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**BIRLA MACHINING & TOOLINGS LIMITED**  
(formerly Dagger Forst Tools Limited)

**BOARD OF DIRECTORS**

Shri Yashovardhan Birla                      Chairman  
Smt. Avanti Birla  
Shri Vijay Agarwal  
Shri Shailesh Sheth  
Shri Rajesh Shah  
Shri Tushar Dey

**EXECUTIVES**

Shri P. S. Sainani                              Chief Operating Officer

**BANKERS**

Indian Overseas Bank

**AUDITORS**

M/s CHATURVEDI & SHAH  
Chartered Accountants  
Mumbai

**REGISTERED OFFICE**

S-2, 2<sup>nd</sup> Floor, Vedant Commercial Complex,  
Vartak Nagar, First Pokhran Road,  
Thane (W) – 400606

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## NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 45<sup>th</sup> Annual General Meeting of Birla Machining & Toolings Limited will be held on Friday September 30, 2011 at 11.00 a.m. at Vedant Community Hall, Phase- III, Vedant Complex, 1<sup>st</sup> Pokhran Road, Thane (W) - 400606 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended on March 31, 2011, the Balance Sheet as at that date together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Smt Avanti Birla who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Shri Shailesh Sheth who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s CHATURVEDI & SHAH, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

**For and on behalf of the Board**

**Place : Mumbai**

**Tushar Dey**

**Date : August 8, 2011**

**Director**

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting. The proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member organization.
2. The Register of Members and share transfer books of the Company will remain closed from Thursday September 29, 2011 to Friday September 30, 2011 (both days inclusive) for the purpose of Annual General Meeting.
3. Members are requested to forward all application for Transfer, Demat, and all other share related correspondence, including intimation of change of address, if any, to the Registrar and Transfer Agents of the Company at the following address:  
M/s. Link Intime India Private Limited  
(Formerly Intime Spectrum Registry Limited)  
C-13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (W), Mumbai 400 078  
Tel: 022-25963838, 022-25946970  
Fax: 022-25946969  
Email Id: ([rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in))
4. Members are requested to:
  - a) complete the attendance slip and deliver the same at the entrance of the meeting hall.
  - b) bring their copies of the Annual Report at the time of attending the Annual General Meeting.
  - c) send their questions atleast 10 days in advance before the Annual General Meeting about any further information on accounts so as to enable the Company to answer their question satisfactorily.
5. As required under clause 49 IV (G) of the Listing Agreement, the relevant details in respect to the directors seeking re-appointment/ appointment at the ensuing Annual General Meeting are provided in the Corporate Governance report.
6. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail address with M/s. Link Intime India Private Limited-Registrar and Transfer Agents of the Company.

**For and on behalf of the Board**

**Place : Mumbai**

**Tushar Dey**

**Date : August 8, 2011**

**Director**

## DIRECTORS' REPORT

To  
The Members

The Directors present hereunder the 45<sup>th</sup> Annual Report on the Business and operations of the Company along with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2011. The financial results for the year are summarized as under:

<b>FINANCIAL RESULTS</b>	Amount (Rs).	
	<b>2010-11</b> <b>(12 Months)</b>	2009-10 (12 Months)
Income	2,11,10,333	5,45,92,510
Profit/(Loss) before Interest, Depreciation and Taxation	(23,49,812)	(7,48,39,883)
Less: Interest	1,11,545	1,51,19,148
Less: Depreciation	10,19,992	67,70,242
Profit/(Loss) before Exceptional Items	(34,81,349)	(9,67,29,273)
Exceptional Items	--	(6,42,11,667)
Profit/(Loss) after Exceptional Items before Tax	(34,81,349)	(16,09,40,940)
Profit/(Loss) from Continuing Operations	(34,81,349)	(1,81,54,247)
Profit/(Loss) from Discontinuing Operations	--	(14,27,86,693)
	<b>(34,81,349)</b>	<b>(16,09,40,940)</b>
Less: Provision for Taxation:		
For Current Tax	22,000	1,18,23,000
For Earlier Year	1,34,111	--
Deferred Tax (Assets)/Liabilities	--	--
Profit after Tax	(36,37,460)	(17,27,63,940)
Add: Balance bought forward from previous period	(20,48,98,613)	(3,21,34,673)
	<b>(20,85,36,073)</b>	<b>(20,48,98,613)</b>
<b>APPROPRIATIONS</b>		
Dividend	--	--
Dividend Tax	--	--
Balance carried to Balance Sheet	(20,85,36,073)	(20,48,98,613)

### DIVIDEND

Considering the financial performance of the Company for the financial year ended March 31, 2011, your Directors regret their inability to recommend dividend on the equity shares.

### PERFORMANCE REVIEW

The income of the Company for the financial year 2010-11 stood at Rs. 211.10 Lacs as against last year's Rs. 545.93 Lacs. The Loss before tax is Rs. 34.81 Lacs as against Loss before tax of Rs. 1,609.41 Lacs of corresponding previous year ended 2009-10. The Loss after tax stood at Rs. 36.37 Lacs as against Loss after tax of Rs. 1,727.64 Lacs of corresponding previous year ended 2009-10.

### FUTURE PROSPECTS / OUTLOOK OF THE COMPANY

The Board of Directors of the Company in their meeting held on April 29, 2011 approved the Scheme of Amalgamation of the Company and Birla AccuCast Limited with Birla Precision Technologies Limited (the Transferee Company) subject to the approval of shareholders of the Company and other regulatory authorities.

Birla AccuCast Limited is engaged in the business of foundry, produces shell moulded ferrous castings, straddling the entire spectrum of nodular, vermicular and Grey Cast Iron, for automotive, hydraulic and engineering industries.

Birla Precision Technologies Limited is engaged in the business of Machining of Precision Components, manufacturing of high speed steel

cutting tools, precision AT3 Class tool holders, HSK tooling, Expanding Mandrels and Sleeves besides advanced products like hydro grip and shrink fit CNC toolings.

It is proposed to realign businesses of the Company along with the business of above two Companies from a perspective of fund-raising, future growth and increase in intrinsic value of shareholders of the merged/consolidated Company. Therefore, with a view to facilitate the aforesaid decision, it is proposed to amalgamate Birla AccuCast Limited, Birla Machining & Toolings Limited with Birla Precision Technologies Limited.

The Company has received “No Objection” to the proposed Scheme from Bombay Stock Exchange Limited.

The appointed date of the Scheme of Amalgamation is 1st April, 2010 subject to approval of the High Court of Judicature at Bombay.

#### **DIRECTORS**

Smt Avanti Birla and Shri Shailesh Sheth, Non-Executive Directors of the Company retires by rotation and being eligible, offers themselves for re-appointment.

Brief resume of directors proposed to be re-appointed/appointed including their other directorships are given in the Report on Corporate Governance forming part of the Annual Report.

#### **INSURANCE**

All properties and insurable interests of the Company have been adequately insured.

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

During the year under review, the Company had taken effective steps at every stage to reduce energy consumption and conserve energy in all phases of operation.

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

#### **PUBLIC DEPOSITS**

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

#### **EMPLOYEES**

During the year under review, there was no employee covered under the provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended by Notification GSR 289(E) dated 31.03.2011, General Circular No. 23 dated 03.05.2011.

#### **DIRECTORS’ RESPONSIBILITY STATEMENT**

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

- I) In the preparation of the annual accounts, the applicable accounting standards had been followed;
- II) Appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- III) Proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities have been taken to the best of their knowledge and ability;
- IV) The annual accounts have been prepared on a “going concern basis”.

#### **AUDITORS**

M/s. CHATURVEDI & SHAH, Chartered Accountants, the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting. They have confirmed their eligibility and willingness for reappointment. The Directors recommend their reappointment by the Members at the forthcoming Annual General Meeting.

#### **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT**

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

**HUMAN RESOURCE & INDUSTRIAL RELATIONS**

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

**ACKNOWLEDGEMENT**

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

**For and on behalf of Board of Directors**

**Place: Mumbai**

**Date: August 8, 2011**

**Rajesh shah**  
Director

**Tushar Dey**  
Director

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**ANNEXURE 'A' TO DIRECTORS' REPORT**

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

**A. Conservation of Energy:**

During the year under review, efforts continued to conserve and avoid wastage of energy in every possible way.

**B. Technology Absorption:**

Research & Development:

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

Further Developments in existing Testing Systems, Procedures and facilities for improving product quality and performance.

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

Improvement in the quality of products and reduction in rejections.

3. Expenditure on R & D:

The expenditure on in-house R&D is shown under the respective heads and no separate account is maintained.

4. Technology Absorption, Adaption and Innovation:

In order to keep abreast of the developments in technology, latest machines and testing equipment were regularly added to our facilities.

**C. Foreign Exchange Earnings and Outgo:**

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

Not Applicable.

2. Total foreign exchange used and earned:

	<b>2010 - 11</b>	(Rupees in Lacs)
	<b>(12 Months)</b>	2009-10
		(12 Months)
Total foreign exchange used	16.33	40.71
Total foreign exchange earned	--	31.95

## MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

a) **Economy and Market Trends:**

**Global and Indian Economy**

After witnessing a sharp downturn in 2008 and 2009, the global economy had started recovering with positive quarterly growth in US, Germany, France, etc. But the recent downgrading of US rating and the fears of extremely high national debt in Italy, Greece, Portugal and Spain makes the Western outlook cautious. But Indian economy being mostly domestic-growth driven is not likely to be affected much. In fact if the material prices drop because of negative Western growth it could be beneficial for India in terms of lowering cost of import and could bring down the inflation rate. As per the data released by International Monetary Fund (IMF), World GDP grew by 5.0 per cent in 2010. In financial year 2011, India's economic performance was powered by a rebound in agricultural and service sector. The economy grew by 8.6 in financial year 2011.

**About the Company**

As already mentioned in the Directors' Report, the Board of Directors of the Company in their meeting held on April 29, 2011 approved the Scheme of Amalgamation of the Company and Birla AccuCast Limited with Birla Precision Technologies Limited (the Transferee Company) subject to the approval of shareholders of the Company and other regulatory authorities.

It is proposed to realign businesses of above three Companies from a perspective of fund-raising, future growth and increase in intrinsic value of shareholders of the merged/consolidated Company. Therefore, with a view to facilitate the aforesaid decision, it is proposed to amalgamate Birla AccuCast Limited, Birla Machining & Toolings Limited with Birla Precision Technologies Limited.

The Company has received 'No Objection' to the proposed Scheme from Bombay Stock Exchange Limited.

The appointed date of the Scheme of Amalgamation is 1st April, 2010 subject to approval of the High Court of Judicature at Bombay.

b) **Opportunities/Future Outlook:**

It is predicted that emerging economies like India would continue to register reasonable growth in the coming decade as the Indian economy is characterized on strong fundamentals.

The Company is very closely monitoring the changes in the market conditions, and making all efforts to position itself, at the right time and at the right place.

From the proposed Amalgamation, the Company expects to achieve the synergy of Machining Business that exists between three entities to the best advantage of all stakeholders and also to achieve cost savings from more focused operational efforts, simplification of business processes, improved procurement and the elimination of duplication.

c) **Segment-wise Performance:**

The segment wise performance in detail is given in Note 13 of Schedule 19 to the audited accounts of the Company as available in this Annual Report.

d) **Threats/Risks & Concerns:**

Normal business risk is associated with machining industry, such as need for continuous technological up-gradation to meet customer's high expectations and stringent quality requirements.

Increase in input costs, changes in tax structure, change in interest rates, change in government policies/ laws of land, development and stability of Indian economy against the negative external and internal forces may also impact the overall performance of the Company. Profitability may be affected on account of competition from existing and prospective manufacturers of the Company's products.

