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**AUDITORS' REPORT**

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**THE ADMINISTRATOR**

**SOLID CARBIDE TOOLS LIMITED**

1. We have audited the attached balance sheet of **SOLID CARBIDE TOOLS LIMITED** , as at **31st March 2010** and also the Profit and Loss Account 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. The accompanying financial statements have been prepared assuming that the company will continue as a going concern keeping in view the observations/remarks referred to in the annexure to this report. The Company's manufacturing activity has remained suspended during the F.Y. 2009-10 and subsequent financial years. Also, the Company's office & factory were under court's seal & the said seal has been removed only in November, 2005 and the Management of the Company has been entrusted to an administrator appointed by the Honourable Mumbai High court. The Company has also suffered cash losses in the financial year under audit and in the immediately preceding financial year, which raises substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.
3. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.



4. 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.
5. Further to our comments in the Annexure referred to above, we report that :
- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, books of account for the purpose of recording the financial transactions have been kept by the company so far as appears from our examination of those books. However, as per our examination and as per the information and explanation given to us, the other books/registers as required by law were not produced to us for verification.
  - (c) The Balance Sheet and the Profit and Loss account dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, in view of non-ascertainability of method of valuation of inventories, non-provision of liability towards employees' retirement benefits, non-recording of effect of exchange rate fluctuations at the end of the year, non-consideration of effect of Deferred Taxation, the profit and loss account and the balance sheet doesn't comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - (e) In the absence of the confirmations, received from the directors as on 31<sup>st</sup> March, 2000, we are unable to report whether any of the directors is prima facie disqualified as on 31<sup>st</sup> March, 2000 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
  - (f) In our opinion, and to the best of our information and according to the explanations given to us, in view of the observations/remarks referred to in the annexure to this report in respect of:-,



A) Entrustment of Management of the Company to the Administrator appointed by the Honourable High Court of Mumbai and the preparation of books of account consequent to it.

B) Purchase of Land & development expenditure incurred thereupon.

C) Non-transfer of funds to separate bank accounts for unpaid dividend.

D) Pending court cases filed against the Company.

E) Recoverability of Sundry Debtors, Loans & Advances.

F) Non-compliance with the Accounting Standards referred to in Sub-section (3c) of Section 211 of the Companies Act, 1956.

G) Non availability of proper supporting documents such as bills, vouchers, receipts etc in respect of Expenditure/ payments made / incurred during the year.

the said accounts doesn't give the information as required by the Companies Act, 1956 in the manner so required and therefore doesn't give a true and fair view in conformity with the accounting principles generally accepted in India ;

i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st MARCH, 2010 and

ii) In the case of the Profit and Loss account of the LOSS of the company for the year ended on that date.

Place: Thane  
Date: 21-03-2011



For SINGAVI, OTURKAR & KELKAR  
Chartered Accountants  
FRN 110265W

  
[CA R.K. Mulchandani]  
Partner  
M.No.45550

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**ANNEXURE REFERRED TO IN PARAGRAPH [4] OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF SOLID CARBIDE TOOLS LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010.**

1. a) The Company has not maintained proper records showing full particulars including quantitative details and situations of its fixed assets.

b) The fixed assets have not been physically verified by the management during the year and therefore the same could not be reconciled with the book records. The Company has not updated the entries regarding the Land purchased and Land development expenditure incurred during the earlier financial years with respect to the identification numbers of land as per the land records. Also the Company has not updated the entries regarding the machinery purchased during the earlier financial years.

c) In the absence of proper records showing particulars of assets & in the absence of physical verification of assets and in view of the remarks as referred to in the Annexure to this report, we could not verify whether any fixed assets have been disposed off during the year.

2. The management has not conducted physical verification of inventory during the year. The records in respect of inventory were not made available for verification. Therefore, we could not verify whether there are any discrepancies between the physical stock as on 31<sup>st</sup> march, 2009 and the stocks as per book records.

3. a) On the basis of Unsecured Loans granted by the company in the earlier financial years and the same being outstanding as on 31<sup>st</sup> March, 2009, in our opinion, the company has granted unsecured loans to Companies, Firms or other parties which might have been required to be listed in the register maintained under Section 301 or to the Companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956. The Company has not charged any interest on such loans & the principal amount has also not been repaid to the company. There are no firm steps taken by the company for the recovery of such loans & advances.

b) The company has also granted advances to various Companies, firms & other parties for supply of Capital goods & Supplies against which the Company has not received all such goods & supplies.

The Company & parties to whom inter Corporate loan/Deposits have been given by the Company are not repaying the same. The Company has not charged any interest on such Inter Corporate loans/Advances. There are no positive & firm steps taken by the Company to recover such interest & loan/deposits, nor the Company has initiated any legal action against such Companies & Parties.

c) The company has taken loans from companies, Firms or other parties, which might have been required to be listed in the register maintained under Section 301 or from



Companies under the same Management as defined under Sub-section (1B) of Section 370 of the Companies Act, 1956. The rate of interest and other terms & conditions are prima facie not prejudicial to the interest of the Company.

