



THE YASH BIRLA GROUP

Birla Precision Technologies Limited

24th Annual Report

2010-11

BPT
BIRLA
PRECISION

ISO 9001 : 2000 &
ISO 14001 : 2004
CERTIFIED

COMPANY INFORMATION

BOARD OF DIRECTORS	: Shri Yashovardhan Birla - Chairman Shri M.S. Arora - Managing Director Shri P.V.R. Murthy - Director Shri Shailesh Sheth - Director Shri M.S. Adige - Director Shri Augustine Kurias - Director
COMPANY SECRETARY	: Ms. Lovelina Cecil Faroz (Appointed w.e.f. 13 th May, 2011)
AUDITORS	: M/s Chaturvedi & Shah Chartered Accountants 714-715, Tulsiani Chambers, 212, Nariman Point, Mumbai – 400 021
BANKERS	: ICICI Bank Bank of Maharashtra
REGISTERED OFFICE	: B-15/4, M.I.D.C., Waluj, Aurangabad – 431 133 (M.S.)
PLANT LOCATIONS	: Tool Holder Division: - B- 15/4, M.I.D.C., Waluj, Aurangabad – 431 133 Tool Division: - B-15/3/1, M.I.D.C., Waluj, Aurangabad – 431 133 - 62/63, M.I.D.C., Satpur, Nashik – 422 007
REGISTRAR & SHARE TRANSFER AGENTS	: M/s. Kary Computer Shares Private Limited 17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081 (A.P.)

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24th Annual General Meeting

Friday, 30th September, 2011 at 3.00 p.m.
at Registered Office of the Company at B-15/4,
M.I.D.C., Waluj, Aurangabad - 431 133 (M.S.)

Notice of the 24th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 24th ANNUAL GENERAL MEETING OF BIRLA PRECISION TECHNOLOGIES LIMITED will be held on Friday, 30th September, 2011 at 3.00 p.m., at the Registered Office of the Company at B-15/4, M.I.D.C., Waluj, Aurangabad - 431 133 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date together with the Report of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Augustine Kurias who retires by rotation, and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Chaturvedi & Shah, Chartered Accountants, (Registration no. 101720W) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company.

RESOLVED FURTHER THAT the Statutory Auditors be paid such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors, plus reimbursement of out of pocket expenses.”

SPECIAL BUSINESS:

4. **REVISION IN THE TERMS OF APPOINTMENT OF SHRI M. S. ARORA, MANAGING DIRECTOR OF THE COMPANY:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:-

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government and such alterations and modifications, if any, that may be effected by the Central Government in granting such approvals, consent of the Company be and is hereby accorded to the payment of remuneration including salary, allowances, perquisites and benefits to Shri M. S. Arora, Managing Director as per the terms and conditions as set out hereunder, with effect from 11th August, 2011 till the expiry of his present term i.e. 29th July, 2014, notwithstanding that such remuneration is in excess of the limits specified in Part II of Schedule XIII of the Companies Act, 1956:

Salary/Perquisites/Benefits/Allowance

1. Shri M. S. Arora shall be entitled to a salary, perquisites, allowances & benefits not exceeding Rs. 75,00,000 per annum.
2. Perquisites, benefits and allowance includes House Rent Allowance, Furnishing Allowance, House Maintenance, gas, electricity, water, Medical Re-imburement, Leave Travel Concession for self & family, Car Maintenance and Drivers allowance, etc. and any other perquisites, benefits & allowances as per the policy/rules of the Company that may be in force. Allowances and perquisites shall be valued as per the Income Tax Rules, wherever applicable in the absence of any such Rules, the perquisites shall be evaluated at actual costs of the Company.
3. Shri M. S. Arora shall also be entitled to Company’s contribution to Provident Fund, Superannuation Fund, Pension Fund, Gratuity, Encashment of Leave at the end of his tenure as Managing Director, as per the policies/rules of the Company and the same shall not be included for the purposes of computation of perquisites.

RESOLVED FURTHER THAT the remuneration as mentioned above be paid to Shri M. S. Arora as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and / or vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Shri M. S. Arora from time to time, as deemed expedient or necessary and the terms of agreement shall be suitably modified to give effect to such alteration and/or variation.”

5. RAISING OF FUNDS THROUGH FURTHER ISSUE OF SECURITIES:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to and in accordance with the provisions of Section 81 (1), 81 (IA) and all other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) and all other applicable laws and regulations including the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a person Resident outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to any required approval, consent, permission and / or sanction of the Ministry of Finance (Department of Economic Affairs) and of Ministry of Industry (Foreign Investment Promotion Board/ Secretariat for Industrial Assistance) and all other Ministries / Departments of the Government of India and the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and / or any other competent authorities and pursuant to the Securities and Exchange Board of India guidelines, the Reserve Bank of India Guidelines, the relevant provisions of the Memorandum and Articles of Association of the Company and the provisions of the Listing Agreement(s) with Stock Exchange on which the shares of the Company are listed (including any amendment thereto or re-enactment of all or any of the aforesaid) and subject to all such approvals, permissions, sanctions and consents, if any, as may be required under applicable laws and regulations and of concerned authorities, bodies and agencies and subject to such conditions and modifications as may be prescribed by any of the above said authorities, bodies and agencies, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee thereof which the Board may have or may hereafter constitute, to which all or any of the powers hereby conferred on the Board by this Resolution, have been or may hereafter at any time be delegated), the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot (with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), from time to time in one or more tranches, whether rupee denominated or denominated in foreign currency, in consultation with the Lead Manager(s) and/or Underwriter(s) and/or other advisor(s), (i) Foreign Currency Convertible Bonds and/or other Securities including debentures convertible, at the option of the Company and/or entitling the holder thereof to apply and convert at his option into equity shares, and/or (ii) other securities convertible into or exchangeable with or linked to equity shares, and/or (iii) securities with or without detachable Warrants with a right exercisable by the warrant holder to subscribe for equity shares , and/or (iv) Warrants with a right or option exercisable by the warrant holder to convert or subscribe to equity shares, and/or (v) equity shares, preference shares or other convertible/non convertible securities of the Company, through public issue, right issue, Global Depository Receipts, American Depository Receipts, Qualified Institutions Placement, private offerings or through depository receipt mechanism, participatory notes or otherwise (all hereinafter collectively referred to as the “Securities”) and/or any combination of securities in domestic and/or one or more international markets to any person including promoters, existing shareholder(s), employee(s), Indian Public, Qualified Institutional Buyer(s), domestic institution(s), institutional investor(s), bank(s), mutual fund(s), companies, bodies corporate or other entities, individuals or other persons (collectively referred to as the “Investors”), whether residents and/or non- residents and/or strategic investors and/or corporate bodies and whether or not such investors are members of the Company, as may be permitted under applicable laws and regulations, of an aggregate amount not exceeding Rs. 200 Crores or equivalent thereof in one or more foreign currency and/or Indian rupees, inclusive of such premium as may be fixed on such Securities, by offering the Securities through public offer and/or offer letter and/or placement document and/or circular and/or information memorandum and/or such other documents writings, and/or on private placement basis and/or a combination thereof in such manner, on such terms and conditions and at such time or times as may be determined by the Board in its absolute discretion, with power to settle details as to the form and terms of issue of the Securities and all other terms, conditions and matters connected therewith including to accept any modifications thereto or therein as may be required by concerned authorities and/or persons involved with any such issue of Securities subject, however, to all applicable laws and regulations.

RESOLVED FURTHER THAT in the event of issue of Securities by way of Global Depository Receipts and/or American Depository Receipts and/or Foreign Currency Convertible Bonds, the relevant date on the basis of which floor price for the underlying shares shall be determined, shall be the date as specified under the applicable law or regulation.

RESOLVED FURTHER THAT the relevant date for determination of the floor price of the equity shares that may be issued

by way of Qualified Institutions Placement pursuant to Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, is as follows:

- (i) in case of allotment of equity shares, the date of the meeting in which the Board decides to open the proposed issue;
- (ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares.

RESOLVED FURTHER THAT the pricing of the securities and the pricing of any equity shares issued upon the conversion of the securities shall be made subject to and in compliance with the applicable laws and regulations.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares, with or without conversion rights, with or without voting rights or variation of the conversion price of the Securities during the duration of the Securities and the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed.

RESOLVED FURTHER THAT without prejudice to the generality of the foregoing, the Board be and is hereby authorized to prescribe with respect to the aforesaid issue of the Securities, all or any of the terms or any combination of terms thereof in accordance with local and/or international practice including but not limited to conditions in relation to offer, issue and allotment of the Securities, payment of interest, dividend, premium and redemption or early redemption of Securities, debt service payments and any other payments whatsoever, voting rights and all such terms as are provided in domestic and/or international offerings of this nature including terms for such issue, or variation of the price or period of conversion of any Securities into equity shares or issue of equity shares during the duration of the Securities or terms pertaining to early redemption of Securities and/or conversion into equity shares.

RESOLVED FURTHER THAT in the event any of the Securities are issued in international / foreign capital market, the issue of such Securities shall be deemed to have been made abroad in the market and/or at the place of issue of such Security in the international market and shall be governed by the applicable domestic/foreign laws and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares pursuant hereto and/or as may be required to be issued and allotted upon conversion of any of the Securities referred to above or as may be necessary in accordance with the terms of offering thereof and all Equity Shares so issued and allotted shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing Shares of the Company unless otherwise specified in the relevant terms.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and any offer, issue and allotment of Securities, the Board be and is hereby authorized to take all such actions, give such directions and to do all such acts, deeds and things as may be necessary, desirable or incidental thereto and matters connected therewith including without limitation, appointment of such Consultants, Lead Managers, Underwriters, Guarantor(s), Depositories, Custodian(s), Registrar(s), Agent(s), Authorised Representatives, Trustee(s), banker(s), Lawyer(s), Merchant Banker(s) and any other Advisor(s), Professional(s) and intermediaries as may be required and to pay them such fees, commission and other expenses as it deems fit and enter into or execute all such agreement(s)/arrangement(s), MOU(s)/placement agreement(s)/underwriting agreement(s)/deposit agreement(s)/trust deeds/subscription agreement/payment and conversion agency agreement/ or any other agreement(s) or document(s) with any such agencies, list the securities in domestic and/or international stock exchange(s), authorizing any director(s) or any officer(s) of the Company, to sign for and on behalf of the Company offer document(s), agreement(s), arrangement(s), applications, authority letter or any other related paper(s)/document(s), give any undertaking(s), affidavit(s), certificate(s), declaration(s) as he/she may in his/her absolute discretion deem fit including without limitation the authority to amend or modify such document(s).

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers to any Director or Committee of Directors/Company Secretary / other persons authorized by the Board to give effect to the aforesaid resolutions.”

6. INCREASE IN BORROWING POWERS

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose) pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, (including any statutory modification or re-enactments thereof for the time being in force) and other applicable provisions, if any, of the Companies Act, 1956, and in supersession of all resolutions passed in this regard, to borrow any sum or sums of money from time to time from any one or more of the Company’s bankers and/or from any one or more other persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise including External Commercial Borrowings/ Foreign Currency Convertible Bonds and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company’s assets and properties whether movable or stock-in-trade (including raw materials, stock in process, finished goods, stores, spare parts and components in stock or in transit) and work-in-progress and all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed, together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however, that the total amount up to which the moneys may be borrowed by the Board and outstanding at any time shall not exceed the limit of Rs.500 Crores (Rupees Five Hundred Crores only), exclusive of interest and the Board may execute such deed of hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments or writings as they may think fit and containing such conditions and covenants as the Board may think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things that may be necessary, desirable or expedient for giving effect to this resolution.”

7. CREATION OF CHARGE / MORTGAGE

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose) under Section 293(1)(a) of the Companies Act, 1956 and all other applicable provisions of the companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force) to mortgage and/or charge the whole or substantially the whole of the undertaking including the immovable or movable properties of the Company wherever situated, both present and future in such form and in such manner as the Board may think fit, for securing any borrowings of the Company made in accordance with the provisions of Section 293(1)(d) of the Companies Act, 1956 and all other applicable provisions of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force) in the form of loans and/or advances already obtained or that may be obtained from any financial institutions/ banks/insurance companies or person or persons, and/or any debenture/bonds issued or that may be issued and all interests, compound/additional interest, commitment charges, costs, charges, expenses and all other monies payable to the concerned lenders.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard.”

