



UNIAbex

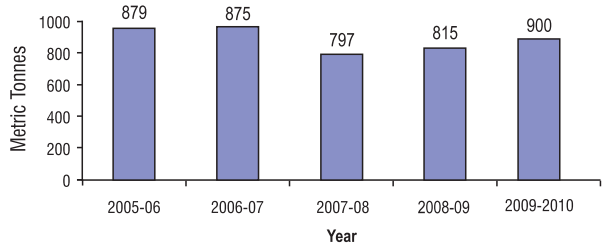
ALLOY PRODUCTS LIMITED

looking up & beyond.....

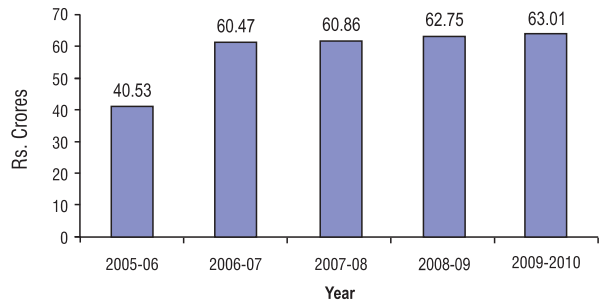
37th Annual Report
2009-2010

PERFORMANCE AT A GLANCE

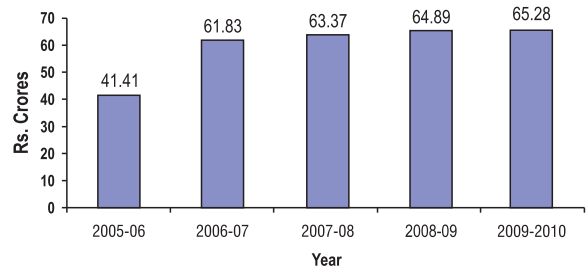
SALES QUANTITY



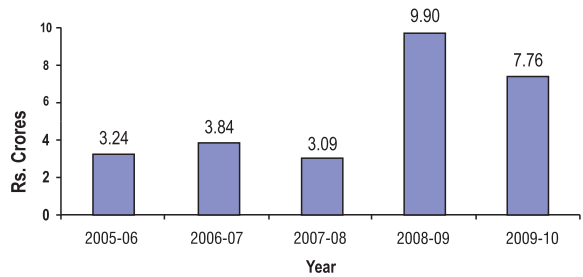
NET SALES



TOTAL INCOME



NET PROFIT





ALLOY PRODUCTS LIMITED

BOARD OF DIRECTORS

D. M. NETERWALA	<i>Chairman Emeritus - Director</i>
F. D. NETERWALA	<i>Chairman</i>
R. B. MEHTA	
K. M. ELAVIA	
H. R. PRASAD	
P. SUBRAHMANYAM	
E. B. DESAI	
M.K. FONDEKAR	<i>Executive Director</i>

COMPANY SECRETARY

L. V. GANDHI

AUDITORS

Ford Rhodes Parks & Co.
Chartered Accountants

LEGAL ADVISORS

Mulla & Mulla & Craigie Blunt & Caroe.
Advocates, Solicitors and Notaries

BANKERS

Axis Bank Ltd.
Zoroastrian Co-operative Bank Ltd.

REGISTERED OFFICE AND HEAD OFFICE

Liberty Building,
Sir Vithaldas Thackersey Marg,
Mumbai - 400 020.
Tel.: 22032797, 22091021
Website : www.uniabex.com

WORKS

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

REGISTRARS AND SHARE TRANSFER AGENTS

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

AGM : Monday, 26th July, 2010

Time : 3.30 p.m.

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

BOOK CLOSURE DATES

16 - 7 - 2010 to 26 - 7 - 2010

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NOTICE

NOTICE is hereby given that the Thirty Seventh Annual General Meeting of the Members of **UNI ABEX ALLOY PRODUCTS LIMITED** will be held on Monday, the 26th July, 2010 at 3.30 P.M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 023, to transact with or without modifications as may be permissible the following business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March, 2010 and the Balance Sheet as at 31st March, 2010 and the Reports of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. E. B. Desai, who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. H. R. Prasad, who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mr. R. B. Mehta, who retires by rotation and is eligible for reappointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

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

By Order of the Board
L. V. Gandhi
Company Secretary

Date: 28th May, 2010

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. **Members are requested to bring their copies of the Annual Report along with them as copies of the Report will not be distributed at the meeting.**
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 16th July, 2010 to Monday, the 26th July, 2010, both days inclusive.
4. The dividend on shares as recommended by the Board of Directors, if declared, at the meeting will be paid within the prescribed time limit:
 - i) In respect of shares held in demat form, on the basis of beneficial ownership as per details furnished by the Depositories, as at the end of the business on 16th July, 2010 and
 - ii) In respect of shares held in physical form to those members whose names appear on the Register of Members of the Company as on 26th July, 2010 after giving effect to valid share transfers lodged with the company on or before 16th July, 2010.
5. Any change of particulars including address, bank mandate and nomination for shares held in demat form, should be notified only to the respective Depository Participants where the member has opened his/her

demat account. The Company or its Share Transfer Agent will not act on any direct request from these members for change of such details. However requests for any change in particulars in respect of shares held in physical form should be sent to the Registrars & Share Transfer Agents of the Company.

6. RBI vide it's Circular No. DPSS. (CO). EPPD. No.191.04.01.01/2009-2010 dated July 29, 2009 has instructed banks to move to the NECS platform with effect from October 1, 2009.

Consequently you are requested to provide your new account number allocated to you after implementation of Core Banking System by your Bank, ECS credit to your old account may either be rejected or returned.

Please provide to the Share Registrars and Transfer Agents new Bank Account particulars along with a copy of the cheque duly cancelled by quoting your reference folio number in case of shares held by you in physical form. In case the shares held are in Dematerialised form, you may kindly provide the same to your Depository Participant, so that your future dividend payments can correctly be credited to your new account.

7. The equity shares of the company are compulsorily traded in demat form. Members desirous of trading in the shares of the company are requested to get their shares dematerialized.
8. The Company has listed its shares at:
 - (1) The Bombay Stock Exchange Limited, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001.
 - (2) The Delhi Stock Exchange Association Ltd., DSE House, 3/1, Asaf Ali Road, New Delhi-110 002

The Annual Listing Fees for these Exchanges have been paid for the financial year 2010-2011.

9. **Shareholders desiring any information as regards Accounts are requested to write to the Company atleast seven days before the date of the meeting so as to enable the management to keep the information ready.**
10. Reappointment of Directors.
At the ensuing Annual General Meeting, Mr. E. B. Desai, Mr. H. R. Prasad and Mr. R. B. Mehta retire by rotation and being eligible offer themselves for reappointment and pursuant to Clause 49 of the Listing Agreement relating to the Code of Corporate Governance, the profile of the aforesaid Directors are given below:

Name	Mr. E. B. Desai	Mr. H. R. Prasad	Mr. R. B. Mehta
Date of Birth & Age	1st April, 1931- 79 years	1st November, 1934 -76 years	12th June, 1946 -64 years
Appointed on	30th June, 2006	29th June, 2001	29th September, 1987
Qualifications	B.A. (Hons.) L. L. B., Advocate & Solicitor, Bombay High Court. Solicitor - Supreme Court of India Solicitor - Supreme Court of Hongkong	Graduate in Electrical Engineering from the University of Madras. He studied as Fulbright Scholar at the Massachusetts Institute of Technology and Harvard Business School and graduated with a Master of Science Degree in Management from the MIT Sloan School of Management.	B.Sc. (Eng) Hons. – U.K.

Expertise in specific	All aspects of Corporate Law including in respect of matters covered by Companies Act, MRTTP Act, FEMA, SEBI Act and Allied Statutes.	Wide experience in Engineering and Management.	Wide experience in Engineering & Piping Industry.
Directorships held in other Companies	Bekaert Industries Pvt. Ltd. Century Textiles & Industries Ltd. Dolphin Fisheries & Trading Pvt. Ltd. Hercules Hoists Ltd. Hindalco Industries Ltd. Panasonic Energy India Company Ltd. Reliance Infratel Ltd. The Sandur Manganese & Iron Ores Ltd. Supreme Industries Ltd.	Fortune Financial Services (I) Ltd. Uni Deritend Ltd.	Autogenous Welding & Repair Co.Pvt.Ltd. – <i>Managing Director</i> MEL Superweld Pvt. Ltd.
Memberships/ Chairmanships of Board/ Committees of public companies	Chairman of Audit Committee: Century Textiles & Industries Ltd. Panasonic Energy India Company Ltd. Member of Audit Committee Hercules Hoists Ltd. Hindalco Industries Ltd. Chairman/Member of Share Transfer & Shareholders/Investors' Grievance Committee Century Textiles & Industries Ltd. Hindalco Industries Ltd. Reliance Infratel Ltd. Chairman/Member of Nomination/ Remuneration Committee Panasonic Energy India Company Ltd. Reliance Infratel Ltd. The Sandur Manganese & Iron Ores Ltd.	Chairman of Audit Committee Fortune Financial Services (I) Ltd. Uni Deritend Ltd. Chairman Remuneration Committee Uni Deritend Ltd	NIL
Equity shareholding in the Company	910 Equity Shares of Rs. 10/- each	NIL	2600 Equity Shares of Rs. 10/- each

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

By Order of the Board
L. V. Gandhi
Company Secretary

Date: 28th May, 2010

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting herewith their Thirty-Seventh Annual Report together with the audited accounts of the Company for the year ended March 31, 2010.

