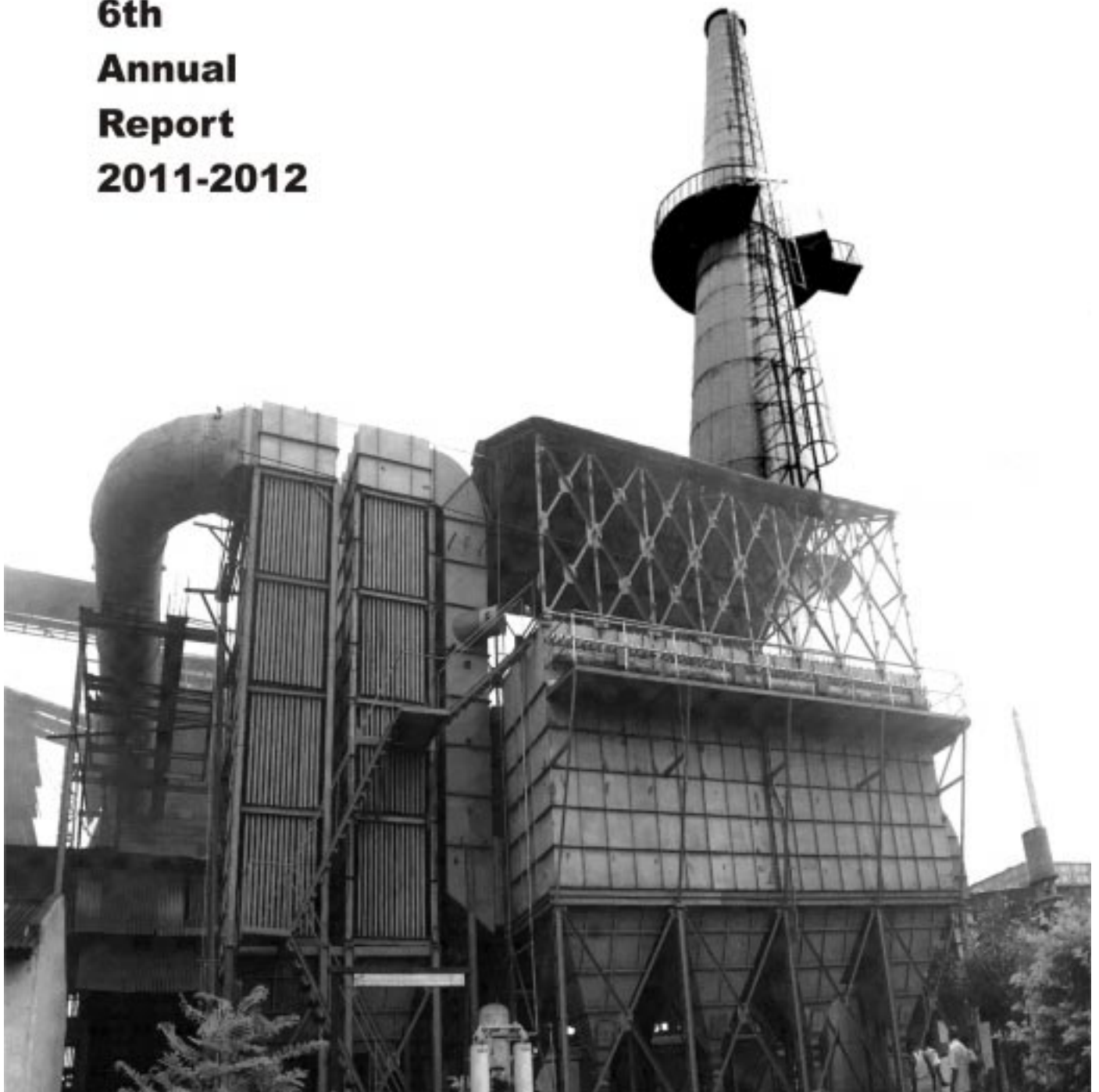


Metkore Alloys & Industries Limited

(Formerly Cronimet Alloys India Ltd./GMR Ferro Alloys & Industries Ltd.)

6th Annual Report 2011-2012



GENERAL INFORMATION

Board of Directors	Sri Rajiv Saxena Sri Prashant Boorugu Smt Sarita Boorugu Sri S Gajendran Sri M V Bhaskara Rao IPS (Retd.) Sri K Mallikarjuna Rao Sri AVL Narasimham	Chairman Managing Director Director Director Director Director Director
Company Secretary	Sri Chandrashekhar Hegde	
Statutory Auditors	S Venkatadri & Company Chartered Accountants 1408, Babukhan Estate Basheerbagh Hyderabad - 500 001	
Bankers	State Bank of Travancore	
Registered Office	Plot No.18, Sagar Society, Street No. 1 Road No. 2, Banjara Hills HYDERABAD - 500 034	
Plant	Ravivalasa Village - 532 212 Tekkali Mandal, Srikakulam District, A.P.	
Registrar & Share Transfer Agents	Karvy Computershare Pvt. Ltd. Plot # 17-24, Vittal Rao Nagar Madhapur, Hyderabad - 500 081	

CONTENTS

Notice	01-02
Directors' Report	03-06
Corporate Governance Report	07-13
Auditors' Report	14-15
Balance Sheet	16-16
Profit and Loss Account	17-17
Cash Flow Statement	18-18
Notes to Financial Statements	19-27

NOTICE

Notice is hereby given that the 6th Annual General Meeting of Metkore Alloys & Industries Limited will be held on Saturday, September 29, 2012 at the 11.00 AM at Hotel Sreekrishna Grand, Miyapur X Roads, Hyderabad - 500 049 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2012, the Profit & Loss Account for the year ended as on that date and the reports of the Directors' and the Auditors' thereon.
2. To declare dividend.
3. To appoint a Director in place of Sri K Mallikarjuna Rao, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri AVL Narasimham, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s S Venkatadri & Company, Chartered Accountants [Registration No.201470] be and are hereby appointed as Auditors of the Company to hold Office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting on such remuneration as may be fixed by the Board of Directors".

Special Business

6. To consider and if thought fit, to pass with or without modification(s), following resolution as **Special Resolution**:
"RESOLVED THAT pursuant to Section 372A and other applicable provisions, if any, of the Companies Act, 1956 (the Act) and subject to such other approvals, consents, sanctions and permissions as may be necessary in that behalf, and subject to such conditions as may be prescribed while granting such approvals, consents, sanctions and permissions, the consent of the Company be accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be deemed to include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution) to invest/acquire from time to time by way of subscription, conversion or otherwise Equity Shares of the subsidiary/JV Companies not exceeding USD 20 million equivalent to INR 108 Crores."
"RESOLVED FURTHER THAT the Sri Prashant Boorugu, Managing Director of the Company be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things and to settle any question, difficulty or doubt that may arise with regard to such investments or otherwise reconsider the matter due to change in circumstances as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution and to finalise and execute all the documents and writings, as may be necessary or expedient to give effect to this Resolution."

By Order of the Board of Directors

Bangalore
August 14, 2012

Chandrashekhar Hegde
Company Secretary

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
2. Members holding physical shares are requested to notify promptly any change in their addresses to our Registrars & Share Transfer Agents, viz., Karvy Computershare Pvt Ltd., Hyderabad and those who have shares in electronic mode to communicate to their depository participants.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 22.09.2012 to 29.09.2012 (both days inclusive).
4. Members intending any information about accounts are requested to send their queries at least 7 days in advance of the meeting.
5. Statement of details of Directors proposed to be re-appointed is attached as required under Clause 49 of the Listing Agreement.
6. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is attached.

Explanatory Statement as per Section 173 (2) of the Companies Act, 1956:

ITEM NO. 6

Pursuant to Section 372A of the Companies Act, 1956, the Company can make investments in the securities of other bodies corporate to the extent of 60% of its paid up share capital and free reserves or 100% of its free reserves, whichever is higher with the approval of the Board of Directors. Where the aggregate of investments made exceeds the aforesaid limits, prior approval of the members is required by way of a Special Resolution.

Your Company is proposed to invest USD 20 million equivalent to INR 108 Crores to take the voting rights upto 50% in Companies Ventured abroad.

The Directors recommend the resolution for the approval of members.

None of the Directors except Sri Prashant Boorugu & Smt Sarita Boorugu are deemed to be interested in this resolution.

By Order of the Board of Directors

Bangalore
August 14, 2012

Chandrashekhar Hegde
Company Secretary

**Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting
(Pursuant to Clause 49 of the Listing Agreement)**

Name of the Director S/Shri	Date of Birth	Date of Appointment	Expertise in Specific functional areas	Qualification	Directorships in other Public Limited Companies	Membership of Committees in other Public Limited Companies	Share-holding in the Company
K Mallikarjuna Rao	19.06.1952	17.12.2009	Has expertise in finance management, audits, merger and amalgamation, strategic management, group integration etc., with over 37 years experience to his credit & widely travelled.	B.Com, L.L.B, FCA	Nil	Nil	Nil
AVL Narasimham	30.04.1947	25.02.2010	42 years experience in Production and Operation of Ferro Alloys. Now, advisor to many Companies. Is a member of Indian Institute of Metals and Indian Institute of Engineers.	Metallurgical Engineer	Nil	Nil	Nil

DIRECTORS' REPORT

To Members,

Your Directors are pleased to present Sixth Annual Report together with the Audited Accounts for the year ended March 31, 2012.

