Previous Year 10,00,000) equity shares of Rs. 10/- each fully paid-up is held by the Holding Company and Associate Companies.

ii) The Company has not received the required information from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosure relating to amounts unpaid at the year end together with interest paid / payable as required under the said Act could not be made.

iii) Since no Manufacturing and/or Trading activities were carried out during the period, information required under para 3 and 4 of part II of schedule VI to the Companies Act, 1956 are given to the extent applicable.

iv) Company operates in only one distinguishable business segments.

v) Related Party Disclosures pursuant to Accounting Standard 18 issued by ICAI:

Related Parties:

A. Holding Company : Maithan Alloys Ltd.

B. Associates : Meghalaya Carbide & Chemicals (P) Ltd.
Maithan Smelters Ltd.

C. Key Management Personnel : Shri Basant Kumar Agarwalla
Shri Subhas Chandra Agarwalla
Shri Vishal Agarwalla
Shri Sudhanshu Agarwalla

Details of Transactions with related parties during the period under audit are as follows (Amount in Rs.)

		Nature of transaction	Transaction value		Outstanding balance (Dr.)	
Name of the Party	**Relation**	**Nature of transaction**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Maithan Alloys Ltd	Holding Co.	Share Allotment	380,000,000	–	–	–
		Share Application Received	385,000,000	–	–	–
		Share Application Refunded	5,000,000	190,000,000	–	–
		Guarantor*	1,253,000,000	–	–	–
Maithan Smelters Limited	Associate	Share Allotment	62,500,000	–	–	–
		Share Application Received	62,500,000	20,000,000	–	20,000,000 Cr.
		Share Application Refunded	20,000,000	–	–	–
Meghalaya Carbide Chemicals (P) Ltd.	Associate	Share Allotment	180,000,000	–	–	–
		Share Application Received	5,000,000	185,000,000	–	185,000,000 Cr
		Share Application Refunded	5,000,000	–	–	–

*Includes ECB of USD 20 million converted @ Rs 44.65

Schedule 10 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

vi) Pre-operative Expenditure

The Company is in the process of setting up manufacturing facilities for conducting its business. The Expenditure incurred during the implementation period for bringing the project in the condition of its intended use, is treated as "Pre-operative Expenditure "pending capitalisation and included in Capital Work-in-Progress. Capitalisation is done in the ratio of phased implementation. The necessary details as per part-II of Schedule VI to the Companies Act, 1956 have been disclosed below.

Details of Pre-operative Expenditure Account included in Capital work in progress are as under: (Amount in Rs.)

Sl. No.	Particulars	2010-11	2009-10
	Opening Balance	14,974,576	2,578,791
	Add During the Year		
1	Salary & Wages	5,230,475	822,353
2	Staff Welfare	484,132	46,067
3	Stores Consumed	428,712	1,636,921
4	Repairs to Others	262,296	–
5	Electric Expenses	–	177,423
6	Security Expenses	–	167,830
7	Professional Charges	27,958,105	979,103
8	Transportation Charges	60,350	375,507
9	Interest	17,346,292	6,793,427
10	Travelling & Conveyance	999,831	134,889
11	Rent & Lease rent	935,869	619,071
12	Statutory & Legal Clearance	372,405	–
13	Insurance Premium	426,488	–
14	Vehicle Running Expenses	584,512	99,495
15	Generator Running Exp	–	207,114
16	Depreciation on Fixed Assets	1,089,565	–
17	Miscellaneous Expenses	1,349,704	336,585
		72,503,312	14,974,576
	Less: Capitalized during the year	1,799,000	–
		70,704,312	**14,974,576**

vii) The estimated amount of contracts remaining to be executed on capital account and not provided for — Rs. 38.25 Crores (P.Y. Rs.Nil)

viii) Previous year's figures have been re-grouped/ re-arranged wherever found necessary.

ix) Figures have been rounded off to the nearest rupee.

