

RAJESH MALLEABLES LIMITED

TWENTY NINTH ANNUAL REPORT-2010-11

Board of Directors

Mr. Anuj R. Mehta
Mr. Himanshubhai D. Sanghavi
Mr. Paresh H. Patel

Managing Director
Director
Director

Banker

De na Bank
Vatwa branch, Ahmedabad

Auditors

S. Mandawat & Co., Ahmedabad

Registered Office

4, G.I.D.C. Industrial Estate,
Phase - I, Vatva,
Ahmedabad 382 445.



NOTICE

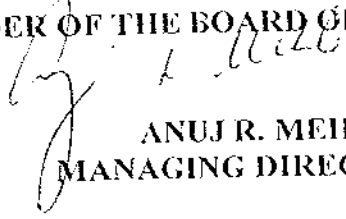
NOTICE is hereby given that the Twenty Nine Annual General Meeting of M/s. Rajesh Malleables Limited will be held on Wednesday, the 29th day of June, 2011 at 2.30 p.m. at Registered Office of the Company at 4, G.I.D.C. Industrial Estate, Phase - I, Vatva, Ahmedabad - 382 445 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st December, 2010 and the Profit & Loss Account for the period ended on that date together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri Himanshubhai D. Sanghvi, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Mr. Subhas K. Mandawat, Chartered Accountants, Ahmedabad as Statutory Auditors and fix their remuneration.

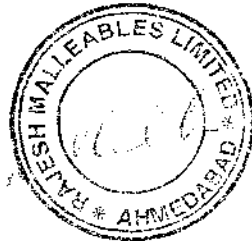
Registered Office:
4, G.I.D.C. Industrial Estate
Phase - I, Vatva,
Ahmedabad - 382 445.
Date: 8th JANUARY, 2011

BY ORDER OF THE BOARD OF DIRECTORS


ANUJ R. MEHTA
MANAGING DIRECTOR

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.
A proxy in order to be valid should be lodged at the Registered Office of the Company not later than 48 hours before the Annual General Meeting.
2. The Register of Members and the Share Transfer Register shall remain closed from 27th June, 2011 to 29th June, 2011 (both days inclusive).
3. Members are requested to intimate the change in their addresses, if any, with the postal area pin code quoting their folio nos. and to quote folio nos. in all future correspondence.



DIRECTORS' REPORT

Dear Shareholders of
Green Malleables Ltd.

Your Directors present herewith their Twenty Nine Annual Report to gather with Audited Statement of Accounts of your Company for the period ended 31st December 2010.

FINANCIAL RESULTS

	(31 st December, 2010) Nine Months Rs.	(2009-10) Rs.
Sales (Net of Excise Duty)	2,87,77,525	3,32,34,862
Other Income	1,23,02,654	2,14,104
Operating Profit/(Loss) (before Interest, Depreciation and Tax)	95,95,911	(34,88,805)
Interest	98,912	81,325
Depreciation (Net)	3,47,351	5,97,396
Profit/(Loss) Before Exceptional Items & Prior Period Expense	91,49,648	(41,67,526)
(Add) Interest paid to statutory dues	---	(25,55,395)
Less: Waiver of secured/unsecured creditors	---	41,25,321
(Add)/: Prior Period Expenses	(5842)	(67945)
Less: Provision for Bad & Doubtful Debts & Advances Written back	1,45,696	43,79,553
(Add): Provision for Income-Tax & Deferred Tax	---	---
Profit/(Loss) After Prior Period Adjustments	92,89,502	20,14,008
Add: (Loss) brought forward from Previous Year	(19,93,36,021)	(19,93,36,021)
Balance carried to Balance Sheet	(18,80,32,511)	(19,73,22,013)

During the year under review the company has made Net Profit of Rs. 92.89 lacs during the period of 9 months as against Rs. 20.14 lacs during the period of 12 months. Your Directors are hopeful that the performance will improve gradually in years to come.

At the board meeting held on 15/10/2010 at the time of review of quarterly performance for the quarter ended on 30/09/2010. The board member observed that net worth may be positive on account of recent developments taken place and therefore your board member desired to reduce accounting year of the company from 31/03/2011 to 31/12/2010 to present true and fair view of positive net worth at the earliest.

Your Directors regret their inability to recommend payment of dividend in view of the performance in the year under review.

OPERATIONS

Your Directors are pleased to inform you that on account of continuous and sincere affords of the entire management team. The net worth of the company became positive and the revival of the company is sustainable. The board of directors recommend to file an application to BIFR for de-registration of case.

DEPOSITS

During the year under review, the Company has not accepted any deposits by invitation from public under Section 58-A of the Companies Act, 1956.

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

The particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure I and forming part of this report.

PARTICULARS OF EMPLOYEES

There is no employee covered under Section 217 (2A) of the Companies Act, 1956.

DIRECTORS

Shri Himanshubahi D. Sanghvi retires by rotation, and being eligible offer himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- 1) That in preparation of the accounts for the period ended 31st December 2010, the applicable accounting standards have been followed;
- 2) That the Directors have selected such accounting policies and applied them consistently and 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;
- 3) That 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;
- 4) That the Directors have prepared the accounts for the period ended 31st December, 2010 on a "going concern" basis.

AUDITORS & AUDITORS' REPORT

Mr. S. Mandawat & Co., Chartered Accountants, Ahmedabad, the Statutory Auditors of the Company holds the office until the conclusion of the ensuing Annual General Meeting. You are requested to re-appoint them and fix their remuneration. The notes on the accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.

CORPORATE GOVERNANCE

The corporate governance report alongwith auditor's certificate regarding compliance of the conditions of corporate governance as stipulated in clause 49 of the listing agreement with the stock exchanges is attached herewith.

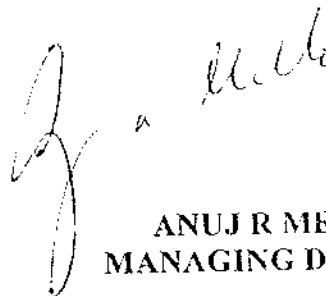
SUBSIDIARY COMPANY

A statement relating to Subsidiary Company, pursuant to Section 212 of the Companies Act, 1956 is attached to the Balance Sheet.

ACKNOWLEDGMENT

The Board of Directors place on record the appreciations for the services rendered by its employees, Financial Institutions, Bankers and other authorities and look forward to their continued support.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



ANUJ R MEHTA
MANAGING DIRECTOR

Place: Ahmedabad.
Date: 8th JANUARY, 2011

(6)

ANNEXURE 'B'

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILISOPHY ON CODE OF GOVERNANCE

Your company has always believed in the concept of good Corporate Governance involving a high level of transparency, accountability and responsibility in all areas of its operations to ensure investors protection. Your company has made necessary changes in the systems and procedures required for effective control, for the steady growth of the company and to increase the value for all stakeholders. Mandatory provisions of corporate Governance as stipulated under listing agreements of Stock Exchanges are being complied with.