4. In our opinion and according to the information and explanation given to us during the year, the internal control procedures are not commensurate with the size of the company for purchase of raw material, stores, purchase of Plant & Machinery, Equipment & other assets, and for the sale of goods.
5. In the absence of availability of the register to be maintained under Section 301 of the Companies Act, 1956, we could not verify whether the transactions that need to be entered into such register have been entered as such. For the same reason, the transactions exceeding value of Rupees Five Lakhs, with any of such parties could not be verified as regards to reasonableness of the price charged.
6. The Company has not accepted deposits from the Public. However, the Unsecured Loans taken by the Company in earlier financial years are outstanding as on 31-03-2010.
7. The Company does not have an Internal Audit System commensurate with its size and nature of its business.
8. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed for, the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
9. a) According to the records of the company, the company is not regular in depositing undisputed statutory dues including Investor Education & Protection Fund, Provident Fund, Employees' State Insurance dues, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Sales Tax, Cess as applicable to it with the appropriate authorities.  
b) According to the records of the Company, the company has not deposited the following amounts payable in respect of Provident Fund, Employees State Insurance dues, Employees Profession Tax, Sales Tax, & Income Tax Deducted at Source with the appropriate authorities and the same are outstanding at the year end;

<u>Nature of Dues</u>	<u>Amount Rs.</u>
Provident Fund	Rs.27,76,144/-
Employees State Insurance Dues	Rs. 6,59,547/-
Profession Tax	Rs. 3,11,230/-
Property Tax	Rs.16,08,269/-
Income Tax Deducted at Source	Rs. 1,58,213/-
Sales Tax	Rs. 91,660/-
- c) In the absence of any information and explanations & confirmations given to us by the Management, it was not possible for us to verify, whether there are any dues outstanding of Sales Tax, Customs Duty, Excise duty, Income Tax, wealth tax, service tax & cess on account of any dispute.
10. The accumulated losses of the company at the end of Financial year are less than Fifty percent of its Net worth. The company has incurred cash loss of Rs.3,79,368/- during the financial year covered by our audit and cash loss of Rs. 13,69,714/- in the immediately preceding financial year.



11. a) On the basis of bank statements & confirmations received from some of the banks, it is seen that the Company has defaulted in repayment of dues to Saraswat Co-op. Bank Ltd ( Pre merger bank Mandvi Co-op. Bank Ltd.) in respect of Cash Credit Account, Overdraft account and Bill Discounting Account. The amounts outstanding as per books of accounts as on 31-03-2010 are Rs.1,41,07,448/-, Rs 1,36,402/- & Rs.30,05,000/- respectively. The balance as per the books of accounts are also not reconciling with the balance as per Bank Statements. The Company has charged interest on the said Loans in the books of accounts as per the interest charged by the bank.
- b) In the absence of any confirmation received from the Gujrat State Finance Corporation (GSFC) and also in the absence of any information available with the Company, we cannot comment, whether the Company has defaulted in repayment of dues to GSFC. However, as per the books of accounts there is no movement in the Term Loan Account from GSFC. The outstanding Loan amount payable to GSFC is Rs.85,67,693/- as on 31-03-2003, 31-03-2004, 31-03-05, 31-03-2006, 31-03-07, 31-03-08, 31-03-09 & also as on 31-03-10.
- c) The Company does not have any borrowings by way of debentures.
12. In the absence of any information and explanations & confirmations given to us by the management, we cannot comment, whether the company has granted any loans and advances on the basis of security by the way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund / societies.
14. In the absence of any information and explanations & confirmations given to us, by the management, we cannot comment whether, the company has undertaken any dealing / trading in shares, debentures, Securities and other investments.
15. In the absence of any information and explanations & confirmations given to us by the management, we cannot comment whether, the company has given any guarantees for loans taken by its associates from banks or financial institutions. The company does not have any subsidiary during the year.
16. Based on our audit procedures and on the basis of information & explanations given to us by the management, the company has not taken any term loans during the year.
17. According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that, part of the funds from the Cash Credit Facility with the Bank in the earlier year have been utilized for giving certain advances, the purpose for which could not be explained by the Management.
18. In the absence of the register to be maintained U/s. 301 of the Companies Act, 1956 being made available to us we are not in a position to comment, whether the company has made any preferential allotment of shares to parties or companies covered in the register maintained U/s. 301 of the Companies Act, 1956.

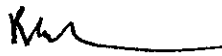


19. The company did not have any outstanding debentures during the year.
20. The company has not raised money through a public issue during the year.
21. Based upon the audit procedures performed and information and explanation given by the management, in view of the fact regarding the company being under the custody of the official liquidator appointed by the court and thereafter, the management of the company being entrusted to an administrator appointed by the court, the persons who were in charge of the day-to-day affairs of the company during the F.Y. 2009-10 are not managing the affairs of the company as on date, and as the books of account have been updated after the administrator has taken over the control of the company in November, 2005, we cannot comment as on date whether any fraud on or by the company have been committed during the financial year ended on 31-03-2010.

Place: Thane  
Date: 21-03-2011



For SINGAVI, OTURKAR & KELKAR  
Chartered Accountants  
FRN 110265W

  
[CA R.K. Mulchandani]  
Partner  
M.No.45550

**SOLID CARBIDE TOOLS LTD.**  
**ANNEXURE REFERRED TO IN PARAGRAPH [5] OF OUR REPORT OF EVEN**  
**DATE ON THE ACCOUNTS OF SOLID CARBIDE TOOLS LIMITED FOR THE YEAR**  
**ENDED 31<sup>ST</sup> MARCH, 2010.**

**A) Entrustment of Management of the Company to the Administrator appointed by Honourable High court of Mumbai and the preparation of books of account thereafter.**