Further, as the Company proposes to amalgamate (discussed above), the delay in Government approvals may also affect the performance of the Company.

All these risks are continuously reviewed by the management and acted upon.

e) **Internal Control Systems and their adequacy:**

Your Company continues to remain committed to maintain high standards of internal control designed to provide adequate assurance on the efficiency of operations and security of its assets. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid down systems and policies are comprehensively and frequently monitored by your Company's management at all levels of the organization.

f) **Human Resources and Industrial Relations:**

Your Company continues to lay emphasis on qualitative growth of its human resources by providing congenial and constructive work environment, in consonance with its belief that the real strength of its organization lies in its employees.

Industrial relations were cordial and satisfactory throughout the financial year.

g) **Financial highlights:**

a. **Sales and Other Income**

The income during the financial year 2010-11 was Rs.211.10 Lacs against Rs. 545.93 Lacs during the last financial year 2009-10.

b. **Profit/Loss**

During the financial year 2010-11 the Company has incurred a loss of Rs. 34.81 Lacs as against loss of Rs. 1609.41 Lacs before Tax in the financial year 2009-10. However, after taking into consideration tax adjustment the net loss of the Company during the year 2010-11 was Rs 36.37 Lacs against net loss of Rs 1727.64 Lacs for the year 2009-10.

**Forward Looking Statements**

Statements in this report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. Forward-looking statements are based on certain assumptions and expectations of future events and the Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The important factors that could make difference to the Company's operations includes the economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, change in Government regulations, tax laws and other statutory and numerous incidental factors. The Company assumes no responsibility to publicly amend or revise the forward-looking statements or any loss to the investors in the shares of the Company making investments relying on such forward-looking statements.

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY

Your Company believes to remain committed to good Corporate Governance by attainment of the highest levels of transparency, accountability and integrity to all its Shareholders, Customers, Employees, the Government and other business associates. Your Company's policies are targeted to ensure that high standard of ethical conduct is met throughout the Organization.

### BOARD OF DIRECTORS

- a. The composition of the Board of Directors is in conformity with the corporate governance norms. The Company, at present, has six Directors on its Board, headed by Shri Yashovardhan Birla, as Non-Executive Chairman and five Non-Executive Directors, of which three are Independent Directors. The Board members have the skills, expertise & experience necessary to direct and guide the Company.

The Board Composition is as under:

Name of the Director	Category
Shri Yashovardhan Birla	Non Independent, Non-Executive Chairman
Smt. Avanti Birla	Non Independent, Non-Executive
Shri Vijay Agarwal	Independent, Non-Executive
Shri Shailesh Sheth	Independent, Non-Executive
Shri Rajesh Shah	Independent, Non-Executive
Shri Tushar Dey	Non Independent, Non-Executive

### b. Board Meetings

In conformity with the provisions of the Act as well as the Company's Articles, the Board met at regular intervals to review the quarterly/annual results and to transact other business. When considered expedient additional meetings were convened and held. The Agenda for the Board meetings, containing relevant matters as requisite, are distributed in advance to all the Board members.

The Board met five times during the year ended on 31<sup>st</sup> March 2011, namely on 31<sup>st</sup> May 2010, 11<sup>th</sup> August 2010, 28<sup>th</sup> October 2010, 31<sup>st</sup> January 2011, and 31<sup>st</sup> March 2011.

- c. The following table gives details of participation of the Directors of the Company during the financial year ended 31<sup>st</sup> March, 2011 in Board meetings and last Annual General Meeting (AGM) of the Company and interests of these Directors as on 31<sup>st</sup> March, 2011:

Name of the Director	No. of Board Meetings Attended	Attendance at the last AGM held on 30 <sup>th</sup> September 2010	No. of Directorship in other Public Ltd. Companies #	No. of Membership of other Board Committees *	No. of shares held in the Company
Shri Yashovardhan Birla	1	No	13	1 (as Chairman)	329145
Smt. Avanti Birla	1	No	--	--	--
Shri Vijay Agarwal	4	Yes	7	4 (1 as Chairman)	--
Shri Shailesh Sheth	4	Yes	3	1	--
Shri Rajesh Shah	5	No	3	3 (2 as Chairman)	--
Shri Tushar Dey	5	Yes	5	1	--

Notes:

- # Excluding Private Companies and Companies under Section 25 of the Companies Act, 1956.  
\* Includes only Audit Committee and Shareholders'/Investors' Grievance Committee of Public Companies.
- None of the Director is a member in more than 10 committees or acts as Chairman of more than five committees across all companies in which he/she is a Director.
- Apart from receiving sitting fee, the Independent Directors do not have any material pecuniary relationships or transactions with the Company, its promoters, its directors, its senior management and associates, which may affect independence of the director.



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

<b>Name of the director</b>	<b>Smt Avanti Birla</b>	<b>Shri Shailesh Sheth</b>
<b>Date of Birth</b>	02/01/1967	29/12/1946
<b>Date of appointment</b>	15/10/1996	30/10/2006
<b>Educational Qualification</b>	Master of Arts (M.A.)	Management Graduate from Indian Institute of Management, Ahmedabad
<b>Expertise in specific Functional areas</b>	She is a M.A. by qualification. Furnishing & lifestyle segment of business which is catering to a section of society that craves for superior international quality and well designed interior products & other luxurious at affordable price, was conceptualized & founded by Smt. Avanti Birla. Currently she is actively involved in development & managing this segment of the group.	He is a Management Graduate from Indian Institute of Management, Ahmedabad. He started his career with Guest Keen Tools (PMT) Group of Companies. He also led the core group, which took up identification & implementation of diversification into Ophthalmic Machinery business with significant down stream possibilities.
<b>List of other directorship</b>	<ol style="list-style-type: none"> <li>1. Asian Distributors Pvt. Ltd.</li> <li>2. Godavari Corporation Pvt. Ltd.</li> <li>3. Birla Viking Travels Ltd.</li> <li>4. Birla Art Lifestyle Pvt. Ltd.</li> <li>5. Ashok Birla Apollo Hospital Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Jost's Engineering Co. Ltd.</li> <li>2. Bharat Fritz Werner Ltd.</li> <li>3. Birla Precision Technologies Ltd.</li> <li>4. A.T.E. Pvt. Ltd.</li> <li>5. A.T.E. Enterprises Pvt. Ltd.</li> <li>6. KNF Pumps + Systems (India) Pvt. Limited</li> </ol>
<b>Chairmanship/ Membership of the committees of other Companies</b>	--	<b>Audit Committee (Member)</b> <ol style="list-style-type: none"> <li>1. Birla Precision Technologies Limited</li> </ol>
<b>Note</b>	Smt Avanti Birla who retires by rotation being eligible, offers herself for re-appointment.	Shri Shailesh Sheth who retires by rotation being eligible, offers himself for re-appointment.
<b>No. of shares held</b>	Nil	Nil

#### Disclosure of relationships between directors inter-se in the Annual Report as per Clause 49 of the Listing Agreement

None of the directors of the Company are related to each other except Shri Yashovardhan Birla and Smt. Avanti Birla who are husband and wife.

### COMMITTEES OF THE BOARD

#### (A) AUDIT COMMITTEE

##### Broad Terms of Reference:

The terms of reference of the Audit Committee are as per the guidelines set out in the listing agreement with the Stock Exchange, read with Section 292A of the Companies Act, 1956 and includes such other functions as may be assigned to it by the Board of Directors from time to time. The Committee generally meets on the day of the Board meeting, except when otherwise considered expedient.

##### Meetings and attendance during the year:

During the year under report, four meetings of the Committee were held, namely, on 31<sup>st</sup> May 2010, 11<sup>th</sup> August 2010, 28<sup>th</sup> October 2010 and 31<sup>st</sup> January 2011.

The composition of the Audit Committee for the year ended 31<sup>st</sup> March, 2011 and the attendance at the meetings is as under:

Sr. No.	Name	Title	Status	No. of Meetings held during the year	No. of Meetings Attended
1	Shri Vijay Agarwal	Chairman	Independent and Non-Executive Director	4	3
2	Shri Shailesh Sheth	Member	Independent and Non-Executive Director	4	3
3	Shri Rajesh Shah	Member	Independent and Non-Executive Director	4	4

At its meetings, the Audit Committee reviewed the quarterly and annual financial results before the Board of Directors took the same on record. The Committee also reviewed Internal Audit Reports. The minutes of the meetings of the Audit committee are regularly placed before the Board.

## **(B) SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE**

### **Broad Terms of Reference**

To examine and redress the complaints and grievances of shareholders of the Company, so as to direct and advise the RTA to ensure prompt redressal of complaints and grievances of the shareholders on any issue relating to the share transfer activity, to authorise issue of duplicate share certificates, to recommend to the Board appointment / removal of the Registrars and Share Transfer Agents and/or in the remuneration payable to them, etc.

The Composition of the Committee for the year ended 31<sup>st</sup> March, 2011 is as under:

Sr. No.	Name	Title	Status
1.	Shri Vijay Agarwal	Chairman	Independent and Non-Executive Director
2.	Shri Shailesh Sheth	Member	Independent and Non-Executive Director
3.	Shri Rajesh Shah	Member	Independent and Non-Executive Director

The Registrar and Share Transfer Agent (RTA) of the Company during the financial year under report received one complaint from the member and the same had been satisfactorily dealt with during the said period.

During the year, the Registrar had registered 12 transfers comprising 1502 shares and processed 46 requests for dematerialization of 10052 shares. There were no valid requests pending for share transfers at the end of the year.

## **(C) REMUNERATION COMMITTEE**

### **Broad Terms of Reference**

The Remuneration committee was constituted on 30<sup>th</sup> October, 2007. The broad terms of reference are to determine and recommend to the Board, compensation payable to Directors and Managerial personnel.

The Composition of the Committee for the year ended 31<sup>st</sup> March, 2011 is as under:

Sr. No.	Name	Title	Status
1.	Shri Vijay Agarwal	Chairman	Independent and Non-Executive Director
2.	Shri Shailesh Sheth	Member	Independent and Non-Executive Director
3.	Shri Rajesh Shah	Member	Independent and Non-Executive Director

## **(D) AMALGAMATION COMMITTEE**

### **Broad Terms of Reference**

The Amalgamation committee was constituted on 31<sup>st</sup> March, 2011. The broad terms of reference are to oversee the matters relating to merger/amalgamation from time to time.

The Composition of the Committee for the year ended 31<sup>st</sup> March, 2011 is as under:

Sr. No.	Name	Title	Status
1.	Shri Vijay Agarwal	Chairman	Independent and Non-Executive Director
2.	Shri Rajesh Shah	Member	Independent and Non-Executive Director
3.	Shri Tushar Dey	Member	Non Independent and Non-Executive Director

Details of sitting fees paid to Non-Executive Directors during the year under review is as under:

Name	Sitting Fees (in Rs.)
Shri Yashovardhan Birla	5000
Smt. Avanti Birla	5000
Shri Vijay Agarwal	27500
Shri Shailesh Sheth	27500
Shri Rajesh Shah	35000
Shri Tushar Dey	25000

The Company does not currently have a stock option plan or performance linked incentives for its Directors.

