



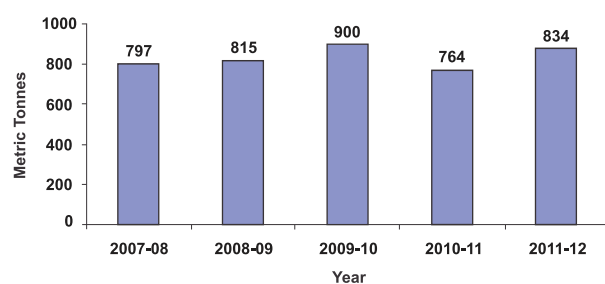
39th Annual Report 2011 - 2012



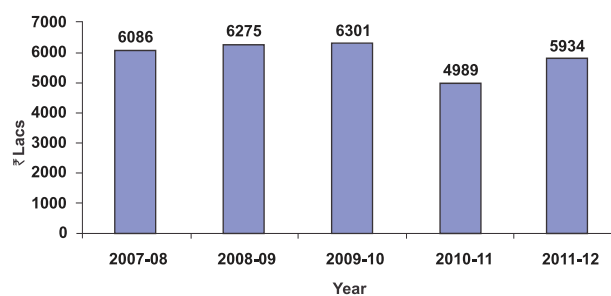
looking up & beyond.....

PERFORMANCE AT A GLANCE

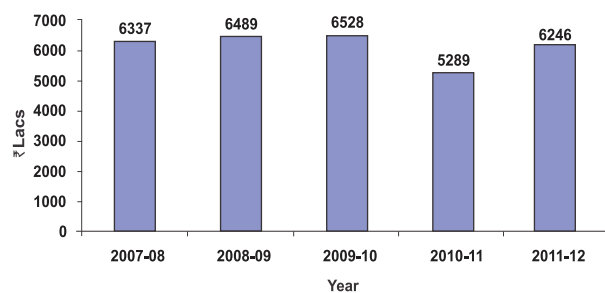
SALES QUANTITY



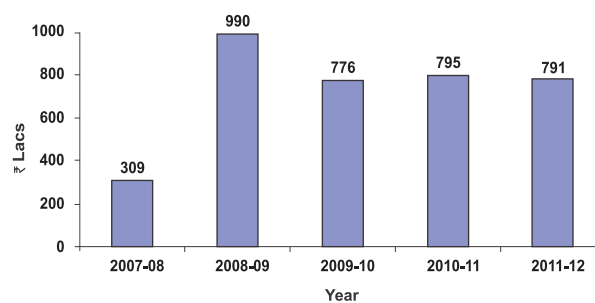
NET SALES



TOTAL INCOME



NET PROFIT





BOARD OF DIRECTORS

| | |
|------------------|---------------------------|
| D. M. NETERWALA | <i>Chairman Emeritus</i> |
| F. D. NETERWALA | <i>Chairman</i> |
| R. B. MEHTA | |
| K. M. ELAVIA | |
| H. R. PRASAD | |
| P. SUBRAHMANYAM | |
| M. P. BHARUCHA | |
| F. K. BANATWALLA | <i>w.e.f. 29-05-2012</i> |
| M.K. FONDEKAR | <i>Executive Director</i> |

COMPANY SECRETARY

P .M .LAKHANI

AUDITORS

Ford, Rhodes, Parks & Co.
Chartered Accountants

LEGAL ADVISORS

Bharucha & Partners
Advocates and Solicitors

BANKERS

Axis Bank Ltd.
Zoroastrian Co-operative Bank Ltd.

REGISTERED OFFICE AND HEAD OFFICE

Liberty Building,
Sir Vithaldas Thackersey Marg,
Mumbai - 400 020.
Tel.: 22032797
Website : www.uniabex.com
Email : companysecretary@uniabex.com

WORKS

Mullabaugh, Swami Vivekanand Road,
Manpada, Thane - 400 610.

REGISTRARS AND SHARE TRANSFER AGENTS

Computech Sharecap Ltd.
147, Mahatma Gandhi Road,
3rd Floor, Above Khyber Restaurant,
Fort, Mumbai - 400 023.
Tel. No. : 22635001-02

AGM : Thursday, 23rd August, 2012

Time : 3.00 p.m.

Venue : M.C. Ghia Hall, Bhogilal Hargovindas
Building, 2nd Floor, 18/20, Kaikhushru
Dubash Marg, Mumbai-400023

BOOK CLOSURE DATES

10th August, 2012 to 23rd August, 2012
(both days inclusive)

| CONTENTS | PAGE NO. |
|--|----------|
| Notice | 2 |
| Directors' Report | 6 |
| Management Discussion and Analysis Report | 11 |
| Corporate Governance Report | 13 |
| Auditors' Report to the Shareholders | 21 |
| Balance Sheet | 24 |
| Statement of Profit & Loss Account | 25 |
| Cash Flow Statement | 26 |
| Notes to the Financial Statements | 27 |
| Attendance Slip & Proxy Form | 43 |

NOTICE

NOTICE is hereby given that the Thirty-Ninth Annual General Meeting of the Members of **UNI ABEX ALLOY PRODUCTS LIMITED** will be held on Thursday, the 23rd August, 2012 at 3.00 P.M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 023, to transact with or without modifications, as may be permissible, the following business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March, 2012 and the Balance Sheet as at 31st March, 2012 and the Reports of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. P. Subrahmanyam, who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. H. R. Prasad, who retires by rotation and is eligible for reappointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. M. P. Bharucha who was appointed a Director of the Company to fill in the casual vacancy caused by the demise of Mr. E. B. Desai and who vacates office at this meeting under Section 262 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director be and is hereby appointed a Director of the Company liable to retire by rotation.”

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

“RESOLVED THAT Mr. Farokh Banatwalla who was appointed by the Board of Directors as an Additional Director with effect from 29th May, 2012 and who holds office upto the date of this Annual General Meeting in terms of Article 111 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation.”

Registered Office:
Liberty Building,
Sir Vithaldas Thackersey Marg,
Mumbai 400 020
Date: 4th June 2012

By Order of the Board
Parag M. Lakhani
V.P. - Legal & Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business under item Nos. 6 and 7 as set out above is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 10th August, 2012 to Thursday, the 23rd August, 2012, both days inclusive.
4. The dividend on shares as recommended by the Board of Directors, if declared, at the meeting will be paid on 10th September, 2012 to Members:
 - i) In respect of shares held in demat form, on the basis of beneficial ownership as per details furnished by the Depositories, as at the end of the business on 10th August, 2012 and
 - ii) In respect of shares held in physical form to those Members whose names appear on the Register of Members of the Company as on 23rd August, 2012 after giving effect to valid share transfers lodged with the company on or before 10th August, 2012.
5. Any change of particulars including address, bank mandate and nomination for shares held in demat form, should be notified only to the respective Depository Participants where the Member has opened his/her demat account. The Company or its Share Transfer Agent will not act on any direct request from these Members for change of such details. However requests for any change in particulars in respect of shares held in physical form should be sent to the Registrars & Share Transfer Agents of the Company.
6. RBI vide its Circular No. DPSS. (CO). EPPD. No.191.04.01.01/2009-2010 dated July 29, 2009 has instructed banks to move to the NECS platform from October 1, 2009.
 Consequently you are requested to provide your new account number allocated to you after implementation of Core Banking System by your Bank. NECS credit to your old account may either be rejected or returned.
Please provide to the Share Registrars and Transfer Agents new Bank Account particulars alongwith a copy of the cheque duly cancelled by quoting your reference folio number in case of shares held by you in physical form. In case the shares are in Dematerialised form, you may kindly provide the same to your Depository Participant, so that your future dividend payments can correctly be credited to your new account.
7. The equity shares of the company are compulsorily traded in demat form. Members desirous of trading in the shares of the company are requested to get their shares dematerialized.
8. The Company has listed its shares at:
 - (1) Bombay Stock Exchange Limited, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001.
 - (2) Delhi Stock Exchange Ltd., DSE House, 3/1, Asaf Ali Road, New Delhi-110 002
 The Annual Listing Fees for these Exchanges have been paid for the financial year 2012-2013.
9. **Members are requested to bring their copies of the Annual Report along with them as copies of the Report will not be distributed at the meeting.**
10. **Members desiring any information as regards Accounts are requested to write to the Company atleast Seven Days before the date of the meeting so as to enable the management to keep the information ready.**
11. Reappointment / Appointment of Directors
 At the ensuing Annual General Meeting, Mr. P. Subrahmanyam, and Mr. H. R. Prasad retire by rotation and being eligible offer themselves for reappointment. At the said Meeting it is also propose to appoint Mr. M. P. Bharucha and Mr. F. K. Banatwalla as Directors. Pursuant to Clause 49 of the Listing Agreement relating to the Code of Corporate Governance, the particulars of aforesaid Directors are given below:

| Name | Mr. P. Subrahmanyam | Mr. H. R. Prasad |
|---|--|--|
| Date of Birth & Age | 15th July, 1940 - 72 years | 1st November, 1934 - 78 years |
| Appointed on | 27th October, 2005 | 29th June, 2001 |
| Qualifications | M.A. (Economics), Madras University, B.L., Madras University, M.Sc. (Social Planning), University of Wales, Swansea, U.K., Member of Indian Admn Services (I.A.S.) | Graduate in Electrical Engineering from the University of Madras. Studied as Fulbright Scholar at the Massachusetts Institute of Technology and Harvard Business School and graduated with a Master of Science Degree in Management from the MIT Sloan School of Management. |
| Expertise in specific | Administration, Finance & General Management | Wide experience in Engineering and Management. |
| Directorships held in other Companies | Company Academy for Global Education Services Pvt. Ltd. Netel (India) Ltd. Uni Deritend Ltd. Yashraj Biotechnology Ltd. | Fortune Financial Services (I) Ltd. Gabriel India Ltd. Uni Deritend Ltd. |
| Memberships/ Chairmanships of Board/ Committees of other public companies. | Audit Committee - Member Netel (India) Ltd. | Audit Committee - Chairman Fortune Financial Services (I) Ltd. Uni Deritend Ltd. Gabriel India Ltd. |
| Equity shareholding in the Company | NIL | NIL |

| Name | Mr. M. P. Bharucha | Mr. Farokh Banatwalla |
|---|---|--|
| Date of Birth & Age | 29th October, 1948 - 64 years | 19th April, 1949 - 63 years |
| Appointed on | 1st February, 2011 | 29th May, 2012 |
| Qualifications | L.L.B. Solicitor, High Court, Mumbai Solicitor, Supreme Court of England and Wales Solicitor, High Court Hong Kong | B. Com L.L.B. CAIIB (I) |
| Expertise in specific | All respects of Corporate Law including in respect of matters covered by Companies Act, FEMA, Arbitration Act, SEBI Act and allied Statutes. | Wide experience in Finance and Banking. |
| Directorships held in other Companies | CyberTech Systems & Softwares Ltd. Lucid Colloids Ltd. Oil Field Instrumentation India Pvt. Ltd.. | Bullows India Pvt. Ltd. Bullows Paint Equipments Pvt. Ltd Clover Infotech Pvt. Ltd Clover Realty & Infrastructure Pvt. Ltd Gramos Chemicals India Pvt. Ltd Josts Engineering Co. Ltd. Oil Field Instrumentation India Pvt. Ltd Sameera Developers Pvt. Ltd. Simmonds Marshall Ltd Worthwhile Properties Pvt. Ltd. |
| Memberships/ Chairmanships of Board/ Committees of other public companies. | - | Audit Committee - Chairman Josts Engineering Co. Ltd. |
| Equity shareholding in the Company | NIL | NIL |

12. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by enabling paperless compliance by the Company and by its Circulars dated April 21, 2011 and April 29, 2011 stated that service of notice/documents including Annual Reports can be sent by e-mail to its Members. To support this initiative, Members are requested to register their e-mail addresses along with Client ID/ Folio Number with “companysecretary@uniabex.com”. The e-mail address so registered would be deemed to be the registered e-mail address for serving notice/documents including those covered under Section 219 of the Companies Act, 1956. The Notice of Annual General Meeting and the copies of Audited Financial Statements, Directors’ Report, Auditors’ Report, etc. will also be displayed on the Company’s Website: www.uniabex.com and other requirements of the aforesaid Circulars will be duly complied with.

