

ELANGO INDUSTRIES LIMITED

Registered Office

No.5, Ranganathan Garden
15th Main Road Extn.,
Anna Nagar
Chennai – 600 040

Board of Directors

Shri. S. Elangovan - Chairman & Managing Director
Shri. S.A .Premkumar - Director
Shri. K. S. Shanmugam - Director
Shri. V.R. Subramanian – Director- Independent
Shri V. Narayanan – Director- Independent
Shri R. Ramesh – Director- Independent

Bankers

State Bank of India

Auditors

M/s. V. Senthilnathan & Co.,
Chartered Accountants
Chennai – 600 040

ELANGO INDUSTRIES LIMITED
No.5, Ranganathan Garden, 15th Main Road – Extn.
Anna Nagar, Chennai – 600 040

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the members of ELANGO INDUSTRIES LIMITED will be held on Friday the 28th day of September, 2012 at 11 a.m., at the Registered Office of the Company at No.5, Ranganathan Garden, (15th Main Road Extension) Anna Nagar, Chennai – 600 040, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2012 and Profit and Loss Account for the year ended 31st March 2012 together with the Auditors' Report and Directors' Report thereon.
2. To appoint a Director in the place of Mr. V.R. Subramanian who retires by rotation being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Mr. V. Narayanan who retires by rotation being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and authorize the Board to fix their remuneration.

Place: Chennai
Date: 4th September, 2012

For and on behalf of the Board


(S. Elangovan)
Chairman & Managing Director

NOTES

1. A Member entitled to attend and vote at the above meeting is entitled to appoint one or more Proxies to attend and vote instead of himself and the Proxy need not be a Member of the Company. The Proxy form duly completed should be deposited at the Registered Office of the Company not less than 48 hours fixed for holding the Meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 24/9/2012 to 27/9/2012 (both days inclusive)

Place: Chennai
Date: 4th September, 2012

For and on behalf of the Board


(S. Elangovan)
Chairman & Managing Director

ELANGO INDUSTRIES LIMITED
No.5, Ranganathan Garden, 15th Main Road – Extn.
Anna Nagar, Chennai – 600 040

DIRECTORS' REPORT

Dear Members

Your Directors have great pleasure in presenting the 23rd Annual Report of the Company together with the Audited Balance Sheet of the Company as at 31st March, 2012, the Profit and Loss Account for the year ended on that date and the Auditors' Report thereon.

FINANCIAL REVIEW

	Rs. Lakhs	
	2011-12	2010-11
Net Sales	-	-
Other Income	30.38	30.38
Profit Before Depreciation and Tax	(31.08)	7.65
Depreciation	2.04	2.37
Profit before Tax	(33.12)	5.28
Less : Provision for Tax	-	-
Profit after Tax	(33.12)	5.28
Add : profit brought forward	196.70	191.42
Profit Carried to Balance Sheet	163.58	196.70

DIVIDEND

Considering financial performance, Your Directors have decided not to declare any Dividend for this year.

FUTURE OUTLOOK

The Company has invested its surplus funds in power generating company and has generated income in the form of dividend to the tune of Rs.30.38 Lacs. The Company has parked the funds in the Power Generating Company and planning to enter into power sector.

DEPOSITS

No Fixed Deposits were accepted by the Company during the year.

DIRECTORS

Shri. V.R.Subramanian, Director and Shri. V. Narayanan Director of the Company, who retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS

M/s. V. SENTHILNATHAN & Co., Chartered Accountants, Chennai, the Statutory Auditors of the Company, retires at the conclusion of the forth coming Annual General Meeting and is eligible for re-appointment.

DISCLOSURES

As the Company yet to begin its activities, the required particulars under Sections 217 (1) & (2) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Directors) Rules, 1988 is not applicable.

PARTICULARS OF EMPLOYEES

The Statement as required under 217(2A) of the Companies Act is not applicable to the Company,

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

- a) That in preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures ;
- b) That the Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year ended on 31st March, 2012.
- c) That the Directors had taken proper and sufficient care for maintenance of adequate accounting records for the year ended 31st March, 2012 in accordance with the Provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for the prevention and detection of Fraud and other irregularities.
- d) That the Directors had prepared the Annual Accounts on an ongoing basis.

ACKNOWLEDGEMENT

Your Directors would like to place on record their gratitude to the Members for their continued support and confidence. Your Directors also would like to thank the Staff Members at various levels for their committed Services for the Company.

For and on behalf of the Board


(S. Elangovan)

Chairman & Managing Director

Place: Chennai
Date: 4th September, 2012

CORPORATE GOVERNANCE

Philosophy of Code of Governance

The company continues to focus on good corporate governance, in line with the prescribed standards, and its primary objective is to create and adhere to a corporate culture of conscience and consciousness, integrity, transparency and accountability for efficient and ethical conduct of business for meeting its obligations towards shareholders and other stakeholders.

The Company recognizes the strong corporate governance is indispensable an important instrument of investor protection.