FINANCIAL RESULTS

(₹ In Lakhs)

Particulars	2011-12	2010-11
Sales Income	25001.47	17398.52
Total income	25067.90	17436.53
Profit before interest and depreciation	2675.15	2525.83
Interest	635.39	297.26
Depreciation	260.69	224.80
Profit before tax	1779.07	2003.77
Provision for –		
- Current Tax	-	728.44
- Deferred Tax	24.68	(63.86)
Profit after tax	1754.39	1,339.19
Balance brought forward from previous year	1577.28	389.92
Balance available for appropriations	3331.67	1,729.11
Preference Dividend	69.21	69.21
Proposed Dividend on Equity	61.43	61.43
Corporate Dividend Tax - Preference	11.23	11.23
Corporate Dividend Tax - Equity	9.96	9.96
Balance carried forward to Balance Sheet	3179.84	1,577.28

DIVIDEND

Your Directors are pleased to recommend a dividend of 5% on equity share of ₹2/- each on 6,14,26,475 shares for the year ended March 31, 2012. The dividend, if approved at the ensuing Annual General Meeting, will be paid to those shareholders whose names appear on the Register of Members of the Company as on the Book Closure date.

REVIEW OF OPERATIONS AND PERFORMANCE

In the year, under review, the Company has achieved a production of 21572 MT of Ferro Alloys products as against 28057 MT during previous year, decrease of 23.11% due to constraints in supply of Chrome Ore and Power. Therefore, the Company has chosen outsourcing of the products so as to meet the growing demand from the customers. With this strategy, the Sale turnover of Ferro Alloys products increased to ₹251 Crores as compared to ₹174 Crores during previous year, registering a growth of 43.76%. The Company has registered a Profit after tax of ₹1754.39 lakhs against ₹1339.19 lakhs of previous year.

SUB DIVISION OF EQUITY SHARES

Your Company's equity shares of ₹10/- each has been sub-divided into ₹2/- each w.e.f 04.11.2011.

CHANGE OF NAME

Your Company's name has been changed from 'Cronimet Alloys India Limited' to "METKORE ALLOYS & INDUSTRIES LIMITED" w.e.f 11.01.2012.

SHIFTING OF REGISTERED OFFICE

Effective from 07.04.2012, the Registered Office of the Company has been shifted from 'Vishnu Splendor', D No. 8-3-979/123456, Survey No. 41, 42, Flat No. 302, 'B' Block, Yellareddyguda, Hyderabad – 500 073 to Plot No.18, Sagar Society, Street No.1, Road No.2, Banjara Hills, Hyderabad – 500 034.

Management Discussion and Analysis

A. PROSPECTS

Your Company is manufacturing High Carbon Ferro Chrome (HCFC) for the domestic and international markets. Stainless Steel (SS) is the major consumer of HCFC, consuming about 90% HCFC Production. Due to this, there is high co-relation between the price movements of Stainless Steel and Ferro Chrome.

The HCFC Market is projected to grow at CAGR of 7% during 2011-22 and is likely to reach 19.5 Million Tonnes by 2022. This will result into significant demand-supply gap and your Company is poised to cater need of the Industry. Therefore, your Company envisages bright prospects for its products.

B. OPPORTUNITIES & CHALLENGES

Due to global recession in 2009, SS production declined but has shown recovery since 2010. With increase in SS production quantities quarter-on-quarter, has improved global demand scenario for HCFC. World over the end use of consumption of SS is growing 7.6% year-on-year. In India, the rapid industrialization, development of Technology Industries boom in infrastructure including housing etc., are driving the demand for SS. Accordingly, the supply of HCFC is indicated 11.2 Million Tonnes by 2014 against the projected demand of 19.57 Million Tonnes by 2022.

Through recent years, global demand for Ferro Chrome has been driven by Chinese imports. Other major demand generating regions are Europe, U.S, East Asia (Japan). Globally South Africa, Zimbabwe, Kazakhstan account for more than 95% Chrome Ore reserves. Also, India's increase in export duty of Chrome Ore, has led focus on indigenous HCFC Production. The global industry dynamics pose a gradual shift in production bases, with power shortage in South Africa and imposition of higher export duties in few other countries.

This situation throws number of opportunities to the efficient players and your Company has planned to encash the opportunities as it proposed capacity expansion within India as well as outside by way of acquisition and establishment of new plants.

On the other hand, there are challenges in the form of increasing power costs and increasing cost of ores and reductants. To overcome these challenges, your Company has planned for technological improvisations/innovations, long term chrome ore linkages for integrated operations, setting up new capacities in low-cost power locations, initiatives for captive plant, process of metal recovery from waste etc.

C. Export and Imports

During the year under review, your Company made exports worth ₹18 Crores and imports worth of ₹9 Crores.

D. Internal Control Systems and its adequacy

The Company has put in place a well developed internal control system and an internal Audit system commensurate with its size and activities. The periodical reports are scrutinized by the management and placed before the Audit Committee along with its reply. The weaknesses pointed out in the reports have been rectified and the suggestions for improvement were implemented in letter and spirit.

E. Human Resource Development

Human resource management plays a key role in Company's performance. HR department's priority is attracting and retaining dedicated and skilled human talent while offering conducive environment and career development opportunities in the Company.

Employees are recognized with rewards for suggestions. The quality circles etc., have been taken up to involve the employees and take innovative ideas to solve day to day work related problems.

Industrial relations with the Union and the employees continue to be cordial and harmonious. As on March 31, 2012, the number of employees on the rolls of the Company stood at 233.

Cautionary Statement

The Management discussion and analysis report containing your Company's objectives, projections, estimates and expectations may have certain statements, which are forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statements. Your Company's operation may inter-alia be affected by the supply and demand situations, input price and the availability, changes in the government regulations, tax laws and other factors.

Directors

In accordance with provisions of the Companies Act, 1956 and Articles of Association of the Company, Sri K Mallikarjuna Rao and Sri AVL Narasimham, retire by rotation and being eligible, offers themselves for re-appointment.

Directors Responsibility Statement

Pursuant to Section 217[2AA] of the Companies Act, 1956 and on the basis of explanation given by the Executives of the Company and also subject to the disclosures in the Annual Accounts, your Directors confirm as under:

- i. That in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures.
- ii. That the Directors had selected such accounting policies and applied them consistently and made judgments and that 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 of the Company for that period.
- iii. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors had prepared the annual accounts for the financial year ended March 31, 2012 on a going concern basis.

Social Responsibility

Your Company actively supports the corporate social responsibility in the field of education, health, hygiene & sanitation, empowerment, safety and community development programmes in the areas surrounding the Company's project site. Your Company continues to make significant contribution to promote sustainable livelihoods of people living in and around its factory zones by providing educational support, technical assistance, financial assistance, organizing medical camps etc.,

Your Company also provides hygiene drinking water to nearby villages covering 2000 houses and facilitates medical aid in times of emergency including supply of beds to the hospital and recognizes protection and management of environment and development of inter road as well formation of the irrigation canals as one of its highest priorities and every effort is made to conserve and protect environment.

The Company continues to focus on maintenance and performance improvement of related pollution control facilities like effluent treatment plant and waste disposal facility at its manufacturing locations.

Fixed Deposits

During the year under review, your Company neither invited nor accepted any fixed deposits from the public.

Corporate Governance

Report on Corporate Governance and Certificate of Auditors of the Company for the due compliance of code of Corporate Governance pursuant to Clause 49 of the Listing Agreement is form part of this Report.

Conservation of Energy, Technical Absorption, Foreign Exchange Earnings and outgo.

The information relating to Conservation of Energy, Technical Absorption, Foreign Exchange earnings and outgo pursuant to Section 217(1)(e) Companies Act, 1956 read with Companies [Disclosure of Particulars in the Report of the Board of Directors] Rules, 1988, is forming part of this report.

Auditors

The Auditors, M/s. Venkatadri & Co., Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have confirmed their willingness to act as Auditors of the Company for the financial year 2012-13 and confirmed that their re-appointment, if made, would be within prescribed limits under Section 224 (1B) of the Companies Act, 1956.

Particulars of Employees

None of the employee is covered under Section 217 [2A] of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended.

Acknowledgement

Your Directors take this opportunity to thank the State & Central Government authorities, Banks, Regulatory Authorities, Customers, Suppliers, Shareholders and Investors at large for their continued support to the Company and look forward to having the same support in the years to come.