OPERATIONS AND FINANCIAL RESULTS

SUMMARY OF FINANCIAL RESULTS

Figures in Rs. Lacs

Particulars	2009-10	2008-09
Gross Sales	6813.61	6830.76
Less: Excise Duty & Sales Tax	512.41	556.09
Net Sales	6301.20	6274.67
Add: Other income	227.22	214.13
Total income	6528.42	6488.80
 Profit before Depreciation	 1338.22	 1319.67
Less: Depreciation	143.82	125.06
Profit Before Tax	1194.40	1194.61
Add: Exceptional Item – Transfer of commercial rights	-	283.82
Less: Provision for Income Tax	414.00	478.00
Less: Income Tax adjustment for prior years	3.65	1.21
Less: Fringe Benefit Tax	-	4.50
Less: Deferred Tax adjustment for the year – Debit / (Credit)	1.08	5.14
 Profit After Tax	 775.67	 989.58
Balance brought forward	1420.52	575.63
 Profit Available for Appropriation	 2196.19	 1565.21
Dividend on Preference Shares	-	3.64
Proposed Dividend on Equity Shares	49.38	34.56
Dividend Tax on the above	8.39	6.49
Transferred to General Reserve	200.00	100.00
 Surplus Carried to Balance Sheet	 1938.42	 1420.52

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 2.50/- per Equity share (i.e. 25 %) on Equity shares of Rs.10/- each for the year ended March 31, 2010. The total outgo towards dividend on equity shares amounts to Rs. 57.77 lakhs including dividend tax.

INVESTMENTS

During the year the Company made an investment in 3,00,000 equity shares (Previous year 6,66,700 equity shares) of face value of Rs. 10/- each aggregating to Rs.30,00,000 (Previous year Rs.66,67,000) in Manoir Petro India Ltd. under JV Agreement with Manoir Industries, France, to undertake marketing and manufacturing of reformer tubes and products defined in the JV Agreement.

PROSPECTS

Total orders on hand as of March 31, 2010 were to the tune of Rs. 11.31 Crores comprising of about Rs. 8.49 Crores for domestic market and about Rs. 2.82 Crores for export market. The trend indicates that barring unforeseen circumstances, the gross sales during the year 2010-11 is expected to be better than the year under report.

With the growth projections expected and based on our business strategies, the existing capabilities are being augmented and a brand new factory is being planned at Dharwad.

QUALITY MANAGEMENT

The Company is committed to supply products and services conforming to customer requirements by involving employees, vendors, sub-contractors and customers to achieve its vision of being a cost-efficient global supplier of quality products.

HUMAN RESOURCE MANAGEMENT

The management and the employees have continued to maintain harmonious and cordial relationship during the year. As part of the organizational development objective, the Company has implemented various HR initiatives to improve competency and versatility of human capital.

ENVIRONMENT, HEALTH AND SAFETY

The Company is committed to the highest level of concern for Environment, Health & Safety (EHS) of our employees, customers, business associates and neighboring occupants and to continual improvement of EHS performance by prevention of pollution, compliance with applicable rules and regulations, ensuring safe working conditions with active involvement of all concerned.

INFORMATION TECHNOLOGY

The Company continues to invest in IT infrastructure to facilitate accurate, reliable and on-line information for effective and efficient management of resources to achieve its above business objectives.

DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

- (ii) in consultation with the Statutory Auditors, appropriate accounting policies have been followed and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profit for the year ended on that date;
- (iii) to the best of their knowledge and ability, proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the applicable provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, if any;
- (iv) the annual accounts have been prepared on a going concern basis.

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

The information required under section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure-I and forms part of this Report.

In accordance with the provisions of Section 217(2A) read with the Companies (Particulars of employees) Rules, 1975, the names and other particulars of the employees are to be set out in the Directors' Report, as an addendum thereto. However, as per the provisions of section 219(1)(b)(iv) of the Companies Act, 1956, the Report and accounts as therein set out, are being sent to all members of the Company excluding the aforesaid information about the employees. Any member, who is interested in obtaining such particulars about employees, may write to the Company Secretary at the Registered Office of the Company.

AUDITORS

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

CORPORATE GOVERNANCE

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

APPRECIATION

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

Mumbai, May 28, 2010

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

ANNEXURE – I

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2010.

A. CONSERVATION OF ENERGY:

a) Energy conservation measures taken:

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

- Detailed energy audit by management consultants / technical experts.
- Replacement / up gradation of old induction melting furnaces with new energy efficient furnaces.
- Improvement of efficiency of melting operations for optimum furnace utilization.
- Translucent roofing sheets for the factory and electronic ballast for the lights in factory & offices to reduce power consumption on lights.
- Measuring, monitoring and managing of power consumption at various consumption points and corrective action to ensure minimum wastage.
- Awareness amongst employees about the need to conserve energy.

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

- Replacement of old equipments with new energy efficient equipments.

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

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

B. TECHNOLOGY ABSORPTION:

Research & Development (R & D)

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

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

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

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

3) Future plan of action:

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

4) Expenditure on R & D:

- | | |
|--|-----------------|
| i) Capital Expenditure: | Rs. Nil |
| ii) Recurring Expenditure: | Rs. 27.12 lakhs |
| iii) Total Expenditure: | Rs. 27.12 lakhs |
| iv) Total R & D Expenditure as a percentage of total turnover: | 0.42% |

5) Technology absorption, adaptation and innovation:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars with regard to Foreign Exchange Earnings and Outgo are set out in Note Nos. 8, 9, 10, 11 and 21 in schedule "O" to the Accounts.

FORM – A

Form for disclosure of particulars with respect to conservation of energy.

(A) Power and Fuel Consumption

	Current Year (2009-10)	Previous Year (2008-09)
1. Electricity		
(a) Purchased Units (KWH)	36,81,520	37,17,160
Total Amount (Rs.)	2,61,24,414	2,03,46,874
Rate / Unit (Rs. / KWH)	7.10	5.47
(b) Own Generation		
(i) Through Diesel Generator Unit (KWH)	2596	2480
Unit per Litre of Diesel Oil (KWH)	5.19	7.09
Cost / Unit (Rs. / KWH)	7.38	10.58
(ii) Through Steam Turbine / Generators Units	Not Applicable	Not Applicable
Unit per Litre of Fuel / Oil / Gas		
Cost / Unit		
2. Coal (Specify Quality and where used)	Not Applicable	Not Applicable
Quantity (Tonnes)		
Total Cost		
Average Rate		
3. Light Diesel Oil		
Quantity (K Litres)	229	232
Total Amount (Rs.)	87,00,738	89,64,249
Average rate (Rs. / K Litre)	37,994	38,639

(B) Consumption per unit of production

Electricity KWH / tonne		Light Diesel Oil Litres / tonne	
Current Year 2009 - 10	Previous Year 2008 - 09	Current Year 2009 - 10	Previous Year 2008 - 09
4,011	4,558	249	284

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT

The Company, consequent to the formation of the joint venture between Manoir Industries, France, Uni Abex and Neterwala Group, transferred for certain consideration its product range of petrochemical segment to Manoir Petro India Ltd. the JV Company. Post JV, the Company has been focusing on marketing its products to other core sector industries, which it traditionally catered to, such as Iron & Steel, General Engineering and also to specific industries such as decanter manufacturers, valves manufacturers, heat treatment plants and galvanizing plants. Most of these industries were adversely affected directly or indirectly due to the recession in the year 2009-10 which impacted the Company's order position and performance. Though there have been signs of revival in some of the domestic industries since Q3 of the year the effect of same in the order booking position for the Company is yet to reach a comfortable level.

Although share of Decanter components in the total sales has declined this year it still forms a major part of the Company's business. The decline was more due to the global recession than due to the shift in the business focus. Decanter components continue to be the focus area for the Company and we plan to broaden the customer base in this segment. The Company also plans to develop quality static castings of Special Stainless Steels for Decanter manufacturers, which was not a thrust area earlier.

Share of Iron & Steel business in the total sales increased during the year. The Company has decided to increase its presence in this segment by increasing its marketing efforts as this segment has shown positive growth and is coming out of recession.

Although the Company focused its marketing efforts in consolidating its existing customer base and exploring new avenues of growth, some of the companies, particularly the overseas decanter manufacturers are still not out of recession. Increasing competition, fluctuations in input raw material prices, escalation in energy costs are some of the challenges which the Company has to face in the current year.

OPPORTUNITIES & THREATS

The Company is targeting to increase its business in Iron & Steel segment substantially in the current year. The Company has also identified overseas manufacturers for export of steel products. Over the years the Company has gained expertise in the manufacture of decanter components and it will enhance its efforts in export areas by focusing on overseas decanter manufacturers. Export to overseas decanter manufacturers being significant part of total sales of the Company the business prospects in the future can get influenced by the current economic instability in Eurozone. Iron & Steel segment being highly price sensitive, the Company faces stiff competition from other manufacturers. The Company is evolving strategies to meet the challenges.

OUTLOOK

With Indian economy on the upward trajectory and with government's focus on infrastructure development, core sector industries like Petroleum, Iron & Steel are likely to show good growth. Although the Company will indirectly benefit from the growth in the petroleum sector through its association with Manoir Petro India Ltd. (MPIL), we expect a reasonable high growth in the Iron & Steel segment. Escalation in the cost of inputs like Nickel, Ferro alloys and Steel Scrap and fluctuations in Euro and US dollar exchange rates can have impact on margins. With focus on internal process improvements, the Company expects to turn out a satisfactory performance in 2010-11 barring unforeseen circumstances.

RISKS & CONCERNS

The Company is exposed to risks arising out of ongoing recession in the overseas decanter industry and also the current economic crisis in the Eurozone, currency and input cost fluctuations, government policies etc.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

FINANCIAL PERFORMANCE VIS-A-VIS OPERATIONAL PERFORMANCE

Financial Performance

Total income (net sales and other income) for the year increased from Rs.64.89 Crores to Rs.65.28 Crores. The net profit after tax has increased marginally from Rs. 7.70 Crores to Rs. 7.76 Crores net of exceptional items in the previous year. With the introduction of JD Edwards ERP, the Company hopes to get up to date information and data flow to help its decision making capabilities.