1. Board of Directors

Composition:

The Board Comprises of Six Directors of which 4 are non-executive directors.

2. Meetings of the Board

The Board meets at least once a quarter to review the quarterly results and other items on the agenda. The Board meetings are generally held in the Registered Office at Chennai. The agenda of the Board meeting is drafted in consultation with the Chairman and the same is distributed in advance to the Board members.

During the Financial Year Four Meetings of the Board of Directors were held on 27.04.2011, 27.07.2011, 29.10.2011 and 30.01.2012.

Attendance Recorded of each of the Directors at the Board Meeting during the year ended 31.03.2012 as also of the Annual General Meeting is as under.

Name	No. of Board Meetings Attended	Attendance at the Last AGM
Mr. S. Elangovan	4	Yes
Mr. S.A. Premkumar	4	Yes
Mr. K.S. Shanmugam	4	Yes
Mr. V.R. Subramanian	4	Yes
Mr. V. Narayanan	4	Yes
Mr. R. Ramesh	4	Yes

Availability of information to the Members of the Board

The Board has complete access to any information within the company. The Board welcomes opinions and the suggestions from the Managers and Employees who can provide additional insights in to the various issues of the company.

The information regularly provided to the Board includes:

- Annual operating plans and budgets including capital budgets and any updates.
- Quarterly results of the company and its operating divisions or business segments.
- Minutes of meeting of Audit committee, and related party transactions committee of the Board.
- The information on recruitment and remuneration of senior officers.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Details of any joint collaboration agreement.
- Sale of material nature, of investments, subsidiaries assets, which is not in normal course of business.

- Non-Compliance of any regulatory, statutory nature or listing requirements.

Brief note on Directors seeking reappointment at the ensuing AGM.

Shri V. Narayanan aged about 54 Years is a Commerce Graduate having more than 10 years in the Steel Industry. He is well versed in all aspects of the Steel Industry.

Shri V.R Subramaniam aged about 43 Years having more than 20 years in the Steel Industry. He is well versed in all aspects of the Steel Industry.

Board Level Committee

The company has constituted the Audit Committee and Shareholders/Investors Grievance committee as required under the Companies Act, 1956/ Corporate Governance code. The committee comprise of experienced members of the Board who ensure that high standards of corporate governance are followed in every sphere.

Audit Committee

The Audit Committee consists of Four Directors and is chaired by Mr. S. A. Premkumar. The Audit Committee Meetings were held on 27.04.2011, 27.07.2011, 29.10.2011 and 30.01.2012.

The Terms of reference of the Audit Committee covers the various matters specified in Clause 49 of the Listing Agreement.

Name of the Member	No. of Meetings Held	Attendance
1. Mr. K.S. Shanmugam	4	4
2. Mr. S.A. Premkumar	4	4
3. Mr. V. Narayanan	4	4
4. Mr. R. Ramesh	4	4

Scope of the committee:

The scope of the committee includes the following

- Review of company's financial reporting process
- Review of internal control systems and its functioning
- Review of Financial statements
- Discuss with the Auditors the adequacy of the internal audit function, major accounting policies compliance with accounting standards and other legal requirements
- To establish a mechanism for prevention and detection of frauds
- To review and appraise the performance of the investments made by the company

Transfer and Shareholders Grievance Committee

The Transfer and Shareholders Grievance Committee consists of Three Directors and is chaired by Mr. S.Elangovan. The Transfer and Shareholders Grievance Committee Meetings were held on 27.04.2011, 27.07.2011, 29.10.2011 and 30.01.2012.

Name of the Member	No. of Meetings Held	Attendance
1. Mr. S. Elangovan	4	4
2. Mr. S.A. Premkumar	4	4
3. Mr. V.R. Subramanian	4	4

Disclosure

Disclosures on materially significant related party transactions i.e. Transactions of the Company of material nature, with its promoters/Directors of the management, their subsidiaries or relatives etc.,

that may have potential conflict with the interest of the Company at large. None of the transactions with any of the related parties were in conflict with the interest of the Company.

Annual General Meeting

The details of last three Annual General Meetings of the company:

Year	Date	Time	Place
2011	29 th September, 2011	11.00 A.M	No.5 Ranganathan Garden, Anna Nagar, Chennai-600 040.
2010	23 rd September, 2010	11.00 A.M	No.5, Ranganathan Garden, Anna Nagar, Chennai-600 040.
2009	29 th September, 2009	11.00 A.M	No.5, Ranganathan Garden, Anna Nagar, Chennai-600 040.

Means of Communication & General Shareholders Information;

The Quarterly results are usually published in **News Today (in English)** and **Maalai Sudar (in vernacular language)** "Dailies".

Annual General Meeting

Day, Date and Time; Friday, 28th September, 2012 at 11.00.A.M
Venue; No. 5, Ranganathan Garden, Anna Nagar
Chennai -600040

Book Closure: The Register of Members and the share transfer book shall remain closed from 24th September to 27th September, 2012 (Both days inclusive).