### GENERAL BODY MEETINGS

Financial Year	AGM Date	Time	Location	Special Resolutions transacted at the AGMs
2007-08	30.09.2008	11.00 a.m.	Vedant Community Hall, Phase- III, Vedant Complex, 1 <sup>st</sup> Pokhran Road, Thane (West) – 400 606	No special resolution passed
2008-09	30.09.2009	11.00 a.m.	Vedant Community Hall, Phase- III, Vedant Complex, 1 <sup>st</sup> Pokhran Road, Thane (West) – 400 606	1. Alteration of Articles of Association. 2. Approval of remuneration of Shri G.L. Lath, Executive Director of the Company
2009-10	29.09.2010	11.00 a.m.	Vedant Community Hall, Phase- III, Vedant Complex, 1 <sup>st</sup> Pokhran Road, Thane (West) – 400 606	Change of name of Company from 'Dagger Forst Tools Limited' to 'Birla Machining & Toolings Limited'

There was no special resolution put through Postal Ballot. There is no business at the ensuing Annual General Meeting requiring implementation of the Postal Ballot under the applicable laws.

### SUBSIDIARY COMPANIES

The Company does not have any subsidiary company.

### DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

It is hereby confirmed that all the Directors and Senior Management Personnel (i.e. one level below the executive directors, including all functional heads) of the Company have received, read and understood the compliance with the Code of Conduct framed by the Company and confirmations for the year ended 31<sup>st</sup> March, 2011 have been obtained from the Directors and Senior Management Personnel of the Company.

The Code of conduct for Directors and Senior Managers as adopted by the Board has been posted on the web site of the Company.

### CEO/CFO CERTIFICATE

The Board of Directors has received the requisite certificate as envisaged in Clause 49 (V) of the Listing Agreement.

### DISCLOSURES

- a) There are no materially significant transactions with the related parties' viz. Promoters, Directors or the management, their subsidiaries or relatives, conflicting with Company's interest.

The register of contracts containing the transactions, in which Directors are interested, is regularly placed before the Board for its ratification and approval.

Suitable disclosures as required by the Accounting Standards (AS18 – Related party transactions), has been made in the Note 15 in Schedule 19 to accounts in the Annual Report.

There is no pecuniary relations or transactions of non executive directors vis a vis the Company, which has potential conflict with the interest of the Company at large.

No penalty or strictures have been imposed on the Company by Stock Exchange, or SEBI, or any statutory authority on any matter related capital markets during the last 3 years.

- b) Risk Management: A risk management policy is in place, wherein key risks are categorised and assessed in terms of probability and its likely impact on the Company's business which are evaluated and report of the same are placed before the Board for review.
- c) Whistle Blower Policy: The Company does not have any whistle blower policy as of now but no personnel are being denied any access to the Audit Committee.

### MEANS OF COMMUNICATION

The Board of Directors of the Company approves and takes on record the unaudited financial results and audited results in the Performa prescribed by the Stock Exchange, Mumbai, where the shares of the Company are listed. The Company publishes its financial results every quarter in one English and one local language (Marathi) newspapers.

### OTHERS

A firm of Company Secretaries periodically 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 reports confirm that the total issued and paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

### GENERAL SHAREHOLDER INFORMATION

#### Annual General Meeting:

Day	Date	Time	Venue
Friday	September 30, 2011	11.00 a.m.	Vedant Community Hall, Phase- III, Vedant Complex, 1 <sup>st</sup> Pokhran Road, Thane (West) – 400 606

Dates of book closure	from Thursday September 29, 2011 to Friday, September 30, 2011 (Both days inclusive)
-----------------------	--

#### Financial Calendar:

- 1) First Quarter Results: On or before August 15, 2011
- 2) Second Quarter / Half yearly Results: On or before November 15, 2011
- 3) Third Quarter results: On or before February 15, 2012
- 4) Fourth Quarter / Audited Annual Results: On or before May 15, 2012 / May 31, 2012

#### Listing on Stock Exchange

The Company shares are listed on the Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The annual listing fees of Bombay Stock Exchange Ltd. have been paid and there is no outstanding payment towards the Exchange, as on date.

Scrip code : 505426  
 ISIN No. for the Company's Equity Shares in Demat form : INE 989B01014  
 Depository Connectivity : NSDL and CDSL  
 Registered Office of the Company : S-2, 2nd Floor, Vedant Commercial Complex, Vartak Nagar, First Pokhran Road, Thane (West) - 400606

Registrar and Share Transfer Agent : The complete address of Registrar and Share Transfer Agent for communication is as follows:

Link Intime India Private Limited  
 C-13, Pannalal Silk Mills Compound,  
 L.B.S. Marg, Bhandup (West),  
 Mumbai – 400 078.  
 Telephone : 2596 3838, 2594 6970  
 Fax : 2594 6969  
 E-mail Id: rnt.helpdesk@linkintime.co.in

**Share Transfer System:**

The shares lodged for transfers and dematerialization are processed by the Registrar and Share Transfer Agent on a weekly basis and generally registered and returned within a period of 15 to 30 days from the date of receipt, if the documents are complete in all respects.

The Company has been obtaining half yearly certificates from a Company Secretary in Practice within 30 days from the close of the relevant period with regard to compliance of share transfer formalities as per the requirement of clause 47(c) of the Listing Agreement of the Stock Exchange, where the securities of the company are listed.

**Market price data:**

Birla Machining & Toolings Limited (formerly Dagger Forst & Toolings Limited)			BSE Sensex	
Month	High (Rs.)	Low (Rs.)	High	Low
Apr 2010	15.70	13.00	18047.86	17276.80
May 2010	15.10	12.00	17536.86	15960.15
Jun 2010	15.20	11.00	17919.62	16318.39
Jul 2010	14.00	12.00	18237.56	17395.58
Aug 2010	15.15	11.45	18475.27	17819.99
Sep 2010	15.80	12.16	20267.98	18027.12
Oct 2010	15.50	11.76	20854.55	19768.96
Nov 2010	13.94	10.00	21108.64	18954.82
Dec 2010	12.10	09.20	20552.03	19074.57
Jan 2011	12.50	08.65	20664.80	18038.48
Feb 2011	10.40	07.75	18690.97	17295.62
Mar 2011	09.09	07.56	19575.16	17792.17

Source: [www.bseindia.com](http://www.bseindia.com)

**Distribution of Shareholding as at 31<sup>st</sup> March, 2011**

No. of shares	No. of shareholders	No. of shares held	Shareholding %
Up to 500	6954	1275667	10.71
501-1000	941	780485	6.55
1001-2000	433	670018	5.63
2001-3000	141	356496	2.99
3001-4000	56	201343	1.70
4001-5000	53	247949	2.08
5001-10000	67	465131	3.91
10001 and above	61	7910049	66.43
<b>Total</b>	<b>8706</b>	<b>11907138</b>	<b>100.00</b>

**Shareholding Pattern as at 31<sup>st</sup> March, 2011**

	Category	No. of shares	% of holding
A	Promoters' holding		
1.	Individuals/Hindu Undivided Family	420517	3.53
2.	Bodies Corporate (including foreign promoter)	5784483	48.58
	<b>Total (A)</b>	<b>6205000</b>	<b>52.11</b>

B	Non-Promoters holding		
1.	Financial Institutions/ Banks	0	0.00
2.	Non Institution Corporate Bodies	705912	5.93
3.	Indian Public / Trusts/ Clearing Members	4960532	41.66
4.	NRIs & NRNRs	35694	0.30
	<b>Total (B)</b>	<b>5702138</b>	<b>47.89</b>
	<b>Total (A+B)</b>	<b>11907138</b>	<b>100.00</b>

**Dematerialisation of shareholding**

The Company's shares are admitted into both the depositories viz National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) and the ISIN allotted for the equity shares of the Company is INE 989B01014. As on March 31, 2011, 1,14,37,492 number of Shares representing 96.06% of the Company's shares are held in demat form in the depositories.

**Outstanding GDRs/ADRs**

There are no GDRs/ADRs issued by the Company.

**Non Mandatory requirements:**

The Company has presently not adopted the non mandatory requirements in regard to sending of half yearly financial performance to the shareholders to their residence.

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

To

The Members of  
Birla Machining & Toolings Limited  
(formerly Dagger Forst Tools Limited)  
S-2, 2nd Floor, Vedant Commercial Complex,  
Vartak Nagar, First Pokhran Road,  
Thane (W) – 400606

We have examined the compliance of conditions of Corporate Governance by M/s Birla Machining & Toolings Limited (formerly Dagger Forst Tools Limited) ("the Company"), for the year ended on 31<sup>st</sup> March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited, Mumbai.

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

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

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

For **Rakesh Kapur**  
**Company Secretary**

**Sole Proprietor**  
FCS No. 3863  
CP No. 2623

Place: Mumbai  
Date: August 8, 2011

## AUDITORS' REPORT

To,

**The Members of  
Birla Machining & Toolings Limited (Formerly Dagger Forst Tools Limited)**

1. We have audited the attached Balance Sheet of Birla Machining & Toolings Limited (Formerly Dagger Forst Tools Limited), as at 31<sup>st</sup> March 2011, and also the Profit and Loss Account and 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 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. Without qualifying our opinion, we invite attention to the following notes to Schedule "19" :
  - 1) note no 8 regarding delay in project implementation and capital expenditures (including project advances) amounting to Rs.9,50,40,090. No provision for impairment is considered necessary based on the representation given by the management.
  - 2) note no 11 regarding the Company having sold all its undertakings and preparing the accounts on going concern basis, as explained in note mentioned therein.
4. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by Central Government of India in terms of Section 227(4A) of the Companies Act 1956, we give in the Annexure hereto a statement on the matters specified in the paragraphs 4 and 5 of the said order, to the extent applicable to the Company.
5. Further to our comments in the Annexure referred to in paragraph (3) above, we state that:-
  - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of the books;
  - c) the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of written representation received from the directors as at 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
    - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011;
    - (ii) In the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date; and
    - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For CHATURVEDI & SHAH**

Chartered Accountants

**Registration No: 101720W**

**PARAG D. MEHTA**

Partner

Membership No.: 113904

Place: Mumbai

Dated: 8<sup>th</sup> August, 2011

## **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) According to the information and explanation given to us, all the fixed assets have been physically verified by the management at reasonable interval, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) In our opinion, the Company has not disposed off substantial part of its fixed assets during the year.
- ii. As explained to us, there is no physical inventory in existence and hence the question of physical verification and comparison with the inventory records does not arise.
- iii.
  - a) During the year the Company has granted unsecured loans to four Companies, covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is aggregating to Rs.13,01,85,958 and year end balance of aforesaid loans is amounting to Rs 7,50,00,000.
  - b) The Company has not taken any loans, secured or unsecured loans from the companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - c) In our opinion the rate of interest and other terms and conditions of above loans are prima facie not prejudicial to the interest of the Company.
  - d) The principal and interest is payable on demand.
- iv. In our opinion and according to the information and explanation given to us, there are adequate internal control System commensurate with the size of the Company and nature of its business for the purchase of fixed assets, sales of goods .The Company has not purchased any inventory nor given any services during the year. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls System.
- v.
  - a) According to information and explanation given to us, we are of the opinion that the transactions made in pursuance of contracts or arrangement referred to in section 301 of the Companies Act, 1956 have been entered into a register required to be maintained under that section.
  - b) In our opinion and according to the information and explanations given to us, the transactions of purchase of goods & material and sale of goods, materials & services made in pursuance of contracts or arrangement required to be entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs.5,00,000 (Rupees Five Lacs only) or more in respect of each party, has been made at prices which are reasonable having regard to the prevailing market prices.
- vi. The Company has not accepted deposits from public, hence directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under are not applicable for the year under audit.
- vii. In our opinion, the company internal audit system is commensurate with its size and nature of business.
- viii. The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of activities carried on by the Company. Hence the provisions of clause 4 (viii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- ix.
  - a) According to the records of the Company, undisputed statutory dues, including Provident Fund, Employees State Insurance Dues, Investor Education and Protection Fund, Income Tax, sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and other material statutory dues have generally been regularly deposited, by the Company during the year with the appropriate authorities in India. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2011 for a period of more than six months from the date of becoming payable. .
  - b) As at March 31, 2011, there have been no disputed dues which have not been deposited with the respective authorities in respect of Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise duty and Cess other than the following:



Name of Statute	Nature of the dues	Amount (Rs. )	Period to which amount relates	Forum where dispute is pending
Central Excise Act	Service Tax	13,76,365	2006-07 to 2007-08	Commissioner of Central Excise Aurangabad
Sales Tax Act	BST and CST	70,09,147	2004-05	Joint Commissioner of Sales Tax (Appeals) Aurangabad

- x. In our Opinion, the accumulated losses of the Company are not more than fifty percent of its net worth as at March 31, 2011, and the Company has incurred cash loss during the financial year and in the immediately preceding financial year.
- xi. The Company has not borrowed money from any financial institution or bank or by issue of debentures and hence defaulting in repayment of its dues does not arise. Accordingly, the provision of clause 4 (xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xii. In our opinion and according to the information and explanation given by us, no loans and advances have been granted by the Company on the basis of the security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund, a nidhi or a mutual benefit society. Therefore, the provision of clause 4 (xiv) 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 provision of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv. According to the information and explanation given by the management, there is no outstanding guarantee given by the Company for loan taken by others from banks or financial institution. Therefore, the provision of clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xvi. According to the information and explanations given to us, the company has not accepted any term loan during the year. Therefore, the provision of clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xvii. According to information and explanation given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2011, no funds raised on short-term basis have been used for long-term investment.
- xviii. According to the information and explanation given to us, the Company has not made preferential allotment of shares to parties and companies, covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xix. The Company has not issued any debentures, hence clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx. We have verified the end use of money raised by right – cum – public issue and the same has been disclosed in the notes to the financial statements (Refer note no.3 of Schedule 19).
- xxi. According to the information and explanation given to us, no fraud on or the Company has been noticed or reported during the year.

For **CHATURVEDI & SHAH**  
Chartered Accountants  
Registration No: 101720W

**PARAG D. MEHTA**  
Partner  
Membership No.: 113904

Place: Mumbai

Dated: 8<sup>th</sup> August, 2011

**BALANCE SHEET AS AT 31ST MARCH 2011**

	Schedule	As at 31.03.2011		As at 31.03.2010	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>					
Shareholders Funds:					
a) Share Capital	1	119,071,380		119,071,380	
b) Reserves & Surplus	2	356,284,636	475,356,016	356,284,636	475,356,016
Loan Funds:					
a) Secured Loans	3	-		776,075	
b) Unsecured Loans	4	17,056,972	17,056,972	17,056,972	17,833,047
Deferred Tax Liability (Refer Note 12 of Schedule "19")			-		-
	<b>TOTAL</b>		<b>492,412,988</b>		<b>493,189,063</b>
<b>APPLICATION OF FUNDS</b>					
Fixed Assets:					
a) Gross Block	5	11,351,653		11,634,858	
b) Less: Depreciation		4,761,509		3,910,038	
		6,590,144		7,724,820	
c) Capital Work in Progress		95,040,090	101,630,234	94,920,090	102,644,910
Current Assets, Loans & Advances:					
a) Sundry Debtors	6	-		7,876,129	
b) Cash & Bank Balances	7	4,815,759		96,832,617	
c) Loans & Advances	8	191,403,320		109,242,713	
		196,219,079		213,951,459	
Less: Current Liabilities and Provisions:					
a) Current Liabilities	9	3,080,298		12,155,637	
b) Provisions		10,892,100		16,150,282	
		13,972,398		28,305,919	
Net Current Assets			182,246,681		185,645,540
Miscellaneous Expenditure (To the extent not written off or adjusted)	10		-		-
Profit and Loss Account			208,536,073		204,898,613
	<b>TOTAL</b>		<b>492,412,988</b>		<b>493,189,063</b>
<b>Significant Accounting Policies and Notes to Accounts</b>	19				

As per our report of even date

**For CHATURVEDI & SHAH**  
Chartered Accountants

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

Mumbai, 8th August, 2011

**For and on behalf of Board of Directors**

**Yashovardhan Birla** Chairman

**Rajesh Shah** Director

**Tushar Dey** Director

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

	Schedule	For the Year ended 31.03.2011		For the Year ended 31.03.2010	
		Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>					
Sales and Services	11	-		41,805,161	
Less: Excise Duty		-		5,015,783	
Net Sales			-		36,789,378
Other Income	12		<b>21,110,333</b>		17,803,132
			<b>21,110,333</b>		<b>54,592,510</b>
<b>EXPENDITURE</b>					
Variation in Stocks	13		-		8,185,909
Manufacturing & Other Expenses	14		-		15,761,016
Payments to & Provisions for Employees	15		<b>6,029,001</b>		28,342,931
Other Expenses	16		<b>17,431,144</b>		77,142,537
			<b>23,460,145</b>		<b>129,432,393</b>
<b>Profit/(Loss) before Interest &amp; Depreciation</b>			<b>(2,349,812)</b>		<b>(74,839,883)</b>
Interest & Finance Charges	17		<b>111,545</b>		15,119,148
Depreciation			<b>1,019,992</b>		6,770,242
<b>Profit/(Loss) Before Exceptional items</b>			<b>(3,481,349)</b>		<b>(96,729,273)</b>
<b>Exceptional items</b>	18		-		<b>(64,211,667)</b>
<b>Profit/(Loss) after exceptional item before Tax</b>			<b>(3,481,349)</b>		<b>(160,940,940)</b>
<b>Profit/(Loss) from Continuing Operations</b>			<b>(3,481,349)</b>		<b>(18,154,247)</b>
<b>Profit/(Loss) from Discontinued Operations</b>			-		<b>(142,786,693)</b>
			<b>(3,481,349)</b>		<b>(160,940,940)</b>
Provision for Current Tax (Including Wealth Tax)			<b>22,000</b>		11,823,000
Income Tax For Earlier Year			<b>134,111</b>		-
Provision for Deferred Tax (Assets)/Liabilities (Refer Note 12 of Schedule "19")			-		-
<b>Profit / (Loss) after Tax</b>			<b>(3,637,460)</b>		<b>(172,763,940)</b>
Add: Balance Brought forward from Previous Year			<b>(204,898,613)</b>		<b>(32,134,673)</b>
Balance Carried to Balance Sheet			<b>(208,536,073)</b>		<b>(204,898,613)</b>
Basic and Dilluted Earning Per Share of Face Value of Rs.10/- each (Refer Note 17 of Schedule "19")			<b>(0.31)</b>		<b>(14.51)</b>
<b>Significant Accounting Policies and Notes to Accounts</b>	19				

As per our report of even date

**For CHATURVEDI & SHAH**  
Chartered Accountants**Parag D. Mehta**  
Partner  
Membership No.: 113904

Mumbai, 8th August, 2011

**For and on behalf of Board of Directors****Yashovardhan Birla** Chairman**Rajesh Shah** Director**Tushar Dey** Director



	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
<b>SCHEDULE-1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
30,000,000 (Previous Year 30,000,000)		
Equity Shares of Rs. 10/- each	<u>300,000,000</u>	<u>300,000,000</u>
<b>ISSUED, SUBSCRIBED AND PAID-UP:</b>		
1,19,07,138 (Previous Year 1,19,07,138)		
Equity Shares of Rs. 10/- each	<u>119,071,380</u>	<u>119,071,380</u>
<b>Note:</b>		
Of the above Equity Shares:		
- 4,83,330 (Previous year 4,83,330) Equity shares were allotted as fully paid Bonus Shares out of General Reserve.		
14,24,657 (Previous year 14,24,657 ) Equity shares were allotted on conversion of loan.		
<b>SCHEDULE-2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	2,250	2,250
<b>Securities Premium</b>		
As per last Balance sheet	186,331,985	186,331,985
<b>General Reserve:</b>		
Balance as per last account	169,950,401	169,950,401
<b>TOTAL</b>	<u>356,284,636</u>	<u>356,284,636</u>
<b>SCHEDULE-3</b>		
<b>SECURED LOANS</b>		
Loan From Banks and Other:		
From Others :		
Vehicle Loan (Refer Note No.1)	-	776,075
<b>TOTAL</b>	<u>-</u>	<u>776,075</u>
<b>Note :</b>		
1. Vehicle loans are secured by hypothecation of respective vehicles in favour of banks. During the year the loan was repaid in full.		
<b>SCHEDULE-4</b>		
<b>UNSECURED LOAN</b>		
<u>Sales Tax Deferment Loan</u>		
From Maharashtra Energy Development Agency. (WIPS 98)	17,056,972	17,056,972
<b>TOTAL</b>	<u>17,056,972</u>	<u>17,056,972</u>

## SCHEDULE - 5 FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION U/S 205 (2) (B)				NET BLOCK		
	As at 01.04.10	Additions	Deductions	Total As at 31.03.11	Dep Up to 31.03.10	Depreciation For the Year	Deductions	Upto 31.03.11	Net as at 31.03.11	Net as at 31.03.10
<b>FURNITURE &amp; FIXTURES:</b>										
Office Equipments	518,503	-	-	518,503	146,193	51,937	-	198,130	320,373	372,310
Furniture & Fixtures	2,056,206	-	283,205	1,773,001	461,099	107,341	168,521	399,919	1,373,082	1,595,107
<b>FURNITURE &amp; FIXTURES:</b>	<b>2,574,709</b>	<b>-</b>	<b>283,205</b>	<b>2,291,504</b>	<b>607,292</b>	<b>159,278</b>	<b>168,521</b>	<b>598,049</b>	<b>1,693,455</b>	<b>1,967,417</b>
Vehicles Motors	9,060,149	-	-	9,060,149	3,302,746	860,714	-	4,163,460	4,896,689	5,757,403
<b>TOTAL</b>	<b>11,634,858</b>	<b>-</b>	<b>283,205</b>	<b>11,351,653</b>	<b>3,910,038</b>	<b>1,019,992</b>	<b>168,521</b>	<b>4,761,509</b>	<b>6,590,144</b>	<b>7,724,820</b>
<b>Previous Year</b>	<b>893,734,012</b>	<b>2,033,125</b>	<b>884,132,279</b>	<b>11,634,858</b>	<b>421,692,296</b>	<b>6,770,242</b>	<b>424,552,500</b>	<b>3,910,038</b>	<b>7,724,820</b>	<b>459,857,715</b>
<b>Capital Work in Progress</b>	<b>94,920,090</b>	<b>120,000</b>	<b>-</b>	<b>95,040,090</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,040,090</b>	<b>94,920,090</b>
<b>GRAND TOTAL</b>	<b>106,554,948</b>	<b>120,000</b>	<b>283,205</b>	<b>106,391,743</b>	<b>3,910,038</b>	<b>1,019,992</b>	<b>168,521</b>	<b>4,761,509</b>	<b>101,630,234</b>	<b>102,644,910</b>

1. Vehicle includes assets taken on Hire Purchase NIL, Gross NIL, Net (previous Year Rs.1305078/- Net)

2. Capital Work in Progress includes Rs.9,48,20,090/- (Previous year Rs.9,48,20,090/-) advance against capital expenditure & Rs 2,20,000/- (Previous year Rs 1,00,000) Rent expenditure for new project

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
<b>SCHEDULE-6</b>		
<b>SUNDRY DEBTORS (UNSECURED)</b>		
<b>Debts outstanding for a period exceeding six months:</b>		
Considered good	-	7,876,129
Considered doubtful	-	-
	-	7,876,129
<b>Other Debts:</b>		
Considered good	-	7,876,129
Less : Provision for Bad/Doubtful debts	-	-
<b>TOTAL</b>	<b>-</b>	<b>7,876,129</b>

