

N.D. METAL
INDUSTRIES LIMITED

www.ndmil.com

Financial Year 2011-2012
Assessment Year 2012-2013



417, Maker Chambers (V), Nariman Point, Mumbai-400021. 022-22822383, 022-22852452
ndmil@ndmil.com

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of **N. D. METAL INDUSTRIES LIMITED** will be held on Friday, the 29th September, 2012 at the Registered Office of the Company at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To Re-appoint Harsh Rekha Garg, a Director of the Company who retires by rotation and being eligible, offers herself for reappointment.
3. To declare dividend on equity share.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Place: Mumbai.

Dated: 2nd September, 2012.

Registered Office:
417, Maker Chamber V,
Nariman Point,
Mumbai - 400 021.

BY ORDER OF THE BOARD OF DIRECTORS

Sd AJAY KUMAR GARG
(Chairman & Managing Director)

Encl.: Notes.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies in order to be effective should be duly completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Books of the Company remained closed from 21st September, 2012 to 30th September, 2012 (both days inclusive).

DIRECTOR'S REPORT

To The Members of
N. D. METAL INDUSTRIES LTD.

Your Directors have the pleasure in presenting their 27th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS:

Particulars	2011-2012 ₹	2010-2011 ₹
Net Sales & Other Income	22,05,12,027	33,78,02,075
Profit before Depreciation & Taxes	(32,26,275)	59,24,047
Depreciation	31,94,367	33,12,840
Provision for Taxation & Fringe Benefit Tax	4,75,000	2,75,000
Deferred Tax Assets(+)/Liability(-)	-	17,27,579
Profit after tax	(68,95,642)	6,08,628
Profit/(Loss) brought forward from Previous Year	1,07,55,403	1,01,46,775
Profit available for appropriation	38,59,761	1,07,55,403

1) **LISTING**

The Equity Shares of the Company are listed on the Mumbai, Stock Exchange and all the applicable listing fees have been paid upto date.

2) **DIVIDEND**

The boards of directors do not recommend any dividend for the year.

3) **PUBLIC DEPOSIT (Section 58-A):**

The Company has not accepted any deposits from the public within the meaning of Section 58-A of the Companies Act, 1956 in the year under review.

4) **PERSONNEL:**

During the year, none of the employees was in receipt of remuneration exceeding ₹ 24,00,000 per annum or ₹ 2,00,000 per month and accordingly, the Company has no information to report to the Members under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975, as amended from time to time.

5) **PARTICULARS OF DIRECTORS:**

Harsh Rekha Garg retiring by rotation at the forth-coming Annual General Meeting and being eligible, offer herself for re-appointment.

6) CORPORATE GOVERNANCE:

The guidelines on Corporate Governance were not applicable to our Company during the Financial Year 2011-12 as our paid up capital is less than 3 Crore.

7) DEMATERIALISATION:

As per the SEBI directives, your Company's shares have been included in the compulsory demat list for trading for all investors w.e.f. 06th May'2001.

8) DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed.

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2012 on going concern basis.

9) AUDITOR'S AND THEIR REPORT:

M/s. Chaturvedi Sohan & Co., Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

The Company has received a Certificate under Section 224 (1B) of the Companies Act, 1956 from Auditors to that effect that their appointment, if Made, would be within the prescribed limits.

As regards the Auditors remark, the notes referred to by the Auditors in their Report is self-explanatory.

10) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOINGS (Section 217 (e):

Additional information on Conservation of Energy, Technology Absorption, Foreign exchange earnings and outgoings as required to be disclose terms of Section 217(1)(e) of the Companies Act, 1956, is given in the Annexure forming part of this report.

11) ACKNOWLEDGEMENTS:

The Directors thank all those who have contributed their best to the present success of the Company, all the Employees, Customers, Suppliers, Shareholders and Bankers for their sustained support.

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR

**Sd AJAY KUMAR GARG
(Chairman & Managing Director)**

Place: Mumbai.

Date: 2nd September, 2012

ANNEXURE 'A' TO THE DIRECTOR'S REPORT FOR PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1999.

Disclosure of Particulars with respect to Conservation of Energy				2011-2012	2010-2011	
PARTICULARS						
A.	<u>POWER & FUEL CONSUMPTION AT FACTORY</u>					
1.	Electricity					
	(a).	Purchases	(Units)	1,39,209	72,943	
		Total Amount (₹)		4,69,134	2,45,819	
		Rate per Unit (₹/Unit)		3.37	3.37	
	(b)	Own Generation (Through Diesel Generator)				
		Units in KW		-	-	
		Total Amount (₹)		-	-	
		Rate per KW (₹/KW)		-	-	
2.	Furnace Oil					
		Quantity (In Liters)		-	-	
		Total Amount (₹)		-	-	
		Average Rate (₹/Liter)		-	-	
B.	<u>CONSUMPTION PER TONNE OF PRODUCTION</u>					
1.	Electricity	(Units)		692.67	725.53	
2.	L.D.O./F.O.	(Liter)		0	0	

C. TECHNOLOGY ABSORPTION

The Company does not require any additional imported or indigenous technology.

D. RESEARCH & DEVELOPMENT

There is no expenditure under this head nor any benefit accrued there under as no Research & Development work has been carried out during the year under review. There is no immediate plan for Research & Development.

E. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

	<u>2011-2012</u>	<u>2010-2011</u>
Foreign Exchange Payments		
I) Purchase of Raw Material (In ₹)	Nil	5,26,95,616
II) Foreign Travelling & Training Exps (In ₹)	1,08,162	2,72,638

AUDITOR'S REPORT

To,
The Member's of
N.D.METAL INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of N.D.METAL INDUSTRIES LIMITED at 31st March, 2012 and also the Statement of Profit & Loss and 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 assurances about whether the financial statements are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principle used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion proper books of Account as required by the law have been kept by the Company so far as appear from our examination of such books.
 - b) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of Accounts.
 - (c) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of Companies Act, 1956, except
 - *Accounting Standard 9 (Revenue recognition) Note 25 relating to one time settlement (OTS) made with lender, resulting in waiver of interest for the year, whose benefit has been credited by the Company to the profit and loss account prior to the fulfillment of the condition of settlement. Taking of such credit which has not yet accrued to the Company, has reduced the loss by Rs 80,00,000/- and its equivalent effect on the reserve and surplus of the Company.*
 - *Accounting Standard 15 (Employee benefits) provision of gratuity is not made in accordance with accounting standard 15(revised)*
 - (d) *The company is not deducting PF,PT and ESIC as per the rules prescribed in respective acts.*
 - (e) On the basis of the written representation received from the directors, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2012 from being appointed as a director in the terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
 - (f) We draw your attention to Note no. 1 (Significant Accounting policies) of clause 5 to 9 forming part of Notes to Accounts as we are unable to comments on the same and Subject to above in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information as 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 Balance Sheet, of the State of Affairs of the Company as at 31st March 2012 and
- ii. In the case of Statement of Profit and Loss, of the profit for the year ended on that date and
- iii. In case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Chaturvedi Sohan & Co.
Chartered Accountants
(Registration No. 118424W)

Sd Sohan Chaturvedi
Partner
M.No. 030760

Place: Mumbai
Date: 2nd September, 2012.