2. BOARD OF DIRECTORS

During the year the Board of Directors had one Executive Director and Two Non-Executive Independent Directors. The composition of Board is in compliance with the requirements of Clause 49(1)(A). The detailed composition of the Board and other related information is given in the table below:

Name of the Director	Designation	Category	No. of Directorship held in Public/ Pvt. Ltd. Companies	No. of Memberships / Chairmanships of other Board Committees	No. of Board meeting attended	Attendance at the last Annual General Meeting
Mr. Anuj R. Mehta	Managing Director	Executive Director	4	--	7	Yes
Mr. Himanshubhai D. Sanghavi	Director	Non-Executive & Independent	2	--	7	No
Mr. Paresh H. Patel	Director	Non-Executive Director	3	---	0	No

During the year, seven Board meetings were held, details of which are given in the table below:

Date of meeting
21/04/2010
20/06/2010
20/07/2010
11/08/2010
15/10/2010
21/11/2010
08/12/2010

The time gap between any two meetings was less than 4 months.

3. AUDIT COMMITTEE

The Audit Committee comprising following Directors.

1. Mr. Himanshubhai D. Sanghavi
2. Mr. Paresh H. Patel

The terms of reference are as under:

- > To investigate into any matter in relation to the items specified in Section 292(A) of the Companies Act 1956, and also as contained under Clause 49 of the Listing Agreement.
- > Reviewing 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.
- > Recommending the appointment of external Auditor and fixation of their Audit fee.

- Reviewing with management the Annual financial statements and half yearly and quarterly financial results before submission to the Board
- Reviewing periodically the adequacy of the internal control system.
- Discussions with Internal Auditor on any significant findings and follow up there on.

The composition of the Audit Committee is as under:

Name of the Director	Category	Remarks
Mr. Paresh H. Patei	Non-Executive & Independent	Chairman of the Committee
Mr. Himanshubhai D. Sanghavi	Non-Executive Director	

During the year, five committee meetings were held.

4. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders Grievance Committee was formed by the Board of Directors to ensure the effective redressal of the complaints of the investors. The Committee also recommends steps to be taken for further implementation in the quality and services to the investors.

Composition of the Investors' Grievance Committee

Name of the Director	Category	Remarks
Mr. Anuj R. Mehta	Managing Director	Member
Mr. Paresh H. Patel	Non-Executive & Independent	Chairman of the Committee

During the year, five committee meetings were held.

The Committee reviews redressal of shareholders and investors complaints like transfer of shares, non-receipt of Balance Sheet etc.

5. REMUNERATION COMMITTEE

The Board of Directors has not constituted the Remuneration Committee, as the Company has not revised remuneration to any of the directors after implementation of Corporate Governance guidelines.

Details of Remuneration paid:

a. Managing Director

The company has not paid any Remuneration to the Managing Director during the year (previous year Rs Nil).

Non-Executive Directors Remuneration

Name of the Director	Sitting Fees (Rs.)
Mr. Paresh H. Patel	NIL
Mr. Himanshubhai D. Sanghavi	NIL



6. GENERAL BODY MEETING

The location and time of the last three Annual General Meetings are as under:

AGM No.	Date	Time	Venue
26th	30-09-2008	4.00p.m.	4, GIDE Ind. Estate, Phase-1, Vatwa, Ahmedabad 382 445
27th	30-09-2009	4.00 p.m.	-- As Above --
28th	30-09-2010	4.00 p.m.	-- As Above --

During the year, Extraordinary General Meeting was held on 30-12-2010.

7. DISCLOSURES

- There was no transaction of material nature with the Management or with the Directors of the Company during the year
- There was no instance of Non-compliance of any matter related to the capital markets during the last three years.
- The Company ensures compliance of various statutory requirements by all its divisions and obtains quarterly reports in form of certificate from the head of the divisions. These certificates are placed before the Board on quarterly basis.
- All the statutory registers that are required to be maintained, particularly Registers of contracts in which Directors have interests, Registers of Directors shareholding, Register of investments etc. maintained and continuously updated.

8. MEANS OF COMMUNICATION

The quarterly, half yearly Unaudited/ Audited and Annual financial results (Audited) of the company are not submitted to the Stock Exchanges immediately after the Board meeting approved except in few cases.

9. FINANCIAL CALENDAR FOR THE FINANCIAL YEAR 2010-11

Financial Period	:	1 st April, 2010 to 31st December, 2010
First Quarter ended	:	30 th June, 2010
Half year ended	:	30 th September, 2010
Annual General Meeting For the period 2010-11	:	29 th June, 2011
Date of Book Closure	:	27th June, 2011 to 29 th June, 2011
Listing on Stock Exchange	:	Ahmedabad Stock exchange and Mumbai Stock Exchange
Stock Code	:	422130 (ASE) & 513630 (BSE)

10. MARKET PRICE DATA

There was no transaction reported during the period at Ahmedabad Stock Exchange and Mumbai Stock Exchange.

11 DISTRIBUTION OF SHAREHOLDINGS AS ON 31.12.2010

SHAREHOLDINGS NOMINAL VALUE RS.	SHARE HOLDERS		TOTAL NO OF SHARES	
	NUMBERS	% OF TOTAL	IN RS.	% OF TOTAL
UPTO 500	5781	95.05	7363480	21.04
501 - 1000	156	2.56	1285050	3.67
1001-2000	56	0.92	863460	2.47
2001-3000	43	0.71	1131340	3.23
3001-4000	8	0.13	269960	0.77
4001-5000	11	0.18	535800	1.55
5001-10,000	11	0.18	842060	2.41
10,001 & ABOVE	16	0.26	22708850	64.88
TOTAL	6082	100.00	35000000	100.00

10. CATEGORIES OF SHAREHOLDERS AS ON 31.12.2010

Category	Number of Share held	% of shareholdings
A Promoters Holding		
1 Promoters		
Indian Promoters	1704403	48.70 %
Foreign Promoters	Nil	Nil
2 Persons acting in concert	Nil	Nil
SUB TOTAL	1704403	48.70%
B Non -Promoters Holding	Nil	Nil
3 Institutional Investors	Nil	Nil
a. Mutual Funds & UTI	Nil	Nil
b. Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non- Government Institutions)	Nil	Nil
c. FIIS	Nil	Nil
SUB TOTAL	Nil	Nil
4. Others		
a. Private Corporate Bodies	355100	10.15 %
b. Indian Public	1440497	41.15 %
c. NRIs / OCBs *	Nil	Nil
d. Any Other (Please specify)	Nil	Nil
SUB TOTAL	1795597	51.30 %
GRAND TOTAL	3500000	100.00 %

1. Total Foreign share holding is 'NIL'.

13. SHARE TRANSFER SYSTEM

Due to this mandatory provision, the company has appointed Sharepro Services (India) Pvt Ltd., as it's Registrar and Transfer Agent The Address of the Registrar is as under:

Sharepro Services (India) Pvt. Ltd.
Unit: Rajesh Malleables Ltd.
Dev Mall, 4th Floor,
Opp. Sanyas Ashram, Ellishbridge,
Ahmedabad - 380 025.



14. DEMATERIALIZATION OF SHARES

The Company is in communication with National Securities Depository Ltd. (NSDL) for executing triplicate agreement. As soon as the agreement is executed the shareholders will have an option to dematerialize their shares with the depository.

15. PLANT LOCATION

Rajesh Malleables Ltd., has plants located at the following place:

4, G.I.D.C. Industrial Estate,
Phase - I, Vatva,
Ahmedabad - 382 445.

