

TWENTY THIRD ANNUAL REPORT 2012-2013 PRESHA METALLURGICAL LIMITED

BOARD OF DIRECTOR

NILESHKUMAR HASMUKLAL KHATRI - DIRECTOR
KAMLESH THOTHAWALA - DIRECTOR
RAMANLAL NAGJIBHAI TRIVEDI - DIRECTOR

AUDITOR

M/S. Y. D. & CO.
Chartered Accountants
LUDHIANA

SHARE TRANSFER AGENT

PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED
Unite No. 9, Shiv Shakti Industrial Estate, Ground Floor,
JR Boricha Marg, Opp. Kasturba Hospital,
Lower Parel (E), Mumbai- 400011,
Ph No: 22-2301 6761 / 8261
Fax No: 22-2301 2517

REGISTERED OFFICE

A/302, MARUTI COMPLEX, NR NATUBHAI CIRCLE,
GOTRI ROAD, VADODARA-390006,
GUJARAT, INDIA

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N O T I C E

NOTICE is hereby given that the **Twenty Third Annual General Meeting** of the Members of **PRESHA METALLURGICAL LIMITED (Formally known as JALAN METALLURGICAL LIMITED)** will be held at the Registered Office of the Company at **A/302, Maruti Complex, Nr. Natubhai Circle, Gotri Road, Vadodara-390006, Gujarat, India** on **Monday, 30th day of September, 2013 at 10.00 A. M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at **31st March, 2013** and the Profit & Loss Account for the year ended on that date and the reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Ramanlal Nagjibhai Trivedi who retires by rotation and being eligible, offers him-self for re-appointment.
3. To appoint Auditor and to fix their remuneration.

**By Order of the Board
For, PRESHA METALLURGICAL LIMITED**

PLACE: VADODARA

DATE: 31.08.2013

**Sd/-
(NILESH KHATRI)
CHAIRMAN**

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 OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME SCHEDULED FOR HOLDING THE MEETING.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Members desiring any information on the Accounts are requested to write to the Company at least one week before the meeting, so as to enable the Management to keep the information ready. Replies will be provided only at the meeting.
4. Members are requested to notify the Company of any change in their address (in full) with the postal area pin code number, quoting their folio numbers.
5. The Register of Members and Share Transfer Register of the Company will remain closed from 23rd September, 2013 to 30th September, 2013.
6. M/s. Satellite Corporate Services Private Limited having its registered office at B-203, Sony Apt., Opp. St. Jude's High School, 90Ft Road, Jarimari, Sakinaka, Mumbai-400072, Maharashtra, INDIA are Registrars and Share Transfer Agents for Company's shares in Demat and Physical Form. The members are requested to please ensure that their shares are converted into Demat Form.
7. Additional information as required in terms of paragraph 3 of the Clause 49 of the Listing Agreement on Director seeking re-appointment at the ensuing Annual General Meeting is as under:

Mr. Ramanlal Trivedi is Director of the Company. He has been associated with the Company w.e.f. 1th July, 2011. He is Member of the Audit Committee and Share Transfer and Grievances Committee of the Company. Mr. Ramanlal Trivedi retires by rotation and being eligible offers himself for re-appointment.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors here by present the Twenty Third Annual Report on business and operations of the Company together with the Audited statements of Accounts for the financial year ended on **31st March 2013**.

REVIEW OF OPERATIONS:

During the year under review due to sluggish market condition and financial crisis company faces huge set back. So company not in position to generate any revenue from the operation but due to some fixed cost company posted Net Loss of Rs.361561. The management has taken measures as part of its continuous improvements to strengthen operations and viability.

DIVIDEND:

Your Directors have not declared any dividend during the year under review due to loss incurred.

FIXED DEPOSIT:

The Company has not accepted any deposit from the public pursuant to the provisions of Section 58A of the Companies Act, 1956.

CHANGE OF BOARD OF DIRECTORS:

Mr. Ramanlal Nagjibhai Trivedi Director of the Company is retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

AUDITORS AND AUDITORS' REPORT:

M/s. Y. D. & Co., Chartered Accountants, Ludhiana, Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and eligible for reappointment.

The observations made by the Auditors' in their Auditors' Report and the Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under the provisions of Clause 49 of the listing agreement forming part of this report is annexed herewith. The Audit Committee of the Company has regularly reviewed internal Control System of the company.

PARTICULARS OF EMPLOYEES:

The statement showing particulars of employees under section 217(2A) of the Companies Act, 1956, read with the companies (Particulars of Employees) Rules, 1975, as amended, is not required to be given as there were no employees coming within the purview of this section.