ANNEXURES TO AUDIT REPORT

- i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - (b) As informed to us the management has physically verified the fixed assets during the year in accordance with a program of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, the company has not made any substantial disposals during the year.
- ii) In respect of its inventories:
- (a) The inventory has been physically verified by management during the year. In our opinion the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii) In respect of loans, secured or unsecured granted or taken by the Company to /from companies firm or other parties covered in the register, maintained u/s. 301 of the Companies Act 1956:
- (a) During the year under audit, company has granted loan to company covered under register maintained u/s. 301 of the Companies act 1956 in the respect of which maximum balance outstanding is ₹ 4,98,10,152 /- (previous year ₹ 7,28,77,280/-) and year end balance is ₹ 4,98,10,152 /- (previous year ₹ 7,28,77,280/-).
 - (b) In our opinion and according to the information and explanation given to us, the terms and conditions are not prima facie prejudicial to the interest of the company however we are unable to comment on the same.
 - (c) As per the information and explanations given to us, the above loans are repayable on demand and there is no repayment schedule.
 - (d) The company has taken loans from parties covered under register maintained u/s. 301 of the Companies act 1956 in respect of which maximum balance outstanding is ₹ 39,63,929 /- (previous year ₹ 86,64,225/-) year end balance is ₹ 39,63,929 /- (previous year ₹ 39,63,929/-).
 - (e) In our opinion and according to the information and explanation given to us, the terms and conditions are not prima facie prejudicial to the interest of the company.
 - (f) As per the information and explanations given to us, the above loans are repayable on demand and there is no repayment schedule.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regards to purchase of inventory, fixed assets & sales of goods.

- v) In respect of transactions entered in the register maintained in pursuance of section 301 of the companies Act, 1956;
- (a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.
- (b) Transactions made in pursuance of contracts or arrangements entered into the register maintained under section 301 and exceeding the value of five lacs rupees in respect of any party during the year, these in our opinion and according to the information and explanations given to us, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The company has not accepted any deposits from the public. Therefore, the provisions of section 58A and 58AA of the companies act, 1956, and rules framed there under and the directives issued by the Reserve Bank of India are not applicable.
- vii) *In our opinion and according to the information and explanations given to us, the Company does not have internal audit system commensurate with the size and the nature of its business.*
- viii) *We have review on test check basis and it has been informed that company under process of maintaining of cost records prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.*
- ix) According to the information and explanations given to us, the provisions of the Provident Fund Act and Employees State Insurance Act are not applicable to the Company. Our reporting is limited to the amount of the deduction and the payment of the same.
- (a) The Company has been generally regular in depositing undisputed statutory dues, including Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth-Tax, Service Tax, Customs Duty, Excise Duty and any other statutory dues with the appropriate authorities during the year *except TDS which has not been deposited regularly with appropriate authorities and there were significant delays in large nos. of cases.*
- (b) There are no undisputed amount payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues outstanding at the year-end for a period of more than six months from the date they became payable as at 31st March, 2012 *except the following, details are as under.*

Sr. No.	Particulars	2011-12	2010-11
		₹	₹
01	Service Tax on Transporter	-	45,945
02	Central Sales Tax	18,579	-
03	DVAT	31,55,293	-
04	Service Tax on Rent	2,47,500	-
	Total	34,21,072	45,945

- x) The company does not have accumulated losses at 31st March 2012 (Previous Year ₹ Nil/-) and has incurred cash losses during the year under Audit and in the immediately preceding year.
- xi) *Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, during the financial year, the Company has made default of repayment of loan and interest to the bank, Interest of Rs 3,02,85,911/- are not paid to the bank and such default has been continue on reporting date.*

- xii) According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion and according to the explanation given to us, the nature of activities of the company does not attract any special statute applicable to Chit fund and Nidhi / Mutual benefit fund/ Societies.
- xiv) The Company is not dealing or trading in shares, Securities, debentures and other Investment, Accordingly, the provisions clause 4(xiv) of paragraph 4 of the companies (Audited report) Order, 2003 are not applicable to the company.
- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) In our opinion, and according to the information and explanations given to us, and on overall basis, the Term Loans has been applied for the purpose for which it is obtained.
- xvii) According to the information and explanation given to us on the basis of overall examination of the books of the company, we are of the opinion that the Company has not utilized short term funds for Long term Investments.
- xviii) The Company has not made preferential allotment to the parties and Company Covered in the register maintained u/s 301.
- xix) The Company has not issued any debentures during the year. Therefore the provision of clause (xix) of paragraph of the companies (Auditor's Reports) Order, 2003 is not applicable to the company.
- xx) The Company has not raised any money by public issue during the year. Therefore the provision of clause (xx) of paragraph of the companies (Auditor's Reports) Order, 2003 is not applicable to the company.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For Chaturvedi Sohan & Co.
Chartered Accountants
(Registration No. 118424W)

Sd Sohan Chaturvedi
Partner
M.No. 030760

Place: Mumbai
Date: 2nd September, 2012.

