

2009
2010



JALAN METALLURGICAL LIMITED

20th Annual Report

CORPORATE INFORMATION

Board of Directors

Mr. Nileshkumar Khatri
Mr. Kamlesh Thothawala
Mr. Dhaval Shethwala

Registered Office

A/302, Maruti Complex,
N. Natubhai Circle, Gotri Road,
Vadodara - 390 006.
Gujarat

Statutory Auditors

Naimish K. Shah & Co.
206, Kalash Building No. 1,
Behind Navrangpura Jain Derasar,
Navrangpura,
Ahmedabad - 380 015.
Gujarat

CORPORATE
INFORMATION



CONTENTS	PAGE NO.
Directors' Report	01
Management Discussion and Analysis Report	03
Report on corporate Governance	04
CEO Certification	09
Auditors' Report	10
Balance Sheet	13
Profit & Loss A/c	14
Schedules	15
Cash Flow Statement	19
Balance Sheet Abstract	20

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the 20th Annual Report together with audited statement of accounts of the Company for the year ended 31st March, 2010.

1. FINANCIAL HIGHLIGHTS

Your company has performed well in the agriculture business during the year under review. There is improvement in financial performance during the year 2009-10, which is summarized below:

Particulars	2009-10 (Amount in Rs.)	2008-09 (Amount in Rs.)
Income from operation	498700	398000
Profit Before Tax	203117	121277
Profit After Tax	140354	83802
EPS	0.03	0.02

2. DIVIDEND

In view of conserving resources, the Board has not recommended any dividend on equity shares for the year ended 31st March, 2010.

3. DIRECTORS

In accordance with the Companies Act, 1956 and Articles of Association of the company, Mr. Kamlesh Thothawala retires by rotation and being eligible, has offered himself for re-appointment.

4. AUDITORS

M/s. Naimish K. Shah & Co., Chartered Accountants, the present Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

5. PUBLIC DEPOSITS

During the year the Company has not accepted any deposits u/s. 58A of the Companies Act, 1956.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Disclosures of particulars with respect to conservation of energy and technology absorption are not material, hence not annexed.

There are no foreign exchange transactions during the year.

7. PARTICULARS OF EMPLOYEES

The Company does not have any employee who is in receipt of remuneration aggregating to the sum prescribed u/s. 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule, 1975 as amended till date.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements u/s. 217(2AA) of The Companies Act, 1956, your Directors hereby state and confirm that:

- i. in preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- ii. they have selected the accounting policies and applied them 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 under review and for the profit of the Company for the same period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the Annual Accounts on a going concern basis.

9. LISTING

The equity shares of the Company are listed at VSE, ASE, and BSE. Trading in equity shares of the Company has been suspended.

The management is trying its best and is taking necessary steps in order to revoke the suspension in Equity shares of the company.

10. CORPORATE GOVERNANCE

Your Company has complied with mandatory

requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

A report on Corporate Governance & Certificate from Auditors of the Company, regarding the compliance of corporate governance and also the Management Discussion and Analysis Report, as stipulated under Clause 49 of the Listing Agreement, are annexed to

this report.

11. ACKNOWLEDGMENT

Your Directors take opportunity to show gratitude towards the continued support from its shareholders and other agencies. Directors further appreciate the entire work force for their effort and teamwork.

For and on behalf of the Board

Place: Vadodara
Date: September 01, 2010

Nileshkumar Khatri
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Development

The Indian economy is considered as one of the fastest growing economies in the world. Agriculture is still considered to be the back bone of the Indian economy.

The agricultural food industry also assumes significance owing to India's sizable agrarian economy, which accounts for over 35% of GDP and employs around 65% of the population. Accelerated growth led by manufacturing and services sectors has enabled corporates to record strong performances in agriculture business.

With over 400 Million acres under cultivation and over 60% of our population dependent on agriculture, the well being of our people and economy depends to a great extent on the performance of the agriculture sector. Acceptance of modern technologies of farming and availability of hybrid seeds in several regions is also a positive indication for the growth of the seeds industry.

We hope to continue with our focus on the growth of our business which will depend on our ability to penetrate untapped markets as well as capturing a greater share of the existing market. The Company will also continue to focus on better cost management to maintain its competitiveness in the market place.

2. Opportunities and Threats

The Indian Agriculture Industry is on the brink of a revolution that will modernize the entire food chain, as the total food production in India is likely to double in the next ten years. With the steady increase in the population, land available for cultivation is shrinking. This means we have higher demand for our land in the various areas of agriculture, warehousing and farming.