ANNEXURE TO THE NOTICE

(Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 regarding Special Business)

Item No. 6:

Mr. M. P. Bharucha who was appointed a Director of the Company on 1st February, 2011, to fill in the casual vacancy caused by the demise of Mr. E.B. Desai, in terms of the Companies Act and Articles of Association of the Company vacates office at this Annual General Meeting pursuant to the provisions of Section 262 of the Companies Act, 1956 as Mr. E. B. Desai, in whose place he was appointed, would have retired by rotation at this meeting.

A notice has been received by the Company from a Member under Section 257 of the Companies Act, 1956 proposing the appointment of Mr. M. P. Bharucha, as a Director of the Company at this meeting. Mr. M. P. Bharucha being eligible offers himself for reappointment as a Director at this meeting.

Mr. M. P. Bharucha is a Solicitor and a Partner in M/s. Bharucha & Partners.

The Board commends the said resolution for the approval of the Members.

Only Mr. M. P. Bharucha is interested in this resolution as it relates to his appointment.

Item No. 7:

Mr. Farokh Banatwalla was appointed as an Additional Director of the Company with effect from 29th May, 2012 pursuant to Article 111 of the Articles of Association of the Company. As per the provisions of the said Article and section 260 of the Companies Act, 1956, Mr. Farokh Banatwalla holds office up to this Annual General Meeting and is eligible for appointment.

The Company has received a notice from a Member under section 257 of the Companies Act, 1956, proposing the appointment of Mr. Farokh Banatwalla as a Director of the Company.

Mr. Farokh Banatwalla is a reputed and leading Banker with a vast experience of more than 38 years in Indian and Foreign banks. He has held various positions like CEO and Managing Director during his tenure.

The Directors, being of the view that his experience in the corporate field in particular, will be of immense benefit to the Company, commend the said resolution for the approval of the Members.

Only Mr. Farokh Banatwalla is interested in this resolution as it relates to his appointment.

Registered Office:

Liberty Building,
Sir Vithaldas Thackersey Marg,
Mumbai 400 020

By Order of the Board

Parag M. Lakhani

V.P. - Legal & Company Secretary

Date: 4th June, 2012

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting herewith their Thirty-Ninth Annual Report with the Audited Accounts of the Company for the year ended March 31, 2012.

OPERATIONS AND FINANCIAL RESULTS

SUMMARY OF FINANCIAL RESULTS

The attached Balance Sheet as at 31st March, 2012 and the Statement of Profit & Loss Account for the year ended 31st March, 2012 are in the new formats prescribed under the revised Sixth Schedule to the Companies Act, 1956 which has become effective from the financial year that commenced on 1st April, 2011. However, the following figures are collated and presented for ready reference and comparison:

| | | ₹ in lacs |
|--|--------------------|--------------------|
| <u>Particulars</u> | <u>2011-12</u> | <u>2010-11</u> |
| Gross Sales | 6653.27 | 5655.06 |
| Less: Excise Duty & Sales Tax | 615.27 | 497.53 |
| Net Sales | 6038.00 | 5157.53 |
| Add: Other income | 207.51 | 132.32 |
| Total income | 6245.51 | 5289.85 |
| Profit before Depreciation | 1294.29 | 1249.10 |
| Less: Depreciation | 145.97 | 129.96 |
| Profit Before Tax | 1148.32 | 1119.14 |
| Prior Year Adjustment (Note No. 28) | - | 44.25 |
| Less: Provision for Income Tax | 379.00 | 377.50 |
| Add: Income Tax adjustment for previous years | 9.75 | 3.96 |
| Add: Deferred Tax adjustment for the previous year | 12.25 | 4.78 |
| Profit After Tax | 791.32 | 794.63 |
| Balance brought forward | 2568.97 | 1938.42 |
| Profit Available for Appropriation | 3360.29 | 2733.05 |
| Proposed Dividend on Equity Shares | 69.13 | 55.30 |
| Dividend Tax on the above | 11.21 | 8.78 |
| Transferred to General Reserve | 100.00 | 100.00 |
| Surplus Carried to Balance Sheet | 3179.95 | 2568.97 |

DIVIDEND

Your Directors recommend a dividend of Rs. 3.50/- per Equity Share of nominal value of Rs. 10 each (i.e. 35%) for the year ended March 31, 2012. The total outgo towards dividend on Equity Shares together with dividend tax amounts to Rs. 80.34 Lacs.

OPERATIONS

Despite inflationary trend in the domestic market and sluggish recovery in overseas markets, the turnover for the year was higher by 17.7%, compared to the previous year.

PROSPECTS

The latter half of the year under review witnessed the revival of growth in the Decanter Segment, both in domestic and export segments. The revival augurs well for the Company's Decanter business. The business in the Iron Segment and Petro Segment pose challenges which the Company is trying to overcome with development of new products and tie-ups.

NEW PROJECT

With the revival in the Decanter Segment, the work on execution of the Project at Dharwad has been expedited. The Project with expected capital outlay of Rs.44 Crs. is scheduled to be operational by the end of the financial year 2012-13.

QUALITY MANAGEMENT

The Company's commitment to high standards of quality continues against competitive price pressures.

ENVIRONMENT, HEALTH AND SAFETY

The Company is committed to the highest level of safety, health and environment for all its stake holders - employees, customers, vendors, business associates and neighbourhood. Company's operations were certified for ISO 14001 and OHSAS 18001 in June 2011.

HUMAN RESOURCE MANAGEMENT

Focused H.R. initiatives are being taken for training and development. The relations between the employees and the management continue to remain cordial. It is in the spirit of this cordiality that a new wage settlement has been negotiated with the representative Union of the Workers.

DIRECTORS

Mr. M. P. Bharucha was appointed as a Director in the vacancy caused by the death of Mr. E. B. Desai. In terms of Section 262 of the Companies Act, 1956 Mr. Bharucha holds office of Director till the date of the ensuing Annual General Meeting. The Company has received Notice from a Member pursuant to the provisions of Section 257 of the Companies Act, 1956 proposing the appointment of Mr. Bharucha as a Director at the ensuing Annual General Meeting.

Mr. Farokh Banatwalla was appointed as an Additional Director on 29th May, 2012 by the Board of Directors of the Company. In terms of Section 260 of the Companies Act, 1956 Mr. Banatwalla holds the office of Director till the date of the ensuing Annual General Meeting. The Company has received Notice from a Member pursuant to the provisions of Section 257 of the Companies Act, 1956 proposing the appointment of Mr. Banatwalla as a Director at the ensuing Annual General Meeting.

In terms of the relevant provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. P. Subrahmanyam and Mr. H. R. Prasad retire by rotation and being eligible, offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors, based on the representations received from the Operating Management, confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) In consultation with the Statutory Auditors, appropriate accounting policies have been followed and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit for year ended on that date;
- (iii) To the best of their knowledge and ability, proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the applicable provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, if any;
- (iv) The annual accounts have been prepared on a going concern basis.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956.

The information required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended by the Companies (Particulars of Employees) Amended Rules, 2011 is not furnished as there is no employee drawing remuneration exceeding the prescribed limits.

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

The particulars as required to be disclosed 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 are given in Annexure – I and form a part of this Report.

CORPORATE GOVERNANCE

In terms of the Listing Agreement, Management Discussion and Analysis Report is annexed and forms part of the Annual Report. A report on Corporate Governance along with the Auditors' Certificate on its compliance is also annexed forming part of the Annual Report.

AUDITORS

The members are requested to appoint the Auditors for the current year and fix their remuneration. Messrs. Ford, Rhodes, Parks & Co., Chartered Accountants, Mumbai, the existing Auditors of the Company have furnished the Certificate of their eligibility for reappointment under Section 224 (1) of the Companies Act, 1956.

COST AUDITORS

Pursuant to the Companies (Cost Accounting Records) Rules, 2011 read with Order dated 30th June, 2011 of the Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi, the Company is required to get its cost accounting records, in respect of the financial year commencing from 1st April, 2011 audited by a Cost Auditor. In compliance with the requirement, your Directors have appointed Messrs. Kirit Mehta & Co. as Cost Auditors.

APPRECIATION

Your Directors place on record their appreciation of the continued support, cooperation and assistance from our shareholders, customers, suppliers, employees and employees' union and other business associates including various agencies of the Central and State Governments and Bankers.

Mumbai, 29th May, 2012

On Behalf of the Board of Directors
F. D. Neterwala
Chairman

ANNEXURE – I

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2012.

A. CONSERVATION OF ENERGY:

a) Energy conservation measures taken:

Energy conservation is being pursued with considerable focus and commitment by the Management through improved operational and maintenance practices. Steps taken by the Company in this direction are as under:

- Improvement of efficiency of melting operations for optimum furnace utilization.
- Maintaining Power Factor to near unity.
- Translucent roofing sheets for the factory and electronic ballast for the lights in factory & offices to reduce power consumption on lights.
- Measuring, monitoring and managing of power consumption at various consumption points and corrective action to ensure minimum wastage.
- Awareness amongst employees about the need to conserve energy.

b) Additional investments & proposals, if any, being implemented for reduction of consumption of Energy:

- Replacement of old equipments with new energy efficient equipments.

c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

- The above measures will result in energy savings and consequent decrease in cost of production.

B. TECHNOLOGY ABSORPTION:

Research & Development (R & D)

1) Specific areas in which R & D carried out by the Company:

Development of heat, wear and corrosion resistant alloys for new applications.

2) Benefits derived as a result of above R & D:

Research and Development work has helped in increasing the range & quality of products and business volumes coupled with cost control.

3) Future plan of action:

Development of proprietary alloys for special heat, wear and corrosion resistant applications.

4) Expenditure on R & D:

| | |
|--|---------------|
| i) Capital Expenditure : | ₹ Nil |
| ii) Recurring Expenditure : | ₹ 50.14 lakhs |
| iii) Total Expenditure : | ₹ 50.14 lakhs |
| iv) Total R & D Expenditure as a percentage of total turnover: | 0.8% |

5) Technology absorption, adaptation and innovation:

The in-house R & D department is recognised by the Government of India, Department of Science & Technology. The technology is continually upgraded to meet the demanding market conditions. Quality of products manufactured by this Company is well appreciated by the user industries including overseas customers.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars with regard to Foreign Exchange Earnings and Outgo are set out in Note Nos. 31, 32, 33 and 41 in Notes to the financial statements.

FORM – A

Form for disclosure of particulars with respect to conservation of energy

(A) Power and Fuel Consumption

| | Current Year (2011-12) | Previous Year (2010-11) |
|---|---------------------------|----------------------------|
| 1. Electricity | | |
| (a) Purchased Units (KWH) | 35,59,880 | 33,40,530 |
| Total Amount (₹) | 29,995,599 | 23,023,845 |
| Rate / Unit (₹ / KWH) | 8.43 | 6.89 |
| (b) Own Generation | | |
| (i) Through Diesel Generator Unit | 1,948 | 320 |
| Unit per Litre of Diesel Oil | 3.86 | 2.46 |
| Cost / Unit | 12.30 | 18.08 |
| (ii) Through Steam Tubing / Generators Units | Not Applicable | Not Applicable |
| Unit per Litre of Fuel / Oil / Gas Cost / Unit | | |
| 2. Coal (Specify Quality and where used) | Not Applicable | Not Applicable |
| Quantity (Tonnes) | | |
| Total Cost | | |
| Average Rate | | |
| 3. Light Diesel Oil | | |
| Quantity (K Litres) | 215 | 183 |
| Total Amount (₹) | 10,282,651 | 79,51,186 |
| Average rate (₹ / K Litre) | 47,826 | 43,449 |

(B) Consumption per unit of production

| Electricity KWH / tonne | | Light Diesel Oil Litres / tonne | |
|----------------------------|----------------------------|------------------------------------|----------------------------|
| Current Year 2011 - 12 | Previous Year 2010 – 11 | Current Year 2011 – 12 | Previous Year 2010 – 11 |
| 4269 | 4488 | 258 | 246 |

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The operations of the Company cannot be totally insulated from the impact of high inflation and high interest rates inland and sluggish recovery from recession overseas. In spite of working in such a business scenario, the Company has been able to sustain its performance thanks to the commitment and unsparing efforts of its human resources at all levels and focused cost management, especially the cost of materials.

The sale of castings was ₹ 556 lacs. as against ₹ 484 lacs last year. With signs of recovery from recession in the overseas markets, the exports of decanter components picked up. The sales in the domestic decanter segment were more or less maintained at previous year's level.

The Company has been able to make a thrust in the Iron & Steel segment by taking orders at very competitive prices. This segment is highly price sensitive and rising metal prices coupled with severe competition have put margins under pressure.