16. ADDRESS FOR CORRESPONDENCE

Investors and shareholders can correspond with the registered office of the company at the following address:

Rajesh Malleables Limited
4, G.I.D.C Industrial Estate,
Phase - I, Vatva,
Ahmedabad - 382 445.

[Handwritten signature]

[Handwritten initials]

ANNEXURE 'B'

MANAGEMENT DISCUSSION AND ANALYSIS

1. **Overall Review**

The overall performance during the financial year 2010-2011 has been satisfactory.

2. **Financial Review**

Total turnover for the year ended 31st December, 2010 was Rs. 625.71 Lacs.

3. **Internal Control System and their adequacy**

Considering the size of the company, your company has adequate system of internal control to provide reasonable assurance that assets are safeguarded and protected from unauthorized use or deposition.

4. **Business Environment**

The Performance of the company for the year under review was satisfactory.

5. **Risk and Concern**

The building, plant and machinery, vehicle and stocks of the Company are adequately insured.

6. **Cautionary Statement**

Statements in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward looking statements which may be amended or modified in future on the basis of subsequent developments, information of events.

Place: Ahmedabad

Date: 08/01/2011

By order of the Board of Directors

For Rajesh Malleables Ltd.

(Anuj R. Menta)

MANAGING DIRECTOR



CERTIFICATION BY WHOLE TIME DIRECTOR TO THE BOARD

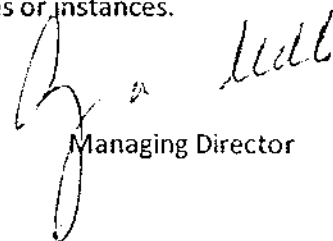
I, Mr. Anuj Mehta, Managing Director of Rajesh Malleables Limited, certify that:

1. I have reviewed the financial statements for the year and that to the best of my knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b. These statements give a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. These are, to the best of our knowledge and belief, 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 accept overall responsibility for the company's internal control system and financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all the levels of management and statutory auditors, and reports significant issues to the Audit Committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies and material weakness.
4. I indicate to the auditors and to the audit committee :
 - a. Significant changes in internal control over financial reporting during the year.
 - b. Significant changes in accounting policies during the year;
 - c. Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.

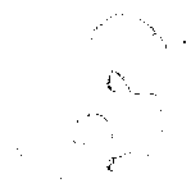
However, during the year there were no such changes or instances.

Date :08/01/2011

place:AHMEDABAD


Managing Director





Declaration by the Chairman & Managing Director about Corporate Governance.

I, Mr. Anuj Mehta, Chairman & Managing Director of Rajesh Malleables Ltd hereby confirm pursuant to clause 49(1) (d) of the listing agreement that :

1. The board of directors of Rajesh Malleables Ltd has laid down a code of conduct for all board members and senior management of company. The said code of conduct has been placed on the company's website.
2. All the members of the board as well as senior management personal have complied with the said code of conduct for the year ended 31st December, 2010.

Place : Ahmedabad

Date : 08/01/2011


Anuj R. Mehta

Chairman & Mg. Director





S. MANDAWAT & CO.
Chartered Accountants

104, Raj Laxmi Plaza, Shahibaug Road,
Ahmedabad-380 004.

Tel. (O) 079-22123473 (M) 94260 72909

E-mail : skmandawat@yahoo.co.in

AUDITORS' REPORT

To the Members of
Rajesh Malleables Limited

1. We have audited the attached Balance Sheet of **Rajesh Malleables Limited** as at December 31, 2010 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the period ended on December 31, 2010, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on 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 (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 hereto a statement on the matters specified in paragraphs 4 and 5 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) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (c) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956;
 - (d) On the basis of written representations received from the directors as on December 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on December 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



(e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

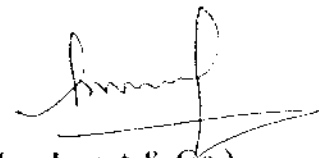
(a) in the case of the Balance Sheet, of the state of the affairs of the Company as at December 31,2010;

(b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date and

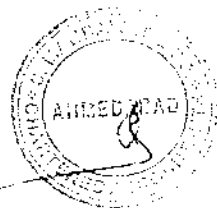
(c) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

Place : Ahmedabad

Date :8th January,2011



(S.Mandawat & Co.)
Chartered Accountant
Subhas K. Mandawat
(Partner)
Membership No.102708
FRN 118330W



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date on the accounts of Rajesh Malleables Limited for the period ended on December 31, 2010)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situations of its fixed assets other than dead stock and vehicles and details of accumulated depreciation.

(b) As explained to us, the fixed assets have been physically verified by the management during the year. We are informed that no material discrepancies have been noticed by the management on such verification except.

(c) In our opinion and according to the information and explanations given to us, the company has not disposed off substantial part of the fixed assets except discarded assets during the period and hence the going concern concept status of the company is not affected.
2. (a) As informed to us, the inventories have been physically verified during the year by the management. 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 are 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 is maintaining proper records of its inventories and no material discrepancies were noticed on physical verification of inventories as compared to the book records.
3. (a) The Company has taken unsecured loans from a director covered in the register maintained under Section 301 of the Companies Act, 1956, the maximum amount involved during the year was Rs.16,71,655/- and period end balance was of Rs. 5,26,655/-.

(b) In our opinion, the terms and conditions of unsecured loans taken from the companies and from a director covered in the register maintained under Section 301 of the Companies Act, 1956, are not prima facie prejudicial to the interest of the Company,

(c) As regards the loans received the Company it has repaid all outstanding dues of secured loans, whereas in case of unsecured loans since no repayment is due, there are no irregularities noticed during the year under review.

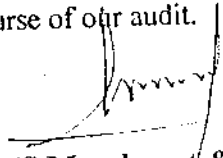
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have observed continuing failure to correct major weaknesses in internal controls system of the company.
5. According to the information and explanations given to us, there is no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly, the clause 4(v)(b) of the order is not applicable.
6. During the year under consideration the Company has not accepted any deposit hence, there is no violation of the section 58A and 58AA of the Companies Act, 1956 during the financial year 2010-11.
7. The Company has in house an internal audit system during the year.
8. The maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 for any products of the Company for the year under review.
9. *As per the information and explanations given to us, the Company is in the process of regularizing in depositing undisputed statutory dues in respect of provident fund, family pension fund, administrative charges of provident fund, employees' state insurance, investor education and protection fund, sales-tax, tax deducted at source, professional tax, welfare fund and service tax etc. The extent of the arrears as at December 31, 2010 for a year of more than six months from the date they became payable are aggregating to Rs. 3039860/- as against such arrears of Rs. 3945710/- as on March 31, 2010.*
10. According to the information and explanations given to us, there are no disputed amounts payable in respect of income-tax, wealth-tax, custom duty, service tax, excise duty and Cess in arrears, as at December 31, 2010 for a year of more than six months from the date they became payable.
11. *The accumulated losses of the Company at the end of the financial period are less than net worth of the company. The net worth of the company became positive. The company is registered as a sick industrial company, as per the provisions of Sick Industrial Companies (Special Provisions) Act, 1985. The company going to file an application to BIFR for de-registration of case.*
12. The Company has not defaulted in repayment of dues of a bank and a financial institution as the company has already arrived at settlement/ assignment with such banks and financial institution.