- 1) During the FY-2003-04 to FY-2009-10 the company's manufacturing activity has by and large remained suspended except for FY 2007-08, in which there was some manufacturing activity. The sales for FY-2003-04, FY 2004-05, FY 2005-06, F. Y 2009-10 were Rs.Nil/-. The sales of Rs 1,81,993/- for FY 2006-07, Rs 36,04,583/- for FY 2007-08, Rs 1,38,080/ for FY 2008-09.
- 2) Certain cases were filed by the creditors of the company for recovering their dues from the company and subsequently the Honourable High Court of Mumbai has appointed Administrator for the purpose of implementing the scheme submitted by the creditors for running the company.
- 3) a) The premises of the company were sealed by the order of the court. Accordingly, the registered office of the company and the factory of the company situated at R-402, TTC Industrial Area, Rabale, Navi Mumbai-400 701 was under court's seal.  
  
b) The said seal of the court was removed on 12<sup>th</sup> November, 2005 after the order of the court, and the administrator appointed by the court was allowed to take charge of the affairs of the company and run the company as per the scheme approved by the court.
- 4) The administrator of the company after taking over charge on 12<sup>th</sup> November, 2005 as per the courts directions has started taking inventory of the Fixed Assets, Stocks, Account Records etc. and the process of taking of inventory and reconciling the same with the books of account is under progress.
- 5) During the period in which the company was locked, there were also signs of theft in the company's office and factory situated at R-402, TTC Industrial Area, Rabale, Navi Mumbai-400 701, for which also the complaints have been filed with the police.
- 6) a) After taking the charge of the company on 12<sup>th</sup> November, 2005 the administrator has taken necessary steps and efforts to get the books of account completed for the FY-2004-05 & subsequent years on the basis of available records.





- b) The administrator has also made arrangements to send the letters to Sundry Creditors of the company, Sundry Debtors of the company, Banks and financial Institutions, to get the balance confirmation as on 31-03-2005.
- c) The confirmation letters have been received from some of the Sundry Creditors and Sundry Debtors but have not been received from the other Sundry Debtors & Creditors. In some cases the letters sent to the Creditors/Debtors have been returned back as such Sundry Creditors/Sundry Debtors have left the address which was last available with the company.
- d) Even certain Banks & Financial Institutions have not responded to the letters sent to them for confirming the balances.
- 7) Therefore the books of account for the FY-2009-10 have been prepared by the administrator appointed by the court, from the records that were available with the administrator.
- 8) In the Balance Sheet as at 31-03-2010 and Profit & Loss Account for the year ended on 31<sup>st</sup> March, 2010, the balances for the following accounts have been considered as under:-
- a) Cash on Hand Rs.1,24,516/-  
The cash on hand as on 31<sup>st</sup> March, 2010 has been taken as per the books of account prepared for the F.Y. 2008-09. The cash balance as on 31-03-2009 has not been physically verified as on 31-03-2009 and there is no information regarding the availability of cash on hand.
- b) Closing Stock of Inventory Rs.72,36,003/-  
The closing stock of inventory has been taken on the basis of statement prepared and available with the Company. However, the inventory of Rs.72,36,003/- appears to be on a very higher side considering that the opening stock of inventory as on 1-04-2002 was Rs.15,16,786/- and the purchases during F.Y.2002-03, F.Y.2003-04, F.Y.2004-05, F Y 2005-06, F Y 2006-07, FY 2007-08, FY 2008-09, FY 2009-10 are Rs.12,06,802/-, Rs.30,181/-, and Rs.Nil, Rs 54,196/-, Rs 12,36,353/- Rs 25,10,748/- Rs Nil and Rs Nil respectively & Sales during F Y 2002-03, FY.2003-04, FY 2004-05, FY 2005-06, FY 2006-07, FY 2007-08, FY 2008-09, FY 2009-10 are Rs 6,29,662/-, Rs Nil, Rs Nil, Rs Nil, Rs 1,81,993/-, Rs 36,04,583/-, Rs 1,38,080/-
- c) Loan from Saraswat Co-op. Bank Ltd. ( Pre merger- Mandvi Co-op. Bank Ltd.) (Bill Discounting Facility) Rs.30,05,000/- and Cash Credit Rs.1,41,07,448/-, OD account Rs 1,36,402/-:  
(i) The Company has received statement in respect of Cash Credit Account & Overdraft account from Saraswat Co-op Bank Ltd. However, the balance as per books doesn't reconciles with the bank statement. The Company has provided interest during the year as per the bank statement.  
(ii) In respect of Bill discounting facility the Company has not provided for interest on such bill discounting Account.
- d) Loan from Gujarat State Financial Corporation Rs.85,67,693/-  
No confirmation of balance has been received from Gujarat State Financial Corporation in respect of the loan taken from Gujarat State Financial Corporation. Therefore, the balance is taken as per the books of account.



Also in the absence of confirmation received from the bank / financial institution, the details of security offered for the aforesaid loans are also not known as on date.

e) Fixed Assets:

In the absence of physical verification of the Fixed Assets as on 31-03-2009 and in the absence of availability of Fixed Assets register, the balances of Fixed Assets have been taken as per the books of account.

f) Investments:

Investments of Rs.20,800/- represents 2080 Equity Shares of Rs.10/- each fully paid up of Mandvi Co-Op. Bank Ltd. In the absence of any confirmation from the Mandvi Co-Op. Bank Ltd. the balance of investment is considered as per the books of account.

g) Sundry Debtors & Sundry Creditors Balances:

The Administrator appointed by the court has initiated the process of calling of balance/account confirmation letters from the sundry debtors & sundry creditors. However, in the absence of receipt of confirmation letters from all the sundry creditors & sundry debtors, the balances have been taken as per the books of account.