CORPORATE GOVERNANCE REPORT:

Your Company has complied with the requirements of Clause 49 of the Listing Agreement on Corporate Governance. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Report on Corporate Governance along with the Auditors' Certificate on its compliance is annexed separately to this Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of conservation of energy, technology absorption etc. as required to be given under Section 217(1)(e) of the Companies Act 1956, are not applicable to our Company, as our Company has not carried out any manufacturing activities.

The foreign exchange earning on account of the operation of the Company during the year was Rs. Nil.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) 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 that period;
- iii) the Directors 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) Directors have prepared the accounts on a "going concern basis".

ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Banks, Government Authorities, Customers, and Shareholders during the year. Your directors also wish to take on record their deep sense of appreciation for the committed services of the employees at all levels, which has made our Company successful in the business.

**For and on Behalf of the Board
For, PRESHA METALLURGICAL LIMITED**

PLACE: VADODARA

DATE: 31.08.2013

**Sd/-
(NILESH KHATRI)
CHAIRMAN**

Annexure to Director's Report

MANAGEMENT DISCUSSION ANALYSIS REPORT

Outlook:

The company is confident in spite of the possible recessionary conditions in the industry it will perform better in view of the strong fundamentals of the Indian companies and hope to improve its Turnover.

Internal Controls Systems and their adequacy:

The company has adequate internal control systems to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance of law and regulations. The internal control system is supported by the internal audit process. The Internal Auditor reviews and ensures that the audit observations are acted upon. The Audit Committee of the Board reviews the Internal Audit reports and the adequacy and effectiveness of internal controls.

Human Resources

The relationship with the employees continues to be cordial. The Company recognizes the importance and contribution of its employees for its growth and development and constantly endeavors to train nurture and groom its people. The Company puts emphasis on attracting and retaining the right talent. The company places emphasis on training and development of employees at all levels and has introduced methods and practices for Human Resource Development.

Cautionary Statement:

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be forward looking statement within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31ST MARCH, 2013

1. THE CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance at the Company is by the need to "enhance shareholder value, keeping in view the interests of other stakeholders". This definition places emphasis on the need to strike a balance at all times between the need to enhance shareholders' wealth whilst not being detrimental to other stakeholders' interests. The imperative for Corporate Governance lies not merely in drafting a code of Corporate Governance, but in practicing it to achieve desired results.

2. BOARD OF DIRECTORS

The Board of Directors is having non-executive and independent directors as on 31st March, 2013. The Board of Directors is consisting of Three Directors. The Directors manages the day to day affairs of the Company. Non-executive and independent directors did not have any pecuniary relationship of transactions with the company during the period under review. There are no material transactions where they have had personal interests that conflict with that of the Company.

Numbers of Board Meetings held and the dates on which such meetings were held:

During the financial year 2012-13 the Board met 7 (Seven) times on 04.04.2012, 07.04.2012, 23.05.2012, 03.08.2012, 06.08.2012, 03.11.2012, 02.02.2013. The maximum gap between two meetings was not more than 4 months.

Attendance record of Directors attending the Board meetings and Annual General Meetings

Name of the Director	Designation/ Category	No. of Board Meetings		Last AGM attended
		Held	Attended	
Mr. Ramanlal Trivedi	Non Executive & Independent	7	7	No
Mr. Kamlesh Thothawala	Non Executive & Independent	7	7	Yes
Mr. Nileshkumar Khatri	Executive & Non Independent	7	7	Yes
None of the Director is a member in more than 10 Companies and Act as Chairman in more than 5 Companies across all Companies in which he is a Director.				

3. AUDIT COMMITTEE

The Audit Committee of the Company presently comprises of three Directors being Mr. Nileshkumar H. Khatri, Mr. Ramanlal Nagjibhai Trivedi and Mr. Kamlesh Thothawala. Mr. Nileshkumar H. Khatri is Chairman of the Committee.

The role, terms of reference, authority and powers of the audit committee are in conformity with the requirement of Companies Act, 1956, and Listing Agreement.

Role/ Functions of the Committee:

- Reviewing with management the annual financial statements before submission to the Board.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Review of policies relating to risk management – operational and financial.
- Reviewing with the management, external auditors and the adequacy of the internal control system.

Powers of the Committee:

- To investigate any activity within its terms of reference.
- To secure attendance of and seek any information from any employee including representative of the prime shareholders (subject to their internal approvals).
- Compliance with accounting standards.
- To obtain outside legal or other professional advice if necessary.
- To secure attendance of outsiders with relevant expertise if it considers necessary.
- Compliance with Stock Exchange and legal requirements concerning financial statements.