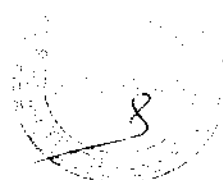


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13. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
16. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
17. During the year, the Company has not obtained any term loan. However, the unsecured loan are converted in to secured loan by way of mortgage of land.
18. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, no funds have been raised on short-term basis from banks and financial institution during the year under review.
19. During the year, the Company has made preferential allotment of 5 lacs equity shares to non promoters.
20. During the year, no debentures have been issued by the Company and hence the question of creating security or charge in respect thereof does not arise.
21. During the year, the Company has not raised money by way of public issue.
22. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Place: Ahmedabad
Date: 8th January, 2011


(S.Mandawat & Co.)
Chartered Accountants
Membership No.102708
FRN 118330W



ANNEXURE - I

INFORMATION UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956
READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE
REPORT OF BOARD OF DIRECTORS) RULES, 1988.

CONSERVATION OF ENERGY

The company has always been conscious of the need to conserve energy. Steps are being taken to reduce energy consumption i.e. Heating Agents and Power e.g.:

1. To reduce the costs as well as to save consumption of energy per unit of goods produce, Company is keen to modernise certain process and equipments.
2. By immediately switching off, the power for machines/ equipments and lighting not in use.
3. Improvement in yield of liquid metal to save power and energy.

RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION:

1. The Company intends to make the absorption and adoption of technologies and innovation therein an ongoing process.
2. The Company is developing items suitable for export.

Expenditure on R & D and Technology absorption: NIL

FOREIGN EXCHANGE EARNING AND OUTGO:

Foreign Exchange Earning: NIL
Foreign Exchange Used: NIL

Particulars in Form A are not applicable to the Company and hence not given.

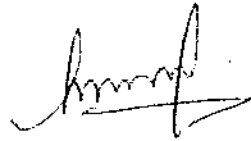


12

CASH FLOW

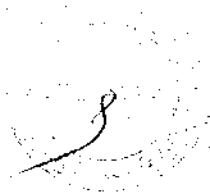
AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of Rajesh Malleables Limited for the year ended 31st December, 2010. The Statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 with Ahmedabad and Mumbai Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Accounts and Balance Sheet of the Company covered by our report of even date to the members of the Company.



For S. Mandawat & Co
Chartered Accountants
Subhas K. Mandawat
(Partner)
(Membership No. 102708)
(FRN 118330W)

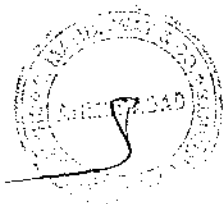
Place: Ahmedabad.
Date: 8th JANUARY, 2011



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CASHFLOW STATEMENT FOR THE 12 MONTHS PERIOD FROM 1ST APRIL 2009 TO 31ST DECEMBER 2010

	2010-2011 (9 Months)	2009-2010 (12 Months)
A. CASHFLOW FROM OPERATING ACTIVITIES :		
Profit/(LOSS) As per Profit & Loss Account Before Tax	9,289,502	2,014,008
ADJUSTMENTS FOR :		
Depreciation	347,351	597,396
Intrest Charges	98,912	2,636,720
FBT	0	0
Loss on Sales of Vehicle	359,546	71,408
OPERATING (LOSS)/ PROFIT BEFORE WORKING CAPITAL CHANGES :	10,095,311	5,319,532
ADJUSTMENTS FOR :		
Trade Receivable {Sundry debtors-Provision for Doubtful debts} NET	17,078,071	(1,693,895)
Other Receivable {Loans & Advances-Provision for Doubtful Advances} NET	44,661	159,479
Inventories	(19,651,649)	1,543,499
Trade Payable	(38,586,629)	(9,020,017)
CASH GENERATED FROM OPERATIONS :	(31,020,235)	(3,691,402)
Intrest Paid	(98,912)	(2,636,720)
CASHFLOW FROM OPERATING ACTIVITIES: TOTAL A	(31,119,147)	(6,328,122)
B. CASHFLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets & Investments	(172,924)	(135,250)
Sale of Fixed Assets	383,103	40,000
Discarded Assets		0
Dividend Received		0
Sale of Investments		0
Misc. Old Balance Written off		0
Capital Work-In-Progress	(1,485,729)	(4,227,535)
NET CASHFLOW FROM INVESTMENTS ACTIVITIES :TOTAL B	(1,275,550)	(4,322,785)



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CASHFLOW FROM FINANCING ACTIVITIES :

Proceeds From Long Term Borrowing	0	12,037,396
Repayment of Loans	(89,613,567)	(1,496,283)
Share Capital-New with premium & call in arrears	122501500	
Share Issue Expenses	-110966	
NET CASH FLOW FROM FINANCING ACTIVITIES TOTAL C	32,776,967	10,541,113
NET INCREASE IN CASH AND CASH EQUIVALENTS(A+B+C)	382,270	(109,794)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	1,118,263	1,228,057
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	1,500,533	1,118,263

Note :1. The Figures for the current period are for 12 months i.e. from April 1, 2010 to December 31, 2010 .

2. Previous Period Figures are re-grouped whenever necessary.

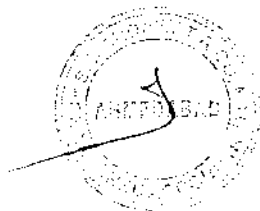
As per attached report of even date.

S. Mandawat
S. MANDAWAT & CO
 Chartered Accountants
 (MEMBERSHIP NO. 102708)
 (FRN 118330W)

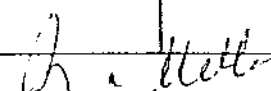
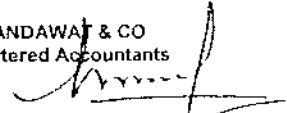
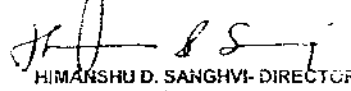
Anuj R. Mehta
ANUJ R. MEHTA—MANAGING DIRECTOR