Listing on Stock Exchange; Bombay Stock Exchange Limited (BSE) – Code No. 513452

Share Holding Pattern as on 31/03/2012

Category	No. of Shares Held	% of Shareholding
Indian Promoters	1138100	29.82
Mutual Funds and UTI	-	-
Private Corporate Bodies	22812	0.60
Indian Public	2652488	69.50
NRI's/OCB's	2700	0.08
Independent Directors and Relatives	-	-
Other Directors	-	-
Total	3816100	100

Distribution of Shareholding as on 31/03/2012

Share Holding Range	No. of Holders	% of Holders	No. of Shares	% of Shares
Upto 500	7453	91.52	1276651	33.45
501 – 1000	445	5.46	363936	9.54
1001-2000	173	2.12	257057	6.74
2001-3000	20	0.25	49456	1.30
3001-4000	14	0.17	51067	1.34
4001-5000	7	0.09	33705	0.88
5001-10000	16	0.20	125300	3.26
10001 and above	16	0.20	1658928	43.47
Total	8144	100	3816100	100

Dematerialization of Shares and Liquidity :

No. of Shares dematerialized - 1711975
No. of Shares dematerialized in percentage - 44.86

Fixed Deposits

The Company has not accepted any fixed deposits during the year.

Address for correspondence

1. Registered office: No. 5, Ranganathan Gardens,
Anna Nagar, Chennai – 600 040.

2. Share Transfer Agent: Cameo Corporate Services Limited,
No. 1, Club House Road, Chennai 600 002
E Mail ID; admin@kaveripower.com / pk@kaveripower.com

Code of Conduct

The Board has laid down a Code of Conduct for all Board Members and senior management of the company. All the Board members and senior management personnel have affirmed compliance with the Code for the year 2011-12.

For and on Behalf of the Board


S. Elangovan

Chairman and Managing Director

Place : Chennai – 600 040
Date : 4th September, 2012

MANAGEMENT DISCUSSION & ANALYSIS REPORT

We submit here the Management Discussion & Analysis Report on the business of the Company for the year ended 31st March 2012. In this we have attempted to include discussion on all the specified matters to the extent relevant or within limits that in our opinion are imposed by the Company's own competitive position.

COMPANY INDUSTRY STRUCTURE & DEVELOPMENTS

During the Financial Year 2005-06, started a Gas based Power Plant through an SPV namely Kaveri Gas Power Limited, at Maruthur Village, Mayiladuturai T.K., Nagapattinam District. The company also received dividend for its investment for the period 2006-2007 to 2011 -2012.

REVIEW OF OPERATIONS

The financial review is available in the Directors report.

OUTLOOK

The Power Sector has a bright future. So the Company actively planning to enter into EPC contracts in power sector and generation of power.

ENVIRONMENT & SAFETY

The Company is very conscious of the need to protect environment. The company is taking all possible steps for safe guarding the environment.

OTHER MATTERS

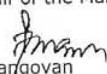
There are no further or typical areas of risks or concerns outside the usual course of business foreseeable at this time. Internal control systems are found to be adequate and are continuously reviewed for further improvement.

CAUTIONARY STATEMENT

Statements in this "Management Discussion & Analysis" which seek to describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be "forward looking statements" with in the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include global and Indian demand-supply conditions, finished goods prices, stock availability and prices, cyclical demand and pricing in the company's markets, changes in the government regulations, tax regimes, economic developments within India and countries with which the company conducts business besides other factors, such as litigation and other labour negotiations.

For and on behalf of the Management Team

Chennai :
4th September, 2012


S. Elargovan
Chairman & Managing Director

Auditors' Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreements.

1. We have examined the compliance with the conditions of Corporate Governance by M/s Elango Industries Limited (the Company) for the year ended 31st March 2012 with the relevant records and documents maintained by the Company and furnished to us for our examination and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance with 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 with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
3. Based on the aforesaid examination and according to information and explanations given to us we Certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges for the year ended 31st March 2012
4. We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders /Investors Grievance Committee.
5. 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

Place: Chennai

Date: 4th September, 2012.

For V. Senthilnathan & Co.,


Chartered Accountants
(V. Senthilnathan)
Partner



ELANGO INDUSTRIES LIMITED
No:5,Ranganathan Gardens, 15th Main Road Extn
Anna Nagar , Chennai -600040

Balance Sheet as at 31st March, 2012

Particulars	Note	As at	As at
		31-03-2012	31-03-2011
		(In Rs.)	(In Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	38,216,000	38,216,000
(b) Reserves and Surplus	2	16,357,992	19,670,226
(c) Money received against share warrants		-	-
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long term provisions	3	22,184	22,184
(4) Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	4	74,714	4,800
(c) Other current liabilities	5	4,867,629	475,477
(d) Short-term provisions		-	-
Total		59,538,519	58,388,687
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	6	1,262,451	1,466,686
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	7	30,630,000	30,630,000
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	8	22,287,213	19,361,525
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables	9	996,205	996,205
(d) Cash and cash equivalents	10	42,650	1,621,114
(e) Short-term loans and advances	11	4,320,000	4,313,157
(f) Other current assets		-	-
Total		59,538,519	58,388,687