N.D. METAL INDUSTRIES LTD

Balance Sheet as at 31st March 2012

Particulars	Notes	March-2012	March-2011
		₹	₹
I. EQUITY AND LIABILITIES			
1) Shareholders Fund			
a) Share Capital	2	2,48,00,000	2,48,00,000
b) Reserves & Surplus	3	89,04,601	1,58,55,403
2) Non-current Liabilities			
a) Long Term Borrowings	4	49,63,929	49,63,929
b) Long-Term Liabilities	5	61,00,000	61,00,000
3) Current Liabilities			
a) Short Term Borrowings	6	23,61,58,354	20,38,89,423
b) Trade Payable	7	21,74,25,994	24,31,85,774
c) Other Current Liabilities	8	2,38,60,466	2,83,52,298
Total		52,22,13,344	52,71,46,827
II. ASSETS			
1) Non-current assets			
a) Fixed Assets			
i) Tangible assets	9	4,72,97,459	5,50,60,409
iii) Capital Work-in-progress	9	4,61,284	4,61,284
b) Non-Current Investments	10	10,20,000	10,20,000
c) Long-Term Loans and Advances	11	13,62,45,339	10,68,53,665
d) Other Non- Current Assets	12	21,76,594	1,21,494
e) Deferred Tax Assets (Net)		84,41,721	84,41,721
2) Current assets			
a) Current Investment	13	2,07,50,428	2,50,68,272
b) Inventories	14	10,00,09,064	17,33,30,111
c) Trade Receivable	15	13,33,99,369	6,17,07,985
d) Cash and Bank Balance	16	19,43,945	4,34,55,420
e) Short-Term Loans and Advances	17	7,04,55,078	5,16,22,420
f) Other Current Assets	18	13,063	4,046
Total		52,22,13,344	52,71,46,827
Significant Accounting Policies	1		
Notes on Accounts	2-39		

As per our attached report of even date

For **Chaturvedi Sohan & CO.**

Firm Reg. No. : 118424W

Chartered Accountants

For and on behalf of the Board of Directors

Sd Ajay Kumar Garg
Director

Sd Harsh Rekha Garg
Director

Sd (Sohan Chaturvedi)

Partner

Membership No.: 30760

Mumbai, 27.09.2012

N.D. METAL INDUSTRIES LTD

Statement of Profit and Loss for the year ended 31st March 2012

Particulars	Notes	March 2011-12	March 2010-11
		₹	₹
I. Revenue from operations			
Sales	19	20,51,72,967	31,64,26,406
Less : Duties and Taxes		19,07,105	1,20,95,780
		20,32,65,862	30,43,30,626
II. Other Income	20	1,72,46,165	1,99,20,671
III. Profit From Patnership		18,156	(2,10,801)
III. Total Revenue (I + II)		22,05,30,183	32,40,40,496
IV. Expenses:			
Cost of Materials Consumed	21	6,96,106	96,08,510
Purchases of Stock-in-Trade	22	11,13,80,973	34,21,24,885
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	23	7,31,09,681	(6,84,73,900)
Employee benefits expenses	24	14,04,194	17,88,571
Finance Cost	25	3,23,96,173	2,69,33,882
Depreciation and amortization expenses	9	32,49,527	33,12,840
Loss on Sales of Assets		77,534	1,49,837
Other expenses	26	46,91,797	59,84,664
Total		22,70,05,985	32,14,29,289
V. Profit before tax (VI-VII)		(64,75,802)	26,11,207
VI. Tax Expenses:			
1) Current tax		4,75,000	2,75,000
2) Deferred tax		-	17,27,579
3) Tax adjusted for earlier years		-	-
X. Profit / (Loss) for the period		(69,50,802)	6,08,628
XI. Earnings per equity share:			
1) Basic		(0.28)	0.25
2) Diluted		(0.28)	0.25
Significant Accounting Policies	1		
Notes on Accounts	2-39		
As per our attached report of even date For Chaturvedi Sohan & CO. Firm Reg. No. : 118424W Chartered Accountants		For and on behalf of the Board of Directors	
Sd (Sohan Chaturvedi) Partner Membership No.: 30760 Mumbai, 2nd Sept, 2012	Sd Ajay Kumar Garg Director	Sd Harsh Rekha Garg Director	

N.D. METAL INDUSTRIES LTD

NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2012

Note 2 Share Capital

Particulars	As at 31st March 2012		As at 31st March 2011	
	Nos.	₹	Nos.	₹
Authorised				
Equity shares of 10 each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
Issued, Subscribed & Paid up				
Equity shares of 10 each fully paid	24,80,000	2,48,00,000	24,80,000	2,48,00,000
Total	24,80,000	2,48,00,000	24,80,000	2,48,00,000

Terms/Right attached to Equity Shares

- 1) The Company has only one class of Equity Shares having a par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share.
- 2) They are also entitled to dividend if proposed by the Board of Directors and approved by the shareholders in the ensuing Annual General Meeting except in case of interim dividend.
- 3) In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their share holding.

a) Reconciliation of Shares

Particulars	As at 31st March 2012		As at 31st March 2011	
	Nos.	₹	Nos.	₹
Share outstanding at the beginning of the year	24,80,000	2,48,00,000	24,80,000	2,48,00,000
Share Issued during the year	-	-	-	-
Share bought back during the year	-	-	-	-
Share outstanding at the end of the year	24,80,000	2,48,00,000	24,80,000	2,48,00,000

b) Details of Shareholding in excess of 5%

Name of Shareholder	As at 31st March 2012		As at 31st March 2011	
	No.s of shares held	% of Holding	No.s of shares held	% of Holding
N.D. Fiscal Services Pvt Ltd	5,23,140	21.09%	5,23,140	21.09%
Ajay Kumar Garg HUF	4,75,000	19.15%	4,75,000	19.15%
Harsh Rekha Garg	1,80,000	7.26%	1,80,000	7.26%
Ajay Kumar Garg	1,50,000	6.05%	1,50,000	6.05%

N.D. METAL INDUSTRIES LTD
NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2012

Note 3 Reserve & Surplus

Particulars	As at 31st March 2012	As at 31st March 2011
	₹	₹
a) Securities Premium Account		
Closing Balance	20,00,000	20,00,000
b) General Reserve		
Opening Balance	31,00,000	31,00,000
Closing Balance	31,00,000	31,00,000
c) Surplus in Profit and Loss Account		
Opening Balance	1,07,55,403	1,01,46,775
Add: Net Profit / (Loss) for the current year	(69,50,802)	6,08,628
Closing Balance	38,04,601	1,07,55,403
Closing Balance (a+b+c)	89,04,601	1,58,55,403

Non-Current Liabilities

Note 4 Long term Borrowings

Particulars	As at 31st March 2012	As at 31st March 2011
	₹	₹
Unsecured		
a) From from Related parties	49,63,929	49,63,929
Grand Total	49,63,929	49,63,929

A) Advance/ loans received from related parties include the body corporate in which Shareholder(s), Directors of the company are interested and such loan is repayable after twelve months from Reporting date and the next repayment may fall due on : 31st March 2014. Loan received from related party is considered as interest free loan. Refer to Note No. 28

Note 5 Long-term Liabilities

Particulars	As at 31st March 2012	As at 31st March 2011
	₹	₹
Security Deposit repayable to related parties	45,00,000	45,00,000
Security Deposit repayable to Others	16,00,000	16,00,000
Total	61,00,000	61,00,000

Note :1 Security deposit of ₹ 16,00,000 (P.Y. ₹ 16,00,000) received against the Daman property which given on lease , as pe the agreement , lessor received interest free deposit and repay to the lessee at the time of handling over the peaceful possession of the property. The Initial agreement is mentioned , lease period is upto 14th May 2015.