PLACE : AHMEDABAD
 DATE : 8th January, 2011

PLACE : AHMEDABAD
 DATE :8th January, 2011



RAJESH MALLEABLES LTD.
BALANCE SHEET AS AT 31ST DECEMBER 2010

SOURCES OF FUNDS	SCHEDULE	Dec 31, 2010 RS.	Mar 31, 2010 RS.
Shareholder's Funds :			
Share Capital	I	35,000,000	29,998,500
Reserves & Surplus	II	192,798,198	39,441,876
		227,798,198	69,440,376
Loan Funds :			
Secured Loans	III	123,115	77,274,885
Unsecured Loans	IV	3,063,400	41,487,393
Dealer's Deposit		8,000,000	18,310,777
Deferred Tax Liability		1,830,019	1,830,019
TOTAL		240,814,732	208,343,450
APPLICATION OF FUNDS :			
Fixed Assets :			
Gross Block	V	91,029,005	90,374,412
Less : Depreciation		50,627,265	50,124,674
Net Block		40,401,740	40,249,738
Investments	VI	6,100	6,100
Current Assets, Loans & Advance :			
(a) Inventories	VII	34,244,268	14,592,619
(b) Sundry Debtors	VIII	11,890,735	28,968,806
(c) Cash & Bank Balances	IX	1,500,533	1,118,263
(d) Loans & Advances	X	720,953	765,614
		48,356,489	45,445,302
Less : Current Liabilities & Provisions	XI	36,093,074	74,679,703
Net Current Assets		12,263,415	(29,234,401)
Miscellaneous Expenditure (to the extent not written off or adjusted)	XII	110,966	-
Profit & Loss Account			
Debit Balance of Profit & Loss Account		188,032,511	197,322,013
TOTAL		240,814,732	208,343,450
Significant Accounting Policies	XIX	0	0
Contingent Liabilities and Notes on Account	XX		
As per attached report of even date			
S.MANDAWAT & CO Chartered Accountants		 ANUJ R MEHTA- MANAGING DIRECTOR	
 SUBHASH K. MADAWAT (PARTNER) (MEMBERSHIP NO.102708) (FRN 118330W)		 HIMANSHU D. SANGHVI- DIRECTOR	
DATE: 8th January, 2011 AHMEDABAD		DATE: 8th January, 2011 AHMEDABAD	

RAJESH MALLEABLES LTD.

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST DECEMBER, 2010

	SCHEDULE	RS.	2009-10 RS.
INCOME			
Sales including Excise Duty		31,265,377	36,075,092
Less : Excise Duty		2,487,852	2,840,230
		28,777,525	33,234,862
Other Income	XIII	12,302,654	214,014
		41,080,179	33,448,876
Increase/(Decrease) in Stock of Finished Goods and Stock in Process	XIV	21,491,100	(1,891,343)
	TOTAL	62,571,279	31,557,533
EXPENDITURE			
Raw Materials Consumed	XV	11,270,246	14,798,400
Purchase of Finished goods Traded In		27,050,000	0
Payments to and Provisions for Employees	XVI	4,201,144	6,011,935
Manufacturing & Other Expenses	XVII	10,453,978	14,236,003
Interest	XVIII	98,912	81,325
Depreciation		764,002	1,152,931
Less : Transferred from Revaluation Reserve		416,651	555,535
		347,351	597,396
	TOTAL	53,421,631	35,725,059
(Loss)/Profit Before Exceptional Item & Prior Period Expense		9,149,648	(4,167,526)
(Less): Exceptional Items- Waiver of Secured/Unsecured Loan & Creditors		0	4,425,321
(Add) : Interest Paid on Statutory Dues of Provident Fund, E.S.I. & Excise Duty		0	(2,555,395)
(Loss)/Profit After Exceptional Items Before Prior Period Expense		9,149,648	(2,297,600)
Prior Period (Expenses)		(5,842)	(67,945)
(Loss)/Profit after Prior Period (Expense)		9,143,806	(2,365,545)
Less/Add: Provision for Bad and Doubtful Debts, Doubtful Advances & Diminution of Investment		145,696	4,379,553
(Loss)/Profit After Exceptional Items Before Tax Expenses		9,289,502	2,014,008
(Add)/Less: Provision for Fringe Benefit Tax			
(Loss)/Profit After Provision for Tax Expenses		9,289,502	2,014,008
Less : (Loss) brought forward from Earlier Years		(197,322,013)	(199,336,021)
Debit Balance carried to the Balance Sheet		(188,032,511)	(197,322,013)
EARNING PER SHARE (See Note No. 16 of Schedule XIX)			
PROFIT FOR THE PERIOD		9,289,502	2,014,008
NO. OF SUBSCRIBED SHARES		3,500,000	2,999,850
NOMINAL VALUE OF SHARES (RS.)		10/-	10/-
BASIC & DILUTED EPS (RS.)		2.65	0.67
Significant Accounting Policies	XIX		
Contingent Liabilities and Notes on Account	XX		

As per attached report of even date

S.MANDAWAT & CO
Chartered Accountants

SUBHASH K. MADAWAT
(PARTNER)
(MEMBERSHIP NO.102708)
(FRN 118330W)

DATE: 8th January, 2011
AHMEDABAD

ANUJ R MEHTA- MANAGING DIRECTOR

HMANSHU D. SANGHAVI-DIRECTOR

DATE: 8th JANUARY, 2011
AHMEDABAD

SCHEDULE : I

SHARE CAPITAL

Authorised

60,00,000 Equity Shares of

Rs. 10 each

Issued, Subscribed and Paid up

35,00,000 (Previous year 30,00,000) Equity shares of

Rs. 10/- each fully paid up

Less : Calls- In - Arrear

Dec 31,2010 Mar 31,2010
Rs. Rs.

	60,000,000	60,000,000
	<u>60,000,000</u>	<u>60,000,000</u>
	35,000,000	30,000,000
	0	1,500
	<u>35,000,000</u>	<u>29,998,500</u>
TOTAL	<u>35,000,000</u>	<u>29,998,500</u>

SCHEDULE : II

RESERVES & SURPLUS

Capital Reserve

Balance as per last Balance Sheet

Add : Addition during the year

11,147,070 0
36,272,973 11,147,070

47,420,043 11,147,070

Security Premium

Addition during the year

117,500,000 0

Revaluation Reserve :

Balance as per Last Balance Sheet

Less :

Adjustment on Discarded of Fixed Assets
Transferred to Profit & Loss Account being
the difference of depreciation on revalued cost
and Original Cost

28,294,806 32,792,607

0 3,942,266

416,651 555,535

27,878,155 28,294,806

TOTAL

192,798,198 **39,441,876**

SCHEDULE : III

SECURED LOANS

NOTES

Dec 31,2010 Mar 31,2010

Rs. Rs.

From :

Bank of Baroda since assigned to assignee/under assignment *

123,115 77,274,885

TOTAL

123,115 **77,274,885**

* Secured by hypothecation of Stocks and further secured by equitable mortgage of immovable property except land adnesaring 14237 sq.yard and hypothecation of movable machinery and equipments .

SCHEDULE : IV

UNSECURED LOANS

Dec 31,2010 Mar 31,2010
Rs. Rs.

From Companies

From Others

From Director

0 11,016,969

2,536,745 24,029,985

526,655 6,440,439

TOTAL

3,063,400 **41,487,393**

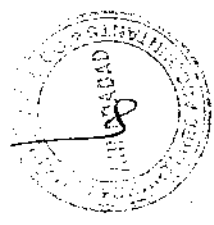
SCHEDULE : V

FIXED ASSETS

Sr. No.	Particulars	GROSS BLOCK (Cost/Revalued)				DEPRECIATION				NET BLOCK	
		As on April 1, 2010 (Note - 1)	Additions	Sale / Adjustment/ Discarded	As on December 31, 2010	Depreciation Upto December 31, 2010	On Sale / Adjustment/ Discarded	Depreciation for the period 9 MONTHS	Depreciation Upto December 31, 2010	As at December 31, 2010	As at March 31, 2010
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Land	24,560,005	-	-	24,560,005	-	-	-	-	24,560,005	24,560,005
2	Building	18,380,627	0	(Note 02)	18,380,627	9,401,036	-	566,299	9,967,335	8,413,292	8,979,591
3	Plant & Machinery	40,417,722	131,999	1,004,060 (Note 02)	39,545,661	38,605,135	261,411	159,295	38,503,019	1,042,643	1,812,588
4	Dead Stock	2,786,522	40,925	(Note 02)	2,829,447	2,118,503	-	38,408	2,156,911	672,536	670,019
5	Vehicles	0	0	-	0	0	-	0	0	0	0
	TOTAL (A)	85,146,876	172,924	1,004,060	85,315,740	50,124,674	261,411	764,002	50,627,265	34,688,476	36,022,203
	Capital Work In Progress										
	TOTAL (B)	4,227,535	1,485,729	0	5,713,264	0	0	0	0	5,713,264	4,227,535
	TOTAL (A+B)	4,227,535	1,485,729	0	5,713,264	0	0	0	0	5,713,264	4,227,535
	TOTAL (A+B)	90,374,411	1,658,653	1,004,060	91,029,004	50,124,674	261,411	764,002	50,627,265	40,401,740	40,249,738
	As on March 31, 2010	132,606,747	4,362,785	46,595,121	90,374,411	90,468,975	41,497,232	1,152,931	50,124,674	40,249,738	42,137,773