By Order of the Board of Directors

Place:Mumbai
Date: 8th September, 2011

Lovelina Cecil Faroz
Company Secretary

NOTES

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the businesses under Item No. 4 to Item No. 7 set out above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The Proxy Form as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS (48 hours) before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member organization.
3. Pursuant to Clause 49 of the Listing Agreement, the details of the Directors seeking re-appointment at the ensuing Annual General Meeting is provided in the Corporate Governance Report.
4. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday 28th September, 2011 to Friday 30th September, 2011 (both days inclusive).
5. Pursuant to the provisions of the Companies Act, 1956 dividend declared at the Annual General Meeting of the Company held on 20th September, 2005, 25th July, 2006, 27th September, 2007, 18th September, 2008 and 30th September, 2009 if not claimed within seven years of such declaration respectively will be transferred to Investor Education and Protection Fund (IEPF). Members who have not encashed their dividend warrants for the aforesaid years are advised to send requests for issuance of duplicate dividend warrants (in case they have not received the Dividend Warrants) and / or revalidation of unencashed Dividend Warrants still held by them, to the Registrars and Transfer Agents of the Company under the heading "Dividend Revalidation". It may also be noted that once the unclaimed dividend is transferred to IEPF, as above, no claim shall lie in respect thereof.
6. Members are requested to:-
 - a. bring their copies of the Annual Report at the time of attending the Annual General Meeting
 - b. complete the attendance slip and deliver the same at the entrance of the meeting hall
 - c. send their questions atleast 10 days in advance before the Annual General Meeting about any further information on accounts or other related topics in the Annual Report so as to enable the Company to answer their question satisfactorily.
7. Members holding shares in physical form may be aware that trading of the Equity Shares of the Company has to be in demat form. In view of this and several other benefits of holding shares in demat mode, you are requested to have your shares dematerialized to avail the benefits of electronic form of trading.
8. Members are requested to promptly notify immediately any change in their addresses to the Company's Registrars and Share Transfer Agents for shares held in physical form and to their respective Depository Participants for shares held in electronic form. This will help the Company and its Registrars and Share Transfer Agents to provide efficient and better service to the Members.

By Order of the Board of Directors

Place: Mumbai
Date: 8th September, 2011

Lovelina Cecil Faroz
Company Secretary

Registered Office:
B-15/4, M.I.D.C., Waluj,
Aurangabad – 431 133

ANNEXURE TO NOTICE

The following Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956 (the Act), sets out all material facts relating to the business mentioned at Item No. 4 to Item No. 7 of the accompanying Notice:

Item No. 4

REVISION IN THE TERMS OF APPOINTMENT OF SHRI M. S. ARORA, MANAGING DIRECTOR OF THE COMPANY:

Shri M. S. Arora was appointed as an Executive Director of the Company and subsequently he was appointed as Managing Director of the Company w.e.f. 30th September, 2009.

The Remuneration Committee and the Board of Directors of the Company in their meeting held on 11th August, 2011 have recommended paying remuneration to Shri M. S. Arora w.e.f. 11th August, 2011 subject to the approval of the shareholders of the Company and the Central Government / other statutory authorities, if required.

Shri M. S. Arora, aged 49 years is a qualified BSE (Mechanical) from REC, Bhopal. He has more than two decades of experience in the field of Operations, Marketing, Export and General Management. Prior to joining the Company, he was the Chief Operating Officer of Man Industries Limited. He has also held various senior level positions in Welspun Gujarat Stahl Rohren Limited, PSL Limited and Voltas Limited. The Company has benefited from his rich and varied experience and continues to do so.

The remuneration as mentioned in the notice may be treated as an abstract to the variation of the contract of appointment of Shri M. S. Arora, Managing Director under Section 302 of the Companies Act, 1956.

None of the Directors, except Shri M. S. Arora is concerned or interested in this resolution.

The Board recommends the resolution as mentioned in the item no. 4 of the notice.

INFORMATION PURSUANT TO SCHEDULE XIII OF THE COMPANIES ACT, 1956

I. GENERAL INFORMATION

1. Nature of Industry:

- The Company is a Manufacturer of a comprehensive range of high precision CNC Tooling systems, which form an essential component of the CNC machinery that is used in various manufacturing sectors such as, automobiles, general and heavy engineering and consumer durables. (Defense, Railways and Electrical industry)

2. Date or expected date of commencement of commercial production:

The Company was incorporated on 13th October, 1986 and the date of commencement of business is 16th December, 1986

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable

4. Financial Performance based on given indicators:

(Rs. in Lacs)

Financial Year ended	2010-2011	2009-2010	2008-2009
Net Sales	10684	7913	2714
Total Income	10905	8036	27344
Total Expenditure	8494	7093	23562
Profit before Tax	1522	151	944
Profit after Tax (after prior period adjustments)	659	96	561

5. Export performance and net foreign exchange collaborations, if any:

Not Applicable

II. INFORMATION ABOUT THE APPOINTEE:

1. Background details:

Shri M. S. Arora, aged 49 years is a qualified BE (Mechanical) from REC, Bhopal. He has more than two decades of experience in the field of Operations, Marketing, Export and General Management. Prior to joining the Company, he was the Chief Operating Officer of Man Industries Ltd. He has also held various senior level positions in Welspun Gujarat Stahl Rohren Ltd., PSL Limited and Voltas Limited. He was appointed as the Executive Director of the Company and Managing Director w.e.f. 30th July, 2009.

2. Past Remuneration:

Shri M. S. Arora is also a Managing Director of Zenith Birla (India) Limited and accordingly draws remuneration as such upto an overall limit of Rs. 1.25 crores.

3. Recognition or awards:

In the Partner's Meet, 2011 Birla Precision Technologies Limited received acknowledgement in pursuit of delivering quality products ontime competitively from Godrej Toolings. This was possible due to the leadership of Shri M.S. Arora.

4. Job Profile and his suitability:

The Managing Director is entrusted with substantial powers of management in respect of the whole of the affairs of the Company subject to the superintendence, control and direction of the Board of Directors. He will also perform such duties and exercise such powers as have been or may be entrusted to or conferred upon him by the Board from time to time.

5. Remuneration Proposed:

As per the details contained in the Notice of the 24th Annual General Meeting.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The executive remuneration in the industry has increased manifold in the past few years. Having regard to the type of industry, trends in industry, size of the Company, the responsibilities, academic background and capabilities of Shri M. S. Arora, the proposed remuneration is well within the remuneration payable to Directorial personnel holding similar stature/position in the industry.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Shri M. S. Arora has no pecuniary relationship with the Company, other than his remuneration as Managing Director of the Company. There are no managerial personnel related to Shri M. S. Arora.

III. OTHER INFORMATION:

1. Reasons of loss or inadequate profit:

The Company has adequate profits for the financial year ending 31st March, 2011, however the global slowdown and the rise in price of the raw material may impact the profit margins of the Company in future.

2. Steps Taken or proposed to be taken for improvement

Through better productivity and optimum utilization of capacity.

3. Expected increase in productivity and profits in measurable terms

In the competitive environment, it is difficult to estimate increase in revenue/profit. The management is confident of further increase in revenues and profits in coming years through increase in its productivity and utilization of capacity.

The explanatory statement with accompanying notice may be considered as an abstract and memorandum of concern/ interest as required under Section 302 of the Companies Act, 1956.

Item No: 5

The management is contemplating to expand its manufacturing facilities and to increase the demand by augmenting the financial resources of the company. It is proposed to raise funds by further issue of shares/securities by way of and through issuance of shares/foreign currency convertible bonds/share warrants/equity linked securities/ADRs/GDRs as may be permitted under applicable laws



and regulations and as may be deemed necessary and beneficial to the Company in the due course of time. The proceeds of the issue are proposed to be utilized towards expansion projects, long term capital and general corporate purposes.

The detailed terms and conditions for offer will be determined in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

As per Section 81 (IA) of the Companies Act, 1956, whenever it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of such Company unless the shareholders in a General Meeting by way of Special Resolution decide otherwise. As the Special Resolution proposed in the Item no. 5 of the Notice results in the issue of shares/securities of the Company to members and /or non-members of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81(1), 81 (IA) and other applicable provisions of the Companies Act, 1956 and the clauses of Listing Agreement executed by the Company with Stock Exchanges where the Equity Shares of the Company are listed.

The Special Resolution seeks to provide enabling authority to the Board of Directors of the Company to issue shares/securities as mentioned in the Resolution.

The Board recommends the resolution set out at Item No. 5 of the Notice for approval of the members.

None of the Directors of the Company are interested or concerned in the above resolution, except to the extent of their shareholding.

Item No: 6

In terms of provision of section 293 (1)(d) of the Companies Act, 1956, the Board of Directors of the Company, cannot except with the consent of the Company in General Meeting, borrow money, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of aggregate of paid up capital and its free reserves not set apart for any specific purpose.

At the Annual General Meeting held on 18th September, 2008 authority was accorded to the Board of Directors of your Company to borrow upto an amount of Rs. 150 Crores. (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) notwithstanding the fact that the monies so borrowed may exceed the paid up share capital of the company and its free reserves. In view of the increase in the paid-up share capital of the Company and its free reserves and keeping in view the Company's business requirement, the Board considers it as necessary to increase the said borrowing powers upto an amount of Rs 500 Crores.

The Board recommends the resolution set out at Item No. 6 of the Notice for approval of the members.

None of the Directors is concerned or interested in the resolution.

Item no. 7

The borrowing of the Company are in general required to be secured by suitable mortgage or charge on all or any of the movable or immovable properties of the Company in such form, manner and rankings as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s)

Under section 293 (1)(a) of the Companies Act, 1956, the Board of Directors, except with the consent of the shareholders in a General Meeting, cannot create mortgage and/or charge the whole or substantially the whole of the undertaking including the immovable or movable properties of the Company to secure the borrowings made by the Company made in accordance with the provisions of Section 293(1)(d) of the Companies Act, 1956 in favour of lender(s).

The Board recommends the resolution set out at Item No. 7 of the Notice for approval of the members.

None of the Directors is concerned or interested in the resolution.

By Order of the Board of Directors

Place: Mumbai

Date: 8th September, 2011

**Lovelina Cecil Faroz
Company Secretary**

Registered Office:

B-15/4, M.I.D.C., Waluj,

Aurngabad – 431 133

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011

To the Members,

Your Directors are pleased to present the Twenty Fourth Annual Report on the business and operations of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS:

(Rs. in Lacs)

Particulars	2010-2011	2009-2010
Net sales including other Income	10905	8036
Profit before Interest, Depreciation and Tax	2411	943
Less: Interest & Financial Charges	315	242
Profit before Depreciation and Taxation	2096	701
Less: Depreciation & Amortisation	574	550
Profit before taxation	1522	151
Less: Provision for taxation	863	55
Net profit after taxation	659	96
Add/(Less) Prior period adjustments	--	--
Profit for the year	659	96
Balance of Profit & Loss account as per last Balance Sheet	3540	1270
Add: Net surplus for the year ended 31 st March, 2010 transferred from Zenith Birla (India) Limited on account of merger of Tool Division	--	426
Add: Net surplus as per Scheme of Merger of Tool Division of Zenith Birla (India) Limited	--	1748
Total profit available for appropriation	4199	3540
Appropriation:		
Transferred to General Reserve	--	--
Proposed Dividend	--	--
Tax on Dividend	--	--
Balance carried to Balance Sheet	4199	3540

PERFORMANCE REVIEW

The Sales and Other Income of the Company for the financial year 2010-11 stood at Rs. 10905 lacs as against last year's Rs. 8036 lacs. The Profit before tax is increased to Rs. 1522 lacs as against Rs. 151 lacs of last year. Profit after tax stood at Rs. 659 lacs against Rs. 96 lacs of last year.

DIVIDEND

Your Directors have not recommended dividend for the year ended 31st March, 2011 considering the fund requirement for future business expansion.

SUBSIDIARY COMPANY

Your Company does not have any Subsidiary Company.

PUBLIC DEPOSIT

Your Company has not accepted any fixed deposit from the public. As such, no amount of principal or interest is outstanding as on the Balance Sheet date.

DIRECTORS

Shri Augustine Kurias, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Shri M.S Arora was appointed as an Additional Director on 22nd October, 2008 and later was regularized as a Director on 30th September, 2009. He was also appointed as Managing Director on 30th September, 2009 without any remuneration.

The Remuneration Committee and the Board of Directors of the Company in their meeting held on 11th August, 2011 have recommended paying remuneration as mentioned in the notice of the Annual General Meeting to Shri M. S. Arora w.e.f. 11th August, 2011 subject to the approval of the shareholders of the Company and the Central Government / other statutory authorities.

DIRECTORS RESPONSIBILITY STATEMENT

The Company is in compliance with various accounting and financial reporting requirements in respect of the financial statement for the period under review. Pursuant to Section 217(2AA) of the Companies Act, 1956, and in respect of the annual accounts for the period under review, the Directors hereby confirm that:

- I) In the preparation of the annual accounts, the applicable accounting standards have been followed except for Accounting Standard -2, which has been explained in the para - "Auditors & Auditors' Report";
- II) Appropriate accounting policies have been selected and applied 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 and of the profit or loss of the Company for that period;
- III) Proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities have been taken to the best of their knowledge and ability;
- IV) The annual accounts have been prepared on a "going concern basis".

AUDITORS & AUDITORS' REPORT

M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai the Statutory Auditors of the Company retire at the ensuing Annual General Meeting. They have confirmed their eligibility and willingness for re-appointment. The Directors recommend their re-appointment by the members at the forthcoming Annual General Meeting.

The Board of Directors explanation to the Auditors remark is as follows:

Auditors Remark	Directors Explanation
Cost of finished goods and goods under process of Tool Division of the Company is determined by using retail method whereby the cost is computed by reducing from the sale value of the inventory, the global gross margin which is not as per Accounting Standard AS-2 on "valuation of Inventories" referred to in sub-section (3C) of Section 211 of the Act. The impact of this on the profit for the year has not been quantified.	The Tool Division of the Company has been valuing finished goods and goods under process, since inception at lower of estimated cost and net realizable value. Estimated cost is arrived at using retail method which is arrived at by adjusting the selling price by estimated gross margin, globally for all types of products. Since valuation of finished goods and goods under process is done on the same basis followed in the past, there is no effect on the profit and loss account for the year. The Tools Division is in the process of setting up a detailed valuation methodology process which will be compliant to AS – 2 in the current year.