Notes referred to above form an integral part of this Balance sheet
Previous figures are regrouped wherever necessary

for **V. SENTHILNATHAN & Co.,**
Chartered Accountants
Firm Reg No: 003711S



(V. SENTHILNATHAN)
Partner
M.No.024244

[Signature]
Company Secretary

[Signature]
S. ELANGOVAN
Managing Director

[Signature]
S.A.PREM Kumar
Director

Place: Chennai
Date : 04/09/2012

ELANGO INDUSTRIES LIMITED

No:5,Ranganathan Gardens, 15th Main Road Extn
Anna Nagar , Chennai -600040

Statement of Profit and Loss for the period 1st April 2011 to 31st March 2012


Particulars	Note	As at 31-03-2012	As at 31-03-2011
		(In Rs.)	(In Rs.)
Revenue from operations		-	-
Other Income	12	3,038,000	3,038,000
Total Revenue		3,038,000	3,038,000
Expenses:			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefit expense	13	5,843,069	1,728,960
Financial costs		-	-
Depreciation and amortization expense	6	204,236	237,407
Other expenses	14	302,929	543,581
Total Expenses		6,350,234	2,509,948
Profit before exceptional & extraordinary items and tax		(3,312,234)	528,052
Exceptional Items		-	-
Profit before extraordinary items and tax		(3,312,234)	528,052
Extraordinary Items		-	-
PROFIT / (LOSS) BEFORE TAX		(3,312,234)	528,052
Tax Expense:			
Current tax		-	-
Deferred tax		-	-
PROFIT (LOSS) FOR THE PERIOD		(3,312,234)	528,052
Earning per equity share:			
(1) Basic		(0.87)	0.14
(2) Diluted		(0.87)	0.14

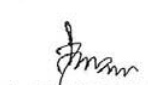
Notes referred to above form an integral part of this Statement of Profit and Loss
Previous figures are regrouped wherever necessary


for **V. SENTHILNATHAN & Co.,**
Chartered Accountants
Firm Reg No: 003711S



(V. SENTHILNATHAN)
Partner
M.NO : 024244


Company Secretary


S. ELANGO VAN
Managing Director


S.A. PREM KUMAR
Director

Place : Chennai
Date : 04/09/2012

Elango Industries Ltd
No.5, Ranganathan Garden, 15th Main Road Extn
Anna Nagar, Chennai 600 040

NOTES FORMING PART OF BALANCESHEET FOR THE YEAR ENDED 31.03.2012

Note - 1		
Particulars	As at 31.03.2012	As at 31.03.2011
	(In Rs.)	(In Rs.)
SHARE CAPITAL		
a. Authorised Capital		
40,00,000 Equity Shares of Rs.10 each	40,000,000	40,000,000
b. Issued & Subscribed Capital :		
38,38,100 Equity Shares of Rs.10 each	38,381,000	38,381,000
Paid up Capital :		
38,16,100 Equity Shares of Rs.10 each	38,161,000	38,161,000
c. Par Value of Shares	10	10
d. Reconciliation of shares		
Opening Balance	3,816,100	3,816,100
Capital raised during the year	-	-
Buy Back of shares	-	-
Closing balance	3,816,100	3,816,100
e. Shares Held by the Holding Company	-	-
f. Shareholder holding more than 5% Share	% of Holding	% of Holding
S Elangovan	15.03%	15.03%
Shanmugam	9.16%	9.16%
Cauvery Power Trading Chennai Ltd	5.24%	5.24%
g. Calls Unpaid On Shares	-	-
h. Forfeited Shares	55,000	55,000
(22000 Forfeited shares of Rs.10 each @ Rs.2.50 paid)		
	38,216,000	38,216,000

NOTE - 2		
RESERVES & SURPLUS		
General Reserve	5,000,000	5,000,000
Subsidy	25,281	25,281
	5,025,281	5,025,281
Profit & Loss Account		
Opening Balance	14,644,945	14,116,893
Add: Profit/(Loss) during the year	(3,312,234)	528,052
	11,332,711	14,644,945
	16,357,992	19,670,226



Elango Industries Ltd
No.5, Ranganathan Garden, 15th Main Road Extn
Anna Nagar, Chennai 600 040

NOTES FORMING PART OF BALANCESHEET FOR THE YEAR ENDED 31.03.2012

NOTE - 3

Particulars	As at 31.03.2012	As at 31.03.2011
	(In Rs.)	(In Rs.)
LONG TERM PROVISIONS		
Provision for MAT	22,184	22,184
	22,184	22,184

NOTE - 4

TRADE PAYABLES :		
Sundry Creditors	74,714	4,800
	74,714	4,800

NOTE - 5

OTHER CURRENT LIABILITIES :		
Staff & Workers Salary payable	334,218	391,850
Audit fees payable	50,562	49,635
TDS payable	200,717	33,586
Outstanding Liabilities	-	406
Related Parties :		
Cauvery Power Generation Chennai Pvt Lt	4,190,423	-
Kaveri Gas Power Ltd	91,709	-
	4,867,629	475,477