Note:

- 1) In the year 1993-94, land, factory building and plant & machinery as on 31.03.1994 had been revalued on the basis of their market value as on 31.03.1994 as per revaluation made by an approved valuer. Accordingly, they are stated at revalued amounts. The resultant increase had been credited to the Revaluation Reserve.
- 2) Includes Plant & Machinery and blding discarded during the period having original value of Rs.1004060/- (Previous year Rs.2628787/-) and accumulated depreciation thereon of Rs.261411/- (Previous year Rs. 1584582/-)



4

SCHEDULE : VI

INVESTMENTS (AT COST)

Long Term Investments :

Unquoted

Investment in a subsidiary Company :

10000 Equity Shares of Ramprasad
Inv. & Traders Pvt. Ltd. of Rs. 100/-
each fully paid up.

Less: Provision for Diminution of Value

Other :

Investment in other Company :

2500 Shares of Evergreen Manufacturing & Marketing
Pvt.Ltd.of Rs. 10/- each fully paid-up.
Less: Provision for Diminution of Value

10 Shares of Adarsh Co-Op. Departmental
Stores Ltd. of Rs. 100/- each fully paid up

1 Shares (Previous Year 4 shares) of Vijay Co-op. Bank Ltd.
of Rs. 100/- (Previous Year Rs. 25/-) each fully paid-up.

50 Shares of The Green Environment Ser.
Co-op Soc. Ltd. of Rs. 100/- each fully paid-up

TOTAL

Dec 31,2010 Mar 31,2010
Rs. Rs.

	0	0
	0	0
	0	0
	0	0
	0	0
	1,000	1,000
	100	100
	5,000	5,000
	<u>6,100</u>	<u>6,100</u>

Note : * Original Share Certificates are not available for physical verification.

(5)

SCHEDULE : VII

INVENTORIES

(As Certified by Management of the company)

	Dec 31,2010 Rs.	Mar 31,2010 Rs.
Stores & Spare-parts	283,007	396,544
Fuel	33,636	57,067
STOCK - IN - TRADE		
Raw Materials	2,056,130	3,758,613
Finished goods	3,163,594	4,142,245
Traded goods	27,050,000	0
Process Stock	1,657,901	5,193,935
Discarded Assets	0	1,044,215
	<u>33,927,625</u>	<u>14,139,008</u>
TOTAL	<u>34,244,268</u>	<u>14,592,619</u>

SCHEDULE : VIII

SUNDRY DEBTORS (Unsecured)

	Dec 31,2010 Rs.	Mar 31,2010 Rs.
Considered Good :		
Due Over Six Months	11,620,497	26,570,439
Others	270,238	2,398,367
Considered Doubtful	8,216,506	8,362,202
Less: Provision for Doubtful debt	8,216,506	8,362,202
	<u>0</u>	<u>0</u>
TOTAL	<u>11,890,735</u>	<u>28,968,806</u>

Note : Debts shown as doubtful include from companies under the same Management :

Ramprasad Investments & Traders Pvt. Ltd.	1,565,399	1,565,399
R.M. Enterprises Ltd.	39,087	39,087

60

SCHEDULE : IX

Dec 31,2010
Rs.

Mar 31,2010
Rs.

CASH & BANK BALANCES

Cash on Hand
(As authenticated by the Management)

1,237,037

1,021,824

Bank Balances

With Scheduled Banks In :

Current Accounts

261,934

90,501

Unpaid Dividend Accounts

0

4,387

With Non-Scheduled Banks in Current Accounts :

Standard Chartered bank

1,562

1,551

(Maximum balance during the year Rs.3507870/-)

(Previous year Rs.1404333/-)

TOTAL

1,500,533

1,118,263

7

SCHEDULE : X

LOANS & ADVANCES (Unsecured)	Dec 31,2010	Mar 31,2010
	Rs.	Rs.
Considered Good :		
Advances recoverable in cash or in kind or for value to be received *	647,765	715,981
Balance with Central Excise Department	45,225	21,670
Advance Tax and Tax Deducted at source	27,963	27,963
Considered Doubtful		
Others	5,000	332,627
Less:Provision for Doubtful	5,000	332,627
	<u>0</u>	<u>0</u>
TOTAL	<u>720,953</u>	<u>765,614</u>

* Note : Include from companies under the same Management from Evergreen Mfg. & Marketing Pvt Ltd
Rs. 91620/-

SCHEDULE : XI

CURRENT LIABILITIES & PROVISIONS	Dec 31,2010	Mar 31,2010
	Rs.	Rs.
(a) Current Liabilities		
Acceptances	489,000	2,956,436
Sundry Creditors	13,272,327	48,614,510
Expenses & Other Liabilities	982,887	1,353,910
Statutory Liabilities	3,039,860	3,368,030
Share Application Money Refundable	0	76,819
Advance For Sale of Assets	18,309,000	18,309,000
Unpaid Dividend Accounts	0	998
	<u>36,093,074</u>	<u>74,679,703</u>
(b) Provisions		
TOTAL	<u>36,093,074</u>	<u>74,679,703</u>

SCHEDULE : XII

MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	Dec 31,2010	Mar 31,2010
	Rs.	Rs.
Share Issue Expenses		
Addition during the year	110,966	0
Less : Written off during the year	0	0
	<u>110,966</u>	<u>-</u>
TOTAL	<u>110,966</u>	<u>-</u>

SCHEDULE : XIII

OTHER INCOME

	APR TO DEC 10 Rs. [09 MONTHS]	2009-10 Rs. [12 MONTHS]
Interest (Gross)	17,775	23,700
(Tax Deducted at source Rs. NIL Previous year Rs. 2370/-)	-	190,314
Excess provision for expenses for earlier year	-	-
Misc. Income/ Balances written back(Net)	12,284,879	-
TOTAL	12,302,654	214,014

SCHEDULE : XIV

**INCREASE IN STOCK OF
FINISHED GOODS AND STOCK-IN-PROCESS**

CLOSING STOCK		
Finished goods	3,163,594	4,142,245
Stock-in-Process	1,657,901	5,193,935
Traded Goods-Finished	27,050,000	0
	<u>31,871,495</u>	<u>9,336,180</u>
LESS : OPENING STOCK		
Finished goods	4,142,245	9,617,351
Stock-in-process	5,193,935	1,610,172
Discarded Assets	1,044,215	0
	<u>10,380,395</u>	<u>11,227,523</u>
NET INCREASE	21,491,100	(1,891,343)

SCHEDULE : XV

RAW MATERIALS CONSUMED.

