

ANNUAL REPORT

2011-12



MetroGlobal Limited



CHAIRMAN MESSAGE 2012

New Vision. Wider Horizons.

A fresh journey always starts with a new mindset and direction that propels an organization towards its destiny of success. Bold thinking and committed action become the key strategies and turning points to enable performance and profitability. Your company initiated this move with its Scheme of Amalgamation that has been implemented.

Company has three diversified segments in the year under review; namely, Dyes and Dyes Intermediates, Realty & Infrastructure and Trading and Finance Business. The choice of the various segments was made after a careful study of its core strengths, business growth potential, future scenarios, vision and values.

With a clear goal and focus, your company utilized all its resources, skills, expertise and experience to build the value from the potential offered by the decision. The immediate results have shown remarkable achievements that are indications of the immense scope for the company in the future. They demonstrate the dedication of the management to face any challenge with determination and resolve in the interests of all stakeholders of the company.

Revenue from operations went to ₹ 14533.06 lacs for the year 2011-12 from ₹ 5379.25 lacs during the year 2010-11.

Net profit soared to ₹ 2183.22 lacs during the year 2011-12 as against the loss of ₹ (544.17) lacs during the year 2010-11.

Company has received Listing Approval from BSE dated 9th July, 2012 and trading will recommence shortly.


Company has declared its First Dividend of ₹ 2/- per Share for the year 2011-12.

Yet these are just figures of the past. Your company will meet the future with even better preparation and resources to scale higher levels of performance.

Behind this turnaround story are the efforts of the Metroglobal team that pushed the limits to take the company forward and higher. I humbly acknowledge their valuable contribution to your company.

The tremendous support in all forms by the Board was the backbone of overcoming hurdles and making progress even in difficult circumstances. Other stakeholders also played an important role in the transformation. I thank them all for their encouragement and backing that makes me optimistic and enthusiastic about the future of your company.

9th August, 2012



Gautam M. Jain



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METROGLOBAL LIMITED
(formerly known as global boards limited)

| | |
|---|---|
| BOARD OF DIRECTORS | : Mr. Gautam M. Jain Chairman & Managing Director w.e f 12.11.2011 Mr. Rahul G.Jain Executive Director w.e. f. 12.11.2011 Mr. Sandeep S.Bhandari Independent Director w.e.f 12.11.2011 Mr. Nilesh R.Desai Independent Director w.e.f 12.11.2011 Mr. Dinesh Kumar Singh Whole time Director Resigned w.e.f 31 st July,2012 Mr. Gopalkrishna Pillai Independent Director Resigned w.e.f 26 th June,2012 Mr. Arvind Bedekar Independent Director Resigned w.e.f 1 st July, 2012 |
| COMPANY SECRETARY & COMPLIANCE OFFICER | : Mr. Nitin S. Shah |
| AUDITORS | : M/s AMPAC & Associates, Chartered Accountants, Mumbai |
| REGISTERED OFFICE | : Plot. No C- 86, C/o Indian Copper Industries, MIDC, Industrial Area, Mahad Pin – 402 302, District – Raigad, Maharashtra. |
| CORPORATE OFFICE | : 508-509, "SHILP", Opp: Girish Cold Drinks, C.G.Road, Navrangpura, Ahmedabad-380009 |
| WORKS | : (1) Metroglobal Limited (Unit I) Plot No: A-472-475,& 489-492 , Phase II, GIDC, Vatva, Ahmedabad-382445 (2) Metroglobal Limited (Unit II) Plot No: A1-407,& A2-408 , Phase II, GIDC, Vatva, Ahmedabad-382445 |
| SHARE TRANSFER REGISTRAR | : Sharex Dynamic (India) Pvt.Ltd. Unit: Metroglobal Limited (Formerly known as Global Boards Limited) Unit No-1, Luthara Ind. Premises, Andheri Kurla Road ,Safed pool, Andheri (E), Mumbai 400 072 |

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the Shareholders of the MetroGlobal Limited will be held on Saturday, 29th September, 2012 at 9.30 a.m. Hotel Kuber Palace, Bombay-Goa High Way, Mahad, 402302 District Raigad, Maharashtra to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Statement of Profit and loss for the year ended on that date together with the reports of Directors and Auditors thereon.
2. To Declare dividend on Equity Shares.
3. To appoint M/s. AMPAC & Associates, Chartered Accountants, Mumbai, the retiring Auditors as the Statutory Auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting at the remuneration to be fixed by the Board of Directors.
4. To appoint a Director in place of Mr. Rahul G. Jain who retires by rotation and being eligible, offers himself for reappointment.

Registered Office :

C/o. Indian Copper Industries, Plot No: C-86,
MIDC, Mahad, Dist. Raigad
Pin 402309

Date : 9th August, 2012

By the Order of the Board
Sd/-

Nitinkumar S.Shah
Company Secretary

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will be closed from 24th September, 2012 to 28th September, 2012 (both days inclusive) to determine the entitlement of the shareholders to receive dividend for the year 2011-12.
3. Members/proxies should bring the enclosed attendance slip duly filled in for attending the meeting along with the annual report.
4. Members desirous of obtaining any information, concerning the accounts and operations of the company are requested to send their queries to the company at least seven days before the meeting, so that the information required by the members may be made available at the meeting.
5. Members are requested to bring their copy of the annual report and the attendance slip duly filled in with them at the annual general meeting.
6. Please intimate the changes, if any, in your registered address, to the Company's Registrar & Share Transfer Agent at the following address:-

Sharex Dynamic (India) Pvt. Ltd.
Unit: Metroglobal Limited
(Formerly known as Global Boards Limited)
Unit No-1, Luthara Ind. Premises,
Andheri Kurla Road , Safed pool,
Andheri (E), Mumbai 400 072
7. In terms of Section 205A and 205C of the Companies Act, 1956, any dividend remaining unclaimed of Metrochem Industries Limited, merged with Metroglobal Limited (Formerly Known as Global Boards Limited) for a period of seven years from the due date of payment is required to be transferred to the ' Investors' Education and Protection Fund (IEPF). The dividend for the financial year 2004-05 of Metrochem Industries Limited, which remains unclaimed for a period of seven years, will be transferred by the Company to the IEPF. Members, who have not encashed their dividend warrant so far, for the financial year 2004-2005 and the subsequent years, are requested to make their claims to the office of the Registrars Transfer Agents.

It may be noted that once the unclaimed dividend is transferred to the IEPF as above, no claim shall lie against the Company. Company in terms of requirement of Ministry of Corporate Affairs (MCA) has uploaded the name of the shareholders on the web site of Company and that of MCA (www.mca.gov.in)

8. As required under the Listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be appointed / re-appointed are as per attached Annexure 1

Registered Office :

C/o. Indian Copper Industries, Plot No: C-86,
MIDC, Mahad, Dist. Raigad
Pin 402309
Dated: 9th August, 2012

By the Order of the Board
Sd/-
Nitinkumar S. Shah
Company Secretary

ANNEXURE 1 TO THE NOTICE

**Details of Directors seeking appointment/reappointment at the forthcoming Annual General Meeting.
(in pursuance of Clause 49 of the Listing Agreement)**

| | |
|---|---|
| Name of Director | Mr. Rahul G. Jain |
| Date of Birth | 19.10.1983 |
| Date of Appointment | 14.09.2011 |
| Qualification Expertise in specific functional areas | Having more than 5 Years Working experience in Industry. |
| List of Companies in which outside Directorship held | <ol style="list-style-type: none"> 1. Anil Dyechem Industries Pvt Ltd. 2. Maiden Tradefin Pvt Ltd. 3. Sparking Tradfin Pvt Ltd. 4. Minerva Dyechem Ind Pvt Ltd. 5. Bloom Trading and Investment Pvt Ltd. 6. Charm Trading & Investment Pvt Ltd. 7. Progressive Invatrade Pvt Ltd. 8. Search Invatrade Pvt. Ltd. 9. Harvest Trade Finvest Pvt Ltd. 10. Ornet Infrastructure Pvt Ltd. |
| Chairman / Member of the Committee of the Board of Directors of the Company | <p>Member of Audit Committee Member of Shareholders/Investors Grievance Committee Member of Remuneration Committee</p> |
| Chairman/Member of the Committees of Directors of other Companies in which he is a Director | <ol style="list-style-type: none"> 1. Anil Dyechem Industries Pvt Ltd. 2. Maiden Tradefin Pvt Ltd. 3. Sparking Tradfin Pvt Ltd. 4. Minerva Dyechem Ind Pvt Ltd. 5. Bloom Trading and Investment Pvt Ltd. 6. Charm Trading & Investment Pvt Ltd. 7. Progressive Invatrade Pvt Ltd. 8. Search Invatrade Pvt. Ltd. 9. Harvest Trade Finvest Pvt Ltd. 10. Ornet Infrastructure Pvt Ltd. |

Registered Office :

C/o. Indian Copper Industries, Plot No: C-86,
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Pin 402309
Dated: 9th August, 2012

By the Order of the Board
Sd/-
Nitin S. Shah
Company Secretary

DIRECTORS' REPORT

DEAR MEMBERS,

Your Directors have pleasure in submitting the Twentieth Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2012.

FINANCIAL RESULTS

The highlights of the Financial Results are as under:

| Particulars | YEAR ENDED 31-03-2012 | YEAR ENDED 31-03-2011 |
|--|--------------------------|--------------------------|
| Net Revenue from operations | 14533.06 | 5379.25 |
| Other Income | 294.13 | 527.21 |
| Total Revenue | 14827.19 | 5906.46 |
| Profit Before Finance Cost & Depreciation | 2278.07 | 2092.36 |
| Less: Finance Cost | 86.96 | 36.90 |
| Depreciation | 53.40 | 73.52 |
| Profit Before Extraordinary item & Tax | 2137.71 | 1981.94 |
| Extraordinary items | - | (2530.89) |
| Profit Before Tax | 2137.71 | (548.95) |
| Payment & Provision for Current Tax | | |
| (1) Current tax | - | - |
| (2) Deferred tax asset/(liability) written off | (45.51) | - |
| (3) Earlier year excess (-) /Short (+) provision for tax | - | (8.32) |
| Prior period Expenditure/(Income) | - | 3.54 |
| Profit After Tax | 2183.22 | (544.17) |
| Add: Balance brought forward from the previous year | (15470.92) | (10766.50) |
| Profit Available for Appropriation | (13287.70) | (11310.67) |
| Appropriations: | | |
| Transfer to General Reserve | (200.00) | (4160.25) |
| Transfer to Debenture Redemption Reserve | (300.00) | (4160.25) |
| Proposed Dividend on Equity Shares | (252.26) | - |
| Tax on Dividend | (40.92) | - |
| Total | (793.18) | (4160.25) |
| Balance Carried to Balance Sheet | (14080.88) | (15470.92) |

OPERATIONAL PERFORMANCE

The Scheme of Amalgamation sanctioned by Hon'ble Bombay High Court was implemented during the year under review.

The turnover of the company for the various segments was ₹ 14533.06 lacs for the year 2011-12 as against the turnover of ₹ 5379.25 lacs during the year 2010-11.

Your Company earned net profit of Rs. 2183.22 lacs during the year 2011-12 as against the loss of ₹ (544.17) lacs during the year 2010-11.

The management of the company is hopeful for the better performance in the coming years.

DIVIDEND

Your directors pleased to recommend dividend @ 20% ₹ 2/- per Share (Tax Free) on paid up capital of 12613042 equity shares of ₹ 10/- each.

ORIGINAL JURISDICTION APPEAL No.27 of 2012 FILED AGAINST REVIEW APPLICATION MISC CIVIL APPLICATION NO.59 of 2011

The Income tax department, Ahmadabad had filed Original Jurisdiction Appeal No: 27 of 2012 against the Order passed by Gujarat High Court in OJ Misc Civil Application No: 59 of 2011 in Company Petition No. 177 of 2010. The above said OJ Appeal is pending before Hon'ble Gujarat High Court.

RECORD DATE

The Company had announced 2nd FEBRUARY, 2012 as "RECORD DATE", for Reduction of Share Capital and issue of New Shares to the Shareholders of Metrochem Industries Limited as per Scheme of Arrangement approved by High Court of Bombay.

LISTING OF EQUITY SHARES ON BOMBAY STOCK EXCHANGE (BSE) SCRIP CODE : 500159

The Company has received Listing Approval from Bombay Stock Exchange Limited, Mumbai on 9th July, 2012 by their letter No:DCS/AMAL/AK/IP/190/2012-13 and trading permission by their Notice No: 20120801-26 dated 1st August, 2012 subject to revocation of suspension by Bombay Stock Exchange Limited, Mumbai.

The Company has created its own website : www.metrogloballimited.com for the benefit of its equity shareholders and public at large.

The Company has appointed Company Secretary and Compliance Officer for better services of the equity shareholders.

EFFECTIVE CAPITAL OF METROGLOBAL LIMITED (Formerly known as Global Boards Limited)

The Company had announced record date 2nd February, 2012 for Reduction of Share Capital of Metroglobal Limited (Formerly Known as Global Boards Limited (GBL) and allotment of shares by Metroglobal Limited (Formerly known as Global Boards Limited) (GBL) to the shareholders of Metrochem Industries Limited (MCIL), pursuant to the Modified Scheme of Arrangement approved by the Bombay High Court, Mumai. On implementation of Scheme of Arrangement, the issued, subscribed and paid-up Equity share capital of Metroglobal Limited (Formerly known as Global Boards Limited) (GBL) is ₹ 12,61,30,420 (Rupees Twelve Crores Sixty One lacs Thirty Thousand Four Hundred Twenty Only) divided into 1,26,13,042 (One Crore Twenty Six Lacs Thirteen Thousand Forty Two Only) fully paid-up equity shares of ₹ 10/- (Rupees Ten Only) each.

CONSOLIDATED ACCOUNTS

As required under Clause 32 of the Listing Agreement with the Stock Exchanges, audited consolidated financial statements form part of the Annual Report.

SUBSIDIARY COMPANY

In terms of the General Exemption under Section 212 (8) of the Companies Act, 1956 granted by the Ministry of Corporate Affairs vide its circular no.02/2011 dated 8th February, 2011 and in compliance with the conditions enlisted therein, the Audited Statement of Accounts and the Auditors' Report thereon for the financial year ended 31st March, 2012 along with the Reports of the Board of Directors of the Company's subsidiary has not been annexed with the Balance Sheet of your Company.

The Annual Accounts and related documents of the Subsidiary Company shall be made available for inspection at the Registered Office of the Company. The same will also be made available upon request by any member of the Company interested in obtaining the same.

As directed by the said circular, the financial data of the Subsidiary has been furnished under 'Subsidiary Companies Particulars' forming part of the Annual Report. Further Pursuant to Accounting Standard As-21 issued by the Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report includes the financial information of its subsidiaries.

DIRECTORS

Pursuant to the requirement of the Companies Act, 1956 and Articles of Association of the Company, Mr. Rahul G. Jain, director of the Company, retire by rotation and being eligible offer himself for reappointment.

Brief resume of the Director proposed to be appointed/reappointed, nature of their expertise and details as stipulated under Clause 49 of the Listing Agreement are provided in the Notice for convening Annual General Meeting forming part of the Annual Report.

Dr. G.K.Pillai and Shri A.V.Bedekar have resigned from the board of directors w.e.f 2nd July, 2012. Mr. Dineshkumar Singh has resigned from the board of directors w.e.f 31st July, 2012. The Board places on record its sincere appreciation for the valuable contribution during the tenure with the Company.

FIXED DEPOSITS

During the year under review, the Company has neither invited nor accepted / renewed any deposit from the public within the meaning of section 58A & 58AA of the Companies Act, 1956 and rules made there under and as on March 31, 2012 the Company had no unclaimed deposits or interest thereon due to any depositor.



CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company is committed to focus on good Corporate Governance practices in line with emerging standards. Your Company has implemented the mandatory conditions of Corporate Governance as contained in Clause 49 of listing Agreement. Separate Reports on Corporate Governance and Management Discussion and Analysis along with necessary certificates form part of this report.

FORMATION OF VARIOUS COMMITTEES

Details of the various committees constituted by the Board of Directors as per the provisions of the Clause 49 of the Listing Agreement and Companies Act, 1956 are given in the Corporate Governance Report as annexed and forming part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your directors place on record a Responsibility Statement, subject to the notes to accounts, stating that :

- i) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) Accounting policies selected were applied consistently and have made judgments and estimates that are reasonable and prudent ;
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts of the Company have been prepared on a going concern basis.

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

The information relating to energy conservation, required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is set out in the Annexure A forming part of this report.

On account of merger of Metrochem Industries Limited with the Metroglobal Limited (Formerly known as Global Boards Limited) the information relating to energy conservation, required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is set out in the Annexure A forming part of this report.

PARTICULARS OF EMPLOYEES

Information required to be disclosed u/s 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not applicable as none of the employee was in receipt of a remuneration of Rs. 2,00,000/- and above per month or Rs. 24,00,000/- and above per annum during the year.

INSURANCE

During the year all insurable interests of the Company including inventories, building, plant & machinery, equipments and others to the extent necessary were adequately insured.

COST AUDIT

During the year under review there was no production of "Dyes" or " Paper" hence Cost Audit as required under Section 233B of the Companies Act, 1956 is not applicable to the company. However Compliance report will be submitted by the Company as per Cost Audit Rules.

AUDITORS:

AMPAC & Associates, Chartered Accountants, Mumbai, retire at the conclusion of the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment.

The company has received letter from them to the effect of their reappointment , if made, would be within prescribed limit under section 224 (B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

COMMENTS ON AUDITORS' REPORT :

The remarks or qualifications given at Auditors Report and in the Annexure to Auditors Report are self – explanatory.

INDUSTRIAL RELATIONS

During the year under review, the industrial relations remained harmonious and cordial. The Directors wish to place on record the unstinted efforts and dedicated services extended by the employees at all levels. With their support the Company looks forward to a brighter future.

ACKNOWLEDGEMENT

The Directors extend their sincere thanks to the Bankers, Central and State Government Authorities, Customers, Shareholders and all other who have been associated with the Company, for their co-operation, continued support and for the confidence reposed in the management of the Company.

For and on behalf of the Board

Sd/-

Gautam M.Jain

Chairman & Managing Director

Place : Ahmedabad
Date : 09th August, 2012

ANNEXURES A TO DIRECTORS' REPORT

Information as required Under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

The Company is making continuous effort for energy conservation. Effective measures have been taken to monitor generation & consumption of energy during the process of manufacture.

Total energy consumption and energy consumption per unit of production:

From A is annexed.

B. TECHNOLOGY ABSORPTION

Form B is annexed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

| | (₹ Lacs) | |
|----------|----------|---------|
| | 2011-12 | 2010-11 |
| Earnings | 619.03 | 434.00 |
| Outgo | 4.98 | 6.36 |

FORM 'A'
A. POWER AND FUEL CONSUMPTION

| | | (₹ Lacs) | |
|-----------------------|--|----------|---------|
| PARTICULARS | | 2011-12 | 2010-11 |
| 1. Electricity | | | |
| a). Purchased | | | |
| Units (kwh/Lacs) | | 1.53 | 1.51 |
| Total Amount (₹ Lacs) | | 12.52 | 11.29 |
| Rate/Unit (₹) | | 8.18 | 7.49 |
| Own Generation | | | |
| Through Power Plant | | | |
| Units (kwh/Lacs) | | - | - |
| Total Amount (₹ Lacs) | | - | - |
| Rate/unit (₹) | | - | - |



| | | (₹ Lacs) | |
|--|---------|----------|--|
| PARTICULARS | 2011-12 | 2010-11 | |
| b) Own Generation Through Diesel Generator Unit (kwh/Lacs) | - | - | |
| Unit per litre of diesel oil Rate/unit (₹) | - | - | |
| 2. Light Diesel Oil (LDO) and Furnace Oil Quantity (ltr/Lacs) | 0.12 | 0.12 | |
| Total Cost (₹ Lacs) | 5.67 | 3.57 | |
| Average Rate (₹/Ltr) | 47.25 | 29.00 | |
| 3. Fire wood Quantity (M.T.) | - | - | |
| Total Cost (₹ Lacs) | - | - | |
| Average Rate (₹ Lacs/MT) | - | - | |
| B. CONSUMPTION PER UNIT OF PRODUCTION | | | |
| Production of Dyes & Dyes Intermediates (MT) | 610.12 | 589.06 | |
| (i) Electricity (Units/MT) | 250.52 | 256.34 | |
| (ii) LDO and Furnace Oil (per MT) | 19.67 | 20.37 | |
| (iii) Firewood (Units per tonne) | - | - | |

Note : There are no separate standards available for each product since the product range consists of various products with different consumption.

FORM 'B'

Form for disclosure of particulars with respect to:

RESEARCH AND DEVELOPMENT (R&D)

- 1) Areas in which R & D is being carried out :
No expenditure incurred on R & D during the year under review.
- 2) Benefits derived as a result of above R & D :
During the year review, Toll manufacturing arrangement with Huntsman continues, So there is no expenditure incurred on R & D.
- 3) Future plan of action :
Company is exploring good business opportunities.
- 4) Expenditure on R & D.

| | | (₹ Lacs) | |
|---|---------|----------|--|
| PARTICULARS | 2011-12 | 2010-11 | |
| i) Capital | NIL | NIL | |
| ii) Recurring | NIL | NIL | |
| iii) Total | NIL | NIL | |
| iv) Total R & D Expenditure as percentage to turnover | NIL | NIL | |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

In view of Scheme of Amalgamation in the nature of merger of Metrochem Industries Limited with the company. Company is pursuing alternate business opportunities so there is no technology absorption, adaptation and innovation during the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

A. OVERALL INDUSTRIAL VIEW

There has been a perceptible slow down in the Indian economy with GDP growth coming down to below 7% for the year under review. Infrastructure development has not kept pace with expectations. Rampant inflation and escalating cost of vital industrial inputs such as coal, power and freight etc have also caused severe strain on the economy.

Credit squeeze and tight monetary policies adopted by RBI do not appear to have neither controlled inflation nor helped growth. Slow-down in International economy caused by Euro zone crisis also contributed to poor market sentiments. Coupled with lack of clear policy direction and minimal progress on the reforms process, these factors have changed the investment climate from being optimistic to cautionary.

However, India still continues to be one of the fastest growing economies of the world and hope that the Government will take effective and pro-active steps soon to restore the growth momentum to above 8%.

On our part, we continue to strongly believe in the India growth story and feel that in spite of these temporary problems, Indian economy will soon return to a healthier growth path accordingly, we continue to pursue aggressive growth targets for all our businesses.

During the year under review Scheme of Amalgamation in the nature of merger of Metrochem Industries Limited with Metroglobal Limited (*Formerly known as Global Boards Limited*) and restructure of Share Capital of Metroglobal Limited (*Formerly known as Global Boards Limited*) have been implemented as per the order passed by the High Court of Bombay.

Dyes and Intermediates:

Considerable efforts have been put in by industry and academia on a continuous basis to deliver colorants with green environment. The need for high performance products has been to a great extent crystallized. There is also a noticeable trend in the world market with regard to colour solution approach to counter commoditization with the advent of technological innovations.

During the last decade, the industry was growing at an average growth of 2-3% per annum. Whereas other countries in the world market contribute nearly 87.5% of the global share, India accounts for 12.5%.

Today, Indian dyestuffs industry comprises about 950 units (50 in large and organized sector and 900 units under Small & Medium Enterprises (SME) Sector). The overall production capacity of dyestuffs is 200,000 tonnes per annum. With the ever increasing standards of quality and reliability, Indian dyestuffs industry meets more than 95% of the domestic requirement, out of which textile industry consumes nearly 60% and the remaining is shared by paper, leather & other consumer industries.

Realty & Infrastructure:

The development of residential townships, malls, office spaces and flyovers are some of the growth stimulators changing the cityscape of Ahmadabad. Maximum activity in terms of planned residential, commercial and retail development can be witnessed in this western micro market of Ahmadabad. Residential real estate of Ahmadabad is dominated by private players and the market is also heavily driven by an active investor base, with most of the participants ploughing capital market profits into the real estate markets.