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

Company has taken effective steps at every stage to reduce energy consumption and conserve energy in all phases of operation. Your Company has been continuously upgrading facilities in order to minimize power consumption, maximizing on power factors at its manufacturing locations.

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed as Annexure 'A'.

PARTICULARS OF EMPLOYEES

During the year under review, there was no employee covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

MANAGEMENT DISCUSSION & ANALYSIS REPORT & CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report, Corporate Governance Report and Auditors' certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

HUMAN RESOURCE & INDUSTRIAL RELATIONS

Industrial relations were harmonious throughout the year. The Board wishes to place on record their sincere appreciation to the co-operation extended by all employees in maintaining cordial relations.

INSURANCE

All properties and insurable interests of the Company including Building and Plant & Machinery have been adequately insured.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank all investors, clients, vendors, banks, regulatory and Government authorities and stock exchange for their continued support. The Directors also wish to place on record their appreciation for the contribution made by business partners / associates at all levels.

For and on behalf of Board of Directors

Place: Mumbai

Date: 8th September, 2011

M.S. Arora
Managing Director

P.V.R. Murthy
Director

ANNEXURE TO DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY:

- a) Energy conservation measures taken.

The Company has taken following measures for energy conservation at the factories, namely:

- 1) Coolant treatment system started at Tool Holder division at Aurangabad where the coolant is reused resulting in saving of coolant oil cost by approximately 25%.
- b) Further R & D work is being carried on for reduction of time cycle of the Process.
- c) Impact of measures of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

The above measures have resulted in energy saving and consequent decrease in the cost of production.

- d) Details regarding Total Energy Consumption and Energy Consumption per unit of production is not applicable to any units of the Company.

B. TECHNOLOGY ABSORPTION: Research & Development.

1. Specific Areas in which R& D carried out by the Company:

Development of new types of Hydraulic chucks, Sealed collects, Tap collets, precision components was undertaken during the year.

2. Benefit derived as a result of the above R&D:

Meet market demand of new generation tooling, which are import substitute items and export products to overseas countries.

3. Future Plan of action:

Future development of products such as various types of Hydraulic Sleeves, small bore collets of different sizes, Tap adaptors being taken up.

4. Expenditure on R&D:

- | | | |
|--|---|-----------------|
| a) Capital |) | Not Quantified. |
| b) Recurring |) | |
| c) Total |) | |
| d) Total R&D Expenditure as a Percentage of total turnover |) | |

5. **Technology Absorption, Adaptation and innovation:** Process of Technology transfer continued in the areas mentioned above.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

1. Activities relating to export, initiatives taken to increase exports:

Company exports AT3 Class Tool Holders, collets and precision components to U.S.A., Europe & Asia Pacific Countries.

2. Total foreign exchange used and earned:

	2010-2011 (Rs. in Lacs)	2009-2010 (Rs. in Lacs)
Total Foreign Exchange Used	2520	1649
Total Foreign Exchange Earned	2224	1450

MANAGEMENT DISCUSSION & ANALYSIS REPORT

GLOBAL ECONOMY

During the year under review, international economic conditions exhibited a marked improvement with the global economy getting into an early recovery mode. . The recovery in aggregate demand has been more stable than that of industrial production. GDP for the 50 high-income and developing countries for which quarterly data are available indicates that aggregate demand continued to expand during the last half of 2010 and into the first quarter of 2011 — albeit at a slower and more sustainable pace than earlier. Inflation continued to remain a major concern for the policy makers. But the recent downgrading of US rating and the fears of extremely high national debt in the other European Countries makes the Western outlook cautious. But Indian economy being mostly domestic-growth driven is not likely to be affected much. In fact if the material prices drop because of negative western growth it could be beneficial for India in terms of cheaper imports and could bring down the inflation rate.

INDIAN ECONOMY

The overall growth of Gross Domestic Product (GDP) at factor cost at constant prices, as per Advance Estimates was 8.5 per cent in 2010-11, representing an increase from the revised growth of 8 per cent during 2009-10.

INDUSTRY STRUCTURE & OPPORTUNITIES

Your Company is engaged in the business of manufacturing of wide range of precision cutting tools like masonry drills , TSTD , Taps , Tool bits , Cutters Reamers, AT3 Class tool holders, HSK tooling, Expanding Mandrels and Sleeves besides advanced products like hydro grip and shrink fit CNC tooling. These products are mainly used by automobile and engineering sectors. Tool Holders is an essential accessory for CNC machining centers.

The future of Cutting Tools and Tool Holder industry largely depends on the growth of commercial automobile and general engineering sector. As India is emerging as one of the key auto and engineering centers in the world, the demand for Cutting Tools and Tool Holders will increase.

THREATS / RISKS & CONCERNS

The major risks and concerns attributed to the performance of the Company are:

1. Increase in raw material costs, change in tax structure, change in government policies, development and stability of Indian economy against the negative external and internal forces may also impact the overall performance of the Company.
2. Profitability may be affected on account of competition from existing manufacturers of the Company's products. Increase of competition in unorganized sector is also a cause of concern.
3. The Company is exposed to risks from market fluctuation of foreign exchange.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Your Company has identified two business segments in line with accounting segments on segment reporting. These are Tool Holder and Cutting Tools. The segment wise performance in detail is given in the notes to the accounts.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has placed considerable emphasis and efforts on internal control systems. The internal control system ensures optimum use of the resources and its protection. The Company has an internal audit system, which carries out independent periodic reviews. The prime objective of such audit is to evaluate the functioning and quality of internal controls and provide assurance of its adequacy and effectiveness. The scope of internal audit covers a wide variety of operational and financial matters and includes a follow-up review of corrective actions agreed for implementation.

The adequacy of the internal control system as well as the internal audit report is reviewed by the audit committee of the Board of Directors. The adequacy of the internal control system has also been reported by the statutory auditors of the Company in their report as required under the Manufacturing & Other Companies (Auditors Report) Order, 2003.



MATERIAL DEVELOPMENT IN HUMAN RESOURCES

Your Company continues to lay emphasis on qualitative growth of its human resources by providing congenial and constructive work environment, in consonance with its strong belief that the real strength of its organization lies in its employees. In addition to this, formal training is also conducted from time to time in acquiring domain knowledge and imbibing the corporate quality culture.

None of the Senior Management Personnel have any material financial and commercial transaction where they have personal interest that may have potential conflict with the interest of the Company at large.

FINANCIAL HIGHLIGHTS

The Sales and Other Income of the Company for the financial year 2010-2011 stood at Rs. 10905 lacs as against Rs. 8036 lacs of last year. Profit after tax stood at Rs. 659 lacs as against Rs. 96 lacs of last year.

Cautionary Statement

Statements in this report on Management's Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. However actual results may differ materially from those expressed or implied. The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes to remain committed to good Corporate Governance by attainment of the highest levels of transparency, accountability and integrity to all its Shareholders, Customers, Employees, the Government and other business associates.

Your Company's policies are targeted to ensure that high standard of ethical conduct is met throughout the Organization.

II. BOARD OF DIRECTORS

- a) The Company's Board of Directors comprises of Six (6) Directors, out of which One (1) is Executive Director, Two (2) are Non-Executive Non Independent and Three (3) are Independent Directors. The Board Composition is as under:

Name of Director	Category
Shri Yashovardhan Birla	Chairman (Non-Executive)
Shri M.S. Arora	Managing Director
Shri P.V.R. Murthy	Non-Executive
Shri Shailesh Sheth	Non-Executive, Independent
Shri Mohan Das Shenoy Adige	Non-Executive, Independent
Shri Augustine Kurias	Non-Executive, Independent

- b) Six Board meetings were held during the period 1st April 2010 to 31st March 2011 on the dates mentioned below:

- | | | |
|-------------------------------------|------------------------------------|-----------------------------------|
| (1) 12 th May, 2010 | (2) 12 th August, 2010 | (3) 31 st August, 2010 |
| (4) 13 th November, 2010 | (5) 9 th February, 2011 | (6) 31 st March, 2011 |

- c) The following table gives attendance and composition of Board of Directors of the Company:

Name of the Director	No. of Board Meetings Attended	Attendance at the last AGM	No. of Directorship in other Public Ltd. Companies \$	No. of Membership of other Board Committees *
Shri Yashovardhan Birla	4	No	13	1 (as Chairman)
Shri M.S. Arora	5	No	2	1
Shri P.V.R. Murthy	6	No	12	7 (1 as Chairman)
Shri Shailesh Sheth	3	No	3	2
Shri Mohandas Shenoy Adige	6	Yes	7	5
Shri Augustine Kurias	4	Yes	1	3 (2 as Chairman)

* Includes only Audit Committee and Shareholder Grievance Committee of public companies.

\$ Excludes Foreign Companies, Private Companies and Alternate Directorships

As on 31st March, 2011, Shri Yashovardhan Birla holds 51401 shares of the Company and Shri M.S. Arora holds 5 shares of the Company.

- d) The Board meets at least 4 times in a year and the gap between two Board Meetings did not exceed four months as mandated in Clause 49 of the Listing Agreement. The dates of Board Meetings were generally decided in advance.
- e) Key information as mentioned in annexure IA to Clause 49 of the Listing Agreement was placed before the Board of Directors for their consideration.

Brief notes on the background and the functional expertise of the Director proposed for re-appointment are furnished below, along with details of Companies in which they are Directors and the Board Committee of which they are member:

Shri Augustine Kurias, is M.A. (Eco), C.A.L.L.B by qualification. He is a retired banker with more than 40 years experience in banking industry. He has worked with RBI, IDBI in various capacities including CGM, Principal of Bankers Training Colleges of RBI. He had also served on Board of various Public Sector Banks and Financial Institutions. He is the Chairman of the Audit Committee of the Company. Shri Kurias is also a director on the Board of Zenith Birla (India) Limited and also acts as the chairman of the Audit Committee of Zenith Birla (India) Limited.

Directorship	Committee Membership
Zenith Birla (India) Limited	Audit Committee Share Transfer and Investor Grievance Committee

III BOARD COMMITTEES

Audit Committee

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchange, read with Section 292A of the Companies Act, 1956 and includes such other functions as may be assigned to it by the Board from time to time.

Composition of the Audit Committee:

- Shri Augustine Kurias - Chairman
 Shri P.V.R. Murthy - Member
 Shri Shailesh Sheth - Member
 Shri Mohandas Shenoy Adige - Member

The Company Secretary acts as the secretary to the Committee.

During the year under review, five meetings of the Audit Committee were held on the dates mentioned below:

- (1) 12th May, 2010 (2) 12th August, 2010 (3) 31st August, 2010
 (4) 13th November, 2010 (5) 9th February, 2011

The attendances of the members at the Audit Committee Meetings held during the year 2010-2011 are as below:

Name of Director	Number of Meetings held	Number of Meetings Attended
Shri Augustine Kurias	5	4
Shri P.V.R. Murthy	5	5
Shri Shailesh Sheth	5	2
Shri Mohandas Shenoy Adige	5	5

Joint President, General Manager-F&A, Internal Auditor and the Statutory Auditors are invitees to the meeting.

Remuneration Committee

Composition of remuneration committee:

- Shri Mohandas Shenoy Adige - Chairman
 Shri Yashovardhan Birla - Member
 Shri P.V.R. Murthy - Member

The board terms of reference of Remuneration Committee are to determine and recommend to the Board, compensation payable to Directors and Managerial Personnel. Non-Executive Directors were paid sitting fees @ Rs. 7000/- per meeting for attending the meetings of the Board of Directors and Rs. 3000/- for attending the Committee meetings. No Remuneration Committee meeting was held during the year.

Details of sitting fees paid to Non-Executive Directors for attending the meetings of Board and its committees during the year under review are as under:

Name of member	Sitting Fees (in Rs.)
Shri Yashovardhan Birla	28,000
Shri M.S. Arora	Nil
Shri P.V.R. Murthy	57,000
Shri Shailesh Sheth	27,000
Shri Mohandas Shenoy Adige	57,000
Shri Augustine Kurias	40,000

Shareholders' / Investors Grievance Committee

Composition of Shareholders/Investors Grievance Committee:

Shri Augustine Kurias	- Chairman
Shri M. S. Arora	- Member
Shri P.V.R Murthy	- Member

The Shareholders' / Investors Grievance Committee was re-constituted on 9th February, 2011.

The Company received 27 complaints during the year 2010-2011 and all the complaints were redressed. There were no outstanding complaints as on 31st March, 2011.

IV. GENERAL BODY MEETINGS

The details of the last 3 Annual General Meetings held:

Date	Venue	Time
18 th September, 2008	At registered Office : B-15/4, M.I.D.C. Waluj, Aurangabad - 431 133	3.30 p.m.
30 th September, 2009	At registered Office : B-15/4, M.I.D.C. Waluj, Aurangabad - 431 133	3.30 p.m.
28 th September, 2010	At registered Office : B-15/4, M.I.D.C. Waluj, Aurangabad - 431 133	3.30 p.m.