As per our report of even date

For D. K. Chhajer & Co.
Chartered Accountants

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

Place: Kalyaneshwari
Date : 10 June 2011

B. K. Agarwalla
Director

S. C. Agarwalla
Director

Anamika Gupta
Company Secretary

BALANCE SHEET ABSTRACT

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

Balance Sheet Abstract and Company's General Business Profile:

I. Registration Details

Registration No.	U27106WB2008PLC129049	State Code	21
Balance Sheet Date	31 (Date) 03 (Month) 2011 (Year)		

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	373750

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	1110809	Total Assets	1110809

Sources of Funds

Paid-up Capital	383750	Reserves & Surplus	251170
Secured Loans	475721	Unsecured Loans	NIL
Deferred Tax	168		

Application of Funds

Net Fixed Assets	928291	Investments	NIL
Net Current Assets	181944	Misc. Expenditure	NIL
Accumulated Losses	574		

IV. Performance of Company (Amount in Rs. Thousands)

Turnover & Other Incomes	695	Total Expenditure	831
Profit before Tax	(136)	Profit after Tax	(309)
Earning per Share (in Rs.)	(0.01)	Dividend Rate	NIL

V. Generic Names of three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	72023000
Product Description	Ferro- Silico – Manganese
Item Code No. (ITC Code)	72021100
Product Description	Ferro- Manganese containing by weight more than 2% of Carbon

DIRECTORS' REPORT

To
The Shareholders of
ANJANEY MINERALS LIMITED.

Your Directors have pleasure in presenting the Third Annual Report on the business and operations of the Company together with the audited accounts for the year ended 31 March 2011.

Operations

Your Company is exploring various opportunities for acquiring mines. Some land is already acquired in Andhra Pradesh. Application for mining lease of the same is in process.

Dividend

Your Directors do not recommend any dividend.

Directors

Sri Sudhanshu Agarwalla, Director of the Company will retire by rotation from the Board of Directors of the Company at the third Annual General Meeting and being eligible offer himself for reappointment.

Public Deposit

The Company has not accepted any deposit during the year 2010-11, within the meaning of Section 58A of the Companies Act, 1956.

Compliance Certificate

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

Auditors' Report

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

Auditors

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

Personnel

The Company has no employees in the category specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Conservation of Energy & Technology Absorption & Foreign Exchange Earnings & Outgo

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

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

i) That in the preparation of the accounts for the period ended 31 March 2011, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the accounting period and of the loss of the Company for the accounting period under review;

iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) That the Directors had prepared the accounts for the accounting period ended 31 March 2011 on a going concern basis.

Acknowledgment

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

On behalf of the Board of Directors

S.C. Agarwalla	**Sudhanshu Agarwalla**
Director	Director

Place : Kalyaneshwari
Date : 10 June 2011

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31 March 2011.

I. Conservation of Energy

Conservation of energy measures taken, additional investments and proposals (if any), impact of such measures, investments and proposals and total energy consumption and energy consumption per unit of production: During the year, the Company has not consumed any power and fuel for its activities. The Company's operations are not energy-intensive.

II. Technology Absorption

a) Efforts made in technology absorption are given below:

FORM B : FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

A. Research and Development (R & D):

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

B. Technology Absorption, Adaptation and Innovation :

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

III. Foreign Exchange Earning and Outgo:

a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans: None at present

b) Total foreign exchange used and earned: NIL

On behalf of the Board of Directors

Place : Kalyaneshwari	**S. C. Agarwalla**	**Sudhanshu Agarwalla**
Date : 10 June 2011	Director	Director

COMPLIANCE CERTIFICATE

Regn. No.: 21-130114

The Members
Anjaney Minerals Limited
Ideal Centre, 4th Floor,
9, AJC Bose Road,
Kolkata - 700 017