Operational Performance

While focusing on broadening its customer base in Decanter segment and increasing its presence in the Iron & Steel segment, the Company also plans to target substantial improvements in its internal processes. Utilising a strategy tool named the Balanced Score Card, the company's business initiatives have been identified and aligned to bring in improvements in the areas of productivity, quality, cost, delivery, working capital management, employee morale and Environment, Health and Safety.

DEVELOPMENTS ON HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

The Company recognizes the prominent role of Human Resources in its business and continues to provide work and culture that would facilitate the performance of employees aligned with the Company's goals and objectives. The industrial relations continued to remain cordial and workmen actively co-operated in all the management initiatives. As on March 31, 2010, the total number of employees on the rolls of the Company was 132.

CAUTIONARY STATEMENT

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

REPORT ON CORPORATE GOVERNANCE

COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance refers to the blend of law, regulations and voluntary practices. It is the application of best management practices, compliance of law and adherence to ethical standards to achieve the organization goal of enhancing stakeholder value. Strong Corporate Governance is indispensable for safeguarding the interests of all the stakeholders. Corporate Governance is not a destination but a continuous journey for constantly upgrading its governance practices and systems to effectively meet the rapidly changing external business environment. It is rather a culture that involves essentially a creative, generative and positive thinking activity that adds value to the various stakeholders who serve as end customers of the corporate entity. The cardinal principles such as independence, accountability, responsibility, transparency, trusteeship and disclosures serve as the means for implementing the philosophy of Corporate Governance.

The philosophy of corporate governance process at UNI ABEX ALLOY PRODUCTS LIMITED (UA) is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place before they were mandated, by adopting highest standard of professionalism, honesty, integrity and ethical behaviour. Through the Governance mechanism in the Company, the Board along with its Committees endeavors to strike the right balance with its various stakeholders.

UA's business objective and that of its management and employees is to manufacture and market the Company's products in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees, business partners and the national economy.

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

The business principles in harmonization with the code of conduct developed in line with the relevant regulations underline the Company's strong commitment to follow high ethical standards not only in realizing its mission of optimization of the performance of its customers' processes, time and time again, but also in the evolution of a distinct corporate personality to form the basis of relationships with all its stakeholders. The Company Management places considerable emphasis on compliance aimed at providing good governance.

The Company has established an efficient and transparent division of tasks and responsibilities, effective control instruments and an open information policy as a proof of its commitment, fairness and responsibility as a business partner.

At UA it is a kind of self-disciplinary code designed to secure the ultimate goal of making the Company a value driven organization.

1. COMPANY STRUCTURE

The Company has a total strength of 132 employees comprising of

Managers	-	19
Officers	-	33
Staff	-	23
Workers	-	57

2. BOARD OF DIRECTORS:

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

2.1 COMPOSITION

The Board of Directors comprises of a Non-Executive Chairman Emeritus, Non-Executive Chairman, an Executive Director and 5 other Non-Executives. Out of the 7 Non-Executive Directors, 4 members are Independent Directors. The composition of the Board of Directors with reference to the number of Non-Executive / Independent Directors meets with the requirements of Clause 49 of the Listing Agreement.

Name of Director	Category	No. of other Directorship		No. of Outside Committees	
		Public	Private	Member	Chairman
Mr. D. M. Neterwala	Promoter Non-Executive Chairman Emeritus-Director	11	5	3	1
Mr. F. D. Neterwala	Promoter Non-Executive Chairman	8	6	4	-
Mr. R. B. Mehta	Promoter and Non-Executive	-	2	-	-
Mr. K. M. Elavia	Independent and Non-Executive	10	2	4	3
Mr. H. R. Prasad	Independent and Non-Executive	4	-	2	3
Mr. P. Subrahmanyam	Independent and Non-Executive	3	1	1	-
Mr. E. B. Desai	Independent and Non-Executive	8	2	4	4
Mr. M. K. Fondekar	Executive Director	3	-	-	-

None of the Director of the Board is a member of more than ten Committees and Chairman of more than five Committees as per Clause 49(IV)(B) across all Companies in which they are Directors. Mr. M. K. Fondekar was appointed as an Executive Director of the Company on 01.07.2009.

2.2 MEETINGS

During the period from 1st April, 2009 to 31st March, 2010, 6 Board Meetings were held as under:

- 29th May, 2009
- 30th June, 2009
- 31st July, 2009
- 17th August, 2009
- 30th October, 2009
- 29th January, 2010

Attendance of each Director at Board Meetings and the 36th Annual General Meeting held on 17th August, 2009 and details of remuneration paid to the Directors for the period under review are as follows:

Name of Director	No of Board Meetings		Sitting fees paid	Attendance at the last AGM	Commission Paid
	Held	Attended	Rs.		Rs.
Mr. D. M. Neterwala	6	3	15000	No	61072
Mr. F. D. Neterwala	6	5	25000	Yes	121776
Mr. R. B. Mehta	6	6	30000	Yes	64947
Mr. K. M. Elavia	6	5	25000	Yes	44282
Mr. H. R. Prasad	6	5	25000	Yes	40407
Mr. P. Subrahmanyam	6	5	25000	Yes	28783
Mr. E. B. Desai	6	6	30000	Yes	26200
Mr. M. K. Fondekar*	6	6	10000	Yes	NIL

* He was appointed as the Executive Director with effect from 01-07-09 and there after no Sitting Fees were paid.

2.3 BOARD PROCEDURE

The meetings of the Board of Directors are scheduled well in advance and are held normally at the registered office of the Company. The Company Secretary prepares a detailed agenda for the meeting. The Board papers comprising the agenda along with the draft of relevant resolutions, documents and explanatory notes, wherever required are sent at least a week in advance to all the Directors. This enables the Board to discharge its responsibilities effectively and take informed decisions. The draft minutes of the Board and Audit Committee Meetings confirmed by the Chairman of the Board / Chairman of Audit Committee is circulated to all the Directors. The information generally provided to the Board for its consideration and approvals include:

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

3. BOARD COMMITTEES:

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

I. Audit Committee

The Audit Committee as at March 31, 2010 comprises of:

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

* Appointed on 29th January, 2010.

Mr. L. V. Gandhi the Company Secretary is the Secretary of the Audit Committee. He is also the Compliance Officer of the Company.

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

The details of meetings held during the year 2009-2010 and the attendance thereat are as follows:

6 Meetings of the Audit Committee were held during the year on:

- 29th May, 2009
- 04th June, 2009
- 30th June, 2009
- 31st July, 2009
- 30th October, 2009
- 29th January, 2010

Attendance at the Meetings

Name of Director	No of Audit Committee Meetings		Total Sitting fees paid
	Held	Attended	Rs.
Mr. K.M. Elavia	6	5	5000
Mr. F. D. Neterwala	6	5	5000
Mr. H. R. Prasad	6	4	4000
Mr. P. Subrahmanyam*	6	1	1000

* Appointed on 29th January, 2010.

II. Remuneration Committee:

A Committee of Directors comprising of Mr. K. M. Elavia, Mr. P. Subrahmanyam and Mr. R. B. Mehta has been formed as Compensation / Remuneration Committee for the purpose of recommending and rewarding appraisals of the Senior Executives remuneration / revision / merit increment for motivating and inducing the concerned executives to put in their best.

Sitting Fees:

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

III. Shareholders' / Investors' Grievances Committee:

The composition of the Shareholders' / Investors' Grievance Committee as at March 31, 2010 is as under:

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

In accordance with the authority granted by the Board/Share Transfer Committee, Mr. L. V. Gandhi deals with the following matters concerning shareholders, once in a fortnight:

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

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

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

All of these have been addressed and redressed to the satisfaction of the shareholders by Registrar & Share Transfer Agents. There was neither unattended nor pending investor grievance as on 31st March, 2010. The Board has consented to the understanding that complaints of non-receipt of Dividend and Annual Reports are not be treated as complaints under Clause 49 (G)(iii), as the Company's liability is discharged when the relevant articles are posted at the last known address of the investor. However in the above cases the letters received from the investors will be serviced promptly in addition to the responsibility under clause 49 of the Listing Agreement, as investor friendly measure beyond the legal obligations.

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

4. DETAILS OF ANNUAL GENERAL MEETINGS:

The last three Annual General Meetings were held as under:

Financial year	Date	Time	Location
2006-2007	16.8.2007	3.00 P.M.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai-400 023
2007-2008	21.8.2008	3.00 P.M.	- do -
2008-2009	17.8.2009	3.00 P.M.	- do -

No Ordinary or Special Resolution was passed through Postal Ballot.

For the Financial year 2009-2010 the Annual General Meeting of the Company will be held on 26th July, 2010 at 3.30 P. M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai-400 023.

5. DISCLOSURES:

- a. The Company did not have any related party transaction which may have potential conflict with the interest of the Company at large. However, related party transactions have been disclosed under Note No. 14 of Schedule "O" to the accounts for the year under review.
- b. There were no instances of non-compliance and no penalties/strictures have been imposed/passed by Stock Exchange, SEBI or any other statutory authority during last three years on any matter related to the capital markets.
- c. During the financial year 2009-2010, there is no audit qualification in the Company's financial statements.

6. MEANS OF COMMUNICATION:

- a. The quarterly, half yearly and full year results are taken on record by the Board of Directors and submitted to the Stock Exchanges in terms of the requirements of Clause 41 of the Listing Agreement and are published in 'Free Press Journal' and 'Nav Shakti' newspapers.
- b. The financial results are displayed on the Company's Website viz: www.uniabex.com
- c. The Management Discussion and Analysis Report is attached with the Directors' Report in this 37th Annual Report of the Company posted to the shareholders.