Note :2 Security deposit of ₹ 5,00,000 (P.Y. ₹ 5,00,000) received against the Daman property which given on lease , as pe the agreement , lessor received interest free deposit and repay to the lessee at the time of handling over the peaceful possession of the property. The Initial agreement is mentioned , lease period is upto 2nd April 2027. Refer to Note No. 28

Note :3 Security deposit of ₹ 40,00,000 (P.Y. ₹ 40,00,000) received against the Daman property which given on lease from body corporate in which directors / shareholders of the company is interested , as pe the agreement , lessor received interest free deposit and repay to the lessee at the time of handling over the peaceful possession of the property. The Initial agreement is mentioned , lease period is upto 31st March 2014. Refer to Note No. 28

N.D. METAL INDUSTRIES LTD

NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2012

Current Liabilities

Note 6 Short Term Borrowings

Particulars	As at 31st March 2012	As at 31st March 2011
	₹	₹
Secured Loan :		
a) Working Capital Term Loan	5,06,64,118	4,24,16,585
b) Loan from bank on a/c of DPN	15,58,02,189	13,02,73,149
c) Term loan from Bank	2,96,92,047	3,11,99,689
Total	23,61,58,354	20,38,89,423

a) Working Capital Loan and Demand Promissory note (DPN) is from Bank and secured against Hypothecation of /stock of Raw Material , Stock in process, store and spares, all book debts , receivable etc , whether present or future and equitable mortgage of factory land, building and plant & Machinery and guaranteed by a director, and further personal property of director / Shareholders is provided as collateral security. The rate of interest on working capital is BPLR + 1.75% and taxes and other lavies as applicable

b) Term Loan from Bank : Term loan from scheduled banks are secured against hyphothecation of plant & machinery, property situated at Mathura , personal guarantee of directors /shareholders and corporate guarantee of associates concern M/s.N.D. Realtors & Builders Pvt. Ltd.

c) During the Financial year Company has received letter (Ref No. LVB/147/ GEN/846/ 2011-12) from bank regarding one time settlement of loan. As per the letter , Term loan account of the Bank is to be closed on 31st December 2012.

d) During the Financial year Company has received confirmation from bank regarding receiving one time settlement (OTS) of ₹ 80,76,000/- towards term loan. However , this amount is not adjusted by the bank from its original term loan as on 31st March 2012 but it kept under separate head of account as OTS but while preparing financial statement company adjust ₹ 80,76,000/- against the original term loan.

e) Bank letter dated : 10th January 2011 having reference no. CR/312/36/2011 NRS , bank is classified working Capital loan and Demand promissory note bank a/c as Non-Performing assets w.e.f 30th July 2010 and now the such loans are considered as repayable on demand.

f) Bank letter dated : 29th February 2012, having term loan with the bank , permitting to enter in to a compromise settlement i.e one time settlement with the bank and as per the letter, term loan account is to be closed on 31st December 2012. Hence term loan now it considered as short -term borrowing for preparing financial statement as on 31st March 2012.

Note 7 Trade Payble

Particulars	As at 31st March 2012	As at 31st March 2011
	₹	₹
Trade Payable	21,74,25,994	24,31,85,774
Total	21,74,25,994	24,31,85,774

As at 31st March 2012, there are no Small Scale Industrial undertakings to which the Comapany owes a sum for more than thirty days. The Comapany has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any relating to amounts unpaid as at the year together with interest paid/payable as required under the said Act have not been given.

N.D. METAL INDUSTRIES LTD

NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2012

Note 8 Other Current liabilities

Particulars	As at 31st March 2012	As at 31st March 2011
	₹	₹
Books Over drawn (due to reconciliation)	39,87,493	25,69,139
Statutory Dues	1,62,40,310	1,82,62,995
Security Deposit repayable on demand	75,875	2,87,535
Unclaimed Dividend	64,649	64,649
Expenses Payable	34,92,139	71,67,980
Total	2,38,60,466	2,83,52,298

Note 10 NON-CURRENT INVESTMENTS

Particulars	As at 31st March 2012	As at 31st March 2011
	₹	₹
Trade Investment		
Investments in partnership firms	10,20,000	10,20,000
Total	10,20,000	10,20,000

Note :

Particular	Profit Sharing Ratio	Total Capital of the firm
Investments in partnership firms : Wind Industries	90.00%	10,30,000

Non-Current Assets

Note 11 Long-term loans and advances

Particulars	As at 31st March 2012	As at 31st March 2011
	₹	₹
a) Deposits		
Deposit - Daman Property	1,50,00,000	63,00,000
Deposit - against Flat	55,00,000	55,00,000
Deposit - as Security	3,03,004	2,72,060
Deposit - with Government Authority	14,27,105	14,27,105
Long-term loans & Advances		
Government Authority	6,10,32,096	4,37,90,729
Advance Taxes (Net of Provision)	8,59,682	21,94,264
Other Advances receivable in cash or kinds or for the value to be received	23,13,300	23,13,300
Loans to related parties	4,98,10,152	4,50,56,207
Total	13,62,45,339	10,68,53,665

Note : Deposit of Daman Property and Flat given to the person who is relative of the director(s) / shareholder(s)

Note : Loan to related parties include body corporate in which Directors / Shareholders of the company interested . Such Loan carrying Interest @ 15% p.a. As Per Management Estimation , such loan installment due after twelve months from reporting date , however , Specific date cannot be estimate , but management considered it as long -term loan and advances.