Your Directors would like to express their appreciation to all the employees for their outstanding contribution to the operation of the Company during the year, under review.

On behalf of the Board of Directors

Bangalore
August 14, 2012

Prashant Boorugu
Managing Director

S. Gajendran
Director

FORM A
[See Rule 2]

Conservation of Energy

A Power and Fuel Consumption

Sl. No.	Description	Current Year 2011-12	Previous Year 2010-11
1.	Electricity		
	a. Purchased – Units	8,32,42,740	10,04,32,200
	Total amount – ₹	23,24,50,671	28,08,84,916
	Rate per Unit [₹]	2.80	2.80
	b. Own Generation:		
	i. Through Diesel Generator – Units	NIL	NIL
	Units per ltr of diesel – Cost/unit		
	ii. Through steam turbine/generator - Units	NIL	NIL
	Units per ltr of fuel oil/gas – cost/units		
2.	Coal [Specify quality and where used]	NIL	NIL
	Quantity [Tonnes]		
	Total Cost		
	Average rate		
3.	Furnace Oil		
	Quantity [ltr]	2,40,000	2,88,000
	Total Amount – ₹	1,08,61,195	97,38,088
	Average Rate – ₹	45.25	33.81
4.	Others internal generation [please specify]		
	Quantity	NIL	NIL
	Total Cost		
	Rate/Unit		
B	Consumption per unit of production		
1.	Electricity – Units	3,858.83	3,579.58
2.	Furnace Oil – ltr	11.12	10.96
3.	Coal [specify Quantity]	NIL	NIL
4.	Others [specify]	NIL	NIL

FORM B [See Rule 2]

A. Conservation of energy:		
(a)	Energy conservation measures taken:	Measures taken to improve the power factor to 0.98.
(b)	Additional investments and proposals, if any, being implemented for reduction of consumption of energy:	Proposed to connect 1125 KVAR capacitor Bank at Furnace 1 and 450 KVAR Capacitor at LT Side to improve power factor to 0.98 to save KVA charges. Also proposed for Atomization of 6 MVA furnance to save in energy consumption
(c)	Impact of the measures at (a) above for reduction of energy consumption and consequent impact on the cost of production of goods:	
(d)	Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto	Form A enclosed
B. Technology absorption		
(e)	Efforts made in technology absorption	NIL
C. Foreign exchange earnings and outgo		
(f)	Activities relating to exports: initiatives taken to increase exports, development of new export markets for products and services; and export plans;	
(g)	Total Foreign Exchange used and earned	2011-2012 2010-2011
	Foreign exchange earnings – ₹ in lakhs	₹1809.32 ₹931.35
	Foreign Exchange outgo – ₹ in lakhs	₹ 944.23 ₹904.94

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance

The Company believes that sound corporate governance is critical and of paramount importance to enhance and retain investors trust. The philosophy of the Company is founded upon the basic tenets of transparency, integrity, honesty, accountability, upholding its values and beliefs which will reverberate in every actions in line with the spirit of the principles of governance. We recognize that governance is a conscious and continuous process across the organization, which enables the Company to adopt best practices to retain and enhance the trust of all our stakeholders.

2. Board of Directors

The Board comprises Directors including a Non-executive Chairman, Managing Director and Non Executive Directors who are independent as defined by Clause 49 of the Listing Agreement. All important strategic policy matters are deliberated at the Board Meetings where the role of Independent Directors are crucial. Independent Directors are Professionals with high credentials who actively contribute in the deliberations of the Board.

Name of the Director Sri/Smt.	Category	Attendance Particulars		Membership in Boards of other Public Limited Companies		
		Board Meeting	At last AGM 29.09.2011	As Director	As Committee	
					Chairman	Member
Rajiv Saxena	NEC	-	-	12	-	-
Prashant Boorugu	Managing Director	7	YES	4	-	-
S Gajendran	NEID	6	YES	2	-	1
M V Bhaskara Rao	NEID	3	YES	1	-	-
K Mallikarjuna Rao	NEID	8	YES	-	-	-
AVL Narasimham	NEID	3	-	-	-	-
Sarita Boorugu	NED	8	-	1	-	-

NEC – Non-executive Chairman, NEID – Non-executive Independent Director, NED – Non-executive Director.

Eight Board Meetings were held viz., May 13, June 04, August 12, November 03, 24, February 14, 23 and March 29.

The Company did not have any pecuniary relationship or transaction with any non-executive director during the year 2011-12.

The brief particulars of the Directors of the Company, retiring by rotation and proposed to be appointed at the ensuing Annual General Meeting are given in the Annexure to the Notice.

3. Audit Committee

Composition of the Audit Committee

The Audit Committee comprises 3 members viz., Sri S Gajendran, Chairman, Sri M V Bhaskara Rao and Sri K Mallikarjuna Rao as members. All are independent Directors and have finance background.

The Auditors, Internal Auditors and other senior management personnel are permanent invitees.

Meeting and attendance during the year

Four Meetings were held during the year 2011-12 viz., on May 13, August 12, November 03 and February 14. The attendance of the Committee members is as follows:

Sl.No.	Name of the Member	No. of Meetings	
		Held	Attended
1	Sri S Gajendran	4	4
2	Sri K Mallikarjuna Rao	4	4
3	Sri M V Bhaskara Rao	4	3

The terms of reference is as prescribed under provisions of the Companies Act, 1956.

4. Remuneration Committee

The Remuneration Committee meets to consider whenever matters pertaining to the remuneration payable including any revision to Managing Director/Executive Directors/Non Executive Directors. .

a. Composition of the Remuneration Committee

The Remuneration Committee comprises three members i.e., Sri S Gajendran as Chairman and Sri K Mallikarjuna Rao and Sri AVL Narasimham as members. The Remuneration Committee had not met during the year 2011-12.

b. Terms of Reference

The Remuneration Committee, inter-alia, shall:

- ☐ Determine and recommend to the Board, the remuneration payable including any revision in remuneration payable to Managing Directors/Executive Directors/Non-Executive Directors.
- ☐ Take into consideration and ensure compliance of provisions under Schedule XIII of the Companies Act, 1956 while determining the remuneration.
- ☐ To consider such other matters as the Board may advise.

c. Remuneration Policy

Remuneration to Executive Directors

Remuneration to the Executive Directors comprises Salary, Allowances & Perquisites and performance incentive.

The Committee shall take into account the financial position of the Company, prevailing trend in the industry, qualification, experience and past performance of the persons. The incentive is determined on performance parameters as set out in the Company's Policy and is also based on certain pre-agreed performance.

Details of remuneration paid during the financial year 2011-12 is NIL as Sri Prashant Boorugu, Managing Director has agreed to discharge duties without remuneration.

d. Remuneration to Non-Executive Directors

The Non-Executive Directors are paid sitting fee for attending each meeting of the Board and /or Committee thereof. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meeting. The details of sitting fee paid to the Non-Executive Directors for the financial year 2011-12 are as under:

Name of the Director	Sitting Fees ₹
Sri Rajiv Saxena	---
Sri S Gajendran	60,000
Sri Harjith D Bubber	10,000
Sri M V Bhaskar Rao	30,000
Sri K Mallikarjuna Rao	60,000
Sri AVL Narasimham	30,000
Smt Sarita Boorugu	50,000
Total	2,40,000

5. Shareholders/Investors Grievance Committee

a. Composition of the Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee consists of Sri S Gajendran as Chairman, Sri K Mallikarjuna Rao and Sri AVL Narasimham as members.

The functions of the Committee include (i) dealing with the investors complaints viz., delay in transfer of shares, non-receipt of Annual Report, dividends /share certificates, dematerialization of shares, replacement of lost/ stolen/ mutilated share certificates, etc, (ii) investigate into investors complaints and take necessary steps for redressal thereof;

b. Meetings of the Shareholders'/Investors' Grievance Committee

During the financial year 2011-12, the Committee met four times viz., May 13, August 12, November 03 and February 14.

c. **Attendance of Shareholders'/Investors' Grievance Committee Members were as under:**

Sl.No.	Name of the Member	No. of Meetings	
		Held	Attended
1	Sri S Gajendran	4	4
2	Sri K Mallikarjuna Rao	4	4
3	Sri AVL Narasimham	4	3

d. **The following details of complaints received and resolved during the financial year 2011-12**

Sl. No.	Particulars	No. of complaints		
		Received	Resolved	Pending
1	Complaints relating to transfer of shares	-	-	-
2	Non receipt of dividend warrants	18	18	-
3	Non-receipt of securities	64	64	-
4	Non-receipt of Annual Report	01	01	-
5	Non-receipt of duplicate/transmission/deletion of SCs	-	-	-
6	Non receipt of securities after transfer	15	15	-
7	Non-receipt of stickers	08	08	-
	TOTAL	106	106	-

6. **General Body Meetings**

a) **Annual General Meetings**

Details of last three Annual General Meetings held are furnished as under:

Year	Date & Time	Venue	Special Resolutions passed
2008-09	29.09.2009 10.30 AM	KLN Prasad Auditorium Federation House HYDERABAD – 500 004	NIL
2009-10	29.09.2010 11.00 AM	Ravivalasa Village-532 217 Tekkali Mandal Srikakulam Dist. A.P.	YES
2010-11	29.09.2011 11.00 AM	Hocks Gate Inn Pearls #1-58/A/8, Madinaguda Miyapur, HYDERABAD – 500 050	YES

b) **Postal Ballot**

During the Financial Year 2011-12, one resolution was passed by postal ballot for change of Company's name from 'Cronimet Alloys India Limited' to 'Metkore Alloys & Industries Limited'.