NOTE - 7

NON CURRENT INVESTMENTS :		
Investment in Equity instruments		
In Kaveri Gas Power Limited		
25000 Equity Shares @ Rs.10 each fully pe	250,000	250,000
Investment in Preference Shares		
In Kaveri Gas Power Limited		
30,38,000 Equity Shares @ Rs 10 each fully paid	30,380,000	30,380,000
	30,630,000	30,630,000

INVESTMENT

The investment of Rs.2,50,000/- in the Equity Shares of "M/s.Kaveri Gas Power Limited" and investment of Rs.3,03,80,000/- in the Preference Shares of "M/s.Kaveri Gas Power Limited", under the same management whose shares are unquoted are valued at cost. The Management is of the opinion that there is no diminishing value on these Investments.



ELANGO INDUSTRIES LIMITED
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Note : 6

DEPRECIATION & FIXED ASSETS UNDER THE COMPANIES ACT FOR THE YEAR ENDED 31-03-2012

TANGIBLE ASSETS	ROD In %	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
		As on 01.04.2011	Addition	Disposals	As on 31.03.2012	As on 01.04.2011	For the year	Disposals	As on 31.03.2011	As on 31.03.2012
Plant & Machinery	13.91%	4,159,731			4,159,731	2,940,082	169,653		1,219,649	1,049,996
Electrical Installation	13.91%	930,970			930,970	684,778	34,245		246,192	211,947
Frinking Machine	13.91%	13,801			13,801	13,801	-		-	-
Office Equipments	13.91%	16,050			16,050	16,050	-		-	-
Computers	40.00%	505,125			505,125	504,280	338		846	508
Cycle	20.00%	3,012			3,012	3,012	-		-	-
Total		5,628,689			5,628,689	4,162,003	204,236		1,466,687	1,262,451

Expenditure which are of a capital nature are capitalized at cost, which comprises of purchase price of materials, labour, consultancy charges and directly attributable cost of bringing the assets to its working conditions for the intended use.

Depreciation is provided on written down value basis as per the rates prescribed under Schedule XIV of the companies Act, 1956.



Elango Industries Ltd
No.5, Ranganathan Garden, 15th Main Road Extn
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NOTES FORMING PART OF BALANCESHEET FOR THE YEAR ENDED 31.03.2012

NOTE - 8		
Particulars	As at 31.03.2012	As at 31.03.2011
	(In Rs.)	(In Rs.)
LONG TERM LOANS & ADVANCES		
Balance with Statutory Authorities :		
Excise Duty - Cenvat Credit	1,776,645	1,776,645
TDS Receivable 2008-09	-	58,485
TDS Receivable 2009-10	-	15,827
Sales tax Deposit	5,000	5,000
Electricity Subsidy due	10,996,636	10,996,636
Related Parties :		
Cauvery Power Generation Chennai Pvt Ltd - Security Deposit for contracts	7,000,000	4,000,000
Loans and Advances to Others :		
Ankit Ispat Pvt Ltd	2,308,932	2,308,932
Rent Advance	200,000	200,000
	22,287,213	19,361,525

NOTE - 9		
TRADE RECEIVABLES		
Sundry Debtors - Less than six months	-	-
Sundry Debtors - More than six months	996,205	996,205
	996,205	996,205

NOTE - 10		
Cash and Cash Equivalents		
Cash Balances on Hand	8,713	94,634
Balance with Banks :		
State Bank of India	33,937	1,526,480
	42,650	1,621,114

NOTE - 11		
Short term Loans and Advances		
Loans and Advances to Related Parties :		
Cauvery Power Trading Chennai Ltd	4,320,000	4,300,000
Loans and Advances to Others :		
Advance to staff	-	13,157
	4,320,000	4,313,157



ELANGO INDUSTRIES LIMITED
 No:5,Ranganathan Gardens, 15th Main Road Extn
 Anna Nagar , Chennai -600040
NOTES FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED 31.03.2012

NOTE - 12

Particulars	As at	
	31.03.2012	31.03.2011
OTHER INCOMES	(In Rs.)	
Dividend on other investments(Shares) :	3,038,000	3,038,000
Dividend from M/s Kaveri Gas Power Ltd		
	3,038,000	3,038,000
REVENUE RECOGNITION		
Dividend income is recognized on receipt basis.		
The company received dividend of Rs.30,38,000/- from the Investment in shares of the Companies.		