Note : Loans and advances considered good and subject to confirmation

Note : Loan to Related parties : Bandra Merchandisers Pvt Ltd.

N.D. METAL INDUSTRIES LTD

NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2012

Note : 9

SR NO	NAME OF THE ASSET	RATE %	01/04/2011 OPENING	ADDITIONS	SOLD / TRANSFER / CAPITAL RECEIPT	TOTAL	01/04/2011 OPENING CUMM DEP	CURRENT DEP	ADJUSTMENT ON A/C OF SALE	CLOSING CUMM DEP/ W/off	31/03/12 CLOSING WDV	31/03/2011 CLOSING WDV
1	Tangible Assets											
	LAND		64,35,434			64,35,434	-		-	-	64,35,434	64,35,434
	SILVASSA LAND		40,50,056		40,50,056	-	-		-	-	-	40,50,056
	BUILDING (FLAT)	1.63	1,24,931			1,24,931	34,108	2,036	-	36,144	88,787	90,823
	FACTORY BUILDING	3.34%	3,85,46,011	-	-	3,85,46,011	1,38,32,582	12,87,437	-	1,51,20,019	2,34,25,992	2,47,13,429
	PLANT & MACHINERY	4.75%	3,19,35,600	64,168	-	3,19,99,768	1,58,41,989	15,18,024	-	1,73,60,013	1,46,39,755	1,60,93,611
	ELECTRICAL INSTALLATION	4.75%	3,21,496			3,21,496	1,05,516	15,271	-	1,20,787	2,00,709	2,15,980
	OFFICE EQUIPMENT	4.75%	9,68,579	-	-	9,68,579	5,15,070	45,387	-	5,60,457	4,08,122	4,53,509
	FURNITURE & FIXTURE	6.33%	5,03,694	-		5,03,694	3,11,921	25,686	-	3,38,607	1,65,087	1,91,773
	VEHICLES	9.50%	50,66,079	-	9,22,040	41,44,039	22,50,287	2,99,526	3,94,506	21,55,307	19,88,732	28,15,792
	COMPUTERS	16.21%	8,31,524	-	-	8,31,524	8,31,523	55,160	-	8,86,683	(55,159)	1
	Total		8,87,83,404	64,168	49,72,096	8,38,75,476	3,37,22,996	32,49,527	3,94,506	3,65,78,017	4,72,97,459	5,50,60,408
	Previous Year's Total		8,98,52,217	19,800	10,88,613	8,87,83,404	3,09,98,931	33,12,840	5,88,776	3,37,22,995	5,50,60,409	5,88,33,286
3	Capital Work in Progress											
	C.W.I.P.-VAPL	0.00%	4,61,284	-	-	4,61,284	-	-	-	-	4,61,284	4,61,284
	Total		4,61,284	-	-	4,61,284	-	-	-	-	4,61,284	4,61,284
	Previous Year's Total		4,61,284	-	-	4,61,284	-	-	-	-	4,61,284	4,61,284
	Grand Total		8,92,44,688	64,168	49,72,096	8,43,36,760	3,37,22,996	32,49,527	3,94,506	3,65,78,017	4,77,58,743	5,55,21,692

N.D. METAL INDUSTRIES LTD

NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2012

Note 12 Other Non- Current Assets

Particulars	As at 31st March 2012	As at 31st March 2011
	₹	₹
Non-current portion of the Fixed deposit (Secured against Margin money)	21,76,594	1,21,494
Total	21,76,594	1,21,494

Note 13 Current Investment

Particulars	As at 31st March 2012	As at 31st March 2011
	₹	₹
Current Account with Partnership Business	2,07,50,428	2,50,68,272
Total	2,07,50,428	2,50,68,272

Current Assets

Note 14 Inventories

Particulars	As at 31st March 2012	As at 31st March 2011
	₹	₹
Raw Material *	11,01,626	22,70,868
Finished Goods*	9,87,10,583	12,02,68,962
Consumable*	1,96,855	5,29,255
Stock in Transit*	-	5,02,61,026
Total	10,00,09,064	17,33,30,111

(* Values are certified by the Management)

Refer Significant Accounting Policies No. 5

Note 15 Trade Receivables

Particulars	As at 31st March 2012	As at 31st March 2011
	₹	₹
Unsecured Considered Good and subject to Confirmation		
More Than six months	4,92,52,259	5,21,33,911
Others	8,41,47,110	95,74,074
Total	13,33,99,369	6,17,07,985

N.D. METAL INDUSTRIES LTD

NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2012

Note 16 Cash and Bank Balances

Particulars	As at 31st March 2012	As at 31st March 2011
	₹	₹
Cash & Cash Equivalents:		
a) Cash on Hands	8,12,713	4,07,078
b) Balance with Banks In Current Account	11,31,232	4,10,08,812
C) Other Bank Balances		
Fixed Deposit more than three months but less than twelve months	-	1,21,494
Fixed Deposit more than twelve months	21,76,594	20,39,530
Less: Non-current portion of Fixed deposit transferred to Other Non- Current Assets, Refer to Note no. 12	21,76,594	1,21,494
	-	19,18,036
Total	19,43,945	4,34,55,420

Note : The Margin Money Deposit has original maturity more than 3 months.

Note 17 Short-term loans and advances

Particulars	As at 31st March 2012	As at 31st March 2011
	₹	₹
a) Advance paid to Suppliers	5,33,79,579	77,82,950
b) Loans and Advances given to : Employee' Loan	75,100	67,600
c) Other Advances receivable in cash or kinds	1,70,00,399	4,37,71,870
Total	7,04,55,078	5,16,22,420

Note : Advances paid to Supplier include , advances given of ₹ 4,54,46,629/- (Previous Year : ₹ 4,50,56,207/-) to Body corporate in which Company Directors , Shareholders are interested.

Note : Advances to Supplier include business advance given to the related party : Samyak Commercial Pvt Ltd , and Spring Merchandisers Pvt Ltd. for company business purpose

Note : Other Advances receivable in cash or kinds include ₹ 53,51,210/- as rebate on custom duty Which is refundable with the twelve months from reporting date.