The Petro Segment is dominated by well entrenched overseas suppliers who are able to offer more competitive prices and short delivery times on account of dedicated manufacturing set up. For making an effective headway in this business, the Company is exploring tie-ups with overseas manufacturers.

THREATS & OPPORTUNITIES

The aging of the Company's plant and equipment, inflationary price spiral, intense competition and none too promising economic scenario worldwide are threats to our industry, like in almost all the industries.

As the economy recovers from recession, the Company sees opportunities for rebound of markets for Decanter and other products.

OUTLOOK

The Company's focus on innovation and product development / improvement as well as on containing costs without compromising on quality are slowly but surely yielding results. Barring unforeseen circumstances the Company's outlook for 2012-13 is positive.

RISKS & CONCERNS

The Company is exposed to economic risks arising out of inflation being further impacted by unmitigating price rises in fuel and inputs, which could be aggravated if the forecasts of a normal monsoon are belied.

The Board of Directors is informed about the risk assessment and minimization procedures. The Executive management has a properly defined framework in place to control and contain risks.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has well laid out standard operating procedures covering the entire gamut of business operations with adequate systems of internal controls. The Company has an organization structure which takes care of ensuring adherence to the laid down standard operating procedures. The Internal Auditors conduct audit of all the aspects of the business to assess effectiveness of existing control systems, adherence to management instructions and policies and compliance with laws and regulations of the Country.

The audit committee headed by a Chairman, who is an independent director, meets quarterly with the Management, Internal Auditors and the Company's statutory auditors to review the internal audit reports.

FINANCIAL PERFORMANCE VIS-A-VIS OPERATIONAL PERFORMANCE**Financial Performance**

Total income (net sales and other income) for the year was at ₹ 6246 lacs is higher than ₹ 5290 lacs of the previous year. The PAT for the year at ₹ 791 lacs is marginally lower than ₹ 795 lacs of the year preceding. One of the main reasons is the discontinuation of DEPB Scheme and consequent reduction in export benefits.

Operational Performance

With the inputs from a professional HR Consultant, the HRD policies are continuously being upgraded to keep pace with development. Growth and development of employees are the thrust areas of HRD policies. As at 31st March, 2012 the total number of employees on the roll of the Company stood at 143.

A long term wage settlement has been signed with the representative Union in the pervading spirit of cordial and harmonious relationship.

CAUTIONARY STATEMENT

Statements in this Management Discussions and Analysis Report are based upon the data available with the Company, certain assumptions on the economic outlook of the country, government policies, and political developments within and outside the country. The Management is not in a position to guarantee the accuracy of the assumptions and the projected performance of the Company in future. It is, therefore cautioned that the actual results may differ from those expressed or implied herein.

REPORT ON CORPORATE GOVERNANCE

The philosophy of corporate governance is about commitment to values and ethical business practices. UNI ABEX ALLOY PRODUCTS LIMITED'S (UA) rich legacy of fair, ethical and transparent governance practices have been in vogue even before they were mandated. We lay great emphasis on professionalism, honesty, integrity and ethical behavior not only in our day to day operations within the organization but through a truly transparent and democratic style of management which extends all the way to our Board members and other stake holders.

As a responsible corporation, our deep seated values set the framework of accountability in all our business related affairs and processes. UA's business objective and that of its management and employees is to manufacture quality products and market them in such a way so as to create a lasting value that can be sustained over the long term.

The Company produces static, centrifugal castings and assemblies in heat and corrosion resistant alloys. Manufacturing quality alloy products is its prime focus. As a leader in alloy steel castings for decanters and reformer tubes, the Company has made a significant contribution to various industries in the last four decades.

The business principles in harmonization with the code of conduct and strict SOPs' laid and developed in line with the relevant regulations, underline the Company's strong commitment to follow a highly disciplined approach to its business model giving it a distinct corporate personality. The Company's Management places considerable emphasis on compliance aimed at providing good governance.

1. COMPANY STRUCTURE

The Company has a total strength of 143 permanent employees as on 31st March, 2012 comprising of

| | |
|------------|----|
| Managers- | 22 |
| Officers - | 40 |
| Staff - | 19 |
| Workers - | 62 |

2. BOARD OF DIRECTORS:

In accordance with the law, the Board of Directors is the apex management body of the Company. The Board acts as the nerve centre of the organization. In addition to reviewing and approving specific corporate policies and actions as required by law (e.g., declaration of dividends and approval of accounts) it is actively involved in reviewing and guiding corporate strategy and major plans of action, monitoring implementation of plans and corporate performance, ensuring the integrity of the Company's accounting and financial reporting systems and over viewing compliance with all legislations applicable to the business.

2.1 COMPOSITION

The Board of Directors comprises of a Non-Executive Chairman Emeritus, Non-Executive Chairman, an Executive Director and 6 other Non-Executives Directors. Out of the 8 Non-Executive Directors, 5 are Independent Directors. The composition of the Board of Directors with reference to the number of Non-Executive / Independent Directors meets with the requirements of Clause 49 of the Listing Agreement.

| Name of Director | Category | No. of other Directorships | | No. of Outside Committees | |
|---------------------|--|----------------------------|---------|---------------------------|----------|
| | | Public | Private | Member | Chairman |
| Mr. D. M. Neterwala | Promoter Non-Executive Director Chairman Emeritus | 8 | 6 | 3 | 1 |
| Mr. F. D. Neterwala | Promoter Non-Executive Chairman | 6 | 8 | 4 | - |
| Mr. R. B. Mehta | Promoter Non-Executive | - | 2 | - | - |
| Mr. K. M. Elavia | Independent and Non-Executive | 8 | 2 | 3 | 3 |

| Name of Director | Category | No. of other Directorships | | No. of Outside Committees | |
|-----------------------|-------------------------------|----------------------------|---------|---------------------------|----------|
| | | Public | Private | Member | Chairman |
| Mr. H. R. Prasad | Independent and Non-Executive | 3 | - | - | 3 |
| Mr. P. Subrahmanyam | Independent and Non-Executive | 3 | - | 1 | - |
| Mr. M. P. Bharucha | Independent and Non-Executive | 2 | 1 | - | - |
| Mr. M. K. Fondekar* | Executive Director | 3 | - | - | - |
| Mr. F. K. Banatwalla# | Independent and Non-Executive | 2 | 8 | - | 1 |

* Mr. M. K. Fondekar was reappointed as Executive Director of the Company on 01.07.2011 for a period of 2 years which was approved by the Members of the Company at the Annual General Meeting held on 25th August, 2011.

Mr. F. K. Banatwalla was appointed as an Additional Director of the Company on 29th May, 2012.

None of the Directors of the Board is a member of more than ten Committees and Chairman of more than five Committees as per Clause 49(IV)(B) of the Listing Agreement, across all Companies in which he is a Director.

2.2 MEETINGS

During the period from 1st April, 2011 to 31st March, 2012, Six Board Meetings were held as under:

- 3rd May, 2011
- 28th June, 2011
- 10th August, 2011
- 25th August, 2011
- 11th November, 2011
- 14th February, 2012

Attendance of Directors at Board Meetings and at the 38th Annual General Meeting held on 25th August, 2011 and details of Sitting fees and Commission paid to the Directors for the period under review are as follows:

| Name of Director | No of Board Meetings | | Sitting fees paid Rs. | Attendance at the last AGM | Commission Paid Rs. |
|-----------------------|----------------------|----------|--------------------------|----------------------------|------------------------|
| | Held | Attended | | | |
| Mr. D. M. Neterwala | 6 | 5 | 25000 | No | 83,499 |
| Mr. F. D. Neterwala | 6 | 5 | 25000 | No | 1,59,856 |
| Mr. R. B. Mehta | 6 | 6 | 30000 | Yes | 85,437 |
| Mr. K. M. Elavia | 6 | 5 | 25000 | Yes | 59,856 |
| Mr. H. R. Prasad | 6 | 3 | 15000 | Yes | 50,709 |
| Mr. P. Subrahmanyam * | 6 | 0 | NIL | No | NIL |
| Mr. M. P. Bharucha | 6 | 4 | 20000 | Yes | 31,561 |
| Mr. M. K. Fondekar\$ | 6 | 6 | NIL | Yes | NIL |
| Mr. F. K. Banatwalla# | - | - | - | - | NIL |

. F. K. Banatwalla was appointed as an Additional Director on 29th May, 2012.

\$ Mr. M. K. Fondekar is not entitled to Commission and Sitting Fees being an Executive Director.

* Mr. P. Subrahmanyam has been entrusted with Government duty and hence under the relevant guidelines cannot attend to any other business.

2.3 BOARD PROCEDURE

The meetings of the Board of Directors are scheduled well in advance in terms of the Annual Calendar and are generally held at the Registered Office of the Company. The Company Secretary prepares a detailed agenda for each meeting. The Board papers comprising the agenda along with the draft of relevant resolutions,

documents and explanatory notes, wherever required are sent at least a week in advance to all the Directors. This enables the Board to discharge its responsibilities effectively and take well deliberated and informed decisions. The draft minutes of the Board and Audit Committee Meetings confirmed by the Chairman of the Board / Chairman of Audit Committee are circulated to all the Directors. The information generally provided to the Board for its consideration and approvals include:

- Minutes of the preceding meetings of Board and Audit Committees;
- Confirmation of Circular Resolution etc.
- Quarterly, half yearly and annual financial results of the Company and its business segments;
- Annual budget and performance targets;
- Appointment of statutory, cost and internal auditors;
- Appointment of key management personnel;
- Issues relating to shareholders – such as issue of duplicate share certificates, etc.;
- Materially important show cause, demand, prosecution and penalty notices
- Review of foreign exchange exposures and exchange rate movement, if material;
- Contracts in which Director(s) are interested or deemed to be interested;
- Defaults in payment of statutory dues, if any;
- Matters requiring statutory/Board approvals;
- Status on compliance of any regulatory or statutory nature or listing requirement;
- Issue/revocation of Power of Attorney;
- General disclosure of interest.
- Compliance of various laws and Accounting Standards;
- Any remarks/ observances/ findings made by the Statutory and Internal Auditors of the Company;
- Development in respect of human resources;
- Making of loans and investment of surplus funds;
- Status of business risk exposures, its management and related action;
- Execution of bank/stock/mortgage documents/authority for opening/operations of bank accounts.
- All policy related matters.

3. BOARD COMMITTEES

The Company follows procedures and practices in conformity with the code of Corporate Governance. In keeping with the spirit of the code, the Board has constituted the following committees:

I. Audit Committee:

The Audit Committee as at March 31, 2012 comprised of:

| Name of Director | Category |
|----------------------|-----------------------------------|
| Mr. K. M. Elavia | Chairman & Independent Director |
| Mr. F. D. Neterwala | Promoter – Non Executive Director |
| Mr. H. R. Prasad | Independent Director |
| Mr. P. Subrahmanyam* | Independent Director |

Mr. Parag M. Lakhani, Vice President Legal & Company Secretary is the Secretary of the Audit Committee.

Mr. Milind Ashar, Deputy Company Secretary is the Compliance Officer of the Company.

The terms of reference of this Committee cover the matters under clause 49 of the Listing Agreement.

5 Meetings of the Audit Committee were held during the year.

The details of meetings held during the year 2011-2012 and the attendance thereat are as follows:

- 3rd May, 2011
- 28th June, 2011
- 10th August, 2011
- 11th November, 2011
- 11th February, 2012

Attendance at the Meetings

| Name of Director | No of Audit Committee Meetings | | Total Sitting fees paid |
|----------------------|--------------------------------|----------|-------------------------|
| | Held | Attended | ₹ |
| Mr. K.M. Elavia | 5 | 5 | 5000 |
| Mr. F. D. Neterwala | 5 | 5 | 5000 |
| Mr. H. R. Prasad | 5 | 4 | 4000 |
| Mr. P. Subrahmanyam* | 5 | 1 | NIL |

* Mr. P. Subrahmanyam has been entrusted with Government duty and hence under the relevant guidelines cannot attend to any other business.

Sitting Fees:

The Company paid to the Directors Rs.5000/- as sitting fees for attending each meeting of the Board and Rs.1000/- for attending each meeting of the Audit Committee.

II. Remuneration Committee:

A Committee of Directors comprising of Mr. K. M. Elavia, Mr. R. B. Mehta and Mr. P. Subrahmanyam has been formed as Compensation / Remuneration Committee for the purpose of recommending of the Executive Director, Senior Executives' remuneration / revision / merit increment and related matters. No sitting fees are payable for the meetings of this Committee.