<b>SCHEDULE-7</b>		
<b>CASH AND BANK BALANCES:</b>		
I. Cash on Hand	13,417	98,832
II Balance with Scheduled Banks:		
In Current Accounts	1,990,509	6,398,155
In Dividend Accounts	202,628	203,305
In Margin Money Account (given as security against Bank Guarantees)	109,205	109,205
In Fixed Deposit Account	2,500,000	90,023,120
<b>TOTAL</b>	<b>4,815,759</b>	<b>96,832,617</b>

<b>SCHEDULE-8</b>		
<b>LOANS &amp; ADVANCES (Unsecured, Considered good):</b>		
Advances recoverable in cash or in kind or for value to be received	14,837,244	42,785,069
Advance Income Tax (Net of Provision)	2,956,281	2,457,695
Fringe Benefit Tax (Net of Provision)	216,812	311,504
Deposits	444,981	3,282,485
Inter Corporate Deposit	167,728,000	55,185,958
Receivable from MATSL against BTA	5,220,002	5,220,002
<b>TOTAL</b>	<b>191,403,320</b>	<b>109,242,713</b>

**Notes :**

- a) Advance recoverable in cash or kind includes amount due from Private Limited Companies in which Director is a Director or member Rs. 40,71,918/- (Previous Year Rs. 5,67,677/-)
- b) Deposit includes amount from a Private Limited Company in which Director is a Director or Member Rs Nil (Previous Year Rs.25,00,000/-)
- c) Intercorporate deposit includes amount from Private Limited Company in which Director is Director or Member Rs.700,00,000/- (Previous Year Nil)

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
<b>SCHEDULE-9</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS:</b>		
<b>A) Current Liabilities:</b>		
Sundry Creditors :		
- Micro and Small Enterprises (Refer Note No 5 of Schedule "19")	-	-
- Others for Services	111,880	205,789
Advances from Customers	395,612	3,774,035
Unclaimed Dividend *	202,628	203,305
Other Liabilities	2,370,178	7,972,508
	<u>3,080,298</u>	<u>12,155,637</u>
* There are no amount due and outstanding to be credited to Investor Education and Protection Fund.		
<b>B) Provisions:</b>		
1) Fringe Benefit Tax (Net of Advance Tax)	-	36,275
2) I. Tax and Wealth Tax (Net of Advance Tax)	10,418,143	10,418,594
3) Leave Encashment	473,957	1,414,002
4) Gratuity	-	4,281,411
	<u>10,892,100</u>	<u>16,150,282</u>
<b>TOTAL (A + B)</b>	<u><u>13,972,398</u></u>	<u><u>28,305,919</u></u>
<b>SCHEDULE--10</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Voluntary Retirement Compensation (Gross)	-	49,045
Less: Charged to Profit and Loss A/c (Refer Note No. 21 of Schedule "19")	-	49,045
<b>TOTAL</b>	<u><u>-</u></u>	<u><u>-</u></u>



	For the Year ended 31.03.2011		For the Year ended 31.03.2010	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE-- 11</b>				
<b>SALES and SERVICES :</b>				
Finished Goods (Including Scrap)		-		39,864,590
Job Work		-		1,940,571
<b>TOTAL</b>		-		<u>41,805,161</u>
<b>SCHEDULE-- 12</b>				
<b>OTHER INCOME :</b>				
<u>Interest (Gross):</u>				
From Banks	728,887		2,990,631	
From Others	<u>12,968,073</u>	<b>13,696,960</b>	<u>7,326,451</u>	10,317,082
(Tax deducted at source Rs.5,31,764/- Previous Year Rs.15,37,780/-)				
Provision/Liability No Longer Required Written Back		<b>5,108,372</b>		827,923
Bad Debts Recovered		<b>1,732,435</b>		-
Miscellaneous Income		<b>572,566</b>		965,777
Excise Duty Gain/Loss on Stock		-		1,053,690
Sales Tax and Excise Duty Incentive		-		1,777,377
DEPB Entitlement against Exports		-		144,097
Profit on Sale of Investment		-		2,710,000
Foreign Exchange Fluctuation (Net)		-		7,186
<b>TOTAL</b>		<u><b>21,110,333</b></u>		<u>17,803,132</u>
<b>SCHEDULE-- 13</b>				
<b>VARIATION IN STOCK :</b>				
<b>CLOSING STOCK:</b>				
Finished Goods (Including Scrap and Job)		-		-
Work in Progress		-		-
<b>OPENING STOCK:</b>				
Finished Goods (Including Scrap and Job)		-		22,326,812
Work in Progress		-		<u>16,794,906</u>
		-		<u>39,121,718</u>
Less : Stock Discarded / Written off ttd to Exceptional Items		-		20,924,192
<u>Less : Transferred to MATSL</u>				
Finished Goods (Including Scrap and Job)		-		31,351
Work in Progress		-		<u>9,980,266</u>
		-		<u>30,935,809</u>
		-		<u>8,185,909</u>



	For the Year ended 31.03.2011		For the Year ended 31.03.2010	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE-14</b>				
<b>MANUFACTURING &amp; MAINTENANCE EXPENSES:</b>				
Raw Materials and Components Consumed		-		6,893,447
Stores and Spares consumed		-		1,365,268
Sub-Contract expenses		-		677,522
Power, Fuel & Water		-		5,607,889
Repairs and Maintenance to:				
- Building				
- Machinery	-		2,660	
- Others	-		532,189	
	-	-	682,041	1,216,890
<b>TOTAL</b>				<b>15,761,016</b>
<b>SCHEDULE--15</b>				
<b>PAYMENTS TO &amp; PROVISIONS FOR EMPLOYEES:</b>				
Salaries, Wages, Bonus, Exgratia, Leave and Gratuity etc.		<b>5,607,085</b>		24,502,697
Contribution to Provident and Other Funds		<b>114,249</b>		1,341,569
Welfare Expenses		<b>307,667</b>		2,498,665
<b>TOTAL</b>		<b>6,029,001</b>		<b>28,342,931</b>
<b>SCHEDULE--16</b>				
<b>OTHER EXPENSES:</b>				
Rent		<b>166,577</b>		2,089,155
Rates and Taxes		<b>38,390</b>		1,125,098
Insurance		<b>71,958</b>		158,936
Postage and Telephone Charges		<b>451,343</b>		1,001,723
Travelling and Conveyance		<b>4,652,818</b>		5,294,937
Director's Remuneration		<b>7,125</b>		3,296,407
Directors' Sitting Fees		<b>125,000</b>		125,000
Professional Charges		<b>5,768,680</b>		6,480,595
Audit Fees		<b>250,000</b>		250,000
Sundry DR / CR Bal W/off/back (Net)		<b>804,068</b>		2,181,425
Sundry Debtors Written off		<b>712,306</b>		32,390,991
Miscellaneous Expenses		<b>920,611</b>		2,618,442
Advertising, Publicity and Selling Expenses		<b>100,762</b>		1,535,451
Vehicle Fuel & Repairs		<b>1,673,138</b>		1,537,183
Loss on Scrapping / discard of fixed assets (Net of Impairment)		-		6,682,669
Sundry Fees (Including Penalties & Fines)		<b>1,688,368</b>		186,108
Loss on Sale of Raw material and stores		-		8,420,417
Warranty for replacement Charges		-		1,768,000
<b>TOTAL</b>		<b>17,431,144</b>		<b>77,142,537</b>



	For the Year ended 31.03.2011		For the Year ended 31.03.2010	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE-17</b>				
<b>INTEREST:</b>				
On Fixed Loans		-		2,741,157
Others		111,545		12,377,991
<b>TOTAL</b>		<u>111,545</u>		<u>15,119,148</u>
<b>SCHEDULE--18</b>				
<b><u>EXCEPTIONAL ITEMS :</u></b>				
Gratuity Payment		-		20,711,844
Stock Discarded / W/off		-		20,924,192
Assets Transfer Charges		-		6,545,023
Fixed Assets W/off and Discarded		-		1,507,715
Loss on Sale of Raw Material and Stores		-		1,601,791
Excise duty Loss		-		1,587,602
Sundry Dr/ Cr Bal. W/off		-		1,380,988
Sales Tax Expenses		-		3,138,818
Repair and Maintenance Prior to BTA		-		6,813,694
<b>TOTAL</b>		<u>-</u>		<u>64,211,667</u>

**SCHEDULE – 19****NOTES****I. ACCOUNTING POLICIES****i) BASIS OF ACCOUNTING:**

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956, except for certain fixed assets, which are revalued.

**ii) USE OF ESTIMATES**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting year. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

**iii) REVENUE RECOGNITION:**

Revenue from the sale of goods is recognized on the passing of title to the customers, which generally coincides with the dispatch. Interest Income is accrued on time proportion basis over the period of loan/ deposit/ Investment.

**iv) LEASE TRANSACTIONS:**

Lease Rentals from assets taken on lease are accounted for in terms of the guidance note on accounting for leases issued by The Institute of Chartered Accountants of India as the lease agreement were entered in to prior to 1st April 2001.

**v) FIXED ASSETS:**

Fixed Assets are stated at cost net of Modvat / Cenvat / value added tax and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production, net charges of foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized

**vi) DEPRECIATION / AMORTISATION:**

a) Depreciation on Fixed Assets is provided on 'Straight Line Method' in terms of Section 205(2)(B) of the Companies Act, 1956 on the following basis.

- i) On Fixed Assets installed upto 30th June 1987 - at the rates corresponding to the rates applicable under Income-tax Rules in force at the time of acquisition/purchase of the respective assets.
- ii) On Fixed Assets installed from 1st July 1987 onwards - at the rates specified in Schedule XIV to the Companies Act, 1956 as amended from time to time on a prorata basis except revalued assets on which depreciation is provided on the remaining useful life of the assets.

b) Depreciation on the amount of additions to fixed assets on account of exchange difference is provided over the remaining life of such assets.

c) Cost of Leasehold land is amortized over a primary period of lease.

**vii) BORROWING COST:**

Borrowing costs that are attributable to acquisition of qualifying assets are capitalized as part of the total cost of the Assets.

**viii) INVESTMENTS:**

Long-term investments are stated at cost / book value unless there is diminution other than temporary, in the value of investments, in which case, investments are stated at fair values.

**ix) VALUATION OF INVENTORIES:**

Inventories are valued as follows:	:
Stores, Spares, etc.	: At Weighted Average Cost
Raw Materials, Components, etc.	: At Cost on specific identification or net realizable value whichever is lower.
Scrap	: At Estimated Realizable Value
Work in Progress & Finished Goods/ Finished Jobs	: At Estimated Cost or Net Realizable Value, whichever is lower

x) FOREIGN CURRENCY TRANSACTIONS:

Transactions arising in foreign currencies are converted at the rates closely approximating the rates ruling on the transaction dates. All monetary assets and liabilities at the year / period end are reinstated at the closing exchange rates. All exchange rate differences arising from conversion in terms of the above are charged to Profit & Loss Account.

xi) EMPLOYEE BENEFITS:

- (i) Short-term employee benefits are recognized as an expense in the profit and loss account of the year in which the related service is rendered.
- (ii) Post employment and other long-term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the profit and loss account.

xii) PROVISION FOR CURRENT AND DEFERRED TAX:

Provision for current tax is made after taking into consideration benefits under the provisions of the Income tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

xiii) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

xiv) IMPAIRMENT OF FIXED ASSETS:

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price or the value in use determined by the present value of estimated future cash flows.

xv) SHARE ISSUE EXPENSES:

Issue expenses are adjusted against the Share Premium.