The dependence on the monsoon is again a major threat to an agriculture-based industry. The growing campaign by environmentalists against the use of pesticides, and the increasing stress on huge investments on effluent treatment, and excessive excise duty on pesticides (this, when fertilizers are exempt from such duties) are other areas of concern. Changes in Government policies, demand supply factor and other economic and non economic factors may affect the profitability of the Company.

3. Financial Performance with Respect to Operational Performance

The details of financial performance of the Company are appearing in the Balance Sheet of the Company.

4. Outlook

Agriculture is always in demand as it meets the basic living requirement of the people. Also, meteorological department has predicted a good monsoon in coming years, hence we foresee better productivity in coming years.

5. Risk and Concerns

The recessionary trend and tight liquidity position across the globe is a concern. A good, evenly distributed monsoon is always a crucial player in the growth of the agriculture sector and related industries.

6. Internal Control Systems and Their Adequacy

The Company has a system of internal controls to see that all the assets are safeguarded. It also ensures that there is efficiency in operations, optimum utilization of resources, effective monitoring thereof and compliance with applicable laws and regulations. The auditors' conduct audit with due weightage to the risk parameters associated with the business processes. The Company regularly reviews the adequacy and effectiveness of the internal controls and suggests improvements for strengthening them.

7. Development in Human Resource and Industrial Relations

The Company continued to have cordial relations with all the employees. The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not required to be given as no employee falls under the purview of this section.

8. Forward Looking Statement

This section of the Annual Report has been included in adherence to the spirit enunciated in the Code of Corporate Governance. Shareholders and Readers are cautioned that the opinions expressed by the management may be forward looking statements in the current scenario. Actual results, performances, achievements or sequence of events may be materially different from the views expressed in the statement.

REPORT ON CORPORATE GOVERNANCE

1. Corporate Governance

The Company has always been committed to the principles of good corporate governance. It fundamentally believes that good corporate governance should be an internally driven need and is not to be looked upon as an issue of compliance dictated by statutory/regulatory requirements. The Company's philosophy on corporate governance envisages an attainment of the highest level of transparency, accountability and equity in all facets of its operations for meeting obligations towards the shareholders and other stakeholders.

2. Board of Directors

The composition of the Board of Directors is as under:

Name of Director	Category	Attendance in Board Meeting		Attendance at Last AGM	No. of other Directorship in Listed Co. Membership / Chairmanship of Committee in Listed Co.		
		Held	Attended		Director	Member	Chairman
Mr. Nileshkumar Khatri	Chairman & MD	6	6	Yes	0	0	0
Mr. Kamlesh Thothawala	NEID	6	6	Yes	0	0	0
Mr. Dhaval Shethwala	NEID	6	6	Yes	0	0	0

During the accounting year 2009-10, six Board Meetings were held. The Annual General Meeting of the Company was held on September 30, 2009.

3. Audit Committee

The terms of reference of the Audit committee include the matters specified under Clause 49(II) (D) and (E) of the Listing Agreement as well as in Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee, inter alia, include the following:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Reviewing with the management the financial statements at the end of the quarter, half year and the annual statements before submission to the Board for approval with particular reference to;
 - i. Matters required to be included in the Director's responsibility statement which form part of the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - ii. Changes, if any, in the accounting policies and practices and reason for the same.
 - iii. Major accounting policies and practices and reason for the same.
 - iv. Significant adjustments made in the financial statements arising out of audit findings.
 - v. Compliance with the listing and other legal requirements relating to financial statements.
 - vi. Disclosure of any related party transactions.
 - vii. Qualifications, in the draft audit report.
- c. Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment for any other expenses.

During the accounting year ended March 31, 2010, five Audit Committee Meetings were held.

The Audit Committee presently comprises of Mr. Dhaval Shethwala as Chairman, Mr. Kamlesh Thothawala and Mr. Nileshkumar Khatri as Members.

The attendance of the Members at the Audit Committee Meetings are as follows:

Name of Member	Category	No. of Meetings attended	
		Held	Attended
Mr. Dhaval Shethwala	Chairman	5	5
Mr. Kamlesh Thothawala	Member	5	5
Mr. Nileshkumar Khatri	Member	5	5

The members of the Committee are well versed in finance/accounts, legal matters and general business practices.