III. Shareholders' Investors' Grievance Committee:

The composition of the Shareholders' / Investors' Grievance Committee as at March 31, 2012 is as under:

| Name of the Director | Category |
|----------------------|------------------------|
| Mr. D. M. Neterwala | Non-Executive Director |
| Mr. F. D. Neterwala | Non-Executive Director |
| Mr. R. B. Mehta | Non-Executive Director |

The Committee meets as often as necessary. No sitting fees are payable for the meetings of this committee. In accordance with the authority granted by the Board/Share Transfer Committee, Mr. Milind Ashar, Deputy Company Secretary & Compliance Officer (Secretary to the Committee) deals with the following matters concerning shareholders, once in a fortnight:

- Transfer/Transmission of physical shares
- Split/Sub-division, consolidation & duplicate share certificates of physical shares as approved by the Board.
- Rematerialisation of Shares.

M/s. Computech Sharecap Ltd., the Registrar and Share Transfer Agents, deal with all matters related to shares (whether physical or in demat form) and dividends.

The communications received from the Shareholders are generally pertaining to change of address, non-receipt of dividend warrants, annual reports, bank mandates, revalidation of dividend warrant/consolidation/split/remat /transmission of shares etc.

These have been addressed and redressed to the satisfaction of the Shareholders by Registrar & Share Transfer Agents. There was neither unattended nor pending investor grievance as on 31st March, 2012. The Board has consented to the understanding that complaints of non-receipt of Dividend and Annual Reports are not be treated as complaints under Clause 49 (G)(iii), as the Company's liability is discharged when the relevant articles are posted at the last known address of the investor. However in the above cases the letters received from the investors are being serviced promptly in addition to the responsibility under clause 49 of the Listing Agreement, as an investor friendly measure beyond the legal obligations.

The Company has engaged the services of a practicing Company Secretary to independently verify and audit the share transfer records and register of members every quarter at the office of the Registrar & Share Transfer Agents. No materially significant non-compliance from established procedures is reported by them.

4. DETAILS OF ANNUAL GENERAL MEETINGS

The last three Annual General Meetings were held as under:

| Financial year | Date | Time | Location |
|----------------|-----------|-----------|--|
| 2008-2009 | 17.8.2009 | 3.00 P.M. | M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K.Dubash Marg, Mumbai-400 023 |
| 2009-2010 | 26.7.2010 | 3.30 P.M. | - do - |
| 2010-2011 | 25.8.2011 | 3.00 P.M. | - do - |

No Ordinary or Special Resolution was passed through Postal Ballot.

For the Financial year 2011-2012 the Annual General Meeting of the Company will be held on Thursday, 23rd August, 2012 at 3.00 P. M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai-400 023.

5. DISCLOSURES

- The Company did not have any related party transaction which may have potential conflict with the interest of the Company at large. However, related party transactions have been disclosed under **Note No.35** to the accounts for the year under review.
- There were no instances of non-compliance and no penalties/strictures have been imposed/passed by Stock Exchange, SEBI or any other statutory authority during last three years on any matter related to the capital markets.
- During the financial year 2011-2012, there is **no audit qualification** in the Company's financial statements.

6. MEANS OF COMMUNICATION

- The quarterly, half yearly and full year results are taken on record by the Board of Directors and submitted to the Stock Exchanges in terms of the requirements of Clause 41 of the Listing Agreement and are published in 'Free Press Journal' and 'Nav Shakti' newspapers.
- The financial results are displayed on the Company's Website viz: www.uniabex.com
- The Management Discussion and Analysis Report is attached with the Directors' Report in this 39th Annual Report of the Company posted to the Shareholders.

7. GENERAL SHAREHOLDER INFORMATION

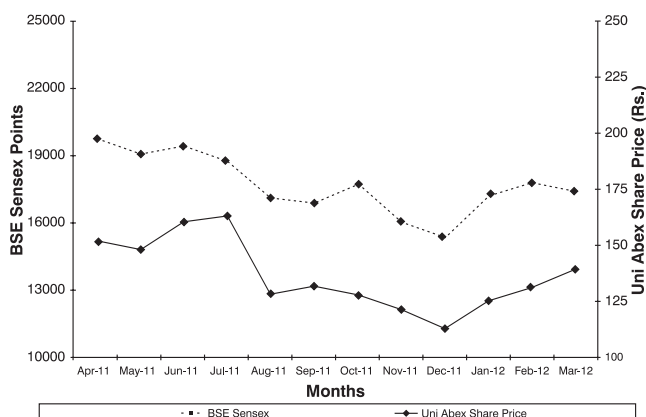
| | |
|-------------------------------|--|
| Annual General Meeting | |
| Date | Thursday, 23rd August, 2012 |
| Time | 3.00 P.M. |
| Venue | M.C. Ghia Hall, 2nd Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai - 400 023. |

| | |
|--|--|
| Financial Calendar | Financial Year April to March |
| First Quarter Results | By 14th of August, 2012 (With Limited Review) |
| Half Yearly Results | By 14th of November, 2012 (With Limited Review) |
| Third Quarter Results | By 14th of February, 2013 (With Limited Review) |
| Audited Results for the year ending 31st March, 2013 | By 31st of May, 2013 |
| Registrars & Transfer Agents | M/s.Computech Sharecap Ltd. 147, Mahatma Gandhi Road, 3rd Floor, Above Khyber Restaurant, Fort, Mumbai-400 023 Tel: 22635001/02 Email:helpdesk@computechsharecap.com |
| Dates of Book Closure | 10th – 23rd August, 2012 |
| Dividend Payout Date | 10th September, 2012 |
| Listing on Stock Exchanges | The Stock Exchange, Mumbai. The Delhi Stock Exchange Association Ltd. |
| Stock Code - | |
| Stock Exchange, Mumbai | 504605 |
| Stock Exchange, Delhi | 21029 |
| Demat ISIN Number for N.S.D.L. & C. D. S.L. | ISIN - INE361D01012 |

8. THE MONTHLY HIGH AND LOW QUOTATIONS OF SHARES TRADED ON THE STOCK EXCHANGE MUMBAI ARE AS FOLLOWS

| Sr. No. | Month | High (Rs.) | Low (Rs.) |
|---------|-----------------|------------|-----------|
| 1 | April, 2011 | 180.00 | 135.50 |
| 2 | May, 2011 | 162.65 | 130.00 |
| 3 | June, 2011 | 199.45 | 145.00 |
| 4 | July, 2011 | 167.00 | 145.50 |
| 5 | August, 2011 | 163.95 | 120.00 |
| 6 | September, 2011 | 140.95 | 122.55 |
| 7 | October, 2011 | 149.25 | 122.60 |
| 8 | November, 2011 | 135.00 | 121.00 |
| 9 | December, 2011 | 127.00 | 110.50 |
| 10 | January, 2012 | 128.80 | 109.55 |
| 11 | February, 2012 | 151.60 | 121.50 |
| 12 | March, 2012 | 147.60 | 129.00 |

Comparison between Uni Abex Share Price on Closing Basis v/s BSE Sensex on Closing Basis for F.Y. 2011-2012



9. SHARE TRANSFER SYSTEM

Shares in physical forms are processed by the Registrars and Share Transfer Agents within 15-25 days from the date of its receipt. If the documents are complete in all respects they are forwarded to the Company for approval of the Shareholders' / Investors' Grievance Committee. The Committee approves the same within 15 days of receipt from the Registrars and returns to the Registrars for onward transmission to the concerned Shareholder.

87.58 % of total Equity Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2012.

10. DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2012

| No of Equity Shares | No of Shareholders | % of Shareholders | No of Shares held | % of Shareholding |
|---------------------|--------------------|-------------------|-------------------|-------------------|
| 1 – 500 | 7777 | 98.20 | 447166 | 22.64 |
| 501 – 1,000 | 83 | 1.05 | 66376 | 3.36 |
| 1,001 – 2,000 | 40 | 0.51 | 54961 | 2.78 |
| 2,001 – 3,000 | 6 | 0.07 | 15042 | 0.76 |
| 3,001 – 4,000 | 4 | 0.05 | 13873 | 0.70 |
| 4,001 – 5,000 | 2 | 0.03 | 9802 | 0.50 |
| 5,001 – 10,000 | 2 | 0.03 | 11380 | 0.58 |
| 10,001 and above | 5 | 0.06 | 1356400 | 68.68 |
| Total | 7919 | 100.00 | 1975000 | 100.00 |

| CATEGORY | No of Shares held | Percentage of shareholding |
|--|-------------------|----------------------------|
| PROMOTERS' HOLDING | | |
| 1. Promoters | | |
| - Indian Promoters | 1253288 | 63.46 % |
| - Foreign Promoters | 0 | 0.00 % |
| Sub-Total | 1253288 | 63.46 % |
| NON-PROMOTERS' HOLDING | | |
| 2. Institutional Investors | | |
| a. Mutual Funds & UTI | 100 | 0.01 % |
| b. Banks, Financial Institution, Insurance Companies, Central, State Govt. Institution | 506 | 0.03 % |
| Non-Govt Institutions | | |
| c. Foreign Institutional Investors | 0 | 0.00 % |
| Sub-Total | 606 | 0.03 % |
| 3. Others | | |
| a. Private Corporate Bodies | 136943 | 6.93% |
| b. Indian Public | 579356 | 29.33% |
| c. NRIs/OCBs | 4807 | 0.24% |
| d. Independent Directors & Relatives | - | - |
| e. Any Other | - | - |
| Sub-Total | 721106 | 36.51 % |
| GRAND TOTAL | 1975000 | 100.00 % |

11. PLANT LOCATION: Mullabaugh, Swami Vivekanand Road, Manpada, Thane - 400 610

12. ADDRESS FOR CORRESPONDENCE:

Shareholders may correspond for all matters relating to the transfer / unpaid dividend/ duplicate share certificates / Procedure for dematerialisation of shares and any other query relating to shares of the Company with:

M/s. Computech Sharecap Ltd., 147, Mahatma Gandhi Road, 3rd Floor, Above Khyber Restaurant, Fort, Mumbai-400 023. Tel: 22635001 / 2 - Fax: 22635005 - E-mail: helpdesk@computechsharecap.com

DECLARATION

I, Mohan Krishna Fondekar, Executive Director of Uni Abex Alloy Products Ltd., hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the code of conduct for the year ended March 31, 2012.

Thane
May 29, 2012

M. K. Fondekar
Executive Director
Uni Abex Alloy Products Ltd.

CEO / CFO CERTIFICATION

As required by sub clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial year ended 31st March, 2012, the Company has complied with the requirements of the said sub clause.

For Uni Abex Alloy Products Ltd.

Thane
May 21, 2012

M.K. Fondekar
Executive Director

J.D. Divekar
General Manager Finance

AUDITORS REPORT ON CORPORATE GOVERNANCE To the Shareholders of Uni Abex Alloy Products Ltd.