Attendance at the Audit Committee Meetings

During the year the Audit Committee met 4 times on 23.05.2012, 06.08.2012, 03.11.2012, 02.02.2013. Attendance of the members is as under:

Name	No. of Meeting attended	
	Held	Attended
Mr. Ramanlal Trivedi	4	4
Mr. Kamlesh Thothawala	4	4
Mr. Nileshkumar Khatri	4	4

4. REMUNERATION COMMITTEE

As neither remuneration nor sitting fee paid to the director as no remuneration Committee has been set up.

5. SHAREHOLDERS TRANSFER AND GRIEVANCES COMMITTEE

This committee consists of three directors namely, Mr. Nileshkumar H. Khatri, Mr. Ramanlal Nagjibhai Trivedi and Mr. Kamlesh Thothawala.

Mr. Kamlesh Thothawala is Chairman of the Committee. The committee was constituted to redress shareholders'/ investors' complaints etc. relating to delay in transfer of shares, non-receipt of annual accounts, delay in balance sheet, split-up share certificate, issue duplicate certificate, transmission of shares, dematerialization of shares etc. relating to the shares issued by the Company. Mr. Kamlesh Thothawala Director of the Company has been authorized by the Board to approve such transfers within the time stipulated under the Listing Agreement. Further the complaints of the above nature are promptly attended by the Compliance Officer. Mr. Kamlesh Thothawala has been appointed as the Compliance Officer of the Company by the Board of Directors.

There is no pending, unsolved complaint of Shareholders of the Company and no pending Share Transfer.

6. GENERAL BODY MEETINGS

Location and time for last 3 years Annual General Meetings:

Financial Year	Location	Date	Time A.M./ P.M.	Particulars of the Special Resolution
2011-12	A/302, Maruti Complex, Gotri Road, Nr. Natubhai Circle, Vadodara -390006	31.08.12	02.00 P.M.	No Special Resolution was passed in the meeting
2010-11	A/302, Maruti Complex, Gotri Road, Nr. Natubhai Circle, Vadodara -390006	15.06.11	01.30 P.M.	No Special Resolution was passed in the meeting
2009-10	A/302, Maruti Complex, Gotri Road, Nr. Natubhai Circle, Vadodara -390006	30.09.10	11.00 A.M.	No Special Resolution was passed in the meeting
No special resolution was required to be carried out through postal ballot during the last year. No resolution is proposed by postal ballot at the ensuing Annual general meeting.				

Location and time where Extraordinary General Meetings were held for last three years:

Financial Year	Location	Date	Time A.M./ P.M.	Particulars of the Special Resolution
2012-13	--	--	--	--
2011-12	A/302, Maruti Complex, Gotri Road, Nr. Natubhai Circle, Vadodara -390006	21.04.2011	01.00 P.M.	- Change of name of company - Increased Authorized Capital - Alteration in MOA & AOA - Issue of Convertible Warrants on Preferential Basis
2010-11	--	--	--	--

The above resolution which was put to vote by show of hands was passed unanimously.

7. DISCLOSURES

- There are no materially significant related party transactions i.e. transactions of the Company of material natures, with its promoters, the directors or the managements, their subsidiaries or relatives etc., that may have potential conflict with interest of the Company at large.
- No penalties or strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markers, during the last three years.
- The Company has complied with various rules and regulations prescribed by the Stock Exchange and SEBI during the last three years. No penalties or strictures have been imposed by them on the Company.

8. MEANS OF COMMUNICATION

The Company has submitted its quarterly, half yearly and yearly financial results to the Stock Exchanges as well as website of the company immediately after its approval by the Board. The Company did not send the half yearly report to the Shareholders of the Company.

9. GENERAL SHAREHOLDERS INFORMATION

Financial Year	1st April to 31st March
Date and time of Annual General Meeting	Monday, 30th September, 2013 at 10.00 A.M.
Venue of Annual General Meeting	A/302, Maruti Complex, Gotri Road, Nr. Natubhai Circle, Vadodara-390006
Dates of Book Closure	23.09.2013 to 30.09.2013
Listing on Stock Exchange	BSE Limited, Mumbai, ASE Limited, Ahmedabad VSL Limited, Vadodara
Stock Code and Scrip ID	513613 (BSE) and PRESHA MET (BSE) and 25929 (ASE), 312 (VSL)
Demat ISIN No.	INE908L01013
Tentative Calendar for financial year ending 31st March, 2014	
Quarterly Financial Results	Date of Board Meeting
First Quarterly Results	Last week of July, 2013
Second Quarterly Results	Last week of October, 2013
Third Quarterly Results	Last week of January, 2014
Fourth Quarterly Results	Last week of April, 2014