Note : Other Advances receivable in cash or kinds include ₹ 80,00, 000/- as interest receivable from bank as disputed bank interest , refer note no. 25

Note : Advances to Supplier include business advance given to the related party : Spring Merchandisers Pvt Ltd. for company business purpose

Note 18 Other Current Assets

Particulars	As at 31st March 2,012	As at 31st March 2,011
	Prepaid Expenses	13,063
Total	13,063	4,046

N.D. METAL INDUSTRIES LTD
NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2012

Note 19 Revenue from operations

Particulars	For the Year ended 31st March 2012	For the Year ended 31st March 2011
	₹	₹
Sales :		
<u>Manufacturing Sales</u>		
Export Sales	-	9,30,698
Local Sales	46,43,006	3,10,26,803
<u>Trading Sales</u>		
Local Sales	20,05,29,961	28,44,68,905
	20,51,72,967	31,64,26,406

Note 1.1 : Details of products sold :
 Sale of Non -ferrous Metals

Note 20 Other Income

Particulars	For the Year ended 31st March 2012	For the Year ended 31st March 2011
	₹	₹
Interest on FDR	1,83,618	2,34,796
Interest on Loan	67,58,000	79,32,000
Sundry Balance W/back	3,519	90,33,875
Rent Income	48,00,000	27,20,000
Profit On Sale Of Land	54,97,444	-
SAD Refund	3,000	-
Brokerage	584	-
Total	1,72,46,165	1,99,20,671

Note 21 Cost of Materials Consumed

Particulars	For the Year ended 31st March 2012	For the Year ended 31st March 2011
	₹	₹
Opening Stock	11,80,942	1,07,89,452
Add: Purchases	4,84,740	-
Less: Closing Stock	9,69,576	11,80,942
Total	6,96,106	96,08,510

N.D. METAL INDUSTRIES LTD
NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2012

Note 22 Purchase of Stock-In-Trade

Particulars	For the Year ended 31st March 2012	For the Year ended 31st March 2011
	₹	₹
Purchase	11,13,80,973	34,21,24,885
	11,13,80,973	34,21,24,885

Note 23 Change in Inventories of Finished Stock and W-I-P

WIP		
Opening Stock	10,89,926	25,15,759
Less: Closing Stock	1,32,050	10,89,926
	(9,57,876)	(14,25,833)
Finished Stock		
Opening Stock	17,05,29,988	10,07,27,504
Less: Closing Stock	9,87,10,583	17,05,29,988
	(7,18,19,405)	6,98,02,484
Consumable		
Opening Stock	5,29,255	4,32,006
Less: Closing Stock	1,96,855	5,29,255
	(3,32,400)	97,249
Total	(7,31,09,681)	6,84,73,900

Note 24 Employee Benefits Expenses

Particulars	For the Year ended 31st March 2012	For the Year ended 31st March 2011
	₹	₹
Salary and Wages	10,13,173	12,55,086
Director's Remuneration	3,78,000	4,98,000
Staff Welfare	13,021	35,485
Total	14,04,194	17,88,571

N.D. METAL INDUSTRIES LTD
NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2012

Note 25 Finance Cost

Particulars	For the Year ended 31st March 2012	For the Year ended 31st March 2011
	₹	₹
Bank Charges & Interest	41,904	2,85,345
Interest Charged on :-		
Bank Interest on Working Capital Term Loan	82,47,533	69,63,071
Bank Interest on Bank Overdraft Account	2,55,38,378	1,95,61,354
Bank Interest on Term Loan from Laxmi Vilas Bank	65,68,358	47,89,911
Disputed Bank Interest Receivable	(80,00,000)	(30,00,000)
foreign Exchange (Gain) / loss	-	(16,65,799)
Total	3,23,96,173	2,69,33,882

Note : The company has booked disputed bank interest receivable from scheduled Banks for ₹ 80,00,000/- on the basis of letter and proposal given to banks and the same is netted off against Interest and financial charges. refer note no. 6

N.D. METAL INDUSTRIES LTD
NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2012

Note 26 Other Expenses

Particulars	For the Year ended 31st March 2012	For the Year ended 31st March 2011
	₹	₹
Manufacturing Expenses		
Consumption of Stores	14,57,342	4,04,083
Power and Fuel	4,85,535	2,45,819
Repairs - Others	1,55,811	5,28,631
Insurance Charges	48,760	6,619
Labour Charges	1,00,488	1,61,584
Sorting and Unloading Charges	1,06,483	18,640
Transport. Octroi & Freight Charges	3,88,870	3,95,207
Total	27,43,289	17,60,583
Administrative Expenses		
Remuneration to Auditors	50,562	49,635
Professional & Legal Fees	1,19,771	76,512
Rent, Rates & Taxes	84,000	7,01,601
Travelling & Conveyance	4,28,026	7,98,163
Office Electricity Charges	56,470	1,91,953
Printing and Stationery	26,338	29,097
Communication Expenses	1,76,773	3,68,592
General & Office Expenses	27,476	79,451
Total	9,69,416	22,95,004
Selling & Distribution Expenses :		
Rebate & Discounts	20,843	-
Sales Promotion	5,24,290	10,88,195
Brokerage & Commission	40,000	11,029
Transport. Octroi & Freight Charges	2,88,863	31,250
Total	8,73,996	11,30,474
Miscellaneous Expenses	1,05,096	7,98,603
Grand Total	46,91,797	59,84,664

Payment to auditors

Particulars	For the Year ended 31st March 2012	For the Year ended 31st March 2011
	₹	₹
As Auditor		
Audit fees	35,000	35,000
Tax Audit fees	10,000	10,000
Reimbursement of Service Tax	5,562	4,635
Total	50,562	49,635

N.D. METAL INDUSTRIES LTD

NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2012

Note: 27 **Particulars of Holding, Subsidiaries and Associate**

Particulars	Country of Incorp.	% of Voting Powers as at 31st March 2012	% of Voting Powers as at 31st March 2011
N.D.Metal Industries Limited is associates with N.D. Fiscal Services Pvt Ltd	India	21.09%	21.09%

Note : 28 **Earnings per share (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computation :

Particulars	31st March 2012	31st March 2011
	₹	₹
Profit/ (loss) after tax	(69,50,802)	6,08,628
No of Shares [Basic]	2,48,00,000	24,80,000
No of Shares [Diluted]	2,48,00,000	24,80,000
EPS (Basic)	(0.28)	0.25
EPS (Diluted)	(0.28)	0.25

Note : 28(a)

Company does not have any Shares with Dilutive effect and thus, Diluted Shares equals to Basic Shares.