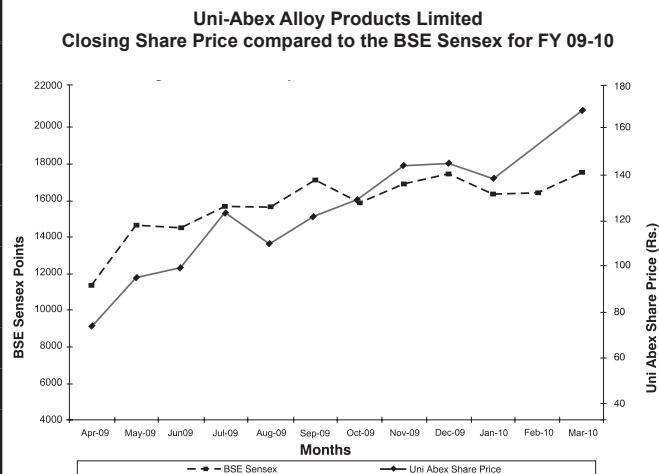
7. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	
Date	26th July, 2010
Time	3.30 P.M.
Venue	M.C. Ghia Hall, 2 nd Floor Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai - 400 023.

Financial Calendar	Financial Year April to March
First Quarter Results	By 15th of August, 2010 (With Limited Review)
Half Yearly Results	By 15th of November, 2010 (With Limited Review)
Third Quarter Results	By 15th of February, 2011 (With Limited Review)
Unaudited/Audited Results for the year ending 31 st March, 2011	By 15th of May, 2011 (With Limited Review) or By 31st of May, 2011
Registrars & Transfer Agents	M/s.Computech Sharecap Ltd. 147, Mahatma Gandhi Road, 3rd Floor, Above Khyber Restaurant, Fort, Mumbai-400 023. Tel: 22635001/02 Email:helpdesk@computechsharecap.com
Dates of Book Closure	16th July, 2010 - 26th July, 2010.
Listing on Stock Exchanges	The Bombay Stock Exchange, The Delhi Stock Exchange Association Ltd.
Stock Code -	
Stock Exchange, Mumbai	504605
Stock Exchange, Delhi	21029
Demat ISIN Number for N.S.D.L. & C.D.S.L.	ISIN - INE361D01012

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

Sr. No.	Month	High (Rs.)	Low (Rs.)
1	April, 2009	83.10	58.50
2	May, 2009	95.40	69.10
3	June, 2009	109.70	87.00
4	July, 2009	144.95	97.05
5	August, 2009	124.00	106.00
6	September, 2009	129.75	105.00
7	October, 2009	158.70	105.00
8	November, 2009	169.00	100.00
9	December, 2009	155.00	125.10
10	January, 2010	160.00	127.05
11	February, 2010	158.00	134.10
12	March, 2010	169.00	135.00



9. SHARE TRANSFER SYSTEM

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

23.07% of total Equity Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2010.

10. DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2010

No of Equity Shares	No of Shareholders	% of Shareholders	No of Shares held	% of Shareholding
1 – 500	7554	98.21	424650	21.50
501 – 1,000	77	1.00	62437	3.16
1,001 – 2,000	36	0.47	49581	2.51
2,001 – 3,000	5	0.07	12985	0.66
3,001 – 4,000	5	0.07	18540	0.94
4,001 – 5,000	3	0.04	13586	0.69
5,001 – 10,000	6	0.07	42307	2.14
10,001 and above	6	0.07	1350914	68.40
Total	7692	100.00	1975000	100.00

CATEGORY	No of Shares held	Percentage of shareholding
PROMOTERS' HOLDING		
1. Promoters		
- Indian Promoters	1256762	63.63 %
- Foreign Promoters	0	0.00 %
Sub-Total	1256762	63.63 %
NON-PROMOTERS' HOLDING		
2. Institutional Investors		
a. Mutual Funds & UTI	100	0.01 %
b. Banks, Financial Institution, Insurance Companies, Central, State Govt. Institution/Non- Government Institutions	551	0.03 %
c. Foreign Institutional Investors	0	0.00 %
Sub-Total	651	0.04 %
3. Others		
a. Private Corporate Bodies	107095	5.42 %
b. Indian Public	598678	30.32%
c. NRIs/OCBs	10303	0.52%
d. Independent Directors & Relatives	1270	0.06%
e. Present Employees	241	0.01%
f. Any Other	0	0.00%
Sub-Total	717587	36.33 %
GRAND TOTAL	1975000	100.00 %

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

12. **ADDRESS FOR CORRESPONDENCE:**

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

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

DECLARATION

I, Mohan Krishna Fondekar, Executive Director of Uni Abex Alloy Products Ltd., hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the code of conduct for the year ended March 31, 2010.

Thane
May 28, 2010

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

CEO / CFO CERTIFICATION

As required by sub clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial year ended 31st March, 2010, the Company has complied with the requirements of the said sub clause.

For Uni Abex Alloy Products Ltd.

Thane
May 28, 2010

M.K. Fondekar
Executive Director

J.D. Divekar
General Manager (Finance)

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To the Shareholders of Uni Abex Alloy Products Ltd.

We have examined the compliance of conditions of Corporate Governance by Uni Abex Alloy Products Ltd. for the year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

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

Mumbai, 28th May, 2010

S.B. Prabhu
Partner
Membership No.35296

AUDITORS' REPORT TO THE SHAREHOLDERS OF UNI ABEX ALLOY PRODUCTS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2010

1. We have audited the attached Balance Sheet of Uni Abex Alloy Products Limited as at March 31, 2010, together with the Profit and Loss Account of the Company for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments referred to in paragraph (3) above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report are in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - e) On the basis of the written representations received from the Directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274 (1)(g) of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

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

S.B. Prabhu
Partner
Membership No.35296

Mumbai, 28th May, 2010

ANNEXURE TO THE AUDITORS' REPORT OF EVEN DATE TO THE SHAREHOLDERS OF UNI ABEX ALLOY PRODUCTS LIMITED

(Referred to in paragraph 3 thereof)

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

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

Duty, Cess and the statutory dues with the appropriate authorities. There were no undisputed arrears of statutory dues outstanding as at 31st March 2010, for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us by management and the records of the Company examined by us, there were no disputed dues in respect of Sales-tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited as on 31st March, 2010 except as stated below :

	Nature of dues Pending	Period to which the amount relates	Amount (In Lacs)	Forum where dispute is pending
1.	Sales Tax	(F.Y.1995-96 to 2001-02)	Rs.91.09	Dy. Commissioner / Jt. Commissioner of Sales Tax
2.	Excise Duty	(F.Y.1995-96, 1997-98 & 2004-05 to 2009-10)	Rs. 112.80	Deputy Commissioner of Central Excise
3.	Excise Duty	(F.Y. 2002-03 to 2004-05)	Rs. 2.39	Customs, Excise, Service Tax Appellate Tribunal
4.	Income Tax	(F.Y.2005-06)	Rs. 1.69	Commissioner of Income Tax Appeals

10. The Company does not have any accumulated losses as at 31st March, 2010, nor has it incurred any cash loss during the financial year ended on that date and in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to the banks during the year. The Company did not have any dues payable to financial institutions or to debenture holders during the year.
12. As per the books and records of the Company examined by us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. Clause (xiii) of the Order is not applicable as the Company is not a chit fund company or nidhi/ mutual benefit fund/ society.
14. The Company has not dealt or traded in shares, securities, debentures or other investments during the year.
15. According to the information given to us and as per the records examined by us, the Company has not given any guarantee for the loans taken by others from banks or financial institutions during the year.
16. On the basis of our review of utilisation of funds pertaining to term loans on overall basis and related information and explanations as made available to us, the term loans taken by the Company have been applied for the purposes for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, either noticed or reported during the year, nor have we been informed of any such case by the management.

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

S.B. Prabhu
Partner

Membership No.35296

Mumbai, 28th May, 2010

BALANCE SHEET AS AT 31ST MARCH 2010

			Rs./Lacs	
	Schedule	As at 31st Mar-10	As at 31st Mar-09	
SOURCES OF FUNDS:				
1. Shareholders' Funds				
Share Capital	A	197.39	197.39	
Reserves and Surplus	B	2,564.45	1,846.55	
SUB-TOTAL (I)		<u>2,761.84</u>	<u>2,043.94</u>	
2. Loan Funds				
Secured Loans	C	1,056.49	1,171.77	
SUB-TOTAL (II)		<u>1,056.49</u>	<u>1,171.77</u>	
TOTAL (I + II)		<u><u>3,818.33</u></u>	<u><u>3,215.71</u></u>	
APPLICATION OF FUNDS:				
1. Fixed Assets				
Gross Block	D	1,712.29	1,579.85	
Less: Depreciation / Amortisation		<u>920.68</u>	<u>781.40</u>	
Net Block		791.61	798.45	
Capital Work in Progress (Including advances)		<u>34.25</u>	<u>7.35</u>	805.80
2. Investments	E	97.96	67.96	
3. Deferred Tax Asset (Net)		10.66	11.74	
4. Current Assets, Loans and Advances:				
Inventories	F	946.70	1,669.68	
Sundry Debtors	G	1,409.95	950.65	
Cash and Bank Balances	H	1080.05	159.37	
Other Current Assets	I	188.74	335.37	
Loans and Advances	J	<u>169.28</u>	<u>287.21</u>	
		3,794.72	3,402.28	
5. Less: Current Liabilities and Provisions	K	<u>910.87</u>	<u>1,072.07</u>	
Net Current Assets		<u>2,883.85</u>	<u>2,330.21</u>	
TOTAL		<u><u>3,818.33</u></u>	<u><u>3,215.71</u></u>	
Significant Accounting Policies and Notes to Accounts	O			