Real estate scenario in the city has been stagnant in the near term, owing to the increased home loan rates and slowdown in the equity markets. However, in the long term, we see an appreciation of 7-10% YoY in property prices over the next 5 years, due to the inherent demand and the continued pace of infrastructure developments in the city.

In Central Ahmadabad, due to unavailability of land, prices have increased two fold over the last 3 years predominantly in the prime land properties facing C. G. Road. C. G. Road is the most preferred location of Ahmadabad, as it is at the heart of the city and has good connectivity. Commercial and retail presence in close proximity makes this a residential paradise.

Paper Industry:

The outlook for the paper industry is positive and is expected to double to reach 20 million tonne over the next eight years. The growth is expected to be driven by the rising demand for paper products, which is majorly supported by various government education programmes.

B. OPPORTUNITIES & THREATS :

Your Company has diversified its activities in various segments for better performance and growth.



Dyes & Intermediates:

During the year under review due to non-compete agreement with Huntsman Group with MCIL (Transferor Company) the turnover of its Dyes and dyes intermediates is very limited. MCIL entered into an exclusive toll manufacturing agreement with Huntsman Group. Hence Your Company is having turnover in Dyes and dyes intermediates related to the Huntsman Group and of trading business.

Dyes and Intermediates segment has immense growth potential driven by high growing end-use industries

Technology & innovation will play vital role in growth of this sector where India has natural advantage of large pool of technical man-power as well as scientists and researchers.

While chemical industry addresses growing need for materials required by different sectors, the industry employs highly complex manufacturing processes that involve handling of often toxic and hazardous chemicals. The process being energy intensive, the importance of safety, security and environmental protection cannot be underestimated.

Realty & Infrastructure:

Money invested in real estate offers both a regular return on investment as well as a possibility of capital appreciation. With the tax reform measures taken in the last few years, the real estate is considered to be the most lucrative investment sector in the coming years.

Investing in a new project without proper due-diligence, can be counterproductive. Given the tight liquidity with the developers, it will be advisable to invest only in Residential Projects that are 60-80% complete or are ready to move in. 70% of all projects that were launched during 2007-08 and were to be handed over in 2012 are running behind schedule. New projects launched in 2012 can meet the same fate if the credential of the developers and their ability to fulfill their commitment is not properly tested.

Your Company has also diversified and made investments in the Realty and Infrastructure business. Your company has acquired land and entered into partnerships with established Realty developers to launch new residential projects. Your Company has increased its investment allocation to the Realty and Infrastructure business.

Various projects under Implementation:

Residential Projects:

Metro Luxuria: Located at prime location off CG Road, Navrangpura. It is a luxurious 4-BHK residential apartment with modern amenities. The project is near completion.

Alpine Heights: Located at Income Tax office on Ashram Road, Ahmadabad. It is a 2 BHK high-rise building with lifestyle residential apartment with modern amenities. This housing project is launched with the partnership with Samved Engineers through an SPV Metro-Samved Engineers. The project is expected to complete by end of 2012.

Satej Homes: Located at Vatva, Ahmadabad. It is a 2BHK affordable housing lowrise apartment project. This housing project is also launched with the partnership with Samved Engineers through an SPV Metro-Samved Engineers.

Simandhar Metro: Your Company has acquired land at Village Gota (T.P. 32), Ahmadabad in partnership with Simandhar Construction Private Limited for and put a residential apartment project under the name of "Simandhar Metro"

Ganesh Infrastructure: Your company has also become partner of "Ganesh Infrastructure" for development of land and Building at Ankles war. This project comprises of residential apartments, bungalows, commercial complexes & shopping malls.

DK Metro: Your Company has acquired land in the industrial area of Chattral. It plans to develop an Industrial Estate comprising of commercial shops, sheds and plots under the Name of "DK Metro".

Paper Industry

Paper industries in India are having good opportunities on account of use of wood for paper products and renewable energy (for wood manufacturing and grid supply). Paper Industries achieve good results on account of higher level of paper recovery, re-use and recycling, including energy extraction.

Paper industries are facing increasing competition for wood raw materials from the renewable energy sector. Paper Industries are facing cut throat competition due to growing supply of low-cost and high-quality imports of commodity-grade papers, especially from China. Paper Industries in India are facing from high variable costs, including: wood, chemicals, energy and (for conversion) labour.

Other business:

Gold has been rising for over a decade and supportive factors persist to extend the rally. It is likely to gain support

from euro zone debt, loose monetary policies in advanced economies, increasing intervention by central banks in currency markets, inflationary pressure in emerging nations and failure of central banks' in supporting the economy. Robust demand from China and India will also help.

However, in recent months, gold has shown a positive correlation with most financial assets making it vulnerable to a sell-off if the outlook for major economies is weak. Also, central banks may not loosen monetary policies enough due to fear of inflationary pressures.

Silver saw mixed movement this year but is set to mark its third yearly gain. After a run-up to near record levels in 2011, it shed most of the gains. Weakness in industrial metals and redemption by ETF holders weighed down silver while a higher gold price lend support. Silver may trade firm in 2012 as gold is expected to hit new highs. However, concerns about global economies will limit upside.

C. SEGMENT WISE PERFORMANCE

The Company was engaged in the business of Dyes and dyes intermediates, Realty and Infrastructure and other business during the financial year under review.

Dyes and Dyes Intermediates:

The turnover of the Dyes and dyes intermediates during the year under review is ₹ 11.34 crores as against ₹ 10.01 crores during the previous year.

Realty and Infrastructure:

Your Company has an income of ₹ 4.85 crores from the Realty and Infrastructure Segment during the year under review as against ₹ 3.60 crores during the previous year

Trading and Finance business :

The gross revenue from operations of the trading and finance segment during the year under review is ₹ 132.07 Crores as against ₹ 43.55 crores during the previous year.

D. RISKS AND CHALLENGES

As a diversified Company, the Company has always had a system based approach to business risk management. Backed by strong internal control systems, the current risk management consists of following elements:

- The Company has clearly lay down roles and responsibilities in relation to risk management
- The Company has planned its activities and long term arrangement for supply of raw materials such as cement, steel etc to reduce the risk of instability of prices of such raw materials.
- The Company ensures that the risks it undertakes are commensurate with better returns
- In order to minimize the risks, planning and risks management is the main objective of the Company.

E. INTERNAL CONTROL SYSTEMS AND ADEQUACY

Your Company has adequate internal controls for its business across departments to ensure efficiency of operations, compliances with internal policies and applicable laws and regulations, protection of resources and assets and accurate reporting of financial transactions.

The internal control system is supplemented by extensive internal checking system, regular reviews by management and standard policies and guidelines to ensure the reliability of financial and all other records.

F. HUMAN RESOURCES

Your Company believes that it is the employee's skills and capabilities which will provide the necessary cutting edge to face challenges and market competition. Your Company re-emphasizing philosophy that employee well-being is extremely important, welfare activities have been given a boost. Your Company strives to maintain a professional work environment where every employee feels satisfied and appreciated.

G. CAUTIONARY STATEMENT

Certain statements in this report may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local, political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements.

The Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

Though the Company believes in corporate governance to ensure transparency, timely disclosures and independent monitoring of the functioning of the Company to enhance the value of its shareholders, the critical financial condition of the Company has forced limitations on its ability to implement practices of good governance.

Corporate Governance standards for listed companies are regulated by Securities and Exchange Board of India (SEBI) through Clause 49 of the listing Agreement of the Stock Exchange.

The Company has Complied with the requirements of the Corporate Governance in terms of Clause 49 of the listing Agreement.

The Board of Directors presents a Corporate Governance report on the compliance of clause 49 of the listing Agreement.

2. BOARD OF DIRECTORS

2.1 Composition of Board

The Board has an optimum combination of Executive and Non-Executive Directors and is in conformity with clause 49 of the Listing Agreement. As on 31st March, 2012 the total strength of the Board of Directors consists of 7 directors, comprising of

| Category | No | Percentage of total number of directors |
|-------------------------|----|---|
| Executive Directors | 3 | 43% |
| Non Executive Directors | 4 | 57% |
| Total | 7 | 100% |

After implementation of Scheme of Amalgamation as on 9th August, 2012 the total strength of the Board of Directors consists of 4 directors, comprising of :

| Category | No | Percentage of total number of directors |
|-------------------------|----|---|
| Executive Directors | 2 | 50% |
| Non Executive Directors | 2 | 50% |
| Total | 4 | 100% |

The Composition of Board of the Company is complying with the requirements of Clause 49 (I) (A) of listing agreements as more than 50% of the directors are non executive Independent.

| Name of the Director | Designation | Category | Directorship held in other Public Limited Companies | Committee Membership of other Companies |
|--|------------------------------|---------------|---|---|
| Mr. Gautam M.jain | Chairman & Managing Director | Executive | 1 | Nil |
| Mr. Rahul G.Jain | Executive Director | Executive | Nil | Nil |
| Mr.Dinesh Kumar Singh Resigned w.e.f. 31 st July, 2012 | Executive Director | Executive | Nil | Nil |
| Dr. G.K. Pillai Resigned w.e.f 26 th June, 2012 | Independent Director | Non Executive | Nil | Nil |
| Mr A.V.Bedekar Resigned w.e,f 1 st July, 2012 | Independent Director | Non Executive | Nil | Nil |
| Mr.Sandeep S.Bhandari | Independent Director | Non Executive | Nil | Nil |
| Mr. Nilesh R.Desai | Independent Director | Non Executive | 2 | Nil |

2.2 Board Procedure

During the year under review, the Board of the Company met 10 times. Notices along with Agenda papers were sent to Directors in advance of each Board Meeting. The necessary information including agenda, the workings & statements containing status of various matters were placed before the Board of the Company.

Minimum four Board meetings are held in each year. Apart from the four prescheduled Board meetings, the meetings would be convened to address specific needs of the company.

The intervening period between two Board meetings was well within the maximum gap of four months prescribed under clause 49 of the listing Agreement with Stock Exchanges.

2.3 Attendance of the Directors at the Board Meetings and at the last Annual General Meeting

During the Financial Year (FY) ended on 31st March,2012, meeting of the Board of Directors was held 10 (Ten) times. The intervening period between two Board Meetings was well within the maximum gap of four months prescribed under Clause 49 of the Listing Agreement.

| Name of the Director | Number of Board Meetings | | Attended the Last AGM held on 30 th December,2011 |
|-------------------------|--------------------------|----------|--|
| | Held | Attended | |
| Mr. Gautam M.jain | 10 | 4 | No |
| Mr. Rahul G.Jain | 10 | 3 | No |
| Mr. Dineshkumar H.Singh | 10 | 6 | Yes |
| Dr. G.K. Pillai | 10 | 6 | No |
| Mr. A.V.Bedekar | 10 | 6 | Yes |
| Mr. Sandeep S.Bhandari | 10 | 4 | No |
| Mr. Nilesh R. Desai | 10 | 4 | No |

2.4 Information to Board

The Board of Directors has Complete access to the information within the Company , which interalia includes:-

- Quarterly results and results and operation of subsidiary Company and business segments.
- Annual revenue budgets and Capital expenditure plans of the Company and its subsidiary.
- Financing plan of the Company.
- Minutes of the Board of Directors, Audit Committee, Shareholders/Investors Grievance Committee & Remuneration Committee.
- Any issue, which involves liability of claims substantial nature including any judgment or order, if any which may have strictures on the conduct of the company.
- Development in respect of human resources.
- Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non-payment of dividend ,delay in share transfer etc, if any.
- Any fatal or serious accident.
- Any material relevant default in financial obligations to and by the Company or substantial nonpayment by the customer for the goods sold.

The details of Board meetings held and the Directors' attendance in each meeting are given in the following table.

| Meeting Held At | Date of Board Meeting | No. Of Directors Present |
|-----------------|-----------------------|--------------------------|
| Mumbai | 30-04-2011 | 3 |
| Mumbai | 19-05-2011 | 3 |
| Mumbai | 09-07-2011 | 3 |
| Mumbai | 10-08-2011 | 3 |
| Mumbai | 31-08-2011 | 3 |
| Mumbai | 14-09-2011 | 3 |
| Ahmedabad | 12-11-2011 | 4 |
| Ahmedabad | 26-12-2011 | 3 |
| Ahmedabad | 03-02-2012 | 4 |
| Ahmedabad | 11-02-2012 | 4 |



Brief resume summary of the directors seeking appointment / re-appointment during the year have been disclosed in the Annexure to the notice to the Annual General Meeting. The last Annual General Meeting was held on 30th December, 2011 as three months extension was granted by Registrar of Companies, Maharashtra.

COMMITTEES OF THE BOARD

- (1) Audit Committee
- (2) Remuneration Committee
- (3) Shareholders' / Investors' Grievance and Share Transfer Committee

The terms of reference of the Board Committee are determined by the Board from time to time. During the year due to implementation of Scheme of Amalgamation, the board changed the constitution of committees.

3. AUDIT COMMITTEE :

3.1 Composition of Committee:

The Audit Committee comprises of two independent Directors and one Executive Director as at 31st March, 2012. Mr. Sandeep S.Bhandari, Independent Director is the Chairman of the Committee.

The Audit Committee consisted of following members upto 03/02/2012

1. Dr. G.K. Pillai
2. Mr. Arvind Bedekar
3. Mr. Dinesh Kumar Singh

The Audit Committee consisted of following members: - w.e.f 03/02/2012

1. Mr.Sandeep S.Bhandari
2. Mr. Nilesh R. Desai
3. Mr. Rahul G.Jain

Mr. Nitin S. Shah, Company Secretary acts as Secretary of the Audit Committee.

3.2 Meeting and Attendance:

After implementation of Scheme of Amalgamation, Board changed the members & Chairman of the Audit Committee. Six (6) audit committee meetings were held on 30th April, 2011, 9th July, 2011, 14th September, 2011 and 12th November, 2011, 3rd February, 2012 and on 11th February, 2012 the attendance of the members at the meeting was as follows:

| Name of Member | Category of Director | Status | No. of Meetings Attended |
|---|----------------------|--------|--------------------------|
| Dr. G.K. Pillai Resigned from 03.02.2012 | Independent Director | Member | 4 |
| Mr. Dinesh Kumar Singh Resigned from 03.02.2012 | Whole Time Director | Member | 4 |
| Mr. Arvind Bedekar Resigned from 03.02.2012 | Independent Director | Member | 2 |
| Mr.Sandeep S.Bhandari appointed w.e.f 14.09.2011 | Independent Director | Member | 2 |
| Mr. Nilesh R.Deasai appointed w.e.f 14.09.2011 | Independent Director | Member | 2 |
| Mr.Rahul G.Jain appointed w.e.f 14.09.2011 | Executive Director | Member | 2 |

In addition to the above, the Committee meeting attended by Manager (Finance), Company Secretary and Statutory Auditors.

The Committee acts as a link between the management, auditors and the Board and has full access to financial information.

3.3 Terms of reference

The terms of reference of the Audit Committee are as set out in Clause 49 of the listing Agreement with the Stock Exchanges, under the Companies Act and with other applicable laws. The Audit Committee reviews the financials Statements of the Company and Subsidiary Company and also perform the following functions.

- (a) To review the audit plan and Company's external Audit Report.
- (b) To review financial Statements of the Company before their submission to the Board.
- (c) To review company's staff support to the external auditors.
- (d) To nominate external auditors for re-appointment.
- (e) To review the scope and results of internal audit procedure.
- (f) To review related party transactions.
- (g) To generally undertake such other functions and duties as may be required by statute or by the Listing Agreement and by such other amendments made thereto from time to time.

4. REMUNERATION COMMITTEE :

The Remuneration Committee consisted of following members upto 03-02-2012: -

1. Dr. G.K. Pillai
2. Mr. Arvind Bedekar
3. Mr. Dinesh Kumar Singh

During the year, two meeting of the Remuneration Committee was held on 12-11-2011 and 11-02-2012 the attendance of the members at the meeting was as follows:

| Name of Member | Category of Director | Status | Meeting Attended on 12-11-2011 |
|------------------------|----------------------|--------|--------------------------------|
| Dr. G.K. Pillai | Independent Director | Member | 1 |
| Mr. Arvind Bedekar | Independent Director | Member | 1 |
| Mr. Dinesh Kumar Singh | Whole Time Director | Member | 1 |

The Remuneration Committee consisted of following members: - w.e.f 03/02/2012

1. Mr. Nilesh R. Desai
2. Mr. Sandeep S. Bhandari
3. Mr. Rahul G. Jain

| Name of Member | Category of Director | Status | Meeting Attended on 11-02-2012 |
|-------------------------|----------------------|----------|--------------------------------|
| Mr. Nilesh R. Desai | Independent Director | Chairman | 1 |
| Mr. Sandeep S. Bhandari | Independent Director | Member | 1 |
| Mr. Rahul G. Jain | Executive Director | Member | 1 |

4.1 Terms of reference

The role of Remuneration Committee is to facilitate the transparency, accountability and reasonableness of the remuneration of Director and Senior Management Personnel.

The Remuneration Committee will recommend to the Board a remuneration package for Executive Chairman & Managing Director, Executive Director and Senior Management Personnel.

All aspects of remuneration, including but not limited to directors' fees, salaries, allowances and benefits-in-kind shall be covered by remuneration committee. The Remuneration Committee Director shall abstain from voting any resolution of his remuneration package.

4.2 Remuneration policy

The Company pays remuneration to its Executive Chairman & Managing Director and Executive Directors by way of Salary, perquisites and bonus. The remuneration approved by the Board.

4.3 Details of remuneration to all the Directors:

| Name of Director | Category of Director | Salary ₹ | Perquisites ₹ | Sitting fees ₹ |
|------------------------|------------------------------|-------------|------------------|-------------------|
| Mr. Gautam M. Jain | Chairman & Managing Director | 8,47,000 | 5,90,396 | - |
| Mr. Rahul G. Jain | Executive Director | 3,85,000 | 2,02,992 | - |
| Dr. G.K. Pillai | Independent Director | - | - | 1,40,000 |
| Mr. A.V. Bedekar | Independent Director | - | - | 1,40,000 |
| Mr. Dinesh Kumar Singh | Executive Director | 6,00,000 | - | - |

**5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE****5.1 Composition of Committee**

The Shareholders / Investors Grievance Committee consisted of following members upto 03-02-2012: -

1. Dr. G.K. Pillai
2. Mr. Arvind Bedekar
3. Mr. Dinesh Kumar Singh

Mr. Nitin S. Shah, Company Secretary acts as Secretary of the Shareholders'/Investors' Grievance and Share Transfer Committee.

5.2 Meetings & Attendance during the year

During the year, Shareholders/Investors Grievance committee Meetings were held on 30th April, 2011, 12th July 2011, 12th November, 2011, and 11th February, 2012

The attendance of members at the meeting was as follows.

| Name of Member | Category of Director | Status | No. of Meetings Attended |
|------------------------|----------------------|--------|--------------------------|
| Dr. G.K. Pillai | Independent Director | Member | 3 |
| Mr. Dinesh Kumar Singh | Whole Time Director | Member | 3 |
| Mr. Arvind Bedekar | Independent Director | Member | 3 |

The Shareholders/Investors Grievance committee Meetings consisted of following members: - w.e.f 03/02/2012

1. Mr. Sandeep S. Bhandari
2. Mr. Nilesh R. Desai
3. Mr. Rahul G. Jain

| Name of Member | Category of Director | Status | Meeting Attended on 11-02-2012 |
|-------------------------|----------------------|----------|--------------------------------|
| Mr. Sandeep S. Bhandari | Independent Director | Chairman | 1 |
| Mr. Nilesh R. Desai | Independent Director | Member | 1 |
| Mr. Rahul G. Jain | Executive Director | Member | 1 |

5.3 Terms of Reference

The Current terms of reference of the Committee are as follows.

- (a) To allot the equity shares of the Company.
- (b) Efficient transfer of shares, including cases for refusal of transfer/transmission of shares
- (c) Redressal of Shareholders and Investor complaints like transfer of shares, non receipt of Balance Sheet, Non receipt of declared dividend etc.
- (d) Issue of duplicate/split/consolidated Share Certificate
- (e) Allotment and listing of shares.
- (f) Review cases for refusal /transmission of Shares.
- (g) Reference to Statutory and regulatory authorities regarding investor grievance.
- (h) Proper and timely attendance and redressal of investor queries and grievances.

5.4 Details of Shareholders Complaints:

| Details of Complaints received | Nos. |
|--|------|
| Number of Shareholders Complaints received from 01.04.2011 to 31.03.2012 | 10 |
| Number of Complaints resolved | 10 |
| Number of Outstanding Complaints as on 31.03.2012 | 0 |

6. CODE OF CONDUCT

The Board of Directors has laid down the Code of Conduct, applicable to all Board members and senior executives of the Company. All Board members and senior management executives have affirmed compliance with the Code of Conduct.

DECLARATION BY MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING COMPLIANCE WITH CODE OF CONDUCT

In accordance with Clause 49 (1) (D) of the listing Agreement with the Stock Exchange, I hereby confirm that all the Directors and Senior Management of the Company have affirmed compliance with Code of Conduct as applicable to them for the financial year ended on 31st March, 2012.

9th August, 2012

Ahmedabad

For Metroglobal Limited,

Sd/-

Gautam M.Jain
Chairman & Managing Director

7. DETAILS OF GENERAL BODY MEETINGS:

(i) Date, Time & Location of the last three Annual General Meetings and details

| AGM and date | Time | Location | No. of Special Resolution passed |
|--|----------|--|----------------------------------|
| 19th AGM 30th December, 2011 | 9.30 a.m | Hotel Kuber Palace, Bombay-Goa High Way, Mahad, Dist: Raigadh , Maharashtra | Three |
| 18th AGM 30th July, 2010 | 9.00 a.m | Plot no. 25, GBL Housing Colony Mahad Nagalwadi, MIDC, Mahad, 402302 Dist Raigad | Two |
| 17 th AGM 30 th December 2009 | 9.00 am | R-25, GBL Housing Colony, Mahad, Nagalwadi, MIDC, Mahad – 402 302, Dist. – Raigad | Two |

Special Resolution Passed at the last 3 (Three) AGMs.

| Financial Year (FY) | Items |
|---------------------|--|
| 2008-2009 | Renewal of Appointment of Mr.Dinesh Kumar Singh and Mr.Bipin Mahate as Whole Time Director |
| 2009-2010 | Change in Designation of Mr.Arvind Bedekar to Director |
| 2010-2011 | Appointment of Mr.Rahul Jain as Executive Director, Appointment of Mr.Gautam Jain as Chairman & Managing Director and Re-appointment of Mr.Dinesh Singh as Whole Time Director |

POSTAL BALLOT

No Special Resolution has been passed last year through Postal Ballot.

The Company however is seeking consent of members of the Company through Postal Ballot as per the provisions of section 192A of the Companies Act, 1956 read with Company's (Passing of the Resolution by Postal Ballot) Rules, 2001 by passing Special Resolution for making investments in/giving loans and ordinary resolution for sell of Assets.

Notice for the Postal Ballot with Postal Ballot Form and self addressed envelope will be sent to the Shareholders, Results of Postal Ballot will be declared at the Company's Corporate Office on 8th October, 2012 at 5.00 p.m.

Extra Ordinary General Meeting

Extra Ordinary General Meeting was held on 6th June, 2011 for Change of Auditor of the company, M/s AMPAC & Associates, Chartered Accountants appointed as Statutory Auditors of the Company, in place of M/s. D.N. Kanabar & Co., Chartered Accountants to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting.

8. DISCLOSURES:

(A) Related party transactions

Particulars of related party transactions are listed out in the Schedules forming part of the Balance Sheet.

(B) Disclosure of accounting treatment

The Company has followed all applicable Accounting Standards while preparing the financial statements subject to notes thereon.

(D) Proceeds from public issues, right issues, preferential issues etc

During the year, the Company has not raised funds through public issues, right issues or preferential issue.

(E) Management

The Management Discussion and Analysis Report, published as a separate section of this report is prepared in accordance with the requirements laid out in Clause 49 of the Listing Agreement and forms part of the Annual Report.

(F) Disclosure of Directors seeking appointment / reappointment

The details pertaining to Directors seeking appointment / reappointment are furnished as Annexure to Notice convening the Annual General Meeting.