B) Incurrence of Land Development Expenditure:

i) The Company has entered into agreement with various parties for purchase of Land in F.Y. 1998-99. However in the absence of agreements executed being registered with the appropriate authorities and in the absence of company's name entered in the land revenue records, we are not in a position to comment on the legal title to the ownership of said land.

ii) The Company has incurred expenditure towards Land Development Expenditure in the earlier financial years. However in the absence of any tenders & quotations called for the land Development Expenditure in the earlier financial years or an approved valuers / architects Certificate regarding the value of the work done, we are unable to comment on the reasonableness of expenditure incurred on land development by the company.

C) Non-transfer of funds to separate bank accounts for unpaid dividend:

The Company has not transferred the amount of unpaid dividend declared for the year ended 31-03-1995 to a separate bank account nor the company has transferred the same to the appropriate authorities as per the provisions of the Companies Act, 1956. The unpaid dividend for the year ended 31<sup>st</sup> March, 1995 as on 31-03-2010 was Rs.52,49,933/-.

D) Pending court cases filed against the Company:

There are certain court cases filed by various persons/departments against the company for recovery of their dues & recovery of the damages. However no provisions have been made for the liabilities that may be arising out of such court cases. Nor any evaluation or quantification of such damages has been made by the management.

E) Recoverability of Sundry Debtors, Loans & Advances:

In respect of certain sundry debtors, Inter-Corporate deposits, Advances to suppliers of Capital Goods, Other advances, the recovery of the amounts from various persons seem to be doubtful. However the company has not made any provisions for such doubtful debtors, loans & advances. In our opinion the recovery of advances to suppliers amounting to Rs.57,35,870/-, Intercorporate deposits amounting to Rs.16,78,216/-, deposit with Mumbai Stock Exchange Rs.62,520/-, other advances Rs.39,36,128/-, Sundry debtors for more than 6 months i.e. Rs.2,46,44,950/- is doubtful. Had the company made the provisions for the




above doubtful recoveries, the loss for the year would have been higher by an amount of Rs.3,60,57,684/- (being the sum of the amounts mentioned above).

Place: Thane  
Date: 21-03-2011



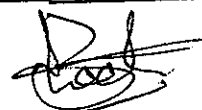
For SINGAVI, OTURKAR & KELKAR  
Chartered Accountants  
FRN 110265W

  
[CA R.K. Mulchandani]  
Partner  
M.No.45550

**SOLID CARBIDE TOOLS LTD**

**CASH SUMMARY for F Y 2009-10**

<b>Years</b>	<b>2009-10</b>
<b>Opening Balance</b>	<b>124,516</b>
<b>Receipts</b>	
Received from Dilip Shah	-
Received from Sham Gandhi	-
Withdrawn from Bank of India	-
Withdrawn from Saraswat Coop Bank	-
Withdrawn from The Deccan Merchants Coop Bank	-
	<b>124,516</b>
<b>Payments</b>	
Advance to Staff	-
Paid to Creditors in Cash	-
Rep & Maint Bldg	-
R/M Machinery	-
Sales Tax	-
P & M	-
Professional Fees	-
Other Expenses in Cash	-
Deposited in Bank of India	-
Deposited in The Deccan Merchants Bank	-
Deposited in Saraswat Coop Bank	-
Paid to Dilip Shah	-
<b>Closing Balance</b>	<b>124,516</b>



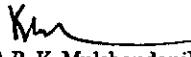
**SOLID CARBIDE TOOLS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2010**

S.NO.	PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
	<b><u>SOURCES OF FUNDS:</u></b>			
I.	<b><u>1. SHAREHOLDERS FUNDS:</u></b>			
	1.1 CAPITAL	1	65,217,990	65,217,990
	1.2 RESERVES & SURPLUS	2	61,623,485	61,623,485
	<b><u>2. LOAN FUNDS:</u></b>			
	2.1 SECURED LOANS	3	26,962,330	26,742,978
	2.2 UNSECURED LOANS	4	18,551,185	18,551,185
	Total Rs		<b>172,354,990</b>	<b>172,135,638</b>
II.	<b><u>APPLICATION OF FUNDS:</u></b>			
	<b><u>1. FIXED ASSETS</u></b>			
	1.1 GROSS BLOCK	5	103,696,524	103,696,524
	1.2 LESS DEPRICIATION		32,706,451	30,406,336
	<b><u>1.3 NET BLOCK</u></b>		<b>70,990,073</b>	<b>73,290,188</b>
	<b><u>1.4 CAPITAL WORK IN PROGRESS</u></b>		<b>54,840,349</b>	<b>54,840,349</b>
	<b><u>1.5 EXPENSES PENDING FOR CAPITALISATION</u></b>		<b>5,911,486</b>	<b>5,911,486</b>
	<b><u>2. INVESTMENTS:</u></b>	6	20,800	20,800
	<b><u>3. CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>			
	3.1 INVENTORIES	7	7,236,003	7,236,003
	3.2 SUNDRY DEBITORS	8	24,644,950	24,644,950
	3.3 CASH & BANK BALANCE	9	526,060	527,244
	3.4 OTHER CURRENT ASSETS			
	3.5 LOANS & ADVANCES	10	12,852,364	12,852,364
			<b>45,259,377</b>	<b>45,260,560</b>
	<b><u>LESS: CURRENT LIABILITIES AND PROVISIONS:</u></b>			
	LIABILITIES & PROVISIONS	11	34,902,490	34,743,658
	<b><u>NET CURRENT ASSETS</u></b>		<b>10,356,887</b>	<b>10,516,903</b>
	<b><u>4. MISCELLANEOUS EXPENDITURE:</u></b> (To the extent not written off or adjusted)			
	PRELIMINARY EXPENSES	12	-	-
	<b><u>5. PROFIT &amp; LOSS ACCOUNT</u></b> (DEBIT BALANCE)		<b>30,235,396</b>	<b>27,555,913</b>
	Total Rs		<b>172,354,990</b>	<b>172,135,638</b>
Significant Accounting policies and Notes to Accounts		17		

"As per our report of even date".