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

S. B. PRABHU
Partner

Membership No.35296
Mumbai, 28th May 2010

F. D. NETERWALA
Chairman

L. V. GANDHI
Company Secretary

J. D. DIVEKAR
G. M. Finance

D. M. NETERWALA
H. R. PRASAD
P. SUBRAHMANYAM
Directors

M. K. FONDEKAR
Executive Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Rs./Lacs

	Schedule	For the Year ended 31st Mar-10	For the Year ended 31st Mar-09
INCOME			
Gross Sales		6,813.61	6,830.76
Less : Excise Duty & Sales Tax		512.41	556.09
Net Sales		6,301.20	6,274.67
Other Income	L	227.22	214.13
		<u>6,528.42</u>	<u>6,488.80</u>
EXPENDITURE			
Material cost	M	2,851.24	2,743.20
Operating and other expenses	N	2,263.24	2,300.29
Interest on:			
Term Loan		13.87	24.26
Others		61.85	75.72
Depreciation / Amortisation		143.82	125.06
		<u>5,334.02</u>	<u>5,294.19</u>
PROFIT BEFORE TAX & EXCEPTIONAL ITEMS		<u>1,194.40</u>	<u>1,194.61</u>
EXCEPTIONAL ITEM			
Transfer of Commercial Rights		-	283.82
PROFIT BEFORE TAX		<u>1,194.40</u>	<u>1,478.43</u>
Provision for Income Tax for the year		414.00	478.00
Provision for Fringe Benefit Tax		-	4.50
Deferred Tax Adjustment for the year-Debit/(Credit)		<u>1.08</u>	<u>5.14</u>
		<u>415.08</u>	<u>487.64</u>
PROFIT BEFORE TAX ADJUSTMENT		<u>779.32</u>	<u>990.79</u>
Income Tax Adjustment for prior years		3.65	1.21
PROFIT AFTER TAX		<u>775.67</u>	<u>989.58</u>
Balance brought forward		<u>1,420.52</u>	<u>575.63</u>
BALANCE AVAILABLE FOR APPROPRIATION		<u>2,196.19</u>	<u>1,565.21</u>
APPROPRIATIONS :			
Dividend on Cumulative Preference Shares		-	3.64
Proposed Dividend on Equity Shares		49.38	34.56
Dividend Tax On Above		8.39	6.49
Transferred to General Reserve		200.00	100.00
Balance Carried to Balance Sheet		<u>1,938.42</u>	<u>1,420.52</u>
		<u>2,196.19</u>	<u>1,565.21</u>
Earning per share - basic & diluted [In Rs.] (Refer Note No.18)		39.27	49.89

Significant Accounting Policies & Notes to Accounts O

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

S. B. PRABHU
Partner

F. D. NETERWALA
Chairman

L. V. GANDHI
Company Secretary

D. M. NETERWALA
H. R. PRASAD
P. SUBRAHMANYAM
Directors

M. K. FONDEKAR
Executive Director

Membership No.35296
Mumbai, 28th May 2010

J. D. DIVEKAR
G. M. Finance

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Rs./Lacs

PARTICULARS	AS AT 31ST MARCH, 2010	AS AT 31ST MARCH, 2009
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	1,194.40	1,478.43
Adjusted for:		
Depreciation	143.82	125.06
Dividend Received	(0.15)	(0.15)
Interest Expenses	75.72	125.64
(Profit)/Loss on sale of Fixed Assets	0.10	-
	<u>219.49</u>	<u>250.55</u>
	1,413.89	1,728.98
Adjustment For :		
Trade and other Receivables	(194.74)	(116.71)
Inventories	722.98	(234.24)
Trade Payables	(125.77)	(310.89)
	<u>402.47</u>	<u>(661.84)</u>
Cash Generated From Operations	1,816.36	1,067.14
Direct Taxes	(471.20)	(412.42)
NET CASH FROM OPERATING ACTIVITIES	1,345.16	654.72
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase / Sale of Fixed Assets (Net)	(163.97)	(307.41)
Investments	(30.00)	(66.78)
Dividend received	0.15	0.15
	<u>(193.82)</u>	<u>(374.04)</u>
NET CASH USED IN INVESTING ACTIVITIES	(193.82)	(374.04)
C CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Preference Shares	-	(175.00)
Interest Paid	(78.31)	(136.12)
Proceeds / (Repayment) of Term Loan (Net)	(105.06)	(16.90)
Increase / (Decrease) in Cash Credit with Bank	(9.07)	38.21
Dividend paid on Preference Shares (Incl. Dividend Tax)	-	(29.20)
Dividend paid on Equity Shares (Incl. Dividend Tax)	(38.22)	(22.86)
	<u>(230.66)</u>	<u>(341.87)</u>
NET CASH USED IN FINANCING ACTIVITIES	(230.66)	(341.87)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENT (A+B+C)	920.68	(61.20)
Cash and Cash Equivalents (Opening Balance)	159.37	220.56
Cash and Cash Equivalents (Closing Balance)	1,080.05	159.37

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

S. B. PRABHU
Partner

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Directors

M. K. FONDEKAR
Executive Director

**SCHEDULES 'A' TO 'O' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT
31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

		Rs./Lacs	
		As at 31st Mar-10	As at 31st Mar-09
SCHEDULE 'A' - SHARE CAPITAL			
AUTHORISED			
30,00,000	Equity shares of Rs.10 each	300.00	300.00
2,00,000	10% Redeemable Cumulative Preference shares of Rs. 100/- each	200.00	200.00
		<u>500.00</u>	<u>500.00</u>
ISSUED, SUBSCRIBED AND PAID-UP			
19,75,000	Equity shares of Rs.10 each fully called up	197.50	197.50
	Less: Calls unpaid other than from Directors	<u>0.11</u>	<u>0.11</u>
		<u>197.39</u>	<u>197.39</u>

NOTE: Out of the above, 1,50,000 Equity shares of Rs.10 each are allotted as fully paid, pursuant to contract, without payment being received in cash.

SCHEDULE 'B' - RESERVES AND SURPLUS

CAPITAL REDEMPTION RESERVE

Balance as per last Balance Sheet	25.00	25.00
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SHARE PREMIUM ACCOUNT

Balance as per last Balance Sheet	265.63	265.63
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GENERAL RESERVE

Balance as per last Balance Sheet	135.40	35.40
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Add: Transferred from Profit and Loss Account	<u>200.00</u>	<u>335.40</u>	<u>100.00</u>	135.40
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PROFIT AND LOSS ACCOUNT

1,938.42	1,420.52
<u>2,564.45</u>	<u>1,846.55</u>

	Rs./Lacs	
	As at 31st Mar-10	As at 31st Mar-09
SCHEDULE 'C' - SECURED LOANS		
(I) FROM BANKS		
(a) Working Capital Facilities		
Cash Credit	1,000.71	680.73
Packing Credit	—	329.05
The above facilities are secured by a hypothecation charge on stocks, book debts, other current assets and all movable fixed assets (other than vehicles) of the company, present and future, and by equitable mortgage on factory's land & building.		
(b) Term Loans	55.00	155.00
[Repayable within one year Rs.55.00 Lacs (Previous year Rs.100.00 Lacs)]		
The above term loan is secured by mortgage of land and extension of first hypothecation charge on all moveable fixed assets (other than vehicles) and extension of equitable mortgage on factory's land & building.		
(c) Other Loans	—	5.06
[Repayable within one year Rs. Nil (Previous year Rs.5.06 Lacs)]		
Secured by hypothecation of specific assets		
(II) INTEREST ACCRUED AND DUE ON ABOVE	0.78	1.93
	<u>1,056.49</u>	<u>1,171.77</u>

Rs./Lacs

SCHEDULE 'D' - FIXED ASSETS

Description	Gross Block					Depreciation / Amortisation					Net Block	
	As at 1st April 2009	Additions	Deductions	Adjustments	As at 31st March, 2010	As at 31st March, 2009	For the year	Deduction/ Adjmts	Adjustments	As at 31st March 2010	WDV as at 31st March 2010	WDV as at 31st March 2009
TANGIBLE ASSETS												
Freehold Land	9.83	-	-	-	9.83	-	-	-	-	-	9.83	9.83
Leasehold Land	268.28	-	-	-	268.28	17.42	26.83	-	-	44.25	224.03	250.86
Roads	17.77	-	-	-	17.77	7.81	0.50	-	-	8.31	9.46	9.96
Buildings	145.45	-	-	-	145.45	91.37	4.14	-	-	95.51	49.94	54.08
Pipelines	1.98	-	-	-	1.98	1.82	0.02	-	-	1.84	0.14	0.16
Plant and Machinery	790.59	66.03	-	-	856.62	481.81	72.23	-	-	554.04	302.58	308.78
Technical Know-how	15.00	-	-	-	15.00	14.98	-	-	-	14.98	0.02	0.02
Electrical Installation	52.87	-	-	-	52.87	31.56	2.96	-	-	34.52	18.35	21.31
Airconditioning Equipments	10.04	0.67	-	-	10.71	5.42	0.65	-	-	6.07	4.64	4.62
Computers	136.11	0.04	-	(70.24)	65.91	55.50	9.80	-	(14.01)	51.29	14.62	80.59
Furniture and Fixtures	63.18	0.46	-	-	63.64	33.73	5.51	-	-	39.24	24.40	29.45
Office and Factory Equipments	34.55	0.30	-	-	34.85	20.92	1.93	-	-	22.85	12.00	13.63
Motor Cars	34.20	18.22	5.64	-	46.78	19.04	6.24	4.54	-	20.74	26.04	15.16
Moulds and Mould Boxes	-	43.23	-	-	43.23	-	5.12	-	-	5.12	38.11	-
INTANGIBLE ASSETS												
Computer Software	-	9.13	-	70.24	79.37	-	7.91	-	14.01	21.92	57.45	-
TOTAL CURRENT YEAR	1,579.85	138.08	5.64	-	1,712.29	781.38	143.84	4.54	-	920.68	791.61	798.45
TOTAL PREVIOUS YEAR	(1,065.38)	(514.46)	-	-	(1,579.85)	(656.34)	(125.06)	-	-	(781.40)	(798.45)	-
CAPITAL WORK IN PROGRESS (including advances)												
											34.25	7.35
											825.86	805.80