2. A) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance) Rs. 5,65,97,459/- (Previous Year Rs. 5,65,97,459/-).
- B) Contingent Liabilities: -
  - a) Bank Guarantee outstanding Rs. 86,440/-.(Previous Year Rs. 1,26,560/-)
  - b) Disputed Sales Tax, Excise Duty, Income Tax and other Statutory dues under appeal Rs. 91,81,432/-.(Previous Year Rs. 1,076,743/-).
  - c) Claims against the Company not acknowledged as debts Rs. 4,56,500/-.(Previous Year Rs. 2,81,331/-).

3. Utilization of proceeds of public/ right issue as on 31st March 2011 is as under:

Sr. no	Description	Total Estimated Cost	Deployed up to 31st Mar'11	Deployed up to 31st Mar'10
I.	Aurangabad Project:			
	- Building	1,20,00,000	1,02,95,000	1,02,95,000
	- Plant, Machinery & Electrical	13,65,50,000	8,45,25,090	8,45,25,090
	- Miscellaneous Fixed Assets	3,29,36,000	-	-
	- Contingencies	1,85,00,000	-	-
	- Pre Operative Expenses	80,00,000	2,20,000	1,00,000
II.	Margin money for Working capital requirement for Aurangabad Project	50,00,000	-	-
	<b>Sub-total</b>	<b>21,29,86,000</b>	<b>9,50,40,090</b>	<b>9,49,20,090</b>

Sr. no	Description	Total Estimated Cost	Deployed up to 31st Mar'11	Deployed up to 31st Mar'10
III.	Conversion of unsecured loan into equity raised by Company for setting up the Gandhidham Project from Nirved Traders Pvt Ltd, Promoter Company	4,70,13,681	4,70,13,681	4,70,13,681
IV	To meet expenses of issue	3,00,00,319	2,76,42,484	2,76,42,484
	<b>Total</b>	<b>29,00,00,000</b>	<b>16,96,96,255</b>	<b>16,95,76,255</b>

As per the Prospectus, the funds which were proposed to be deployed in the Aurangabad Project upto the period ended 30th September, 2008 was envisaged at Rs. 21,29,86,000/-. However, the actual amount spent towards the above is Rs. 9,50,40,090/-.

In view of delay in implementation of the Aurangabad project, the balance amount of Rs. 11,68,00,244/- has been utilized for funding the company's Working Capital requirements and for Inter Corporate Deposits given to group companies and others. The utilization of the said funds is not exactly in line with the Prospectus.

#### 4. Discontinued Operation:

As per the requirement of Accounting Standard – 24 (AS-24) notified under Companies (Accounting Standard) Rules, 2006, is given as under:

On 22nd January 2009, the Board of Directors of the Company approved the sale of business undertakings of the Company, located at Aurangabad, Ambarnath and Gandhidham, to Motherson Advanced Tooling Solutions Limited (MATS) for a consideration of Rs.46.64 Crores subject to the terms and conditions of Business Transfer Agreement (BTA) executed on 29th January 2009. The Company manufactures Broaches and Gear Cutting Tools at these undertakings, however, these products are subject to frequent obsolescence of technology. In absence of new technologies available for the manufacture of the aforesaid products, the Company has adopted strategy to focus on businesses which would help to achieve a optimum utilization of the existing resources. Therefore, a conscious decision has been taken by the Company to dispose of the business undertakings involved in the existing line of business and concentrate on machining and other lines of businesses, similar to the existing business, which will have better Economic Value Add (EVA). Accordingly, the specified business undertakings have been transferred from 1st June, 2009. The carrying amount of the assets of the undertakings transferred was Rs.54,66,59,149/-and its liabilities were Rs. 8,02,78,149/-which was actually transferred to MATS all the transfer formalities were completed on March 4, 2010 on compliance with all the conditions precedent pursuant to the BTA.

The following statement shows the revenue and expenses of continuing and discontinuing/ discontinued operations:

	2010-2011			2009-2010		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinuing Operations	Total
Turnover including Other Income	<b>2,11,10,333</b>	--	<b>2,11,10,333</b>	<b>1,30,30,672</b>	<b>4,15,61,838</b>	<b>5,45,92,510</b>
Operating Expenses	1,74,31,144	--	1,74,31,144	2,25,39,985	7,85,49,477	10,10,89,462
Impairment Loss	--	--	--	--	--	--
Provision for Employees	60,29,001	--	60,29,001	43,08,891	2,40,34,040	2,83,42,931
<b>Pre Tax Profit/(Loss) from Operating Activity</b>	<b>(23,49,812)</b>	--	<b>(23,49,812)</b>	<b>(1,38,18,204)</b>	<b>(6,10,21,679)</b>	<b>((7,48,39,883))</b>
Interest Charges	1,11,545	--	1,11,545	28,99,957	1,22,19,191	1,51,19,148
Depreciation	10,19,992	--	10,19,992	14,36,086	53,34,156	67,70,242
Exceptional Items	--	--	--	--	6,42,11,667	6,42,11,667
<b>Profit/(Loss) before tax</b>	<b>(34,81,349)</b>	--	<b>(34,81,349)</b>	<b>(1,81,54,247)</b>	<b>(14,27,86,693)</b>	<b>(16,09,40,940)</b>

5. In the absence of necessary information with the Company, relating to the registration status of suppliers under the Micro, Small and Medium Enterprises development Act, 2006, the information required under the said Act could not be complied and disclosed.
6. Director's Remuneration (excluding contribution to gratuity fund and provision for leave encashment on retirement).

	<b>31.03.2011</b>	31.03.2010
i) Salary	<b>7,125</b>	31,44,622
ii) Provident Fund Contribution	<b>NIL</b>	NIL
iii) LTA	<b>NIL</b>	1,51,785
Total	<b>7,125</b>	32,96,407

7. In the opinion of the Board, Current Assets, Loans & Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, unless stated otherwise.
8. The Company has incurred capital expenditure aggregating to Rs. 9,50,40,090/- (including Capital Advances of Rs.9,48,20,090/- and Rs.2,20,000/- Rent expenditure for new project) for the acquisition and construction of Plant and Machinery, Electrical Equipment and Building structure for installation of machining facilities. There has been delay in the implementation of the machining project, accordingly the advances, made to the suppliers, have not been entirely appropriated towards the supplies.  
No provision for impairment is considered necessary by the management at this stage.
9. The Registrar of Companies, Mumbai has approved the change of name of "Dagger Forst Tools Limited" to "Birla Machining & Toolings Limited" w.e.f. November 23, 2010 by issue of the Fresh Certificate of Incorporation consequent upon change of name.
10. The Board of Directors of the Company in their meeting held on April 29, 2011, approved the Scheme of Amalgamation of the Company and Birla AccuCast Limited with Birla Precision Technologies Limited (the Transferee Company) subject to the approval of shareholders of the Company and other regulatory authorities. The Company has received "No Objection" letter dated 13.07.2011 from Bombay Stock Exchange Limited to Scheme of Amalgamation of the company and Birla AccuCast Limited with Birla Precision Technologies Limited. The Company is in the process of filing the Scheme of Amalgamation with the High Court of Bombay. The appointed date of the Scheme of Amalgamation is 1st April, 2010 subject to approval of the High Court of Bombay.
11. Though, the Company has sold all its business undertakings to M/s Motherson Advanced Tooling Solutions Limited as explained in note number 4 of Schedule 19. The Board of the Company has approved the scheme of Arrangement as mentioned in note.no.10 of Schedule 19 for restructuring the operation of the Company. In the light of the above, the accounts have been prepared on a going concern basis.

## 12. Deferred Taxation

Major Components of Deferred Tax Assets and Deferred Tax Liabilities arising out of significant timing differences are as under:

Sl. No.	Particulars	Upto 31.03.2011	Upto 31.03.2010
<b>A.</b>	<b><u>Deferred Tax Liability</u></b>		
	Depreciation	<b>3,91,750</b>	2,47,013
	<b>TOTAL (A)</b>	<b>3,91,750</b>	<b>2,47,013</b>
<b>B.</b>	<b><u>Deferred Tax Assets</u></b>		
1.	Disallowance U/S 43B of Income Tax Act, 1961	<b>1,57,437</b>	4,80,619
2.	Provision for Doubtful Debts	-	-
3.	Provision for Gratuity	-	14,55,252
4.	Voluntary Retirement Scheme Payment	<b>16,371</b>	2,17,769
5.	Carried forward Loss	<b>98,96,125</b>	6,39,550
	<b>TOTAL (B)</b>	<b>1,00,69,933</b>	<b>27,93,190</b>
	<b>Net Deferred Tax Liability / (Assets)</b>	<b>(96,78,183)</b>	<b>(25,46,177)</b>

Deferred Tax assets and liabilities are being offset as they relate to taxes on income levies by the same governing taxation law. Deferred Tax assets have not been considered as a matter of prudence.

## 13. Segment Reporting

The company is mainly engaged in the manufacturing and machining of Casting and Cutting Tools as single segment hence, segment reporting, as defined in Accounting Standard 17 (AS-17) is not applicable

**14. Employee Benefits:**

Consequent upon adoption of Accounting Standard on "Employee Benefits" (AS-15) (Revised 2005) notified under Companies (Accounting Standard) Rules, 2006, and as required by the standard, the following disclosure are made:

i) **Define Contribution Plans:** The company makes contributions at a specified percentages of pay roll cost towards Employees Provident Fund (EPF) for qualifying employees. The Company recognized Rs. 1,14,249/- (Previous Year Rs. 12,89,424/-) for Provident fund contribution in the profit and loss account.

ii) **Define Benefit Plan:**

**Gratuity:**

Gratuity is payable to eligible employees of the Company on superannuation, death, retirement and resignation as per the Company's scheme. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit and measures each unit separately to build up the final obligation.

Sr. No.	Particulars	As at 31 <sup>st</sup> March 2011 (Rs.)	As at 31 <sup>st</sup> March 2010 (Rs.)
<b>I</b>	<b>Reconciliation in Present Value of Obligations (PVO) – defined benefit obligation:</b>		
	PVO at the beginning of the year	42,81,411	34,79,700
	Interest Cost	3,53,216	2,85,686
	Current Service Cost	24,389	91,381
	Benefit Paid	(45,06,923)	--
	Actuarial (gain)/loss on obligations	2,58,175	8,98,383
	PVO at the end of the year	<b>4,10,268</b>	<b>47,55,150</b>
<b>II</b>	<b>Net cost for the year ended 31<sup>st</sup> March, 2011</b>		
	Current Service Cost	24,389	91,381
	Interest Cost	3,53,216	2,85,686
	Actuarial (gain) / loss	2,58,175	8,96,200
	Net Cost	5,97,881	12,38,337
<b>III</b>	<b>Balance with Life Insurance Corporation of India:</b>	5,11,638	4,73,739
<b>IV</b>	<b>Assumptions used in accounting for Gratuity Plan:</b>		
	Discount Rate Current	8.00%	8.00%
	Salary Escalation Current	7.00%	5.00%

**Other disclosures:**

	2010-2011	2009-2010	2008-2009	2007-2008
Present value of defined benefit obligation	4,10,268	47,55,150	3,98,39,507	3,58,64,912
Fair value of plan assets	5,11,638	4,73,739	4,02,420	4,02,420
(Deficit) / Surplus of the plan	1,01,370	(42,81,411)	(3,94,37,087)	(3,54,62,492)
Experience adjustments on defined benefit obligation [loss / (gain)]	2,38769	12,85,603	-*	-*
Experience adjustments on fair value of plan assets [(loss) / gain]	-	2,183	-*	-*

\* The details of experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on "Employee Benefits" are not available in the valuation report and hence, are not furnished.