10. CATEGORIES OF SHAREOWNERS AS ON 31.03.2013

Category	No. of Shares Held	Voting Strength (%)
Promoters	Nil	Nil
Resident Individuals	2704053	18.92
Financial Institutions/ Banks	Nil	Nil
Bodies Corporate	11525746	80.66
NRIs/ OCBs	Nil	Nil
Directors Relatives	Nil	Nil
Others (HUF)	60001	0.42
Total	14289800	100.00

11. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2013

Share Balance	Holders	% of Total	Total Shares	% of Total
Up to – 2500	123	56.42	10798	0.08
2501- 5000	19	8.72	9152	0.06
5001- 10000	3	1.38	2700	0.02
10001- 20000	5	2.29	7637	0.05
20001- 30000	0	0.00	0	0.00
30001- 40000	1	0.46	3500	0.02
40001- 50000	8	3.67	38800	0.27
50001-100000	8	3.67	66643	0.47
100001 and above	51	23.39	14150570	99.03
Total	218	100.00	14289800	100.00

12. STOCK MARKET DATA

The monthly movement of Equity Share prices on BSE during the year is summarized below:

Month	Highest (Rs)	Lowest (Rs)
April, 2012	60.00	52.40
May, 2012	75.10	62.60
June, 2012	97.10	77.90
July, 2012	196.80	101.95
August, 2012	200.70	185.20
September, 2012	287.00	174.35
October, 2012	340.00	289.20
November, 2012	350.00	329.20
December, 2012	390.00	340.00
Jan, 2013	377.50	227.20
Feb., 2013	238.00	118.50
March, 2013	119.00	83.25

13. REGISTRAR AND SHARE TRANSFER AGENT

M/s. Purva Shareregistry (India) Private Limited having its registered office at 9, Shiv Shakti Industrial Estate, Gr. Floor, J. R. Boricha Marg, Mumbai-400011, Maharashtra, INDIA is the Registrar & Share Transfer Agent for processing the transfer of securities issued by the Company.

14. SHARE TRANSFER SYSTEM:

Transfer of Shares in Physical form are registered and dispatched within 3 weeks from the date of their receipts, subject to the documents being valid and complete in all respects. Transfer of shares are processed by the Share Transfer Agents and approved by the Share Transfer Committee called as “Investor / Shareholders Grievance Committee”, which meets at frequent intervals. Share transfers are registered and returned within 15 days from the date of receipt, if the relevant documents are complete in all respect.

15. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Equity Shares of your company are traded in compulsory dematerialization form by all investors. The company has entered into agreements with existing Depository, National Securities Depository Limited (NSDL) enabling the investors to hold shares of the company in electronic form through the depository of their choice.

16. ADDRESS FOR CORRESPONDENCE:

A/302, Maruti Complex, Gotri Road, Nr. Natubhai Circle, Vadodara-390006

Investors Correspondence/ Complaints to be address to:

MR. NILESHKUMAR H. KHATRI - Director and Compliance Officer

E-mail: jalan.metallurgical@yahoo.in

17. DECLARATION:

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY

In the above regards, I declare as follows:

1. The company does have a code of conduct approved by its board of directors, which would be posted on its website shortly.
2. All the members of the board of directors and all the members of the Senior Management of the Company have individually submitted statements of affirmation of compliance with the code of conduct as applicable to the financial year ended on March 31st 2013.

PLACE: VADODARA

DATE: 31.08.2013

**For and on Behalf of the Board
For, PRESHA METALLURGICAL LIMITED**

**Sd/-
(NILESH KHATRI)
CHAIRMAN**

CEO/CFO Certification
(Issued in accordance with provisions of Clause 49 of the Listing Agreement)

To,
The Board of Director
PRESHA METALLURGICAL LIMITED
Vadodara

I **KAMLESH THOTHAWALA**, Chairman and Director of **PRESHA METALLURGICAL LIMITED**, to the best of my knowledge and belief certify that:

1. I have reviewed the Balance Sheet, Profit & Loss Account and its schedules & notes on accounts as well as the Cash Flow Statement and Directors' Report for the year ended 31st March, 2013 and that to the best of my knowledge and belief.
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. I also certify that to the best of my knowledge and the information provided to me, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. I am responsible for establishing and maintaining internal controls for financial reporting and that 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, of which I am aware and the steps. I have taken or propose to take to rectify these deficiencies.
4. I have indicated to the Auditors and the Audit Committee:
 - significant changes in internal control, if any, over financial reporting during the year;
 - significant changes, if any, in accounting policies during the year and that the financial statements; and
 - instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system.
5. I further declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year ended on 31st March, 2013.