	Rs./Lacs	
	As at 31st Mar-10	As at 31st Mar-09
SCHEDULE 'E' - INVESTMENTS		
Trade, Long- Term , Unquoted, At cost		
In Joint Venture Company :		
Manoir Petro India Ltd.	96.78	66.78
9,67,800 (Previous Year 6,67,800) Equity shares of Rs. 10/- each fully paid up		
Others :		
(a) Development Credit Bank Ltd. 1000 Equity shares of Rs. 10/- each fully paid up & 200 Equity shares of Rs. 40/- each fully paid up	0.18	0.18
(b) The Zoroastrian Co-operative Bank Ltd. 4000 Equity shares of Rs. 25/- each fully paid up	1.00	1.00
	<u>97.96</u>	<u>67.96</u>
SCHEDULE 'F' - INVENTORIES		
(As valued and certified by Management)		
(i) Stores and spares (at Cost)	45.75	49.74
(ii) Stock in trade (at Cost or Net Realisable Value, whichever is lower)		
a) Raw Materials and Assembly Materials	238.83	246.42
b) Work-in-process	530.34	1,289.09
c) Finished goods	<u>131.78</u>	<u>84.43</u>
	<u>946.70</u>	<u>1,669.68</u>
SCHEDULE 'G' - SUNDRY DEBTORS		
Unsecured:		
(i) Debts outstanding for more than six months		
Considered good	88.33	1.32
Considered doubtful	<u>1.06</u>	<u>22.27</u>
	89.39	23.60
(ii) Other Debts considered good	<u>1,321.62</u>	<u>949.33</u>
	1,411.01	972.92
Less: Provision for Doubtful Debts	<u>1.06</u>	<u>22.27</u>
	<u>1,409.95</u>	<u>950.65</u>
SCHEDULE 'H' - CASH AND BANK BALANCES		
(i) Cash on hand	0.92	1.34
(ii) Balances with Scheduled Banks		
(a) In Current Accounts	16.66	8.30
(b) In Deposit Accounts	452.47	149.73
(c) Funds In Transit	<u>610.00</u>	<u>158.03</u>
	<u>1,080.05</u>	<u>159.37</u>
SCHEDULE 'I' - OTHER CURRENT ASSETS		
Interest Accrued	2.81	6.51
D.E.P.B. License Entitlements	102.45	245.38
Other Receivable	<u>83.48</u>	<u>83.48</u>
	<u>188.74</u>	<u>335.37</u>

Rs./Lacs

As at 31st Mar-10 As at 31st Mar-09

SCHEDULE 'J' - LOANS AND ADVANCES

(Unsecured, considered good)

(i) Advances recoverable in cash or in kind or for value to be received	109.59		165.89	
Less: Provision for Doubtful Advance	4.19	105.40	8.30	157.59
(ii) Sundry Deposits		35.64		27.09
(iii) Balance with Central Excise on Current Account		10.52		89.58
(iv) Sales tax, excise refund / set off recoverable		17.72		12.95
		169.28		287.21

SCHEDULE 'K' - CURRENT LIABILITIES AND PROVISIONS
CURRENT LIABILITIES

(i) Sundry Creditors (includes Rs.4.00 Lacs- Previous year Rs. 5.00 Lacs due to Directors)	656.26		679.81	
(ii) Advances from customers	36.80		161.84	
(iii) Interest accrued but not due	-		1.43	
(iv) Excise Duty payable on closing stock of finished goods	17.56		11.86	
(v) Unclaimed Dividend	6.49	717.11	4.29	859.23

PROVISIONS

(i) For Privilege Leave Encashment	61.54		48.87	
(ii) For Gratuity	11.21		6.76	
(iii) Excise Duty	4.27		4.27	
(iv) For Taxation less payment	58.97		112.51	
(v) Proposed Dividend on Equity Shares	49.38		34.56	
(vi) Dividend Tax Payable	8.39	193.76	5.87	212.84
		910.87		1,072.07

SCHEDULE 'L' - OTHER INCOME

Processing, fabrication and analysis charges	-		0.05	
Miscellaneous recovery on sales	58.61		4.91	
Dividend on Shares	0.15		0.15	
Interest (Gross):				
On Bank Deposit Accounts	14.17		6.57	
[TDS Rs.1.71 lacs (Previous Year : Rs. 1.90 lacs)]				
On Security Deposits	1.22		1.22	
[TDS Rs.0.27 lacs (Previous Year : Rs. 0.26 lacs)]				
On Others	0.30		-	
		15.69		7.79
Export Benefits (DEPB Licenses)	130.47		149.79	
Provision for prior year expenses reversed	4.58		1.23	
Miscellaneous receipts	17.72		50.21	
	227.22		214.13	

Rs./Lacs

	As at 31st Mar-10	As at 31st Mar-09
SCHEDULE 'M' - MATERIAL COST		
Raw and Assembly Materials consumed	2,134.14	2,926.42
(Increase) / Decrease in WIP and Finished Goods		
Opening Stock:		
Work-in-process	1,289.09	1,118.17
Finished goods	84.43	73.34
	<u>1,373.52</u>	<u>1,191.51</u>
Less: Closing Stock:		
Work-in-process	530.34	1,289.09
Finished goods	131.78	84.43
	<u>662.12</u>	<u>1,373.52</u>
	711.40	(182.01)
Add: Variation in excise duty on opening and closing stock of Finished Goods	<u>5.70</u>	<u>(1.21)</u>
	<u>717.10</u>	<u>(183.22)</u>
	<u>2,851.24</u>	<u>2,743.20</u>

SCHEDULE 'N' - OPERATING AND OTHER EXPENSES

Stores, spares, tools and other consumables	260.05	288.77
Oils and lubricants	3.96	6.29
Power and fuel	345.39	294.45
Water charges	7.62	9.96
Freight and forwarding	102.32	107.07
Sub-contracting charges	535.50	608.37
Salaries, wages, bonus and gratuity	484.55	433.89
Contribution to provident and other fund	40.57	38.97
Staff welfare expenses	58.23	61.46
Directors' fees and commission	6.00	7.00
Commission	12.56	16.35
Rates and taxes	29.64	12.43
Insurance	7.43	5.97
Repairs and maintenance - Building	5.49	11.40
Repairs to Plant and Machinery	13.47	22.42
Other repairs	11.99	12.04
Travelling expenses	22.26	11.41
Bank charges	18.14	25.10
Postage, telegram, telephone charges	6.06	5.99
Liquidated damages	36.61	—
Legal and profesional fees	32.32	53.91
Export documentaion charges	17.27	33.92
Testing charges	10.18	5.43
Foreign exchange fluctuation	31.78	25.79
Bad debts / advances written off	26.63	44.59
Less : Opening provision adjusted	<u>26.63</u>	<u>—</u>
Provision for doubtful debts / advances	1.30	30.57
Loss on sale of fixed assets	0.10	—
Business support services	71.07	59.18
Miscellaneous expenses	<u>91.38</u>	<u>67.56</u>
	<u>2,263.24</u>	<u>2,300.29</u>

SCHEDULE 'O'**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010.****1. SIGNIFICANT ACCOUNTING POLICIES****i) METHOD OF ACCOUNTING**

The financial statements are prepared under historical cost convention on an accrual basis and are in accordance with the requirements of the Companies Act, 1956.

ii) REVENUES

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

iii) FIXED ASSETS & DEPRECIATION / AMORTISATION

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

b) Intangible assets comprising of Computer Software are amortised over a period of five years which is the estimated useful life of software. Impairment in carrying value of fixed assets, if any, is recognized and provided for.

iv) INVESTMENTS

Long-term investments are stated at cost. Only permanent diminution in the value thereof is recognized.

v) FOREIGN CURRENCY TRANSACTIONS

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

vi) INVENTORIES

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

vii) EXCISE DUTY

Excise duty is provided on closing stock of finished goods lying un-cleared at the factory and also included in the valuation of stock of finished goods.

viii) RETIREMENT BENEFITS

Contributions to defined Contribution schemes such as Provident Fund etc. are charged to Profit & Loss Account as incurred. The Company also provides for post retirement and other benefits in the form of gratuity and leave encashment which are provided based on actuarial valuation by independent actuaries.

ix) PROVISION FOR TAXATION

Provision for taxation has been made on the basis of the income tax laws and rules applicable for the relevant assessment years.

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

x) DEFERRED REVENUE EXPENDITURE

Voluntary retirement scheme expenses on employees incurred by the Company is deferred and written off over a period of 5 years (60 months) starting from the month in which the expenses are actually incurred as the management expects the benefits of the scheme to last over this period.

xi) PROVISIONS & CONTINGENCIES

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. A disclosure for contingent liability is made when there is a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2. CAPITAL COMMITMENT:

Estimated amount of contracts on capital account not provided for (net of advances) Rs.85.75 Lacs (Previous year Rs. 118.30 Lacs).