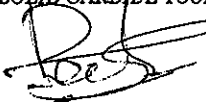
For SINGAVI, OTURKAR & KELKAR

Chartered Accountants  
FRN 110265W

  
[CA R. K. Mulchandani]  
Partner  
M. No. 45550



For SOLID CARBIDE TOOLS LIMITED



(Dilip Shah)  
Administrator

Place: Thane


Date: 21-03-2011

**SOLID CARBIDE TOOLS LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010**

S. NO.	PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
I.	<b><u>INCOME:</u></b>			
	SALES		-	138,080
	OTHER INCOME	13	-	-
	INCREASE/(DECREASE) IN STOCKS	14	-	-
	Total Rs		-	<b>138,080</b>
II.	<b><u>EXPENDITURE</u></b>			
	COST OF MATERIAL	15	-	-
	MANUFACTURING AND OTHER OPERATING EXPENSES	16	160,016	1,387,488
	INTEREST		219,352	120,305
	DEPRECIATION		2,300,115	2,361,487
	Total Rs		<b>2,679,483</b>	<b>3,869,280</b>
III.	PROFIT/(LOSS) BEFORE TAXATION (I-II)		(2,679,483)	(3,731,201)
	LESS: PROVISION FOR TAXATION		NIL	NIL
IV.	PROFIT/(LOSS) AFTER TAXATION		(2,679,483)	(3,731,201)
V.	ADD / (LESS) : PROFIT / (LOSS) OPENING BALANCE		(27,555,913)	(23,824,712)
VI.	PROFIT / (LOSS) CLOSING BALANCE C / F TO BALANCE SHEET		<b>(30,235,396)</b>	<b>(27,555,913)</b>
VII.	SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	17		

"As per our report of even date".

For SINGAVI, OTURKAR & KELKAR  
Chartered Accountants  
FRN 110265W

  
[CA R. K. Mulchandani]  
Partner  
M. No. 45550

Place: Thane  
Date: 21-03-2011



For SOLID CARBIDE TOOLS LIMITED

  
(Dilip Shah)  
Administrator

**SOILD CARBIDE TOOLS LTD**

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b><u>SCHEDULE -1: SHARE CAPITAL</u></b>		
<b><u>AUTHORISED :</u></b>		
2,00,00,000 EQUITY SHARES OF RS.10 EACH	200,000,000	200,000,000
<b><u>ISSUED, SUBSCRIBED AND PAID-UP :</u></b>		
8862,000 EQUITY SHARES PF RS. 10 EACH.	88,620,000	88,620,000
<b><u>LESS : ALLOTMENT MONEY IN ARREARS</u></b>	<b>23,402,010</b>	<b>23,402,010</b>
<b>Total Rs</b>	<b>65,217,990</b>	<b>65,217,390</b>
<b><u>SCHEDULE - 2: RESERVES AND SURPLUS</u></b>		
<b><u>GENERAL RESERVE:</u></b>		
BALANCE AS PER LAST BALANCE SHEET	6,365,000	6,365,000
<b><u>ADD: TRANSFERRED DURING THE YEAR</u></b>	<b>6,365,000</b>	<b>6,365,000</b>
<b>(A)</b>	<b>6,365,000</b>	<b>6,365,000</b>
<b><u>SHARE PREMIUM ACCOUNT</u></b>		
<b>(B)</b>	<b>55,258,485</b>	<b>55,258,485</b>
<b>TOTAL (A) +(B)</b>	<b>61,623,485</b>	<b>61,623,485</b>

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**SOLID CARBIDE TOOLS LTD**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

S. NO.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	<b><u>SCHEDULE - 3 : SECURED LOANS</u></b>		
	<b><u>FROM SARASWAT CO-OP. BANK LTD</u></b> <b><u>(PRE MERGER= MANDVI CO-OP BANK LTD, BOMBAY)</u></b>		
I	(a) BILL DISCOUNTING	3,005,000	3,005,000
	(b) CASH CREDIT ACCOUNT	14,107,448	14,010,345
II	(c) GUJARAT STATE FINANCIAL CORPORATION SECURED AGAINST PERSONAL GUARANTEE OF DIRECTOR	8,567,693	8,567,693
	C C A/C SARASWAT BANK	1,282,189	1,159,940
	Total Rs	<b>26,962,330</b>	<b>26,742,978</b>
	<b><u>SCHEDULE - 4 : UNSECURED LOANS</u></b>		
	FROM DIRECTORS, SHAREHOLDERS AND ASSOCIATED CONCERNS	NIL	NIL
	FROM OTHERS	18,551,185	18,551,185
	Total Rs	<b>18,551,185</b>	<b>18,551,185</b>



*Deeb*



SOLID CARBIDE TOOLS LTD  
 SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST. MARCH, 2010  
 SCHEDULE - 5: FIXED ASSETS

S. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET AS ON		BLOCK AS ON 31/03/2009
		AS ON 01/04/2009	ADDITIONS DURING THE YEAR	DISPOSED OFF TRANSFER	AS ON 31/3/2010	AS ON 1/04/2009	DURING THE YEAR	ADJUSTMENT	AS ON 31/03/2010	AS ON 31/03/2010		
1.	LAND	46,448,161	-	-	46,448,161	-	-	-	-	-	46,448,161	46,448,161
2.	BUILDING	13,869,900	-	-	13,869,900	3,882,665	463,255	-	4,345,919	-	9,523,981	9,987,235
3.	FURNITURE & FIXTURES	1,892,176	-	-	1,892,176	1,842,689	49,487	-	1,892,176	-	-	49,487
4.	PLANT & MACHINERY	39,977,057	-	-	39,977,057	23,447,743	1,736,562	-	25,184,305	-	14,792,752	16,529,314
5.	AIR CONDITIONER	520,097	-	-	520,097	395,349	24,705	-	420,054	-	100,043	124,748
6.	TYPEWRITER	7,995	-	-	7,995	7,995	-	-	7,995	-	-	-
7.	SCOOTER	52,005	-	-	52,005	52,005	-	-	52,005	-	-	-
8.	OFFICE EQUIPMENTS	251,943	-	-	251,943	251,943	-	-	251,943	-	-	-
9.	COMPUTER	539,050	-	-	539,050	504,904	19,544	-	524,448	-	14,602	34,146
10.	ELECTRICAL TRANSFORME	138,140	-	-	138,140	21,044	6,562	-	27,606	-	110,534	117,096
	<b>Total Rs</b>	<b>103,696,524</b>	-	-	<b>103,696,524</b>	<b>30,406,336</b>	<b>2,300,115</b>	-	<b>32,706,451</b>	-	<b>70,990,073</b>	<b>73,290,188</b>
	<b>PREVIOUS YEAR TOTAL RS</b>	<b>103,696,524</b>	-	-	<b>103,696,524</b>	<b>28,044,849</b>	<b>2,361,487</b>	-	<b>30,406,336</b>	-	<b>73,290,188</b>	
1	CAPITAL WORK IN PROGRE	54,840,349	-	-	54,840,349	-	-	-	-	-	54,840,349	54,840,349
2	EXPENSES PENDING FOR CAPITALISATION	5,911,486	-	-	5,911,486	-	-	-	-	-	5,911,486	5,911,486
	<b>PREVIOUS YEAR TOTAL RS</b>	<b>60,751,835</b>	-	-	<b>60,751,835</b>	-	-	-	-	-	<b>60,751,835</b>	<b>60,751,835</b>



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**SOLID CARBIDE TOOLS LTD**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH,2010**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b><u>SCHEDULE - 6 : INVESTMENTS</u></b>		
(AT COST) UNQUOTED 2080 EQUITY SHARES OF RS 10/- EACH FULLY PAID UP OF MANDVI CO-OP BANK	20,800	20,800
Total Rs	<b>20,800</b>	<b>20,800</b>
<b><u>SCHEDULE - 7 : INVENTORIES</u></b>		
SPARES AND COMPONENTS	-	-
CONSUMABLE STORES	198,340	198,340
PACKING MATERIALS	-	-
FINISHED GOODS	5,940,704	5,940,704
RAW MATERIALS	1,096,959	1,096,959
Total Rs	<b>7,236,003</b>	<b>7,236,003</b>
<b><u>SCHEDULE - 8 : SUNDRY DEBTORS</u></b>		
<b><u>UNSECURED CONSIDERED GOOD :</u></b>		
OUTSTANDING FOR LESS THAN SIX MONTHS	-	-
OUTSTANDING FOR MORE THAN SIX MONTHS	24,644,950	24,644,950
<b><u>CONSIDERED DOUBTFUL :-</u></b>		
OUTSTANDING FOR MORE THAN SIX MONTHS	-	-
Total Rs	<b>24,644,950</b>	<b>24,644,950</b>
<b><u>SCHEDULE - 9 : CASH &amp; BANK BALANCES</u></b>		
<b><u>a. CASH IN HAND:</u></b>	124,516	124,516
<b><u>b. CASH AT BANK:</u></b>		
<u>IN CURRENT ACCOUNTS</u>		
<u>WITH SCHEDULED BANKS</u>	360,206	361,390
<b><u>c. IN FIXED DEPOSITS:</u></b>		
<u>WITH SCHEDULED BANKS</u>	41,338	41,338
Total Rs	<b>526,060</b>	<b>527,244</b>



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**SOLID CARBIDE TOOLS LTD**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b><u>SCHEDULE -10 : LOANS &amp; ADVANCES</u></b> (UNSECURED & CONSIDERED GOOD)		
TRADE DEPOSITS	1,350,820	1,350,820
SBI ( SHARE APPLICATION MONEY REFUND ACCOUNT)	7,661	7,661
OTHER ADVANCES	3,936,128	3,936,128
BOB (UNCLAIMED DIVIDEND ACCOUNT )	81,149	81,149
DEPOSIT WITH MUMBAI STOCK EXCHANGE	62,520	62,520
INTER CORPORATE DEPOSIT	1,678,216	1,678,216
ADVANCES TO SUPPLIERS	5,735,870	5,735,870
<b>Total Rs</b>	<b>12,852,364</b>	<b>12,852,364</b>
<b><u>SCHEDULE -11 : CURRENT LIABILITIES AND PROVISIONS</u></b>		
<b><u>A: CURRENT LIABILITIES:</u></b>		
<b><u>a: SUNDRY CREDITORS:</u></b>		
FOR GOODS	17,007,719	17,007,719
FOR EXPENSES	12,146,683	11,987,851
FOR OTHERS	272,165	272,165
<b><u>b: OVERDRAFT WITH:</u></b>		
SARASWAT CO-OP. BANK LTD (PRE MERGER= MANDVI CO-OP BANK LTD, BOMBAY)	136,402	136,402
<b><u>c: SHARE APPLICATION MONEY PAYABLE</u></b>		
d: UNCLAIMED DIVIDEND	7,661	7,661
e: UNPAID DIVIDEND	81,927	81,927
	5,249,933	5,249,933
<b>Total Rs</b>	<b>34,902,490</b>	<b>34,743,658</b>
<b><u>SCHEDULE -12 : MISCELLANEOUS EXPENDITURE</u></b>		
<b><u>PRELIMINARY EXPENSES:</u></b>		
BALANCE AS PER THE LAST BALANCE SHEET	-	-
LESS: EXPENSES WRITTEN BACK		
<b><u>ADD: DURING THE YEAR</u></b>		
LESS: WRITTEN OFF DURING THE YEAR	-	-
<b>Total Rs</b>	-	-