We have examined the compliance of conditions of Corporate Governance by Uni Abex Alloy Products Ltd. for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of 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, we certify that 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 Ford, Rhodes, Parks & Co.
Chartered Accountants
Firm's Registration No 102860W

Mumbai, 29th May, 2012

S.B. Prabhu
Partner
Membership No.35296

AUDITORS' REPORT TO THE SHAREHOLDERS OF UNI ABEX ALLOY PRODUCTS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2012

1. We have audited the attached Balance Sheet of Uni Abex Alloy Products Limited as at 31st March, 2012, together with the Statement of Profit and Loss of the Company for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that of the company date. 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 the 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, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments 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 purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - c) The Balance Sheet, Statement of Profit and Loss dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss dealt with by this report are in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - e) On the basis of the written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of 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 accounts read 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, 2012;
 - ii) in the case of the Statement of Profit and Loss, of the profit 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 Ford, Rhodes, Parks & Co.
Chartered Accountants
Firm's Registration No. 102860W

S.B. Prabhu
Partner

Mumbai, 29th May, 2012

Membership No.35296

ANNEXURE TO THE AUDITORS' REPORT OF EVEN DATE TO THE SHAREHOLDERS OF UNI ABEX ALLOY PRODUCTS LIMITED (Referred to in paragraph 3 thereof)

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 (the Act), and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of the audit, we further report that: -

1. (a) The Company has maintained records showing full particulars, including quantitative details and situation of its fixed assets.
(b) The fixed assets of the Company have been physically verified by the management during the year as per the programme of verification drawn up which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification as compared to book records.
(c) During the year, the Company has not disposed off a substantial part of fixed assets so as to affect the going concern status of the Company.
2. (a) The stocks of finished goods, raw materials, stores and spare parts have been physically verified by the management at reasonable intervals during the year. In our opinion the frequency of verification is reasonable.
(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 has maintained proper records of inventory and the discrepancies between the physical inventory and the book records noticed on physical verification were not material and have been properly dealt with in the books of account.
3. The Company has not granted or taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have neither been informed nor have we observed any continuing failure to correct major weaknesses in internal control system.
5. (a) On the basis of our examination of the books of account and based on the information and explanations provided by the management, we are of the opinion that the particulars of contracts and arrangements that need to be entered into the register in pursuance of Section 301 of the Act have been so entered in the said register.
(b) In our opinion and according to the information and explanation given to us, the aforesaid transactions in pursuance of contracts and arrangements aggregating in value during the year to more than five lakhs rupees in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices.
6. The Company has not accepted any deposits from the public within the meaning of the provisions of Sections 58A, 58AA or any other relevant provisions of the Act.
7. The Company has an internal audit system, which in our opinion is commensurate with its size and nature of its business.
8. The Central Government has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the products manufactured by the Company. We have broadly reviewed the books of account maintained by the Company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
9. (a) According to the information and explanations given to us by management and on the basis of the examination of the books of account carried out by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and

the statutory dues with the appropriate authorities. There were no undisputed arrears of statutory dues outstanding as at 31st March, 2012, for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us by management and the records of the Company examined by us, there were no disputed dues in respect of Sales-tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited as on 31st March, 2012 except as stated below :

| | Nature of dues | Period | Amount (₹ In Lacs) | Forum where dispute is pending |
|----|----------------|---|-----------------------|--|
| 1. | Sales Tax | (F.Y.1997-98, to 1999-00, F.Y.2001-02 to 2004-05) | 283.11 | Dy. Commissioner / Jt. Commissioner of Sales Tax Appeals |
| 2. | Excise Duty | (F.Y.1995-96, 1997-98 F.Y.2002-03 to 2003-04, F.Y.2005-06 to 2011-12) | 29.81 | Dy. Commissioner of Central Excise |
| 3. | Excise Duty | (F.Y. 2001-02, F.Y. 2003-04 to 2009-10) | 19.18 | Customs, Excise, ServiceTax Appellate Tribunal |
| 4. | Income Tax | (A.Y.2005-06, 2006-07) | 16.13 | Commissioner of Income Tax (Appeals) |

10. The Company does not have any accumulated losses as at 31st March, 2012, nor has it incurred any cash loss during the financial year ended on that date and in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to the banks during the year. The Company did not have any dues payable to financial institutions or to debenture holders during the year.
12. As per the books and records of the Company examined by us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. Clause (xiii) of the Order is not applicable as the Company is not a chit fund company or nidhi/ mutual benefit fund/ society.
14. The Company has not dealt or traded in shares, securities, debentures or other investments during the year.
15. According to the information given to us and as per the records examined by us, the Company has not given any guarantee for the loans taken by others from banks or financial institutions during the year.
16. The Company has not taken or applied any term loan during the year.
17. According to the information and explanations given to us and on an 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.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, either noticed or reported during the year, nor have we been informed of any such case by the management.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
Firm's Registration No. 102860W

S.B. Prabhu
Partner

Membership No.35296

Mumbai, 29th May, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

₹ in lacs

| | Note | As at 31/03/2012 | As at 31/03/2011 |
|-----------------------------------|------|---------------------|---------------------|
| EQUITY AND LIABILITIES | | | |
| 1. Shareholders' Funds | | | |
| (a) Share capital | 3 | 197.39 | 197.39 |
| (b) Reserves and surplus | 4 | 4,005.98 | 3,295.00 |
| | | <u>4,203.37</u> | <u>3,492.39</u> |
| 2. Non-current Liabilities | | | |
| (a) Long-term provisions | 5 | 36.27 | 58.60 |
| 3. Current Liabilities | | | |
| (a) Short-term borrowings | 6 | 1,340.81 | 1,251.58 |
| (b) Trade payables | | 396.85 | 320.06 |
| (c) Other current liabilities | 7 | 318.01 | 217.46 |
| (d) Short-term provisions | 8 | 115.87 | 130.02 |
| | | <u>2,171.54</u> | <u>1,919.12</u> |
| Total | | <u>6,411.18</u> | <u>5,470.11</u> |
| ASSETS | | | |
| 1. Non-current Assets | | | |
| (a) Fixed assets | 9 | | |
| Tangible assets | | 800.72 | 805.26 |
| Intangible assets | | 90.84 | 116.44 |
| Capital work-in-progress | | 352.10 | 9.06 |
| (b) Non-current investments | 10 | 304.81 | 1.18 |
| (c) Deferred tax assets (net) | | 27.69 | 15.44 |
| (d) Long-term loans and advances | 11 | 27.19 | 27.24 |
| (e) Other non-current assets | 12 | 30.16 | 16.15 |
| | | <u>1,633.51</u> | <u>990.77</u> |
| 2. Current Assets | | | |
| (a) Current investments | 13 | 128.80 | 200.00 |
| (b) Inventories | 14 | 1,629.65 | 937.78 |
| (c) Trade receivables | 15 | 1,508.40 | 1,475.05 |
| (d) Cash and bank balances | 16 | 1,294.68 | 1,629.76 |
| (e) Short-term loans and advances | 17 | 137.08 | 159.10 |
| (f) Other current assets | 18 | 79.06 | 77.65 |
| | | <u>4,777.67</u> | <u>4,479.34</u> |
| Total | | <u>6,411.18</u> | <u>5,470.11</u> |

Notes to the financial statements

1 to 42

As per our report attached
For Ford, Rhodes, Parks & Co
Chartered Accountants
Firm's Registration No. 102860W

S. B. PRABHU
Partner

F. D. NETERWALA
Chairman

M. K. FONDEKAR
Executive Director

D.M. NETERWALA
R. B. MEHTA
H. R. PRASAD
F. BANATWALLA
Directors

Membership No.35296
Mumbai, 29th May 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

₹ in lacs

| | Note | For the year ended 31/03/2012 | For the year ended 31/03/2011 |
|---|---------|----------------------------------|----------------------------------|
| Income: | | | |
| Revenue from operations (gross) | 19 | 6,653.27 | 5,655.06 |
| Less: Excise duty and sales tax | | 615.27 | 497.53 |
| Revenue from operations (net) | | 6,038.00 | 5,157.53 |
| Other income | 20 | 207.51 | 132.32 |
| Total Revenue | | 6,245.51 | 5,289.85 |
| Expenses: | | | |
| Cost of materials consumed | | 2,883.08 | 2,081.71 |
| Changes in inventories of finished goods & work-in-progress | 21 | (522.38) | (70.99) |
| Employee benefits expense | 22 | 734.62 | 605.11 |
| Finance costs | 23 | 93.07 | 60.19 |
| Depreciation and amortization expense | | 145.97 | 129.96 |
| Other expenses | 24 | 1,762.83 | 1,364.73 |
| Total Expenses | | 5,097.19 | 4,170.71 |
| Profit before tax & prior period adjustment | | 1,148.32 | 1,119.14 |
| Prior period adjustment | 28 | - | 44.25 |
| Profit before tax | | 1,148.32 | 1,163.39 |
| Tax expense: | | | |
| Current tax | | 379.00 | 377.50 |
| Deferred tax | | (12.25) | (4.78) |
| Prior year tax adjustment | | (9.75) | (3.96) |
| Profit after tax | | 791.32 | 794.63 |
| Earning per equity share | 38 | | |
| Basic (₹) | | 40.07 | 40.23 |
| Diluted (₹) | | 40.07 | 40.23 |
| Notes to the financial statements | 1 to 42 | | |

As per our report attached
For Ford, Rhodes, Parks & Co
Chartered Accountants
Firm's Registration No. 102860W

S. B. PRABHU
Partner

F. D. NETERWALA
Chairman

M. K. FONDEKAR
Executive Director

D.M. NETERWALA
R. B. MEHTA
H. R. PRASAD
F. BANATWALLA
Directors

Membership No.35296
Mumbai, 29th May 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

₹ in lacs

| PARTICULARS | AS AT 31/03/2012 | AS AT 31/03/2011 |
|--|-----------------------------|-----------------------------|
| A Cash Flow From Operating Activities | | |
| Profit Before Tax | 1,148.32 | 1,163.39 |
| Adjusted for: | | |
| Depreciation | 145.97 | 85.71 |
| Dividend Received | (4.74) | (0.15) |
| Interest Expenses | 93.07 | 60.19 |
| (Profit) / Loss on sale on Investments | (17.79) | (6.48) |
| (Profit) / Loss on sale of Fixed Assets | (0.07) | 7.46 |
| | <u>216.44</u> | <u>146.73</u> |
| | 1,364.76 | 1,310.12 |
| Adjustment For : | | |
| Trade and other Receivables | (13.04) | 19.86 |
| Inventories | (691.87) | 8.92 |
| Trade Payables | 20.96 | (196.74) |
| Cash Generated From Operations | <u>(683.95)</u> | <u>(167.96)</u> |
| | 680.81 | 1,142.16 |
| Direct Taxes | <u>(408.46)</u> | <u>(378.11)</u> |
| Net Cash From Operating Activities | 272.35 | 764.05 |
| B Cash Flow From Investing Activities | | |
| Purchase / Sale of Fixed Assets (Net) | (332.70) | (198.08) |
| Investments | (214.64) | (96.74) |
| Dividend received | 4.74 | 0.15 |
| | <u>(542.60)</u> | <u>(294.67)</u> |
| Net Cash Used In Investing Activities | (542.60) | (294.67) |
| C Cash Flow From Financing Activities | | |
| Interest Paid | (93.07) | (60.97) |
| Proceeds / (Repayment) of term loan (Net) | — | (55.00) |
| Increase/ (Decrease) in Cash Credit with Bank | 89.23 | 250.87 |
| Dividend paid on Equity Shares (Incl. Dividend Tax) | (60.99) | (54.57) |
| | <u>(64.83)</u> | <u>80.33</u> |
| Net Cash (Used In) / From Financing Activities | (64.83) | 80.33 |
| Net Increase / (Decrease) In Cash And Cash Equivalent (A+B+C) | (335.08) | 549.71 |
| Cash & Cash Equivalents (Opening Balance) | 1,629.76 | 1,080.05 |
| Cash & Cash Equivalents (Closing Balance) | 1,294.68 | 1,629.76 |

As per our report attached
For Ford, Rhodes, Parks & Co
Chartered Accountants
Firm's Registration No. 102860W

S. B. PRABHU
Partner

F. D. NETERWALA
Chairman

M. K. FONDEKAR
Executive Director

D.M. NETERWALA
R. B. MEHTA
H. R. PRASAD
F. BANATWALLA
Directors

Membership No.35296
Mumbai, 29th May 2012

Notes to the Financial Statements

For the year ended 31st March, 2012

1. Corporate Information

The Company produces static, centrifugal castings and assemblies in heat and corrosion resistant alloys and is a leader in alloy steel castings for decaners and reformer tubes. Manufacturing quality alloy products is its prime focus. The Company has its registered office at Liberty Building, Sir Vithaldas Thakersey Marg, Mumbai and its plant at Thane.