**Other long-term employee benefits:**

The liability towards compensated absences for the year ended 31<sup>st</sup> March, 2011 based on actuarial valuation carried out using the Projected Accrued Benefit Method amounting to Rs.3,20,235/- (previous year Rs. 31,63,108/-) has been recognized in the profit and loss account.

15. As per Accounting Standard AS – 18 “Related Parties Disclosure” notified under Companies (Accounting Standard) Rules, 2006, related party information are as follows:

Relationships:

(a) Where control exists:

Associate Companies:

- (1) Birla AccuCast Ltd.
- (2) Birla Bombay Pvt. Ltd.
- (3) Birla International Pvt. Ltd.
- (4) Birla Electricals Ltd.
- (5) Birla Precision Technologies Ltd.
- (6) Birla Capital and Financial Services Ltd.
- (7) Birla Power Solutions Ltd
- (8) Godavari Corporation Pvt. Ltd.
- (9) Birla Viking Travels Pvt. Ltd.
- (10) Zenith Birla (India) Ltd
- (11) Birla Shloka Edutech Ltd
- (12) Birla Global Corporate Pvt. Ltd.
- (13) Nirved Traders Pvt. Ltd.
- (14) Birla Infrastructure Ltd
- (15) Asian Distributors Pvt. Ltd.
- (16) Shearson Investment and Trading Co. Pvt.Ltd.

(b) Key Management Personnel:

- (1) Shri G.L. Lath - Executive Director (Resigned w.e.f. 2nd April, 2010)

Transactions with Related Parties during the year:

Particulars	Associated Companies		Key Management Personnel	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
<b>Purchases:</b>				
Goods and materials	--	4,87,026		
<b>Sales:</b>				
Goods and materials	--	1,93,86,810		
DEPB License	1,57,219	--		
<b>Expenses:</b>				
Rent and Other Services	1,20,000	11,53,212		
Interest		28,50,450		
Directors Remuneration	--	--	7,125	32,96,407
Traveling Expenses	34,65,186	26,63,603		
Professional Charges	11,45,000	--		
Other Loss	--	88,47,445		
Reimbursement of Expenses (net)	2,66,572	14,92,096		
Sundry Expenses	3,441	--		
Bad Debts written off	--	18,50,000		
<b>Income: (Others)</b>				
Interest Income	63,29,169	72,06,764		
Other Income	--	3,78,256		
<b>Fixed Assets:</b>				
Sale of Fixed Assets	--	--	1,29,020	--
<b>Advances Taken</b>				



Particulars	Associated Companies		Key Management Personnel	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Opening Balance	1,98,027	14,88,586		
Addition	--	1,08,14,517		
Repayment	1,98,027	1,21,05,076		
Closing Balance	--	1,98,027		
<b>Advances Given</b>				
Opening Balance	67,60,342	31,61,467		
Addition	11,00,000	36,00,000		
Repayment	78,60,342	1,125		
Closing Balance	--	67,60,342		
<b>Inter Corporate Deposit Taken</b>				
Opening Balance	--	2,79,00,000		
Additional	--	7,53,85,115		
Repayment/ Converted	--	10,32,85,115		
Closing Balance	--	--		
<b>Inter Corporate Deposit Given</b>				
Opening Balance	5,51,85,958	6,51,85,958		
Additional	7,50,00,000	30,00,000		
Repayment/ Converted	5,51,85,958	1,30,00,000		
Closing Balance	7,50,00,000	5,51,85,958		
<b>Outstanding:</b>				
Payable	52,209	26,84,609		
Receivable	60,62,704	3,67,44,937		
Security Deposit given	-	25,00,000		

Note:

Related Party Relationship is as identified by the Company based on the available information.

Details of Material Transactions with Related Party

- a) Sales: Includes sales of DEPB License to Birla Precision Technologies Ltd. Rs.1,57,219/-.
  - b) Interest Income includes interest receivable Rs.1,93,870/- from Birla AccuCast Ltd., Rs.40,71,918/- from Godavari Corporation Pvt. Ltd., Rs.10,44,039/- from Birla Power Solutions Ltd. and Rs.10,19,342/- from Birla Precision Technologies Ltd.
  - c) Expenses: Rent & Other Services paid to Birla AccuCast Ltd. Rs. 1,20,000/-. Traveling Expenses paid to Birla Viking Travels Pvt. Ltd Rs.17,91,961/-, Birla Global Corporate Pvt. Ltd. Rs.40,000/- and Shearson Investment and Trading Co. Pvt. Ltd. Rs.16,33,225/- Professional Charges paid to Birla Global Corporate Pvt. Ltd. Rs. 45,000/- and Nirved Traders Pvt. Ltd. Rs.11,00,000/- Reimbursement of Expenses paid to Birla Bombay Pvt. Ltd, Rs.26,195/-, Godavari Corporation Pvt. Ltd. Rs.2,40,377/- Sundry Expenses related to Birla Global Corporate Pvt. Ltd. Rs.2,700/-, Birla AccuCast Ltd. Rs.418/-, Birla Infrastructure Ltd. Rs.153/- and Birla Viking Travels Pvt. Ltd Rs.170/-.
  - d) Advance Given during the year includes Birla Global Corporate Pvt. Ltd. Rs.11,00,000/-.
  - e) Inter Corporate Deposit given during the year includes amount given to Birla AccuCast Ltd. Rs.50,00,000/- and Godavari Corporation Pvt. Ltd. Rs.7,00,00,000/-. Closing Balance of Inter Corporate Deposit given during the year includes amount receivable from Birla AccuCast Ltd Rs.50,00,000/- and Godavari Corporation Pvt. Ltd. Rs.7,00,00,000/-.
  - f) Payable: Includes amount payable to Birla AccuCast Ltd. Rs.26,130/- and Birla Precision Technologies Ltd. Rs.26,079/-.
  - g) Receivable: Includes amount receivable from Birla Global Corporate Pvt. Ltd. Rs.9,39,326/-, Birla Power Solutions Ltd Rs.10,51,460/- and Godavari Corporation Pvt. Ltd. Rs.40,71,918/-.
16. Balances of the sundry creditors, loans and advances and deposits made are subject to confirmations from the respective parties and consequential / adjustments arising there from, if any. The management however does not expect any material variations and reconciliations.

17. In compliance with AS-20 "Earning Per Share" notified under Companies (Accounting Standard) Rules, 2006, disclosures are as follows:

	<u>Year ended</u> <u>31<sup>st</sup> March, 2011</u>	<u>Year ended</u> <u>31<sup>st</sup> March, 2010</u>
Net Profit/ (Loss) for the period attributable to Equity Shareholders, including exceptional items.	(36,37,460)	(17,27,63,940)
Weighted average number of Equity Shares outstanding at the year end (Nos.)	1,19,07,138	1,19,07,138
Basic/ Diluted earning per share (Face Value of Rs. 10/- each in Rs.)	(0.31)	(14.51)

18. Under Excise Exemption Scheme 2001 (Notification – No 39/2001) the Gandhidham unit is entitled to refund of excise paid from personal ledger upto the period of 5 years. During the year unit has availed excise exemption of Rs.NIL (Previous Year Rs. 11,71,921/-), which has been considered as an income in the profit and loss account.

19. Under the Sales tax exemption (Remission of Tax) the Gandhidham unit has received eligibility certificate. As per the certificate, the unit is entitled for sales tax remission upto the maximum limit of Rs.349.32 Lacs effective for the period from 31-12-2005 to 31-12-2012. During the period unit has availed sales tax remission of Rs.NIL (Previous Year Rs. 6,05,456/-), which has been considered as an income in the profit and loss account.

**20. Disclosure of Loan and Advances to Associates (Pursuant to Clause 32 of the Listing Agreement) :**

- i) The Company does not have Subsidiary Company.
  - ii) There is no loan and advance in the nature of loan given to the associates of the Company.
  - iii) There is 7.5 crores loan and advance in the nature of loan given to the Company or Firm in which the Director is a Director or member.
21. During the financial year 2006-2007 Company has introduced Voluntary Retirement Scheme at all the units except Gandhidham Unit. An amount of Rs.29,57,016/- has been paid to the workers and the same is being written off over a period of 36 months.

**22. Auditors remuneration:**

	<b>2010-11 (Rs)</b>	2009-10 (Rs)
Statutory Audit Fees	2,50,000	2,50,000
Certification and others	1,00,000	1,00,000
	<b>3,50,000</b>	<b>3,50,000</b>

23. Information pursuant to provisions of Part II of Schedule VI of the Companies Act, 1956

- (a) Quantitative information with regard to Licensed & Installed Capacity of goods manufactured by the Company upto 31.05.2009 (as certified by management):

Qty in nos.

		<b>Licensed Capacity</b>	<b>Installed Capacity</b>
1.	Broaches	-- (10,030)	-- (10,030)
2.	End Mills, Profiled Tools and Other Cutters (all Cutting Tools)	-- (10,000)	-- (6,000)
3.	Rolls	-- (12 Tons)	-- (12 Tons)
4.	Broach Sharpening Machines	-- (20)	-- (10)
5.	Gauges	-- (3,000)	-- (3,000)
6.	Slitting Saws	-- (20,000)	-- (8,000)
7.	Spline Mandrels	-- (1,500)	-- (1,500)
8.	Master Gears	-- (750)	-- (750)

		Licensed Capacity	Installed Capacity
9.	Index Plates	-- (1,200)	-- (1,200)
10.	Gear Hobs	-- (7,385)	-- (7,385)
11.	Shaper Cutters	-- (4,800)	-- (4,800)
12.	Tool Bits (Registered Cap.)	-- (80,000)	-- (80,000)
13.	Shaving Cutters	-- (--)	-- (2,640)

(b) Quantitative information in regard to Finished Goods.