Dear Members,

We have examined the registers, records, books and papers of **Anjaney Minerals Limited** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company For the year ended on 31.03.2011 (Financial Year). In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure `A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Ministry of Corporate Affairs within the time prescribed under the Act or with the additional fee if filed beyond the prescribed time and the rules made there under.
3. The Company, being a limited Company, comments are not required.
4. The Board of Directors duly met respectively on 28.04.2010, 15.06.2010, 28.07.2010, 18.10.2010 and 15.02.2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members or Debenture holder during the financial year.
6. Annual General Meeting for the financial year ended on 31.03.2010 has been held on 18.08.2010 after giving due notice to the members of the Company and the resolutions passed there at was duly recorded in the Minutes Book maintained for the purpose.
7. One Extra Ordinary General Meeting was held during the financial year, after giving due notice to the members of the Company and the resolutions passed there at was duly recorded in the Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company was not required to make any entry in the register maintained U/S 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. i) There was no allotment / transfer or transmission of securities, during the financial year.
    ii) The Company was not required to deposit the dividend money in separate bank account as no dividend was declared during the financial year.
    iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
    iv) The Company was not required to transfer any amount to Investor Education and Protection Fund as there was no unpaid dividend, matured deposits, debentures or accrued interest thereon, application money due for refund which have remained unpaid or unclaimed for seven years or more.
    v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was appointment of additional director / alternate director / director during the financial year and complied with the provisions of the Act.
15. The Company has not appointed any Managing Director / Whole Time Director/ Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government / Company Law Board / Regional Director/ Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year as we were explained.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any share / debenture or other securities during the financial year.

20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits within the provisions of sec. 58A and 58AA read with Companies (Acceptance of Deposits) Rules, 1975.
24. The Company has not made any borrowing during the financial year
25. The Company has not made any loans / advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act as we were explained.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under the section 418 of the Act.

Place: Kolkata
Date: 10 June 2011

Sandip Kumar Kejriwal
C P No. 3821

Annexure A
Registers as maintained by the Company

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

Annexure B
Forms/Returns filed by the Company

1) Form 20B alongwith Annual Return (U\S 159) for the AGM held on 18.08.2010 has been filed on 25.09.2010
2) Form 23AC & 23ACA alongwith sets of Balance Sheet (U\S 220) as on 31.03.2010 has been filed on 09.09.2010
3) Form 66 alongwith Compliance Certificate (U\S 383A) for the financial year ended on 31.03.2010 has been filed on 26.08.2010
4) Form 32 (U/S 303(2)) dated 28.07.2010 has been filed on 31.07.2010
5) Form 32 (U/S 303 (2)) dated 18.08.2010 has been filed on 15.09.2010
6) Form 18 (U/S 146) dated 18.10.2010 has been filed on 22.10.2010
7) Form 23 (U/S 192) dated 18.06.2010 has been filed on 13.07.2010

AUDITORS' REPORT

To
The Members of
ANJANEY MINERALS LIMITED

1. We have audited the attached Balance Sheet of **ANJANEY MINERALS LIMITED** as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (As amended) issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

   Further to our comments in the Annexure referred to in paragraph (3) above, we report that:

   a. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books.

   c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account of the Company.

   d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report have been prepared in compliance with the accounting standards referred to in Sub-section (3C) of Section 211 of the Act, to the extent applicable.

   e. On the basis of written representation received from the directors, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified as on 31st March, 2011 from being appointed as director under section 274(1)(g) of the Companies Act, 1956.

   f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

      i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

      ii) in the case of Profit & Loss Account, of the loss for the year ended on that date, and

      iii) in the case of Cash Flow statement, of the cash flows for the year ended on that date.

For D. K. Chhajer & Co.
Chartered Accountants

Niraj K. Jhunjhunwala
Partner
M. No- F057170
Firm Reg. No. 304138E

Place: Kalyaneshwari
Dated: 10 June 2011

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

i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.

b) These Fixed assets were physically verified by the management during the year. We have been informed that no material discrepancies were noticed on such physical verification.

c) No fixed assets have been disposed off during the year.

ii) Since the Company does not hold any inventories, thus clause II of paragraph 4 of the Companies order is not applicable.

iii) The Company has neither granted nor taken any loans, secured or unsecured, to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of the Order are not applicable.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas.

v) a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.

vi) The Company has not accepted any deposits from the public and hence clause 4(vi) of the Companies (Auditors Report) order, 2003 is not applicable to the Company.

vii) The Company is not required to have an internal audit system during the year under review.

viii) The Central Government has not prescribed the maintenance of cost records by the Company under section 209(1)(d) of the Companies Act, 1956.

ix) a) According to the information and explanations given to us, there are no statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service-tax, customs duty, excise duty, cess and others outstanding as at 31st March 2011 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no undisputed statutory dues remaining outstanding as at the end of the year.