Details of Special resolutions passed in last three Annual General Meetings:

AGM dated 18th September, 2008

1. Raising of Funds through Further Issue of Securities
2. Increase in limits for FII investment

No Special Resolutions were passed in the AGM held on 30th September, 2009 and 28th September, 2010.

No Special Resolution is proposed to be conducted through Postal Ballot at the ensuing Annual General Meeting.

V. SUBSIDIARY COMPANY

The Company does not have any subsidiary Company.

VI. CODE OF CONDUCT

The Company has laid down a code of conduct for all board members and senior management personnel of the Company. The code of conduct is available on the website of the Company. The declaration of Managing Director is given below:

To the Shareholders of Birla Precision Technologies Limited	
Sub: Compliance with Code of Conduct	
I hereby declare that all the board members and senior management personnel have affirmed with the Code of Conduct as adopted by the Board of Directors.	
M.S. Arora Managing Director	Mumbai, 8 th September, 2011

VII. The Board of Directors has received the certificate issued by the Managing Director and the General Manager-F&A, in their capacity as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) respectively of the Company as envisaged in Clause 49 (V) of the Listing Agreement.

VIII. DISCLOSURES

During the year, the Company has not entered into any transaction of material nature with the promoters, directors, their relatives or management, which is in conflict with the interests of the Company at large.

The transactions with the related parties of routine nature have been reported in the notes to the accounts in the financial statements in the annual report as per Accounting Standard 18 (AS 18) issued by the Institute of Chartered Accountants of India.

The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

IX. MEANS OF COMMUNICATION

Financial Results	Quarterly and Annual Results are published in newspapers viz The Free Press Journal and Navshakti in the format prescribed by the BSE where the shares of the Company are listed. The results are also posted on the Company's Website: www.birlaprecision.in
Website	The Company's website viz. www.birlaprecision.in provides information about its business. The Section on "Investors" serves to inform and service the Shareholders allowing them to access information at their convenience.
Annual Report	Annual Report is circulated to all the members in the required time frame.

X. GENERAL SHAREHOLDER INFORMATION

Date, time and venue of the Annual General Meeting:

30th September, 2011 at 3.00 p.m. at the Registered Office at B-15/4, M.I.D.C., Waluj, Aurangabad- 431133(M.S.)

Financial calendar (tentative)

First Quarter results	11 th August, 2011 (actual)
Second Quarter results	On or before 15 th November, 2011
Third Quarter results	On or before 15 th February, 2012
Fourth Quarter results	On or before 15 th May, 2012
Audited Results	July/August, 2012

Dates of book closure

Wednesday 28th September, 2011 to Friday 30th September, 2011

Listing on Stock Exchange

The shares of the Company are listed on the Bombay Stock Exchange Limited. The Company has paid the Annual Listing fee to Bombay Stock Exchange Limited for the financial year 2011-12.

Stock code

Bombay Stock Exchange Limited – 522105

Plant Locations:

Tool Holder Division:

1. B-15/4, M.I.D.C., Waluj, Aurangabad – 431133

Tool Divisions:

1. B-15/3/1, M.I.D.C., Waluj, Aurangabad – 431133
2. 62/63, M.I.D.C., Satpur, Nashik - 422007

Registrar and Share Transfer Agents

Work related to both physical / demat Shares is handled by M/s. Karvy Computershare Private Limited at its address given below:-

M/s. Karvy Computershare Private Limited
 Plot No. 17-24, Vittal Rao Nagar, Madhapur,
 Hyderabad -500 081
 Tel: 040-23420815 to 820
 Fax No.: 040-23420814
 E-mail : sreedharamurthy@karvy.com, ussingh@karvy.com
 Contract Person: Shri K. Sreedhara Murthy / Shri U.S.Singh

Investor's correspondence may be addressed to above address.

Investors Grievance ID – mailmanager@karvy.com

Share transfer system

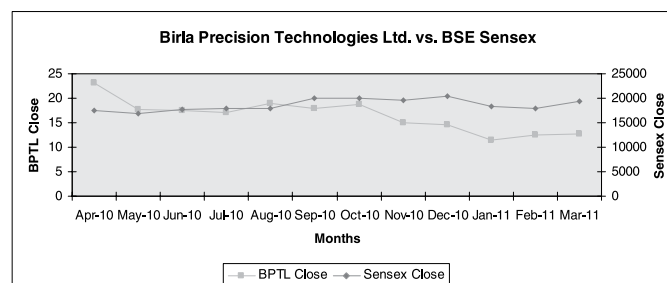
The Company's shares being in compulsory demat list, are transferable through the depository system. However, shares in the physical form are processed by the Registrar and Share Transfer Agent and approved by the Share Transfer Committee. Share Transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are complete in all respects.

Stock Market price data for the year 2010-2011

Monthly high and low of market prices of the Company's equity shares traded at the Bombay Stock Exchange Limited during the financial year 2010-2011 along with the BSE Sensex:

Month	Birla Precision Technologies Limited		BSE SENSEX	
	High (Rs.)	Low (Rs.)	High	Low
April, 2010	27.75	22.9	18047.86	17276.8
May, 2010	23.2	17.15	17536.86	15960.15
June, 2010	18.55	16.55	17919.62	16318.39
July, 2010	19.55	16.75	18237.56	17395.58
August, 2010	22.75	17.05	18475.27	17819.99
September, 2010	20.4	17.05	20267.98	18027.12
October, 2010	23.75	17.45	20854.55	19768.96
November, 2010	20.8	13.95	21108.64	18954.82
December, 2010	16.9	12.9	20552.03	19074.57
January, 2011	15	11.11	20664.8	18038.48
February, 2011	12.98	9.75	18690.97	17295.62
March, 2011	14	11.95	19575.16	17792.17

Performance of Company's Equity Shares in comparison to BSE Sensex on the basis of closing values:



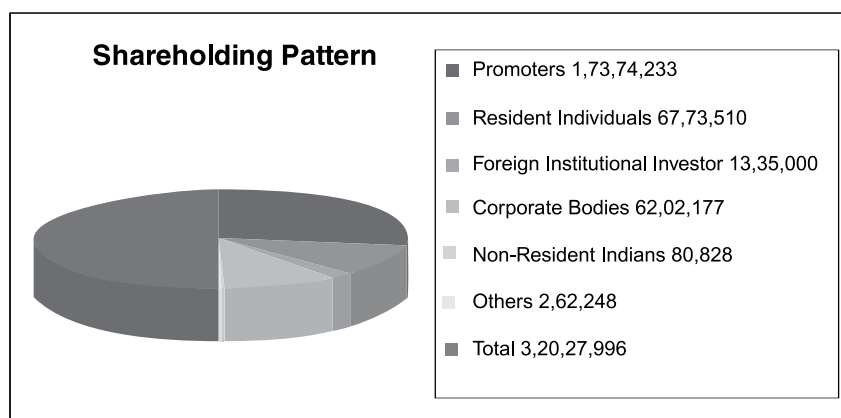
Distribution of shareholding

Class-wise distribution of equity shares as on 31st March, 2011

No. of shares	No. of shareholders	No. of shares held	Shareholding %
Up to 500	60935	2264417	7.07
501-1000	615	490680	1.53
1001-2000	270	416307	1.30
2001-3000	104	266636	0.83
3001-4000	41	150100	0.47
4001-5000	34	158822	0.50
5001-10000	53	380423	1.19
10001 and above	83	2790611	87.11
Total	62135	32027996	100.00

Shareholding pattern as on 31st March, 2011

Sr. No.	Category	No. of Shares	Percentage
1.	Promoters	1,73,74,233	54.25
2.	Resident Individuals	67,73,510	21.15
3.	Foreign Institutional Investor	13,35,000	4.17
4.	Corporate Bodies	62,02,177	19.36
5.	Non-Resident Indians	80,828	0.25
6.	Others	2,62,248	0.82
	Total	3,20,27,996	100



Dematerialisation of shareholding

The Company's shares are admitted into both the depositories viz National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) and the ISIN allotted for the equity shares of the Company is INE 372E01025. As on 31st March, 2011, total 3,06,54,489 shares representing 95.71% of the Company's shares are held in demat form in the depositories.

COMPLIANCE CERTIFICATE

Certificate by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Clause 49 of the Listing Agreement

We, M. S. Arora, Managing Director and Suresh Karkare, General Manager (F&A), in our capacity as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) respectively of the Company hereby certify that :-

- a) We have reviewed the Financial Statements and Cash Flow Statement for the year ended on 31st March, 2011 and that to the best of our knowledge and belief:
 - I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. these statements together present a true & fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Statutory Auditors, Internal Auditors and Audit Committee:
 - I. significant changes in internal control over financial reporting during the year;
 - II. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - III. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For and on behalf of Board of Directors

Place : Mumbai

Date : 8th September, 2011

M.S. Arora

Managing Director

Suresh Karkare

General Manager (F&A)



PRACTICING COMPANY SECRETARY'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
Birla Precision Technologies Limited
B-15/4, M.I.D.C., Waluj,
Aurangabad – 431 133 (M.S.)

We have examined the compliance of conditions of Corporate Governance by M/s Birla Precision Technologies Limited (“the Company”), for the year ended on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited, Mumbai.

The compliance of conditions of corporate governance is the responsibility of the Company’s 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 **Rakesh Kapur**
Company Secretary

Sole Proprietor
FCS No. 3863
CP No. 2623

Place: Mumbai

Date: 8th September, 2011

AUDITOR'S REPORT

**TO,
THE MEMBER'S OF BIRLA PRECISION TECHNOLOGIES LIMITED**

1. We have audited the attached Balance Sheet of Birla Precision Technologies Limited as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date both 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (as amended) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :-
 - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the mandatory Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 *except Accounting Standard – 2 (AS – 2), on "Valuation of Inventories" Cost of finished goods and goods under process at Tools Division of the Company is determined using the retail method whereby the cost is computed by reducing from the sales value of the inventory, the global gross margin. This method is not in accordance with Accounting Standard 2 (AS 2) on "Valuation of Inventories" referred to in section 211 (3C) of the Act. The impact of this on the profit for year is not quantifiable.*
 - e) on the basis of written representations received from the directors of the Company as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the director of the Company is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) *Subject to the comments made in Para (d) above* in our opinion and to the best of our information and according to the explanation given to us, the said financial statements together with the significant accounting policies and notes thereon give the information required by the Act, in the manner so required, and present 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 March 31, 2011;
 - 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 CHATURVEDI & SHAH
Chartered Accountants
Registration No. 101720W**

**Parag. D. Mehta
Partner
Membership No. 113904**

**Place: Mumbai
Dated: 8th September, 2011**

ANNEXURE TO AUDITOR'S REPORT**Annexure referred to in paragraph 3 of Auditor's report of even date to the members of Birla Precision Technologies Limited on the accounts for the year ended March 31, 2011**

- 1) a) The Company has maintained proper records to show all particulars, including quantitative details and situations, of its fixed assets.
 - b) We have been informed that the fixed assets of the Company are physically verified by the Management during the year in a phased periodical manner, 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 physical verification.
 - c) In our opinion, the Company has not disposed off substantial part of its fixed assets during the year.
- 2) a) The inventory has been physically verified during the year by the Management except inventory lying with third parties. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and based on the information and explanation given to us, the procedures of physical verification followed by the management of stock lying with it were reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification. In respect of items lying with other entities we have relied on the confirmations obtained by the management from such entities.
- 3) a) The Company has granted unsecured loan to one company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year Rs 35 lakh and year end balance of the aforesaid loan is Rs NIL.
 - b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of the loans given by the company are not prima facie prejudicial to the interest of the Company.
 - c) The principal amounts are repayable on demand and there is no repayment schedule. The interest is payable on demand.
 - d) In respect of the said loans, the same are repayable on demand and therefore the question of overdue amounts does not arise.
 - e) The Company has taken unsecured loan from two Company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year Rs 80 lakh and year end balance was Rs.50 lakh.
 - f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of the loans taken by the company are not prima facie prejudicial to the interest of the Company.
 - g) The principal amounts are repayable on demand and there is no repayment schedule. The interest is payable on demand.
- 4) There are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to the purchases of inventories, fixed assets and sale of goods and services and we have not observed any continuing failure to correct the major weaknesses in such internal controls.
- 5) a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
 - b) In our opinion and according to the information and explanation given to us, the transactions of purchase of goods and material and sale of goods, material and services made pursuant of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at a prices which are reasonable having regard to the prevailing market price at the relevant time.
- 6) The Company has not accepted any deposits under the provisions of section 58A and 58AA of the Act or any other relevant provisions of the Act and the rules framed there under.
- 7) In our opinion, the Company's internal audit system is commensurate with its size and nature of its business.
- 8) The Central Government of India has not prescribed the maintenance of cost records under section 209(1)(d) of the Act for any products of the Company.
- 9) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, *except for dues in respect of advance income-tax*, the Company is generally regular in depositing undisputed statutory dues including provident Fund, Employees State Insurance Dues, Investor Education and Protection Fund, Wealth Tax, Service

Tax, Custom Duty, Excise duty, sales tax, Cess and other material statutory dues as applicable, with appropriate authorities. The extend of the arrears of statutory dues outstanding as at March 31, 2011 for a period of more than six months from the date of becoming payable.