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**SOLID CARBIDE TOOLS LTD**  
**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST MARCH, 2010**

PARTICULARS		CURRENT YEAR	PREVIOUS YEAR
<b><u>SCHEDULE -13 : OTHER INCOME</u></b>			
1. EXCHANGE RATE DIFFERENCE (NET)			
2. FIXED DEPOSIT INTEREST / OTHER			
3. DIVIDEND			
4. MISCELLANEOUS INCOME/ DISCOUNT			
Total Rs		-	-
<b><u>SCHEDULE -14 :</u></b>			
<b><u>INCREASE/(DECREASE) IN STOCK</u></b>			
OPENING STOCK OF FINISHED GOODS		5,940,704	5,940,704
CLOSING STOCK OF FINISHED GOODS		5,940,704	5,940,704
INCREASE/(DECREASE)		-	-
<b><u>SCHEDULE -15 : COST OF MATERIALS</u></b>			
<b><u>OPENING STOCK OF:-</u></b>			
RAW MATERIALS	1,096,959		
STORES & CONSUMABLES	198,340		
SPARES & COMPONENTS	-		
PACKING MATERIAL	-		
		1,295,299	1,295,299
<b><u>ADD: PURCHASE OF MATERIALS:</u></b>			
RAW MATERIALS			
STORES & CONSUMABLES			
SPARES & COMPONENTS			
PACKING MATERIAL			
	-	-	-
<b><u>LESS: CLOSING STOCK:</u></b>			
RAW MATERIALS	1,096,959		
STORES & CONSUMABLES	198,340		
SPARES & COMPONENTS			
		1,295,299	1,295,299
		1,295,299	1,295,299
Total Rs		-	-



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**SOLID CARBIDE TOOLS LTD**  
**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST MARCH, 2010**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b><u>SCHEDULE -16: MANUFACTURING AND OTHER OPERATING EXPENSES</u></b>		
ELECTRICITY CHARGES		44,948
WATER CHARGES		3,971
REPAIRS AND MAINTENANCE (OTHERS)		78,112
SALARY AND WAGES		973,863
OFFICE EXPENSES		4,459
TELEPHONE EXPENSES		10,606
MISC EXPENSES		699
CONVEYANCE		33,667
PRINTING AND STATIONERY		50
PROFESSIONAL CHARGES		46,736
BANK CHARGES	1,184	16,581
SHARE TRANSFER EXPENSES		12,000
SECURITY CHARGES	158,832	161,796
<b>Total Rs</b>	<b>160,016</b>	<b>1,387,488</b>



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**SOLID CARBIDE TOOLS LIMITED**

Schedules forming part of the Balance Sheet as at 31st March, 2010 and Profit & Loss Account  
for the year ended on that date.

**SCHEDULE "17"**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR  
ENDED 31st MARCH 2010**

**A. Significant Accounting Policies :**

**1. General :**

The Accounts are prepared on the historical cost basis and on the accounting principles of a going concern.

The adjustments on account of Profit / Loss due to exchange rate fluctuations in respect of the outstanding debts for (exports) / outstanding creditors (for imports) is accounted at the time of realisation of debt / payment to creditors.

All other expenses and income to the extent considered payable and receivable respectively, unless specifically stated to be otherwise, are accounted for on accrual basis.

**2. RESEARCH AND DEVELOPMENT :**

Research and Development is an on-going process for the Company and no separate identifiable expenditure is incurred for the same.

**3. FIXED ASSETS :**

Fixed Assets are stated at cost less accumulated depreciation.

**4. DEPRECIATION :**

Depreciation has been provided for on the "Straight Line Basis" at the rates prescribed in the Schedule XIV to the Companies Act, 1956. No depreciation is provided for in respect of Factory Lease Hold Land.

**5. INVENTORIES :**

All categories of stock-in-trade are valued at cost or net realisable value, whichever is less upto 31-3-2002. However, thereafter the method of valuation of stock-in-trade is not ascertainable.

**6. GRATUITY AND OTHER RETIREMENT BENEFITS :**

No provision is made in respect of payment of gratuity & other retirement benefits payable to employees, Nor is the liability in respect of the same is ascertained.

**7. INVESTMENTS :**

Investments represent shares of Mandvi Co-Op Bank Ltd. which are unquoted and are stated at cost.



8. **SHARE ISSUE EXPENSES :**

These are amortised over a period of ten years.