x) The Company has been registered for a period of less than 5 years and hence clause x of para 4 of the order is not applicable to the Company.

xi) The Company has not obtained any loan/money from a bank or financial institution or debenture holders and hence the provisions of clause 4(xi) of the order are not applicable to the Company.

xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The Company is not a chit fund, nidhi or mutual benefit Company. Therefore, the provisions of clause (xiii) of the order are not applicable to the Company.

xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of the order are not applicable to the Company.

xv) According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.

xvi) The Company has not raised any term loan during the year and hence clause (xvi) of para 4 of the order is not applicable to the Company.

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) The Company has not made any preferential allotment of shares during the year to parties covered in the register maintained under Section 301 of the Companies Act, 1956.

xix) The Company has not issued any secured debentures during the year and hence the provisions of Clause 4(xix) of the order are not applicable to the Company.

xx) The Company has not raised any money by way of public issue during the year.

xxi) In our opinion and according to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the year.

For D. K. Chhajer & Co.
Chartered Accountants

Niraj K. Jhunjhunwala
Partner
M. No- F057170
Firm Reg. No. 304138E

Place: Kalyaneshwari
Dated: 10 June 2011

BALANCE SHEET As at 31 March 2011

(Amount in Rs.)

	Schedule	As at 31 March 2011	As at 31 March 2010
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	1	10,000,000	10,000,000
Share Application Money		98,800,000	22,500,000
Total		**108,800,000**	**32,500,000**
APPLICATION OF FUNDS			
Fixed Assets (At Cost)	2	74,528,115	–
Current Assets, Loans & Advances			
Cash & Bank Balances	3	608,356	198,060
Loans & Advances	4	32,888,071	32,109,520
		33,496,427	32,307,580
Less: Current Liabilities & Provisions	5	33,633	14,633
Net Current Assets		33,462,794	32,292,947
Miscellaneous Expenditure			
(to the extent not written off or adjusted)			
Preliminary Expenses		134,790	179,720
Profit & Loss Account		674,301	27,333
Total		**108,800,000**	**32,500,000**
Significant Accounting Policies & Notes on Accounts	6		

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

As per our report of even date

For D. K. Chhajer & Co.
Chartered Accountants

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

S. C. Agarwalla
Director

Place: Kalyaneshwari
Date : 10 June 2011

Sudhanshu Agarwalla
Director

PROFIT AND LOSS ACCOUNT For the year ended 31 March 2011

(Amount in Rs.)

	Schedule	Year ended 31 March 2011	Year ended 31 March 2010
INCOME			
Interest on Fixed Deposits - Gross		–	46,181
(TDS - Nil, Previous Year Rs 9520)			
Total		**–**	**46,181**
EXPENDITURE			
Audit Fees		12,000	13,236
Miscellaneous Expenses		208,120	–
Travelling Charges		77,499	–
Bank Charges		815	550
Filling Fees		3,714	1,620
Printing & stationery		800	–
Legal & Professional Charges		299,090	1,500
Preliminary Expenses written off		44,930	44,930
Total		**646,968**	**61,836**
Loss for the year		646,968	15,655
Add: Balance brought forward from previous year		27,333	–
Add: Prior Period Item		–	11,678
Loss carried to balance sheet		**674,301**	**27,333**
Earning Per Share (Basic & Diluted)		(0.67)	(0.03)
Significant Accounting Policies & Notes on Accounts	6		

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

As per our report of even date

For D. K. Chhajer & Co.
Chartered Accountants

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

S. C. Agarwalla
Director

Place: Kalyaneshwari
Date : 10 June 2011

Sudhanshu Agarwalla
Director

CASH FLOW STATEMENT For the year ended 31 March 2011

(Amount in Rs.)