Name of the Statute	Nature of dues	Amount (Rs. in lakh)	Period to which amount relates	Due Date	Date of payment
Income tax Act, 1961	Advance income tax interest thereon	78 2	First Quarter of. FY 2010-11	15 th June, 2010	Not paid till date
Income tax Act, 1961	Advance income tax interest thereon	157 7	Second Quarter of. FY 2010-11	15 th September, 2010	Not paid till date

- b) According to the information and explanations given to us, there are no dues of sales tax, Income Tax, Service Tax, Custom Duty, Wealth Tax, Excise duty and Cess which have not been deposit on account of any dispute other than the following:

Name of Statute	Nature of the dues	Amount (Rs. in lakh)	Period to which amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Central Sales tax	1	2006-07	The West Bengal sales Tax Appellete & Revision Board

- 10) The Company has no accumulated losses as at March 31, 2011, and it has not incurred any cash loss during the current financial year and in the immediately preceding financial year.
- 11) In our opinion and according to information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution or bank. There were no debentures issued during the year or outstanding at the beginning of the year.
- 12) 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) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's report) Order, 2003 is not applicable to the Company.
- 14) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(xiv) of the companies (Auditor's report) Order, 2003 is not applicable to the Company.
- 15) The Company has not given any guarantees for loans taken by others from bank or financial institutions.
- 16) In our opinion, the term loans have been applied for the purpose for which they were raised.
- 17) On the basis of review of utilization of funds which is based on overall examination of the balance sheet of the Company, related information as made available to us and as represented to us by the Management, we are of the opinion that no funds raised on short term basis have been used for long term investment during the year.
- 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) According to the information and explanation given to us, during the period covered by our audit report, the Company has not issued any debentures and no debentures were outstanding at the end of the year. Therefore, the provisions of clause 4(xix) of companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 20) The Company has not raised any money by public issue during the year.
- 21) As per the information with us and explanation given to us and on the basis of examination of records, no material fraud on or by the Company was noticed or reported during the year.

For CHATURVEDI & SHAH
Chartered Accountants
Registration No. 101720W

Parag. D. Mehta
Partner

Membership No. 113904

Place: Mumbai

Dated: 8th September, 2011



BALANCE SHEET AS AT 31ST MARCH 2011

(Rs. in Lakh)

	SCHEDULE	As at 31st March 2011	As at 31st March 2010
I. SOURCES OF FUNDS:			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	1	641	641
(b) Reserves and Surplus	2	7,017	6,358
		<u>7,658</u>	<u>6,999</u>
2. LOAN FUNDS			
(a) Secured Loans	3	2,396	2,481
(b) Unsecured Loans	4	480	549
		<u>2,876</u>	<u>3,030</u>
3. DEFERRED TAX LIABILITY (Net) (Refer Note B (8))		193	29
TOTAL		<u><u>10,727</u></u>	<u><u>10,058</u></u>
II. APPLICATION OF FUNDS:			
1. FIXED ASSETS			
(a) Gross Block	5	6,745	6,683
Less: Depreciation and Amortisation		2,961	2,386
Net Block		<u>3,784</u>	<u>4,297</u>
(b) Capital Work-in-Progress		473	374
		<u>4,257</u>	<u>4,671</u>
2. CURRENT ASSETS, LOANS AND ADVANCES			
(a) Inventories	6	3,587	2,829
(b) Sundry Debtors	7	3,466	2,809
(c) Cash and Bank Balances	8	1,460	1,224
(d) Loans and Advances	9	1,301	1,072
		<u>9,814</u>	<u>7,934</u>
Less:			
CURRENT LIABILITIES AND PROVISIONS			
(a) Current Liabilities	10	2,261	1,986
(b) Provisions		1,083	561
		<u>3,344</u>	<u>2,547</u>
NET CURRENT ASSETS		<u>6,470</u>	<u>5,387</u>
TOTAL		<u><u>10,727</u></u>	<u><u>10,058</u></u>

Significant Accounting Policies and Notes to the Accounts

19

As per our attached report of even date

For CHATURVEDI & SHAH
Chartered Accountants
Firm's Registration No. 101720W

Parag D. Mehta
Partner
Membership No. 113904

Mumbai, 8th September, 2011

For and on behalf of Board of Directors

M. S. Arora
Managing Director

P. V. R. Murthy
Director

Lovelina Cecil Faroz
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. in Lakh)

	SCHEDULE	For the year ended 31st March 2011	For the year ended 31st March 2010
INCOME			
SALES AND EXPORT INCENTIVES	11	11,535	8,465
Less : Excise Duty		851	552
		<u>10,684</u>	<u>7,913</u>
Other Income	12	221	123
		<u>10,905</u>	<u>8,036</u>
EXPENDITURE			
(Increase)/Decrease in Stock	13	78	2
Raw Materials Consumed	14	3,117	2,893
Components Consumed		184	112
Purchase of Finished Goods for Trade		209	62
Manufacturing Expenses	15	1,837	1,311
Employees' Remuneration and Benefits	16	2,134	1,873
Administrative, Selling and Other Expenses	17	935	840
		<u>8,494</u>	<u>7,093</u>
OPERATING PROFIT		2,411	943
Interest and Finance Charges	18	315	242
Profit Before Depreciation And Taxation		2,096	701
Depreciation and Amortisation		574	550
Profit For the Year Before Taxation		1,522	151
Less: Provision for Taxation			
Current Tax		604	28
Deferred Tax		164	36
Short provision of earlier period		95	-
MAT Credit Entitlement		-	(9)
		<u>863</u>	<u>55</u>
PROFIT FOR THE YEAR		659	96
Balance of Profit as per last balance sheet		3,540	1,270
Add : Net surplus for the year ended 31st March 2010 transferred from Zenith Birla (India) Ltd. on account of merger of Tool Division (Refer Note B (2))		-	426
Add : Net surplus as per Scheme of Arrangement of Tool Division of Zenith Birla (India) Ltd. (Refer Note No B (2))		-	1,748
Balance Carried to Balance Sheet		<u>4,199</u>	<u>3,540</u>
Nominal Value Per Share of Rs.2/- each			
Basic and Diluted Earning Per Share (Rs.)		2.06	0.30
Significant Accounting Policies and Notes to the Accounts	19		

As per our attached report of even date

For CHATURVEDI & SHAH
Chartered Accountants
Firm's Registration No. 101720W

Parag D. Mehta
Partner
Membership No. 113904

Mumbai, 8th September, 2011

For and on behalf of Board of Directors

M. S. Arora
Managing Director

P. V. R. Murthy
Director

Lovelina Cecil Faroz
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

(Pursuant to Clause 32 of the Listing Agreement)

Sr. No.	Particulars	2010-11		2009-10	
		Rs in Lakh		Rs in Lakh	
A)	<u>CASH FLOW FROM OPERATING ACTIVITIES</u>				
	Net profit before taxation and prior period adjustments		1,522		151
	Adjustments for :				
	Depreciation and Amortisation	574		550	
	Profit /(Loss) on sale of Fixed Assets	0		(2)	
	Provision for Gratuity and Leave Salary	60		504	
	Provision for doubtful debts	3		6	
	Exchange rate difference (Revolurisation of Export Debtors)	(12)		42	
	Exchange rate difference (Revolurisation of Import Creditors)	2		(5)	
	Exchange rate gain Exim Bank Loan	(5)		-	
	Export Incentive	(9)		(9)	
	Provision no longer required written back	91		5	
	Bad Debts Written Off	-		77	
	Interest Expenses Paid	315		242	
	Interest Income Received	(67)		(8)	
	Sub-total		<u>952</u>		<u>1,402</u>
	Operating Profit before Working Capital changes		2,474		1,553
	Adjustments for:				
	Trade and Other Receivables	(648)		(438)	
	Inventories	(758)		739	
	Trade Payable and Other Liabilities	(60)		(612)	
	Loans and Advances	(201)		(437)	
	Direct Taxes Paid	(90)		(1)	
	Sub-total		<u>(1,757)</u>		<u>(749)</u>
	Net Cash from Operating Activities(A)		717		804
B)	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>				
	Addition to Fixed Assets (including CWIP)	(159)		(352)	
	Sale of Fixed Assets	-		4	
	Interest received	24		8	
	Sub-total		<u>(135)</u>		<u>(340)</u>
	Net Cash used for Investing Activities..... (B)		(135)		(340)
C)	<u>CASH FLOW FROM FINANCING ACTIVITIES</u>				
	Increase / (Decrease) in Short Term Loans (Net)	366		(266)	
	Proceeds form Long Term Borrowings	-		791	
	Repayment of Long Term Borrowings	(417)		(320)	
	Interest paid	(295)		(246)	
	Sub-total		<u>(346)</u>		<u>(41)</u>
	Net Cash used for Financing Activities..... (C)		(346)		(41)
	Net Increase in Cash and Cash Equivalents (A+B+C)		236		423
	Cash and Cash Equivalents as at 01.04.2010	822		75	
	Add : On Merger of Tool Division	-		324	
	Less: Increase in Fixed Deposit accounts kept as margin money with banks	283		-	
		<u>539</u>		<u>399</u>	
	Cash and Cash Equivalents as at 31.03.2011	<u>775</u>		<u>822</u>	
			236		423
	Reconciliation of Cash and Bank Balances given in Schedule 8 of Balance sheet is as follows:				
	Cash and Bank Balances		1,460		1,224
	Less:				
	Balances in Fixed Deposit accounts pledged with various Government Authorities		-		77
	Balance in Fixed Deposit accounts kept as margin money with the banks		685		325
	Cash and Cash Equivalents as at 31.03.2011		775		822

As per our attached report of even date

For CHATURVEDI & SHAH
Chartered Accountants
Firm's Registration No. 101720W

Parag D. Mehta
Partner
Membership No. 113904
Mumbai, 8th September, 2011

For and on behalf of Board of Directors

M. S. Arora
Managing Director

P. V. R. Murthy
Director

Lovelina Cecil Faroz
Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

(Rs. in Lakh)

	As at 31st March 2011	As at 31st March 2010
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED:		
25,00,00,000 (Previous Year 25,00,00,000) Equity Shares of Rs. 2/- each	5,000	5,000
	<u>5,000</u>	<u>5,000</u>
ISSUED, SUBSCRIBED AND PAID-UP:		
3,20,27,996 Equity Shares of Rs. 2/- each fully paid up (Previous Year 3,20,27,996 Equity Shares of Rs. 2/- each fully paid up) {1,60,27,996 Equity Shares issued and allotted to the Share Holders of Zenith Birla (India) Ltd. in terms of the scheme of merger, Refer Note B (2)}	641	641
	<u>641</u>	<u>641</u>
SCHEDULE 2		
RESERVES AND SURPLUS		
1. CAPITAL RESERVE		
Capital Investment Subsidy	15	15
State Investment Subsidy	5	5
	<u>20</u>	<u>20</u>
2. SECURITIES PREMIUM ACCOUNT		
	210	210
3. REVENUE RESERVE		
i. General Reserve		
As per Last Balance Sheet	2,588	207
Add: Transferred on account of merger of Tool Division as per Scheme of Arrangement (Refer Note B (2))	-	2,218
Add: Transferred from Profit and loss Account	-	-
Add: Deferred Tax Assets on account of merger of Tool Division	-	163
	<u>2,588</u>	<u>2,588</u>
ii. Surplus in Profit and loss Account :	<u>4,199</u>	<u>3,540</u>
	4,199	3,540
	<u>7,017</u>	<u>6,358</u>
SCHEDULE 3		
SECURED LOANS		
TERM LOANS		
From Bank		
Rupee Term Loan	633	791
From Financial Institutions		
Foreign Currency Term Loan	513	749
Working Capital Loans from Banks	1,187	862
Car loan from Bank	63	79
	<u>2,396</u>	<u>2,481</u>

Notes:

1. The above term loans are secured by mortgage of all the Company's immovable properties, both present and future and exclusive first charge by way of hypothecation of whole of the Company's movable properties (except book debts) including movable Plant and Machinery, Machinery spares, Tools & Accessories and other movables, both present and future, subject to prior charge created in favour of Company's Bankers on certain specified movables for securing working capital loans.(Refer Note B(2))
2. The working capital loans from Banks are secured by hypothecation of Inventories, Book Debts and other Receivables, both present and future and is further secured by second charge created by way of joint mortgage by deposit of title deeds of all immovable properties.(Refer Note B(2))
3. The Car Loan is secured by hypothecation of the car.



(Rs. in Lakh)

	As at 31st March 2011	As at 31st March 2010
SCHEDULE 4		
UNSECURED LOANS		
Sales Tax Deferred Payment Loan *	55	67
From Bodies Corporate #	50	475
From Other #	348	-
Interest Accrued and due #	27	7
	480	549

Notes:

* Loan repayable within 12 months Rs. 11 Lakh (Previous Year Rs. 12 Lakh)

Loan repayable on demand.