NOTE - 13

Employee Benefit Expense		
Salaries & Wages	5,430,031	1,654,718
Bonus & Incentive	410,100	74,242
Staff welfare exp.	2,938	-
	5,843,069	1,728,960

NOTE - 14

OTHER EXPENSES :		
Rates & Taxes :		
Custodial fee - NSDL & CDSL	42,346	14,888
Demat Expenses	27,575	27,575
Listing Fee	16,545	11,072
Postage Expenses	367	2,125
Printing & Stationery	13,950	20,730
Professional & Legal Expenses :		
Legal & Secretarial charges	-	261,675
Secretarial Fees	38,020	112,401
Audit fee		
Statutory Audit fee	56,180	55,150
Administrative Expenses :		
Advertisement	27,060	28,640
Office Expenses	5,272	6,822
Administrative Expenses	621	1,419
Bank charges	681	1,084
Income Tax Reversal	74,312	-
	302,929	543,581
Auditors remuneration including service tax for the period ended 31.03.12 being Rs. 56,180/-		



ELANGO INDUSTRIES LIMITED

No:5,Ranganathan Gardens, 15th Main Road Extn
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NOTES FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED 31.03.2012

BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

BASIS OF ACCOUNTING

The Financial Statements have been prepared under historical cost convention on accrual basis and comply with notified accounting standards as referred to in Section 211(3C) and other relevant provisions of the per the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Revised Scheule VI to the Companies Act, 1956. Based on the nature of the services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current clasification of assets and liabilities.

USE OF ESTIMATES

The preparation of the financial statements in conformity with the accounting standards generally accepted in India requires the management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates.

The Company is a Small and Medium sized company (SMC) as defined in the general instructions in respect of accounting standards notified under the companies Act 1956. Accordingly, the company has compiled with the accounting standards as applicable to a Small and Medium Sized Company.

VALUATION OF INVENTORY

The company does not have any Inventory as on 31.3.2012.



IMPAIRMENT OF ASSETS

An asset is concerned as impaired in accordance with Accounting Standard 28 on 'Impairment of Assets', when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exists is recoverable amount (i.e. the higher of the asset's net selling price and value in use). There were no reduction or gain against the carrying amount to the recoverable amount and no effect for the impairment is recognized in the profit and loss account.

CONTINGENT LIABILITY

Contingent liabilities as defined in accounting standard 29 on "provisions, contingent liabilities and contingent assets" are disclosed by way of notes to the accounts. Provision is made if it is probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability. There were no transactions covered under this category and no provision has been made during this year.

ACCOUNTING FOR TAXES ON INCOME

Income taxes are accounted for in accordance AS 22 "Accounting for Taxes and Income" issued by the ICAI. Tax expense comprises both current and deferred tax. Current tax is measured at the amount expected to be paid to/ recovered from the tax authorities using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing difference between taxable income and accounting income that are capable of reversing in or more subsequent periods and or measured using relevant enacted tax rates. At each Balance Sheet, the Company reassesses unrecognized deferred tax assets to the extent they have become reasonably certain or virtually certain of realization, as the case may be.

EMPLOYEE BENEFITS

Defined Contribution Plan

The Company has defined contribution plans for employees. But there are no permanent employees during the financial year. Hence there is no Contributions Paid/Payable to these plans during the financial year.

FOREIGN CURRENCY TRANSACTION

There is no foreign currency transaction during the financial year 2011-12, hence there is no exchange difference.

SEGMENT REPORTING

As The Company has closed down its operation, there are no separate reportable segments as per Accounting Standard (AS) 17 "Segment Reporting"



RELATED PARTY TRANSACTION

In accordance with Accounting standard (AS) 18, the disclosures required as given below:

Particulars	Subsidiary Company	Other Company(s)	Key Management Personnel	Financial Year Ended 31.03.2011	Financial Year Ended 31.03.2012
Loans & Advances	N.A.	Cauvery Power Trading Chennai Limited	S.Elangovan S.A. Premkumar K.S.Shanmugam	43,00,000	43,20,000
Investment	N.A.	Kaveri Gas Power Ltd	S. Elangovan S.A. Premkumar K. S. Shanmugam	2,50,000 (In Equity Shares)	2,50,000 (In Equity Shares)
				3,03,80,000 (In Preference Shares)	3,03,80,000 (In Preference Shares)
Current Liabilities	N.A.	Cauvery Power Generation Chennai Private Limited	S. Elangovan S.A. Premkumar	NIL	4,190,423
Current Liabilities	N.A.	Kaveri Gas Power Limited	S. Elangovan S.A. Premkumar K. S. Shanmugam	NIL	91,709
Security Deposit for Contracts	N.A.	Cauvery Power Generation Chennai Private Limited	S. Elangovan S.A. Premkumar	4,000,000	7,000,000

EARNINGS PER SHARE:

Basic/Diluted earnings per share is calculated by dividing the net profit/loss for the year attributable to equity

Particulars	Current Year 2011-12	Previous Year 2010-11
Profit after Tax	-3312234	5,28,052
Less: Dividend on preference shares (including corporate dividend tax)	-	-
Profit after tax for equity share holders- Basic (numerator)	-3312234	5,28,052
Add/(Less): Exchange loss/(gain) on FCCBs'	-	-
Profit after tax for equity share holders- Diluted (numerator)	-3312234	5,28,052
Earning per share - Basic	(0.87)	0.14
Earning per share - Diluted	(0.87)	0.14
Nominal value per share	10	10
Weighted average number of equity shares for Basic EPS (denominator)	38,16,100	38,16,100
Weighted average number of equity shares for Diluted EPS (denominator)	38,16,100	38,16,100