4. Shareholders'/Investors' Grievance Committee

The Company constituted Shareholders'/Investors' Grievance Committee, specifically to look into the redressal of the shareholders' grievances, share transfers and other investors' related matters. The Committee consists of Mr. Kamlesh Thothawala as Chairman, Mr. Dhaval Shethwala and Mr. Nileshkumar Khatri as Members.

Mr. Nileshkumar Khatri is the Compliance Officer and acts as Secretary to this Committee.

During the accounting year ended March 31, 2010, no complaint was received from shareholders. All valid share transfers received during the accounting year ended March 31, 2010 have been acted upon.

The Committee looks into the issues relating to shareholders'/investors', including complaints relating to transfer/transmission of shares, issue of duplicate share certificates, non-receipt of annual report etc. and their redressal.

Share transfer division is handled in-house by the company.

5. Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms a part of the Directors Report.

6. Compliance Officer

Mr. Nileshkumar Khatri acts as Compliance Officer of the Company.

7. General Body Meetings

The particulars of last three Annual General Meetings are as under:

F.Y.	Day and Date	Location
2006-2007	Saturday, September 29, 2007	At Registered Office
2007-2008	Tuesday, September 30, 2008	At Registered Office
2008-2009	Wednesday, September 30, 2009	At Registered Office

8. Disclosures

- a. No transaction of material nature has been entered into by the Company with its Directors or Management and their relatives, etc. that may have a potential conflict with the interest of the Company.
- b. The Register of Contracts is placed before the Board / Audit committee regularly.
- c. There are no related party transactions and the same has been disclosed in Note No 8 of Schedule 8 to the Accounts in the audited report.

- d. The trading in Equity shares of the Company has been suspended due to non compliance of Listing agreement by the Company.
- e. The Company has implemented all the applicable mandatory requirement of Clause 49 of the Listing Agreement.
- f. The clause 49 states that the non-mandatory requirements may be implemented as per the discretion of the Company. The disclosure of compliance with non-mandatory requirements and adoption (and compliance) / non adoption of the non-mandatory requirements shall be need based.

9. Means of Communication

The results and official news are generally available on website of the stock exchanges.

10. General Shareholder Information

a. Annual General Meeting:

Date : September 30, 2010 (Thursday)

Time : 11.00 A.M.

Venue : Registered Office

b. Financial Calendar: (tentative dates of declaration of Quarterly results)

1st Quarter : End of the next month of the succeeding quarter

2nd Quarter : End of the next month of the succeeding quarter

3rd Quarter : End of the next month of the succeeding quarter

4th Quarter : End of the next month of the succeeding quarter

c. Date of Book Closure:

September 24, 2010 to September 30, 2010 (Both days inclusive).

d. Dividend Payment Date:

During the year under review, no dividend is recommended by the Board of Directors.

e. Listing on Stock Exchange:

The equity shares of the Company are listed at VSE, ASE and BSE trading in the equity shares of the Company have been suspended.

f. Stock Code (Equity shares):

312 on VSE, 25925 on ASE and 13613 on BSE

g. Market Price Data:

As the trading in equity shares of the Company is suspended, the stock price data is not available.

h. Share Transfer Division:

Share transfer division is handled in-house by the Company.

i. Share Transfer System:

The Shares lodged for transfer are normally transferred within 21 days from the date of receipt, subject to documents being valid and complete in all respects.

j. Distribution of Shareholding as on March 31, 2010:

No. of Shares Held	No. of Share holders	%	No. of Shares	%
Up to 500	1656	84.23	456500	10.64
501 to 1000	194	9.87	182900	4.26
1001 to 2000	23	1.17	38200	0.89
2001 to 3000	2	0.10	5800	0.14
3001 to 4000	1	0.05	3500	0.08
4001 to 5000	1	0.05	5000	0.12
5001 to 10000	2	0.10	19600	0.46
10001 and above	87	4.43	3578300	83.41
Total	1966	100.00	4289800	100.00

k. Dematerialization of Shares:

Company does not have demat connectivity with any of the depositories. Hence entire equity of the Company is held in physical form.

l. Categories of Shareholding as on March 31, 2010:

Category	No. of Shares	Percentage (%)
Promoters	510900	11.91
Non – Promoters:		
NRI	6100	0.14
Bodies Corporate	209400	4.88
Individual	3563400	83.07
Total	4289800	100.00

m. Investor Correspondence :

The Investors can send all correspondence to the Registered Office of the company at the following address:

A/302, Maruti Complex, N. Natubhai Circle, Gotri Road, Vadodara 390 006.