SCHEDULE 5

FIXED ASSETS

(Rs. in Lakh)

DESCRIPTION OF ASSETS	GROSS BLOCK 'AT COST'					DEPRECIATION					NET BLOCK	
	AS AT 01-04-2010	ADDITION DUE TO MERGER	ADDITIONS DURING THE YEAR	DELETIONS/ ADJUSTMENTS DURING THE YEAR	AS AT 31-03-2011	UPTO 31-03-2010	ADDITION DUE TO MERGER	FOR THE YEAR	DELETIONS/ ADJUSTMENTS DURING THE YEAR	UPTO 31-03-2011	AS AT 31-03-2011	AS AT 31-03-2010
Leased Assets												
Lease Hold Land(Refer Note B(2))	325	-	-	-	325	28	-	5	-	33	292	297
Tangible Assets												
Building on Lease Hold Land	725	-	2	-	727	151	-	24	-	175	552	574
Plant and Machinery	5,146	-	44	-	5,190	2,063	-	463	-	2,526	2,664	3,082
Vehicles	199	-	-	-	199	58	-	17	-	75	124	141
Furniture, Fixtures & Office Equipments	157	-	12	-	169	56	-	20	-	76	93	101
Intangible Assets												
(Other than internally generated)												
Computer Software	83	-	2	-	85	14	-	28	-	42	43	68
Technical Know Fee	50	-	-	-	50	17	-	17	-	34	16	34
TOTAL	6,685	-	60	-	6,745	2,387	-	574	-	2,961	3,784	4,297
Previous Year's Total	3,567	2,127	1,012	23	6,683	1,432	425	550	21	2,386	4,297	374
Capital work in progress including advances											473	374

Capital work in progress includes capital advance amounting to Rs. 87 Lakh (Previous Year Rs. Nil)

(Rs. in Lakh)

	As at 31st March 2011	As at 31st March 2010
SCHEDULE 6		
INVENTORIES		
Raw Materials	2,005	1,044
Components	57	29
Stores and Spare Parts	164	141
Semi-Finished Goods	698	681
Finished Goods	639	695
Scrap	24	63
Material in transit	-	176
	3,587	2,829



(Rs. in Lakh)

	As at 31st March 2011	As at 31st March 2010
SCHEDULE 7		
SUNDRY DEBTORS-UNSECURED		
Outstanding over six months		
Considered good	108	139
Considered doubtful (Including transferred on merger Rs. 49 Lakh)	55	52
Other Debts-Considered Good	3,358	2,670
	<u>3,521</u>	<u>2,861</u>
Less: Provision for Doubtful Debts	55	52
	<u>3,466</u>	<u>2,809</u>
SCHEDULE 8		
CASH AND BANK BALANCES		
Cash on hand (including Cheques on hand Rs. 60 Lakh Previous year Rs. 39 Lakh)	64	45
With Scheduled Banks		
In Current Accounts	631	777
In Fixed Deposits (Including margin money Rs. 685 Lakh previous year Rs.325 Lakh under lien/pledged with Bank/ Government Authorities)	765	402
	<u>1,460</u>	<u>1,224</u>
SCHEDULE 9		
LOANS AND ADVANCES, OTHER CURRENT ASSETS		
(Unsecured, Considered Good, unless otherwise specified)		
Advances recoverable in cash or in kind or for value to be received:		
Advance to Suppliers	22	18
Advances to Others	890	612
Provision for Doubtful Advances (including transferred on merger)	9	51
Less: Provision for Doubtful Advances (including transferred on merger)	9	51
	<u>912</u>	<u>630</u>
Deposit with Government Bodies and Others	60	56
Cenvat / Service Tax Credit	196	229
Maharashtra Value Added Tax Credit	51	53
Advance Tax and Tax Deducted at Source	56	73
Advance Fringe Benefit Tax paid	-	1
Balances With Central Excise PLA	1	6
Interest Accrued on Deposits	8	4
MAT Credit Entitlement	17	20
	<u>1,301</u>	<u>1,072</u>
SCHEDULE 10		
CURRENT LIABILITIES AND PROVISIONS		
a. CURRENT LIABILITIES		
Sundry Creditors For Goods and Services (Refer Note B (10))	829	1,292
Advances from Customers	37	5
Interest accrued but not due	5	5
Unpaid Dividend	2	2
Other Liabilities	1,388	682
	<u>2,261</u>	<u>1,986</u>
b. PROVISIONS		
Gratuity	374	378
Leave Encashment	100	126
Income Tax Current	609	57
	<u>1,083</u>	<u>561</u>
	<u>3,344</u>	<u>2,547</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. in Lakh)

	For the year ended 31st March 2011	For the year ended 31st March 2010
SCHEDULE 11		
SALES AND EXPORT INCENTIVES		
Domestic Sales	8,320	6,534
Export Sales	2,508	1,511
Trading Sale	283	171
	<u>11,111</u>	<u>8,216</u>
Sale of Scrap	300	155
Job work	115	85
Export Incentives	9	9
	<u>11,535</u>	<u>8,465</u>
SCHEDULE 12		
OTHER INCOME		
Interest Received from Bank (Including Tax deducted at source Rs. 1 Lakh Previous year Rs.0.49 Lakh)	18	8
Interest Received from Others (Including Tax deducted at source Rs. 3 Lakh Previous year Rs.0.10 Lakh)	49	-
Exchange rate difference (Net)	41	83
Profit on Sale of Fixed Assets	-	2
Miscellaneous Income	22	25
Provision no longer required written back	91	5
	<u>221</u>	<u>123</u>
SCHEDULE 13		
(INCREASE)/DECREASE IN STOCK		
Closing Stock :		
Semi-Finished Goods	698	681
Finished Goods	639	695
Scrap	24	63
	<u>1,361</u>	<u>1,439</u>
Less:		
Opening Stock :		
Semi-Finished Goods	681	19
Finished Goods	695	82
Scrap	63	-
	<u>1,439</u>	<u>101</u>
Add : Transfer on merger of Tool Division	-	<u>1,340</u>
	<u>1,439</u>	<u>1,441</u>
	<u>78</u>	<u>2</u>
SCHEDULE 14		
RAW MATERIALS CONSUMED		
Opening Stock	1,220	67
Add : Transfer on merger of Tool Division	-	1,775
Add : Purchases	3,902	2,271
	<u>5,122</u>	<u>4,113</u>
Less : Closing Stock	2,005	1,220
	<u>3,117</u>	<u>2,893</u>



(Rs. in Lakh)

	For the year ended 31st March 2011	For the year ended 31st March 2010
SCHEDULE 15		
MANUFACTURING EXPENSES		
Stores and Spare Parts consumed	863	638
Power, Fuel and Water	467	369
Repairs:		
Buildings	20	9
Machinery	80	68
Others	16	13
Job work and other manufacturing expenses	391	214
	<u>1,837</u>	<u>1,311</u>
SCHEDULE 16		
EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, Wages and Bonus	1,727	1,525
Contribution to Provident Funds and other Funds	225	191
Welfare Expenses	182	157
	<u>2,134</u>	<u>1,873</u>
SCHEDULE 17		
ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Rent	25	21
Rates and Taxes	5	4
Postage and Telephone	51	29
Printing and Stationery	46	27
Insurance	20	19
Domestic Travelling and Conveyance	97	63
Foreign Travelling Expenses	14	16
Vehicle Expenses	20	14
Advertisement, Publicity Etc.	12	8
Sales Promotion and Other Selling Expenses	172	34
Excise duty provision on Manufactured Finished Goods	(28)	8
Freight on sales	97	177
Training Expenses	18	8
Directors' Fees	2	3
Auditors' Remuneration:		
Audit Fee	9	2
For Certification	1	-
Provision for Doubtful Debts	3	6
Bad debts	-	77
Legal and Professional Charges	267	215
Security Services	9	8
Software Maintenance Expenses	12	12
Miscellaneous Expenses	83	89
	<u>935</u>	<u>840</u>
SCHEDULE 18		
INTEREST AND FINANCE CHARGES		
Interest on :		
Fixed Loan	157	127
Other	113	66
Other Finance Charges	45	49
	<u>315</u>	<u>242</u>

SCHEDULE 19

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

PART [A]: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1 Basis of preparation of financial statements:

The Financial Statements have been prepared on accrual basis under historical cost convention and in compliance in all material aspects with the applicable Accounting Principles in India, the applicable Accounting Standards notified under Section 211(3C) and the relevant provisions of the Companies Act, 1956.

2 Revenue Recognition:

- (a) Revenue from the sale of goods is recognized upon the passage of title to the customers, which generally coincides with delivery. Sales are inclusive of excise duty and net of adjustments for discounts and sales tax.
- (b) Export sales are accounted based on the dates of Bill of Lading.
- (c) Interest Income is accrued on time proportion basis over the period of loan / deposit / investment.

3 Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made by the management that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are crystallized.

4 Fixed Assets and Depreciation / Amortization:

- (a) Fixed assets are accounted at cost of acquisition / construction, less accumulated depreciation and impairment loss, if any.
- (b) Leasehold Land is amortized over the period of lease.
- (c) Computer Software and Technical Know-How are amortized over a period of 3 years from the date of acquisition.
- (d) Depreciation:

I Toolholder Division:

- (i) Depreciation on fixed assets acquired prior to 01.04.2003 is provided on 'Straight Line Method' at the rates prescribed in Schedule XIV to the Companies Act, 1956 proportionately for the period for which the assets were in use.
- (ii) Depreciation on additions to fixed assets on or after 01.04.2003 is provided on 'Straight Line Method' at the rates worked out on the basis of useful life estimated by the management which is as follows:

Particulars	Useful Life
Plant and machinery (except Shop Tooling Fixtures & Second Hand Machines)	10 Years
Second Hand Plant & Machinery	3 Years
Shop Tooling Fixtures	2 Years
Vehicles	10 Years
Furniture, fixture and office equipments	5 Years
Data Processing Equipments	5 Years
Others	Schedule XIV Useful Life Rate

- (iii) Depreciation on impaired assets is provided by adjusting the depreciation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

II Tool Division:

The Company provides depreciation on all its assets on the Straight Line Method, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

5 Capital Work in Progress:

Expenditure during construction period including development cost incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the assets and are included under "Capital Work in Progress".

These expenses are apportioned to fixed assets on commencement of commercial production.

6 Impairment of Fixed Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any, is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

7 Valuation of Inventory:

- (a) Raw Materials and Components, Semi-finished goods, Finished goods, Stores and Spares, Goods for Trade are valued at cost or net realizable value whichever is lower. Finished goods at factory premises and branches are valued inclusive of excise duty. Cost formula used is weighted average cost. Cost comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition.
- (b) In case of Tool Division, Cost of Manufactured Finished Goods and Semi-finished goods is determined by using the 'Retail Method' whereby the cost is computed by reducing from the sale value of inventories, the global gross margin.
- (c) Goods / Materials in Transit are valued at cost to date.
- (d) Scrap is valued at its Estimated Realizable Value.
- (e) Adequate provisions are made for obsolete inventory based on technical estimates made by the Company.

8 Foreign Currency Transactions:

Transactions arising in foreign currencies during the year are converted at the rates closely approximating the rates ruling on the transaction dates. Liabilities and receivables in foreign currency are restated at the year end exchange rates. All exchange rate differences arising from conversion in terms of the above are included in the profit and loss account.

9 Employee Benefits:

Short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

Post employment benefits:

- i) Defined contribution plans: Company's contribution to the provident fund scheme is recognized during the year in which the related service is rendered.
- ii) Defined benefit plans: The present value of the obligation is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses on such valuation are recognized immediately in the Profit and Loss Account. The fair value of the plan assets of the fund / trust administered by the Company, is reduced from the gross obligation under the defined benefit plan, to recognize the obligation on a net basis.
- iii) Long Term compensated absences are provided on the basis of an actuarial valuation.

10 Research and Development Costs:

Revenue expenditure, including overheads on research and development, is charged as an expense through the natural heads of account in the year in which incurred. Expenditure, which results in the creation of capital assets, is capitalized and depreciation is provided on such assets as applicable.

11 Borrowing Cost:

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

12 Taxation:

Income tax expense comprises Current tax and Deferred tax charge or credit. Provision for Current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax.

Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably. The deferred tax asset and/or deferred tax liability is calculated by applying substantively enacted rate as at balance sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation is recognized if and only if there is virtual certainty backed by convincing evidence of its realization. At each balance sheet date, carrying amount of deferred tax assets is reviewed to reassure realization.

13 Government Grants:

Capital grants for project capital subsidy are credited to Capital Reserves.

14 Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

PART [B]: OTHER NOTES TO ACCOUNTS

(Rs. In Lakh)

I (a) Estimated amount of contracts remaining to be executed on capital account (net of advances), not provided for:

Particulars	2010-11	2009-10
Tangible Assets	318	-

(b) Contingent Liabilities not provided for in respect of:

	2010-11	2009-10
(i) Export obligation for the amount of duty saved under EPCG Scheme - DTA Unit	441	80
(ii) Export obligation for the amount of duty saved under EPCG Scheme - EOU Unit (subsumed)	153	153
(iii) Disputed Sales Tax and Entry Tax Demands	102	109
(iv) Claim on account of PF not acknowledged as debts	4	4
(v) Bank Guarantee / Letter of Credit	89	-
(vi) Claims against Company not acknowledged as debts	12	12

(c) The Company is a party to various legal proceedings in the normal course of business and does not expect the outcome of the proceedings to have any adverse effect on his financial conditions, results of operations or cash flows.