DISCONTINUED OPERATIONS (PURSUANT TO AS 24):

1. Discontinued since	: 01.08.2003 Primarily Manufacturing of Steel
2. Segment	: Ingots
3. Carrying amount of total assets	: Rs.17345869/-
4. Carrying amount of total liabilities	: NIL
5. Profit from ordinary activities	: NIL
6. Income Tax expenses	: NIL
7. Gain on Disposal of Assets	: NIL
8. Cash flow from discontinued operations.	
Operating activities	: }
Investing activities	: }
Financial activities	: NIL }

In the opinion, of the Board of Directors and to the best of their knowledge and belief, the value on realization of Current Assets, Loans and Advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance sheet.

Confirmation of Balances from certain parties for the amounts due to them or due from them is yet to be received / reconciled.

For the year ended on March 31, 2012, the company has not generated any sales revenue from the Plant & Machinery capable of manufacturing 13000 tons P.A of Steel Ingots from Metal Scraps during the financial year 2011-12 but earned only exempted dividend income from the investment in shares of companies.



The timing differences related mainly to depreciation and unabsorbed losses and the net effect of such differences will result in deferred tax asset or liability. The company has not earned any taxable income hence as a measure of prudence net deferred tax asset relating to the above period has not been recognized in the accounts.

Since there is no tax liability, no Provision for Income Tax has been made in the books of accounts as per the provisions of the Income Tax Act.

MANAGERIAL REMUNERATION

Payment of Managerial Remuneration and other benefits inclusive of perquisites not made to the Managing Director and Director against their option.

MICRO, MEDIUM & SMALL ENTERPRISES ACT, 2006.

In spite of the absence of a database identifying Creditors as Small Scale industrial Undertakings, it is the opinion of the management that there are no parties, which can be classified as Small Scale industrial Undertaking to whom the Company owes any sum. The Auditors have accepted the representation of the management in this matter.

As per the Business Plan prepared by the Management, they are exploring the possibilities to revive the manufacturing activities along with the present investment of surplus funds into the diversified projects.

According to the information and explanation given to us, we are of the opinion that the changes in the Fixed Assets have not affected the going concern status of the company.

Figures shown in the accounts have been rounded off to the nearest rupee.

Notes 1 to 14 are annexed to and forming part of the accounts.



ELANGO INDUSTRIES LIMITED
No.5, Ranganathan Gardens, 15th Main Road Extn.,
Anna Nagar, Chennai - 600 040
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH,2012

	As on 31.03.2012 (In Rs.)	As on 31.03.2011 (In Rs.)
I. CASH INFLOWS :		
1) From Operating Activities		
a) Profit from operating activities	-	528,052
Adjustments :		
Depreciation	-	237,407
Dividend Income	-	(3,038,000)
b) Working Capital Changes		
Increase in Current Liabilities	4,462,066	404,127
TOTAL	4,462,066	(1,868,414)
2) From Investing Activities		
Dividend Received	3,038,000	3,038,000
3) From Financing Activities		
-	-	-
TOTAL CASH INFLOWS	7,500,066	1,169,586
II. CASH OUTFLOWS :		
1) From Operating Activities		
a) Loss from operating activities	3,312,234	-
Adjustments :		
Depreciation	(204,235)	-
Dividend Income	3,038,000	-
b) Working Capital Changes		
Increase in Current Assets	2,932,531	13,157
Decrease in current Liability	-	28,273
c) Direct Taxes paid	-	-
TOTAL	9,078,530	41,430
2) From Investing Activities		
-	-	-
3) From Financing Activities		
-	-	-
TOTAL CASH OUTFLOWS	9,078,530	41,430
III.NET,(DECREASE)/INCREASE IN CASH & CASH EQUIVALENT :	(1,578,464)	1,128,156
Add : Cash & cash equivalent at the beginning of the period	1,621,114	492,958
IV. CASH & CASH EQUIVALENT AT THE END OF THE PERIOD	42,650	1,621,114
Balance With Bank	33,937	1,526,480
Cash on hand	8,713	94,634
TOTAL	42,650	1,621,114

We have verified the Cash Flow Statement for the year ended on 31st March, 2012 of M/s.ELANGO INDUSTRIES LIMITED with reference to the Audited Annual Accounts for the said period and found the same to be correct

As per our attached report of even date.