2. Significant Accounting Policies

i) Method Of Accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements are prepared under historical cost convention on an accrual basis and are in accordance with the requirements of the Companies Act, 1956. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

ii) Revenue Recognition

a) Sale of goods

Sales figures are net sales figures and exclude excise duty and other statutory levies. For the purpose of presentation, excise duty and sales tax are reduced from gross sales figure to arrive at net sales figure. Sale of scrap is included in Sales. Export benefits in the nature of DEPB Licenses and duty drawback benefits are accounted on accrual basis and included in Other Income.

b) Sale of services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

iii) Fixed Assets & Depreciation / Amortisation

a) Tangible assets

All fixed assets are stated at cost of acquisition less accumulated depreciation / amortisation. Depreciation on tangible assets is provided on the written down value method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956, except on moulds. Cost of moulds which are not recoverable from customers are capitalised and amortised over a period of thirty six months which is the estimated useful life of the mould. Cost of Moulds which are recoverable from customers are charged off in the year in which it is billed to the customers.

b) Intangible Assets

Intangible assets comprising of Computer Software and Commercial rights are amortised over a period of five years which is the estimated useful life of these intangible assets.

c) Capital work-in-progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

d) Impairment of assets

Impairment in carrying value of fixed assets, if any, is recognized and provided for.

iv) Investments

Long-term investments are stated at cost. Only permanent diminution in the value thereof is recognized. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

v) Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing at the date of transaction. The difference between the actual rate of settlement and the rate used for booking the transaction is charged or credited to the Profit and Loss Account as Exchange fluctuation loss / gain. Foreign currency current assets and current liabilities outstanding at the year-end, not covered under forward contracts are translated at the year-end exchange rate and the unrealized gain or loss is recognized in the Profit and Loss Account.

vi) Inventories

Inventories are valued at the lower of cost and net realizable value, except for stores, spares and loose tools, which are valued at cost. Work-in-progress and finished goods include appropriate proportion of overheads. Cost includes excise duty in respect of finished goods.

vii) Employee Benefits

Employee benefits include provident fund, gratuity fund, leave encashment and long service awards.

a) Defined Contribution Plans

The Company's contribution to provident fund is considered as defined contribution plans and is charged as an expense as it falls due based on the amount of contribution required to be made.

b) Defined benefit plans

For defined benefit plans in the form of gratuity fund and leave encashment, the cost of providing benefits is determined with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

viii) Taxes on income

Provision for taxation has been made on the basis of the income tax laws and rules applicable for the relevant assessment years. Deferred tax asset or liability is recognized for timing difference between the profit as per financial statements and profit offered for income tax, based on the tax rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only if there is a reasonable certainty that sufficient future taxable income will be available, against which they can be realized.

ix) Provisions and contingencies

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A disclosure for contingent liability is made when there is a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

₹ in lacs

31/3/2012 **31/3/2011**

3. Share Capital

Authorised share capital

Equity share capital

30,00,000 Equity shares of ₹ 10 each

300.00 300.00

Preference share capital

2,00,000 10% redeemable cumulative preference shares of ₹100 each

200.00 200.00

500.00 **500.00**

Issued and subscribed

19,72,450 Equity shares of ₹ 10 each fully paid-up

197.24 197.24

925 Equity shares of ₹ 10 each, ₹ 7.5 per share paid-up

0.07 0.07

1,625 Equity shares of ₹ 10 each, ₹ 5 per share paid-up

0.08 0.08

197.39 **197.39**

a) Terms / rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The equity shareholders are entitled to dividend proposed by the Board of Directors and approved by the shareholders in the ensuing Annual General Meeting.

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

b) Details of shares held by each shareholder holding more than 5% shares

| Name of shareholder | No of shares | Face value | % of holding |
|---|--------------|------------|--------------|
| Chemicals & Ferro Alloys Pvt. Ltd. | 155800 | ₹10 | 7.89% |
| | (155800) | | (7.89%) |
| Unitel Finance & Investments Pvt. Ltd. | 817500 | ₹10 | 41.39% |
| | (817500) | | (41.39) |
| Universal Ferro & Allied Chemicals Ltd. | 270000 | ₹10 | 13.67% |
| | (270000) | | (13.67) |

Figures in brackets are for previous year.

4. Reserves and Surplus

Capital redemption reserve

As per last balance sheet

25.00 25.00

25.00 **25.00**

Securities premium reserve

As per last balance sheet

265.63 265.63

265.63 **265.63**

| | ₹ in lacs | |
|--|-----------------|-----------------|
| | 31/3/2012 | 31/3/2011 |
| General reserve | | |
| As per last balance sheet | 435.40 | 335.40 |
| Add : Transferred from surplus in statement of profit and loss | 100.00 | 100.00 |
| | 535.40 | 435.40 |
| Surplus in statement of profit and loss | | |
| As per last balance sheet | 2,568.97 | 1,938.42 |
| Add : Profit for the year | 791.32 | 794.63 |
| | 3,360.29 | 2,733.05 |
| Less: Appropriations : | | |
| Proposed equity dividend - ₹3.5 per share (previous year ₹2.8 per share) | (69.13) | (55.30) |
| Tax on proposed equity dividend | (11.21) | (8.78) |
| Transferred to general reserve | (100.00) | (100.00) |
| Total appropriations | (180.34) | (164.08) |
| Net surplus in statement of profit and loss | 3,179.95 | 2,568.97 |
| Total reserves and surplus | 4,005.98 | 3,295.00 |
| 5. Long-term Provisions | | |
| Provision for employee benefits | 36.27 | 58.60 |
| | 36.27 | 58.60 |
| 6. Short-term Borrowings | | |
| (Secured) | | |
| Cash credit from banks | 1,340.81 | 1,251.58 |
| | 1,340.81 | 1,251.58 |
| a) The above borrowings are secured by a hypothecation charge on stocks, book debts, other current assets and all movable fixed assets (other than vehicles) of the Company, present and future, and by equitable mortgage on factory land and building. | | |
| 7. Other Current Liabilities | | |
| i) Unclaimed dividend | 12.78 | 9.50 |
| ii) Advances from customers | 25.87 | 37.65 |
| iii) Employee related liabilities | 56.98 | 68.81 |
| iv) Statutory dues | 20.03 | 31.68 |
| v) Payable for fixed assets | 139.80 | 6.30 |
| vi) Others | 62.55 | 63.52 |
| | 318.01 | 217.46 |
| 8. Short-term Provisions | | |
| Provision for employee benefits | 13.30 | — |
| Other provisions: | | |
| (i) For excise duty | — | 4.27 |
| (ii) For taxation (net of advance tax) | 22.23 | 61.48 |
| (iii) Proposed dividend | 69.13 | 55.30 |
| (iv) Tax on proposed dividend | 11.21 | 8.97 |
| | 115.87 | 130.02 |

9. Fixed Assets

| Description | Gross Block | | | | Depreciation / Amortisation | | | | Net Block | | (₹ In lacs) |
|------------------------------|---------------------------|-----------------|-----------------|-----------------------------|-----------------------------|-----------------|-----------------|-----------------------------|------------------------------------|------------------------------------|-------------|
| | Cost as at 1st April 2011 | Additions | Deductions | Cost as at 31st March, 2012 | Upto 31st March, 2011 | For the year | Deduction | Total upto 31st March, 2012 | Closing WDV as at 31st March, 2012 | Closing WDV as at 31st March, 2011 | |
| TANGIBLE ASSETS | | | | | | | | | | | |
| Freehold Land and Site | 9.83 | 0.00 | 0.00 | 9.83 | 0.00 | 0.00 | 0.00 | 0.00 | 9.83 | 9.83 | |
| Lease hold Land | 401.50 | 0.00 | 0.00 | 401.50 | 0.00 | 0.00 | 0.00 | 0.00 | 401.50 | 401.50 | |
| Roads | 17.77 | 0.00 | 0.00 | 17.77 | 8.79 | 0.45 | 0.00 | 9.24 | 8.53 | 8.98 | |
| Buildings | 145.45 | 15.49 | 0.00 | 160.94 | 99.30 | 14.98 | 0.00 | 114.28 | 46.66 | 46.15 | |
| Pipelines | 1.98 | 0.00 | 0.00 | 1.98 | 1.88 | 0.01 | 0.00 | 1.89 | 0.09 | 0.10 | |
| Plant and Machinery | 774.67 | 11.04 | 0.00 | 785.71 | 544.50 | 49.86 | 0.00 | 594.36 | 191.35 | 230.17 | |
| Electrical Installation | 47.35 | 0.00 | 0.00 | 47.35 | 31.87 | 2.15 | 0.00 | 34.02 | 13.33 | 15.48 | |
| Airconditioning Equipment | 7.99 | 0.00 | 0.00 | 7.99 | 4.10 | 0.54 | 0.00 | 4.64 | 3.35 | 3.89 | |
| Computers | 65.10 | 1.64 | 0.00 | 66.74 | 55.73 | 3.88 | 0.00 | 59.61 | 7.13 | 9.37 | |
| Furniture and Fixtures | 39.45 | 0.00 | 0.00 | 39.45 | 20.05 | 3.51 | 0.00 | 23.56 | 15.89 | 19.40 | |
| Office and Factory Equipment | 20.18 | 1.20 | 0.00 | 21.38 | 9.74 | 1.56 | 0.00 | 11.30 | 10.08 | 10.44 | |
| Motor Cars | 46.78 | 46.20 | 7.50 | 85.48 | 27.47 | 13.33 | 5.80 | 35.00 | 50.48 | 19.31 | |
| Mould and Mould Boxes | 51.01 | 34.70 | 0.00 | 85.71 | 20.37 | 22.84 | 0.00 | 43.21 | 42.50 | 30.64 | |
| | 1629.06 | 110.27 | 7.50 | 1731.83 | 823.80 | 113.11 | 5.80 | 931.11 | 800.72 | 805.26 | |
| INTANGIBLE ASSETS | | | | | | | | | | | |
| Computer Software | 79.37 | 7.25 | 0.00 | 86.62 | 37.81 | 16.15 | 0.00 | 53.96 | 32.66 | 41.56 | |
| Commercial Rights | 83.48 | 0.00 | 0.00 | 83.48 | 8.60 | 16.70 | 0.00 | 25.30 | 58.18 | 74.88 | |
| Technical Know-how | 15.00 | 0.00 | 0.00 | 15.00 | 15.00 | 0.00 | 0.00 | 15.00 | 0.00 | 0.00 | |
| | 177.85 | 7.25 | 0.00 | 185.10 | 61.41 | 32.85 | 0.00 | 94.26 | 90.84 | 116.44 | |
| TOTAL CURRENT YEAR | 1806.91 | 117.52 | 7.50 | 1916.93 | 885.21 | 145.96 | 5.80 | 1025.37 | 891.56 | 921.70 | |
| TOTAL PREVIOUS YEAR | (1712.29) | (231.61) | (136.99) | (1806.91) | (920.68) | (129.96) | (165.41) | (885.21) | | | |
| CAPITAL WORK-IN-PROGRESS | | | | | | | | | 352.10 | 9.06 | |
| | | | | | | | | | 1243.66 | 930.76 | |

- a) The Company jointly own 50% of a motor car with Uni Deritend Ltd. having gross value ₹ 29.08 lacs, accumulated depreciation ₹ 6.95 lacs & wdv ₹ 22.13 lacs as on 31st March, 2012.
- b) The company jointly own 20% of Computer software with group companies having gross value ₹ 3.15 lacs, accumulated depreciation ₹ 2.20 lacs & wdv ₹ 0.95 lacs as on 31st March, 2012.
- c) Leasehold land represents leasehold interest in land at Dhanwad conveyed by Karnataka Industrial Area Development Board for a period of 10 years, to be transferred to the lessee (the Company) at the end of such period (or extension thereof) on fulfillment of all lease terms and conditions. Consequently, the leasehold land is not amortized.
- d) Figures in brackets are for previous year.

₹ in lacs

**10. Non-current Investments
(Non-trade, at cost)**
Investments in equity instruments- Unquoted

Development Credit Bank Ltd.

1,000 Equity shares of ₹10 each fully paid up

200 Equity shares of ₹40 each fully paid up

0.10 0.10

0.08 0.08

0.18 0.18

The Zoroastrian Co-operative Bank Ltd.