	Year ended 31 March 2011	Year ended 31 March 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	**(646,968)**	**(27,333)**
Adjusted for :		
Prior Period Item	–	11,678
Preliminary Expenses written off	44,930	44,930
Operating profit before working capital changes	**(602,038)**	**29,275**
Adjusted for :		
Trade Creditors	19,000	–
Trade and other receivables	(778,551)	(1,773)
Cash generated from operations	**(1,361,589)**	**27,502**
Direct Taxes Received/(Paid)	–	–
Net cash from operating activities (A)	**(1,361,589)**	**27,502**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(74,528,115)	–
Net cash from investing activities (B)	**(74,528,115)**	**–**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Application Money	76,300,000	(1,500,000)
Net cash from financing activities (C)	**76,300,000**	**(1,500,000)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	410,296	(1,472,498)
Cash and cash equivalents at the beginning of the year	198,060	1,670,558
Cash and cash equivalents at the end of the year	**608,356**	**198,060**

As per our report of even date

For D. K. Chhajer & Co.
Chartered Accountants

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

S. C. Agarwalla
Director

Place: Kalyaneshwari
Date : 10 June 2011

Sudhanshu Agarwalla
Director

SCHEDULES TO THE BALANCE SHEET

As at 31 March 2011

(Amount in Rs.)

	As at 31 March 2011	As at 31 March 2010
Schedule 1 SHARE CAPITAL		
A) Authorised Capital		
2,000,000 (2,000,000) Equity Shares of Rs 10/ each	20,000,000	20,000,000
	20,000,000	**20,000,000**
B) Issued, Subscribed & Paid-Up Capital		
1,000,000 (1,000,000) Equity Shares of Rs 10/- each fully paid-up in cash.	10,000,000	10,000,000
	10,000,000	**10,000,000**

Schedule 2 FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Cost as at 01.04.2010	Additions	Cost as at 31.03.2011	Up to 31.03.2010	For the Year	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land	–	74528115	74528115	–	–	–	74528115	–
Total	**–**	**74528115**	**74528115**	**–**	**–**	**–**	**74528115**	**–**
Previous Year	–	–	–	–	–	–	–	–

Schedule 3 CASH AND BANK BALANCES		
Cash-in-Hand (as certified by the management)	171,417	107,021
Balance with Scheduled Banks:		
In Current Account	436,939	91,039
	608,356	**198,060**

Schedule 4 LOANS & ADVANCES		
(Unsecured, Considered Good)		
Advances (recoverable in cash or in kind or for value to be received)	32,878,551	32,100,000
TDS Receivable	9,520	9,520
	32,888,071	**32,109,520**

Schedule 5 CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Liability for expenses	24,000	12,000
TDS payable	7,000	–
Provisions		
Provision for Tax	2,633	2,633
	33,633	**14,633**

Schedule 6 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1) Significant Accounting Policies

i) Basis of Accounting

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 comply, in all material respects, with accounting standards as notified by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956.

ii. Use of Estimates

The preparation of financial statements requires estimates and assumption 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 / materialised.

iii. Fixed Assets

Fixed 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 cost of bringing the asset to the working condition for its intended use. Pre-operative expenses for major projects are also capitalised, where appropriate.

iv. Impairment

An asset is treated as impaired when the carrying cost of assets 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. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

v. Depreciation

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

vi. Preliminary Expenses

Preliminary expenditures is amortised over a period of five years .

vii. Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the period based on applicable tax rate and laws as per the provisions of the Income Tax Act, 1961.

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.

viii. Revenue Recognition

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

ix. 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.

x. Earnings Per Share (Basic & Diluted)

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

xi. Cash Flow Statement

Cash Flow is reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of none cash nature, any deferrals or accruals of past or future cash receipts or payments.

Schedule 6 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

2) **Notes on Accounts**

i. Out of total paid-up share capital of Rs.1,00,00,000 divided into 10,00,000 equity shares of Rs.10/- each fully paid-up, 7,99,995 equity shares of Rs. 10/- each fully paid-up are held by the holding Company viz. Maithan Alloys Limited.

ii. The Company has not received the required information from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosure relating to amounts unpaid at the year end together with interest paid / payable as required under the said Act could not be made.

iii. Since no Manufacturing and/or Trading activities were carried out during the period, information required under para 3 and 4 of part II of schedule VI to the Companies Act, 1956 are given to the extent applicable.

iv. Company operates in only one distinguishable business segment.