(G) Statutory Compliance

The Company has made an application for Revocation of Suspension in trading of Equity Shares to Bombay Stock Exchange and has complied with all the pending compliance of Listing Agreement.

(H) Whistle Blower Policy and affirmation that no personnel has been denied access to the audit committee

At present the Company has no whistle-blower policy. However, no personnel have been denied access to the audit committee.

(I) Details of Compliance with mandatory requirements and adoption of the non –mandatory requirements of this clause

The Status of Compliance with Non-Mandatory requirement is as under :

1. The Company has set up a Remuneration Committee pursuant to Clause 49 of the Listing Agreement.

(J) CEO/CFO Certification

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges the Chairman & Managing Director of the Company has certified to the Board, compliance with Clause 49 (V) regarding CEO/CFO certification only on an annual basis.

(K) Auditors' Report on Corporate Governance

Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance, as stipulated in clause 49 of the Listing Agreement of the Stock Exchanges in India, forms part of this report.

9. MEANS OF COMMUNICATION :

- Newspapers wherein results normally published

The Company has started publishing the results in Newspaper. The Company has published the results for the quarter ended 30th June, 2011, 30th September, 2011, 31st December, 2011 & 31st March, 2012 in the following newspaper :

- 1) The Free Press Journal
- 2) Navshakti

- Any Web site, where displayed

The data and information relating to the Company can be accessed from the following websites :

www.metrogloballimited.com

Pursuant to the requirement of Clause 47 (F) of the Listing Agreement, the company has also created email address for making investor's grievance directly i.e. nitin.shah@metroglobal.in

10. GENERAL SHAREHOLDER INFORMATION :
(i) Annual General Meeting:

| | |
|-------------------------------|--|
| Day | Saturday |
| Date | 29 th September, 2012 |
| Time | 9.30 a.m. |
| Place | Hotel Kuber Palace, Bombay-Goa High Way, Mahad - 402 301, Dist: Raigadh, Maharashtra. |
| Last date of receipt of Proxy | Thursday 27 th September, 2012 (before 9.30 a.m) |

(ii) Financial Year:-

The Financial Year of the Company is from 01 April to 31st March. The Board Meeting for approval of Quaterly financial Results during the year ended 31st March, 2012 were held on the following dates:-

| Quarter | Date of Board Meeting |
|---|-----------------------|
| First Quarter Results-30-06-2011 (Due to implementation of Scheme of Amalgamation, intimated to Stock Exchange) | 14-09-2011 |
| Second Quarter and Half yearly results 30-09-2011 | 12-11-2011 |
| Third Quarter 31-12-2011 | 11-02-2012 |
| Fourth Quarter 31-03-2012 | 14-05-2012 |

Financial Calendar 2012-13

| | |
|---|--|
| First Quarter Results-30-06-2012 | Within 45 days from the close of quarter |
| Second Quarter and Half yearly results 30-09-2012 | Within 45 days from the close of quarter |
| Third Quarter 31-12-2012 | Within 45 days from the close of quarter |
| Fourth Quarter & Annual Results 31-03-2013 | Within 60 days from the close of quarter |

(iii) Dates of Book Closure :-

Book Closure dates : 24th September, 2012 to 28th September, 2012 (both days inclusive).

(iv) Dividend Payment:-

The Board of Directors at their meeting held on 9th August, 2012 recommended a final dividend of ₹ 2/- per equity share of the face value of ₹ 10/- each for the Financial Year 2011-12 subject to approval of the shareholders. Final dividend, if approved by the shareholders will be paid within the prescribed statutory period.

(V) Listing details of Equity Shares:

| Name of the Stock Exchange | Stock Code |
|--|------------|
| Bombay Stock Exchange of India Limited (BSE) | 500159 |

(VI) Stock Code:-

The ISIN allotted to the Company's equity shares of face value of ₹ 10/- each under the depository system is INE085D01033

(VII) Stock Market Price Data:

As during the year, the trading of Company's shares remained suspended, no trading took place. Hence, market price data are not furnished.

The Company has made application for revocation of suspension .The Company has already received listing approval from Bombay Stock Exchange of India Limited (BSE).

(VIII) Registrar and Share Transfer Agents:

The Company in compliance with the SEBI guidelines has appointed Sharex Dynamic (India) Pvt.Ltd. Mumbai as a common share transfer agent for Physical and Electronic form of Shareholding :-

For Share Transfer, Demat, & any other Communications relating to Share Certificates, Change of address, Investor Grievances etc. to be sent to

Sharex Dynamic (India) Pvt. Ltd.

Re : Metroglobal Limited (Formerly known as Global Boards Limited)

Unit No-1, Luthara Ind. Premises, Andheri Kurla Road , Safed Pool, Andheri (E), Mumbai 400 072.

Ph. No. 022-28515606 E-mail : sharexindia@vsnl.com



(IX) Share Transfer System:

Job of Registrar and Transfer Agents is carried out by Sharex Dynamic (India) Pvt.Ltd, Mumbai. Transfer and dematerialization of shares are processed by Sharex Dynamic (India) Pvt.Ltd, Mumbai. The transfer of shares in depository mode need not be approved by the Company. The Physical transfers of Shares are approved by Shareholders'/ Investors' Grievance and Share Transfer Committee.

(X) Distribution of Shareholding as on 31st March, 2012

| SHAREHOLDING OF NOMINAL VALUE OF (1) | SHAREHOLDERS | | SHARE AMOUNT | |
|--|---------------|-------------------|------------------|-------------------|
| | Number (2) | % to Total (3) | In ₹ (4) | % to Total (5) |
| Upto to 5000 | 16494 | 97.37 | 8207990 | 6.51 |
| 5001-10000 | 185 | 1.09 | 1459250 | 1.16 |
| 10001-20000 | 105 | 0.62 | 1516970 | 1.20 |
| 20001-30000 | 41 | 0.24 | 1023730 | 0.81 |
| 30001-40000 | 16 | 0.09 | 561070 | 0.45 |
| 40001-50000 | 15 | 0.09 | 706290 | 0.56 |
| 50001-100000 | 32 | 0.19 | 2248320 | 1.78 |
| 100001 & above | 52 | 0.31 | 110406800 | 87.53 |
| TOTAL | 16940 | 100.00 | 126130420 | 100.00 |

Distribution of Shareholding as on 31st March, 2012

| Category | No of Shares | Percentage % |
|---|-----------------|---------------|
| Promoters Holding | 8267897 | 65.55 |
| Financial Institutions/Bank/Mutual Fund | 20180 | 00.16 |
| Private Body Corporate | 1860253 | 14.75 |
| Individuals | 2168568 | 17.19 |
| NRI's/Clearing Member | 296144 | 02.35 |
| Total | 12613042 | 100.00 |

(xi) Dematerialisation of Share and Liquidity

| Share Capital | No of shares | Percentage % |
|--|-----------------|---------------|
| Listed Capital | 12613042 | 100.00 |
| Held in Dematerialized Form | | |
| Central Depository Services (India) Limited (CDSL) | 762881 | 6.05 |
| National Securities Depository Limited (NSDL) | 10189017 | 80.78 |
| Held in Physical Form | 1661144 | 13.17 |
| Total | 12613042 | 100.00 |

(xii) Location of manufacturing facility:-

Works: (1) Metroglobal Limited (Unit I) Plot No: A-472-475 & 489-492, Phase II, GIDC, Vatva, Ahmedabad-382445
 (2) Metroglobal Limited (Unit II) Plot No: A1-407, & A2-408, Phase II, GIDC, Vatva, Ahmedabad-382445

(xiii) Investor Correspondence:-

All enquiries, clarification and correspondence should be addressed to the Company Secretary and Compliance Officer:-
 Mr. Nitin S. Shah
 Metroglobal Limited,
 808-809, "SHILP" Building, 8th Floor, Opp: Girish Cold Drinks,
 C.G.Road, Navrangpura. Ahmedabad-380009
 Email ID: nitin.shah@metroglobal.in

11. SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL

A qualified practicing Company Secretary carried out quarterly secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirmed that the total issued / paid-up capital was in agreement with the aggregate of the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

12. CEO/CFO CERTIFICATION :

Managing Director (CEO) and Chief Finance Officer (CFO) Certification

We Gautam M. Jain, Chairman & Managing Director and Sumit Mehta, Manager (Finance) of Metroglobal Limited, to the best of our knowledge and belief, certify that :

1. We have reviewed the balance sheet as at 31st March 2012 and Statement of Profit & Loss, and all its schedules and Notes on accounts, as well as the cash flow statement and the Director's Report for the year ended on that date;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or do not contain any statement that might be misleading;
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as on , and for the year presented in this report and are in compliance with the existing accounting standards and /or applicable laws and regulations;
4. To the best of our knowledge and belief, no transaction entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have:
 - a. evaluated the effectiveness of the Company's disclosure, controls and procedures pertaining to financial reporting;
 - b. disclosed in this report any change in the Company's internal controls over financial reporting that occurred during the Company's most recent accounting year that may have materially affected, or is reasonably likely to affect, the Company's internal control pertaining to financial reporting.
6. We have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors;
 - a. Deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors, any material weakness in internal control over financial reporting including any corrective actions with regard to such deficiencies, if any;
 - b. Significant changes in internal controls during the year covered by this report, if any;
 - c. All significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statements;
 - d. No instances of significant fraud of which we are aware, involving management or other employees who have significant role in the Company's internal control system;
7. We further declare that all the Board Members and senior management personnel have affirmed compliance with the code of conduct during the year.

Place : Ahmedabad
Date : 9th August, 2012

Gautam M. Jain Sumit Mehta
Chairman & Managing Director Manager (Finance)

13. UNCLAIMED DIVIDEND OF METROCHEM INDUSTRIES LIMITED (TRANSFEROR COMPANY)

Unclaimed Dividend for the year 2003-04 ₹ 166515/- was transferred to the Investor Education and Protection Fund of Central Government during the year 2011-12.

Unclaimed Dividend for the year 2004-05 ₹ 320182/- will be transferred to the Investor Education and Protection Fund of Central Government during the year 2012-13.

Unclaimed Dividend: Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years automatically get transferred to the Investor Education and Protection Fund administered by the Central Government.

UNCLAIMED DIVIDEND AS OF 31ST MARCH, 2012

| Year | Type | Dividend Unclaimed (₹) |
|---------|-------|------------------------|
| 2004-05 | FINAL | 320182 |
| 2005-06 | FINAL | 323922 |
| 2006-07 | FINAL | 384018 |
| 2007-08 | FINAL | 516854 |
| 2009-10 | FINAL | 486418 |

14. Status of adoption of the Non Mandatory Requirements

Apart from Complying with all the mandatory requirements, the Company has adopted non-mandatory requirement of Clause 49 of the Listing Agreement as under.

a. Chairman Office

The Company has an Executive Chairman and hence, the need for implementing this non mandatory requirement has not arisen.

b. Remuneration Committee

The Company has a Remuneration Committee to recommend appointment/re-appointment and recommend/ review remuneration of the Executive Chairman/Executive Directors.

c. Shareholders rights

The quarterly /half quarterly financial results of the company after being subjected to a Limited Review by the Statutory Auditors are published in newspaper and posted on company's website www.metrogloballimited.com

The Same are also available at the site of the stock exchange where the Company are listed i.e www.bseindia.com

d. Postal Ballot

The provisions relating to Postal Ballot are being complied with in respect of matters where applicable

e. Audit Qualifications

The Company continues to adopt best practices to ensure the regime of the unqualified financial statements.

f. Whistle Blower Policy

The employees of the Company are accessible to the senior management for any counseling consultation and the Company has not denied any employee to access the audit committee.

g. Training of Board Members

All the Non-Executive Directors have rich experience and expertise in their functional areas. During Audit and Board Meetings, the Management and the Executive Directors give briefings to the Board Members on the business of the Company.

15. COMPLIANCE CERTIFICATE FROM THE AUDITORS OF THE COMPANY

Certificate from M/s AMPAC & Associates, Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement, is annexed to this report forming part of the Annual Report.

For and on behalf of the Board

Sd/-

Place : Ahmedabad
Date : 09-08-2012

Gautam M.Jain
Chairman & Managing Director



AUDITOR'S CERTIFICATE

To
The Members of
Metroglobal Limited

We have examined the compliance of conditions of Corporate Governance by METROGLOBAL LIMITED for the year ended on March 31, 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 has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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, and based on the representations made by the Directors and the Management, we certify that the Company complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders / Investor's Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with the management has conducted the affairs of the Company.

For, M/s AMPAC & Associates,
CHARTERED ACCOUNTANTS
Firm Registration No.112236w

Piyush B.Sheth
(Partner)
Membership NO: 44062

Mumbai
Date: 9th August, 2012



REPORT OF THE AUDITORS TO THE MEMBERS

- 1.0 We have audited the attached Balance Sheet of **METROGLOBAL LIMITED (Formerly known as GLOBAL BOARDS LIMITED)** as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2.0 We have conducted our audit in accordance with auditing standards generally accepted in India. These 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.
- 3.0 As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India 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.
- 4.0 Further to our comments in the annexure referred to above, we report that :
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for purpose of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section(3C) of section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act, 1956;
 - vi) (a) We have not carried any physical verification of cash balances, inventories and fixed assets of the Company as on 31st March, 2012.

(b) The Company has made a payment of ₹ 1,92,98,493/- under protest on 14th December 2010. Of the total ten cases, four cases (involving an amount of ₹. 7,44,689/-) have yet to come for hearing, the balance 6 cases (involving an amount of ₹ 1,88,78,805/-) have been decided in favour of the Company by the respective appellate authorities. However the excise department has filed appeals and the cases are pending in respective forums. Hence interest if any, payable till 14th December 2010, is unascertainable in case of negative verdict. The said payment is shown as 'Balances with Excise and other statutory authorities under protest account' under the head Loan and advances of asset side. in our opinion, the value of realization of said 'Balances with Excise and other statutory authorities under protest account for ₹ 1,92,98,483 in the ordinary course of business would be less than the amount at which they are stated in the Balance Sheet in the event of negative verdict.
 - vii) In our opinion and to the best of our information and according to the explanations given to us, subject to para (vi) above with corresponding effect on the profit for the year mentioned therein, the said financial statements together with notes thereon and attached thereto and the Statement on Significant Accounting policies give in the prescribed manner the information required by the Act and also give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For AMPAC & ASSOCIATES
Chartered Accountants

Mumbai
9th August, 2012

Piyush B Sheth
(Partner)
Membership No.: 44062
FRN: 112236W

Annexure referred to in paragraph 3 of the Auditor's Report of even date on the accounts for the year ended 31st March, 2012 of Metroglobal Limited

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:

- (i) (a) The Company has generally maintained proper records showing particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the Management at reasonable intervals, in a phased verification-programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business.
 - (c) There was no disposal of substantial fixed assets during the year.
 - (ii) (a) During the year, the inventories have been physically verified by the management, except for stock lying with outside parties, which have, however, been confirmed by them.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of the record of inventories, we are of the opinion that, the Company is maintaining proper records of inventories. Discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
 - (iii) (a) (I) According to the information and explanations given to us, the Company has not granted loans to firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (II) According to the information and explanation given to us, the Company had taken loans from the parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 26.45 Crores and the year end balance of loan taken from such parties was Rs 14.53 crores.
 - (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from the companies and other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
 - (c) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
 - (d) There is no overdue amount in respect of loans taken from or granted to companies and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.

- (v) (a) On the basis of the audit procedures performed by us, and according to the information, explanations and representations given to us, we are of the opinion that, the transactions in which directors were interested, and which were required to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of rupees five lacs in respect of any party during the year have been made at price which are reasonable having regard to prevailing market prices at that time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and its Rules, and also the directives of Reserve Bank of India. The Company has not defaulted in repayments of deposits and therefore compliance of Section 58AA or obtaining any order from the National Company Law Tribunal does not arise.
- (vii) On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that, coverage of internal audit functions carried out by the internal audit department constituted by the management is commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of the Company's products to which the said rules are made applicable, and are of the opinion that, prima-facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate.
- (ix) (a) According to the records of the company and according to explanations given to us, the statutory dues payable by the Company comprise of provident fund, investors education and protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess, octroi, entry tax, purchase tax, municipal tax, service tax and other applicable statutory dues. According to the records of the Company, the Company is normally regular in depositing undisputed statutory dues with the appropriate authorities. There are no undisputed statutory dues as referred to above as at 31st March, 2012 outstanding for a period of more than six months from the date they became payable.
- (b) On the basis of our examination of the documents and records and representations made by the Management, the statutory disputed dues which have not been deposited with the appropriate authorities are as under :

| Name of the Statute | Nature of dues | Amount (₹ in Lacs) | Forum where dispute is pending |
|---|---|-----------------------|---|
| The Income Tax Act, 1961 | Variations made in regular assessment | 145.44 | The Commissioner of Income Tax (Appeal)/ITAT |
| The Gujarat Sales Tax Act | Variations made in regular assessment | 33.09 | The Jt. Commissioner of Sales Tax (Appeals) |
| Bombay Sales Tax Act 1959 | Deferment of Sales tax liability under the Package Scheme of Incentives. | 20.00 | Sales Tax Tribunal |
| The Foreign Trade (Development and Regulation) Act 1992 | Interest | Unascertain- able | Commissioner of Adjudication, custom (Refer note Below) |

Note : The Company has paid the entire differential duty amount for ₹ 94, 68,900 on 10.05.2011 and has made necessary submissions before the aforesaid forum. In view of these submission interests liability is not ascertainable.

- (x) The Company has accumulated losses both, in the financial year under report and in the immediately preceding financial year and it has not incurred cash losses, both, in the financial year under report and in the immediately preceding financial year.
- (xi) On the basis of the records examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) In our opinion and according to the information and explanations given to us,, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities;

- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society and therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In respect of investments dealt or traded by the Company, proper records are maintained in respect of transactions and contracts and timely entries have been made therein. All the investments are held by the Company in its own name;
- (xv) According to the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution;
- (xvi) In our opinion, the company has not raised any term loan during the year under review.
- (xvii) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short terms basis have not, prima facie, been used during the year for long terms investment and vice versa.
- (xviii) The Company during the year under review has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act.1956.
- (xix) In respect of debentures issued by the Company and outstanding during the year, The Company has not created any security or charge in respect of debentures issued
- (xx) The Company has not raised any money by way of public issue during the year and therefore paragraph 4(xx) of the Order is not applicable.
- (xxi) According to the information and explanations given to us and to the best of our knowledge and belief, no fraud on or by the Company has been noticed or reported during the course of our audit during the year .

For AMPAC & ASSOCIATES
Chartered Accountants

Mumbai
9th August , 2012

Piyush B Sheth
(Partner)
Membership No.: 44062
FRN: 112236W

BALANCE SHEET AS AT MARCH 31, 2012

| | Note No. | As at March 31, 2012 (₹/lacs) | As at March 31, 2011 (₹/lacs) |
|------------------------------------|----------|-------------------------------------|-------------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2 | 1,261.30 | 2,323.04 |
| (b) Reserves and Surplus | 3 | 9,612.58 | 6,660.80 |
| Sub total | | 10,873.88 | 8,983.84 |
| (2) Non-Current Liabilities | | | |
| (a) Long-term borrowings | 4 | 8,464.02 | 10,727.27 |
| (b) Deferred tax liabilities (Net) | | 46.07 | 91.57 |
| Sub total | | 8,510.09 | 10,818.84 |
| (3) Current Liabilities | | | |
| (a) Short-term borrowings | 5 | 1,546.76 | 328.16 |
| (b) Trade payables | | 192.17 | 220.20 |
| (c) Other current liabilities | | 140.66 | 78.67 |
| (d) Short-term provisions | | 302.84 | 241.42 |
| Sub total | | 2,182.43 | 868.44 |
| Total | | 21,566.40 | 20,671.12 |
| II. Assets | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | 6 | | |
| (i) Tangible assets | | 510.83 | 416.12 |
| (ii) Intangible assets | | - | - |
| (iii) Capital work-in-progress | | 473.67 | 350.63 |
| Sub total | | 984.50 | 766.75 |
| (b) Non-current investments | 7 | 992.66 | 964.38 |
| (c) Long term loans and advances | 8 | 10,779.92 | 10,392.93 |
| (d) Other Non current assets | 8 | 73.04 | 92.21 |
| | | 12,830.12 | 12,216.27 |
| (2) Current assets | | | |
| (a) Inventories | 9 | 93.70 | 265.29 |
| (b) Trade receivables | 9 | 779.84 | 2,113.81 |
| (c) Cash and cash equivalents | 9 | 622.92 | 2,281.53 |
| (d) Short-term loans and advances | 9 | 7,239.82 | 3,794.22 |
| | | 8,736.28 | 8,454.85 |
| Total | | 21,566.40 | 20,671.12 |

Significant accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For AMPAC & ASSOCIATES,
Chartered Accountants

Piyush B Sheth

Partner

Membership No.: 44062

FRN : 112236W

Ahmedabad

August 9, 2012

Nitin Shah

Company Secretary

For & on behalf of the Board

Gautam M. Jain

Chairman & Managing Director

Sandeep Bhandari

Director

Rahul Jain

Executive Director

Ahmedabad

August 9, 2012

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2012

| | Note No | 2011-12 (₹/lacs) | 2010-11 (₹/lacs) |
|---|------------|---------------------|---------------------|
| I. Revenue from operations | 10 | 14,533.06 | 5,379.25 |
| II. Other Income | 11 | 294.13 | 527.21 |
| III. Total Revenue (I +II) | | 14,827.19 | 5,906.46 |
| IV. Expenses: | | | |
| Cost of materials consumed | 12 | 783.52 | 817.43 |
| Purchase of Stock-in-Trade | | 11,002.05 | 2,482.00 |
| (Increase)/Decrease in Finished goods, Work In Progress & Stock in Trade | 13 | 192.79 | 7.85 |
| Employee benefit expense | 14 | 107.12 | 117.29 |
| Financial costs | 15 | 86.96 | 36.90 |
| Depreciation and amortization expense | | 53.40 | 73.52 |
| Other expenses | 16 | 463.63 | 389.53 |
| IV. Total Expenses | | 12,689.48 | 3,924.52 |
| V. Profit/(Loss) before exceptional and extraordinary items and tax | (III - IV) | 2,137.71 | 1,981.94 |
| VI. Exceptional Items Profit/(loss) on sale of Fixed Asset | | - | (2,530.89) |
| VII. Profit/(Loss) before extraordinary items and tax (V - VI) | | 2,137.71 | (548.95) |
| VIII. Extraordinary Items | | - | - |
| IX. Profit/(Loss) before tax (VII - VIII) | | 2,137.71 | (548.95) |
| X. Tax expense: | | | |
| (1) Current tax | | - | - |
| (2) Deferred tax asset/(liability) written off | | (45.51) | - |
| (3) Earlier year excess(-)/short(+) provisions for tax | | - | (8.32) |
| | | (45.51) | (8.32) |
| XI. Profit/(Loss) after Tax before Prior Period | (IX-X) | 2,183.22 | (540.63) |
| XII Prior Period expenditure/(income) | | - | 3.54 |
| XIII Profit/(Loss) after Tax after Prior Period | (XI-XII) | 2,183.22 | (544.17) |
| XIV Earning per equity share: | | | |
| (1) Basic | | 17.31 | (2.34) |
| (2) Diluted | | 17.31 | (2.34) |

Significant accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For AMPAC & ASSOCIATES,
Chartered Accountants

Piyush B Sheth
Partner
Membership No.: 44062
FRN : 112236W
Ahmedabad
August 9, 2012

Nitin Shah
Company Secretary

For & on behalf of the Board
Gautam M. Jain Chairman & Managing Director

Sandeep Bhandari Director

Rahul Jain Executive Director

 Ahmedabad
August 9, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

| | Year Ended March 31, 2012 (₹ in lacs) | Year Ended March 31, 2011 (₹ in lacs) |
|---|---|---|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before Tax | 2137.71 | -552.49 |
| Adjustments for | | |
| Depreciation | 53.40 | 73.52 |
| Misc. Expenditure w/off | 37.02 | 12.70 |
| Interest paid | 86.96 | 28.84 |
| Loss/-(Profit) on Sale of Fixed Assets | 1.51 | 2521.76 |
| Loss/(Profit) on Sale of Investments | -34.06 | 144.84 |
| Operating Profit before Working Capital Changes | 2282.55 | 1903.77 |
| Adjustments for | | |
| Trade Receivables (Incl. export bill purchased/negotiated) | 1333.97 | -1658.87 |
| Other Receivables | -2276.24 | 42.13 |
| Inventories | 171.59 | -1.92 |
| Trade Payables & Provisions | -197.79 | -191.83 |
| | -968.48 | -1810.49 |
| Cash generated from Operations | 1314.07 | 93.28 |
| Direct Taxes paid | -169.09 | -128.93 |
| Cash flow before Extraordinary items | 1144.99 | -35.66 |
| Net Cash flow from Operating Activities | 1144.99 | -35.66 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets & Capital WIP (net of Sale proceeds) | -272.66 | 3637.35 |
| Long term investments | -62.33 | -28.28 |
| Net Cash used in Investing Activities | -334.99 | 3609.07 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Advances to Suppliers, Contractors & Others | -386.99 | -6288.96 |
| Unsecured Loans | -1044.65 | -189.80 |
| Deposit with Other Companies | -950.00 | 1350.00 |
| Dividend paid | 0.00 | -267.53 |
| Interest paid | -86.96 | -28.84 |
| Net Cash used in Financing Activities | -2468.61 | -5425.13 |
| D. NET CASH INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | | |
| | -1658.61 | -1851.71 |
| Opening Balance of Cash & Cash Equivalents | 2281.53 | 4133.24 |
| Closing Balance of Cash & Cash Equivalents | 622.92 | 2281.53 |

As per our report of even date

 For AMPAC & ASSOCIATES,
Chartered Accountants

Piyush B Sheth

Partner

Membership No.: 44062

FRN : 112236W

Ahmedabad

August 9, 2012

Nitin Shah

Company Secretary

For & on behalf of the Board

Gautam M. Jain

Chairman & Managing Director

Sandeep Bhandari

Director

Rahul Jain

Executive Director

Ahmedabad

August 9, 2012

AUDITORS' REPORT

We have examined the attached Cash Flow Statements of Metroglobal Ltd. for the year ended on the 31st March 2012. The statement has been prepared in accordance with the requirements of Listing Agreement Clause No.32 with Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Accounts and the Balance Sheets of the company covered by our report of even date to the members of the Company.