2 The Tool Division of Zenith Birla (India) Ltd. (ZBIL) being all its assets and properties, both movable and immovable, industrial and other licenses, trademarks, all other interests, rights and powers of every kind, etc. and all its debts, liabilities, duties and obligations, has been transferred to and vested in the Company retrospectively with effect from April 1, 2008 (the appointed date). The Scheme has accordingly been given effect to in these accounts. The Tool Division of ZBIL is in operation of manufacturing of HSS Cutting Tools.

The merger of the Tool Division of ZBIL with the Company has been accounted as per Scheme of Arrangement approved by the Honorable High Court of judicature at Mumbai, vide its order dated, January 8, 2010. Accordingly the assets, liabilities, debts and obligations of the Tool Division have been taken over at their book values as on April 1, 2008 as stipulated in the Scheme. The merger has resulted in transfer of assets, liabilities, debts & obligation in accordance with the terms of the Scheme at the following summarized values:

(Rs. In Lakh)

Fixed Assets (Net)		1,380
Capital Work in Progress		31
Current Assets, Loans and Advances	5,304	
Less: Current Liabilities and Provisions	2,283	
Net Current Assets		3,021
Total Assets:		4,432
Less:		
Secured and Unsecured Loans		145
Net Assets Transferred from ZBIL		4,287
Transfer from General Reserve of ZBIL on account of Merger of Tool Division		2,218
Issue of 1,60,27,996 Equity Shares to Shareholders of ZBIL in the ratio of 2 Equity Shares of Rs. 2/- each of the Company for every 5 Equity Share of Rs. 10/- each.		321
Balance adjusted in the Profit & Loss Account		1,748

In terms of the Scheme, the Equity Shares allotted as above rank for dividend, voting rights and in all other respects pari-passu with the existing Equity Shares of the Company. The Income accruing and the expenses incurred by Tool Division of ZBIL during the period 1st April, 2008 to 31st March, 2009 resulting in Net Surplus of Rs. 426 Lakh has also been incorporated in these accounts which include difference arising on account of variation in accounting policies aggregating Rs. 51 Lakh. During the period between the appointed date and the effective

date (i.e. February 11, 2010) ZBIL carried on the existing business in “trust” on behalf of the Company. Vouchers, documents etc. for the period are in the name of ZBIL. The title deeds for leasehold land, building, residential flats, licenses, agreements, loan documents, etc. are in the process of being transferred in the name of the Company. Stamp duty and other levies out of the Scheme of Arrangement, if any, shall be accounted on determination and completion of transfer formalities.

- 3 The Board of Directors of the Company in their meeting held on 29th April, 2011, approved the Scheme of Amalgamation of the Birla Machining & Toolings Limited (formerly Dagger Forst Tools Limited) and Birla Accucast Limited (the Transferor Companies) with the Company (the Transferee Company) subject to the approval of shareholders of the Company and other regulatory authorities. The Company has received ‘No Objection’ letter dated 13th July, 2011 from Bombay Stock Exchange Limited to Scheme of Amalgamation of the Birla Machining & Toolings Limited and Birla Accucast Limited with the Company. The Company is in the process of filing the Scheme of Amalgamation with the High Court of Bombay. The appointed date of the Scheme of Amalgamation is 1st April, 2010 subject to approval of High Court of Bombay.

4 Employee Benefits:

(A) Defined Contribution Plans:

The Company has recognized the following amounts in Profit and Loss Account for the year:

(Rs. in Lakh)

	Current Year	Previous Year
Contribution to Employees Provident Fund & Other Funds	225	191
Total	225	191

(B) Defined Benefit Plans :

I (a) Contribution to Gratuity:

Provision for Gratuity has been made in the accounts based on an actuarial valuation carried out at the close of the year. The Company has funding arrangement with Birla Sun Life, except for Tools Division, in which case it is held under Indian Tool Employee Gratuity Fund, and the liability is discharged to the employees in the year of retirement / cessation of employment.

Details under AS-15, to the extent applicable is furnished below:

(Rs. in Lakh)

Sr. No.	Particulars	As at 31.03.2011	As at 31.03.2010
i)	Reconciliation of defined benefit obligation (DBO) :		
	DBO at the beginning of the year	450	38
	Current Service Cost	41	23
	Acquired on acquisition	-	399
	Interest Cost	34	32
	Actuarial Loss / (Gain)	12	16
	Benefits paid	(63)	(58)
	DBO at end of the year (Net liability recognized in the Balance Sheet)	474	450
ii)	Net cost for the year ended :		
	Current Service Cost	41	23
	Interest Cost	34	32
	Expected Return on Plan Assets	(9)	(8)
	Actuarial Loss / (Gain)	16	11
	Net Cost	82	58
iii)	Fair Value of Planned Assets	100	84
iv)	Assumptions used in accounting for the gratuity plan :		
	Discount rate (%)	8.30%	8.00%
	Salary escalation rate (%)	5.00%	5.00%

(b) Other disclosures:

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Present Value of Defined Benefit Obligation	474	450	38	27	21
Fair Value of Plan Asset	100	84	23	27	24
(Deficit) / Surplus of the plan	374	366	15	-	(3)
Experience adjustment on plan liabilities loss / (gain)	*	*	*	*	*
Experience adjustment on fair value of plan adjustments	*	*	*	*	*

* The details of the Experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (revised) on "Employee Benefits" of previous financial years are not available in the valuation report for the financial year 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 hence not furnished.

II Leave Encashment:

The leave encashment provision for the year ended 31st March, 2011, based on actuarial valuation carried out using projected accrued benefit method amounting to Rs. 4 Lakh (Previous year Rs. 0.32 Lakh) has been recognized in Profit and Loss Account.

5 Segment Reporting:
(a) Primary Segment - (Business)

(Rs. In Lakh)

Sr. No.	Particulars	2010-11	2009-10
1	Segment Revenue		
	a) Tool Holders	2,819	1,807
	b) Tools	8,870	6,773
	Total	11,689	8,580
	Less: - Excise Duty	851	552
	Net Sales Income from Operation	10,838	8,028
2	Segment Results Profit(+)/(Loss)(-)		
	(before Interest and Tax) from segment		
	a) Tool Holders	(10)	(210)
	b) Tools	1,847	603
	Total	1,837	393
	Less: Interest and Finance Charges	315	242
	Profit before Tax	1,522	151
	Less: Provision for Taxation		
	Current Tax	699	28
	Deferred Tax	164	36
	Mat Credit Entitlement	-	(9)
	Profit after Tax	659	96
3	Segment Assets		
	a) Tool Holders	4,020	4,085
	b) Tools	8,510	7,198
	c) Un-allocable	1,541	1,322
	Total	14,071	12,605
4	Segment Liabilities		
	a) Tool Holders	720	420
	b) Tools	2,008	2,063
	c) Un-allocable	3,685	3,123
	Total	6,413	5,606

Sr. No.	Particulars	2010-11	2009-10
5	Capital Expenditure		
	a) Tool Holders	31	87
	b) Tools	128	472
	Total	159	559
6	Depreciation		
	a) Tool Holders	373	370
	b) Tools	201	180
	Total	574	550
7	Non Cash Expenditure		
	a) Tool Holders	-	-
	b) Tools	-	-
	Total	-	-

(b) Secondary Segment - (Geographical):

(Rs. In Lakh)

	India	USA	Rest of the World	Total
Segment Revenue	8,167 (6,402)	1,522 (865)	995 (646)	10,684 (7,913)

(Figures in brackets indicates 31st March 2010 figures)

Notes:

- (i) Segments have been identified in line with Accounting Standard on Segment Reporting (AS-17) taking into account the organization structure as well as the differential risks and returns of these segments.
- (ii) The Company has disclosed Business segment as the primary segment and type of products in each segment:
- Toolholder Division:- Machine Tool Accessories & Precision Components.
 - Tool Division: - Cutting Tools.
- (iii) The revenue and result figures given above are directly identifiable to respective segments and expenditure on common services incurred at the corporate level are not directly identifiable to respective segments have been shown as "Other Un-allocable Expenditure".

6 RELATED PARTY TRANSACTIONS :

(A) Name of Related Parties and nature of relationships:

a) Key Management personnel

- Shri Yashovardhan Birla (Non-executive Chairman)
- Shri M.S. Arora (Managing Director)

b) Enterprises owned or significantly influenced by Key Management personnel or their relatives

- | | |
|---|---|
| 1. Ashok Birla Apollo Hospital Pvt. Ltd. | 16. Birla Pacific Medspa Limited |
| 2. Asian Distributors Pvt. Ltd. | 17. Birla Power Solutions Limited |
| 3. Birla AccuCast Limited | 18. Birla Research and Lifesciences Limited |
| 4. Birla Bombay Pvt. Ltd. | 19. Birla Shloka Edutech Limited |
| 5. Birla Capital & Financial Services Limited | 20. Birla Surya Limited |
| 6. Birla Edutech Limited | 21. Birla Transasia Carpets Limited |
| 7. Birla Electricals Limited | 22. Birla Urja Limited |
| 8. Birla Energy Infra Limited | 23. Birla Viking Travels Pvt. Ltd. |
| 9. Birla Global Corporate Pvt. Ltd. | 24. Birla Wellness and Healthcare Private Limited |
| 10. Birla Infrastructure Ltd. | 25. Godavari Corporation Pvt. Ltd. |



- | | |
|---|--|
| 11. Birla Integrated Textile Park Limited | 26. Melstar Information Technologies Limited |
| 12. Birla International Pvt. Ltd. | 27. Nirved Traders Pvt. Ltd. |
| 13. Birla Kerala Vaidyashala Pvt. Ltd. | 28. Shearson Investments & Trading Co. Pvt. Ltd. |
| 14. Birla Lifestyle Private Limited | 29. Zenith Birla (India) Limited |
| 15. Birla Machining & Toolings Limited | 30. Birla Industries Group Charity Trust |

Note: Above mentioned related parties are identified by the Management and relied upon by the auditors.

(Rs. in Lakh)

(B) Transactions during the year ended 31st March, 2011 and balances with related parties :

Sr. No.	Name of related party	Description & Nature of transactions	Total Amount of the Transactions during the Current year (Previous Year)	Amount if any Outstanding as on 31.03.2011 DEBIT Balance Current Year (Previous Year)	Amount if any Outstanding as on 31.03.2011 CREDIT Balance Current Year (Previous Year)
1	Birla Accucast Ltd.	Sale of Goods	162 (1)	2 (2)	3 (11)
		Reimbursement of Expenses.	0.18 (-)	- (-)	- (-)
		Services	17 (73)	- (84)	- (-)
		Provision written back	3 (-)	- (-)	- (-)
2	Birla International Pvt. Ltd.	Purchase of Goods	22 (12)	- (-)	- (2)
		Reimbursement of Expenses.	100 (-)	- (1)	- (-)
		Sale of goods	2,759 (2,198)	1,043 (812)	1 (-)
3	Birla Global Corporate Pvt. Ltd.	Services	186 (149)	- (8)	12 (0.19)
		Provision written back	0.19 (-)	- (-)	- (-)
4	Birla Machining & Toolings Limited (Formerly Dagger Forst Tools Ltd.)	Sale of goods	- (5)	- (-)	- (-)
		Purchase of Goods	2 (64)	1 (-)	- (-)
		Interest Received	- (13)	- (105)	- (-)
		Interest Paid	- (48)	- (-)	- (511)
		Services	- (-)	- (-)	- (-)
5	Birla Viking Travels Pvt. Ltd.	Services	7 (11)	1 (-)	1 (1)
6	Nirved Traders Pvt. Ltd.	Services	15 (16)	- (-)	0.30 (-)

7	Godavari Corporation Pvt. Limited	Advance Given	553	-	553
			(-)	(-)	(-)
8	Shri Yashovardhan Birla	Int. on Adv Received	32	-	29
			(-)	(-)	(-)
9	Birla Power Solutions Limited	Director Sitting Fees	0.28	-	-
			(0.35)	(-)	(-)
10	Birla Industries Group Charity Trust	Provision written back	0.12	-	-
			(-)	(-)	(-)
11	Shearson Investments & Trading Co. Pvt. Ltd.	Provision written back	0.15	-	-
			(-)	(-)	(-)
		Reimbursement of Expenses.	3	-	2
			(0.25)	(-)	(-)
12	Zenith Birla (India) Ltd.	Interest Income (Net)	1	-	-
			(-)	(-)	(-)
		Loan Taken & Repaid	30	-	-
			(-)	(-)	(-)
12	Zenith Birla (India) Ltd.	Interest Accrued Repaid	10	-	1
			(314)	(-)	(37)
		Reimbursement of Expenses.	12	-	-
			(-)	(-)	(-)
		Services	11	-	-
			(-)	(-)	(-)
		Purchase of Goods	1,365	7	253
	(-)	(-)	(-)		
12	Zenith Birla (India) Ltd.	Loan Taken	50	-	50
			(-)	(-)	(-)
		Interest on Loan	0.06	-	0.05
		(-)	(-)	(-)	
12	Zenith Birla (India) Ltd.	Sale of Goods	19	-	-
			(12)	(12)	(-)
		Total	5,359.98	1,054.00	905.35
			(2,916.60)	(1,024.00)	(562.19)

(Figures in brackets indicates 31st March 2010 figures)

7 Computation of Profit for Earnings Per Share :

(Rs. In Lakh)

Particulars	2010-11	2009-10
Net Profit/ (Loss) after Tax	659	96
Profit/ (Loss) attributable to Equity Shareholders (A)	659	96
No. of Equity Shares outstanding during the year (B)	32027996	32027996
Nominal Value of Equity Shares (Rupees)	Rs. 2/-	Rs. 2/-
Basic and Diluted EPS (Rupees) (C = A / B)	2.06	0.30

8 Deferred Tax:

(Rs. In Lakh)

Particulars	2010-11	2009-10
Deferred Tax Liability		
Related to Fixed Assets	390	245
Deferred Tax Asset		
Other Disallowances under Income Tax Act, 1961	197	216
Deferred Tax Liability/ (Asset) (Net)	193	29



9 In the opinion of the Board, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet, unless stated otherwise. The provision for all known liabilities is adequate and not in excess of the amount reasonably stated.