4,000 Equity shares of ₹ 25 each fully paid up

1.00 1.00

1.18 1.18
Investments in mutual funds- Quoted
10,00,000 (previous year - nil) Units of
Reliance Fixed Horizon Fund-XXI

100.00 -

2,848 (previous year - nil) Bonds of Power
Finance Corporation Ltd.-Face value ₹1000
each

28.48 -

10,00,000 (previous year - nil) Units of
Sundaram Fixed Term Plan CF Growth

100.00 -

7,50,000 (previous year - nil) Units of Birla
Sunlife Fixed Term Plan Series EO Growth

75.00 -

303.48 -
Other investments

National saving certificates

0.15 -

304.81 1.18
a) Cost and market value of investments

| | 2012 | | 2011 | |
|----------|-------------|----------------------|-------------|----------------------|
| | Cost ₹ | Market value ₹ | Cost ₹ | Market value ₹ |
| Quoted | 303.48 | 311.16 | - | - |
| Unquoted | 1.18 | - | 1.18 | - |

**11. Long-term Loans and Advances
(Unsecured, considered good)**

Security deposits

27.19 27.24

27.19 27.24
**12. Other Non-current Assets
(Unsecured, considered good)**

Capital advances

13.70 -

Advance tax

12.77 12.81

Service tax recoverable

3.69 3.34

30.16 16.15

₹ in lacs

31/3/2012 **31/3/2011**
**13. Current Investments
(Non-trade, at lower of cost or market value)**
Investments in mutual funds-Quoted

| | | |
|---|---------------|---------------|
| 7,41,074.613 (previous year - nil) Units of Birla Sunlife Dynamic Bond Fund | 77.86 | - |
| 2,58,045.256 (previous year - nil) Units of BNP Paribas Short term Income Fund | 25.94 | - |
| 2,175.199 (previous year - nil) Units of Franklin Templeton Short Term Inc. Ret. Plan | 25.00 | - |
| Nil (previous year - 10,00,000) Units of HDFC FMP 370 D Nov 2010 | - | 100.00 |
| Nil (previous year - 10,00,000) Units of Reliance Fixed Horizon Fund-XVI | - | 100.00 |
| | 128.80 | 200.00 |

a) Cost and market value of investments

| | 2012 | | 2011 | |
|----------|-------------|----------------------|-------------|----------------------|
| | Cost ₹ | Market value ₹ | Cost ₹ | Market value ₹ |
| Quoted | 128.80 | 128.90 | 200.00 | 204.84 |
| Unquoted | - | - | - | - |

14 Inventories

| | | |
|-------------------|-----------------|---------------|
| Raw materials | 321.34 | 160.05 |
| Work-in-progress | 1,159.20 | 677.43 |
| Finished goods | 96.29 | 55.68 |
| Stores and spares | 52.82 | 44.62 |
| | 1,629.65 | 937.78 |

**15. Trade Receivables
(Unsecured, considered good)**

| | | |
|--|-----------------|-----------------|
| Debts overdue for more than six months | 12.81 | 36.69 |
| Other debts considered good | 1,495.59 | 1,438.36 |
| | 1,508.40 | 1,475.05 |

**16. Cash and Bank Balances
Cash and cash equivalents**

| | | |
|-------------------------|--------------|---------------|
| Balances with banks | | |
| Current accounts | 9.57 | 518.30 |
| Unpaid dividend account | 12.78 | 9.48 |
| Cash on hand | 2.24 | 1.12 |
| | 24.59 | 528.90 |

Other bank balances

| | | |
|---|-----------------|-----------------|
| Deposit accounts (original maturity period of twelve months or less) | 1,263.27 | 1,096.06 |
| Margin money deposits (original maturity period of twelve months or less) | 6.82 | 4.80 |
| | 1,270.09 | 1,100.86 |
| | 1,294.68 | 1,629.76 |

| | ₹ in lacs | |
|--|------------------------|------------------------|
| | <u>31/3/2012</u> | <u>31/3/2011</u> |
| 17. Short-term Loans and Advances (Unsecured, considered good) | | |
| Loans and advances to related parties | 15.49 | 6.55 |
| Supplier advances | 10.09 | 58.57 |
| Loans and advances to employees | 2.46 | 0.46 |
| Balances with statutory authorities | 4.79 | 3.35 |
| Sales tax, excise refund / set off recoverable | 92.84 | 70.07 |
| Others | 11.41 | 20.10 |
| | <u>137.08</u> | <u>159.10</u> |
| a) Loans and advances to related parties comprise: | | |
| Neterwala Consulting & Corporate Services Ltd. | 14.67 | 4.78 |
| Uni Klinger Ltd. | 0.82 | - |
| Netel (India) Ltd. | - | 1.77 |
| | <u>15.49</u> | <u>6.55</u> |
| 18. Short-term other current assets | | |
| Interest accrued | 2.66 | 2.67 |
| D.E.P.B. license entitlements | 69.68 | 74.98 |
| Duty drawback entitlements | 6.72 | - |
| | <u>79.06</u> | <u>77.65</u> |
| 19. Revenue from Operations | | |
| Sale of products | 5,928.42 | 4,989.40 |
| Sale of services | 5.80 | - |
| | <u>5,934.22</u> | <u>4,989.40</u> |
| Other operating revenues : | | |
| Mould cost recoveries | 49.72 | 76.62 |
| Export benefits | 53.86 | 91.51 |
| Others | 0.20 | - |
| | <u>103.78</u> | <u>168.13</u> |
| | <u>6,038.00</u> | <u>5,157.53</u> |
| 20. Other Income | | |
| Interest income | | |
| On bank deposit accounts [TDS ₹5.95 lacs (Previous Year: ₹3.21 lacs)] | 109.67 | 41.23 |
| On security deposits [TDS ₹0.26 lacs (Previous Year: ₹0.27 lacs)] | 1.22 | 1.22 |
| On others | 0.78 | 0.05 |
| | <u>111.67</u> | <u>42.50</u> |
| Dividend income | | |
| From current investments | 4.59 | 0.15 |
| From non current investments | 0.15 | - |
| Net gain on sale of investments | 17.79 | 6.48 |
| Net gain on foreign currency fluctuations | - | 30.53 |
| Credit balances/provisions no longer required written back | 44.15 | 19.54 |
| Profit on sale of fixed assets | 0.07 | - |
| Bad debts recovered | - | 5.20 |
| Decrease in excise duty provision on inventory | - | 8.12 |
| Miscellaneous receipts | 29.09 | 19.80 |
| | <u>207.51</u> | <u>132.32</u> |

₹ in lacs

| | <u>31/3/2012</u> | <u>31/3/2011</u> |
|---|------------------------|------------------------|
| 21. Changes in inventory of WIP and Finished Goods | | |
| (Increase) / Decrease in WIP and Finished Goods | | |
| Opening Stock | | |
| Work-in-progress | 677.43 | 530.34 |
| Finished goods | 55.68 | 131.78 |
| | <u>733.11</u> | <u>662.12</u> |
| Closing stock | | |
| Work-in-progress | 1,159.20 | 677.43 |
| Finished goods | 96.29 | 55.68 |
| | <u>1,255.49</u> | <u>733.11</u> |
| | <u>(522.38)</u> | <u>(70.99)</u> |
| 22. Employee Benefits Expense | | |
| Salaries and wages | 604.36 | 514.19 |
| Contribution to provident and other funds | 64.55 | 36.50 |
| Staff welfare expenses | 65.71 | 54.42 |
| | <u>734.62</u> | <u>605.11</u> |
| 23. Finance Costs | | |
| Interest expense | 90.37 | 50.57 |
| Other borrowing costs | 2.70 | 9.62 |
| | <u>93.07</u> | <u>60.19</u> |
| 24. Other Expenses | | |
| Consumption of stores and spare parts | 286.32 | 259.11 |
| Consumption of tools | 8.83 | 5.66 |
| Power and fuel | 404.08 | 310.30 |
| Rent | 1.70 | 0.90 |
| Repairs to buildings | 7.03 | 8.87 |
| Repairs to machinery | 9.74 | 4.16 |
| Other repairs | 16.32 | 10.59 |
| Insurance | 7.71 | 6.33 |
| Rates and Taxes | 14.75 | 10.98 |
| Water charges | 8.78 | 8.73 |
| Freight and forwarding | 105.36 | 65.56 |
| Sub-contracting charges | 459.62 | 326.76 |
| Directors' fees and commission | 6.54 | 6.84 |
| Commission | 21.45 | 12.13 |
| Travelling expenses | 23.05 | 16.08 |
| Postage, telegram, telephone charges | 8.00 | 6.07 |
| Liquidated damages | 16.85 | 14.12 |
| Legal and profesional fees | 44.11 | 32.45 |
| Export documentaion charges | 27.26 | 8.96 |
| Testing charges | 12.11 | 6.14 |
| Bad debts / advances written off | 1.35 | 39.00 |
| Loss on sale of fixed assets | - | 7.46 |
| Increase in excise duty provision on inventory | 2.15 | - |
| Foreign exchange fluctuation | 22.65 | - |
| Business support services | 111.43 | 93.17 |
| Bank charges | 8.19 | 5.89 |
| Miscellaneous expenses | 127.45 | 98.47 |
| | <u>1,762.83</u> | <u>1,364.73</u> |

25. Capital Commitments:

Estimated amount of contracts on capital account not provided for (net of advances) ₹ 1436.98 Lacs.
(Previous year ₹ 5.42 Lacs).

26. Contingent Liabilities not provided for:

- i) Product Warranties – Amount not ascertainable.
- ii) Show cause notices received from Excise Authorities under dispute – ₹ 48.99 Lacs (Previous year ₹ 39.60 Lacs).
- iii) Sales tax demands under dispute – ₹ 334.62 Lacs (Previous year ₹ 282.23 Lacs).
- iv) Guarantees given on behalf of the Company by Bank – ₹ 13.54 Lacs (Previous year ₹ 210.80 Lacs).
- v) Open Letter of Credit ₹. 65.83 Lacs (Previous year ₹ NIL).
- vi) Income Tax demand under dispute - ₹ 16.13 Lacs (Previous year ₹ 16.13 Lacs)

27. Information relating to opening and closing stocks of each class of goods produced and sales in respect of each class of finished goods:

| Class of Goods Manufactured | Opening stock of finished goods (Excl. Excise Duty) | Sales | Closing Stock (Excl. Excise Duty) |
|--|---|------------|-----------------------------------|
| | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs |
| 1. High alloy Steel casting (Heat Resistant & Stainless steel) | 1.97 | 360.58 | 0.37 |
| | (1.11) | (183.44) | (1.97) |
| 2. Centrifugally cast Alloy Steel Tubes & Fabrications | 44.27 | 5,199.35 | 84.33 |
| | (113.10) | (4653.19) | (44.27) |
| | 46.24 | 5,559.93 | 84.70 |
| | (114.21) | (4,836.63) | (46.24) |

Figures for the previous year are shown in brackets.

Note:

The net sales for the year 2011-12, as per statement of Profit and Loss, includes sale of scrap of ₹ 368.50 Lacs. (Previous year ₹ 152.77 Lacs)

- 28.** As per the Lease Agreement entered into with KIADB for acquisition of 30 acres of land at Dharwad in the financial year 2009-10, the initial amounts paid as allotment consideration is to be adjusted against the final price of land, which as per the terms of the agreement is to be transferred in the Company's name at the end of the initial lease period of 10 year subject to the fulfillment of certain conditions. Accordingly, ₹ 44.25 lacs erroneously amortised in the previous years, treating the initial amounts paid as non refundable lease premium, was written back and shown under – Prior Period adjustment in the financial year 2010-11.
- 29.** The excise duty and sales tax recovered from customers is shown as a deduction from the gross turnover in the Statement of Profit and Loss. Increase / decrease in the excise duty provision between opening and closing stock of finished goods is shown under other expenses / other income in the Statement of Profit and Loss. The excise duty recovered during the year and deducted from gross turnover amounted to ₹ 427.37 lacs (previous year ₹ 372.51 lacs).

30. Consumption of:

| | Raw Materials and Assembly Materials | | Stores & Spares, Tools and other consumables | |
|------------|---|--------------|---|--------------|
| | % | (₹. in Lacs) | % | (₹. in Lacs) |
| Indigenous | 81 | 2340.83 | 85 | 245.27 |
| | (83) | (1736.05) | (92) | (237.02) |
| Imported | 19 | 542.24 | 15 | 43.57 |
| | (17) | (345.66) | (8) | (23.10) |
| | 100 | 2883.08 | 100 | 288.83 |
| | (100) | (2081.71) | (100) | (260.12) |

Figures for the previous year are shown in brackets.