For AMPAC & ASSOCIATES
Chartered Accountants

Mumbai
9th August, 2012

Piyush B Sheth
(Partner)
Membership No.: 44062
FRN: 112236W

1) Significant accounting policies:

- a) The accounts are prepared on historical cost convention in accordance with the generally accepted accounting principles as adopted consistently by the company and comply with the accounting standards issued by the Institute of Chartered Accountants of India referred to in section 211(3C) of the Companies Act 1956. The preparation of financial statements in conformity with Accounting Standards requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period.
- b) It is the practice of the Company to state the Fixed Assets at cost of acquisition/construction less accumulated depreciation. In the case of fixed assets acquired for new projects / expansion interest cost on borrowings and other related expenses up to the date of completion of projects incurred towards acquiring the fixed assets are capitalised. Advances paid towards acquisition of the fixed assets and cost of the assets not put to use before end of the year are disclosed under capital work in progress.

c) Inventories are valued as under :

- I. Raw materials at cost (net of CENVAT & State VAT Credits) (First in First out-FIFO) or Market Value, whichever is less.
- II. Work in process at raw material cost.
- III. Finished goods at cost or net realizable value, whichever is less.
- IV. Packing materials and stores & spares at cost or net realizable value, whichever is less.
- V. Traded goods at cost. (First in First out-FIFO/Specific identification of the individual costs- as the case may be) or net realizable value whichever is less.

d) Depreciation :

Depreciation has been provided on the fixed assets on straight line method u/s 205(2)(b) of the Companies Act, 1956 consistent with the Company's accounting policy, at the rates and in the manner laid down in Schedule XIV to the Companies Act, 1956 read with the relevant circulars issued by the Department of Company Affairs. Depreciation on the fixed assets added or sold during the year has been calculated on pro-rata basis from the month of such addition or upto the month of sale.

e) Excise Duty :

- i) Excise duty paid in respect of raw materials purchased and used for manufacture does not form part of consumption of raw materials to the extent of the CENVAT credit availed. Such duty is debited to Central Excise Duty Account and adjusted against excise duty payable on the finished goods.
- ii) Excise duty payable on stock of finished goods not cleared from excise bonded warehouse is included in closing inventory.

Revenue in respect of insurance, interest, commission and other claims etc. is recognized only when it is reasonably certain that the ultimate collection will be made.

- f) Compensation to employees who have opted for retirement under the Voluntary Retirement Scheme of the Company is amortized equally over ten years
- g) Long Term Investments are stated at cost. Provisions for diminution in value of long term investments is made only if such decline is other than temporary in opinion of the management.

h) Retirement Benefit :

Defined Contribution Plan:

- i) Provident Fund and Pension Fund : The Company contributes towards provident and pension fund which is administered by the Central Government and are charged against revenue every year.

Defined Benefit Plan:

- ii) Gratuity Fund : Liabilities for payment of gratuity to employees are covered through Group Gratuity Scheme and are charged against revenue every year. Provision for gratuity is made on basis of the actuarial valuation. Actuarial gain or loss is recognized immediately in the statement of profit and loss account as income or expense. The company has one employee gratuity fund managed by Future Generali India Life Insurance Company Ltd.

- i) The expenditure on research & development is expensed out under the respective heads of accounts in the year in which it is incurred. Expenditure which results in creation of Capital Asset is treated in the same way as the expenditure on other Fixed Assets.
- j) Foreign Currency Transactions:
Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items (except forward contract transactions) are reported using closing rate of exchange at the end of the year. The resulting exchange gain/ loss is reflected in the Profit and Loss Account. Other non-monetary items, like fixed assets are carried in terms of historical cost using the exchange rate at the date of transaction. Exchange rate difference arising on account of conversion/ translation of liabilities for acquisition of Fixed Assets is recognized in the Profit & Loss account.
- k) Contingent liabilities are disclosed by way of notes to the accounts. Provision is made in the accounts in respect of those liabilities which are likely to materialise after the year end till the finalisation of accounts and have material effect on the position stated in the accounts.
- l) Tax expenses comprise current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.
- m) Prior period items
Prior period expenses/income are accounted under the respective heads. Material items, if any, are disclosed separately by way of note.
- n) Related party transactions
Disclosure of transactions with related parties, as required by Accounting Standard 18 "Related Party Disclosures" has been set out in separate statement annexed to this schedule. Related parties as defined under clause 3 of the Accounting Standard have been identified on the basis of representations made by key managerial personnel and information available with the Company.
- o) Leases
The Company's significant leasing arrangements are in respect of cancellable operating leases for machineries and premises. The leasing arrangements which are cancellable are renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent including lease rentals.
- p) Earning per share
The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard-20 issued by the Institute of Chartered Accountants of India. The basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year.
- q) Export Incentives
Export benefits under duty entitlement pass book and duty draw back are accounted for on accrual basis to the extent considered receivable.
- r) Impairment of Assets
An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.
- s) Sundry creditors, sundry debtors and loans and advances include certain items for which confirmations are yet to be received and include certain long outstanding balances which are considered payable/realizable, as the case may be.
- t) In the opinion of the directors, current assets, loans and advances, other than doubtful, have the value at which they are stated in the Balance-Sheet if realised in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | As at | As at |
|---|------------------|------------------|
| | 31st March, 2012 | 31st March, 2011 |
| | (₹/lacs) | (₹/lacs) |
| NOTE-2 : | | |
| SHARE CAPITAL | | |
| AUTHORIZED, ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL | | |
| Authorised Share capital | | |
| 95000000 (95000000) Equity Shares of ₹ 10/- each | 9,500.00 | 9,500.00 |
| 25000000 (25000000) Cumulative/Non-Cumulative, Redeemable, Convertible/Non-convertible Preference Shares of ₹ 10/- each | 2,500.00 | 2,500.00 |
| | 12,000.00 | 12,000.00 |
| Issued, Subscribed & Paid up Share Capital | | |
| 12613042 (23230429) Equity Shares of ₹ 10/- each | 1,261.30 | 2,323.04 |
| | 1,261.30 | 2,323.04 |

The Company has only one class of shares referred to as Equity Shares having par value of ₹ 10/- each.

There are no issue of bonus shares during last five financial years.

Shares issued for consideration other than cash during last five financial years:

1,14,33,333 equity shares of ₹ 10 each issued to shareholders of Metrochem Industries Limited pursuant to scheme of arrangement.

| | As at 31st March, 2012 | As at 31st March, 2011 |
|---|--------------------------------|---------------------------|
| Reconciliation of No. of Shares | No of shares | No of shares |
| Equity Shares at the beginning of the year | 23,230,429 | 23,230,429 |
| Less: Reduction in no of shares pursuant to scheme of arrangement | 10,617,387 | - |
| Equity Shares at the end of the year | 12,613,042 | 23,230,429 |
| Details of Equity Shareholders holding more than 5% shares : | As at 31st March 2012 * | |
| | No of shares | % held |
| Gautam kumar Mithalal Jain | 1,288,330 | 10.22 |
| Cheer Trading and Investment pvt Ltd | 809,350 | 6.42 |
| Worship Trading Pvt Ltd | 631,736 | 5.09 |
| Maiden Tradefin Pvt Ltd | 1,678,052 | 13.30 |
| Search Invatrade Pvt Ltd | 984,360 | 7.80 |
| Anil Dyechem Industries Pvt Ltd | 906,526 | 7.19 |
| Gandak Pvt Ltd | 1,105,000 | 8.76 |
| | 7,403,354 | 58.78 |

* Previous year figures are not given as it was not comparable due to pending restructure of share capital as per Scheme of Arrangement which becomes effective with effect from 2nd February 2012 i.e. Record date for scheme of arrangement.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | As at | As at |
|--|------------------|------------------|
| | 31st March, 2012 | 31st March, 2011 |
| | (₹/lacs) | (₹/lacs) |
| NOTE-3 | | |
| RESERVE & SURPLUS | | |
| a. Capital Reserve : | | |
| Balance as per last Balance Sheet | 14.31 | 14.31 |
| Add: Addition during the year | 1061.74 | - |
| Closing Balance | 1076.05 | 14.31 |
| b. Capital Redemption Reserve | | |
| Balance as per last Balance Sheet | 1500.00 | 1500.00 |
| Add: Addition during the year | - | - |
| Closing Balance | 1500.00 | 1500.00 |
| c. Securities Premium | | |
| Balance as per last Balance Sheet | 3940.68 | 3940.68 |
| Add: Addition during the year | - | - |
| Closing Balance | 3940.68 | 3940.68 |
| d. General Reserves : | | |
| Balance as per last Balance Sheet | 16676.73 | 12516.48 |
| Add: Transferred from Profit & Loss Account | 200.00 | 4160.25 |
| Closing Balance | 16876.73 | 16676.73 |
| d. Debenture Redemption Reserve | | |
| Balance as per last Balance Sheet | - | - |
| Add: Addition during the year | 300.00 | - |
| Closing Balance | 300.00 | - |
| f. Profit & Loss Account | | |
| Balance as per last Balance Sheet | (15470.92) | (10766.50) |
| Less: Net profit after tax transferred from Statement of P & L | 2183.22 | - |
| Add: Net loss after tax transferred from Statement of P & L | - | (544.17) |
| Add: Appropriation | | |
| Transfer to General Reserve | (200.00) | (4160.25) |
| Transfer to Debenture Redemption Reserve | (300.00) | - |
| Dividend | (252.26) | - |
| Distribution Tax on Dividend | (40.92) | - |
| Closing Balance | (14080.88) | (15470.92) |
| TOTAL | 9612.58 | 6660.80 |



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | As at | As at |
|---|------------------------------|------------------------------|
| | 31st March, 2012 (₹/lacs) | 31st March, 2011 (₹/lacs) |
| NOTE : 4 | | |
| LONG-TERM BORROWINGS | | |
| Secured | | |
| Debentures | | |
| Nil (previous year 3978000) 9% Secured Redeemable | | |
| Non - Convertible Debenture of ₹ 100 each | | 3,978.00 |
| Nil (previous year 200000) Zero - Coupon Optionally Convertible Debentures of ₹ 100 each | | 200.00 |
| Sub Total | - | 4,178.00 |
| Unsecured | | |
| Debentures | | |
| 6684660 (previous year 3181660) Unsecured Debentures of ₹ 100 each | 6,684.66 | 3,181.66 |
| Interest accrued and due | - | 20.54 |
| Other Unsecured Loan from Corporate Bodies | 1,779.36 | 3,347.07 |
| (The unsecured loan includes loan taken from associate companies @5% p.a. amounting to ₹ 14.53 crores(Previous year ₹ 23.00 Crores) which is repayable on demand. However the same is expected to be repayable within a period of 2-5 years. The remaining unsecured loan is repayable within a period of 2-3 years & rate of interest for the same is ranging between 12-16% p.a.) | | |
| Sub Total | 8,464.02 | 6,549.27 |
| | 8,464.02 | 10,727.27 |
| NOTE :5 | | |
| CURRENT LIABILITIES | | |
| (a) Short term Borrowings | | |
| Unsecured Loan from Corporate Bodies | 1,546.76 | 328.16 |
| Sub Total | 1,546.76 | 328.16 |
| (b) Trade Payables | | |
| Sub Total | 192.17 | 220.20 |
| (c) Other Current Liabilities | | |
| i) Unpaid Dividend | 20.31 | 22.12 |
| ii) statutory dues | 28.80 | 18.25 |
| iii) Advance received from Customers | 10.00 | - |
| iv) Outstanding expense | 9.33 | 14.97 |
| v) Other Payables | 72.22 | 23.33 |
| Sub Total | 140.66 | 78.67 |
| (d) Short Term Provisions | | |
| i) Provision for Employee benefits | 9.66 | 13.25 |
| ii) Other Provision | - | 228.17 |
| iii) Provision for dividend | 252.26 | - |
| iv) Provision for dividend distribution tax | 40.92 | - |
| Sub Total | 302.84 | 241.42 |
| TOTAL | 2,182.43 | 868.44 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹/lacs)

NOTE 6 :
FIXED ASSETS

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|------------------------------|---------------------|----------------|-----------------|-------------------|-------------------|-----------------|-----------------|-------------------|-------------------|-------------------|
| | AS AT 01.04.2011 | ADDI- TIONS | DEDUC- TIONS | AS AT 31.03.12 | AS AT 01.04.11 | FOR THE YEAR | ADJUST -MENT | AS AT 31.03.12 | AS AT 31.03.12 | AS AT 31.03.11 |
| A) Tangible Assets | | | | | | | | | | |
| Land | 92.16 | 90.18 | - | 182.34 | - | - | - | 182.34 | 182.34 | 92.16 |
| Factory Building | 224.42 | - | - | 224.42 | 134.35 | 9.24 | - | 143.59 | 80.83 | 90.07 |
| Office Building | 140.75 | - | - | 140.75 | 44.21 | 9.24 | - | 53.45 | 87.30 | 96.54 |
| Plant & Machinery | 2058.26 | - | - | 2058.26 | 2058.26 | - | - | 2058.26 | - | - |
| Electric Installation | 100.90 | - | - | 100.90 | 95.14 | 2.42 | - | 97.56 | 3.34 | 5.76 |
| Laboratory Equipments | 188.25 | - | - | 188.25 | 186.37 | 1.44 | - | 187.81 | 0.44 | 1.88 |
| Office Equipments | 103.45 | 56.77 | - | 160.22 | 76.88 | 4.00 | - | 80.88 | 79.34 | 26.57 |
| Furniture & Fixtures | 52.94 | 3.65 | - | 56.59 | 47.44 | 2.98 | - | 50.42 | 6.17 | 5.50 |
| Vehicles | 220.60 | - | 50.15 | 170.45 | 122.95 | 24.08 | (47.65) | 99.38 | 71.07 | 97.65 |
| Total Tangible Assets | 3181.73 | 150.60 | 50.15 | 3282.18 | 2765.60 | 53.40 | (47.65) | 2771.35 | 510.83 | 416.12 |
| Intangible Assets | - | - | - | - | - | - | - | - | - | - |
| Total Tangible Assets | - | - | - | - | - | - | - | - | - | - |
| Capital Work in Progress | 350.63 | 123.04 | - | 473.67 | - | - | - | - | 473.67 | 350.63 |
| TOTAL | 3532.36 | 273.64 | 50.15 | 3755.85 | 2765.60 | 53.40 | (47.65) | 2771.35 | 984.50 | 766.75 |
| Previous Year | (20939.91) | (301.28) | (17708.85) | (3532.35) | (13922.28) | (73.52) | (111098.87) | (2765.60) | (766.75) | (7017.64) |



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | As at | |
|--|------------------|------------------|
| | 31st March, 2012 | 31st March, 2011 |
| | (₹/lacs) | (₹/lacs) |
| NOTE 7 | | |
| (A) Trade Investments (Unquoted at cost) | | |
| (a) Investment in Equity shares | | |
| (i) In subsidiary company | - | - |
| (ii) In associate companies | | |
| 170 (170) Equity Shares of Anil Dyechem Ind. Pvt. Ltd. of ₹ 1000/- each fully paid up | 3.42 | 3.42 |
| 357540 (357540) Ornet Infrastructure P.Ltd.Share A/c of of ₹ 10/- each fully paid up | 106.37 | 106.37 |
| (iii) Other companies | | |
| 200 (200) Equity Shares of Green Environment Services Co-op Society Ltd. of ₹ 100/- each fully paid up | 0.20 | 0.20 |
| | 109.99 | 109.99 |
| (b) Investment in debentures or bonds | | |
| 500 (500) Rural Electrification Corporation Ltd. Bonds of ₹ 1000 each Fully paid up | 50.00 | 50.00 |
| MILESTONE BULLION SERIES-I A/C Bond Partly Paid up | 49.96 | 19.97 |
| | 99.96 | 69.97 |
| Subtotal | 209.95 | 179.96 |
| (B) Other Investments (Quoted at cost) | | |
| (a) Investment in Equity shares | | |
| (i) In Subsidiary Company | | |
| 570000 (570000) Equity Shares of METROCHEM CAPITAL TRUST LTD. each of ₹ 10/- fully paid up | 114.00 | 114.00 |
| | 114.00 | 114.00 |
| (ii) Other companies | | |
| 15000 (13000) Equity Shares of Adani Enterprise Ltd. of ₹ 1/- each fully paid up | 86.58 | 79.49 |
| 7500 (5500) Equity Shares of Adani Power Ltd. of ₹ 10/- each fully paid up | 9.05 | 7.66 |
| NIL (7500) Equity Shares of Arvind Products Ltd. of ₹ 10/- each fully paid up | - | 0.62 |
| 34500 (21846) Equity Shares of Ashima Ltd. of ₹ 10/- each fully paid up | 2.44 | 1.94 |
| 1000 (200) Equity Shares of BHEL Ltd. of ₹ 10/- each fully paid up | 4.93 | 4.93 |
| NIL (2000) Equity Shares of CEAT LIMITED Ltd. of ₹ 10/- each fully paid up | - | 2.33 |
| 500 (500) Equity Shares of CENTURY ENKA Ltd. of ₹ 10/- each fully paid up | 1.23 | 1.23 |
| 247 (NIL) Equity Shares of EMPIRE INDUSTRIES LTD. Ltd. of ₹ 10/- each fully paid up | 1.76 | - |
| 4000 (28477) Equity Shares of FIEM INDUSTRIES Ltd. of ₹ 10/- each fully paid up | 7.99 | 51.12 |
| 28523 (6610) Equity Shares of GRAVER & WELL (INDIA) LTD. Ltd. of ₹ 10/- each fully paid up | 1.86 | 4.46 |
| 1000 (1000) Equity Shares of GUJARAT NATURAL RESOURCES Ltd. of ₹ 10/- each fully paid up | 1.25 | 1.25 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | As at | |
|--|------------------------------|------------------------------|
| | 31st March, 2012 (₹/lacs) | 31st March, 2011 (₹/lacs) |
| NIL (1000) Equity Shares of GULF OIL CORP Ltd. of ₹ 2/- each fully paid up | - | 0.91 |
| 600 (600) Equity Shares of ICICI Bank Ltd. of ₹ 10/- each fully paid up | 5.52 | 5.52 |
| NIL (9000) Equity Shares of IFCI LTD Ltd. of ₹ 10/- each fully paid up | - | 5.34 |
| 1600 (800) Equity Shares of IL&FS TRANSPORTATION NETWORK Ltd. of ₹ 10/- each fully paid up | 3.41 | 1.72 |
| 20108 (5000) Equity Shares of JAY BHARAT MARUTI Ltd. of ₹ 5/- each fully paid up | 14.55 | 6.15 |
| NIL (5000) Equity Shares of JAYPEE INFRATECH Ltd. of ₹ 10/- each fully paid up | - | 3.02 |
| 2055 (600) Equity Shares of MAHARASHTRA SCOOTERS Ltd. of ₹ 10/- each fully paid up | 7.19 | 2.42 |
| 727 (NIL) Equity Shares of MAFATLAL INDUSTRIES LTD. Ltd. of ₹ 10/- each fully paid up | 0.94 | - |
| 5670 (NIL) Equity Shares of MCDOWELL HOLDINGS LTD. Ltd. of ₹ 10/- each fully paid up | 4.59 | - |
| 2500 (2500) Equity Shares of M.T.N.L Ltd. of ₹ 10/- each fully paid up | 1.75 | 1.75 |
| 400 (400) Equity Shares of MARUTI SUZUKI INDIA Ltd. of ₹ 5/- each fully paid up | 4.86 | 4.86 |
| NIL (1110) Equity Shares of NAVIN FLUORINE INTERNATIONAL Ltd. of ₹ 10/- each fully paid up | - | 3.21 |
| 41000 (11000) Equity Shares of N.H.P.C. Ltd. of ₹ 10/- each fully paid up | 9.78 | 3.50 |
| NIL (1000) Equity Shares of NIRLON LIMITED Ltd. of ₹ 10/- each fully paid up | - | 0.61 |
| 21000 (26000) Equity Shares of NOCIL LIMITED Ltd. of ₹ 10/- each fully paid up | 5.00 | 6.14 |
| 3 (NIL) Equity Shares of ORISSA MINERAL & DEV.CO.LTD. Ltd. of ₹ 10/- each fully paid up | 1.74 | - |
| 2000 (2000) Equity Shares of PARABOLIC DRUGS Ltd. of ₹ 10/- each fully paid up | 0.65 | 1.09 |
| 8102 (NIL) Equity Shares of RAMA NEWSPRINT LTD. Ltd. of ₹ 10/- each fully paid up | 1.22 | - |
| 290 (290) Equity Shares of RANE HOLDING Ltd. of ₹ 10/- each fully paid up | 0.75 | 0.75 |
| NIL (72) Equity Shares of RASOI Ltd. of ₹ 10/- each fully paid up | - | 0.24 |
| 12400 (12200) Equity Shares of RELIANCE INDUSTRIES LTD. Ltd. of ₹ 10/- each fully paid up | 125.37 | 123.74 |
| NIL (500) Equity Shares of SANDESH Ltd. of ₹ 10/- each fully paid up | - | 1.55 |
| 1000 (NIL) Equity Shares of SHASHUN PHARMACEUTICALS LTD. Ltd. of ₹ 10/- each fully paid up | 0.87 | - |
| 4700 (2700) Equity Shares of SREI INFRASTRUCTURE Ltd. of ₹ 10/- each fully paid up | 1.75 | 1.34 |
| 201 (NIL) Equity Shares of SRF POLYMERS LTD. Ltd. of ₹ 10/- each fully paid up | 0.82 | - |