PLACE: VADODARA
DATE: 31.08.2013

Sd/-
(KAMLESH THOTHAWALA)
DIRECTOR

Certification on Corporate Governance

To the members of PRESHA METALLURGICAL LIMITED:

We have examined the compliance of conditions of Corporate Governance by **PRESHA METALLURGICAL LIMITED** for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of condition 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 conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

For, Y. D. & Co
CHARTERED ACCOUNTANTS
FRN: 018846N

PLACE: LUDHIANA
DATE: 31.08.2013

Sd/-
CA RAKESH PURI
PARTNER
M. No.: 092728

AUDITORS' REPORT TO THE MEMBERS OF PRESHA METALLURGICAL LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **PRESHA METALLURGICAL LIMITED** which comprise the Balance Sheet as at 31 March 2013 and the Statement of Profit and Loss and for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position & financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2013;
- ii) in the case of the statement of profit and loss, of the profit for the year ended on that date;
- iii) In the case of cash flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c. the Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account .
- d. in our opinion, the Balance Sheet & Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
- e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For, Y. D. & Co
CHARTERED ACCOUNTANTS
FRN: 018846N**

**PLACE: LUDHIANA
DATE: 31.08.2013**

**Sd/-
CA RAKESH PURI
PARTNER
M. No.: 092728**

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of PRESHA METALLURGICAL LIMITED (Formerly known as Jalan Metallurgical Ltd.) on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. Company does not have inventories during the year hence other sub clause not applicable
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. The Company does have Internal Audit System.
8. As per information and according to explanation given to us, maintenance of cost records as prescribed by the Central Government under clause (d) of sub- section (1) of section 209 of the Act, does not applicable to the Company.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The accumulated losses at the end of the financial year are not more than 50% of its net worth and it has incurred cash losses of Rs 3,61,561/- during the financial year under report and it has also incurred cash losses in the immediately preceding financial year.
 11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
 12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
 14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
 15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
 16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
 17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
 18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
 19. The Company has no outstanding debentures during the period under audit.
 20. The Company has not raised any money by public issue during the year.
 21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

PLACE: LUDHIANA
DATE: 31.08.2013

For, Y. D. & Co
CHARTERED ACCOUNTANTS
FRN: 018846N

Sd/-
CA RAKESH PURI
PARTNER
M. No.: 092728

BALANCE SHEET AS AT 31ST MARCH 2013			
(Amount in Rupees)			
Particulars	Notes	March 31, 2013	March 31, 2012
I. EQUITY AND LIABILITIES			
<u>(1) Shareholder's Funds</u>			
(a) Share Capital	2	142898000	42898000
(b) Reserves and Surplus	3	398830796	343192357
(c) Money received against share warrants (1000000 Equity Warrant on Pref. basis)		00	86000000
<u>(2) Share Application money pending allotment</u>		00	00
<u>(3) Non-Current Liabilities</u>			
(a) Long-Term Borrowings	4	00	53250000
<u>(4) Current Liabilities</u>			
(a) Trade Payables	5	70732	16799
(b) Other Current Liabilities		00	00
(c) Short-Term Provisions	6	115936	115936
Total Equity & Liabilities		541915464	525473092
II. ASSETS			
<u>(1) Non-Current Assets</u>			
(a) Fixed Assets	7	38000000	38000000
(b) Non-current investments	8	175307300	42098800
(c) Long term loans and advances	9	93500000	305466499
(d) Other non-current assets	10	00	20457950
<u>(2) Current Assets</u>			
(a) Current investments	11	149522800	00
(b) Trade receivables	12	83211500	00
(c) Cash and cash equivalents	13	2318034	2373013
(d) Short-term loans and advances	14	55830	117076830
Total Assets		541915464	525473092
Notes to Accounts 1 to 20			
Schedules referred to above and notes attached there to form an integral part of Balance Sheet			
This is the Balance Sheet referred to in our Report of even date.			
For Y. D. & Co.		FOR AND ON BEHALF OF THE BOARD	
CHARTERED ACCOUNTANTS			
Firm Reg. No. 018846 N			
Sd/- (CA RAKESH PURI) PARTNER Membership No. 092728 Place: Ludhiana Date: 31.08.2013	Sd/- KAMLESH THOTHAWALA (DIRECTOR)	Sd/- NILESHKUMAR KHATRI (DIRECTOR)	
	Place: Vadodara Date: 31.08.2013		