Note : 29 **CIF Value and Expenditure in Foreign Currencies**

	31st March 2012	31st March 2011
	₹	₹
CIF value Raw Material	NIL	2,90,82,181
CIF value Foreign Exchange used for Importing of goods	NIL	5,26,95,616
	NIL	8,17,77,797
Expenditure in Foreign Currencies		
	31st March 2012	31st March 2011
	₹	₹
Foreign Travelling	1,08,162	2,72,638
	1,08,162	2,72,638
Earning in foreign currency		
	31st March 2012	31st March 2011
	₹	₹
FOB value of Export	NIL	9,63,982
	NIL	9,63,982

N.D. METAL INDUSTRIES LTD

NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2012

Note : 30 (a) Disclosure of Transactions with Related Parties as required by Accounting Standard 18 :

List of Related Parties and Relationship

Nature of Relationship	Party
Category A : Enterprises under common control and Enterprises in which Key Management Personnel and their relatives are able to exercise significant influence (Other Related Parties)	Bhagyodaya Sales Ltd Spring Merchandisers Pvt Ltd Matsun Castings Pvt Ltd Samyak Commercial Pvt Ltd Ace Merchandisers Pvt Ltd Bandra Merchandisers Pvt Ltd Garg Industries First Sir Exports Pvt Ltd.
Category B : Key Management Personnel	Ajay Kumar Garg Harsh Rekha Garg Raj Kumar Pathak
Category C : Relatives of Key Management Personnel	Gaurav Garg Anirudh Garg
Category D : Proprietary Concern/Firm/Company in which Individuals referred to in Category B and Category C is Proprietor/Partner/Director	Ajay Kumar Garg HUF Wind Industries Neelkamal Builder

Note : 30 (b) Following transaction were carried out with related parties during the period ended 31.03.2012

Sr.No.	Transaction	Year ended	Category A	Category B	Category C	Category D	Total
			₹	₹	₹	₹	
1	Sale of Goods	31.03.2012	16,09,21,612				16,09,21,612
		31.03.2011	29,93,48,318				29,93,48,318
2	Purchase of Goods / Services	31.03.2012	9,12,11,289				9,12,11,289
		31.03.2011	28,06,09,344				28,06,09,344
3	Security Deposit Taken	31.03.2012	45,00,000				45,00,000
		31.03.2011	45,00,000				45,00,000
4	Security Deposit Given	31.03.2012		12,00,000	25,00,000	1,25,00,000	1,62,00,000
		31.03.2011			13,00,000	50,00,000	63,00,000
5	Amount received towards Loans	31.03.2012	39,63,929	19,81,770	70,000		60,15,699
		31.03.2011		81,93,618		1,16,41,000	1,98,34,618
6	Amount repaid towards Loans	31.03.2012		19,81,000	70,000		20,51,000
		31.03.2011		26,93,618		41,41,000	68,34,618
7	Amount Paid towards Loans	31.03.2012	5,16,58,152			13,30,000	5,29,88,152
		31.03.2011	28,82,000		14,50,000		43,32,000
8	Amount Received towards Loans	31.03.2012	18,48,000				18,48,000
		31.03.2011	28,82,000		2,50,000	13,30,000	31,32,000
9	Amount Paid towards Business Advances	31.03.2012	3,95,00,000				3,95,00,000
		31.03.2011					
10	Credit Balance in Loans	31.03.2012	8,93,10,152				8,93,10,152
		31.03.2011					
11	Debit Balance in Loan	31.03.2012	39,63,929				39,63,929
		31.03.2011		55,00,000	12,00,000	75,00,000	1,42,00,000
12	Outstanding receivable	31.03.2012	7,21,66,665				7,21,66,665
		31.03.2011					
13	Investment in Partnership Fi	31.03.2012				2,07,50,428	2,07,50,428
		31.03.2011				2,50,68,272	2,50,68,272
14	Profit / Loss from partnershi	31.03.2012				18,156	18,156
		31.03.2011				(2,10,801)	(2,10,801)
15	Interest Received	31.03.2012	67,53,945				67,53,945
		31.03.2011	79,31,207				79,31,207
16	Director Remuneration	31.03.2012		3,78,000			3,78,000
		31.03.2011		4,80,000			4,80,000
17	Outstanding Payable	31.03.2012	1,53,30,000				1,53,30,000
		31.03.2011	4,10,89,780				4,10,89,780
18	Reimbursement of Expenses	31.03.2012	41,62,522				41,62,522
		31.03.2011	9,13,500				9,13,500
19	Salary & Other Emolument	31.03.2012			1,21,000		1,21,000
		31.03.2011			1,56,000		1,56,000
20	Rent Paid	31.03.2012	18,000		60,000	6,000	84,000
		31.03.2011	12,000	3,000	60,000	6,000	81,000

N.D. METAL INDUSTRIES LTD

NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2012

Note : 31 Contingent Liabilities

	31st March 2012 ₹	31st March 2011 ₹
Bank Guarantee	25,00,000	25,00,000
	25,00,000	25,00,000

Note : 32 Deferred Tax Assets / Liability :

As per paragraph 17 of Accounting Standard (AS) 22, 'Accounting for Taxes on Income', Company carrying unabsorbed depreciation and carried forward losses under tax laws, deferred tax assets should be recognised only to the extent company having virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets realised, hence during the financial year considering prudence principle, company does not recognise any deferred tax assets.

Note : 33 Segment Reporting :

The Company has segment of activities namely Trading & Manufacturing of Non-ferrous metal and majority of the capital of the company employed in the Trading & Manufacturing activity. However, Company has deployed its temporary funds in the various investment for earning rent and sharing of profit. Hence income of such investment has not been considered as separate segment for reporting purpose.

Note : 34 The Company has initiated legal proceedings against advances of ₹ 77,82,950/- given to suppliers against the material. However material against the same is not received yet.

Note : 35 The company has not filed Sales Tax and Service Tax return from October 2011 to March 2012 with respective statutory authorities.

Note : 36 In respect of Old outstanding the necessary approval has been sought from the authorised dealers.

Note : 37 Presentation and Disclosure of Financial Statement :

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

Note : 38 In the Opinion of the management the Current assets, Loan and Advances are of the same value as stated in the Balance Sheet if realized in the normal course of business.

Note : 39 Sundry Debtors, Loans and Advances and Sundry Creditors are subject to reconciliation and confirmation from parties.