	Rs.	Rs.
Scrap/Pig Iron	8,864,410	12,139,987
Zinc	2,405,836	2,658,413
TOTAL	11,270,246	14,798,400

NOTE : The consumption of raw material is indigeneous.



**SCHEDULE : XVI
PAYMENTS TO AND PROVISIONS
FOR EMPLOYEES**

2009-10
Rs.
[12 MONTHS]

	Rs.	Rs.
Salaries, Wages & Bonus	315,675	1,160,938
Job Work Charges	3,149,428	4,732,140
Gratuity	660,000	40,625
Welfare Expenses	76,041	78,232
TOTAL	<u>4,201,144</u>	<u>6,011,935</u>

SCHEDULE : XVII

MANUFACTURING & OTHER EXPENSES

Stores & Spare parts consumed	2,196,592	3,675,390
Power & Fuel	5,143,394	7,996,613
Repairs : Building	69,919	26,350
Machinery	597,220	565,290
Others	19,234	32,786
	<u>686,373</u>	<u>624,426</u>
Insurance	17,896	17,896
Rates & Taxes	251,081	251,081
Telephone, Trunk call expenses	79,654	95,653
Postage, Telegram, Stationary, Printing & Advertisement	55,922	45,265
Loss on sales of Assets	359,546	71,408
Labour Charges	67,134	98,275
General Charges (Including Conv., Vehicle, Legal, Professional Charges and Misc. Expenses)	1,019,171	1,085,729
Travelling Expenses	502,215	214,267
Audit Fees	75,000	60,000
		0
TOTAL	<u>10,453,978</u>	<u>14,236,003</u>

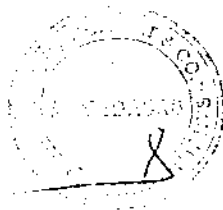
NOTES :

- 1) The Consumption of Stores & Spare Parts in indigenous
 - 2) PAYMENTS TO AUDITORS IN OTHER CAPACITY
For Tax Audit
- | | |
|--------|--------|
| 25,000 | 50,000 |
|--------|--------|

SCHEDULE : XVIII

INTEREST

Others	98,912	81,325
TOTAL	<u>98,912</u>	<u>81,325</u>



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SCHEDULE: XIX

Significant Accounting Policies

1. ACCOUNTING CONVENTION

The Accounts are prepared on historical cost basis except for certain fixed assets revalued in earlier year, in accordance with the generally accepted accounting principles and the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.

2. SALES

Sale is net of cash discount and Special Turnover discount.

3. FIXED ASSETS

(i) Fixed Assets except as stated in (ii) below, are stated at historical cost.

(ii) Land, Factory Building and Plant & Machinery as on 31.03.1994 had been revalued on the basis of their market value as on 31.03.1994 as per revaluation made by an approved valuer. Accordingly, they have been stated at revalued amounts. The resultant increase had been credited to Revaluation Reserve.

4. DEPRECIATION

(i) Depreciation on Buildings and Plant & Machinery acquired upto 30th June, 1987 has been calculated on "Straight Line Method" as per provisions of Section 205 (2) (b) of the Companies Act, 1956 read with circular of Central Government dt.10-1-1985 at the increased rates prescribed under the Income Tax Rules w.e.f. 2-4-1987.

(ii) In respect of Buildings, Plant & Machinery acquired after 1st July 1987, depreciation has been provided on "Straight Line Method" at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

(iii) Depreciation on all other remaining assets has been provided on "Written Down Value Method" at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

(iv) In case of the Buildings and Plant & Machineries revalued, the depreciation on the incremental value has been provided on the basis of residual life of the assets as estimated by the Company's technical personnel and the same is withdrawn from the Revaluation Reserve Account and credited to the Profit & Loss Account.

5. INVESTMENTS

Investments being long term are stated at cost.

6. **INVENTORIES**

The inventories are valued as under:

- | | |
|------------------------------------|---|
| 1. Stores and Spare Parts and Fuel | At Weighted Average cost or net realizable value, whichever is lower. |
| 2. Raw materials | At Weighted Average cost or net realizable value whichever is lower. |
| 3. Finished Goods/ Traded goods | At lower of cost or net realizable value. The cost is ascertained on the basis of absorption costing. |
| 4. Process Stock | At lower of cost or net realizable value. The Cost is ascertained on the basis of absorption costing. |

7. **RETIREMENT BENEFITS**

Contributions made to the trust in the past, were charged to the Profit & Loss Account. The Company does not have a separate trust for Gratuity Fund since 2001. Thereafter the company has made payment for its accrued liability of gratuity during the previous year. The Company accounts for the same on cash basis.

8. **CONVERSION OF FOREIGN CURRENCY TRANSACTION**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the time of the transaction.

The receivables in relation to earning in Foreign Exchange (Export Sales) and outstanding foreign currency liabilities in relation to acquisition of current assets or incurring of expenditure are restated at the rate prevailing as at the balance sheet date.

9. **CENVAT CREDIT**

Cenvat Credit of excise duty is accounted on accrual basis on purchase of materials.

10. **MISCELLANEOUS EXPENDITURE**

The company does not have any balance under the accounting head Miscellaneous Expenditure. In the past such expenditure were written off equally during the period of five years.

11. **EXPENDITURE/INCOME**

All items of income/expenses are accounted for on accrual basis except (i) leave encashment, medical benefits and leave travel allowance which is accounted for on cash basis and (ii) Interest on some of secured and unsecured loans as stated in Note no. 5 of Notes on Accounts.

12. PRIOR PERIOD EXPENSES/INCOME

Material items of Prior period expenses/income are disclosed separately.

13. PROVISION FOR CURRENT AND DEFERRED TAX

Provision for Current Tax is made after taking into consideration benefits admissible under the provision of the Income-tax Act 1961. Deferred tax is recognized for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

14. BORROWING COST

Interests and other costs in connection with borrowing of funds by the company are recognized as expenses in the period in which they are incurred.

15. CONTINGENT LIABILITIES

The Contingent Liabilities are disclosed by way of notes.

SCHEDULE: XX

NOTES ON ACCOUNTS:

(1) Figures in the profit & loss Account for the current period are for 9 months i.e. from 1st April 2010 to 31st December 2010 and hence the same are not comparable with the figures of the previous year which were for 12 months. The figures have been regrouped, wherever necessary, so as to make them comparable.

(2) On account of erosion in net worth as on 30-09-1998, the Company made a reference to the Board for Industrial and Financial Reconstruction (BIFR) and the Company was declared a Sick Industrial Company within the meaning of Section 3(1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985. The rehabilitation Scheme sanctioned by AAIFR was under implementation, however on account of need for modification in sanctioned scheme, the Company submitted modified Rehabilitation Scheme to OA which was duly recommended by OA to BIFR. The BIFR advised for certain modification in the scheme submitted by OA which are under correction by OA. In the meantime, with a view to early implementation the modified rehabilitation scheme, the company had issued new equity shares of face value of Rs. 10/- each at a premium of Rs. 235/- per equity shares to Investor / co promoter and their associates. Moreover to present and true and fair view of financial statements, the Company has write off / written back the secured / unsecured lenders/creditors whose dues have been either settled / crystallized and / or paid or such crystallized amount is unpaid.