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | As at | |
|--|------------------|------------------|
| | 31st March, 2012 | 31st March, 2011 |
| | (₹/lacs) | (₹/lacs) |
| 2750 (2750) Equity Shares of STATE BANK OF INDIA Ltd. of ₹ 10/- each fully paid up | 72.16 | 72.16 |
| 1000 (NIL) Equity Shares of STEEL AUTHORITY OF INDIA LTD. Ltd. of ₹ 10/- each fully paid up | 1.31 | - |
| 2000 (2000) Equity Shares of TATA STEEL Ltd. of ₹ 10/- each fully paid up | 10.61 | 10.61 |
| 1500 (1500) Equity Shares of TEXMACO Ltd. of ₹ 1/- each fully paid up | 0.74 | 0.74 |
| 500 (500) Equity Shares of THE INDIAN HOTELS Ltd. of ₹ 1/- each fully paid up | 0.52 | 0.52 |
| 200 (NIL) Equity Shares of THE KARUR VYSYA BANK LTD. Ltd. of ₹ 1/- each fully paid up | 0.84 | - |
| 2423 (2000) Equity Shares of VINDHYA TELELINKS LTD. Ltd. of ₹ 10/- each fully paid up | 5.75 | 4.90 |
| 100 (100) Equity Shares of INFOSYS TECHNOLOGIES LTD. Ltd. of ₹ 5/- each fully paid up | 2.84 | 2.84 |
| 311 (311) Equity Shares of ENGINEERS INDIA LTD. Ltd. of ₹ 10/- each fully paid up | 0.90 | 0.90 |
| 7711 (7711) Equity Shares of POWERGRID CORP Ltd. of ₹ 10/- each fully paid up | 6.94 | 6.94 |
| 1008 (1008) Equity Shares of COAL INDIA Ltd. of ₹ 10/- each fully paid up | 2.47 | 2.47 |
| 935 (935) Equity Shares of MANGANESE ORE INDIA LTD. (MOIL) Ltd. of ₹ 10/- each fully paid up | 3.51 | 3.51 |
| 2000 (2000) Equity Shares of Kalpataru Power Transmission Ltd. of ₹ 2/- each fully paid up | 0.14 | 0.14 |
| 8800 (8800) Equity Shares of Metazinc (India) Ltd. of ₹ 10/- each fully paid up | 4.40 | 4.40 |
| 1429 (1429) Equity Shares of INDIAN BANK LTD. of ₹ 10/- each fully paid up | 1.32 | 1.32 |
| 10000 (10000) Equity Shares of SAKET PROJECTS LTD. of ₹ 10/- each fully paid up | 1.00 | 1.00 |
| 1300 (1300) Equity Shares of Ganipitak Yakshraj Caplease Ltd. of ₹ 10/- each fully paid up | 0.13 | 0.13 |
| 2500 (2500) Equity Shares of Punjab Woolcombers Ltd. of ₹ 10/- each fully paid up | 2.25 | 2.25 |
| 1000 (1000) Equity Shares of Sol Pharma Ltd. of ₹ 10/- each fully paid up | 1.72 | 1.72 |
| 4500 (4500) Equity Shares of Balmer Lawrie Freight Containers Ltd. of ₹ 10/- each fully paid up | 2.25 | 2.25 |
| 2000 (2000) Equity Shares of Mideast Integrated Steels Ltd. of ₹ 10/- each fully paid up | 0.42 | 0.42 |
| 11200 (11200) Equity Shares of Canway Chemicals Ltd. of ₹ 10/- each fully paid up | 1.20 | 1.20 |
| 18637 (15000) Equity Shares of STANDARD INDUSTRIES LTD. of ₹ 5/- each fully paid up | 4.92 | 5.60 |
| 8000 (8500) Equity Shares of NESCO LTD. of ₹ 10/- each fully paid up | 53.00 | 52.14 |
| 21600 (11000) Equity Shares of IDBI BANK LTD. of ₹ 10/- each fully paid up | 26.46 | 14.53 |



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | As at | |
|---|------------------|------------------|
| | 31st March, 2012 | 31st March, 2011 |
| | (₹/lacs) | (₹/lacs) |
| 500 (NIL) Equity Shares of RIDDHI SIDDHI GLUCO BOILS LTD. of ₹ 10/- each fully paid up | 1.11 | - |
| 3600 (3700) Equity Shares of Uniphos Enterprises Ltd. of ₹ 2/- each fully paid up | 1.58 | 1.34 |
| 1200 (NIL) Equity Shares of VARDHMAN TEXTILES LTD. of ₹ 10/- each fully paid up | 2.87 | - |
| | 521.21 | 522.92 |
| (b) Investment in debentures or bonds | | |
| 2500 (2500) Sun BNP PSU Fund Units of ₹ 1000 each Fully paid up | 25.00 | 25.00 |
| 100000 (100000) Reliance Small Cap Fund of ₹ 10 each fully paid up | 10.00 | 10.00 |
| 64074 (64074) MOTILAL OSWAL MOST SHARES M50 of ₹ 10 each fully paid up | 50.00 | 50.00 |
| 50 (NIL) NIFTY Bonds of ₹ 100000 each Fully paid up | 52.50 | 52.50 |
| 100000 (100000) SBI PSU FUND of ₹ 10 each Fully paid up | 10.00 | 10.00 |
| | 147.50 | 147.50 |
| Subtotal | 782.71 | 784.42 |
| TOTAL | 992.66 | 964.38 |

Notes :

1. Aggregate Value of Investments

| | | |
|---------------|--------|--------|
| Quoted : Cost | 782.71 | 784.42 |
| Market Value | 666.07 | 794.76 |
| Unquoted | 209.95 | 179.96 |

NOTE 8

a) Long Term Loans and Advances :

| | | |
|---|-----------------|-----------------|
| Security deposit (Unsecured, considered good) | 11.25 | 11.25 |
| Loans and advances to Partnership Firms in which the company is a Partner (Unsecured, considered good) | 2928.80 | 2292.25 |
| Loans and advances to company in which the company is a shareholder (Unsecured, considered good) | 2257.80 | 2008.58 |
| Loans and advances to Suppliers, Contractors & others | | |
| Secured, considered good | 2998.72 | 4323.32 |
| Unsecured, considered good | 2583.36 | 1757.53 |
| Unsecured, considered doubtful | 269.31 | 269.31 |
| Less: Provision for bad debts | (269.31) | (269.31) |
| Sub-Total | 10779.92 | 10392.93 |

b) Other Current Assets :

| | | |
|------------------------------|-----------------|-----------------|
| Deferred Revenue Expenditure | 73.04 | 92.21 |
| Sub-Total | 73.04 | 92.21 |
| TOTAL | 10852.96 | 10485.14 |



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | As at | As at |
|--|------------------|------------------|
| | 31st March, 2012 | 31st March, 2011 |
| | (₹/lacs) | (₹/lacs) |
| NOTE 9 | | |
| A) Inventories : | | |
| Stores & Spares (at lower of cost or net realizable value) | 13.43 | 13.81 |
| Packing Materials (at lower of cost or net realizable value) | 1.29 | 2.84 |
| Stock in Trade : | | |
| Traded Goods (at lower of cost or net realizable value) | - | 162.93 |
| Raw Materials (at lower of cost or net realizable value) | 65.51 | 42.38 |
| Work in Process (at cost) | 13.47 | 43.33 |
| Sub-Total | 93.70 | 265.29 |
| B) Sundry Debtors (Unsecured) : | | |
| Due over six months considered good | - | 6.25 |
| considered doubtful | 323.15 | 323.15 |
| Less: Provision for bad debts | (323.15) | (323.15) |
| | - | 6.25 |
| Others (considered good) | 779.84 | 2107.56 |
| Sub-Total | 779.84 | 2113.81 |
| C) Cash & Bank Balances : | | |
| Cash on Hand | 8.64 | 7.66 |
| Balances with Scheduled Banks : | | |
| In Current Accounts | 47.14 | 75.32 |
| In Fixed Deposit Accounts | 497.14 | 1254.48 |
| Balances In Liquid Funds | 70.00 | 944.07 |
| Sub-Total | 622.92 | 2281.53 |
| D) Short Term Loans and Advances : | | |
| Deposits with Other Companies | | |
| Unsecured, considered good | 1200.00 | 250.00 |
| Secured, considered good | 707.82 | - |
| Balances with Government | 333.20 | 374.21 |
| Loans and advances to Suppliers, Contractors & others | | |
| Secured, considered good | 2556.89 | 1843.77 |
| Unsecured, considered good | 1315.03 | 428.65 |
| Advance Payment of Income Tax (Net of provision) | 1079.08 | 836.35 |
| Export Benefits Receivable | 47.80 | 61.25 |
| Sub-Total | 7239.82 | 3794.22 |
| TOTAL | 8736.28 | 8454.85 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | As at | As at |
|---|------------------|------------------|
| | 31st March, 2012 | 31st March, 2011 |
| | (₹/lacs) | (₹/lacs) |
| NOTE- 10 | | |
| REVENUE FROM OPERATIONS | | |
| SALES - Domestic (including Indirect Exports) | 11,648.85 | 3,341.21 |
| - Exports | 619.03 | 434.00 |
| | 12,267.88 | 3,775.21 |
| Less: Excise Duty | (45.69) | (59.42) |
| | 12,222.19 | 3,715.79 |
| Interest Income | 2,046.50 | 1,498.46 |
| Profit on relenquishment of property right | 256.00 | 165.00 |
| Profit of partnership firm | 8.37 | - |
| TOTAL | 14,533.06 | 5,379.25 |
| Sale of products comprises : | | |
| <u>Manufactured goods</u> | | |
| Dyes Intermediates | | |
| Local | 443.60 | 567.36 |
| Export | 619.03 | 434.00 |
| Total - Sale of manufactured goods | 1,062.64 | 1,001.36 |
| <u>Traded goods</u> | | |
| Dyes intermediates & Metals | 11,159.55 | 2,714.43 |
| Total - Sale of traded goods | 11,159.55 | 2,714.43 |
| Total - Sale of products | 12,222.19 | 3,715.79 |
| | 2011-12 | 2010-11 |
| | ₹ in Lacs | ₹ in Lacs |
| NOTE- 11 | | |
| OTHER INCOME | | |
| Profit /(loss) on Sale of Fixed Assets (Net) | (1.51) | 9.13 |
| Export Incentives | 3.23 | 5.61 |
| Miscellaneous | 163.31 | 179.32 |
| Profit/(loss) on Sale of Investments (Net) | 34.06 | 239.83 |
| Qty. Sale of Effluent Treatment (GESL) | 16.25 | 22.00 |
| income tax refund | 73.64 | - |
| Dividend income | 5.14 | 71.32 |
| TOTAL | 294.13 | 527.21 |
| NOTE- 12 | | |
| COST OF MATERIALS CONSUMED | | |
| Opening Stock | 42.38 | 33.07 |
| Add: Purchase of Raw Material | 803.17 | 829.32 |
| Less: Sale of Raw Material | - | (2.58) |
| Less: Closing Stock | (62.03) | (42.38) |
| TOTAL | 783.52 | 817.43 |



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | As at | As at |
|---|------------------------------|------------------------------|
| | 31st March, 2012 (₹/lacs) | 31st March, 2011 (₹/lacs) |
| NOTE- 13 | | |
| (INCREASE)/DECREASE IN FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE | | |
| Stock at the Commencement : | | |
| Finished Goods (manufactured products) | - | 5.29 |
| Finished Goods (traded products) | 162.93 | 162.93 |
| Work in Process (at cost) | 55.33 | 57.89 |
| | 218.26 | 226.11 |
| Stock at the End : | | |
| Finished Goods (manufactured products) | - | - |
| Finished Goods (traded products) | - | 162.93 |
| Work in Process (at cost) | 25.47 | 55.33 |
| | 25.47 | 218.26 |
| TOTAL | 192.79 | 7.85 |

NOTE- 14**EMPLOYEE BENEFIT EXPENSE**

| | | |
|---|---------------|---------------|
| Salaries, Wages and Bonus | 95.74 | 105.63 |
| Contribution to Provident Fund , Family Pension Fund & other contribution | 7.95 | 9.10 |
| Workers & Staff Welfare Expenses | 3.43 | 2.56 |
| TOTAL | 107.12 | 117.29 |

NOTE- 15**FINANCIAL COST**

| | | |
|----------------------|--------------|--------------|
| Interest expenditure | 86.96 | 36.90 |
| TOTAL | 86.96 | 36.90 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | As at | As at |
|--|------------------|------------------|
| | 31st March, 2012 | 31st March, 2011 |
| | (₹/lacs) | (₹/lacs) |
| NOTE- 16 | | |
| OTHER EXPENSES | | |
| Water, Power & Fuel | 25.54 | 45.49 |
| Stores Consumed | 9.94 | 3.92 |
| Machinery Repairs | 4.12 | 0.83 |
| Electric Repairs | - | 0.06 |
| Building Repairs | 1.62 | 1.11 |
| Consumptions of Ice | 26.75 | 26.30 |
| Contract Labor Expenses | 29.69 | 21.61 |
| Laboratory Expenses | 0.08 | 0.07 |
| Lease & Shed Rent | - | 2.04 |
| Effluent Treatment Expenses and Pollution Expenses | 11.56 | 4.73 |
| Other Misc. Factory Expenses | 6.12 | 4.16 |
| Rates & Taxes | 10.96 | 12.01 |
| Insurance | 3.10 | 2.72 |
| Postage, Telephone & Stationery | 34.30 | 35.72 |
| Legal & Consultancy Expenses | 85.47 | 67.24 |
| Other Administration Expenses | 70.39 | 70.20 |
| Audit Fees | 6.00 | 9.99 |
| Donation | 11.31 | 4.95 |
| Deferred Revenue Expenditure | 19.17 | 12.70 |
| Misc. Balance Written Off | 17.86 | (7.02) |
| Packing Expenses | 11.33 | 9.35 |
| Export Expenses | 14.28 | 12.04 |
| Sales Promotion Expenses | 15.13 | 18.39 |
| Hedging a/c | 6.43 | - |
| Inland Freight & Cartage | 42.49 | 30.92 |
| TOTAL | 463.63 | 389.53 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012
OTHER NOTES TO THE ACCOUNTS

1 The Revised Schedule VI has become effective from 1st April 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

2 EXCISE DUTY

Excise Duty on Sales has been disclosed as reduction from the turnover.

3 The Ministry of Corporate Affairs, Government of India vide its General Circular No: 2/2011 dated 8th February, 2011 has granted general exemption to the Holding Companies from attaching balance sheets of subsidiary Companies with the balance sheet of the Holding Company as per Section 212(8) of the Companies Act, 1956 subject to fulfilment of certain conditions. Accordingly, the Board of Directors of the Company has passed the resolution giving consent for not attaching the balance sheets of the Subsidiary Companies with that of the Company

4 The amounts in the Balance Sheet and Profit and Loss Account are rounded off to the nearest thousand and indicated in lacs of rupees.

5 There were no amount overdue and remaining outstanding to small scale and/or ancillary industrial suppliers on account of principal and/or interest as at the close of the year. This disclosure by the Company is based on the information available with the Company regarding the status of the suppliers. In absence of necessary information relating to suppliers registered as Micro, Small and Medium enterprises under the Micro, Small and Medium Enterprises (Development) Act 2006, the company has not been able to identify such suppliers and the information required under the said Act could not be compiled and disclosed.

6 (₹ in Lacs)

| 1) Payment to Auditors | 2011-12 | 2010-11 |
|---|---------|---------|
| a) Statutory Auditors | | |
| i) Auditors Fees | 6.00 | 8.00 |
| ii) As Advisor, or in any other capacity in respect of: | | |
| i) Taxation Matters | - | 0.75 |
| ii) Certification and Other Matters | 0.35 | 1.45 |
| iii) Tax Audit Fees | - | 0.50 |
| iv) Reimbursement of Service Tax | 0.78 | 0.40 |
| v) Reimbursement of Out of Pocket Expense | - | 0.15 |
| Total : | 7.13 | 11.35 |

7 (a) No commission (Previous Year ₹ NIL) has been paid to the Managing Director / Dy. Managing Director for the year under review in view of resolution passed by the Board of directors and as agreed by the Managing Director. Computation of Net Profit as per Section 349 read with Section 309(5) and section 198 of the Companies Act, 1956 therefore has not been furnished for the year under review.

(b) Director's Remuneration :

| Particulars | (₹ in Lacs) | |
|--|---------------|--------------|
| | 2011-12 | 2010-11 |
| i.) Salary | 27.02 | 32.67 |
| ii.) Contribution to Provident & other Funds | 1.18 | 1.39 |
| iii.) Other Perquisites | 2.02 | 2.02 |
| Total : | 30.22 | 36.08 |

8 i) Major components of deferred tax assets and liabilities arising on account of timing difference are :

| a) Depreciation | (₹ in Lacs) | | | |
|-----------------|----------------------|--------------|----------------------|--------------|
| | As at March 31, 2012 | | As at March 31, 2011 | |
| | Assets | Liabilities | Assets | Liabilities |
| | - | 46.07 | - | 91.57 |
| Total | 0.00 | 46.07 | 0.00 | 91.57 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

- ii) Total income of the company chargeable to tax is being determined by the company in accordance with provisions of the Income Tax Act, 1961 after considering allowances, claims and relief available to the Company. As the company is having accumulated losses and unabsorbed depreciation as per books of account and also under the Income Tax Act, 1961, The company has been advised that under the circumstances it shall have no liability under the Income Tax Act, 1961 and therefore no provision has been made in books of the company.
- 9 ₹ 13.48 lacs being net gain (Previous year ₹ 4.95 Lacs being net loss) on account of exchange difference have been adjusted in the respective heads of account in the profit & loss account.
- 10 Earning per share (EPS) – EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity shares are stated below :

| Particulars | For the year | For the year |
|---|--------------|--------------|
| | ended | ended |
| | 31-Mar-2012 | 31-Mar-2011 |
| Profit /(loss) before tax & exceptional items (₹ in Lacs) | 2137.71 | 1981.94 |
| Exceptional income/-expenditure (₹ in Lacs) | - | -2530.89 |
| Profit /(-loss) After Tax (₹ In Lacs) | 2183.22 | -544.17 |
| No of shares (In lacs) | 126.13 | 232.30 |
| Basic and Diluted EPS (₹) | 17.31 | -2.34 |
| F.V of shares | 10 | 10 |

11 Accounting Standard (As-15) on Employee benefits

Provident Fund Contribution by the Company :

Contributions are made to Recognised Provident Fund/Government Provident Fund, Family Pension Fund, ESIC and other Statutory Funds which covers all regular employees. While both the employees and the Company make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. Amount recognized as expense in respect of these defined contribution plans, aggregate to Rs. 9.89 Lacs (Previous Year Rs. 11.57 Lacs).

| | Year ended | Year ended |
|--------------------------------|-----------------|------------------|
| | 31st March 2012 | 31st March, 2011 |
| Contribution to Provident Fund | 5.41 | 6.40 |
| Contribution to Employees | 4.48 | 5.17 |

State Gratuity Benefits Insurance Scheme (E.S.I.C.) & Contribution to Labour Welfare Fund

Gratuity Benefits :

In respect of Gratuity, the Company has taken policy No. 40000192 from Reliance Life insurance Co. Limited. and from Future Generali insurance Co. Limited. The Defined Benefit Obligation as at 31.03.2012 works out to ₹ 18.92 lacs , Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made for all regular employees on the basis Actuarial Valuer's certificate.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

Defined Benefit Plan- Gratuity (As per Acturial Valuation as on 31st March 2012)

Defined Benefit Plan -Gratuity (As per Acturial Valuation

₹ Lacs

as on 31st March, 2012

GRATUITY

Fully Funded

Reliance Life Insurance

Future Generali Insurance

| | | |
|-----|--|---|
| I | Change in Obligation during the year ended on 31st March 2012 | |
| | After Demerger from Appointed Day | |
| 1 | Present Value of obligation as at 01-04-2011 | 20.64 |
| 2 | Interest Cost | 0 |
| 3 | Current service Cost | 1.36 |
| 4 | Acturial (gain)/loss on obligation | |
| 5 | Benefits paid | 4.13 |
| 6 | Present Value of obligation as at 31-03-2012 | 17.87 |
| II | Change in Assets during the year ended on 31st March 2012 | |
| 1 | Plan assets as at 01-04-2011 | 20.64 |
| 2 | Expected Return on Plan assets | 0 |
| 3 | Contribution by the Employer | 1.36 |
| 4 | Actual benefits paid | 4.13 |
| 5 | Acturial Gains/(Losses) | |
| 6 | Plan assets as at 31-03-2012 | 17.87 |
| III | Net Asset/(Liability) recognized in the Balance Sheet as at 31-03-2012 | |
| 1 | Present Value of defined obligation as at 31-03-2012 | 17.87 |
| 2 | Fair value of plan assets as at 31-03-2012 | 17.87 |
| 3 | Fund status (Surplus/(deficit)) as at 31-03-2012 | -1.05 |
| 4 | Net Assets/(Liability) as at 31-03-2012 | 18.92 |
| IV | Expenses recognised in Profit & Loss Account for the year ended 31-03-2012 | |
| 1 | Current service cost | 1.37 |
| 2 | Interest cost | 0 |
| 3 | Expected return on plan assets | 0 |
| 4 | Net Acturial (gain)/loss(net of Opening Acturial Gain(Loss) adjustment) | -1.05 |
| 5 | Expenses recognised in Profit & Loss Account | 1.36 |
| V | The major categories of plan assets as a percentage of total plan Not applicable as the plan is administered by Reliance Life insurance | |
| VI | Method of Valuation | Projected unit Credit Method |
| VII | Acturial Assumptions | |
| 1 | Discount Rate | |
| 2 | Expected rate of return on plan assets | |
| 3 | Mortality Table | LICI1994-96 Ultimate Table At Age X-3 for management And at Age X-1 for Non management |
| 4 | Retirement Age | 60 years |
| 5 | Salary escalation | 8% |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

- 12 Based on guiding principles given in Accounting Standard on "Segment Reporting"- AS 17 as specified in the Companies (Accounting Standard) Rules, 2006 (as amended), single financial report contains both Standalone Financial Statement and Consolidated Financial Statement of the Company. Hence, the required segment information has been appended in the Consolidated Financial Statements (CFS).
- 13 Related party disclosures as required by Accounting Standard AS-18 issued by the Institute of Chartered Accountants of India are given below Name of the related party and nature of relationship where control exists :

Subsidiary company

- 1 Metrochem Capital Trust Limited

Associates Companies

| | |
|-------------------------------------|---|
| Anil Dyechem Industries Pvt. Ltd | Search Invatrade Pvt. Ltd. |
| Harvest Trade Finvest Pvt.Ltd. | Sparkling Tradefin Pvt. Ltd. |
| Maiden Tradefin Pvt. Ltd. | Spring Trading And Investment Pvt. Ltd. |
| Minerva Dyechem Industries P.Ltd. | Ornet Infrastructure Pvt.Ltd. |
| Bloom Investment & Trading Pvt.Ltd. | Progressive Invatrade Pvt.Ltd. |
| Charm Trading & Investment Pvt.Ltd. | |

Key Management Personnel

| | |
|---------------------|-----------------|
| Shri Gautam M. Jain | Shri Rahul Jain |
| Shri D.K.Singh | |

Relatives of Key Management Personnel and their Enterprises

| | | |
|----------------------------|--------------------------|---------------------------|
| Mahendra Mithalal HUF | Mahendra Anil HUF | Gautam Anil HUF |
| Rajendra Anil HUF | Gautam Rajendra HUF | Rajendra Mithalal HUF |
| Suhani M. Shah | Mishal M. Shah | Arun R. Jain |
| Nitu G. Jain | Yash Anil Jain | Mithalal Mukanchand HUF |
| Mithalal Rajendra HUF | Ankit Rajendra Jain | Rajendra Jain HUF |
| M. G. & Sons HUF | Rajendra Mithalal HUF | Rajendra Gautam Bros. HUF |
| Mithalal Mukanchand B. HUF | Bhavna G. Jain | Anil Mahendra HUF |
| Anil M Jain HUF | Mithalal Gautamkumar HUF | Gautamkumar Mithalal HUF |
| Sumitradevi M. Shah | Mithalal M. Shah | Mahendra M. Shah |
| Asha R. Jain | Ritu A. Jain | Santosh M. Shah |
| Aarti P. Jain | Ritu (Ekta) G. Jain | Metrochem Industries |
| Krati R. Jain | | |

Related Party Disclosures:

In accordance with Accounting Standard 18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the company has compiled the required information in the table below.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

The following transactions were carried out with the related parties in the ordinary course of business.

| Sr. no. | Nature of Transactions | Subsidiaries | Associate Companies | Key Management Personnel | Relative of Key Management Personnel | Total |
|---------|--|---------------|---------------------|--------------------------|--------------------------------------|-----------------|
| 1 | Remuneration/sitting fees | | | 28.20 | | 28.20 |
| 2 | Lease Rent/ Shed Rent paid | | | 1.32 | 1.32 | 2.64 |
| 3 | Reimbursement of expenses | | | 2.02 | | 2.02 |
| 4 | Interest expenses on intercorporate deposits taken | 8.76 | 83.32 | | | 92.08 |
| 5 | Intercorporate deposits taken during the year | 6.00 | 1510.24 | | | 1516.24 |
| 6 | Intercorporate deposits Repaid during the year | 8.84 | 2446.77 | | | 2455.61 |
| 7 | Outstanding intercorporate deposits payable | 179.53 | 1273.51 | | | 1453.04 |
| 8 | Investment in shares of Associate companies | | 106.37 | | | 106.37 |
| 9 | Loan given | | 36.27 | | | 36.27 |
| 10 | Interest receivable | | 236.60 | | | 236.60 |
| 11 | Outstanding loans receivable | | 2257.80 | | | 2257.80 |
| | Total | 203.13 | 7,950.88 | 31.54 | 1.32 | 8,186.87 |

There are no write offs/write back of any amounts for any of the above parties.