10 Sundry Creditors in Schedule 10 include;

- (a) (i) Rs.5 Lakh (Previous Year Rs. 2 Lakh) due to Micro, Small and Medium Enterprises.
(ii) Rs. 824 Lakh (Previous Year Rs. 1,290 Lakh) due to others.
- (b) Enterprises to whom the Company owes a sum, which is outstanding for more than 45 days is Rs. Nil (Previous Year Rs. Nil) and the interest on the same is Rs. Nil (Previous Year Rs. Nil).
- (c) The disclosure in (a) and (b) above is based on the information available with the Company regarding the status of supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

11 Additional information pursuant to Part II of Schedule VI of the Companies Act, 1956.

(A) Particulars of Capacity :

(in Numbers)

Class of Goods	Installed Capacity	
	2010-11	2009-10
Drills	19,067,000	19,067,000
Reamers	175,600	175,600
Taps	580,000	580,000
Cutters	126,400	126,400
Tool Bits	422,300	422,300
Machine Tool Accessories	477,600	477,600
Precision Components	200,000	200,000
Total	21,048,900	21,048,900

Installed Capacity as certified by the management and accepted by auditors, it being a technical matter.

(B) Particulars in respect of Opening Stock, Production, Purchases, Sales and Closing Stock of Finished Goods:

CLASS OF GOODS : Cutting Tool / Machine Tool Accessories & Precision Components

(a) Details of Goods Manufactured:

Product	Opening Stock		Acquired on Merger of Tool Division of Zenith Birla (India) Limited		Production	Sales		Issue for own consumption	Issue for samples etc.	Closing Stock	
	Quantity in Nos.	Value (Rs. in Lakh)	Quantity in Nos.	Value (Rs. in Lakh)		Quantity in Nos.	Quantity in Nos.			Value (Rs. in Lakh)	Quantity in Nos.
Drills	888,519 (-)	374 (-)	- (1,111,313)	- (404)	13,361,129 (11,381,119)	13,404,899 (11,578,108)	6,462 (4,986)	9,842 (25,805)	- (-)	834,907 (888,519)	353 (374)
Reamer	20,263 (-)	46 (-)	- (16,113)	- (45)	58,946 (44,066)	69,344 (39,544)	372 (246)	26 (44)	- (328)	9,839 (20,263)	34 (46)
Cutter	15,686 (-)	29 (-)	- (19,040)	- (63)	39,645 (40,185)	43,782 (42,874)	181 (202)	139 (382)	- (283)	11,410 (15,686)	23 (29)
Tap	140,792 (-)	115 (-)	- (151,831)	- (171)	526,807 (402,931)	541,443 (412,529)	1,146 (861)	259 (260)	- (1,181)	125,897 (140,792)	104 (115)
Tool Bits	11,032 (-)	13 (-)	- (11,739)	- (15)	42,216 (37,137)	44,585 (37,725)	125 (111)	127 (66)	- (53)	8,536 (11,032)	10 (13)
Hacksaw Blades	49,688 (-)	12 (-)	- (76,268)	- (14)	- (1,262)	7,710 (27,742)	8 (15)	200 (100)	- (-)	41,778 (49,688)	9 (12)
Machine Tool Accessories & Precision Components	17,332 (15,714)	76 (82)	- (-)	- (-)	540,612 (351,463)	538,938 (341,780)	2,534 (1,624)	6,223 (2,351)	335 (5,714)	12,448 (17,332)	59 (76)
Total	1,143,312	665	-	-	14,569,355	14,650,701	10,828	16,816	335	1,044,815	592
Previous year	(15,714)	(82)	(1,386,304)	(712)	(12,258,163)	(12,480,302)	(8,045)	(29,008)	(7,559)	(1,143,312)	(665)

(Figures in brackets indicates 31st March 2010 figures)



(b) Details of Goods Traded :

Product	Opening Stock		Added on Merger of Tool Division of Zenith Birla (India) Limited		Purchases		Sales		Issue for own consumption	Issue for samples etc.	Closing Stock	
	Quantity	Value (Rs. in Lakh)	Quantity	Value (Rs. in Lakh)	Quantity	Value (Rs. in Lakh)	Quantity	Value (Rs. in Lakh)	Quantity	Quantity	Quantity	Value (Rs. in Lakh)
Sand / Profile Scrap (Qty M.T.)	- (-)	- (-)	- (-)	- (-)	297.74 (-)	43 (-)	297.74 (-)	46 (-)	- (-)	- (-)	- (-)	- (-)
Files / Bandsaw (Qty Nos.)	87,968 (-)	30 (-)	- (177,205)	- (67)	224,674 (96,020)	166 (62)	236,776 (185,092)	237 (171)	- (165)	- (-)	75,866 (87,968)	47 (30)
Total		30	-	-	209		283					47
Previous Year	(-)	(-)	(177,205)	(67)	(96,020)	(62)	(185,092)	(171)	(165)	(-)	(87,968)	(30)

(Figures in brackets indicates 31st March 2010 figures)

(c) Raw materials & components consumed:

	Current Year		Previous Year	
	Quantity	Value (Rs. in Lakh)	Quantity	Value (Rs. in Lakh)
Raw materials:				
(i) Steel (M.T)	1,889	3,080	1,320	2,873
(ii) Carbide Tips (Nos.)	1,230,905	37	731,870	20
Sub - Total (A)		3,117		2,893
Components (Nos.) (B)	538,181	184	315,077	112
Total (A) + (B)		3,301		3,005

(d) Value of imported and indigenous Raw materials and Components consumed and percentage of each to the total consumption:

	Current Year		Previous Year	
	Value (Rs. in Lakh)	%	Value (Rs. in Lakh)	%
Raw materials & components:				
- Imported	1,558	47%	1,355	45%
- Indigenous	1,743	53%	1,650	55%
	3,301	100%	3,005	100%

(e) Value of imported and indigenous Stores, Spare Parts, Packing Material etc. consumed and percentage of each to the total consumption:

	Current Year		Previous Year	
	Value (Rs. in Lakh)	%	Value (Rs. in Lakh)	%
Stores, Spare Parts, Packing Material, etc.				
- Imported	68	8%	41	6%
- Indigenous	795	92%	597	94%
	863	100%	638	100%



(f) **CIF value of imports :**

(Rs. in Lakh)

	Current Year	Previous Year
Capital goods	-	311
Raw Materials & Components	82	1,172
Stores & Spares parts	57	42
	139	1,525

(g) **Expenditure in foreign currency:**

(Rs. in Lakh)

	Current Year	Previous Year
(i) Foreign traveling expenses	9	12
(ii) Miscellaneous expenses	4	4
(iii) Service Charges & commission on sales	4	3
(iv) Subcontracting Charges	1	10
(v) Bank Charges	-	1
(vi) Exchange Rate variation surcharge	74	54
(vii) Interest on Foreign Currency Term Loan	34	40
	126	124

(h) **Earning in foreign exchange:** (Rs. in Lakh)

	Current Year	Previous Year
F.O.B. value of exports manufacturing goods	2,224	1,450

12 The figures of previous year have been regrouped / reclassified wherever necessary to correspond to figures of current year.

For and on behalf of Board of Directors

For CHATURVEDI & SHAH
Chartered Accountants
Firm's Registration No. 101720W

M. S. Arora
Managing Director

Parag D. Mehta
Partner
Membership No. 113904

P. V. R. Murthy
Director

Lovelina Cecil Faroz
Company Secretary

Mumbai, 8th September, 2011

**Additional information as required under part - IV of Schedule VI to the Companies Act, 1956.
Balance Sheet Abstract and Company's General Business Profile.**

1	Registration Details			
	Registration No.	L29220MH1986PLC041214	State Code	11
	Balance Sheet date	31st March, 2011		
2	Capital raised during the year (Amount in Rs. Lakh)			
	Public Issue	Nil	Right Issue	Nil
	Preferential Issue	Nil	Private Placement	Nil
	Bonus Issue	Nil		
3	Position of Mobilisation and Deployment of Funds (Amount in Rs. Lakhs)			
	Total Liabilities	14071	Total Assets	14071
	SOURCES OF FUNDS			
	Paid up Capital	641	Secured Loans	2396
	Reserves and Surplus	7017	Unsecured Loans	480
	APPLICATION OF FUNDS			
	Net Fixed Assets (including Capital WIP)	4257	Investments	Nil
	Net Current Assets	6470	Miscellaneous Expenditure	Nil
	Accumulated Losses	Nil		
4	Performance of Company (Amount in Rs. Lakhs)			
	Total Income	10905	Total Expenditure	9383
	Profit Before Tax	1522	Profit After Tax	659
	Earning per share (In Rs.)	2.06	Dividend Rate %	Nil
5	Generic names of three principal products/services of Company (as per monetary terms)			
A)	Item Code No. (ITC Code)	84661010		
	Product Description	Tool Holders		
B)	Item Code No. (ITC Code)	85389000		
	Product Description	Precision Components		
C)	Item Code No. (ITC Code)	82075000		
	Product Description	Tools		

Dear Shareholder,

Re: Green Initiative in Corporate Governance

We wish to inform you that the Ministry of Corporate Affairs, New Delhi (“MCA”) (vide its Circulars dated April 21, 2011 and April 29, 2011) has taken a “Green Initiative in Corporate Governance” by allowing paperless compliances by Companies through electronic mode. This move by the MCA is welcome since it will benefit the society at large through reduction in paper consumption and contribute towards greener environment. Also you will be able to receive the Communication promptly and without loss in transit.

Keeping in view the underlying theme and the circulars issued by MCA, we propose to send henceforth all communications / documents including the Notice calling the General Meeting/ Notice of Postal Ballot, Audited Financial Statements, Directors’ Report, Auditors’ Report etc. via electronic mode **on the Email ID registered by shareholders with their Depository Participant (DP).**

Shareholders holding shares in demat mode and who have not yet registered their Email ID are requested to kindly register/update their e-mail ID with their concerned Depository Participant, on which they desire to receive all future communications/ documents as specified above. **In case of change in your Email Address in future**, please update same with your DP.

Please note that the email address indicated in your respective DP accounts periodically downloaded from the depositories viz. NSDL/ CDSL will be deemed to be your registered email address.

Shareholders holding shares in physical mode are requested to register their email address with the Company by sending a written request signed by the First Shareholder mentioning your folio no. to the Registrar & Share Transfer Agents – Karvy Computershare Private Limited.

Please note that, upon receipt of a requisition from you, the Company shall send all these documents on the address registered with the Company free of cost.

Please note that the Annual Report of your Company along with all future notice/ communication/ documents will be displayed on the Company’s website www.birlaprecision.in

It is clarified that shareholders holding shares in physical form and have not registered their email address with the Registrar/ Company and those Demat Shareholders who have not registered email ID with their DP, will continue to receive physical copies of these documents.

We are sure, that as a responsible citizen, you will whole-heartedly support this initiative and co-operate with the Company to make it a success.

Thanking You,

Yours faithfully,

For Birla Precision Technologies Limited

Sd/-

Lovelina Cecil Faroz
Company Secretary

E-COMMUNICATION REGISTRATION FORM

To,
M/s. Karvy Computershare Private Limited
17-24, Vittalrao Nagar, Madhapur
Hyderabad – 500 081 (A.P.)

Dear Sir/Madam,

Re : Green Initiative in Corporate Governance

UNIT: Birla Precision Technologies Limited

I agree to receive all communication from the company in electronic mode. Please register my email id in your records for sending communication through e-mail.

Folio no. : _____
DP ID : _____
Client ID : _____
PAN : _____
Name of 1st Registered Holder : _____
Name of Joint Holder(S) : _____
Registered Address : _____

Email ID : _____

Date : _____

Signature of the first holder _____

Important Notes:

- 1) On registration, all the communication will be sent to the email ID registered in the Folio/DP IP & Client ID.
- 2) The form is also available on the website of the company www.birlaprecision.in
- 3) Shareholders are requested to keep company informed as and when there is any change in the e-mail address. Unless the email id given above is changed by you by sending another communication in writing, the company will continue to send the notices/ documents to you on the above mentioned e-mail ID.

Book Post



If undelivered, please return to:
BIRLA PRECISION TECHNOLOGIES LIMITED

Regd. Office :-

B- 15/4, M. I. D. C., Waluj, Aurangabad- 431 133 (M. S.)

Phone: (0240) 2554300, 2554301, 2554408, Fax : (0240) 2554302

Email: info@birlaprecision.com, Web: www.birlaprecision.in / www.indiantool.com