7. **Disclosures**

(i) **Disclosure on materially significant related party transactions that may have potential conflict with the interests of Company at large:**

There were no such transactions which may have potential conflicts with the interests of the Company at large.

(ii) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years.**

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years, Hence, no penalties or strictures have been imposed by the Stock Exchanges or SEBI or any statutory authority.

(iii) **Whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee.**

With a view to maintain high level of legal, ethical and moral standards and to provide a platform for the employees to voice their concern on any malpractices, impropriety, abuse or wrongdoing, the Company has formulated a whistle blower policy. The employees can raise his/her concern to the designated person and necessary action will be taken. This mechanism has been communicated to the employees. During the year, under review, the Company has not received any complaint or concern.

(iv) Details of compliance with mandatory requirements and adoption of the non mandatory requirements of this clause.

The Company has complied with all the mandatory requirements on Corporate Governance as specified in Clause 49 of the Listing Agreement with the Stock Exchanges.

So far the adoption of non-mandatory requirements are concerned, the Company has constituted a Remuneration Committee of the Board of Directors and the whistle blower policy.

(v) Code of Conduct

Company has adopted the Code of Conduct for all Board Members and Senior Management, as required under Clause 49 of the Listing Agreement. The code is posted on the Company's website www.metkore.com. The Board members and Senior Management personnel have affirmed compliance with the Code on an annual basis. A declaration to this effect signed by the Director forms part of this report.

(vi) Corporate Identity Number (CIN)

The Corporate Identity Number of the Company allotted by the Ministry of Corporate Affairs, Government of India is: L27101AP2006PLC049591

(vii) Compliance certificate of the Auditors

Certificate from the Auditors of the Company M/s. S. Venkatadri & Co., Chartered Accountants confirming compliance with the conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, is annexed to this Report.

(viii) Entrepreneur Risk Management

The Company has risk management systems commensurate with the size of the Company.

(ix) Secretarial Audit

A qualified Practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited. (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued/paid up is in agreement with the total number of shares in physical form and the total number of dematerialized shares. This audit is carried out every quarter and report thereon is submitted to the Stock Exchanges and is placed before the Shareholders/Investors Grievance Committee as well Board of Directors.

8. Means of Communication

The Notice, Annual Report and other communications have been sent to shareholders by post. The quarterly/ annual financial results of the Company, as per Clause 41 of the Listing Agreement with Stock Exchanges, are published in "MINT" (national daily) and "Andhra Prabha", (regional daily). The quarterly /annual financial results, shareholding pattern and other updates of the Company have been posted on the Company's website: www.metkore.com as also Corpfilings / NEAPS [NSE Electronic Application Processing System] maintained by BSE/NSE. Besides, the Company also submits, inter-alia, to the Stock Exchanges, the Annual Report; quarterly/ half yearly/ yearly unaudited/ audited financial results; shareholding pattern; secretarial audit report; disclosure as per SEBI (SAST) Regulations and SEBI (Prohibition of Insider Trading) Regulations; Limited Review Reports of Auditors; details of appointment/ resignation of Directors and Company Secretary and such other reports as may be specified.

Green Initiative

Pursuant to 'Green Initiatives' proposed by the Ministry of Corporate Affairs (MCA) vide its Circular dated 21.04.2011, in response to the suggestions made by many shareholders in the past and to contribute towards improved environment, the Company has already taken action for sending communication/Annual Report and other documents through electronic mode to shareholders. It is hoped that with wide acceptance of the Green Initiative by the shareholders, the Company would be able to successfully implement the same, thereby contributing its mite to a greener environment.

9. General Shareholder information

Annual General Meeting

Date	::	September 29, 2012
Time	::	11.00 AM
Venue	::	Hotel Sreekrishna Grand, Miyapur X Roads Hyderabad - 500 049

Financial Calendar :: Financial Year : April 1, 2012 to March 31, 2013

	Financial Calendar	Declaration of Unaudited Financial Results
Quarter 1	April to June 30, 2012	August 14, 2012
Quarter 2	July to September 30, 2012	Before 2 nd week of November, 2012
Quarter 3	October to December 31, 2012	Before 2 nd week of February, 2013
Quarter 4	January to March 31, 2013	Before 2 nd week of May, 2013

Annual General Meeting for 2012-13 :: Before September 30, 2013
 Date of Book Closure :: September 22 to 29, 2012 [both days inclusive]
 Dividend payment date :: Dividend recommended of 5% on Equity Shares

Listing on Stock Exchanges

The Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers
 Dalal Street
 MUMBAI – 400 001
 Tel Nos. : 022-2272 1233 / 34
 Fax No. : 022-2272 3121
Stock Code : 532990

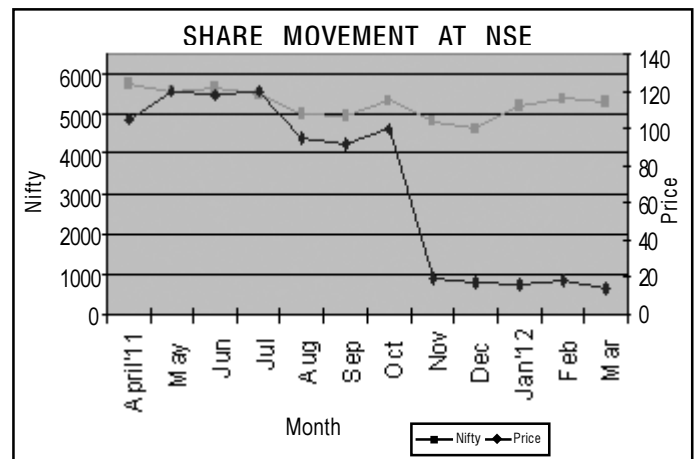
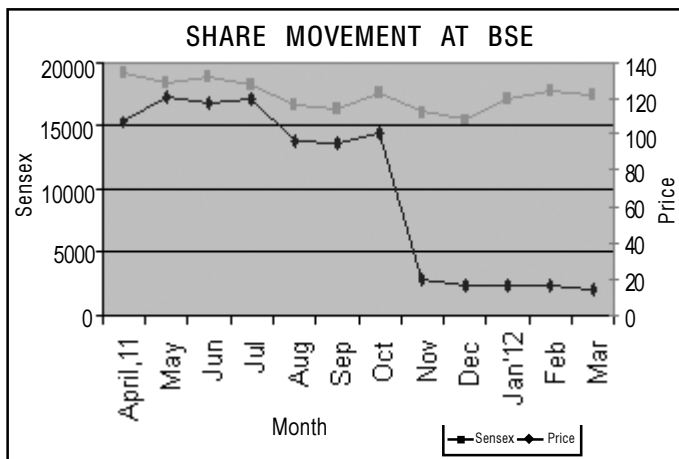
National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1
 G Block, Bandra-Kurla Complex
 Bandra [E], MUMBAI – 400 051
 Tel Nos.: 022-2659 8100 - 14
 Fax No. : 022-2659 8237/38
Stock Code: METKORE

Bombay Stock Exchange			
Month	High Price	Low Price	SENSEX
Apr 11	164.00	107.00	19135.96
May	155.50	121.50	18503.28
Jun	160.00	117.50	18845.87
Jul	155.00	120.00	18197.20
Aug	132.95	96.30	16676.75
Sep	123.00	95.00	16453.76
Oct	179.95	100.10	17705.01
Nov	34.75	20.00	16123.46
Dec	23.95	17.00	15454.92
Jan 12	22.95	16.50	17193.55
Feb	21.50	16.50	17752.68
Mar	20.00	14.20	17404.20

National Stock Exchange			
Month	High Price	Low Price	NIFTY
Apr 11	164.00	105.00	5749.50
May	155.00	120.05	5560.15
Jun	157.05	118.01	5647.40
Jul	155.00	120.01	5482.00
Aug	136.50	95.00	5001.00
Sep	124.50	91.35	4943.25
Oct	180.00	100.1	5326.60
Nov	34.25	19.55	4832.05
Dec	24.30	17.20	4624.30
Jan 12	23.10	16.30	5199.25
Feb	21.10	17.70	5385.20
Mar	19.60	14.40	5295.55