Email ID: jalan.metallurgical@yahoo.in

11. Code of Conduct

The Company's Board of Directors has adopted the code of conduct which governs the conduct of all directors/employees. All Directors and senior management personnel have affirmed compliance with respective codes for the year ended March 31, 2010. Declaration in this regard is attached with this report.

12. CEO/CFO Certification

A certificate signed by Mr. Nileshkumar Khatri, Managing Director is attached with this report.

DECLARATION REGARDING CODE OF CONDUCT

It is hereby declared that all the board members and senior managerial personnel of the Company have affirmed compliance of code of conduct, pursuant to Corporate Governance, for the year ended 31st March, 2010.

For and on behalf of the Board

Place : Vadodara
Date : September 1, 2010

Nileshkumar Khatri
Managing Director

Kamlesh Thothawala
Director

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of
Jalan Metallurgical Limited

We have reviewed the records concerning the Company's Compliance of conditions of Corporate Governance for the financial year ended on 31st March, 2010. We, the statutory auditors of Jalan Metallurgical Limited have reviewed the steps taken by the management of the Company to implement requirements of the Clause 49 of The Listing Agreement. The Company has taken steps to comply with the above requirements for the year ended on 31st March, 2010.

The compliance of Corporate Governance is the responsibility of the 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 statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance.

For Naimish K. Shah & Co.
Chartered Accountants

Place : Vadodara
Date : September 1, 2010

Naimish Shah
Proprietor
M.No:031147

Chief Executive Officer (CEO) Certification

(Issued in accordance with provisions of Clause 49 of the Listing Agreement)

To
The Board of Directors of
Jalan Metallurgical Limited

Dear Sir,

I have reviewed the financial statements, read with the cash flow statement of Jalan Metallurgical Limited for the year ended March 31, 2010 and that to the best of my knowledge and belief, I state that;

- a.
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - ii. these statements present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors and the Audit committee that:
 - i. there are no significant changes in internal control over financial reporting during the year;
 - ii. there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. there are no instances of fraud during the year.

Place: Vadodara

Date: September 01, 2010

Nileshkumar Khatri

Managing Director

AUDITORS' REPORT

The Member of
Jalan Metallurgical Limited

1. We have audited the attached Balance Sheet of Jalan Metallurgical Limited as on 31st March, 2010 and the Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statement 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 financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 (as amended) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such check of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we annex hereto in the annexure a statement on the matters specified in paragraphs 4 of the said Order.
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 purposes of our audit.
 - b. In our opinion, proper books of account as required by law, have been kept by the Company so far as it appears from our examination of such books.
 - c. The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account of the company.
 - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report comply with the accounting standards referred to in Sub Section (3C) of Section 211 of Companies Act, 1956, to the extent applicable.
 - e. According to information & explanations given to us and on the basis of the written representations received from the directors, taken on record by the Board of Directors, none of the Directors of the company is disqualified as on March 31, 2010 from being appointed as a director under Section 274(1) (g) 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 read together with the significant Accounting policies and Notes forming part thereof, gives the information required by the Companies Act, 1956 in the manner so required and gives 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 the affairs of the Company as on 31st March, 2010;
 - ii. In the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
 - iii. In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For Naimish K. Shah & Co.
Chartered Accountants