9. **CONTINGENT LIABILITIES NOT PROVIDED FOR IN THE ACCOUNTS :**

A) A claim has been made against the Company by Birla Global Finance Ltd. for lead managing the Right cum Public Issue of fully convertible debentures which the Company has disputed and has not acknowledged as debt.

Rs.8,67,000/-

B) The Navi Mumbai Municipal Corporation raised the demand for Cess payment on purchases made by the Company, which the Company has disputed being the purchases made by the Company for 100% Export Oriented Unit.

Rs.1,14,735/-

Rs.9,81,375/-

Apart from above no evaluation and estimate has been made by the management in respect of any other contingent liabilities.



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**11. EARNING IN FOREIGN CURRENCY**  
(Equivalent to Rupees )

	CURRENT YEAR	PREVIOUS YEAR
EXPORT OF GOODS	NIL	NIL
<b>12. VALUE OF IMPORTS:</b>		
i. RAW MATERIAL CARBIDE BLANKS	NIL	NIL
ii. COMPONENTS & SPARES	NIL	NIL
iii. CAPITAL GOODS	NIL	NIL
iv. EXPENSES IN FOREIGN CURRENCY	NIL	NIL

13. Previous years figures have been regrouped and rearranged wherever, necessary in order to make them comparable.

These are the notes referred to in the annexed Balance Sheet as a 31st March 2006, and Profit and Loss Account ended as on that date.

For SINGAVI,OTURKAR & KELKAR  
Chartered Accountants  
FRN 110265W

  
(R.K. MULCHANDANI)  
Partner  
M. No. 45550

Place: Thane  
Dated: 21-03-2011



For SOLID CARBIDE TOOLS LIMITED

  
(Dilip Shah)  
Administrator



The Companies Act (1 of 1956) SCHEDULE VI - PART IV

**BALANCE SHEET ABSTRACT AND A  
COMPANY'S GENERAL BUSINESS PROFILE  
SOLID CARBIDE TOOLS LIMITED**

**I Registration Details:**

Registration No.  State Code  (Refer Code List)

Balance-sheet     
Date Date Month Year

**II Capital Raised during the year (Amount in Rupees)**

Public Issue	Rights Issue
<input type="text" value="NIL"/>	<input type="text" value="NIL"/>
Bonus Issue	Private Placement
<input type="text" value="NIL"/>	<input type="text" value="NIL"/>

**III Position of Mobilisation and Deployment of Funds (Amount in Rupees)**

Total Liabilities	Total Assets
<input type="text" value="172,354,990"/>	<input type="text" value="172,354,990"/>
<u>Sources of Funds</u>	
Paid-up Capital	Reserves & Surplus
<input type="text" value="65,217,990"/>	<input type="text" value="61,623,485"/>
Secured Loans	Unsecured Loans
<input type="text" value="26,962,330"/>	<input type="text" value="18,551,185"/>
Net Deferred Tax Liability	
<input type="text" value="NIL"/>	
<u>Application of Funds</u>	
Net Fixed Assets	Investments
<input type="text" value="70,990,073"/>	<input type="text" value="20,800"/>
Net Current Assets	Miscellaneous Exp.
<input type="text" value="10,356,887"/>	<input type="text" value="-"/>
Accumulated Losses	Capital WIP
<input type="text" value="30,235,396"/>	<input type="text" value="60,751,835"/>



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**SOLID CARBIDE TOOLS LIMITED**

**10) QUANTITATIVE DETAILS IN RESPECT OF GOODS :**

**1. LICENSED AND INSTALLED CAPACITIES:**

CLASS OF PRODUCT	LICENSED		INSTALLED	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
A. CIRCUIT BOARD ROUTER B. CIRCUIT BOARD DRILLS C. INDUS. TOOLS	2,250,000	2,250,000	2,250,000	2,250,000

**2.(a). PURCHASES:**

CLASS OF PRODUCT	CURRENT YEAR		PREVIOUS YEAR	
	QTY	AMOUNT Rs.	QTY	AMOUNT Rs.
CARBIDE BLANKS (in Nos) (in K.g.s) E.O.U.	-	-	-	-
<b>TOTAL RS.</b>		-		-

**(b). SALES:**

CLASS OF PRODUCT	CURRENT YEAR		PREVIOUS YEAR	
	QTY	AMOUNT Rs.	QTY	AMOUNT Rs.
CARBIDE CUT OF BLANKS (in kgs.)	-	-	-	-
<b>TOTAL RS.</b>		-		-

**©. CLOSING STOCK**

CLASS OF PRODUCT	CURRENT YEAR		PREVIOUS YEAR	
	QTY K.g.s	AMOUNT Rs.	QTY K.g.s	AMOUNT Rs.
<b>RAW MATERIAL:</b>				
CARBIDE BLANKS	321.90	206,369	321.90	206,369
<b>FINISHED GOODS:</b>				
CARBIDE DRILLS	769.736	5,782,879	769.736	5,782,879



*[Handwritten Signature]*

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

Turnover

Total Expenditure

Profit / Loss Before Tax

+ -  
  (2,679,483)

Profit / Loss After Tax

+ -  
  (2,679,483)

(Please tick-Appropriate box + for Profit, - for Loss)

Loss per share in Re.

Dividend @ %

V Generic Names of Three Principal Products/ Services of Company (As per monetary terms)

Item Code No.   
(ITC Code)

Product  
Description



For SINGAVI, OTURKAR & KELKAR For SOLID CARBIDE TOOLS LIMITED  
Chartered Accountants  
FRN 110265W

(CA R.K. Mulchandani)  
Partner

(Dilip Shah)  
Administrator

Place: Thane  
Date: 21-03-2011