31. C.I.F Value of imports

| | Year ended 31st March 2012 | (₹ in Lacs) Year ended 31st March 2011 |
|---|-------------------------------|--|
| Raw materials and assembly materials | 561.77 | 259.45 |
| Stores, spare parts and other consumables | 12.93 | 20.94 |
| Capital Goods | 31.23 | Nil |

32. Expenditure in foreign currency

| | | |
|-----------------------|-------|-------|
| Commission on exports | 19.97 | 11.41 |
| Foreign Travel | 10.59 | 3.23 |

33. Earnings in foreign currency

| | | |
|---|---------|---------|
| Export of goods calculated on F.O.B basis | 1742.18 | 1419.06 |
|---|---------|---------|

**34 Auditor's remuneration (exclusive of service tax)
included in Miscellaneous Expenses**

| | | |
|------------------------|------|------|
| Statutory audit fees | 2.00 | 1.60 |
| Other Services | 0.80 | 0.45 |
| Out of pocket expenses | 0.11 | 0.17 |

35. Related Party Disclosures:

I) List of related parties with whom transactions have taken place during the year or balances are outstanding:

a) Associates:

- i Uni Deritend Ltd.
- ii Universal Ferro & Allied Chemicals Ltd.
- iii Netel (India) Ltd.
- iv Neteron Technologies Pvt. Ltd.
- v Anosh Finance & Investment Pvt. Ltd.
- vi Neterwala Consulting & Corporate Services Ltd.
- vii S D N Company

b) Key Managerial Personnel: Shri F.D. Neterwala - Chairman
Shri M.K. Fondekar – Executive Director

- II) Summary of transactions during the year or balances are outstanding with the above related parties and balance outstanding is as follows: (₹ in Lacs)

| | Nature of Transactions | Transactions for the year ended 31st March | | Balance as at 31st March | |
|-----------|--|--|-------|--------------------------|-------|
| | | 2012 | 2011 | 2012 | 2011 |
| I | Associates | | | | |
| | <u>Advances recoverable in cash or in kind:</u> | | | | |
| | Balance as at 31st March | | | 15.49 | 10.55 |
| | Advances recovered during the year | 5.60 | 15.25 | | |
| | Re-acquisition of Commercial Rights | 0.00 | 83.48 | | |
| | <u>Current Liabilities:</u> | | | | |
| | Creditors as at 31st March | | | 3.51 | 3.57 |
| | <u>Income:</u> | | | | |
| | Rent Income -Uni Klinger Ltd. | 1.99 | 1.85 | | |
| | Sale of Scrap – Uni Klinger Ltd. | 4.75 | | | |
| | <u>Expenses:</u> | | | | |
| | Share of E.R.P. Cost Incurred | | | | |
| | Neteron Technologies Pvt. Ltd. | 4.30 | 5.81 | | |
| | Uni Deritend Ltd. | 1.21 | - | | |
| | Purchase of Capital Assets-Uni Deritend Ltd | 29.62 | - | | |
| | Business Support Services | | | | |
| | Neterwala Consulting & Corporate Services Ltd. | 121.17 | 93.17 | | |
| | Anosh Finance & Investment Pvt. Ltd. | 1.45 | 0.28 | | |
| | Other Expenditure – | | | | |
| | Netel India Ltd. | 0.37 | - | | |
| | Universal Ferro & Allied Chemicals Ltd. | 0.11 | - | | |
| II | Key Managerial Personnel | | | | |
| | Remuneration to Key Managerial Personnel. (including commission) | | | | |
| | F. D. Neterwala | 1.60 | 1.55 | | |
| | M. K. Fondekar | 49.50 | 41.00 | | |

- 36.** The dominant source and nature of risk and return associated with the products manufactured by the Company not being significantly different, both product wise and geographically, the Company has a single business segment. Consequently segmental information as required under Accounting Standard No. 17 on 'Segment Reporting' has not been given.

- 37.** In the absence of necessary information with the Company relating to the registration status of suppliers under Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act could not be compiled and disclosed.

| | | |
|--|------------------------------|------------------------------|
| 38. Earnings Per Share (EPS): | Year Ended March 31, 2012 | Year Ended March 31, 2011 |
| A) Profit attributable to Equity Shareholders (₹. in Lacs) | 791.32 | 794.64 |
| B) Number of Equity Shares outstanding during the year | 19,75,000 | 19,75,000 |
| C) Nominal value of Equity Shares (₹.) | 10.00 | 10.00 |
| D) Basic Earnings Per Share (₹.) (A/B) | 40.07 | 40.23 |

Note: As there are no outstanding diluted potential equity shares, the diluted EPS is same as the basic EPS.

39. Disclosure Pursuant to Accounting Standard – 15 “Employee Benefits”
a. Employee Benefits:

The following are treated as expense towards defined contribution plan in accordance with Accounting Standard – 15 (Revised). The expenses debited to the statement of Profit & Loss are:

| | Year Ended March 31, 2012 | Year Ended March 31, 2011 |
|----------------|------------------------------|------------------------------|
| Provident Fund | 31.74 | 27.20 |

- b. Leave entitlement benefits of employees has been treated as Long Term Employee Benefits as per provisions of Accounting Standard 15 (Revised) and the reduction in provision for the year ₹ 16.30 lacs is credited to the statement of Profit and Loss. (Previous Year ₹ 4.31 lacs debited)

c. Details of Defined Benefit Plan of Gratuity are as under:

- i) For the purpose of arriving at the liability on going concern basis, Projected Unit Credit Method has been used. The other actuarial assumptions for Gratuity Plan and are as under:

| | | |
|---------------------------------|-----------|-----------|
| Withdrawal rate | 1 % P.A. | 1 % P.A. |
| Future rate of salary increment | 5 % P.A. | 5 % P.A. |
| Discounting rate | 8.0 % P.A | 8.0 % P.A |

ii) Changes in the Benefit Obligations.

| | Year Ended March 31, 2012 | Year Ended March 31, 2011 |
|---|------------------------------|------------------------------|
| Actuarial Value of the Projected Benefit Obligation (PBO) (Opening Balance) | 143.76 | 147.63 |
| Interest Cost for the year | 11.50 | 11.81 |
| Service Cost for the year | 9.61 | 6.79 |
| Benefits Paid during the year | (41.62) | (9.24) |
| Actuarial (Gain) / Loss on obligations | 16.63 | 13.22 |
| PBO for the year ended March 31 | 139.89 | 143.76 |

iii) Table showing changes in the Plan Assets.

| | | |
|---|---------|--------|
| Fair value of plan assets at the beginning of the year | 146.71 | 138.44 |
| Actual return on plan assets including bank interest for the year | 12.40 | 12.70 |
| Employer's contributions for the year | 2.64 | 4.92 |
| Benefits paid during the year | (41.62) | (9.24) |
| Bank Balance as on March 31 | 1.31 | 1.15 |
| Plan Assets as at March 31 | 121.44 | 147.97 |

iv) Amounts recognized in the Balance Sheet:

(₹. in Lacs)

| | Year Ended March 31, 2012 | Year Ended March 31, 2011 |
|---|------------------------------|------------------------------|
| Present value of the obligation as on March 31 | 139.89 | 143.76 |
| Fair value of plan assets as at the end of the year | 121.51 | 147.97 |
| Unfunded Liability at the end of the year | 18.38 | (4.21) |
| Unrecognized actuarial gain/loss | Nil | Nil |
| Unfunded liability recognized in Balance Sheet as Asset | 18.38 | (4.21) |

v) Expense recognized in the statement of Profit & Loss Account

| | | |
|---|-------|---------|
| Interest cost for the year | 11.50 | 11.81 |
| Service cost for the year | 9.62 | 6.79 |
| Actual Return on Plan Assets | 12.39 | (12.71) |
| Actuarial (Gain) /Loss | 16.62 | (13.22) |
| Net cost recognized in the statement of Profit & Loss Account | 25.34 | (7.33) |

40. Deferred tax asset (net) shown in the balance sheet arises on account of reversible timing differences in respect of :

Deferred Tax Asset :

| | | |
|---|-------|-------|
| Expenses covered u/s 43 B of Income Tax Act | 25.83 | 29.17 |
| Depreciation Differential | 1.86 | - |
| | 27.69 | 29.17 |

Deferred Tax Liability :

| | | |
|---------------------------|-------|---------|
| Depreciation differential | - | (13.73) |
| Net Deferred Tax Asset | 27.69 | 15.44 |

41. The Company's Foreign Currency exposure as at the year end, not hedged by any derivative instrument is as follows:

| | As at March 31, 2012 Foreign Currency in Lacs | As at March 31, 2012 ₹. Lacs | As at March 31, 2011 Foreign Currency in Lacs | As at March 31, 2011 ₹. Lacs |
|-------------|--|------------------------------------|--|------------------------------------|
| Receivables | Euro – 8.91 | 602.38 | Euro – 11.76 | 733.91 |
| -do- | USD – 0.20 | 10.17 | USD - 0.12 | 5.51 |
| Payable | Euro - 0.08 | 5.12 | Euro – 0.60 | 37.32 |
| -do- | USD – 2.40 | 125.58 | USD – 2.00 | 88.86 |

42. Till the year ended 31st March, 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company. The Company has accordingly reclassified previous year figures to conform to this year's classification.

As per our report attached
For Ford, Rhodes, Parks & Co
Chartered Accountants
Firm's Registration No. 102860W

S. B. PRABHU
Partner

F. D. NETERWALA
Chairman

M. K. FONDEKAR
Executive Director

D.M. NETERWALA
R. B. MEHTA
H. R. PRASAD
F. BANATWALLA
Directors

Membership No.35296
Mumbai, 29th May 2012

THIS PAGE IS INTENTIONALLY LEFT BLANK.

UNI ABEX ALLOY PRODUCTS LIMITED

Registered Office : Liberty Building, Sir Vithaldas Thackersey Marg, Mumbai - 400 020.

FORM OF PROXY

I/We _____ of _____
in the district of _____ being a Member/Members
of Uni Abex Alloy Products Limited hereby appoint _____
of _____ in the district of _____ or failing
him / her _____ of _____ in the district
of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the
Thirty Ninth Annual General Meeting of the Company to be held on Thursday, 23rd August, 2012 at 3.00 p.m. and
at any adjournment thereof.

Dated this _____ day of _____ 2012

Regd. Folio No.

D. P. ID No.:

Client ID No.:

No. of Shares held

Signed by the said _____

Affix
₹ 1/-
Revenue
Stamp

Notes : (a) The form should be signed across the stamp as per specimen signature registered with the Company.

(b) The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

(c) A Proxy need not be a member.

..... TEAR HERE

UNI ABEX ALLOY PRODUCTS LIMITED

Registered Office : Liberty Building, Sir Vithaldas Thackersey Marg, Mumbai - 400 020.

ATTENDANCE SLIP

NAME (IN
BLOCK
LETTERS)

FOLIO No.:

D. P. ID No.* :

Client ID No.* :

Please sign this attendance slip and hand it over at the entrance of the Hall.

I hereby record my presence at the Thirty Ninth Annual General Meeting held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18 / 20, Kaikhushru Dubash Marg (Rampart Row), Mumbai - 400 023 on Thursday, 23rd August, 2012.

* Applicable for member holding shares in electronic form.

.....
SIGNATURE OF THE MEMBER OR PROXY

Financial Highlights

(₹ in lacs)

| Years | 2007-08 | 2008-2009 | 2009-10 | 2010-11 | 2011-12 |
|--|------------------|----------------|----------------|----------------|----------------|
| Sales & Other Income | 6,337.11 | 6,488.80 | 6,528.42 | 5,289.85 | 6,245.51 |
| Profit Before Interest, Depreciation & Tax | 671.56 | 1,729.13 | 1,413.94 | 1,353.54 | 1,387.36 |
| Net profit after Tax for the year | 309.38 | 989.58 | 775.67 | 794.63 | 791.32 |
| Share Capital : Equity : Preference | 197.39 175.00 | 197.39 0.00 | 197.39 0.00 | 197.39 0.00 | 197.39 0.00 |
| Reserves and Surplus | 901.66 | 1,846.55 | 2,564.45 | 3,295.00 | 4,005.98 |
| Shareholders' Funds | 1,274.05 | 2,043.94 | 2,761.84 | 3,492.39 | 4,203.37 |
| Loan Funds | 1,149.55 | 1,171.77 | 1,056.49 | 1,251.58 | 1,340.81 |
| Total Capital Employed | 2,423.60 | 3,215.71 | 3,818.33 | 4,743.97 | 5,544.19 |
| Gross Block | 1,279.79 | 1,587.20 | 1,746.54 | 1,815.97 | 2,269.02 |
| Depreciation | 656.34 | 781.40 | 920.68 | 885.21 | 1,025.38 |
| Net Block | 623.45 | 805.80 | 825.86 | 930.76 | 1,243.66 |
| Net Current Assets | 1,782.09 | 2,330.21 | 2,883.85 | 3,596.59 | 3,839.26 |
| EPS (in ₹) Equity | 14.63 | 49.89 | 39.27 | 40.23 | 40.07 |
| Return on Shareholders' funds | 24% | 48% | 28% | 23% | 19% |
| No. of Shareholders | 7982 | 7926 | 7692 | 8003 | 7919 |
| Dividend % | 12.50% | 17.50% | 25.00% | 28.00% | *35.00% |

* If approved by the members.

BOOK - POST

To,



If undelivered please return to :
UNI ABEX ALLOY PRODUCTS LIMITED
Liberty Building, Sir Vithaldas Thakersey Marg, Mumbai - 400 020.