N.D.METAL INDUSTRIES LIMITED

Note 1:

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation of financial Statements:

- a. The Financial Statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company.
- b. The Company generally follows mercantile system of accounting and recognizes significant items of Income and Expenditure on accrual basis.

2. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans etc. Actual results could differ from these estimates.

3. Fixed Assets:

Tangible Assets are stated at Cost less accumulated depreciation and net of impairment, if any. The Cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working conditions for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. All direct cost attributable to acquisition / Installation of Assets are capitalized. Borrowing Cost if any during the construction period shall be added to the cost of eligible tangible assets.

4. Depreciation:

The Company is providing depreciation on Fixed Assets on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation on addition is charged proportionally from the date of acquisition / installation of Assets.

5. Inventories:

Inventories is mentioned and valued on FIFO basis as follows:

- a) Finished Goods :- at cost or Net realizable value whichever is lower, after Providing for the value of excise duty payable.
- b) Raw Material :- at cost
- c) Stock In Transit :- at cost.
- d) Stores & Spares :- at cost.
- e) Ash & Dust :- at Realizable Value

6. **Revenue Recognition :**

- a. Sales are recognized on accrual basis and recorded net of Goods Return, Sales Tax, Excise Duty and sales incentive.
- b. Interest Income on Fixed Deposits Receipt and Rent Income is recognized on accrual basis.

7. **Foreign Exchange Transactions:**

- Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- Monetary items denominated in foreign currencies at the year-end and not covered by forward exchange contracts are translated at the year end rates, and those covered by forward exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference have been recognized over the life of the contract.
- Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit or loss account net of recoverable amount.

8. **Impairment of Assets:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties less the cost of disposal. An impairment loss is charged to the profit and loss in the year in which an asset is identified as impaired.

9. **Excise Duty:**

The Company has provided for the Excise Duty payable on the finished goods as stated in the Accounting Standard/Guidance notes issued by the Institute of Chartered Accountant of India.

10. **Purchases:**

Purchases are accounted at the time of receipt of material.

11. **Taxes On Income:**

(i) Current Taxation

Taxes are accounted for in accordance with Accounting Standard - 22 "Accounting for taxes on income" Current tax are determined as the amount of tax payable in respect of taxable income for the year. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

(ii) Deferred Taxation

Deferred tax assets and liabilities are recognized, subject to prudence, on timing differences, being the difference between taxable incomes and accounting income, that originates in one period and is capable of reversal in one or more subsequent periods and quantified using the tax rates and laws enacted or substantively enacted by the reporting date. Deferred tax assets are recognized only if there is reasonable or virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

12. Employees Benefit:

A) Provident Fund and ESIC Contribution:

Provident fund and ESIC is a defined contribution scheme and the contribution as required by the statute is not applicable to the company. Hence the same is not debited to the profit & loss account.

B) Gratuity:

Gratuity for the eligible employees is considered as defined benefits obligation and provided for on the basis of calculation as per Payment of Gratuity Act, 1972; however actuarial valuation is not done for the same.

13. Provisions, Contingent Liabilities and contingent assets:

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past event 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.

N.D. METAL INDUSTRIES LTD

Cash Flow Statement for the year ended 31st March 2012

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
	₹	₹	₹	₹
A. Cash Flow from Operating Activity				
Profit before tax		(64,75,802)		26,11,207
Add: Depreciation and amortisation	32,49,527		33,12,840	
loss on sale / write off of assets	77,534		1,49,837	
Profit on sale of assets	[54,97,444]			
Loss/ (profit) from Patnership firm	(18,156)		2,10,801	
Interest Income	(69,41,618)		(81,66,796)	
Finance costs	3,23,54,269	2,32,24,112	2,83,14,336	2,38,21,018
Changes in working capital:				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	7,33,21,047		(5,88,65,390)	
Trade receivables	(7,16,91,384)		11,55,13,534	
Short-term loans and advances	(1,88,32,658)		(3,63,21,522)	
Long-term Liabilities			(4,80,000)	
Other non-current assets	(9,017)		(4,046)	
Long-term loans and advances	(2,93,91,674)	(4,66,03,686)	61,94,703	2,60,37,279
<i>Adjustments for Increase / (decrease) in operating liabilities:</i>				
Trade payables	(2,57,59,780)		(2,65,78,388)	
Other current liabilities	(44,91,832)		2,47,65,225	
		(3,02,51,612)		(18,13,163)
Cash Flow from Extraordinary Items				
Cash generated from Operating activities		(6,01,06,988)		5,06,56,341
Net income tax (paid) / Refund		(4,75,000)		(2,75,000)
Net Cash generated from Operating activities (A)		(6,05,81,988)		5,03,81,341
B. Cash flow from Investing activities				
Capital expenditure on fixed assets, including capital advances		(64,168)		(19,800)
Proceeds from sale of fixed assets		99,97,500		3,50,000
(Loss)/ Profit from Patnership firm		18,156		(2,10,801)
Current investments not considered as Cash and cash equivalents		43,17,844		(2,12,39,499)
Investments in bank deposits (having original maturity of more than three months)		(15,570)		74,56,470
Interest received		69,41,618		81,66,796
Net cash flow from / (used in) investing activities (B)		2,11,95,380		(54,96,834)
C. Cash flow from financing activities				
Proceeds from long-term borrowings				
Proceeds from Short-term borrowings		3,22,68,931		2,28,41,476
Finance cost		(3,23,54,269)		(2,83,14,336)
Net cash flow from / (used in) financing activities (C)		(85,338)		(54,72,860)
Net Cash and cash equivalents (A+B+C)		(3,94,71,945)		3,94,11,647
Cash and cash equivalents at the beginning of the year		4,14,15,890		20,04,243
Cash and cash equivalents at the end of the year		19,43,945		4,14,15,890
Reconciliation of Cash and cash equivalents with the Balance Sheet: Cash and cash equivalents at the end of the year *				
* Comprises:				
(a) Cash on hand		8,12,713		4,07,078
(i) In current accounts		11,31,232		4,10,08,812
(ii) In deposit accounts with original maturity of less than 3 months				

Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Chaturvedi Sohan & CO.
Firm Reg. No. : 118424W
Chartered Accountants

For and on behalf of the Board of Directors

Sd (Sohan Chaturvedi)
Partner
Membership No.: 30760
Mumbai

Sd Ajay Kumar Garg
Director

Sd Harsh Rekha Garg
Director