Note : Shares are subdivided from ₹10/- each to ₹2/- each on November 04, 2011



Registrar & Transfer Agents

Karvy Computershare Pvt. Ltd.
Unit : Metkore Alloys & Industries Limited
Plot No. 17 to 24, Vittal Rao Nagar
Madhapur, Hyderabad – 500 081
Phone: (040) 2342 0819 to 24
Fax: (040) 2342 0814
E-mail ID: einward.ris@karvy.com

Share Transfer System

The Company's shares are compulsorily tradable in electronic form. As at March 31, 2012, 96.09% of the Company's total paid-up capital representing 6,14,26,475 shares are in dematerialized form. In view of the numerous advantages offered by the depository system, members holding shares in physical mode are advised to avail of the facility of dematerialization on either of the depositories. Regarding transfer of shares held in physical form, the transfer documents can be lodged with Karvy Computershare Pvt. Ltd. or at the Registered Office the Company and the same are processed within a period of 30 days from the date of receipt subject to the documents being valid and complete in all respects. The Board of Directors of the Company has delegated the powers of approving transfers, transmission, issue of duplicate share certificates etc., to the Share Allotment and Transfer Committee. The minutes of the Committee meetings are placed before the Board. The Company obtains half yearly certificate from a Company Secretary in practice on compliance regarding share transfer formalities and submits a copy thereof to the Stock Exchanges in terms of Clause 47(c) of the Listing Agreement.

Distribution of shareholding of equity shares as on March 31, 2012

Sl. No.	Category [Shares]	Holders	Shares	% to total shares
1	1 – 5000	16577	5932457	9.66
2	5001 – 10000	88	640749	1.04
3	10001 – 20000	58	816027	1.33
4	20001 – 30000	18	463418	0.75
5	30001 – 40000	10	360090	0.59
6	40001 – 50000	8	375137	0.61
7	50001 – 100000	7	447823	0.73
8	100001 and above	25	52390774	85.29
	TOTAL	16791	61426475	100

Shareholding pattern of Equity Shares as at March 31, 2012

Sl. No.	Category	No.	No of Shares	% to total equity shares
1	Promoters			
	i. Bodies Corporate	2	43294275	70.48
	ii. Individuals / HUF	-	-	-
2	Financial Institutions / Banks	3	1188085	1.93
3	Clearing Members	16	126776	0.21
4	HUF	154	195764	0.32
5	Bodies Corporate	278	4066001	6.62
6	Non Resident Indians	129	260136	0.42
7	Overseas Bodies Corporate	1	760	0.00
8	Individuals	16204	11125163	18.11
9	FIs	1	1166855	1.90
10	Mutual Funds	3	2660	0.00
	TOTAL	16791	61426475	100.00

Dematerialisation of shares and liquidity

The shares of the Company are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India viz., National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company's shares are regularly traded on the National Stock Exchange of India Ltd. and the Bombay Stock Exchange Ltd.,

Mode of Equity Shares held

The Company has registered with NSDL and CDSL and the ISIN to the equity shares of the Company is: INE592I0109.

The mode of holding of the Company's equity shares as on March 31, 2012 is as under:

Description	No. of Shareholders	No. of shares	% to equity shares
PHYSICAL	7388	2402100	3.91
NSDL	6954	53503022	87.10
CDSL	2449	5521353	8.99
TOTAL	16791	61426475	100.00

The Company has not issued any GDRs or ADRs or Warrants or Convertible instruments.

Presentation of Insider Trading

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations 1992, the Company has instituted a Comprehensive Code of Conduct for prohibition of Insider Trading in the Company's shares.

Plant Location : Ravivalasa Village – 532 212, Tekkali Mandal, Srikakulam, Andhra Pradesh.

Address for correspondence

Registrar & Share Transfer Agents:
Karvy Computershare Pvt. Ltd.
(Unit: Metkore Alloys & Industries Limited)
Plot Nos. 17 to 24, Vittal Rao Nagar, Madhapur
HYDERABD – 500 081
Phone: (040) 23420815 to 824
Fax: (040) 23420814
E-mail: svraju@karvy.com

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT BY THE CEO UNDER CLAUSE 49(1)(D)(II) OF THE LISTING AGREEMENT TO THE MEMBERS OF METKORE ALLOYS & INDUSTRIES LIMITED

I, Prashant Boorugu, Managing Director of Metkore Alloys & Industries Limited to the best of my knowledge and belief, declare that all the members of the Board and Senior Management personnel have affirmed compliances to the Code of Conduct of the Company in respect of the Financial Year ended March 31, 2012.

Place : Bangalore
Date : August 14, 2012

Prashant Boorgu
Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Metkore Alloys & Industries Limited

We have examined the compliance of conditions of Corporate Governance by Metkore Allys & Industries Limited, for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In our opinion and to the best of our information and 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 S Venkatadri & Co
Chartered Accountants

Place : Hyderabad
Dated : August 14, 2012

K Srinivasa Rao
Partner
Membership No. 201470

AUDITORS' REPORT

To,
The Members,

Metkore Alloys & Industries Ltd.

1. We have audited the attached Balance sheet of **Metkore Alloys & Industries Ltd** as at March 31, 2012, the Statement of Profit & Loss and also the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, Issued by the Central Government of India in terms of Sub Section (4A) of Section 227 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
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our Audit;
 - ii) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
 - iii) The Balance Sheet, Statement of Profit and Loss and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv) In Our Opinion, the Balance Sheet, Statement of Profit and Loss and cash flow statement dealt with by this report comply with the accounting Standards referred to in Sub section (3C) of Section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as Director in terms of Clause(g) of Sub section (1) of Section 274 of the Companies Act, 1956;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Balance Sheet, of the State of affairs of the Company as at March 31, 2012;
 - b) In the case of the Statement of Profit and Loss, of the Profit for the Year ended on that date; and
 - c) In the case of Cash flow statement, of the Cash Flows for the year ended on that date.

For **S.Venkatadri & Co.**,
Chartered Accountants
Firm's Regn No.004614S

Place : Hyderabad
Date : 14.08.2012

(**K.SRINIVASA RAO**)
PARTNER
M.No.201470

ANNEXURE TO AUDITOR'S REPORT

(Referred to in Paragraph 3 of Our Report of Even Date)

- (i).
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, the fixed assets have been 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 verification.
 - c) During the year, the Company has not disposed off any substantial part of its fixed assets, affecting the going concern status of the Company.
- (ii).
 - a) The inventory has been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable and adequate.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii).
 - a) The Company has not granted any loan, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

- b) The Company has not taken any loan, secured or unsecured from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) (f), (g) and (h) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- iv). In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v). a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.
b) In respect of the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, in the absence of any comparable quotes, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- vi). The Company has not accepted any deposits from the public governed by Sections 58A and 58AA of the Companies Act, 1956 for the year under reference. As per the information and explanations given to us no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii). In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii). The Central Government has not prescribed maintenance of cost records U/s 209 (1) (d) of the Companies Act, 1956 for this Company.
- ix). a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including income tax, Provident Fund, sales tax, wealth tax, custom duty, excise duty, cess, Service Tax and other material statutory dues as applicable, with the appropriate authorities. Investor education and protection fund and Employees state insurance scheme are not applicable to the Company for the current year.
b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, employees state insurance, investor education and protection fund, income tax, wealth tax, sales tax, Service Tax, customs duty, excise duty and cess were in arrears, as at 31.03.2012 for a period of more than six months from the date they became payable.
c) According to the information and explanations given us, the disputed statutory dues aggregating to ₹9.76 Lakhs, that have not been deposited on account of matters pending before appropriate authorities are as under :

Sl. No.	Nature of the Dues	Forum where Dispute is pending	Amount [₹ in lakhs]
1.	Sales Tax	S.T.A.T High Court	3.51 6.25
TOTAL			9.76

- x). The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi). In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- xii). In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii). In our opinion, and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv). In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv). The Company has not given guarantees for loans taken by others from banks or financial institutions.
- xvi). In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which the loans were obtained.
- xvii). According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii). According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act during the year.
- xix). According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.
- xx). The Company has not raised any money by way of public issue during the year.
- xxi). In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For S.Venkatadri & Co.,
Chartered Accountants
Firm's Regn No.004614S

Place : Hyderabad
Date : 14.08.2012

(K.SRINIVASA RAO)
PARTNER
M.No.201470

BALANCE SHEET AS AT MARCH 31, 2012

(₹ in Lakhs)