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2013				
(Amount in Rupees)				
Sr. No	Particulars	Notes	2012-13	2011-12
I	Revenue from operations		00	00
II	Other Income		00	00
III	III. Total Revenue (I +II)		00	00
IV	<u>Expenses:</u>			
	Employee Benefit Expense	15	187000	00
	Financial Costs	16	935	977
	Depreciation and Amortization Expense		00	00
	Other Expenses	17	173626	367435
	Total Expenses (IV)		361561	368412
V	Profit before exceptional and extraordinary items and tax	(III - IV)	(361561)	(368412)
VI	Exceptional Items (Excess provision Added Back)		00	00
VII	Profit before extraordinary items and tax		(361561)	(368412)
VIII	Extraordinary Items		00	00
IX	Profit before tax (VII - VIII)		(361561)	(368412)
X	<u>Tax expense:</u>		00	00
XI	Profit(Loss) from the period from continuing operations	(IX-X)	(361561)	(368412)
XII	Profit/(Loss) from discontinuing operations		00	00
XIII	Tax expense of earlier period		00	00
XIV	Profit/(Loss) from Discontinuing operations	(XII - XIII)	00	00
XV	Profit/(Loss) for the period (XI + XIV)		(361561)	(368412)
XVI	Earning per equity share:			
	(1) Basic		00	00
	(2) Diluted		00	00
Notes to Accounts		1 to 20		
Notes referred to above and notes attached there to form an integral part of Profit & Loss Statement				
This is the Profit & Loss Statement referred to in our Report of even date.				
For Y. D. & Co.		FOR AND ON BEHALF OF THE BOARD		
CHARTERED ACCOUNTANTS				
Firm Reg. No. 018846 N				
Sd/- (CA RAKESH PURI) PARTNER Membership No. 092728 Place: Ludhiana Date: 31.08.2013	Sd/- KAMLESH THOTHAWALA (DIRECTOR)	Sd/- NILESHKUMAR KHATRI (DIRECTOR)		
	Place: Vadodara Date: 31.08.2013			

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013		
(Amount in Rupees)		
	2012-13	2011-12
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and Extra Ordinary Items	(361561)	(368412)
Operating Profit before Working Capital Changes	(361561)	(368412)
Changes in Working Capital		
Increase/(Decrease) in Receivables	(83211500)	1707950
Changes in Loans, Advances Tax/TDS	349445449	(441393279)
Increase/(Decrease) in Other payables	53933	(1248748)
Less-Tax paid	00	00
Net cash from Operating Activities	265926321	(441302489)
B CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase /sale of Investment	(282731300)	(42098800)
Net cash flow from Investing Activities	(282731300)	(42098800)
C Cash Flow From Financing Activities		
Proceeds from issue of : Preferential Warrant	14000000	86000000
Proceeds from : Premium on warrant	56000000	344000000
Public Issue expenses/adjustments	00	173198
Proceeds from Borrowing	(53250000)	53250000
Net Cash Received From Financing Activities	16750000	483250000
<u>Net Increase/(Decrease) in Cash & Cash Equivalent(A+B+C)</u>	(54979)	(151289)
Opening cash & cash equivalent	2373013	2524302
Closing cash & cash equivalent	2318034	2373013

Notes :

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash flow Statements" Issued by the ICAI.
2. Previous Year's figures have been reclassified to confirm with current year's presentation, where applicable

This is the Cash Flow Statement referred to in our report of even date.

For Y. D. & Co.

CHARTERED ACCOUNTANTS

Firm Reg. No. 018846 N

Sd/-

(CA RAKESH PURI)

PARTNER

Membership No. 092728

Place: Ludhiana

Date: 31.08.2013

FOR AND ON BEHALF OF THE BOARD

Sd/-

KAMLESH THOTHAWALA

(DIRECTOR)

Place: Vadodara

Date: 31.08.2013

Sd/-

NILESHKUMAR KHATRI

(DIRECTOR)

NOTE: 1: SIGNIFICANT ACCOUNTING POLICIES

- (1) The Accounts are prepared on an accrual basis except otherwise stated and under the historical cost conventions, and are in line with the relevant laws as well as the guidelines prescribed by the Department of Company affairs and the Institute of Chartered Accountants of India.
- (A) **SYSTEM OF ACCOUNTING:** The Company has adopted the accrual basis of accounting in the Preparation of the books of accounts.
- (B) **REVENUE RECOGNITION:** All incomes are accounted for on accrual basis.
- (C) **EXPENSES:** It is Company's policy to account for expenses on accrual basis.
- (D) **TAXATION:** Provision for current tax is not made in the absence of taxable profits during the year as per the applicable provisions of the Income Tax Act, 1961. Deferred Tax Liability/Assets have not arisen during the year.
- (E) **INVENTORIES:** The Company does not have inventories.
- (F) **FIXED ASSETS:** Fixed assets are carried at cost less depreciation. Capital work-in-progress is carried at direct cost subject to loading of indirect/incidental cost at the time of capitalization.
- (G) **INVESTMENTS:** Long term investments are stated at cost. Provision for diminution in the value of long term investment is made only if such decline is other than temporary in the opinion of the management.
- (H) **RETIREMENT BENEFITS:** Provisions of Gratuity are not applicable, as none of the employee has put qualifying service for the same.
- (I) **MISCELLANEOUS EXPENDITURE:** Preliminary Expenses are amortized over 5 years.