3. CONTINGENT LIABILITIES NOT PROVIDED FOR:

- i) Product Warranties – Amount not ascertainable.
- ii) Show cause notice received from Excise Authorities under dispute – Rs.118.07 Lacs (Previous year Rs. 246.93 Lacs).
- iii) Sales tax matters under dispute – Rs. 104.12 Lacs (Previous year Rs. 90.62 Lacs).
- iv) Guarantees given on behalf of the Company by Bank – Rs. 202.45 Lacs (Previous year Rs. 441.17 Lacs).
- v) Open Letter of Credit Rs.31.20 Lacs (Previous year Rs. Nil).

4. a) Hitherto , the Company followed the policy of charging off cost incurred on development of moulds in the year in which such costs were incurred. During the year the company has changed this policy and is now capitalizing such moulds not specifically recoverable from customers under fixed assets. As a result of this change, cost of moulds charged to Profit & Loss Account is less by Rs.43.23 lacs, depreciation for the year is higher by Rs.5.12 lacs and profit before tax for the year is higher by Rs.38.11 lacs.
- b) Hitherto, the Company followed the policy of capitalising the acquired software under computer equipment category and was charging depreciation on same at the rates prescribed under schedule 14 of the Companies Act 1956 for such categories. During the year the Company has changed this policy and is now capitalizing computer software under intangible fixed assets and is amortising the same equally over the period of 60 months in compliance with Accounting Standard 26 – 'Accounting for Intangible Assets' issued by Institute of Chartered Accountants of India. As a result of this change, the depreciation / amortization charged for the year is lower by Rs.15.37 lacs with a corresponding effect on the Profit for the year and the Reserves and Surplus.

5. Quantitative information relating to licensed capacity, installed capacity, opening and closing stocks of each class of goods produced, actual production, sales in respect of each class of finished goods.

Class of Goods Manufactured	Licensed Capacity (See Note (i) below) M.T.	Installed Capacity (See Note (ii) below) M.T.	Opening stock of finished goods (Excl. Excise Duty)		Actual Production (See Note (iii) below) M.T.	Sales		Closing Stock (Excl. Excise Duty)	
			M. T.	Rs. in Lacs		M. T.	Rs. in Lacs	M. T.	Rs. in Lacs
1. High alloy Steel casting (Heat Resistant & Stainless steel)	500	500	0.71 (2.39)	1.62 (8.63)	46.06 (32.65)	46.01 (34.33)	326.48 (260.40)	0.76 (0.71)	1.11 (1.62)
2. Centrifugally cast Alloy Steel Tubes & Fabrications	500	500	16.93 (15.06)	70.95 (51.64)	871.82 (782.90)	854.47 (781.03)	5504.87 (5894.22)	34.28 (16.93)	113.10 (70.95)
			17.64 (17.45)	72.57 (60.27)	917.88 (815.55)	900.48 (815.36)	5831.35 (6154.62)	35.04 (17.64)	114.21 (72.57)

Figures for the previous year are shown in brackets.

NOTES:

- In terms of endorsement made on 26th September, 1979, the Company is permitted to manufacture 50 tonnes of non-ferrous alloy casting and as per approval granted on 10th April, 1985, the company permitted to Manufacture the centrifugally cast alloy iron casting within the overall licensed capacity.
 - Installed capacity has been certified by the Chief Operating Officer of the Company and not verified by the Auditors, this being a technical matter.
 - Production figures have been arrived at on the basis of the Sales plus closing stock, less opening stock and accordingly excludes in case of High Alloy Steel castings, castings produced in excess of ordered quantity/sales reversals expected to be re-melted and classified in the books as work-in-process.
 - The Net sales for the year 2009-10, as per Profit & Loss Account, includes sale of scrap of Rs. 469.85 Lacs. (P.Y – Rs. 120.05 Lacs)
6. The excise duty recovered from customers amounting to Rs. 356.19 Lacs (Previous year Rs. 429.41 Lacs) is shown as a deduction from the gross turnover in the Profit & Loss Account. The excise duty on the difference between on opening and closing stock of finished goods has been shown under material cost in the Profit & Loss Account.

7. Details of raw materials and assembly materials consumed:

	Quantity M.T.	Amount (Rs/Lacs)
Metal Scraps	862.47 (1095.00)	929.35 (1778.63)
Nickel & Ferro Alloys etc.	282.58 (225.32)	1080.21 (1045.36)
Assembly Materials	*	60.30 (59.45)
Others	*	64.27 (42.98)
		<u>2134.14</u> <u>(2926.42))</u>

* Diverse quantitative units

8. Consumption of:

	Raw Materials and Assembly Materials		Stores & Spares, Tools and other consumables	
	%	(Rs. in Lacs)	%	(Rs. in Lacs)
Indigenous	67 (77)	1427.61 (2243.04)	95 (94)	246.39 (270.60)
Imported	33 (23)	706.53 (683.38)	5 (6)	13.66 (18.17)
	<u>100</u> (100)	<u>2134.14</u> (2926.42)	<u>100</u> (100)	<u>260.05</u> (288.77)

Note: Consumption figures have been arrived at on the basis of opening stock plus purchases, less closing stock and include adjustment of excess / shortage ascertained on physical count.
Figures for the previous year are shown in brackets in respect of Notes '7' and '8'.

9. C.I.F Value of imports

(Rs /Lacs)

	Year ended 31st March 2010	Year ended 31st March 2009
Raw materials and assembly materials	573.83	745.36
Stores, spare parts and other consumables	11.14	18.71
Capital Goods	Nil	10.47

10. Expenditure in foreign currency

(Rs /Lacs)

Commission on exports	12.56	17.76
Foreign Travel	2.88	Nil

11. Earnings in foreign currency.

(Rs /Lacs)

Export of goods calculated on F.O.B basis	2041.26	2701.21
Consideration for transfer of Commercial Rights	Nil	283.82

12. Auditor's remuneration (exclusive of service tax) - included in Miscellaneous Expenses –

- a) Statutory audit fees – Rs. 1.35 Lacs (Previous year Rs. 1.35 Lacs)
- b) Other Services - Rs. 0.45 Lacs (Previous year Rs. 0.45 Lacs)
- c) Out of pocket expenses – Rs. 0.11 Lacs (Previous year Rs.0.11 Lacs)

13. Managerial Remuneration :

	(Rs./ Lacs)	
	Year Ended March 31, 2010	Year Ended March 31, 2009
Salary and allowances	28.12	Nil
Contribution to P.F	1.89	Nil
Perquisites	0.08	Nil
Commission to Directors	4.00	5.00
Total	34.09	5.00

Computation of Net Profit in accordance with section 349 of the Companies Act, 1956:

	(Rs./Lacs)	
	Year Ended March 31, 2010	Year Ended March 31, 2009
Profit before tax as per Profit & Loss Account	1194.40	1478.43
Less: Profit on transfer of Commercial Rights	Nil	283.82
	1194.40	1194.61
Add: Managerial Remuneration	34.09	5.00
Provision for doubtful debts / advances	1.30	30.57
Less: Bad Debts / Advances w/off	(26.62)	Nil
Net Profit	1203.17	1230.18
Commission Payable to the Directors		
Up to 1% of the Net Profit	12.03	12.30
Restricted to:	4.00	5.00

14. Related Party Disclosures:

List of related parties with whom transactions have taken place during the year:

i) Associates:

- a. Uni Deritend Ltd.
- b. Universal Ferro & Allied Chemicals Ltd.
- c. Dai-ichi Karkaria Ltd.
- d. Uni Klinger Ltd.
- e. Netel India Ltd.
- f. Neteron Technologies Pvt. Ltd.
- g. Anosh Finance & Investment Pvt. Ltd.
- h. Neterwala Consulting & Corporate Services Ltd.
- i. Manoir Petro India Ltd.
- j. S D N Company

ii) Key Managerial Personnel:

Shri F. D. Neterwala - Chairman
Shri M. K. Fondekar - Executive Director w.e.f. 01.07.09
Shri U. M. Gaitonde – President Upto 13.6.09

iii) Summary of transactions during the year with the related parties and balance outstanding is as follows:

(Rs/Lacs)

Nature of Transactions	Transactions for the year ended 31st March		Balance as at 31st March	
	2010	2009	2010	2009
I Associates				
Advances recoverable in cash or in kind:				
Balance as at 31st March			104.40	108.39
Advances recovered during the year	3.00	-		
Current Liabilities:				
Creditors as at 31st March			10.89	47.00
Income:				
Rent Income	1.68	1.68		
Transfer of Commercial Rights	Nil	283.82		
Expenses:				
Share of E.R.P. Cost Incurred	2.71	1.99		
Purchases	0.00	0.13		
Purchase of Capital Assets	8.08	0.00		
Business Support Services	71.07	59.06		
Other Expenditure	1.28	3.79		
II Key Managerial Personnel				
Remuneration to Key Managerial Personnel.(including commission)	61.46	29.43		

15. Interest in Joint Venture

The Company's interest as a venturer in jointly controlled entity formed during the year is as given below:

Name of Jointly Controlled Entity	Percentage of ownership interest as at 31st March,10
Manoir Petro India Limited (Incorporated in India)	20 %

The Company's interest in above joint venture company is reported as Long Term Investment (Schedule E) and is stated at cost.

The Company's share (20%) of each of the assets , liabilities, income and expenses etc. (each without elimination of the effect of transactions between the Company and the joint venture) related to its interest in the joint venture based on the latest audited financial statements of the joint venture company as on 31st December, 2008 are as under :

	(Rs. in lacs)
a. Assets	86.97
b. Liabilities	19.19
c. Income	Nil
d. Expenses	9.90
e. Other Matters :	
Contingent Liability	Nil

Previous year's figures are not shown as the financial statements of the Joint venture drawn up as on 31st December 2008 were the first audited statement of the entity.