Sl. No.	Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
I.	Equity and Liabilities			
	1. Shareholders' Funds			
	a) Share Capital	2	2,093.65	2,093.65
	b) Reserves & Surplus	3	4,772.22	3,169.67
	c) Money received against share warrants		1,350.00	1,350.00
			8,215.87	6,613.31
	2. Non-Current Liabilities			
	(a) Long Term Borrowings	4	71.37	-
	(b) Deferred Tax Liability (Net)		405.07	380.39
			476.44	380.39
	3. Current Liabilities			
	(a) Short Term Borrowings	5	2,993.66	3,651.52
	(b) Trade Payables	6	844.30	795.65
	(c) Other Current Liabilities	7	1,008.25	850.51
	(d) Short Term Provisions	8	850.84	838.84
			5,697.05	6,136.52
	TOTAL		14,389.36	13,130.22
II.	Assets			
	1. Non-Current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	9	2,182.90	2,231.03
	(ii) Capital Work in Progress		814.88	312.53
	(b) Non Current Investments	10	660.43	1.75
	(c) Long Term Loans & Advances	11	410.39	2,560.39
			4,068.60	5,105.70
	2. Current Assets			
	(a) Current Investments	12	-	15.34
	(b) Inventories	13	3,449.21	3,689.83
	(c) Trade Receivables	14	3,389.89	2,602.22
	(d) Cash and Cash Equivalents	15	178.35	128.01
	(e) Short Term Loans & Advances	16	3,269.69	1,555.50
	(f) Other Current Assets	17	33.62	33.62
			10,320.75	8,024.52
	TOTAL		14,389.36	13,130.22
	Significant Accounting Policies & Notes to Accounts forming an integral part of financial statements	1		

As per our report attached

For S Venkatadri & Co

Chartered Accountants

Firm Regn. No.004614S

For and on behalf of the Board

(K SRINIVASA RAO)

PARTNER

M.No. 201470

Prashant Boorugu

Managing Director

S Gajendran

Director

Place : Bangalore

Date : 14th August, 2012

Chandrashekhar Hegde

Company Secretary

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

(₹ in Lakhs)

Sl. No.	Particulars	Note No.	Year ended 31.03.2012	Year ended 31.03.2011
I	Revenue from Operations	18	25,001.47	17,398.52
II	Other Income	19	66.43	38.01
III	Total Revenue		25,067.90	17,436.53
IV	Expenses:			
	Cost of Materials Consumed	20	8,854.91	11,031.29
	Purchases of Traded Goods	21	9,839.28	460.74
	(Increase)/Decrease in Inventories	22	(289.47)	(1,225.27)
	Employees benefit expenses	23	528.91	529.19
	Finance costs	24	635.39	297.26
	Depreciation and amortisation expenses		260.69	224.80
	Other expenses	25	3,459.11	4,114.76
	Total Expenses		23,288.83	15,432.77
V	Profit before Tax		1,779.07	2,003.77
VI	Tax Expenses:			
	Current Income Tax		-	728.44
	Deferred income Tax		24.68	(63.86)
	Total		24.68	664.58
VII	Profit for the year		1,754.39	1,339.19
VIII	Earning Per Equity Share - (₹)			
	(1) Basic		2.73	2.05
	(2) Diluted		2.73	2.05

As per our report attached

For S Venkatadri & Co

Chartered Accountants

Firm Regn. No.004614S

For and on behalf of the Board

(K SRINIVASA RAO)

PARTNER

M.No. 201470

Prashant Boorugu

Managing Director

S Gajendran

Director

Place : Bangalore

Date : 14th August, 2012

Chandrashekhhar Hegde

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(₹ in Lakhs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
A. Profit Before Tax	1,779.07	2,003.77
Adjustments for:		
Depreciation	260.69	224.80
Interest and Financial charges	635.39	297.26
Operating Profit Before Working Capital Changes	2,675.15	2,525.83
Adjustments for :		
(Increase)/Decrease in Trade Receivables	(787.67)	(2,070.08)
(Increase)/Decrease in Loans & Advances	435.81	(1,884.31)
(Increase)/Decrease in Inventories	240.62	(1,975.15)
Increase/(Decrease) in Trade and other Payables	218.39	319.82
Cash generated from operations	2,782.30	(3,083.89)
Direct Taxes paid	-	(314.06)
Net Cash flow from Operating Activities	2,782.30	(3,397.95)
B. Cash flow from investing activities		
Purchase of Fixed assets including Capital Work in Progress	(714.91)	(1,444.82)
(Purchase)/Sale of Investments	(643.34)	(15.34)
	(1,358.25)	(1,460.16)
C. Cash flow from financing activities		
Increase/(Decrease) in Short Term Borrowings	(657.86)	3,651.52
Increase/(Decrease) in Long Term Borrowings	71.37	-
Proceeds from share warrants	-	1,350.00
Interest Paid	(635.39)	(297.26)
Dividend and Tax thereon	(151.83)	(161.41)
	(1,373.71)	4,542.85
D. Net increase in cash & cash equivalents (A+B+C)	50.34	(315.26)
Cash & Cash equivalents (Opening Balance)	128.01	443.27
Cash & Cash equivalents (Closing Balance)	178.35	128.01

As per our report attached
for **S Venkatadri & Co**
Chartered Accountants
Firm Regn. No.004614S

(K SRINIVASA RAO)
PARTNER
M.No.201470

Place: Bangalore,
Date: 14th August, 2012

For and on behalf of the Board

Prashant Boorugu
Managing Director

S.Gajendran
Director

Chandrashekhhar Hegde
Company Secretary

NOTE No.1

Statement On Significant Accounting Policies and Notes to the Accounts

I. Significant Accounting Policies

1. a) Basis of Financial Statements:

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with the generally accepted Accounting Principles in India under the historical cost convention and on accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies are consistent with those used in the previous year.

b) Change in accounting policy: Presentation and disclosure of financial statements:

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year's figures in accordance with the requirements applicable in the year under review.

c) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2. a) Fixed Assets

i) Fixed assets are stated at cost Net of CENVAT wherever applicable, less accumulated depreciation, amortisation and impairment losses, if any. Cost comprises the purchase price and other attributable costs to bring the asset to its working condition for its intended use.

ii) Direct overhead expenditure incurred on projects under implementation is treated as unallocated capital expenditure pending allocation to the assets and are included under Capital work-in-progress.

iii) Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

b) Depreciation

i) Depreciation on the Fixed Assets of the Company is provided on straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

ii) Fixed Assets costing rupees five thousand or less are fully depreciated in the year of acquisition.

3. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non Current Investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value of each long term investment is made to recognise a decline other than temporary in nature.

4. Inventories

a) Raw materials are valued at cost on FIFO Basis, Stores and Spares are valued at cost on Weighted Average Basis.

b) Finished Goods are valued at lower of cost of production or realisable Value and Work in Process is valued at cost of Production. The cost of production includes value of material, stores, direct and indirect expenses.

5. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Specifically the following basis is adopted:

a) Sale of Goods:

Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery. Sales are inclusive of excise duty and value added tax/sales tax and is net of sales returns and discounts. Revenue from export sales is recognised on the date of bill of lading.

b) Interest :

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

- c) Export Benefits:
Export Entitlements in the form of Duty Drawback and Duty Entitlement Pass Book (DEPB) Schemes on accrual basis.
 - d) Other sundry incomes:
Insurance claims are accounted for on realisation.
- 6. Foreign Exchange Transactions:**
- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.
 - b) Monetary Items denominated in Foreign Currency not covered by Forward Contracts and remaining unsettled at the end of the year are translated at year end rates.
 - c) Monetary Items denominated in Foreign Currency covered by Forward Cover are recorded at the Forward Cover contract rate.
- 7. Employee Benefits :**
- a) Defined Contribution Plans**
Contributions paid/payable to defined contribution plan comprises of Provident Fund and is charged on accrual basis to the Profit and Loss Account each Year.
 - b) Defined Benefit Plans**
Gratuity for employees is covered under a scheme of Life Insurance Corporation of India and contributions in respect of such scheme are recognised in the Statement of Profit and Loss. The liability as at the Balance Sheet date is provided for based on the actuarial valuation in accordance with the requirements of revised Accounting Standard (revised 2005) on "Employees Benefits" notified under Section 211 (3C) of the Act ('Revised AS 15') as at the end of the year.
 - c) Other Long term employee benefits**
Other Long term employee benefits comprise of leave encashment which is provided for based on the actuarial valuation carried out in accordance with revised AS15 at the end of the year.
- 8. Borrowing Costs :**
- Borrowing costs that are directly attributable to the acquisition, construction or production of Fixed Assets, which take substantial period of time to get ready for their intended use, are capitalised. Other Borrowing costs are recognised as an expense in the year in which they are incurred.
- 9. Contingent Liabilities :**
- A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.
- 10. Provision for Current and Deferred Tax :**
- Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted by using the tax rates and laws that are enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.
- 11. Earnings Per Share :**
- The earnings considered in ascertaining the Company's Earning Per Share (EPS) comprise of the net profit after tax less dividend (including dividend distribution tax) on preference shares. The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year.
- 12. Impairment :**
- a) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
 - b) Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer exist or have decreased.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