Note : 2 Share Capital

Sr. No	Particulars	Current Year	Previous Year
1	<u>AUTHORIZED CAPITAL</u> 1,50,00,000 Equity Shares of Rs. 10/- each	150,000,000	50,000,000
		150,000,000	50,000,000
2	<u>ISSUED CAPITAL:</u> To the Subscribers of the Memorandum 45,50,000 Equity Shares of Rs. 10/- each	45,500,000	45,500,000
3	<u>Subscribed & Paid up :</u> 42,89,800 Equity Shares of Rs. 10/- each 10000000 warrant converted to equity	42,898,000 1,00,000,000	42,898,000 00
	Total in	142,898,000	42,898,000

Note : 3 Reserve & Surplus

1	Securities Premium reserve	400,000,000	344,000,000
2	Surplus (Profit & Loss Account)	(1,169,204)	(807,643)
	Balance brought forward from previous year	(807,643)	(439,231)
	Less: Prior Period Item TDS written Off	00	00
	Add: Profit for the period	(361,561)	(368,412)
	Total in	398,830,796	343,192,357

Note : 4 Long Term Borrowings (Unsecured)

Sr. No	Particulars	Current Year	Previous Year
1	Other Loans & Advances	00	53,250,000
	Total in	00	53,250,000

Note : 5 Trades Payable

1	-Sundry Creditors for Services:	70,732	16,799
	Total in	70,732	16,799

Note : 6 Short Term Provisions

1	Provision for Taxation	105,936	105,936
2	Audit Fees Provisions	10,000	10,000
	Total in	115,936	115,936

Note : 8 Non Current Investment

1	Investment in Equity Instrument(At Cost)		
	Quoted		
	205000 Equity Shares of Simplex Trading And Agencies Ltd	42,098,800	42,098,800
	5000000 Equity Share of INTERFACE FINANCIAL SERVICES LTD	5,000,000	00
	KAPPAC PHARMA LTD	23,000,000	00
	SAIANAND COMMERCIAL LIMITED	20000000	00
	SUN AND SHINE WORLDWIDE LIMITED	80000000	00
	TURBOTECH ENGINEERING LIMITED	1,708,500	00
		171,807,300	42,098,800
	Unquoted		
	1750 Eq Shares of Balmukhi Textiles P.Ltd	3,500,000	00
		3,500,000	00
	Total in	175,307,300	42,098,800

Note : 9 Long Term Loans and Advances

1	Other Loans : (Considered Good) (to corporate)	93,500,000	305,466,499
	Total in	93,500,000	305,466,499

Note : 10 Other Non Current Assets

1	Long Term Trade Receivables		
	a) Secured, Considered Good :	00	00
	b) Unsecured, Considered Good :	00	20,457,950
	c) Doubtful	00	00
2	Others	00	00
	Total in	00	20,457,950

Note : 8 Fixed Asset

I. Fixed Asset

Sr. No	Particulars	Rate	Gross Block				Depreciaton				Net Block	
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	31.03.13	WDV as on 31.03.2012
I	Tangible Assets											
	Free Hold Land	0.00%	38,000,000	--	-	38,000,000			--	--	38,000,000	38,000,000
	SUB TOTAL (A)		38,000,000	--	--	38,000,000	--	--	--	--	38,000,000	38,000,000
	(Previous Year)		38,000,000	--	--	38,000,000	--	--	--	--	38,000,000	38,000,000

Note : 11 Current Investment

Sr. No	Particulars	Current Year	Previous Year
1	Investment in Equity Instrument(At Cost)		
	<u>Quoted</u>	00	00
2	<u>Unquoted</u>		
	pan	10522800	00
	parvati	45000000	00
	pratik	30000000	00
	rudra	12,000,000	00
	Shankeshwer	30,000,000	00
	Vashi	20,000,000	00
	Induram	2,000,000	00
	Total in	149,522,800	00

Note : 12 Trade Recievables

1	<u>Outstanding for more than six months</u>		
2	<u>Others</u>		
	a) Secured, Considered Good :	00	00
	b) Unsecured, Considered Good :	83211500	00
	c) Doubtful	00	00
	-		
	Total in	83211500	00