14 Contingent Liabilities:

| a) Particulars | ₹ in Lacs | |
|---|-----------|---------|
| | 2011-12 | 2010-11 |
| Income Tax | 145.44 | 145.44 |
| VAT/Sales Tax | 53.09 | 53.09 |
| Excise Duty (Interest thereon not ascertainable at present) | 196.24 | 196.24 |
| Others | 1.80 | 1.80 |

b) During 1993, the Company had imported plant and machinery under Export Promotion Capital Goods Scheme ('EPCG') at concessional rate of custom duty against export obligation under the said Scheme. As the Company could complete only partial Export obligation, it has received a notice of demand from Directorate General of Foreign Trade ('DGFT'). The Company has paid the entire differential duty amount for ₹ 94, 68,900 on 10.05.2011 and has made necessary submissions before the authorities. In view of this submission and pending decision of forum, interest liability is not ascertainable.

c) The company has committed delays in payment of Provident fund dues from 1997 to 2008. As the BIFR Scheme has abated, the company may be liable to pay interest on account of delayed payments and / or penalty which is unascertainable.

d) The company has committed delays in payment of Profession Tax dues from time to time. The company may be liable to pay interest on account of delayed payments and / or penalty which is unascertainable.

e) The company has committed various defaults with respect to TDS - non-deduction, short eduction, non-payment, delayed payments and short payments. The company may face liability on account of interest, penalty etc which is presently not fully ascertainable.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012
15 Other Additional Information
a) Raw Materials Consumption

| RAW MATERIAL | Year Ended March 31, 2012 | | Year Ended March 31, 2011 | |
|---------------------------------------|---------------------------|-----------------|---------------------------|-----------------|
| | Qty. (Mts) | Value ₹/Lacs | Qty. (Mts) | Value ₹/Lacs |
| C.S.FLAKES | - | - | 1.01 | 0.37 |
| C.S.LYE (ASIS) & C.S.LYE (REAL)(DYES) | 12.93 | 2.82 | 12.34 | 1.79 |
| GAMMA ACID | - | - | - | 7.37 |
| OLEUM 23 % & 65% | 501.93 | 30.66 | 499.8 | 30.42 |
| SODIUM SULPHATE | 3.3 | 0.03 | - | - |
| SULPHURIC ACID | 646.38 | 31.20 | 640.84 | 27.45 |
| REFINED SALT | 334.95 | 46.67 | 333.9 | 36.63 |
| COMMON SALT | 10.05 | 0.32 | - | - |
| V.S. OF ANILINE (PURCHASE) | 516.84 | 664.37 | 514.26 | 697.92 |
| VACUUM SALT (REFINED SALT) | - | - | 11.00 | 0.31 |
| Others | - | 7.45 | - | 15.17 |
| Total Raw Material Consumed | | 783.52 | | 817.43 |

b) Value of Imports on CIF Basis

| Particulars | 2011-12 | 2010-11 |
|---------------|---------|---------|
| Raw Material | — | - |
| Capital Goods | — | — |

c) Consumption of Raw Materials

| | Year ended March 31, 2012 | | Year ended March 31, 2011 | |
|---|---------------------------|------------|---------------------------|------------|
| | (₹/Lacs) | % | (₹/Lacs) | % |
| Imported(including Import Duty content) | - | - | - | - |
| Indigenous | 783.52 | 100 | 817.43 | 100 |
| Total | 783.52 | 100 | 817.43 | 100 |

d) Expenditure in Foreign Currency incurred during the year

| | Year ended March 31, 2012 (₹/Lacs) | Year ended March 31, 2011 (₹/Lacs) |
|----------------------|---------------------------------------|---------------------------------------|
| Foreign Bank Charges | 0.31 | 0.68 |
| Foreign Travelling | 4.67 | 5.68 |

e) Earning in Foreign Currency during the year.

| | | |
|----------------------------|--------|--------|
| Direct Exports (FOB Value) | 619.03 | 434.00 |
|----------------------------|--------|--------|

As per our report of even date

 For AMPAC & ASSOCIATES,
Chartered Accountants

Piyush B Sheth
Partner
Membership No.: 44062
FRN : 112236W
Ahmedabad
August 9, 2012

Nitin Shah
Company Secretary

For & on behalf of the Board

Gautam M. Jain Chairman & Managing Director

Sandeep Bhandari Director

Rahul Jain Executive Director

 Ahmedabad
August 9, 2012



Statement pursuant to Section 212 of Companies Act 1956 related to Subsidiary company

| Sr.No. | Name of Subsidiary Company | |
|--------|---|------------|
| 1 | Financial year of the subsidiary company ended on | 31.03.2012 |
| 2 | Holding Company's interest | |
| | (a) number of share fully paid | 570000 |
| | (b) extent of holding | 70% |
| | | ₹ In lacs |
| 3 | Capital | 181.5 |
| | Reserves/Translation Reserves | 181.45 |
| | Debit Balance of Profit & loss A/c | 0 |
| | Total Assets (Fixed Assets + Investments +Current Assets + Deferred Tax Assets) | 347.07 |
| | Total Liabilities (Debt + Current Liabilities +Deferred Tax Liabilities) | 0.19 |
| | Investments | 14.75 |
| | Income | 10.18 |
| | Profit before Tax | 8.32 |
| | Provision for Tax | - |
| | Profit After Tax | 8.32 |
| | Dividend | - |

To,
The Board of Directors
M/s. Metroglobal Limited
Plot No.C-86, C/o.Indian Copper Industries,
MIDC, Industrial Area, Mahad-402309
Dist.Raigad, Maharashtra

Dear Sirs

Report on the Consolidated Financial Statements of
METROGLOBAL LIMITED – for the Year ended March 31, 2012

- 1.0 We have examined the attached Consolidated Balance Sheet of **METROGLOBAL LIMITED (Formerly Known As Global Boards Limited)** and its one subsidiary (i.e. METROCHEM CAPITAL TRUST LIMITED) as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date.
- 2.0 These Consolidated financial statements are the responsibility of the management of M/S.METROGLOBAL LIMITED (Formerly Known As Global Boards Limited) Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
- 3.0 We have conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 4.0 We did not audit the financial statements of Metrochem Capital Trust Limited whose financial statements have been audited by other auditors whose report has been furnished to us. Our opinion is based solely on the report of such other auditors.
- 5.0 We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of METROGLOBAL LIMITED (Formerly Known As Global Boards Limited) and its one subsidiary included in the consolidated financial statements.
- 6.0 On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of METROGLOBAL LIMITED (Formerly Known As Global Boards Limited) and its aforesaid one subsidiary we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) In the case of the Consolidated Balance Sheet of the state of affairs of METROGLOBAL LIMITED (Formerly Known As Global Boards Limited) and its subsidiary as at 31st March, 2012,
 - b) In the case of Consolidated Statement of Profit and Loss profit of METROGLOBAL LIMITED (Formerly Known As Global Boards Limited) and its subsidiary for the year ended on that date; and
 - c) In the case of the Consolidated Cash Flow Statement, of the cash flows of METROGLOBAL LIMITED (Formerly Known As Global Boards Limited) and its subsidiary for the year ended on that date.

For **AMPAC & ASSOCIATES**
Chartered Accountants

Mumbai
9th August , 2012

Piyush B Sheth
(Partner)
Membership No.: 44062
FRN: 112236W



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

| | Note No. | As at March 31, 2012 (₹/lacs) | As at March 31, 2011 (₹/lacs) |
|------------------------------------|----------|-------------------------------------|-------------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2 | 1,261.30 | 2,323.04 |
| (b) Reserves and Surplus | 3 | 9,636.35 | 6,681.75 |
| Sub total | | 10,897.65 | 9,004.79 |
| Minority Interest | 4 | 235.23 | 232.24 |
| (2) Non-Current Liabilities | | | |
| (a) Long-term borrowings | 5 | 8,464.02 | 10,727.27 |
| (b) Deferred tax liabilities (Net) | | 46.07 | 91.57 |
| Sub total | | 8,510.09 | 10,818.84 |
| (3) Current Liabilities | | | |
| (a) Short-term borrowings | 6 | 1,546.76 | 328.16 |
| (b) Trade payables | | 192.17 | 220.20 |
| (c) Other current liabilities | | 140.85 | 78.94 |
| (d) Short-term provisions | | 302.84 | 241.42 |
| Sub total | | 2,182.62 | 868.71 |
| Total | | 21,825.59 | 20,924.58 |
| II. Assets | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 7 | 512.17 | 417.69 |
| (ii) Intangible assets | | - | - |
| (iii) Capital work-in-progress | | 473.67 | 350.63 |
| Sub total | | 985.84 | 768.32 |
| (b) Non-current investments | 8 | 893.41 | 865.13 |
| (c) Long term loans and advances | 9 | 11,107.49 | 10,723.52 |
| (d) Other Non current assets | 9 | 73.04 | 92.21 |
| | | 13,059.78 | 12,449.18 |
| (2) Current assets | | | |
| (a) Inventories | 10 | 93.79 | 265.38 |
| (b) Trade receivables | 10 | 786.47 | 2,120.02 |
| (c) Cash and cash equivalents | 10 | 623.65 | 2,282.17 |
| (d) Short-term loans and advances | 10 | 7,261.90 | 3,807.83 |
| | | 8,765.81 | 8,475.40 |
| Total | | 21,825.59 | 20,924.58 |

Significant accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For AMPAC & ASSOCIATES,
Chartered Accountants

Piyush B Sheth

Partner

Membership No.: 44062

FRN : 112236W

Ahmedabad

August 9, 2012

Nitin Shah
Company Secretary

For & on behalf of the Board

Gautam M. Jain

Chairman & Managing Director

Sandeep Bhandari

Director

Rahul Jain

Executive Director

Ahmedabad

August 9, 2012

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2012

| | Note No | 2011-12 (₹/lacs) | 2010-11 (₹/lacs) |
|---|------------|---------------------|---------------------|
| I. Revenue from operations | 11 | 14,541.82 | 5,384.54 |
| II. Other Income | 12 | 295.55 | 584.34 |
| III. Total Revenue (I +II) | | 14,837.37 | 5,968.88 |
| IV. Expenses: | | | |
| Cost of materials consumed | 13 | 783.52 | 817.43 |
| Purchase of Stock-in-Trade | | 11,002.05 | 2,482.00 |
| (Increase)/Decrease in Finished goods, Work In Progress & Stock in Trade | 14 | 192.79 | 7.85 |
| Employee benefit expense | 15 | 107.87 | 118.85 |
| Financial costs | 16 | 86.96 | 36.90 |
| Depreciation and amortization expense | | 53.63 | 73.75 |
| Other expenses | 17 | 464.51 | 459.66 |
| IV. Total Expenses | | 12,691.34 | 3,996.44 |
| V. Profit/(Loss) before exceptional and extraordinary items and tax | (III - IV) | 2,146.03 | 1,972.44 |
| VI. Exceptional Items Profit/(loss) on sale of Fixed Asset | | - | (2,530.89) |
| VII. Profit/(Loss) before extraordinary items and tax (V - VI) | | 2,146.03 | (558.45) |
| VIII. Extraordinary Items | | - | - |
| IX. Profit/(Loss) before tax (VII - VIII) | | 2,146.03 | (558.45) |
| X. Tax expense: | | | |
| (1) Current tax | | - | - |
| (2) Deferred tax asset/(liability) written off | | (45.51) | - |
| (3) Earlier year excess(-)/short(+) provisions for tax | | - | (8.32) |
| | | (45.51) | (8.32) |
| XI. Profit/(Loss) after Tax before Prior Period | (IX-X) | 2,191.54 | (550.13) |
| XII. Prior Period expenditure/(income) | | - | 3.54 |
| XIII Profit/(Loss) after Tax after Prior Period | (XI-XII) | 2,191.54 | (553.67) |
| XIV Earning per equity share: | | | |
| (1) Basic | | 17.38 | (2.38) |
| (2) Diluted | | 17.38 | (2.38) |

Significant accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For AMPAC & ASSOCIATES,
Chartered Accountants

Piyush B Sheth

Partner

Membership No.: 44062

FRN : 112236W

Ahmedabad

August 9, 2012

Nitin Shah

Company Secretary

For & on behalf of the Board
Gautam M. Jain

Chairman & Managing Director

Sandeep Bhandari

Director

Rahul Jain

Executive Director

Ahmedabad

August 9, 2012

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

| | Year Ended March 31, 2012 (₹ in lacs) | Year Ended March 31, 2011 (₹ in lacs) |
|---|---|---|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before Tax | 2146.03 | -561.99 |
| Adjustments for | | |
| Depreciation | 53.63 | 73.75 |
| Misc. Expenditure w/off | 37.02 | 81.47 |
| Interest paid | 66.96 | 31.52 |
| Loss/-(Profit) on Sale of Fixed Assets | 1.51 | 2521.76 |
| Loss/(Profit) on Sale of Investments | -34.06 | -236.74 |
| | 145.07 | 2471.76 |
| Operating Profit before Working Capital Changes | 2291.09 | 1909.77 |
| Adjustments for | | |
| Trade Receivables (Incl. export bill purchased/negotiated) | 1333.55 | -1728.08 |
| Other Receivables | -2279.29 | 42.13 |
| Inventories | 171.59 | -1.92 |
| Trade Payables & Provisions | -197.87 | -192.10 |
| | -972.02 | -1879.97 |
| Cash generated from Operations | 1319.07 | 29.80 |
| Direct Taxes paid | -177.02 | -129.72 |
| Cash flow before Extraordinary items | 1142.05 | -99.92 |
| Net Cash flow from Operating Activities | 1142.05 | -99.92 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets & Capital WIP (net of Sale proceeds) | -272.66 | 3637.35 |
| Long term investments | -62.33 | 38.63 |
| Net Cash used in Investing Activities | -334.99 | 3675.98 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Advances to Suppliers, Contractors & Others | -383.97 | -6288.96 |
| Unsecured Loans | -1044.65 | -189.80 |
| Deposit with Other Companies | -950.00 | 1350.00 |
| Dividend paid | 0.00 | -267.53 |
| Interest paid | -86.96 | -31.52 |
| Net Cash used in Financing Activities | -2465.59 | -5427.81 |
| D. NET CASH INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | -1658.52 | -1851.75 |
| Opening Balance of Cash & Cash Equivalents | 2282.17 | 4133.92 |
| Closing Balance of Cash & Cash Equivalents | 623.65 | 2282.17 |

As per our report of even date

For AMPAC & ASSOCIATES,
Chartered Accountants

Piyush B Sheth
Partner
Membership No.: 44062
FRN : 112236W
Ahmedabad
August 9, 2012

Nitin Shah
Company Secretary

For & on behalf of the Board
Gautam M. Jain Chairman & Managing Director

Sandeep Bhandari Director

Rahul Jain Executive Director

 Ahmedabad
August 9, 2012

AUDITORS' REPORT

We have examined the attached Consolidated Cash Flow Statements of Metroglobal Ltd. for the year ended on the 31st March 2012. The statement has been prepared in accordance with the requirements of Listing Agreement Clause No.32 with Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Accounts and the Balance Sheets of the company covered by our report of even date to the members of the Company.

For AMPAC & ASSOCIATES
Chartered Accountants

Mumbai
9th August , 2012

Piyush B Sheth
(Partner)
Membership No.: 44062
FRN: 112236W



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

1. Statement of Accounting Policies

A. Basis of Accounting

The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles as adopted consistently by the company and comply with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India referred to in Section 211 (3C) of the Companies Act, 1956. The preparation of financial statements in conformity with Accounting Standards requires Management to make estimates and assumptions that effect the reported amounts of assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period.

B. Principle of consolidation

The Consolidated financial statements relate to Metroglobal Limited and its subsidiary company Metrochem Capital Trust Limited (MCTL). The consolidated financial statements have been prepared on the following basis.

- The financial statements of the company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- The excess cost of the company of its investments in the subsidiary Company is recognised in the financial statements as goodwill.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | As at | As at |
|---|------------------------------|------------------------------|
| | 31st March, 2012 (₹/lacs) | 31st March, 2011 (₹/lacs) |
| NOTE-2 : | | |
| SHARE CAPITAL | | |
| AUTHORIZED, ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL | | |
| Authorised Share capital | | |
| 95000000 (95000000) Equity Shares of ₹ 10/- each | 9,500.00 | 9,500.00 |
| 25000000 (25000000) Cumulative/Non-Cumulative, Redeemable, Convertible/Non-convertible Preference Shares of ₹ 10/- each | 2,500.00 | 2,500.00 |
| | 12,000.00 | 12,000.00 |
| Issued, Subscribed & Paid up Share Capital | | |
| 12613042 (23230429) Equity Shares of ₹ 10/- each | 1,261.30 | 2,323.04 |
| | 1,261.30 | 2,323.04 |

The Company has only one class of shares referred to as Equity Shares having par value of ₹ 10/- each.

There are no issue of bonus shares during last five financial years.

Shares issued for consideration other than cash during last five financial years:

1,14,33,333 equity shares of ₹ 10 each issued to shareholders of Metrochem Industries Limited pursuant to scheme of arrangement.

| | As at 31st March, 2012 | As at 31st March, 2011 |
|---|--------------------------------|---------------------------|
| Reconciliation of No. of Shares | No of shares | No of shares |
| Equity Shares at the beginning of the year | 23,230,429 | 23,230,429 |
| Less: Reduction in no of shares pursuant to scheme of arrangement | 10,617,387 | - |
| Equity Shares at the end of the year | 12,613,042 | 23,230,429 |
| Details of Equity Shareholders holding more than 5% shares : | As at 31st March 2012 * | |
| | No of shares | % held |
| Gautam kumar Mithalal Jain | 1,288,330 | 10.22 |
| Cheer Trading and Investment pvt Ltd | 809,350 | 6.42 |
| Worship Trading Pvt Ltd | 631,736 | 5.09 |
| Maiden Tradefin Pvt Ltd | 1,678,052 | 13.30 |
| Search Invatrade Pvt Ltd | 984,360 | 7.80 |
| Anil Dyechem Industries Pvt Ltd | 906,526 | 7.19 |
| Gandak Pvt Ltd | 1,105,000 | 8.76 |
| | 7,403,354 | 58.78 |

* Previous year figures are not given as it was not comparable due to pending restructure of share capital as per Scheme of Arrangement which becomes effective with effect from 2nd February 2012 i.e. Record date for scheme of arrangement.



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | As at | As at |
|---|------------------|------------------|
| | 31st March, 2012 | 31st March, 2011 |
| | (₹/lacs) | (₹/lacs) |
| NOTE-3 | | |
| RESERVE & SURPLUS | | |
| a. Capital Reserve : | | |
| Balance as per last Balance Sheet | 14.31 | 14.31 |
| Add: Addition during the year | 1061.74 | - |
| Closing Balance | 1076.05 | 14.31 |
| b. Capital Redemption Reserve | | |
| Balance as per last Balance Sheet | 1500.00 | 1500.00 |
| Add: Addition during the year | - | - |
| Closing Balance | 1500.00 | 1500.00 |
| c. Securities Premium | | |
| Balance as per last Balance Sheet | 3940.68 | 3940.68 |
| Add: Addition during the year | - | - |
| Closing Balance | 3940.68 | 3940.68 |
| d. General Reserves : | | |
| Balance as per last Balance Sheet | 16626.94 | 12473.41 |
| Add: Transferred from Profit & Loss Account | 200.00 | 4160.25 |
| Add :Share of Minority in profit of Metrochem Capital Trust Ltd. | 2.50 | - |
| Less :Share of Minority in loss /(profit) of Metrochem Capital Trust Ltd. | - | 1.28 |
| Less :Cumulative dividend related to Preference shareholders | (8.00) | (8.00) |
| Closing Balance | 16821.44 | 16626.94 |
| d. Debenture Redemption Reserve | | |
| Balance as per last Balance Sheet | - | - |
| Add: Addition during the year | 300.00 | - |
| Closing Balance | 300.00 | - |
| f. Profit & Loss Account | | |
| Balance as per last Balance Sheet | (15400.18) | (10686.26) |
| Less:Net profit after tax transferred from Statement of P & L | 2191.54 | - |
| Add:Net loss after tax transferred from Statement of P & L | - | (553.67) |
| Add: Appropriation | | |
| Transfer to Debenture Redemption Reserve | (300.00) | - |
| Transfer to General Reserve | (200.00) | (4160.25) |
| Dividend | (252.26) | - |
| Distribution Tax on Dividend | (40.92) | - |
| Closing Balance | (14001.82) | (15400.18) |
| TOTAL | 9636.35 | 6681.75 |

NOTE : 4**MINORITY INTEREST**

| | | |
|--|---------------|---------------|
| Shares held by Minority Shareholders in Metrochem Capital Trust Ltd. | 24.50 | 24.50 |
| Share in Share Premium of Metrochem Capital Trust Ltd. | 17.13 | 17.13 |
| Share in General Reserve of Metrochem Capital Trust Ltd. | 11.24 | 11.24 |
| Share in profit/(loss) of Metrochem Capital Trust Ltd. | 2.02 | 7.03 |
| 8% Cumulative Redeemable Preference Share Capital | 100.00 | 100.00 |
| Cumulative dividend related to Preference shareholders | 80.33 | 72.33 |
| TOTAL | 235.23 | 232.24 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | As at | As at |
|---|------------------------------|------------------------------|
| | 31st March, 2012 (₹/lacs) | 31st March, 2011 (₹/lacs) |
| NOTE : 5 | | |
| LONG-TERM BORROWINGS | | |
| Secured | | |
| Debentures | | |
| Nil (previous year 3978000) 9% Secured Redeemable | | |
| Non - Convertible Debenture of ₹ 100 each | | 3,978.00 |
| Nil (previous year 200000) Zero - Coupon Optionally Convertible Debentures of ₹ 100 each | | 200.00 |
| Sub Total | | 4,178.00 |
| Unsecured | | |
| Debentures | | |
| 6684660 (previous year 3181660) Unsecured Debentures of ₹ 100 each | 6,684.66 | 3,181.66 |
| Interest accrued and due | - | 20.54 |
| Other Unsecured Loan from Corporate Bodies (The unsecured loan includes loan taken from associate companies @5% p.a. amounting to ₹ 14.53 crores(Previous year ₹ 23.00 Crores) which is repayable on demand. However the same is expected to be repayable within a period of 2-5 years. The remaining unsecured loan is repayable within a period of 2-3 years & rate of interest for the same is ranging between 12-16% p.a.) | 1,779.36 | 3,347.07 |
| Sub Total | 8,464.02 | 6,549.27 |
| | 8,464.02 | 10,727.27 |
| NOTE :6 | | |
| CURRENT LIABILITIES | | |
| (a) Short term Borrowings | | |
| Unsecured Loan from Corporate Bodies | 1,546.76 | 328.16 |
| Sub Total | 1,546.76 | 328.16 |
| (b) Trade Payables | | |
| Sub Total | 192.17 | 220.20 |
| (c) Other Current Liabilities | | |
| i) Unpaid Dividend | 20.31 | 22.12 |
| ii) statutory dues | 28.80 | 18.25 |
| iii) Advance received from Customers | 10.00 | - |
| iv) Outstanding expense | 9.33 | 14.97 |
| v) Other Payables | 72.41 | 23.60 |
| Sub Total | 140.85 | 78.94 |
| (d) Short Term Provisions | | |
| i) Provision for Employee benefits | 9.66 | 13.25 |
| ii) Other Provision | - | 228.17 |
| iii) Provison for dividend | 252.26 | - |
| iv) Provison for dividend distribution tax | 40.92 | - |
| Sub Total | 302.84 | 241.42 |
| TOTAL | 2,182.62 | 868.71 |