16. The dominant source and nature of risk and return associated with the products manufactured by the Company not being significantly different, both product wise and geographically, the company has a single business segment. Consequently segmental information as required under Accounting Standard No. 17 on 'Segment Reporting' has not been given.
17. In the absence of necessary information with the company, relating to registration status of supplier under Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act could not be compiled and disclosed.

18. Earnings Per Share (EPS):

	Year Ended March 31, 2010	Year Ended March 31, 2009
A) Profit attributable to Equity Shareholders (Rs. in Lacs)	775.67	985.32
B) Number of Equity Shares outstanding during the year	19,75,000	19,75,000
C) Nominal value of Equity Shares (Rs.)	10.00	10.00
D) Basic Earnings Per Share (Rs.) (A/B)	39.27	49.89

Note: There is no diluted EPS as there are no outstanding diluted potential equity shares.

19. Disclosure Pursuant to Accounting Standard – 15 “Employee Benefits”

a. Employee Benefits:

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

	Year Ended March 31, 2010	(Rs. in Lacs) Year Ended March 31, 2009
Provident Fund	25.41	23.66
Superannuation Fund	0.29	1.42

- b. Leave entitlement benefits of employees has been treated as Long Term Employee Benefits as per provisions of Accounting Standard 15 (Revised) and the amount for the year of Rs.24.24 Lacs (Previous Year Rs. 9.92 Lacs) is debited to Profit & Loss Account.

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

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

Withdrawal rate	1 % P.A.	1 % P.A.
Future rate of salary increment	5 % P.A.	5 % P.A.
Discounting rate	7.5 % P.A.	7.5 % P.A.

ii) Changes in the Benefit Obligations.

(Rs. in Lacs)

	Year Ended March 31, 2010	Year Ended March 31, 2009
Actuarial Value of the Projected Benefit Obligation (PBO) (Opening Balance)	142.41	135.49
Interest Cost for the year	10.68	10.18
Service Cost for the year	8.23	6.97
Benefits Paid during the year	(18.37)	(10.53)
Actuarial (Gain) / Loss on obligations	4.68	(0.05)
PBO for the year ended March 31	147.636	142.06

iii) Table showing changes in the Plan Assets.

(Rs. in Lacs)

	Year Ended March 31, 2010	Year Ended March 31, 2009
Fair value of plan assets at the beginning of the year	137.84	93.86
Actual return on plan assets including bank interest for the year	12.38	10.35
Employer's contributions for the year	6.58	45.15
Benefits paid during the year	(18.37)	(10.53)
Bank Balance as on March 31	-	0.99
Plan Assets as at March 31	138.44	137.84

iv) Amounts recognized in the Balance Sheet:

(Rs. in Lacs)

	Year Ended March 31, 2010	Year Ended March 31, 2009
Present value of the obligation as on March 31	147.63	142.41
Fair value of plan assets as at the end of the year	138.45	138.85
Un-funded Liability at the end of the year	9.19	3.57
Unrecognized actuarial gain/loss	Nil	Nil
Un-funded liability recognized in Balance Sheet as Asset	9.19	3.57

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

(Rs. in Lacs)

	Year Ended March 31, 2010	Year Ended March 31, 2009
Interest cost for the year	10.68	10.19
Service cost for the year	8.23	6.97
Actual Return on Plan Assets	(12.38)	(10.35)

Expected return on Plan Assets	–	–
Actuarial (Gain) /Loss	(4.68)	(0.05)
Net cost recognized in the statement of Profit & Loss Account	11.21	6.76

20. Deferred tax asset (net) of Rs. 10.66 lacs (Previous year - Rs. 11.74 lacs) as at the year end arises on account of reversible timing differences in respect of :

	As at March 31, 2010	(Rs. in Lacs) As at March 31, 2009
Deferred Tax Asset :		
Expenses covered u/s 43 B of Income Tax Act	35.29	28.09
Provision for doubtful debts / advances	1.78	10.39
Deferred Tax Liability :		
Depreciation differential	(26.41)	(26.74)
Net Deferred Tax Asset	10.66	11.74

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

	As at March 31, 2010	As at March 31, 2010	As at March 31,2009	As at March 31,2009
	Foreign Currency in Lacs	Rs. in Lacs	Foreign Currency in Lacs	Rs. in Lacs
Receivables	Euro – 5.44	325.80	Euro – 4.99	335.02
Payable	Euro - 0.60	37.32l	Euro – Nil	Nil
Payable	USD – 6.08	274.97	USD – 4.40	225.28

22. The Balance Sheet abstract and the Company's general business profile as required by Part IV of Schedule VI to the Companies Act, are given in annexure.
23. Prior year figures have been regrouped / reclassified wherever necessary to conform to the current year's presentation.

Signatures to Schedule "A" to "O", which forms an integral part of the accounts.

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

S. B. PRABHU
Partner

Membership No.35296
Mumbai, 28th May 2010

F. D. NETERWALA
Chairman

L. V. GANDHI
Company Secretary

J. D. DIVEKAR
G. M. Finance

D. M. NETERWALA
H. R. PRASAD
P. SUBRAHMANYAM
Directors

M. K. FONDEKAR
Executive Director

Annexure Referred to in Note No. 22 of the Notes annexed to and forming the part of Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date.

BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

1 5 9 5 0

State Code

1 1

Balance Sheet Date

3 1 0 3 1 0

Date Month Year

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

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. Position of Mobilization and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities

4 7 2 9 2 0

Total Assets

4 7 2 9 2 0

SOURCES OF FUNDS

Paid up Capital

1 9 7 3 9

Reserves and Surplus

2 5 6 4 4 5

Secured Loans

1 0 5 6 4 9

Unsecured loans

N I L

APPLICATIONS OF FUNDS

Net Fixed Assets

8 2 5 8 6

Investments

9 7 9 6

Net Current Assets

2 8 8 3 8 5

Deferred Tax Assets

1 0 6 6

Accumulated Losses

N I L

Miscellaneous Expenditure

N I L

IV Performance of the Company (Amount in Rs. Thousand)

Gross Receipts

6 5 2 8 4 2

Total Expenditure

5 3 3 4 0 2

Profit(+)/ Loss(-)

√ 1 1 9 4 4 0

Profit(+)/ Loss(-)

√ 7 7 5 6 7

Before Tax

+ -

After Tax

+ -

Earning per Share in Rs.

3 9 . 2 7

Dividend Rate (%)

2 5 . 0 0

V Generic Names of Three Principal Products /Service of the Company (As per Monetary Terms)

Item Code No.(ITC CODE)

8 4 1 7 9 0 . 0 0

Product Description

PARTS FOR INDUSTRIAL
FURNACE

Item Code No.(ITC CODE)

7 3 0 4 9 0 . 0 0

Product Description

CAST STEEL TUBES

Item Code No.(ITC CODE)

7 3 2 5 9 9 . 9 0

Product Description

CAST ARTICLES OF
STEEL

UNI ABEX ALLOY PRODUCTS LIMITED

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

FORM OF PROXY

I/We _____ of _____
in the district of _____ being a Member/Members
of Uni Abex Alloy Products Limited hereby appoint _____
of _____ in the district of _____ or failing
him / her _____ of _____ in the district
of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the
Thirty Seventh Annual General Meeting of the Company to be held on 26th July, 2010 at 3.30 p.m. and at any
adjournment thereof.

Dated this _____ day of _____ 2010

Regd. Folio No.

D. P. ID No.:

Client ID No.:

No. of Shares held

Signed by the said _____

Affix
Re. 1/-
Revenue
Stamp

- Notes : (a) The form should be signed across the stamp as per specimen signature registered with the Company.
(b) The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before
the time fixed for holding the meeting.
(c) A Proxy need not be a member.

..... TEAR HERE

UNI ABEX ALLOY PRODUCTS LIMITED

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

ATTENDANCE SLIP

NAME (IN
BLOCK
LETTERS)

FOLIO No.:

D. P. ID No.* :

Client ID No.* :

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

I hereby record my presence at the Thirty Seventh Annual General Meeting held at M. C. Ghia Hall, Bhogilal Hargovindas
Building, 2nd Floor, 18 / 20, Kaikhushru Dubash Marg (Rampart Row), Mumbai - 400 023 on 26th July, 2010.

* Applicable for member holding shares in electronic form.

.....
SIGNATURE OF THE MEMBER OR PROXY

Financial Highlights

(Rs. in lakhs)

Years	2005-06	2006-07	2007-08	2008-09	2009-10
Sales & Other Income	4,140.80	6,182.60	6,337.11	6,488.80	6,528.42
Profit Before Interest, Depreciation & Tax	621.33	708.09	671.56	1,729.13	1,413.94
Net profit after Tax for the year	324.30	383.81	309.38	989.58	775.67
Share Capital : Equity : Preference	197.39 175.00	197.39 175.00	197.39 175.00	197.39 0.00	197.39 0.00
Reserves and Surplus	331.79	666.51	901.66	1,846.55	2,564.45
Shareholders' Funds	704.18	1,038.90	1,274.05	2,043.94	2,761.84
Loan Funds	852.06	850.45	1,149.55	1,171.77	1,056.49
Total Capital Employed	1,556.24	1,889.35	2,423.60	3,215.71	3,818.33
Gross Block	849.43	1,011.16	1,279.79	1,587.20	1,746.54
Depreciation	622.99	664.82	656.34	781.40	920.68
Net Block	266.44	346.34	623.45	805.80	825.86
Net Current Assets	1,327.23	1,540.61	1,782.09	2,330.21	2,883.85
EPS (in Rs.) Equity	15.41	18.41	14.63	49.89	39.27
Return on Shareholders' funds	46%	37%	24%	48%	28%
No. of Shareholders	8582	8152	7982	7926	7692
Dividend%	10.00%	12.50%	12.50%	17.50%	25.00%

BOOK - POST

To,



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