Naimish Shah
Proprietor
M.No:031147

Place : Vadodara
Date : September 1, 2010

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

- I. The Company has maintained proper records showing full particulars including quantitative details and the situation of fixed assets. As the Company is having only land as fixed assets, we have been informed by the management that there is no need to verify the physical existence of land and further confirmed that there is no encroachment on land or adverse possession of land. As land being static, there is no question of any material discrepancies with physical record.
- II. Since there are no inventories, Para 4(ii)(a), (b) & (c) of the Order is not applicable.
- III. The Company has not granted/taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, hence the Para 4(iii)(b), (c), (d) of the Order is not applicable.
- 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 for the provision of services. Further, on the basis of our examinations and information and according to the explanations given to us, we have neither come across nor have been informed of any instances of major weakness in the aforesaid internal control procedure.
- V. According to the information and explanations given to us, since the Company has not entered into any transaction of contracts or arrangements in respect of any party during the financial year that needs to be entered in the register maintained under Section 301 of the Companies Act, 1956. Hence Para 4(v)(a) & (b) of the Order is not applicable.
- VI. The Company has not accepted any deposits from the public within the purview of the directives issued by the Reserve Bank of India and the provisions of Section 58A & 58AA of the Companies Act, 1956 and the Rules framed there under.
- VII. While the Company has no formal Internal Audit System during the year under purview, the responsible officers of the Company have always kept adequate vigilance over the day-to-day transactions of the Company and over the proper maintenance of the basic records and books of account of the Company.
- VIII. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
- IX. a. According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, there are no undisputed statutory dues in respect of Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth-tax, Excise duty, Service tax, Cess and other material statutory dues, as applicable during the year.
b. According to the information and explanations given to us, there are no dues of Sales-tax, Income-tax, Wealth-tax, Customs duty, Excise duty, Service tax and Cess which have been disputed and lying pending as on 31st March 2010.
- X. The Company has no accumulated losses as at 31st March, 2010. The Company has not incurred any cash losses during the financial year covered by our audit and during the immediately preceding financial year.
- XI. According to the records of the Company examined by us and information and explanations given to us, since the Company has not borrowed from financial institutions/banks/by issue of debentures, Para 4(xi) of the Order is not applicable to the Company.

- XII. According to the information and explanations given to us, the Company has not granted any loans and advances, on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. Para 4(xiii) of the Order is not applicable to the Company as the Company is not a Chit Fund Company or Nidhi/Mutual Fund/Society.
- XIV. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the Provisions of Para 4(xiv) of the Order is not applicable to the Company.
- XV. According to the information and explanations given to us, since the Company has not given any guarantee for loans taken by others from bank or financial institutions, Para 4(xv) of the Order is not applicable.
- XVI. According to the information and explanations given to us, since no term loans were obtained by the Company during the year, Para 4(xvi) of the Order is not applicable.
- XVII. According to the information and explanations given to us and as on overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used during the year for the long term investment.
- XVIII. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year.
- XIX. Since the Company has not issued any debenture during the year, Para 4(xix) of the Order is not applicable.
- XX. Since the Company has not raised any money by public issue during the year, Para 4(xx) of the Order is not applicable.
- XXI. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India and accordingly to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have been informed of any such case by the management.

For Naimish K. Shah & Co.
Chartered Accountants

Naimish Shah
Proprietor
M.No:031147

Place : Vadodara
Date : September 1, 2010

JALAN METALLURGICAL LIMITED

Balance Sheet As On 31st March 2010

PARTICULARS	SCH. NO.	AS AT 31/03/2010 Amount (Rs.)	AS AT 31/03/2009 Amount (Rs.)
<u>SOURCES OF FUNDS</u>			
SHARE HOLDERS' FUND			
Share Capital	1	40,110,250	40,110,250
Reserves & Surplus	2	175,440	35,086
Total		40,285,690	40,145,336
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Freehold Land		38,000,000	38,000,000
CURRENT ASSETS, LOANS & ADVANCES	3	2,449,606	2,059,536
Less: CURRENT LIABILITIES & PROVISIONS	4	337,114	260,601
NET CURRENT ASSETS		2,112,492	1,798,935
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	5	173,198	346,401
Total		40,285,690	40,145,336
Significant Accounting Policies & Notes on Accounts Forming Part of the Financial Statements	8		

As Per Our Report Of Even Date Annexed

For Naimish K. Shah & Co.

Chartered Accountants

For & On Behalf of Board of Directors

Naimish Shah

Proprietor

M.No.: 031147

Nileshkumar Khatri

Managing Director

Kamlesh Thothawala

Director

Place: Vadodara

Date: September 01, 2010

JALAN METALLURGICAL LIMITED

Profit And Loss Account For The Year Ended 31st March 2010

PARTICULARS	SCH. NO.	AS AT 31/03/2010 Amount (Rs.)	AS AT 31/03/2009 Amount (Rs.)
INCOME			
Income From Operation/Other Income	6	498,700	398,000
		498,700	398,000
EXPENDITURE			
Preliminary expenses written off		173,203	173,203
Administrative & Other Expenses	7	122,380	103,520
		295,583	276,723
PROFIT BEFORE DEPRECIATION		203,117	121,277
Less : Depreciation		-	-
PROFIT BEFORE TAX		203,117	121,277
Less : Tax Expenses		(62,763)	(37,475)
PROFIT AFTER TAX		140,354	83,802
Balance carried forward to Balance Sheet		140,354	83,802
Significant Accounting Policies & Notes on Accounts Forming part of the Financial Statement	8		
Earning Per Share - Basic & Diluted		0.03	0.02