II. NOTES TO ACCOUNTS

	For the Year Ended 31.03.2012		For the Year Ended 31.03.2011	
	Percentage	Amount ₹ In Lakhs	Percentage	Amount ₹ In Lakhs
1. Value of Raw Material Consumed				
i) Indigenous	91.70	8,120.05	92.13	10,126.35
ii) Imported	8.30	734.86	7.87	904.94
	100.00	8,854.91	100.00	11,031.29
2. Stores & Spares Consumed				
i) Indigenous	100.00	295.26	100.00	340.07
ii) Imported	-	-	-	-
	100.00	295.26	100.00	340.07
3. Foreign Exchange Earnings/Out Go				
a) FOB Value of Exports		1,809.32		931.35
b) CIF Value of Imports (material) :		944.23		904.94
c) Expenditure in Foreign Currency on account of :				
Foreign Travel	-	-	-	-
Distribution of Dividend on Equity Shares	-	45.25	-	-
Investment in shares	-	658.88	-	-
(₹ in Lakhs)				
4. CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)			2011-12	2010-11
a) Bank Guarantees			13.60	13.60
b) Claims made by Govt Departments against the Company not acknowledged as debts			45.73	124.69
c) Estimated amount of contracts remaining to be executed on capital account			-	-
5. Interest is shown net of interest received.				
6. The Details of Related Party transactions in terms of Accounting Standard (AS 18) are as follows				
Related Party Disclosure	Name of the Person	Nature of Transaction	Amount ₹ in Lakhs	
a) Key Management Personal	Sri Prashant Boorugu	Managerial Remuneration	Nil	
b) Relatives of Individuals having significant influence	-Nil-			
7. Segment Report				
The Company operates in only one segment of manufacturing / trading of metal alloys.				

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

8. Employees Benefits

The Following table sets forth the status of gratuity plan of the Company and the amount recognized in the balance sheet and profit and loss account

(₹ in Lakhs)

Change in Projected benefit obligation	2011-12	2010-11
Obligations at beginning of the year	98.16	81.07
Service Cost	8.64	18.20
Interest cost	8.19	6.37
Benefits settled	(3.48)	(2.86)
Actuarial (gain)/loss	(2.38)	(4.61)
Obligations at end of the year	110.14	98.16
Change in plan assets		
Plans assets as on 01.04.2011, at fair value	80.22	66.94
Expected return on plan assets (estimated)	6.61	5.62
Actuarial gain/(loss)	0.99	0.98
Contributions (less risk prem. etc.)	8.26	9.53
Benefits settled	(3.48)	(2.86)
Plans assets as on 31.03.2012, at fair value	92.61	80.22
Funded status of the plan	17.53	17.94
Gratuity cost		
Service cost	8.64	18.20
Interest cost	8.19	6.37
Expected return on plan assets	(6.60)	(5.62)
Actuarial (gain)/loss	(2.38)	(5.60)
Net gratuity cost	7.85	13.34
Assumptions		
Discount rate %	8.50	8.00
Expected return on assets %	8.00	8.00
Rate of compensation increase %	6.00	6.00
Attrition Rate %	5.00	5.00
Retirement expectancy	60	60
9. Earnings Per Equity Share		
a) Net Profit after Tax	1,754.39	1339.19
b) Preference Dividend Accrued for the year (including Income Tax on Pref. Dividend)	80.44	80.44
c) Net Profit After Tax available for Equity Shareholders (a-b)	1,673.95	1258.75
d) Weighted average No. of Equity Shares of ₹2/- each (Previous Year ₹10/-each) outstanding during the year (No. of Equity shares)	61,426,475	12,285,295
e) Basic/Diluted Earnings per Equity Share - ₹	2.73	10.25
10. As on 31.03.2012, the timing difference has resulted in deferred tax liability/assets amounting to ₹405.07 Lakhs The break up of deferred tax assets/liabilities is as follows; Deferred Tax Liability on account of timing difference in depreciation : ₹405.07 Laks Deferred Tax Asset on account of Section 43B of IT Act : ₹NIL		
11. Balance with Central Excise Department includes unavailed Modvat credit of ₹24.20 lakhs of which there is no dispute by the Central Excise Department		
12. Provision for Income Tax is not made, in view of set off available from the Ferro Division of Sri Vasavi Industries Ltd, with whom ongoing amalgamation proceedings are pending before the Hon'ble High Court of A.P., Hyderabad.		
13. In the opinion of the management, the Current Assets, Loans and Advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.		
14. Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act" 2006". Amount overdue on account of principal amount together with interest as on March 31, 2012 to Micro, Small and Medium Enterprises is ₹ Nil (Previous Year ₹ Nil)		
15. Previous Year figures have been re-grouped and/or reclassified wherever necessary to make them comparable with those of Current Year.		

As per our report attached
for S Venkatadri & Co
Chartered Accountants
Firm Regn. No.004614S

(K SRINIVASA RAO)
PARTNER
M.No.201470

Place: Bangalore
Date:14th August, 2012

For and on behalf of the Board

Prashant Boorugu
Managing Director

S.Gajendran
Director

Chandrashekhhar Hegde
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 2. Share Capital

(₹ in Lakhs)

	As at March 31, 2012		As at March 31, 2011	
	No.	Amount	No.	Amount
Authorised:				
Equity Shares of ₹2/- (Previous Year ₹10/-) each	191,000,000	3,820.00	38,200,000	3,820.00
Cumulative Redeemable Preference Shares of ₹11/- each	8,000,000	880.00	8,000,000	880.00
		4,700.00		4,700.00
Issued, Subscribed and Paid Up:				
Equity Shares of ₹2/- (Previous Year ₹10/-) each	61,426,475	1,228.53	12,285,295	1,228.53
Out of the above 4,32,92,205 Shares of ₹2/- each (Previous Year 86,58,441 Shares of ₹10/- each) are held by the holding company, Cronimet Mercon Invest Limited, Dubai.				
Cumulative Redeemable Preference Shares of ₹11/- each	7,864,700	865.12	7,864,700	865.12
Entire Preference Shares are held by Pentacle Infrastructure & Towers Pvt Ltd, and are to be redeemed by 14.08.2015				
Total		2,093.65		2,093.65

(a) Reconciliation of the Shares outstanding at the beginning and at the end of the Year are as follows :

Particulars	Equity Shares		Preference Shares	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Shares outstanding at the beginning of the year	12,285,295	12,285,295	7,864,700	7,864,700
Shares Issued during the year	49,141,180*	-	-	-
Shares redeemed / bought back during the year	-	-	-	-
Shares outstanding at the end of the year	61,426,475	12,285,295	7,864,700	7,864,700

*During the Year Equity Shares have been Sub divided into Shares of ₹2/- each from ₹10/- each

(b) Rights attached to Equity Shares :

The Company has only one class of equity shares having a face value of ₹2/- each with one vote per each equity share. The Company declares and pays dividends in Indian rupee. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The amount of dividend proposed to be distributed for the year ended March 31, 2012, to equity share holders is ₹0.10 paise Per Share of ₹2/- each (2011 ₹0.50 paise Per Share of ₹10/- each)

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

(c) Details of shareholders holding more than 5% of equity shares in the Company are as follows .

Name of Shareholder	As at March 31, 2012		As March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Cronimet Mercon Invest Limited, Dubai	43,292,205	70.48%	8658441	70.48%

(d) Details of Cumulative redeemable Preference Shares

Nature	Amount	Date of Issue	Date of Redemption
8% Cumulative Redeemable Preference Shares of ₹11/- each	865.12	14.08.2004	14.08.2015
Total	865.12		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3. Reserves & Surplus

(₹ in Lakhs)

	As At 31.03.2011	Additions	Deductions	As At 31.03.2012
Capital Reserves				
Capital Reserve	1,592.39	-	-	1,592.39
Total	1,592.39	-	-	1,592.39

	As At 31.03.2012	As At 31.03.2011
Profit and Loss Account		
Opening Balance	1,577.28	389.92
Add : Net Profit after tax transferred from Statement of Profit & Loss	1,754.39	1,339.19
	3,331.67	1,729.11
Less : Preference dividend	69.21	69.21
Corporate Dividend Tax-Preference	11.23	11.23
Equity Dividend	61.43	61.43
Corporate Dividend Tax-Equity	9.96	9.96
	151.83	151.83
	3,179.84	1,577.28
Total	4,772.22	3,169.67

Note 4. Long Term Borrowings

Secured Loan from Financial Institutions	71.37	-
Total	71.37	-

Hire Purchase Loan from Reliance Capital Ltd secured against hypothecation of Vehicles and Repayable within 3 Years

Note 5. Short Term Borrowings

Secured		
Corporate Loan from State Bank of Travancore	-	750.00
Cash Credit from State Bank of Travancore	2,480.04	2,901.52
Packing credit loan from State Bank of Travancore	513.61	-
Total	2,993.66	3,651.52

Working Capital Loans from Banks are secured by First charge on the entire current assets and first charge on entire fixed assets of the Company and personal guarantee of a Director.