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

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

A. Holding Company : Maithan Alloys Ltd.

B. Associates : Anjaney Ferro Alloys Limited.
Meghalaya Carbide & Chemicals (P) Ltd.
Maithan Smelters Ltd.

C. Key Management Personnel : Shri Subhas Chandra Agarwalla
Shri Aditya Agarwalla
Shri Sudhanshu Agarwalla
Shri Kaushal Agarwalla

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

Detail of Share Application Money received / (refunded) which are material.

		Transaction value		Outstanding balance	
Name of the Party	**Relation**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Maithan Alloys Ltd	Holding	23,00,000	(1,15,00,000)	1,48,00,000	1,25,00,000
Meghalaya Carbide & Chemicals (P) Ltd.	Associates	–	1,00,00,000	1,00,00,000	1,00,00,000

vi. Previous year figures have been rearranged and regrouped wherever considered necessary.

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

For D. K. Chhajer & Co.
Chartered Accountants

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

S. C. Agarwalla
Director

Place: Kalyaneshwari
Date : 10 June 2011

Sudhanshu Agarwalla
Director

BALANCE SHEET ABSTRACT

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

Balance Sheet Abstract and Company's General Business Profile:

I. Registration Details

Registration No.	U13100WB2008PLC130114	State Code	21
Balance Sheet Date	31 (Date) 03 (Month) 2011 (Year)		

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	108800	Total Assets	108800

Sources of Funds

Paid-up Capital	10000	Share application money	98800
Reserves & Surplus	NIL	Secured Loans	NIL
Unsecured Loans	NIL		

Application of Funds

Net Fixed Assets	74528	Investments	NIL
Net Current Assets	33463	Misc. Expenditure	135
Accumulated Losses	674	Deferred Tax Assets	NIL

IV. Performance of Company (Amount in Rs. Thousands)

Turnover & Other Incomes	NIL	Total Expenditure	647
Profit before Tax	(647)	Profit after Tax	(647)
Earning per Share (in Rs.)	(0.67)	Dividend Rate	NIL

V. Generic Names of three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	980100X
Product Description	Mining Project

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Company will be held on Saturday, the 27 August 2011 at 11:00 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 2011, 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 Raj Kumar Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sri Nand Kishore Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

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

Date : 15 June, 2011

By Order of the Board
For **Maithan Alloys Limited**

Rajesh K Shah
Company Secretary

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 23 August 2011 to 27 August 2011 (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 2011 as recommended by the Board, if approved at the Annual General Meeting, will be paid to those members whose names will appear in the Company's Register of Members as on 27 August 2011 after giving effect to all the valid transfers received upto the close of business hours on 22 August 2011. 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 22 August 2011 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 2002-03 to the IEPF. Members who have not yet encashed their dividend warrants for the financial year 2003-04 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 Exchange, is given below

Name of Director	Sri Raj Kumar Agarwal	Sri Nand Kishore Agarwal
Date of birth	16 October, 1945	11 February, 1949
Qualification	B.Com, LLB	B.Com (Hon), FCA
Experience	43 years	39 years
Date of appointment on the Board of Directors the Company	17 August, 2001	17 August, 2001
Nature of expertise in specific functional areas	Experience in the field of manufacturing	Experience in the field of accounts and finance
Name(s) of other companies in which directorships held (as per Section 275 and 278 of the Companies Act, 1956)	None	Anjaney Alloys Ltd
Name(s) of Companies in which Committee membership(s) /Chairmanship(s) held	None	None
Number of shares of Rs 10/- each held by the Director or his relatives	Nil	375
Number of ESOPs granted	Nil	Nil
Relationship between Directors interse (as per section 6 read with schedule IA of the Companies Act, 1956)	None	None

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

Punjab National Bank

IndusInd Bank

Citibank N.A.

Axis Bank Limited

maithan alloys ltd

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

maithan alloys ltd

“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

maithan alloys ltd

"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 26th Annual General Meeting of the Company on Saturday, the 27th of August, 2011 at 11:00 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.

maithan alloys ltd

"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 26th Annual General Meeting of the company to be held on Saturday, the 27th of August, 2011 at 11:00 a.m. at "The Conclave" 216, AJC Bose Road, Kollkata-700017 and / or at any adjournment thereof.

Signed this .... day of 2011

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.