(3) The Company has sent letters for Confirmation of balances to parties, unsecured loans, sundry debtors, loans and advances, bank balances and current liabilities for amounts due to them/from them. Necessary adjustments, in accounts, if any, will be made on settlement of accounts.

(4) The Information regarding small scale industrial undertakings' dues are under compilation and such details can't be readily determined. Under the circumstances, the same have not been disclosed.

(5) The company is process of appointment of qualified company secretary though due publicity has been given for such appointment .

(6) The company has not paid any Remuneration to the Managing Director during the year (previous year Rs Nil).

(7) Prior period Items as shown in the Profit & Loss Account for the year are as under:

<u>Expenses</u>	5,842	67,945
General Charges		
	5,842	67,945
TOTAL		

(8) **Contingent Liabilities**

The Company has duly paid principal undisputed dues of all statutory authorities however on account of delayed payments liabilities may arise with respect to Provident Fund, Gratuity, Employees State Insurance (ESIC), Sales Tax, Excise Department, Director General of Foreign Trade, workers of the company, Liabilities, if any, arises in future will be accounted for upon crystallization of such liabilities.

(9) **Segment Reporting**

Presently, the company has one operational segment namely Pipe fitting, therefore no separate segment reporting has been made during the year under review.

(10) **Related Party Disclosures:**

The Company entered into related party transactions during the year with the subsidiary/associates company and key management personnel. The details of transactions are mentioned below:

	Associate Company/Firm	Subsidiary Company
Sales & Service	20235788	---
Purchase/Expenses	---	---
Receivables(Balance)	22,20,376	1,565,399
Payables(Balance)	11,80,522	--
Loans (Received)	1,23,115	

(11) **Earning Per Share**

	Current Year	Previous Year
(Loss)/Profit for the year before exceptional item	91,49,648	(41,67,526)
Profit/(Loss) after exceptional item/prior period and tax	92,89,502	20,14,008
No. of Subscribed Shares	3500000	2999850
Nominal Value of Shares (Rs.)	10/-	10/-
Earning per share before exceptional/prior period & tax item (Rs.)	2.61	(1.39)
Earning per share after exceptional/prior period & tax item (Rs.)	2.65	0.67

(12) **Deferred Tax**

Since the Company has been incurring losses year after year and not earned any profit since 2005-06 hence the company has not considered Deferred Tax asset as provided in Accounting Standard 22 "Accounting for Taxes on Income".

(13) Information pursuant to the provision of paragraph 3, 4C & 4D of part-II of Schedule VI of the Companies Act, 1956:

(A) **TURNOVER**

Particulars	QUANTITY	RS.	2009-2010	
			QUANTITY	RS.
MANUFACTURED GOODS				
Pipe Fittings pcs	6,81,708	2,14,37,931	1312655	3,32,34,862
Trade Mark Sales	---	48,07,692	Nil	Nil
Discarded Machinery (Scrap)	166010	25,31,902	Nil	Nil
Sales - Kgs				

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i) Licensed Capacity Per Annum (as reassessed and certified by the Management)			
Galvanised Malleable Cast Iron pipe Fittings & other Casting TONS			
	2000		2000

Finished Goods

ii) Production:			
Pipe Fittings	pcs	674697	1085940

iii) Opening Stock:

Pipe Fittings-Manufactured Goods-	pcs	97,383	41,42,245	3,24,098	96,17,351
Traded Goods – Nos		Nil	Nil	Nil	Nil

v) Closing Stock:

2009-2010

Pipe Fittings-Manufactured Goods-	pcs	90372	31,63,594	97,383	41,42,245
Traded Goods- Nos		13525	2,70,50,000	Nil	Nil

(d) Expenditure in Foreign Currency Travelling Expenses		Nil		NIL
(e) Earning in Foreign Exchange F.O.B. Value of Export		Nil		NIL

(14) Balance Sheet Abstract and Company's General Business Profile
(Amount in Rupees Thousand)

a. Registration Details

Registration NO. :	4593	State Code :	04
Balance Sheet Date : 31st December, 2010			

b. Capital Raised during the year

Public Issue :	NIL	Rights Issue :	NIL
Bonus Issue :	NIL	Private Issue :	50 lacs

c. Position of Mobilisation and Development Funds

Total Liabilities :	240815	Total Assets :	240815
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SOURCE OF FUNDS

Paid-up-capital :	35000	Reserves & Surplus :	1 92798
Secured Loans :	123	Unsecured Loans :	3063
Deferred Tax Liability (Net) :	1830	Dealer Deposit :	8000

APPLICATION OF FUNDS

Net Fixed Assets :	40402	Investments :	6
Net Current Assets :	12263	Misc. Expenditure :	110
Accumulated losses :	188033		
d. Performance of Company			
Total Turnover :	62571	Total Expenditure :	53422

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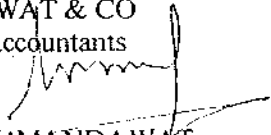
Profit For The Year (Before Tax) :	9290	Loss For the Year (After Tax) :	9290
Dividend :	NIL	Earning Per share :	2.65

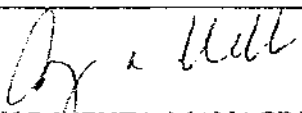
e. Generic Names of Principal Products services of the Company:

Product Description	Item Code NO.(ITC Code)
Pipe Fittings of Iron	73079210

Signatures to Schedules I to XX
As per attached report of even date.

S.MANDAWAT & CO
Chartered Accountants


SUBHAS K. MANDAWAT
(MEMBERSHIP NO.102708)
(FRN 118330W)
Place: AHMEDABAD
Date : 8th January, 2011


ANUJ R. MEHTA-MANAGING DIRECTOR


HIMANSHU D SANGHAVI-DIRECTOR

Place: Ahmedabad
Date : 8th January,2011



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Statement Pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary Company for the period ended 31st December, 2010.

Sr. No. of Companies	Name of Subsidiary	Extent of Interest in the Subsidiary at the end of Financial Year of the Subsidiary	Net aggregating amount of the subsidiary's profits after deduction its losses or vice-versa (so far as it concern members of the Company)
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Profit/(Losses) not dealt with in the Companies Accounts.	Profit dealt with or (Losses) provided for in the Companies Accounts.
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Subsidiary's Financial Year ended on Company and its nominees	No. of Equity Shares held in Subsidiary	% of Total Paid up Capital since it became the Company's Subsidiary	For the Financial Year of the Subsidiary	For the previous Financial Years since it became the Company's Subsidiary	For the Financial Year of the	For the previous Financial Years
---	---	---	--	---	-------------------------------	----------------------------------

Ramprasad Investments & Traders Pvt. Ltd.	31-12-2010	10000	100%	Nil	Nil	Nil	Nil
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Anuj R. Mehta
ANUJ R. MEHTA - MANAGING DIRECTOR
HIMANSHUBHAI D. SANGHAVI - DIRECTOR

PLACE : AHMEDABAD
 DATE : 8th January, 2011