PARTICULARS	OPENING STOCK		PRODUCTION	CLOSING STOCK		SALE (INCL. OF EXCISE DUTY)	
	QTY in Nos	AMOUNT	QTY in Nos	QTY in Nos	AMOUNT	QTY in Nos	AMOUNT
Broaches	-	-	-	-	-	-	-
	(547)	(1,28,86,907)	(431)	(-)	(-)	(978)	(2,10,09,230)
E M P Tools	-	-	-	-	-	-	-
	(-)	-	(-)	(-)	(-)	(40)	(-)
Rolls	-	-	-	-	-	-	-
	(17)	(-)	(-)	(-)	(-)	(17)	(-)
B S Machine	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Slitting Saws	-	-	-	-	-	-	-
	(711)	(86,977)	(45)	(-)	(-)	(756)	(59,287)
Guages	-	-	-	-	-	-	-
	(62)	(203,820)	(166)	(-)	(-)	(228)	(1,258,076)
Index Plate	-	-	-	-	-	-	-
	(2)	-	(-)	(2)	-	(2)	(-)
Master Gears	-	-	-	-	-	-	-
	(9)	(78,212)	(10)	(9)	(78,212)	(19)	(2,94,377)
Spline Mandrels	-	-	-	-	-	-	-
	(25)	(1,43,939)	(2)	(25)	(1,43,939)	(27)	(60,954)
Gear Hob	-	-	-	-	-	-	-
	(427)	(5,253,363)	(247)	(427)	(5,253,363)	(674)	(87,15,422)
Shaper Cutter	-	-	-	-	-	-	-
	(130)	(849,745)	(122)	(130)	(849,745)	(252)	(2,184,084)
Shaving Cutter	-	-	-	-	-	-	-
	(90)	(2,428,104)	(156)	(90)	(2,428,104)	(246)	(4,760,147)
<b>Total Current Year</b>	-	-	-	-	-	-	-
<b>Total Previous Year</b>	<b>(2,060)</b>	<b>(21,931,067)</b>	<b>(1,179)</b>	<b>(-)</b>	<b>(-)</b>	<b>(3,239)</b>	<b>(3,83,41,577)</b>

c) Raw Materials Consumed:

Steel	Kgs. NIL (8,081)	Rs. NIL (68,93,447)
Components	NIL (NIL)	NIL (NIL)
<b>Total</b>		<b>NIL (68,93,447)</b>

d) Value of Imports calculated on CIF basis:		
1. Raw Materials		NIL
		(20,60,614)
2. Stores & Spare Parts		NIL
		(1,53,429)
3. Capital Goods (Including Capital Work in Progress)		--
		(--)
e) Expenses in Foreign Currency (Subject to deduction of tax where applicable):		
1. Overseas Traveling		16,33,225
		(18,56,987)
f) Consumption of Materials, etc.	Consumption	% of Total
	Rs.	Consumption
1. Raw Materials:		
Imported	NIL	--
	(19,71,370)	(28.60 %)
Indigenous	NIL	--
	(49,22,077)	(71.40 %)
Total	<b>NIL</b>	
	<b>(68,93,447)</b>	
2. Stores, Spares, etc. (as shown under Stores Consumption, Repairs, Maintenance, etc.):		
Imported	NIL	--
	(4,46,475)	(32.98 %)
Indigenous	NIL	--
	(9,07,277)	(67.02 %)
g) Earnings in Foreign Exchange:		
FOB Value of goods exported		NIL
		(31,94,829)
h) Remittance in Foreign Currencies on account of Dividend		
i) No. of Non-resident Shareholders (including NRIs)		52
		(52)
ii) Shares held by them		2,19,394
		(2,17,510)
iii) Amount remitted		NIL
		(NIL)

24. Figures for the previous year have been regrouped and/or re-arranged wherever necessary.

25. Additional information pursuant to the provisions of Part IV of Schedule VI to the Companies Act, 1956, annexed as Annexure "A".

As per our report of even date

**For and on behalf of Board of Directors**

**For CHATURVEDI & SHAH**  
Chartered Accountants

**Yashovardhan Birla**

**Chairman**

**Rajesh Shah**

**Director**

**Parag D. Mehta**  
Partner

**Tushar Dey**

**Director**

**Membership No.: I I 3904**

Mumbai, 8th August, 2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011.****(Amount in Rupees)**

	<b>YEAR ENDED 31ST MARCH 2011</b>	<b>YEAR ENDED 31ST MARCH 2010</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) after exceptional item but before Tax	<b>(3,481,349)</b>	(160,940,940)
Adjustments for :		
Interest & Dividend income	<b>(13,696,960)</b>	(10,317,082)
Interest Expense	<b>111,545</b>	15,119,148
Fixed Assets Written off / Discarded	-	6,682,669
Profit on sale of Investment	-	(2,710,000)
Depreciation ( Net )	<b>1,019,992</b>	6,770,242
Voluntary Retirement compensation expenses written off	-	49,045
Sundry Debtors written/ off	<b>712,306</b>	32,390,991
Exceptional items	-	64,211,667
Bad debts recovered	<b>(1,732,435)</b>	-
Provision/Liability No Longer Required Written Back	<b>(5,108,372)</b>	(827,923)
	<b>(18,693,924)</b>	<b>111,368,757</b>
<b>Operating Profit before Working Capital Changes and Exceptional items</b>	<b>(22,175,273)</b>	<b>(49,572,183)</b>
Amount Received on sale of development right of land		
Trade & other Receivable	<b>(77,203,534)</b>	78,470,114
Inventories	-	88,176,640
Trade payable	<b>(14,243,430)</b>	(116,808,634)
<b>Cash Generated from Operations before Exceptional items</b>	<b>(113,622,237)</b>	<b>265,937</b>
(Tax paid) / Refund received	<b>(596,730)</b>	(3,804,097)
<b>Net Cash from Operating Activities before Exceptional items</b>	<b>(114,218,967)</b>	<b>(3,538,160)</b>
From Continuing Operations	<b>(114,218,967)</b>	(13,799,056)
From Dis-Continuing Operations	-	10,260,896
Exceptional items	-	(62,703,952)
<b>Net Cash from Operating Activities after Exceptional items</b>	<b>(114,218,967)</b>	<b>(66,242,112)</b>
From Continuing Operations	<b>(114,218,967)</b>	(13,799,056)
From Dis-Continuing Operations	-	(52,443,056)



	<b>YEAR ENDED 31ST MARCH 2011</b>	<b>YEAR ENDED 31ST MARCH 2010</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Investments	-	2,710,000
Purchase of Fixed Assets / Capital work in progress	(120,000)	(2,133,125)
Proceeds from Sale of Assets	114,684	445,962,544
Interest Received	23,095,722	4,858,140
<b>Net Cash from Investing Activities before Exceptional items</b>	<b>23,090,406</b>	<b>451,397,559</b>
From Continuing Operations	23,090,406	5,423,605
From Dis-Continuing Operations	-	445,973,954
Exceptional items	-	(1,507,715)
<b>Net Cash from Investing Activities after Exceptional items</b>	<b>23,090,406</b>	<b>449,889,844</b>
From Continuing Operations	23,090,406	5,423,605
From Dis-Continuing Operations	-	444,466,239
<b>C. CASH FLOW FROM FINANCING ACTIVITIES.</b>		
Proceeds/ ( Repayment ) Long term Borrowings	(776,075)	(115,283,438)
Proceeds/ ( Repayment ) Short term Borrowings	-	(128,005,741)
Proceeds/ ( Repayment ) Intercompany deposits	-	(27,900,000)
Dividend Paid	(677)	(2,303)
Interest Paid	(111,545)	(20,955,646)
Net movement in margin money account		
<b>Net Cash from Financing Activities</b>	<b>(888,297)</b>	<b>(292,147,128)</b>
From Continuing Operations	(888,297)	(36,638,759)
From Dis-Continuing Operations	-	(255,508,369)
<b>Net increase in cash and cash equivalents</b>	<b>(92,016,858)</b>	<b>91,500,604</b>
Cash and Cash equivalents:		
At the beginning of the year	96,832,617	5,332,013
At the end of the year	4,815,759	96,832,617

As per our report of even date

**For CHATURVEDI & SHAH**  
Chartered Accountants

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

Mumbai, 8th August, 2011

For and on behalf of Board of Directors

**Yashovardhan Birla** Chairman

**Rajesh Shah** Director

**Tushar Dey** Director

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I) Registration Details**

CIN No	L	9	9	9	9	9	M	H	I	9	6	5	P	L	C	0	I	3	I	9	8
Registration No.								I	3	I	9	8	State Code		I	I					
Balance Sheet Date								3	I												

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

**III) Position of Mobilisation and Deployment of Funds** (Amount in Rs. Thousands)

Total Liabilities	492413	Total Assets	492413
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**Sources of Funds**

Paid-up Capital	119071	Reserves & Surplus	356285
Secured Loans	-	Unsecured Loans	17057
Differed Tax Liability	-		

**Application of Funds**

Net Fixed Assets	101630	Investments	-
Net Current Assets	182247	Miscellaneous Expenditure	-
Accumulated Losses	208536		

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

Turnover	21110	Total Expenditure	24591
Profit / Loss Before Tax	(3481)	Profit / Loss After Tax	(3637)
Earning Per Share in Rs.	(0.31)	Dividend Rate %	NIL

**V) Generic Names of Three Principal Product / Services of Company** (As per monetary terms).

Product Description Item Code No. (ITC Code)

N	O	T	A	P	P	L	I	C	A	B	L	E								



**Notes**

Lined area for writing notes, consisting of 22 horizontal lines.



# **Birla Machining & Toolings Limited**

## **(formerly Dagger Forst Tools Limited)**

Registered Office: S-2, 2<sup>nd</sup> Floor, Vedant Commercial Complex, Vartak Nagar, First Pokhran Road, Thane (W)- 400606

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Dear Shareholder,

### **Re: Green Initiative in Corporate Governance**

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

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

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

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

**Shareholders holding shares in physical mode** are requested to register their email address with the Company by sending a written request signed by the First Shareholder mentioning your folio no. to the Registrar & Share Transfer Agents – Link Intime India Pvt.Ltd.

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

Please note that the Annual Report of your Company along with all future notice/ communication/ documents will be displayed on the Company's website. [www.birlamachining.com](http://www.birlamachining.com)

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

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

**Thanking You,**

**Yours faithfully,**

**For Birla Machining & Toolings Limited**  
**(formerly Dagger Forst Tools Limited)**

**Sd/-**

**Tushar Dey**  
**Director**

## E-COMMUNICATION REGISTRATION FORM

To  
LINK INTIME INDIA PRIVATE LIMITED  
C-13, PANNALAL SILK MILLS COMPOUND  
L B S MARG, BHANDUP (WEST)  
MUMBAI 400078

Dear Sir/Madam,

**Re: Green Initiative in Corporate Governance**  
**UNIT: BIRLA MACHINING & TOOLINGS LIMITED**  
**(Formerly Dagger Forst Tools Limited)**

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

Folio no. : \_\_\_\_\_  
DP ID : \_\_\_\_\_  
PAN : \_\_\_\_\_  
Name of 1<sup>st</sup> Registered Holder : \_\_\_\_\_  
Name of Joint Holder/(s) : \_\_\_\_\_  
Registered Address : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Email ID : \_\_\_\_\_

Date: \_\_\_\_\_

Signature of the first holder \_\_\_\_\_

### Important Notes:

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

**Birla Machining & Toolings Limited**  
**(formerly Dagger Forst Tools Limited)**

Regd. Office: S-2, 2<sup>nd</sup> Floor, Vedant Commercial Complex, Vartak Nagar, First Pokhran Road, Thane (W) – 400606

**ATTENDANCE SLIP**

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

I/We hereby record my /our presence at the 45<sup>th</sup> Annual General Meeting to be held on Friday, September 30, 2011, at 11.00 a.m. at Vedant Community Hall, Phase- III, Vedant Complex, 1<sup>st</sup> Pokhran Road, Thane (W) - 400606

\_\_\_\_\_  
Name(s) of the shareholder(s) or proxy  
(In block letters)

\_\_\_\_\_  
Signature(s) of the shareholder(s) or proxy

\_\_\_\_\_  
Regd. Folio No./Client ID DP ID

----- TEAR HERE -----

**Birla Machining & Toolings Limited**  
**(formerly Dagger Forst Tools Limited)**

Regd. Office: S-2, 2<sup>nd</sup> Floor, Vedant Commercial Complex, Vartak Nagar, First Pokhran Road, Thane (W) – 400606

**PROXY FORM**

Regd. Folio No./Client ID DP ID

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member or members of Birla Machining & Toolings Limited (formerly Dagger Forst Tools Limited) hereby appoint \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy in my /our absence to attend and vote for me/us on my/our behalf at the 45<sup>th</sup> Annual General Meeting of the Company to be held on Friday, September 30, 2011, at 11.00 a.m. at Vedant Community Hall, Phase- III, Vedant Complex, 1<sup>st</sup> Pokhran Road, Thane (W) – 400606.

As witness my/ our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Signed by the said \_\_\_\_\_

Signature \_\_\_\_\_

Affix Re. I
Revenue
Stamp

**For office use only:**

Proxy No:

Regd. Folio No./Client ID DP ID

Number of shares held

**Note:**

1. The proxy need not be member.
2. The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.