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹/lacs)

NOTE 7 :
FIXED ASSETS

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|------------------------------|---------------------|----------------|-----------------|-------------------|-------------------|-----------------|-----------------|-------------------|-------------------|-------------------|
| | AS AT 01.04.2011 | ADDI- TIONS | DEDUC- TIONS | AS AT 31.03.12 | AS AT 01.04.11 | FOR THE YEAR | ADJUST -MENT | AS AT 31.03.12 | AS AT 31.03.12 | AS AT 31.03.11 |
| A) Tangible Assets | | | | | | | | | | |
| Land | 92.45 | 90.18 | - | 182.63 | - | - | - | - | 182.63 | 92.45 |
| Factory Building | 231.25 | - | - | 231.25 | 139.90 | 9.47 | - | 149.37 | 81.88 | 91.35 |
| Office Building | 140.75 | - | - | 140.75 | 44.21 | 9.24 | - | 53.45 | 87.30 | 96.54 |
| Plant & Machinery | 2058.26 | - | - | 2058.26 | 2058.26 | - | - | 2058.26 | - | - |
| Electric Installation | 100.90 | - | - | 100.90 | 95.14 | 2.42 | - | 97.56 | 3.34 | 5.76 |
| Laboratory Equipments | 188.25 | - | - | 188.25 | 186.37 | 1.44 | - | 187.81 | 0.44 | 1.88 |
| Office Equipments | 103.45 | 56.77 | - | 160.22 | 76.88 | 4.00 | - | 80.88 | 79.34 | 26.57 |
| Furniture & Fixtures | 52.94 | 3.65 | - | 56.59 | 47.44 | 2.98 | - | 50.42 | 6.17 | 5.50 |
| Vehicles | 220.60 | - | 50.15 | 170.45 | 122.95 | 24.08 | (47.65) | 99.38 | 71.07 | 97.65 |
| Total Tangible Assets | 3188.85 | 150.60 | 50.15 | 3289.30 | 2771.15 | 53.63 | (47.65) | 2777.13 | 512.17 | 417.69 |
| Intangible Assets | - | - | - | - | - | - | - | - | - | - |
| Total Tangible Assets | - | - | - | - | - | - | - | - | - | - |
| Capital Work in Progress | 350.63 | 123.04 | - | 473.67 | - | - | - | - | 473.67 | 350.63 |
| TOTAL | 3539.48 | 273.64 | 50.15 | 3762.97 | 2771.15 | 53.63 | (47.65) | 2777.13 | 985.84 | 768.32 |
| Previous Year | (20939.91) | (301.28) | (17708.85) | (3532.35) | (13922.28) | (73.75) | (111098.87) | (2765.60) | (766.75) | (7017.64) |



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | 31st March, 2012 | | 31st March, 2011 | |
|--|------------------|----------|------------------|----------|
| | | (₹/lacs) | | (₹/lacs) |
| NIL (9000) Equity Shares of IFCI LTD Ltd. of ₹ 10/- each fully paid up | | - | | 5.34 |
| 1600 (800) Equity Shares of IL&FS TRANSPORTATION NETWORK Ltd. of ₹ 10/- each fully paid up | | 3.41 | | 1.72 |
| 20108 (5000) Equity Shares of JAY BHARAT MARUTI Ltd. of ₹ 5/- each fully paid up | | 14.55 | | 6.15 |
| NIL (5000) Equity Shares of JAYPEE INFRATECH Ltd. of ₹ 10/- each fully paid up | | - | | 3.02 |
| 2055 (600) Equity Shares of MAHARASHTRA SCOOTERS Ltd. of ₹ 10/- each fully paid up | | 7.19 | | 2.42 |
| 727 (NIL) Equity Shares of MAFATLAL INDUSTRIES LTD. Ltd. of ₹ 10/- each fully paid up | | 0.94 | | - |
| 5670 (NIL) Equity Shares of MCDOWELL HOLDINGS LTD. Ltd. of ₹ 10/- each fully paid up | | 4.59 | | - |
| 2500 (2500) Equity Shares of M.T.N.L Ltd. of ₹ 10/- each fully paid up | | 1.75 | | 1.75 |
| 400 (400) Equity Shares of MARUTI SUZUKI INDIA Ltd. of ₹ 5/- each fully paid up | | 4.86 | | 4.86 |
| NIL (1110) Equity Shares of NAVIN FLUORINE INTERNATIONAL Ltd. of ₹ 10/- each fully paid up | | - | | 3.21 |
| 41000 (11000) Equity Shares of N.H.P.C. Ltd. of ₹ 10/- each fully paid up | | 9.78 | | 3.50 |
| NIL (1000) Equity Shares of NIRLON LIMITED Ltd. of ₹ 10/- each fully paid up | | - | | 0.61 |
| 21000 (26000) Equity Shares of NOCIL LIMITED Ltd. of ₹ 10/- each fully paid up | | 5.00 | | 6.14 |
| 3 (NIL) Equity Shares of ORISSA MINERAL & DEV.CO.LTD. Ltd. of ₹ 10/- each fully paid up | | 1.74 | | - |
| 2000 (2000) Equity Shares of PARABOLIC DRUGS Ltd. of ₹ 10/- each fully paid up | | 0.65 | | 1.09 |
| 8102 (NIL) Equity Shares of RAMA NEWSPRINT LTD. Ltd. of ₹ 10/- each fully paid up | | 1.22 | | - |
| 200 (290) Equity Shares of RANE HOLDING Ltd. of ₹ 10/- each fully paid up | | 0.75 | | 0.75 |
| NIL (72) Equity Shares of RASOI Ltd. of ₹ 10/- each fully paid up | | - | | 0.24 |
| 12400 (12200) Equity Shares of RELIANCE INDUSTRIES LTD. Ltd. of ₹ 10/- each fully paid up | | 125.37 | | 123.74 |
| NIL (500) Equity Shares of SANDESH Ltd. of ₹ 10/- each fully paid up | | - | | 1.55 |
| 1000 (NIL) Equity Shares of SHASHUN PHARMACEUTICALS LTD. Ltd. of ₹ 10/- each fully paid up | | 0.87 | | - |
| 4700 (2700) Equity Shares of SREI INFRASTRUCTURE Ltd. of ₹ 10/- each fully paid up | | 1.75 | | 1.34 |
| 201 (NIL) Equity Shares of SRF POLYMERS LTD. Ltd. of ₹ 10/- each fully paid up | | 0.82 | | - |
| 2750 (2750) Equity Shares of STATE BANK OF INDIA Ltd. of ₹ 10/- each fully paid up | | 72.16 | | 72.16 |
| 1000 (NIL) Equity Shares of STEEL AUTHORITY OF INDIA LTD. Ltd. of ₹ 10/- each fully paid up | | 1.31 | | - |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | As at 31st March, 2012 (₹/lacs) | As at 31st March, 2011 (₹/lacs) |
|---|---------------------------------------|---------------------------------------|
| NOTE 8 | | |
| (A) Trade Investments (Unquoted at cost) | | |
| (a) Investment in Equity shares | | |
| (i) In associate companies | | |
| 170 (170) Equity Shares of Anil Dyechem Ind. Pvt. Ltd. of ₹ 1000/- each fully paid up | 3.42 | 3.42 |
| 357540 (357540) Ornet Infrastructure P.Ltd.Share A/c of of ₹ 10/- each fully paid up | 106.37 | 106.37 |
| (ii) Other companies | | |
| 200 (200) Equity Shares of Green Environment Services Co-op Society Ltd. of ₹ 100/- each fully paid up | 0.20 | 0.20 |
| | 109.99 | 109.99 |
| (b) Investment in debentures or bonds | | |
| 500 (500) Rural Electrification Corporation Ltd. Bonds of ₹ 1000 each Fully paid up | 50.00 | 50.00 |
| MILESTONE BULLION SERIES-I A/C Bond Partly Paid up | 49.96 | 19.97 |
| | 99.96 | 69.97 |
| Subtotal | 209.95 | 179.96 |
| (B) Other Investments (Quoted at cost) | | |
| (a) Investment in Equity shares | | |
| (i) Other companies | | |
| 15000 (13000) Equity Shares of Adani Enterprise Ltd. of ₹ 1/- each fully paid up | 86.58 | 79.49 |
| 7500 (5500) Equity Shares of Adani Power Ltd. of ₹ 10/- each fully paid up | 9.05 | 7.66 |
| NIL (7500) Equity Shares of Arvind Products Ltd. of ₹ 10/- each fully paid up | - | 0.62 |
| 34500 (21846) Equity Shares of Ashima Ltd. of ₹ 10/- each fully paid up | 2.44 | 1.94 |
| 1000 (200) Equity Shares of BHEL Ltd. of ₹ 10/- each fully paid up | 4.93 | 4.93 |
| NIL (2000) Equity Shares of CEAT LIMITED Ltd. of ₹ 10/- each fully paid up | - | 2.33 |
| 500 (500) Equity Shares of CENTURY ENKA Ltd. of ₹ 10/- each fully paid up | 1.23 | 1.23 |
| 247 (NIL) Equity Shares of EMPIRE INDUSTRIES LTD. Ltd. of ₹ 10/- each fully paid up | 1.76 | - |
| 4000 (28477) Equity Shares of FIEM INDUSTRIES Ltd. of ₹ 10/- each fully paid up | 7.99 | 51.12 |
| 28523 (6610) Equity Shares of GRAVER & WELL (INDIA) LTD. Ltd. of ₹ 10/- each fully paid up | 1.86 | 4.46 |
| 1000 (1000) Equity Shares of GUJARAT NATURAL RESOURCES Ltd. of ₹ 10/- each fully paid up | 1.25 | 1.25 |
| NIL (1000) Equity Shares of GULF OIL CORP Ltd. of ₹ 2/- each fully paid up | - | 0.91 |
| 600 (600) Equity Shares of ICICI Bank Ltd. of ₹ 10/- each fully paid up | 5.52 | 5.52 |
| | As at | As at |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | As at | |
|---|------------------------------|------------------------------|
| | 31st March, 2012 (₹/lacs) | 31st March, 2011 (₹/lacs) |
| 2000 (2000) Equity Shares of TATA STEEL Ltd. of ₹ 10/- each fully paid up | 10.61 | 10.61 |
| 1500 (1500) Equity Shares of TEXMACO Ltd. of ₹ 1/- each fully paid up | 0.74 | 0.74 |
| 500 (500) Equity Shares of THE INDIAN HOTELS Ltd. of ₹ 1/- each fully paid up | 0.52 | 0.52 |
| 200 (NIL) Equity Shares of THE KARUR VYSYA BANK LTD. Ltd. of ₹ 1/- each fully paid up | 0.84 | - |
| 2423 (2000) Equity Shares of VINDHYA TELELINKS LTD. Ltd. of ₹ 10/- each fully paid up | 5.75 | 4.90 |
| 100 (100) Equity Shares of INFOSYS TECHNOLOGIES LTD. Ltd. of ₹ 5/- each fully paid up | 2.84 | 2.84 |
| 311 (311) Equity Shares of ENGINEERS INDIA LTD. Ltd. of ₹ 10/- each fully paid up | 0.90 | 0.90 |
| 7711 (7711) Equity Shares of POWERGRID CORP Ltd. of ₹ 10/- each fully paid up | 6.94 | 6.94 |
| 1008 (1008) Equity Shares of COAL INDIA Ltd. of ₹ 10/- each fully paid up | 2.47 | 2.47 |
| 935 (935) Equity Shares of MANGANESE ORE INDIA LTD. (MOIL) Ltd. of ₹ 10/- each fully paid up | 3.51 | 3.51 |
| 2000 (2000) Equity Shares of Kalpataru Power Transmission Ltd. of ₹ 2/- each fully paid up | 0.14 | 0.14 |
| 8800 (8800) Equity Shares of Metazinc (India) Ltd. of ₹ 10/- each fully paid up | 4.40 | 4.40 |
| 1429 (1429) Equity Shares of INDIAN BANK LTD. of ₹ 10/- each fully paid up | 1.32 | 1.32 |
| 10000 (10000) Equity Shares of SAKET PROJECTS LTD. of ₹ 10/- each fully paid up | 1.00 | 1.00 |
| 1300 (1300) Equity Shares of Ganipitak Yakshraj Caplease Ltd. of ₹ 10/- each fully paid up | 0.13 | 0.13 |
| 2500 (2500) Equity Shares of Punjab Woolcombers Ltd. of ₹ 10/- each fully paid up | 2.25 | 2.25 |
| 1000 (1000) Equity Shares of Sol Pharma Ltd. of ₹ 10/- each fully paid up | 1.72 | 1.72 |
| 4500 (4500) Equity Shares of Balmer Lawrie Freight Containers Ltd. of ₹ 10/- each fully paid up | 2.25 | 2.25 |
| 2000 (2000) Equity Shares of Mideast Integrated Steels Ltd. of ₹ 10/- each fully paid up | 0.42 | 0.42 |
| 11200 (11200) Equity Shares of Canway Chemicals Ltd. of ₹ 10/- each fully paid up | 1.20 | 1.20 |
| 18637 (15000) Equity Shares of STANDARD INDUSTRIES LTD. of ₹ 5/- each fully paid up | 4.92 | 5.60 |
| 8000 (8500) Equity Shares of NESCO LTD. of ₹ 10/- each fully paid up | 53.00 | 52.14 |
| 21600 (11000) Equity Shares of IDBI BANK LTD. of ₹ 10/- each fully paid up | 26.46 | 14.53 |
| 500 (NIL) Equity Shares of RIDDHI SIDDHI GLUCO BOILS LTD. of ₹ 10/- each fully paid up | 1.11 | - |
| 3600 (3700) Equity Shares of Uniprios Enterprises Ltd. of ₹ 2/- each fully paid up | 1.33 | 1.34 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | | As at 31st March, 2012 (₹/lacs) | As at 31st March, 2011 (₹/lacs) |
|--|--|---------------------------------------|---------------------------------------|
| 1200 | (NIL) Equity Shares of VARDHMAN TEXTILES LTD. of ₹ 10/- each fully paid up | 2.87 | - |
| 11600 | (11600) Equity shares of Morepan Laboratories Ltd.of ₹ 2/-each fully paid up | 3.43 | 3.43 |
| 1000 | (2000) Equity shares of Reliance Ind. Ltd.of ₹ 10/-each fully paid up | 0.32 | 0.32 |
| 5000 | (5000) Equity shares of Shamken Spinners Ltd. of ₹ 10/- each fully paid up | 0.50 | 0.50 |
| 800 | (800) Equity shares of Varun Siccon Ltd. of ₹ 10/- each fully paid up | 0.24 | 0.24 |
| 2500 | (2500) Equity shares of K.J. International Ltd. of ₹ 10/- each fully paid up | 0.63 | 0.63 |
| 800 | (800) Equity shares of Samrat Ashoka Exports Ltd.of ₹ 10/- each fully paid up | 0.48 | 0.48 |
| 1200 | (1200) Equity shares of Punjab Woolcombers Ltd.of ₹ 10/- each fully paid up | 1.08 | 1.08 |
| 3300 | (3300) Equity Shares of Balmer Lawrie Freight Containers Ltd.of ₹ 10/- each fully paid up | 1.65 | 1.65 |
| 3450 | (6000) Equity Shares of Blue coast Hotels Ltd. of ₹ 10/- each fully paid up | 0.69 | 0.69 |
| 10000 | (10000) Equity shares of Saket Projects Ltd.of ₹ 10/- each fully paid up | 1.00 | 1.00 |
| 3500 | (3500) Equity shares of Maruti Infrastructure Ltd.of ₹ 10/- each fully paid up | 0.02 | 0.02 |
| 600 | (600) Equity Shares of Melstar Information Technolgy Ltd.of ₹ 10/- each fully paid up. | 0.43 | 0.43 |
| 1200 | (1200) Equity Shares of Shri Rama Multitech Ltd. of ₹ 5/- each fully paid up. | 1.44 | 1.44 |
| 1500 | (1500) Equity Shares of BPL Limited. of ₹ 10/- each fully paid up. | 0.56 | 0.56 |
| 5000 | (5000) Equity Shares of I.G.Petro Containers Ltd.of ₹ 10/- each fully paid up | 2.27 | 2.27 |
| | | 535.96 | 537.67 |
| (b) Investment in debentures or bonds | | | |
| 2500 | (2500) Sun BNP PSU Fund Units of ₹ 1000 each Fully paid up | 25.00 | 25.00 |
| 100000 | (100000) Reliance Small Cap Fund of ₹ 10 each fully paid up | 10.00 | 10.00 |
| 64074 | (64074) MOTILAL OSWAL MOST SHARES M50 of ₹ 10 each fully paid up | 50.00 | 50.00 |
| 50 | (NIL) NIFTY Bonds of ₹ 100000 each Fully paid up | 52.50 | 52.50 |
| 100000 | (100000) SBI PSU FUND of ₹ 10 each Fully paid up | 10.00 | 10.00 |
| | | 147.50 | 147.50 |
| Subtotal | | 683.46 | 685.17 |
| TOTAL | | 893.41 | 865.13 |
| Notes : | | | |
| 1. Aggregate Value of Investments | | | |
| Quoted : Cost | | 683.46 | 685.17 |
| Market Value | | 571.76 | 700.45 |
| Unquoted | | 209.95 | 179.96 |

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

| Particulars | 31st March, 2012 | 31st March, 2011 |
|--|------------------|------------------|
| | (₹/lacs) | (₹/lacs) |
| NOTE 9 | | |
| a) Long Term Loans and Advances : | | |
| Security deposit (Unsecured, considered good) | 11.25 | 11.25 |
| Loans and advances to Partnership Firms in which the company is a Partner (Unsecured, considered good) | 2928.80 | 2292.25 |
| Loans and advances to company in which the company is a shareholder (Unsecured, considered good) | 2257.80 | 2008.58 |
| Loans and advances to Suppliers ,Contractors & others | | |
| Secured, considered good | 2998.72 | 4323.32 |
| Unsecured, considered good | 2761.83 | 1939.02 |
| Unsecured, considered doubtful | 565.08 | 565.08 |
| Less: Provison for bad debts | (415.98) | (415.98) |
| Sub-Total | 11107.49 | 10723.52 |
| b) Other Current Assets : | | |
| Deferred Revenue Expenditure | 73.04 | 92.21 |
| Sub-Total | 73.04 | 92.21 |
| TOTAL | 11180.53 | 10815.73 |

NOTE 10

| | | |
|--|---------------|----------------|
| A) Inventories : | | |
| Stores & Spares (at lower of cost or net realizable value) | 13.43 | 13.81 |
| Packing Materials (at lower of cost or net realizable value) | 1.29 | 2.84 |
| Stock in Trade : | | |
| Traded Goods- (at lower of cost or net realizable value) | 0.09 | 163.02 |
| Raw Materials (at lower of cost or net realizable value) | 65.51 | 42.38 |
| Work in Process (at cost) | 13.47 | 43.33 |
| Sub-Total | 93.79 | 265.38 |
| B) Sundry Debtors (Unsecured) : | | |
| Due over six months considered good | 5.91 | 12.16 |
| considered doubtful | 323.15 | 323.15 |
| Less: Provison for bad debts | (323.15) | (323.15) |
| | 5.91 | 12.16 |
| Others (considered good) | 780.56 | 2107.86 |
| Sub-Total | 786.47 | 2120.02 |
| C) Cash & Bank Balances : | | |
| Cash on Hand | 8.70 | 7.80 |
| Balances with Scheduled Banks : | | |
| In Current Accounts | 47.81 | 75.82 |
| In Fixed Deposit Accounts | 497.14 | 1254.48 |
| Balances In Liquid Funds | 70.00 | 944.07 |
| Sub-Total | 623.65 | 2282.17 |



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | As at | As at |
|---|------------------------------|------------------------------|
| | 31st March, 2012 (₹/lacs) | 31st March, 2011 (₹/lacs) |
| D) Short Term Loans and Advances : | | |
| Deposits with Other Companies | | |
| Unsecured, considered good | 1200.00 | 250.00 |
| Secured, considered good | 707.82 | - |
| Balances with Government | 337.89 | 378.90 |
| Loans and advances to Suppliers ,Contractors & others | | |
| Secured, considered good | 2556.89 | 1843.77 |
| Unsecured, considered good | 1315.02 | 428.65 |
| Advance Payment of Income Tax (Net of provision) | 1096.49 | 845.27 |
| Export Benefits Receivable | 47.80 | 61.25 |
| Sub-Total | 7261.90 | 3807.83 |
| TOTAL | 8765.81 | 8475.40 |

NOTE- 11

REVENUE FROM OPERATIONS

| | | |
|---|------------------|-----------------|
| SALES - Domestic (including Indirect Exports) | 11,648.85 | 3,341.21 |
| - Exports | 619.03 | 434.00 |
| | 12,267.88 | 3,775.21 |
| Less: Excise Duty | (45.69) | (59.42) |
| | 12,222.19 | 3,715.79 |
| Interest Income | 2,055.26 | 1,503.75 |
| Profit on relenquishment of property right | 256.00 | 165.00 |
| Profit of partnership firm | 8.37 | - |
| TOTAL | 14,541.82 | 5,384.54 |

Sale of products comprises :

Manufactured goods

| | | |
|---|-----------------|-----------------|
| Dyes Intermediates | | |
| Local | 443.60 | 567.36 |
| Export | 619.03 | 434.00 |
| Total - Sale of manufactured goods | 1,062.64 | 1,001.36 |

Traded goods

| | | |
|-------------------------------------|------------------|-----------------|
| Dyes intermediates & Metals | 11,159.55 | 2,714.43 |
| Total - Sale of traded goods | 11,159.55 | 2,714.43 |
| Total - Sale of products | 12,222.19 | 3,715.79 |

| | 2011-12 ₹ in Lacs | 2010-11 ₹ in Lacs |
|--|----------------------|----------------------|
|--|----------------------|----------------------|

NOTE- 12

OTHER INCOME

| | | |
|--|---------------|---------------|
| Profit /(loss) on Sale of Fixed Assets (Net) | (1.51) | 9.13 |
| Export Incentives | 3.23 | 5.61 |
| Miscellaneous | 164.09 | 180.04 |
| Profit/(loss) on Sale of Investments (Net) | 34.06 | 296.01 |
| Qty. Sale of Effluent Treatment (GESL) | 16.25 | 22.00 |
| income tax refund | 74.20 | - |
| Dividend income | 5.22 | 71.55 |
| TOTAL | 295.55 | 584.34 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | 31st March, 2012 | 31st March, 2011 |
|-----------------------------------|------------------|------------------|
| | (₹/lacs) | (₹/lacs) |
| NOTE- 13 | | |
| COST OF MATERIALS CONSUMED | | |
| Opening Stock | 42.38 | 33.07 |
| Add: Purchase of Raw Material | 803.17 | 829.32 |
| Less: Sale of Raw Material | - | (2.58) |
| Less: Closing Stock | (62.03) | (42.38) |
| TOTAL | 783.52 | 817.43 |