As Per Our Report Of Even Date Annexed

For Naimish K. Shah & Co.
Chartered Accountants

For & On Behalf of Board of Directors

Naimish Shah
Proprietor
M.No.: 031147

Nileshkumar Khatri
Managing Director

Kamlesh Thothawala
Director

Place: Vadodara
Date: September 01, 2010

JALAN METALLURGICAL LIMITED
Schedules Forming Part Of The Financial Statements

PARTICULARS	AS AT 31/03/2010 Amount (Rs.)	AS AT 31/03/2009 Amount (Rs.)
SCHEDULE 1: SHARE CAPITAL		
Authorised Share Capital 50,00,000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
Issued Capital 45,50,000 Equity Shares of Rs. 10/- each	45,500,000	45,500,000
Subscribed Capital 42,89,800 Equity Shares of Rs. 10/- each	42,898,000	42,898,000
Less: Calls in Arrears	2,787,750	2,787,750
Paid-up Capital	40,110,250	40,110,250
SCHEDULE 2: RESERVES AND SURPLUS		
Balance in Profit & Loss Account	140,354	35,086
Total	140,354	35,086
SCHEDULE 3:		
CURRENT ASSETS, LOANS & ADVANCES		
Cash & Bank Balance	2,449,606	2,059,536
Total	2,449,606	2,059,536
SCHEDULE 4:		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	231,178	217,428
Income Tax Payable	105,936	43,173
Total	337,114	260,601
SCHEDULE 5: MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Opening Balance:		
Preliminary Expenses	241,551	241,551
Public Issue Expenses	1,490,474	1,490,474
Less: written off till date	(1,558,827)	(1,385,624)
Total	173,198	346,401

JALAN METALLURGICAL LIMITED
Schedules Forming Part Of The Financial Statements

PARTICULARS	AS AT 31/03/2010 Amount (Rs.)	AS AT 31/03/2009 Amount (Rs.)
SCHEDULE 6 : INCOME FROM OPERATION / OTHER INCOME		
Agricultural Income	498,700	348,000
Rent	-	50,000
Total	498,700	398,000
SCHEDULE 7 : ADMINISTRATIVE & OTHER EXPENSES		
Audit Fees	7,500	7,500
Salaries & Wages	60,000	43,000
Listing Fees	24,780	30,420
Postage & Courier	4,300	2,700
Printing & Stationery	5,000	3,000
Telephone Expenses	7,500	6,000
Misc. Expenses	6,000	5,200
Conveyance	7,300	5,700
Total	122,380	103,520

As Per Our Report Of Even Date Annexed

For Naimish K. Shah & Co.
Chartered Accountants

For & On Behalf of Board of Directors

Naimish Shah
Proprietor
M.No.: 031147

Nileshkumar Khatri
Managing Director

Kamlesh Thothawala
Director

Place: Vadodara
Date: September 01, 2010

JALAN METALLURGICAL LIMITED
Schedules Forming Part Of The Financial Statements

**SCHEDULE 8 :
DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis Of Accounting:

- i. The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India, the applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956.
- ii. All income & expenditure items having material bearing on the financial statements are recognized on accrual basis except material uncertainty.

2. Fixed assets:

To state Fixed Assets at cost of acquisition inclusive of inward freight duties and taxes and incidental expenses related to acquisition. The Company follows the SLM method of depreciation as provided under the Companies Act, 1956. As the Company is having only land as fixed assets, there is no need to provide the depreciation.

3. Preliminary Expenses And Share Issue Expenses:

Preliminary Expenses and Share Issue Expenses will be written-off in equal installment over period of ten years.

4. Valuation Of Inventory:

Stocks of Raw Material valued at fixed cost.

5. Contingent Liability:

Contingent liability is provided on the basis demand made upon the Company.

6. Investments:

Investments are valued at the acquisition cost and include brokerage and other expenses on purchase.

7. Deferred Tax:

No provision made.

8. Related Party Disclosures:

As per Accounting Standard 18 as issued by ICAI, there is no transaction of any related party.