For V. SENTHILNATHAN & Co.,
Chartered Accountants
ICAI F.No.:003711S



(V. SENTHILNATHAN)
Partner
M.No.:024244

(Signature)
Company Secretary

(Signature)
(S. ELANGO VAN)
Managing Director

(Signature)
(S.A.PREM KUMAR)
Director

Place : Chennai
Date : 04/09/2012



V. SENTHILNATHAN & CO
Chartered Accountants

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AUDITOR'S REPORT TO THE MEMBERS OF THE COMPANY

The Members of **M/S. ELANGO INDUSTRIES LIMITED,**

1. We have audited the attached Balance Sheet of **M/S. ELANGO INDUSTRIES LIMITED**, No.5, RANGANATHAN GARDENS, ANNA NAGAR, CHENNAI -600 040, as at 31st March 2012 and the Statement of Profit and Loss for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements 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 Central Government of India in terms of sub - section (4A) of section 227 of the Companies Act, 1956, we enclosed in the Annexure a statement on the matters specified in paragraphs 4 and 5 the said Order.
4. Further to our comments in the Annexure referred to above, we report that;
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books of the Company.
 - (iii) The Balance Sheet, Statement of Profit and Loss and cash flow statement dealt with by this report are in agreement with the books of account of the Company.





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- (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub - section (3C) of section 211 of the Companies Act, 1956, to the extent applicable.
- (v) On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub - section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012; and
- b) In the case of the Statement of Profit and Loss, of the profit/loss for the year ended on that date: and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For V. SENTHILNATHAN & Co.,
Chartered Accountants
ICAL.F.No: 003711S


(V.SENTHILNATHAN)
Partner
M. No: 24244



Place : Chennai.
Date : 04.09.2012



V. SENTHILNATHAN & CO
Chartered Accountants

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ANNEXURE

M/S. ELANGO INDUSTRIES LIMITED

Referred to in paragraph 3 of our report of even date.

- [i] [a] The Company has maintained proper records showing full particulars including quantitative details of its fixed assets.
- [b] All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- [c] During the year there was no disposal of fixed assets by the Company.
- [ii] As the Company does not possess any Inventories during this year, the provisions of clause 4(ii) of the Companies (Auditors Report) Order, 2003 are not applicable.
- [iii] In our opinion, no loans that has been taken from / granted to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 is not, prima facie, prejudicial to the interest of the Company
- [iv] In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of goods, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- [v] According to the information and explanations given to us, we are of the opinion that there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- [vi] In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public under the provisions of sections 58(A) and 58(AA) of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 (as per our report).





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- [vii] In our opinion, the Company has an in-house internal audit system commensurate with the size and nature of its business.
- [viii] We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the central government for the maintenance of cost Records under Section 209 (1) (d) of the Companies Act, 1956 in respect of the Company's products to which the said rules are made applicable, and are of the opinion that prima facie prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate.
- [ix] (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, custom duty, excise duty, cess and other material statutory dues applicable to it except sales tax.
- (b) According to the information and explanation given to us, the undisputed amount payable in respect of sales tax arrears for a period of more than six months from the date they became payable is Rs.85,454/- (Previous Year Rs.85,454/-).
- (c) On the basis of our examination of the documents and records of the Company and the information and explanations given to us upon our enquiries in this regards, disputed amounts payable in respect of income-tax not deposited with the appropriate authorities is Rs.27,59,978/- (Previous Year Rs.27,59,978/-).
- [x] The Company has ~~not~~ incurred cash losses during the financial year covered by our audit and immediately preceding financial year.
- [xi] In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institutions, bank or debenture holders. Hence, the provisions of clause 4(xi) of the Companies (Auditors Report) Order, 2003 are not applicable.
- [xii] We are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the year under consideration. Accordingly the provisions of clause 4(xii) of the Companies (Auditors Report) Order, 2003 are not applicable.
- [xiii] In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.





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- [xiv] In our opinion, the Company is not dealing in or trading in Shares, Securities, Debentures and other Investments. Accordingly the provisions of Clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- [xv] According to the information given to us, we are of the opinion that the Company has not given any guarantee for loans taken by an associate Company. Hence the provisions of clause 4(xv) of the Companies (Auditors Report) Order, 2003 are not applicable.
- [xvi] In our opinion, no term loan has been availed by the Company. Hence the provisions of clause 4(xvi) of the Companies (Auditors Report) Order, 2003 are not applicable.
- [xvii] As we were not able to establish any audit trail of fund flows which can correlate end use with corresponding funds raised, 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 in nature have been used for long term investment and vice versa.
- [xviii] According to the information and explanations given to us, 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. Hence the provisions of clause 4(xviii) of the Companies (Auditors Report) Order, 2003 are not applicable.
- [xix] According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures. Hence the provision of clause 4 (xix) of the Companies (Auditors Report) Order, 2003 are not applicable.
- [xx] During the period covered by our audit report, the Company has not raised any money through public issue. Hence, the provisions of Clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.





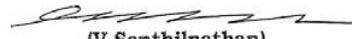
V. SENTHILNATHAN & CO

Chartered Accountants

[xxi] According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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**For V.SENTHILNATHAN & CO.,
Chartered Accountants
ICAI.F.NO: 003711S**


**(V.Senthilnathan)
Partner
M.No.: 024244**



Place : Chennai
Date : 04.09.2012