NOTE- 14
(INCREASE)/DECREASE IN FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE

Stock at the Commencement :

| | | |
|--|---------------|---------------|
| Finished Goods (manufactured products) | - | 5.29 |
| Finished Goods (traded products) | 162.93 | 162.93 |
| Work in Process (at cost) | 55.33 | 57.89 |
| | 218.26 | 226.11 |

Stock at the End :

| | | |
|--|---------------|---------------|
| Finished Goods (manufactured products) | - | - |
| Finished Goods (traded products) | - | 162.93 |
| Work in Process (at cost) | 25.47 | 55.33 |
| | 25.47 | 218.26 |
| TOTAL | 192.79 | 7.85 |

NOTE- 15
EMPLOYEE BENEFIT EXPENSE

| | | |
|---|---------------|---------------|
| Salaries, Wages and Bonus | 96.49 | 107.19 |
| Contribution to Provident Fund , Family Pension Fund & other contribution | 7.95 | 9.10 |
| Workers & Staff Welfare Expenses | 3.43 | 2.56 |
| TOTAL | 107.87 | 118.85 |

NOTE- 16
FINANCIAL COST

| | | |
|----------------------|--------------|--------------|
| Interest expenditure | 86.96 | 36.90 |
| TOTAL | 86.96 | 36.90 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Particulars | As at | As at |
|--|------------------|------------------|
| | 31st March, 2012 | 31st March, 2011 |
| | (₹/lacs) | (₹/lacs) |
| NOTE- 17 | | |
| OTHER EXPENSES | | |
| Water, Power & Fuel | 25.54 | 45.49 |
| Stores Consumed | 9.94 | 3.92 |
| Machinery Repairs | 4.12 | 0.83 |
| Electric Repairs | - | 0.06 |
| Building Repairs | 1.62 | 1.11 |
| Consumptions of Ice | 26.75 | 26.30 |
| Contract Labor Expenses | 29.69 | 21.61 |
| Laboratory Expenses | 0.08 | 0.07 |
| Lease & Shed Rent | - | 2.04 |
| Effluent Treatment Expenses and Pollution Expenses | 11.56 | 4.73 |
| Other Misc. Factory Expenses | 6.12 | 4.16 |
| Rates & Taxes | 10.96 | 12.01 |
| Insurance | 3.10 | 2.72 |
| Postage, Telephone & Stationery | 34.30 | 35.72 |
| Legal & Consultancy Expenses | 85.47 | 67.24 |
| Other Administration Expenses | 71.27 | 71.56 |
| Audit Fees | 6.00 | 9.99 |
| Donation | 11.31 | 4.95 |
| Deferred Revenue Expenditure | 19.17 | 12.70 |
| Misc. Balance Written Off | 17.86 | 61.75 |
| Packing Expenses | 11.33 | 9.35 |
| Export Expenses | 14.28 | 12.04 |
| Sales Promotion Expenses | 15.13 | 18.39 |
| Hedging a/c | 6.43 | - |
| Inland Freight & Cartage | 42.49 | 30.92 |
| TOTAL | 464.51 | 459.66 |

OTHER NOTES on consolidated Financial Statement for the year ended 31st March, 2012

- The Revised Schedule VI has become effective from 1st April 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
- EXCISE DUTY**
Excise Duty on Sales has been disclosed as reduction from the turnover.
- The Ministry of Corporate Affairs, Government of India vide its General Circular No: 2/2011 dated 8th February, 2011 has granted general exemption to the Holding Companies from attaching balance sheets of subsidiary Companies with the balance sheet of the Holding Company as per Section 212(8) of the Companies Act, 1956 subject to fulfillment of certain conditions. Accordingly, the Board of Directors of the Company has passed the resolution giving consent for not attaching the balance sheets of the Subsidiary Companies with that of the Company
- The amounts in the Balance Sheet and Profit and Loss Account are rounded off to the nearest thousand and indicated in lacs of rupees.
- There were no amount overdue and remaining outstanding to small scale and/or ancillary industrial suppliers on account of principal and/or interest as at the close of the year. This disclosure by the Company is based on the information available with the Company regarding the status of the suppliers. In absence of necessary information relating to suppliers registered as Micro, Small and Medium enterprises under the Micro, Small and Medium Enterprises (Development) Act 2006, the company has not been able to identify such suppliers and the information required under the said Act could not be compiled and disclosed.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

6

(₹ in Lacs)

| Particulars | 2011-12 | 2010-11 |
|---|---------|---------|
| Payment to Auditors | | |
| a) Statutory Auditors | | |
| i) Auditors Fees | 6.20 | 8.20 |
| ii) As Advisor, or in any other capacity in respect of: | | |
| i) Taxation Matters | - | 0.75 |
| ii) Certification and Other Matters | 0.35 | 1.45 |
| iii) Tax Audit Fees | - | 0.50 |
| iv) Reimbursement of Service Tax | 0.80 | 0.42 |
| v) Reimbursement of Out of Pocket Expense | - | 0.15 |
| Total : | 7.35 | 11.47 |

7 (a) No commission (Previous Year ₹ NIL) has been paid to the Managing Director / Dy. Managing Director for the year under review in view of resolution passed by the Board of directors and as agreed by the Managing Director. Computation of Net Profit as per Section 349 read with Section 309(5) and section 198 of the Companies Act, 1956 therefore has not been furnished for the year under review.

(b) Director's Remuneration :

(₹ in Lacs)

| Particulars | 2011-12 | 2010-11 |
|--|---------|---------|
| i.) Salary | 27.02 | 32.67 |
| ii.) Contribution to Provident & other Funds | 1.18 | 1.39 |
| iii.) Other Perquisites | 2.02 | 2.02 |
| Total : | 30.23 | 36.08 |

8 i) Major components of deferred tax assets and liabilities arising on account of timing difference are :-

(₹ in Lacs)

| Particulars | As at March 31, 2012 | | As at March 31, 2011 | |
|-----------------|----------------------|-------------|----------------------|-------------|
| | Assets | Liabilities | Assets | Liabilities |
| a) Depreciation | - | 46.07 | - | 91.57 |
| Total. | - | 46.07 | - | 91.57 |

ii) Total income of the company chargeable to tax is being determined by the company in accordance with provisions of the Income Tax Act, 1961 after considering allowances, claims and relief available to the Company. As the company is having accumulated losses and unabsorbed depreciation as per books of account and also under the Income Tax Act, 1961, The company has been advised that under the circumstances it shall have no liability under the Income Tax Act, 1961 and therefore no provision has been made in books of the company.

9 ₹ 13.48 lacs being net gain (Previous year ₹ 4.95 Lacs being net loss) on account of exchange difference have been adjusted in the respective heads of account in the profit & loss account.

10 Earning per share (EPS) – EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity shares are stated below :

| Particulars | For the year ended 31-Mar-2012 | For the year ended 31-Mar-2011 |
|--|-----------------------------------|-----------------------------------|
| Profit /(-loss) before tax & exceptional items (₹ in Lacs) | 2146.03 | 1972.44 |
| Exceptional income/-expenditure (₹ in Lacs) | - | -2530.89 |
| Profit /(-loss) After Tax (₹ in Lacs) | 2146.03 | -553.67 |
| No of shares (In lacs) | 126.13 | 232.30 |
| Basic and Diluted EPS (₹) | 17.38 | -2.38 |
| F.V of shares | 10 | 10 |

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012****11 Accounting Standard (As-15) on Employee benefits**

Provident Fund Contribution by the Company :

Contributions are made to Recognised Provident Fund/Government Provident Fund, Family Pension Fund, ESIC and other Statutory Funds which covers all regular employees. While both the employees and the Company make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. Amount recognized as expense in respect of these defined contribution plans, aggregate to ₹ 9.89 Lacs (Previous Year ₹ 11.57 Lacs).

| | Year ended 31st March 2012 | Year ended 31st March, 2011 |
|--------------------------------|-------------------------------|--------------------------------|
| Contribution to Provident Fund | 5.41 | 6.40 |
| Contribution to Employees | 4.48 | 5.17 |

State Gratuity Benefits Insurance Scheme (E.S.I.C.) & Contribution to Labour Welfare Fund

Gratuity Benefits :

In respect of Gratuity, the Company has taken policy No. 40000192 from Reliance Life insurance Co. Limited, and from Future Generali insurance Co. Limited. The Defined Benefit Obligation as at 31.03.2012 works out to ₹ 18.92 lacs , Acturial Valuation for Compensated Absences is done as at the year end and the provision is made for all regular employees on the basis Acturial Valuer's certificate.

Defined Benefit Plan- Gratuity (As per Acturial Valuation as on 31st March 2012)

Defined Benefit Plan –Gratuity (As per Acturial Valuation

₹ Lacs
as on 31st March, 2012

GRATUITY

Fully Funded

Reliance Life Insurance

Future Generali Insurance

I Change in Obligation during the year ended on 31st March 2012

After Demerger from Appointed Day

| | |
|--|-------|
| 1 Present Value of obligation as at 01-04-2011 | 20.64 |
| 2 Interest Cost | 0 |
| 3 Current service Cost | 1.36 |
| 4 Acturial (gain)/loss on obligation | |
| 5 Benefits paid | 4.13 |
| 6 Present Value of obligation as at 31-03-2012 | 17.87 |

II Change in Assets during the year ended on 31st March 2012

| | |
|----------------------------------|-------|
| 1 Plan assets as at 01-04-2011 | 20.64 |
| 2 Expected Return on Plan assets | 0 |
| 3 Contribution by the Employer | 1.36 |
| 4 Actual benefits paid | 4.13 |
| 5 Acturial Gains/(Losses) | |
| 6 Plan assets as at 31-03-2012 | 17.87 |

III Net Asset/(Liability) recognized in the Balance Shaaet as at 31-03-2012

| | |
|--|-------|
| 1 Present Value of defined obligation as at 31-03-2012 | 17.87 |
| 2 Fair value of plan assets as at 31-03-2012- | 17.87 |
| 3 Fund status (Surplus/(deficit)) as at 31-03-2012 | -1.05 |
| 4 Net Assets/(Liability) as at 31-03-2012 | 18.92 |

IV Expenses recognised in Profit & Loss Account for the year ended 31-03-2012

| | |
|---|-------|
| 1 Current service cost | 1.37 |
| 2 Interest cost | 0 |
| 3 Expected return on plan assets | 0 |
| 4 Net Acturial (gain)/loss(net of Opening Acturial Gain(Loss) adjustment) | -1.05 |
| 5 Expenses recognised in Profit & Loss Account | 1.36 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

- V The major categories of plan assets as a percentage of total plan Not applicable as the plan is administered by Reliance Life insurance
- VI Method of Valuation Projected unit Credit Method
- VII. Actuarial Assumptions
- | | | |
|---|--|---|
| 1 | Discount Rate | |
| 2 | Expected rate of return on plan assets | |
| 3 | Mortality Table | LICI1994-96 Ultimate Table At Age X-3 for management And at Age X-1 for Non management |
| 4 | Retirement Age | 60 years |
| 5 | Salary escalation | 8% |

- 12 The Company is engaged in the business of Dyes and Dyes Intermediates, Infrastructure and Reality Segment, Trading and finance during the financial year under review, which in the context of Accounting Standard 17 are considered reportable business segments. Business segment information in pursuance of Accounting Standard 17 have been reported as below :

INFORMATION ABOUT BUSINESS SEGMENTS

₹ in Lacs

| | Dyes & Intermediates | | Infrastructure and Reality | | Trading & Finance | | Others Unallocable | | TOTAL CONSOLIDATED | |
|--|----------------------|---------------|----------------------------|---------------|-------------------|---------------|--------------------|---------------|--------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| REVENUE | | | | | | | | | | |
| External Sales | 1062.64 | 1001.36 | 0.00 | 0.00 | 11159.55 | 2714.43 | 0.00 | 0.00 | 12222.19 | 3715.79 |
| Inter Segment Sales | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest & Dividend Income | 0.00 | 0.00 | 485.54 | 380.00 | 1574.94 | 1193.94 | 0.00 | 1.37 | 2060.48 | 1575.31 |
| Total Revenue | 1134.27 | 1169.00 | 485.54 | 380.00 | 13217.56 | 4417.13 | 0.00 | 2.76 | 14837.37 | 5968.88 |
| Interest expense | 0.00 | 0.00 | 0.00 | 0.00 | 86.96 | 36.90 | 0.00 | 2.68 | 86.96 | 36.90 |
| Exceptional Income/- Expenditure | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -2530.89 | 0.00 | -2530.89 |
| Profit before tax | 118.55 | 38.50 | 485.54 | 380.00 | 1541.94 | 1655.87 | 0.00 | -2632.82 | 2146.03 | -558.45 |
| Income taxes/Deferred Tax | -45.51 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -8.32 | -45.51 | -8.32 |
| Profit /(loss) After Tax before prior period | 164.06 | 38.50 | 485.54 | 380.00 | 1541.94 | 1655.87 | 0.00 | -2624.50 | 2191.54 | -550.13 |
| Prior Period expenditure | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3.54 | 0.00 | 3.54 |
| Profit /(loss) After Tax after prior period | 164.06 | 38.50 | 485.54 | 380.00 | 1541.94 | 1655.87 | 0.00 | -2628.04 | 2191.54 | -553.67 |
| Capital Employed | 1581.61 | 1536.00 | 5707.57 | 3499.00 | 9667.08 | 9882.02 | -6058.61 | -6004.44 | 10873.87 | 8912.58 |

Previous Year figures have been regrouped/reclassified wherever necessary to correspond with the figures for the figures for the year under review.

- 13 Related party disclosures as required by Accounting Standard AS-18 issued by the Institute of Chartered Accountants of India are given below Name of the related party and nature of relationship where control exists :

Associates Companies

Anil Dyechem Industries Pvt. Ltd
Harvest Trade Finvest Pvt.Ltd.
Maiden Tradefin Pvt. Ltd.
Minerva Dyechem Industries P.Ltd.
Bloom Investment & Trading Pvt.Ltd.
Charm Trading & Investment Pvt.Ltd.

Search Invatrade Pvt. Ltd.
Sparkling Tradefin Pvt. Ltd.
Spring Trading And Investment Pvt. Ltd.
Ornet Infrastructure Pvt.Ltd.
Progressive Invatrade Pvt.Ltd.

Key Management Personnel

Shri Gautam M. Jain
Shri D.K.Singh

Shri Rahul Jain
Shri H C. Jain

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012****Relatives of Key Management Personnel and their Enterprises**

| | | |
|----------------------------|--------------------------|---------------------------|
| Mahendra Mithalal HUF | Mahendra Anil HUF | Gautam Anil HUF |
| Rajendra Anil HUF | Gautam Rajendra HUF | Rajendra Mithalal HUF |
| Suhani M. Shah | Mishal M. Shah | Arun R. Jain |
| Nitu G. Jain | Yash Anil Jain | Mithalal Mukanchand HUF |
| Mithalal Rajendra HUF | Ankit Rajendra Jain | Rajendra Jain HUF |
| M. G. & Sons HUF | Rajendra Mithalal HUF | Rajendra Gautam Bros. HUF |
| Mithalal Mukanchand B. HUF | Bhavna G. Jain | Anil Mahendra HUF |
| Anil M Jain HUF | Mithalal Gautamkumar HUF | Gautamkumar Mithalal HUF |
| Sumitradevi M. Shah | Mithalal M. Shah | Mahendra M. Shah |
| Asha R. Jain | Ritu A. Jain | Santosh M. Shah |
| Aarti P. Jain | Ritu (Ekta) G. Jain | Metrochem Industries |
| Krati R. Jain | | |

Related Party Disclosures:

In accordance with Accounting Standard 18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the company has compiled the required information in the table below.

| Sr. no. | Nature of Transactions | Associate Companies | Key Management Personnel | Relative of Key Management Personnel | Total |
|---------|--|---------------------|--------------------------|--------------------------------------|-----------------|
| 1 | Remuneration/sitting fees | | 28.2 | | 28.2 |
| 2 | Lease Rent/ Shed Rent paid | | 1.32 | 1.32 | 2.64 |
| 3 | Reimbursement of expenses | | 2.02 | | 2.02 |
| 4 | Interest expenses on intercorporate deposits taken | 83.32 | | | 83.32 |
| 5 | Intercorporate deposits taken during the year | 1510.24 | | | 1510.24 |
| 6 | Intercorporate deposits Repaid during the year | 2446.77 | | | 2446.77 |
| 7 | Outstanding intercorporate deposits payable | 1273.51 | | | 1273.51 |
| 8 | Investment in shares of Associate companies | 106.37 | | | 106.37 |
| 9 | Loan given | 36.27 | | | 36.27 |
| 10 | Interest receivable | 236.6 | | | 236.6 |
| 11 | Outstanding loans receivable | 2257.8 | | | 2257.8 |
| | Total | 7,950.88 | 31.54 | 1.32 | 7,983.74 |

The following transactions were carried out with the related parties in the ordinary course of business.

There are no write offs/write back of any amounts for any of the above parties.

14 Contingent Liabilities:

| Particulars | ₹ in Lacs | |
|---|-----------|---------|
| | 2011-12 | 2010-11 |
| Income Tax | 145.44 | 145.44 |
| VAT/Sales Tax | 53.09 | 53.09 |
| Excise Duty (Interest thereon not ascertainable at present) | 196.24 | 196.24 |
| Others | 1.80 | 1.80 |

- During 1993, the Company had imported plant and machinery under Export Promotion Capital Goods Scheme ('EPCGS') at concessional rate of custom duty against export obligation under the said Scheme. As the Company could complete only partial Export obligation, it has received a notice of demand from Directorate General of Foreign Trade ('DGFT'). The Company has paid the entire differential duty amount for ₹ 94, 68,900 on 10.05.2011 and has made necessary submissions before the authorities. In view of this submission and pending decision of forum, interest liability is not ascertainable.
- The company has committed delays in payment of Provident fund dues from 1997 to 2008. As the BIFR Scheme has abated, the company may be liable to pay interest on account of delayed payments and / or penalty which is unascertainable.
- The company has committed delays in payment of Profession Tax dues from time to time. The company may be liable to pay interest on account of delayed payments and / or penalty which is unascertainable.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

- d) The company has committed various defaults with respect to TDS – non-deduction, short eduction, non-payment, delayed payments and short payments. The company may face liability on account of interest, penalty etc which is presently not fully ascertainable.
- e) Liability in respect of 8% Cumulative Redeemable Preference shares Dividend ₹ 80.33 Lacs. (Previous year ₹ 72.33 Lacs)

15 Other Additional Information
a) Raw Materials Consumption

| | Year Ended March 31, 2012 | | Year Ended March 31, 2011 | |
|---------------------------------------|---------------------------|-----------------|---------------------------|-----------------|
| | Qty. (Mts) | Value ₹/Lacs | Qty. (Mts) | Value ₹/Lacs |
| RAW MATERIAL | | | | |
| C.S.FLAKES | - | - | 1.01 | 0.37 |
| C.S.LYE (ASIS) & C.S.LYE (REAL)(DYES) | 12.93 | 2.82 | 12.34 | 1.79 |
| GAMMA ACID | - | - | - | 7.37 |
| OLEUM 23 % & 65% | 501.93 | 30.66 | 499.8 | 30.42 |
| SODIUM SULPHATE | 3.3 | 0.03 | - | - |
| SULPHURIC ACID | 646.38 | 31.20 | 640.84 | 27.45 |
| REFINED SALT | 334.95 | 46.67 | 333.9 | 36.63 |
| COMMON SALT | 10.05 | 0.32 | - | - |
| V.S. OF ANILINE (PURCHASE) | 516.84 | 664.37 | 514.26 | 697.92 |
| VACUUM SALT (REFIND SALT) | - | - | 11.00 | 0.31 |
| Others | - | 7.45 | - | 15.17 |
| Total Raw Material Consumed | | 783.52 | | 817.43 |

b) Value of Imports on CIF Basis

| Particulars | 2011-12 | 2010-11 |
|---------------|---------|---------|
| Raw Material | — | — |
| Capital Goods | — | — |

c) Consumption of Raw Materials

| | Year Ended March 31, 2012 | | Year Ended March 31, 2011 | |
|---|---------------------------|------------|---------------------------|------------|
| | (₹/Lacs) | % | (₹/Lacs) | % |
| Imported(including Import Duty content) | - | - | - | - |
| Indigenous | 783.52 | 100 | 817.43 | 100 |
| Total | 783.52 | 100 | 817.43 | 100 |

d) Expenditure in Foreign Currency incurred during the year

| | Year ended March 31, 2012 (₹/Lacs) | Year ended March 31, 2011 (₹/Lacs) |
|----------------------|--|--|
| Foreign Bank Charges | 0.31 | 0.68 |
| Foreign Travelling | 4.67 | 5.68 |

e) Earning in Foreign Currency during the year.

| | | |
|----------------------------|--------|--------|
| Direct Exports (FOB Value) | 619.03 | 434.00 |
|----------------------------|--------|--------|

As per our report of even date

 For **AMPAC & ASSOCIATES**,
Chartered Accountants

Piyush B Sheth
Partner
Membership No.: 44062
FRN : 112236W
Ahmedabad
August 9, 2012

Nitin Shah
Company Secretary

For & on behalf of the Board

Gautam M. Jain Chairman & Managing Director
Sandeep Bhandari Director
Rahul Jain Executive Director
Ahmedabad
August 9, 2012

GO GREEN” initiative of the Ministry of Corporate Affairs (“MCA”), Government of India

The Ministry of Corporate Affairs (“MCA”), Government of India, has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by companies vide circular no. 17/2011 dated 21.04.2011 and circular no. 18/2011 dated 29.04.2011, in terms of which a company would have ensured compliance with the provisions of Section 53 of the Act, if services of documents have been made through electronic mode. The companies are now permitted to send various notices /documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. The Company thus proposes to send all documents to the Shareholders like General Meeting Notices (including AGM), Audited Financial Statements, Directors’ Report, Auditors’ Report, etc. henceforth to the shareholders in electronic form in lieu of the physical form.

You are holding shares of the Company in **electronic form** and do not have any email id registered in your Demat Account with the Depository. You are requested to furnish your email id in **your Demat Account with your Depository-Participant (DP)** for the purpose of serving of documents by the Company in the electronic mode.

As a member of the company, In case you desire to receive documents stated above in physical form, you will be entitled to be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you, at any time.

The Annual Report of the Company would also be made available on the Company’s website at www.metrogloballimited.com

METROGLOBAL LIMITED
(Formerly known as Global Boards Limited)

ATTENDANCE SLIP

Regd. Folio No / DP Client ID : _____

No. of Shares : _____

held at Hotel Kuber Palace,
Bombay-Goa High way, Mahad, 402302, District Raigad, on Saturday, the 29th September, 2012 at 9.30 a.m.

Member's / Proxy's name in BLOCK letters

Member's / Proxy's Signature

Note: Please fill in the attendance slip and hand it over at the entrance of the Meeting Hall

METROGLOBAL LIMITED
(Formerly known as Global Boards Limited)

FORM OF PROXY

Annual General Meeting

Regd. Folio No / DP Client ID : _____

No. of Shares : _____

I / We, _____ of _____ being a member / members of the above named Company hereby appoint _____ of _____ as my / our proxy to vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on Saturday, the 29th September, 2012 at Hotel Kuber Palace, Bombay-Goa High way, Mahad, 402302, District Raigad, at 9.30 a.m. and at any adjourned meeting thereof.

Dated this _____ day of _____, 2012

Affix
Re. 1
Revenue
Stamp

Signature(s) across the Stamp

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
2. A proxy need not be a member.
3. This form in order to be effective must be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not later than Forty-Eight hours before the meeting.
4. In case of multiple proxies, proxy later in time shall be accepted.

508-509, SHILP, C.G. Road, Navrangpura, Ahmedabad-380009, INDIA

CORPORATE OFFICE

Plot. No C-88, C/o Indian Copper Industries, MIDC, Industrial Area,
Mahad - 402 309, District - Raigad, Maharashtra.

REGISTERED OFFICE

MetroGlobal Limited