B. NOTES ON ACCOUNTS

1. In the opinion of the management, the Provident Fund and ESI Act are not applicable to the terms of employment of any employee of the Company. Hence, no provision or payment has been made for the same. As no employees of the Company has put in the qualifying period of services for the entitlement of gratuity benefits. No provision has been made for the same.
2. Additional information pursuant to part IV of the Schedule VI of the Companies Act, 1956 are as per annexure enclosed.
3. Balance in respect of Creditors and Banks is subject to reconciliation and confirmation.
4. There is no contingent liability in the Company.
5. There are no employees drawing remuneration exceeding Rs.12,00,000/- per annum or Rs. 1,00,000/- per month as the case may be.
6. The Company has not made any payment to any related party as required by AS-18 of ICAI.
7. Previous years figures have been regrouped / rearranged wherever necessary so as to confirm to the balance of the current year.
8. Auditors' Remuneration

	<u>2009-10</u>	<u>2008-09</u>
For Statutory Audit	Rs.7,500	Rs.7,500
	<u>Rs.7,500</u>	<u>Rs.7,500</u>

9. There is no additional information pursuant to Para (3) & (4) of part II of Schedule VI of the Companies Act, 1956.
10. Expenditure incurred in foreign currency is NIL.
11. The deferred tax liability is not provided as amount pertaining to it is NIL.
12. We confirm that the above Balance Sheet has been correctly extracted from the accounts of the Company for the year ended 31st March, 2010 audited by us.

Signature to Schedules 1 to 8
As per our report of even date

For Naimish K. Shah & Co.
Chartered Accountants

Naimish Shah
Proprietor
M.No.: 031147

For and on behalf of the Board

Nileshkumar Khatri
Managing Director

Kamlesh Thothawala
Director

Place: Vadodara
Date: September 1, 2010

JALAN METALLURGICAL LIMITED

Cash Flow Statement For The Year Ended On 31st March, 2010

PARTICULARS	AS AT 31/03/2010 Amount (Rs.)	AS AT 31/03/2009 Amount (Rs.)
A: CASH FLOW FROM OPERATING ACTIVITIES		
Cash Generation From Operations	140,354	82,060
Tax Provision	62,763	39,217
NET CASH FLOW FROM OPERATING ACTIVITIES	203,117	121,277
B: CASH FLOW FROM INVESTING ACTIVITIES		
Adjustments for:		
Increase/(Decrease) in Other payables	13,750	(87,280)
NET CASH USED IN INVESTING ACTIVITIES	13,750	(87,280)
C: CASH FLOW FROM FINANCING ACTIVITIES		
Public Issue expenses/adjustments	173,203	173,203
NET CASH GENERATED FROM FINANCING ACTIVITIES	173,203	173,203
Net increase in Cash and cash equivalents (A+B+C)	390,070	207,200
Cash and cash equivalents at the beginning of the year	2,059,536	1,852,336
Cash and cash equivalents at the end of the year	2,449,606	2,059,536

As Per Our Report Of Even Date Annexed

For Naimish K. Shah & Co.
Chartered Accountants

For & On Behalf of Board of Directors

Naimish Shah
Proprietor
M.No.: 031147

Nileshkumar Khatri
Managing Director

Kamlesh Thothawala
Director

Place: Vadodara
Date: September 01, 2010

JALAN METALLURGICAL LIMITED

Balance Sheet Abstract And Company's General Business Profile

I	Registration Details	State Code	: 04
	Registration No.	: 13568	Right Issue : Nil
	Balance Sheet Date 31st March, 2010		
		Private Placement	: Nil
II	Position of Mobilisation and Deployment of funds (Amount in Thousands Rs.)		
	Total Liabilities	: 40285.69	Total Assets : 40285.69
	Sources of Funds		
	Paid up capital	: 40110.25	Reserves & Surplus : 175.44
	Secured Loans	: Nil	Unsecured Loans : Nil
III	Application of Funds		
	Net Fixed Assets	: 38000.00	Misc. Expenditure : 173.20
	Investments	: Nil	
	Net Current Assets	: 2112.49	
IV	Performance of Company (Amount in Rs. Thousand)		
	Turnover	: 498.70	Total expenditure : 295.58
	Profit / Loss before Tax (+ for profit - for loss)	: 203.12	Profit/Loss after Tax (+ for profit - for loss) : 140.35
	Earning per share	: 0.03	Dividend Rate : Nil
V	Generic Names of Three Principal Products/Services of Company		
	Item Code No.(ITC Code)		
	Product description	: N.A.	

For & On Behalf of Board of Directors

Nileshkumar Khatri **Kamlesh Thothawala**
 Managing Director Director