Note 6. Trade Payables

(a) Due to Micro and Small Enterprises	-	-
(b) Due to other than Micro and Small Enterprises	844.30	795.65
Total	844.30	795.65

Note 7. Other Current Liabilities

Current maturities of Long Term Debt	56.78	-
Unclaimed Dividend	1.79	-
Advance Received from Customers	175.10	-
Other Payables	774.58	850.51
Total	1,008.25	850.51

Note 8. Short Term Provisions

Provision for Employee Benefits	46.60	21.24
Provision for Tax	652.41	665.78
Provision for Dividend	130.64	130.64
Provision for Corporate Dividend Tax	21.19	21.19
Total	850.84	838.84

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 9. Fixed Assets

(₹ in Lakhs)

Sl. No.	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01.04.11	Additions during the Year	Deletions during the Year	Total as at 31.03.12	Upto 31.03.11	For the Period	Deletions for the Period	Upto 31.03.12	As at 31.03.12	As at 31.03.11
1	Land	74.45	-	-	74.45	-	-	-	-	74.45	74.45
2	Buildings	1,003.74	-	-	1,003.74	461.11	32.83	-	493.94	509.81	542.63
3	Plant & Machinery	3,883.52	50.22	-	3,933.74	2,310.24	206.86	-	2,517.10	1,416.63	1,573.28
4	Furniture & Fixtures	119.34	4.96	-	124.30	94.70	6.60	-	101.30	23.00	24.64
5	Vehicles	51.13	157.37	-	208.50	35.09	14.40	-	49.49	159.01	16.04
	Total	5,132.17	212.55	-	5,344.72	2,901.14	260.69	-	3,161.83	2,182.90	2,231.03

Note 10. Non Current Investments

	As At 31.03.2012	As At 31.03.2011
Trade Investments		
Investment in Equity Instruments		
57,039 Shares of 50 Turkey Lira each in Atlanta Madencilik Ve Sanayi Ticaret Anonim Sirketi	658.88	-
Investment in Govt Securities (Unquoted)		
6 Year National Savings Certificates	1.55	1.75
Total	660.43	1.75

Note 11. Long Term Loans & Advances

Capital Advances	-	950.00
Security Deposits	410.39	410.39
Other Advances	-	1200.00
Total	410.39	2,560.39

Note 12. Current Investments

SBI -Mutual fund	-	15.34
Total	-	15.34

Note 13. Inventories (As valued and certified by the management)

Raw Materials	1,361.96	1,880.28
Work-in-Progress	13.00	4.80
Finished Goods	2,030.18	1,748.91
Stores & Spares	44.07	55.84
Total	3,449.21	3,689.83

Note 14. Trade Receivables (Unsecured considered good)

Debts outstanding for a period exceeding six months	1,724.64	-
Others	1,665.25	2,602.22
Total	3,389.89	2,602.22

NOTE 15. Cash and Bank Balances

i) Cash and Cash equivalents		
a) Balance with banks		
in current account	13.64	24.20
in Unpaid Dividend account	1.79	-
b) Cheques, drafts on hand	-	4.82
c) Cash on hand	9.59	10.88
ii) Other Bank Balances		
Balances with banks to the extent held as margin money in deposit account	153.33	88.11
Total	178.35	128.01

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 16. Short Term Loans and Advances (Unsecured considered good) (₹ in Lakhs)

	As At 31.03.2012	As At 31.03.2011
(a) Staff Advances	19.87	19.38
(b) Security deposits	615.00	610.00
(c) Loans and Advances to related parties	-	-
(d) other loans and advances		
- balance with customs & Central Excise authorities	53.00	123.07
- advance recoverable in cash or kind or for value to be received	2,581.82	803.04
Total	3,269.69	1,555.50

NOTE 17. Other Current Assets

Income accrued on deposits etc	22.16	22.16
IT Refund due	11.46	11.46
Total	33.62	33.62

NOTE 18. Revenue from Operations

		For the Year ended 31.03.2012		For the Year ended 31.03.2011
a. Sale of Finished Products	14,151.84		17,666.80	
Less : excise duty	874.31		838.47	
		13,277.53		16,828.33
b. Sale of Traded Goods		11,605.72		487.56
c. Other Operating Revenues :				
Export Incentives		50.60		82.39
Sale of Scrap, Slag		67.63		0.25
Total		25,001.47		17,398.52

NOTE 19. Other Income

Miscellaneous income		65.61		38.01
Dividend received on Mutual Fund		0.82		0.00
Total		66.43		38.01

NOTE 20. Cost of Materials Consumed

Inventory at the beginning of the year		1,880.28		1,145.53
Add : Purchases		8,336.59		11,766.05
		10,216.87		12,911.57
Less : Inventory at the end of the Year		1,361.96		1,880.28
Total		8,854.91		11,031.29

Details of Materials Consumed:

Chrome Ore & Lumps	6,811.22	7,835.29
Coal & Coke	1,517.63	2,464.11
Others	526.06	731.89
Total	8,854.91	11,031.29

Details of Inventory:

Chrome Ore & Lumps	1,179.10	1,447.24
Coal & Coke	132.17	376.84
Others	50.68	56.20
Total	1,361.96	1,880.28

NOTE 21. Purchases of Traded Goods

Ferro Chrome		9,089.00		349.84
Chrome Ore Lumps		432.80		110.90
Coal & Coke		317.48		-
Total		9,839.28		460.74

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 22. (Increase)/Decrease in inventories

(₹ in Lakhs)

	For the Year ended 31.03.2012	For the Year ended 31.03.2011
Opening Stock		
work-in-process	4.80	3.60
Finished Goods	1,748.91	524.84
	1,753.71	528.44
Closing Stock		
work-in-process	13.00	4.80
Finished Goods	2,030.18	1,748.91
	2,043.18	1,753.71
Total	(289.47)	(1,225.27)

NOTE 23. Employee Benefit Expenses

Salaries, Wages and Bonus	460.19	472.93
Contribution to Provident and Other Funds	35.25	36.89
Staff Welfare Expenses	33.47	19.37
Total	528.91	529.19

NOTE 24. Finance Cost

Interest on Working Capital	514.18	262.77
Interest - Others	42.74	3.25
Bank Charges	78.47	31.23
Total	635.39	297.26

NOTE 25. Other Expenses

Material Handling Expenses	104.22	63.68
Power and Fuel	2,324.51	2,808.85
Stores and Spares	295.26	340.07
Repairs and Maintenance	27.86	29.68
Annual Maintenance Charges	3.13	2.44
Vehicle Maintenance	7.02	3.58
Travelling and Conveyance	21.67	19.02
Communication Expenses	7.22	6.36
Other Administrative Expenses	55.44	52.60
Consultancy and Other Professional Charges	39.92	54.34
Printing & Stationary	3.87	4.67
License & Fee	9.18	20.20
Insurance	16.84	14.60
Donations	1.85	3.36
Distribution Expenses	293.53	366.01
CST/VAT	245.92	323.60
Auditor's Remuneration		
Statutory Audit	1.50	1.50
Tax Audit	0.20	0.20
Total	3,459.11	4,114.76

METKORE ALLOYS & INDUSTRIES LIMITED

Plot No. 18, Sagar Society, Street No. 1, Road No. 2, Banjara Hills, HYDERABAD - 500 034

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name & Address of the Member	Registered Folio No.	Client ID & DP ID No.	No. of Shares Held

I hereby record my presence at 6th Annual General Meeting of the Company held on Saturday, September 29, 2012 at 11.00 AM at the Hotel Sreekrishnaa Grand, Miyapur X Roads, Hyderabad - 500 049.

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

If Member, Please Sign Here	If Proxy, Please Sign Here

Note : Members are requested to bring their copies of the AGM Notice and Annual Report to the Meeting.

METKORE ALLOYS & INDUSTRIES LIMITED

Plot No. 18, Sagar Society, Street No. 1, Road No. 2, Banjara Hills, HYDERABAD - 500 034

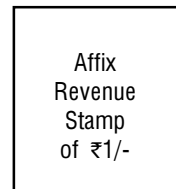
PROXY FORM

Folio No. Client ID No. & DP ID No.

I/We of being a Member/ Members of Metkore Alloys & Industries Limited, hereby appoint..... of..... or failing him/her..... of or failing him / her of as my/our Proxy to attend and vote for me/us on my/our behalf at the 6th Annual General Meeting of the Company held on Saturday, September 29, 2012 at 11.00 AM at the Hotel Sreekrishnaa Grand, Miyapur X Roads, Hyderabad - 500 049 and at any adjournment thereof.

Signed

Date :



Note : The Proxy form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. The Proxy need not be a Member of the Company.

**PRINTED MATTER
BOOK-POST**

If Undelivered, Please return to :

Metkore Alloys & Industries Limited
Regd. Office : Plot No. 18, Sagar Society
Street No. 1, Road No. 2, Banjara Hills,
Hyderabad - 500 034.