Note : 13 Cash & Cash Equivalent

1	<u>Cash-in-Hand</u>		
	Cash Balance	2,300,603	2,350,771
	Sub Total (A)	2,300,603	2,350,771
2	<u>Bank Balance (Scheduled)</u>		
	Bank Of India 540	65	5,368
	Bank Of India 544	17,366	16,874
	Sub Total (B)	17,431	22,242
	Total [A + B + C]	2,318,034	2,373,013

Note :14 Short Terms Loans and Advances

1	Others		
	Prepaid Expenses	55,830	55,830
	Other Loans & Advances	00	117,021,000
	Total in	55,830	117,076,830

Note : 15 Employment Benefit Expenses

1	Salaries, Bonus, PF & ESIC	187000	00
	Total in	187000	00

Note : 16 Financial Cost

1	Bank Charges	935	977
	Total in	977	430

Note : 17 Depreciation & Amortized Cost

Sr. No	Particulars	Current Year	Previous Year
1	Audit Fees	10,000	10,000
2	Annual Custody Fees	35,954	35,296
3	Listing Fees	63,039	111,164
4	Conveyance Expenses	00	00
5	Postage And Telegram Expenses	00	00
6	Professional Fees	1,500	6,500
7	Processing fees	00	148,175
8	RTA Expenses	53,933	16,554
9	Revocation Charges	00	00
10	Legal Fees	1,500	27,575
11	Computer Expenses	00	00
12	Printing And Stationery Expenses	4,400	3,721
13	Telephone Expenses	00	00
14	Web site Developing Exp.	00	5,200
15	Misc. Exp.	3,300	3,250
	Total in	173,626	367,435

Note: 18 Expenditure in foreign currency: Nil

Note: 19 Expenditure in foreign currency: Nil

Note: 20 Balance of Sundry Debtors, Creditors, Loans & Advances given and accepted as agreed by the management, is subject to confirmation.

As per our report of even date:

For Y. D. & Co.

CHARTERED ACCOUNTANTS

Firm Reg. No. 018846 N

Sd/-

(CA RAKESH PURI)

PARTNER

Membership No. 092728

Place: Ludhiana

Date: 31.08.2013

FOR AND ON BEHALF OF THE BOARD

Sd/-

KAMLESH THOTHAWALA

(DIRECTOR)

Place: Vadodara

Date: 31.08.2013

Sd/-

NILESHKUMAR KHATRI

(DIRECTOR)

PRESHA METALLURGICAL LIMITED

Reg. office Address: A/302, Maruti Complex, Nr. Natubhai Circle, Gotri Road, Vadodara-390006, Gujarat, India

23RD ANNUAL GENERAL MEETING

On 30.09.2013 at 10.00 a.m. at registered office of the company

DP. Id*		Name & address of the registered shareholder
Client Id*		
Regd. Folio No.		

* Applicable for shareholding in electronic form.

I/We certify that I/We am/are a registered shareholder / proxy for the registered shareholder of the Company. I/We hereby record my/our presence at the 23rd Annual General Meeting of the Company

Signature of Member/s/ Proxy

NOTE: A member or his duly appointed Proxy willing to attend the meeting must fill-up this Admission Slip and hand over at the entrance.

✂-----Cut Here-----

FORM OF PROXY**PRESHA METALLURGICAL LIMITED**

Reg. office Address: A/302, Maruti Complex, Nr. Natubhai Circle, Gotri Road, Vadodara-390006, Gujarat, India

23RD ANNUAL GENERAL MEETING

On 30.09.2013 at 10.00 a.m. at registered office of the company

I/We

\of.....

Member / Members of PRESHA METALLURGICAL LIMITED hereby

appoint..... ofof failing him/

her..... ofas my/

our Proxy to attend and vote for me/us on my/ our behalf at the 23rd Annual General Meeting of the Company to be

held on 30.09.2013 at 10:00 at registered office of the company and at any adjournment thereof.

Signed on thisday of2013.

Affix Revenue Stamp

Signature

Ref. Folio No		Demat Account No		D.P. ID No	
---------------	--	------------------	--	------------	--

NOTE:

1. The Proxy need NOT be a Member.
2. The Proxy Form must be deposited at the Registered Office not less than 48 hours before the scheduled time for holding the meeting.

BOOK-POST

To,

**If undelivered, please return to:
PRESHA METALLURGICAL LIMITED**

Reg. Office: A/302, Maruti Complex, Nr. Natubhai Circle, Gotri Road, Vadodara-390006, Gujarat, India