

TEXMACO LIMITED

Annual Report 2010-11



Collaborating for Change



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Corporate information

Directors

Shri S. K. Poddar, Chairman

Shri Utsav Parekh

Shri Dipankar Chatterji

Shri Gautam Khaitan

Shri Akshay Poddar

Secretary

Shri Amit Dhanuka

Auditors

M/s K N Gutgutia & Co., Kolkata

Bankers

State Bank of India

Registered Office

Belgharia, Kolkata 700 056

Corporate Office

Birla Building
9/1 R.N Mukherjee Road
Kolkata 700 001

Regional Offices

New Delhi

Mumbai

Chennai



Report of the Directors

Your Directors have pleasure in presenting the Seventy first Annual Report of the Company along with the Audited Accounts of the Company for the year ended 31st March, 2011.

The performance of the Company is not comparable from the previous year as in terms of a Scheme of Arrangement duly approved by the Shareholders and the Hon'ble High Court, Calcutta, the Heavy Engineering and Steel Foundry businesses of the Company were demerged to Texmaco Rail & Engineering Ltd. (TEXRAIL), effective date being 1st April 2010. Accordingly the financial results of the Company for the year reflect only the Real Estate and Mini Hydro Power Segments and excludes the performance of Heavy Engineering and Steel Foundry businesses.

The Scheme of Arrangement was implemented as the considerations, factors and financials applicable to the Heavy Engineering and Steel Foundry businesses were different and

divergent in nature in comparison to Real Estate acquisition and development and other business and interests of Texmaco. As part of an overall business reorganisation plan and in order to take the respective businesses to the next level of growth, it was appropriate to segregate and realign the same. It was accordingly considered desirable and expedient to reorganise and reconstruct Texmaco by demerging the Heavy Engineering and Steel Foundry businesses (Demerged Undertaking) to TEXRAIL in the manner and on the terms and conditions as stated in the Scheme of Arrangement.

The demerger would enable the businesses to be pursued and carried on more conveniently and advantageously with greater focus and attention through two separate companies. i.e. Texmaco and TEXRAIL, each having their own management team and administrative set up. It would facilitate the business consideration and factors applicable to be addressed more effectively and adequately by the respective companies.



Financial Results

Rs. in Lakhs

	2010-2011	2009-2010
Operating Profit (PBIDT)	1,340.63	15,184.77
Less: Interest (Net)	(33.62)	98.57
Gross Profit (PBDT)	1,374.25	15,086.20
Less: Depreciation	312.98	1,148.56
Profit before Taxation	1,061.27	13,937.64
Provision for Taxation:		
Current Tax	210.00	4,493.00
Deferred Tax Liability/(Asset)	87.11	63.80
Income Tax for earlier years	3.36	35.23
Profit after Taxation	760.80	9,345.61
Less : Exceptional items:		
VRS (Engg. Divn.)	–	41.13
Net Profit / Loss	760.80	9,304.48
Add: Balance brought forward from previous year	5,785.16	5,337.05
	6,545.96	14,641.53
Appropriations		
Proposed Dividend on Equity Shares (Incl.Tax) (10%)	147.81	(90%) 1,339.18
Dividend on Pref. Shares (Incl. Tax)	–	(6%) 17.19
General Reserve	300.00	7,500.00
Balance Carried Forward	6,098.15	5,785.16
	6,545.96	14,641.53



Dividend

The Directors have pleasure in recommending payment of a dividend of 10% (Re.0.10 per share) for the year ended March 31, 2011.

THE MANAGEMENT DISCUSSION AND ANALYSIS

Restructuring of the Company.

The Company's restructuring proposal for demerger of its Heavy Engineering and Steel Foundry businesses to its wholly owned subsidiary, Texmaco Rail & Engineering Ltd (Formerly Texmaco Machines Pvt Ltd) was duly approved by the Shareholders and thereafter by the Hon'ble High Court, Calcutta vide its order dated 6 September 2010, the effective date being 1st April 2010. The order was received by the Company on 14 October 2010 and approved by the Registrar of Companies on 19 October 2010.

In consideration of demerger of its Heavy Engineering and Steel Foundry businesses to TexRail, TexRail has allotted one Equity Share of Re.1/- each fully paid up against each Equity Share of Re.1/- each of Texmaco Ltd held by its members and whose names were recorded in the Register of Members on the record date of 2nd November 2010.

The Company presently holds 5.46 Cr. Equity Shares i.e. 30% Equity Share Capital of Texmaco Rail & Engineering Ltd., post allotment of Equity Shares to the shareholders of Texmaco Ltd. by TexRail.

Real Estate:

(i) The Hon'ble Supreme Court of India vide its order dated 25.03.2010 had disposed-off Company's Review Petition on its Delhi land. In terms of the Order, the Company is required to surrender on sliding scale upto 65% of its Industrial Land to Delhi Development Authority (DDA) and is

permitted to develop the remaining land at 1.5 times of the normal F.A.R.

The Company is in the process of surrendering the required area to DDA and have moved an application in the Court of District Judge, Delhi, who is the authority nominated by the Hon'ble Supreme Court for executing the orders of the Hon'ble Supreme Court.

(ii) The Gurgaon property acquired by the company at a prime location, has a good prospect for a long term capital appreciation and with the extension of Delhi Metro to Gurgaon, the strategic locational advantage for the property further enhances its revenue yielding potential.

Mini Hydro Power Project

The Company's 3 MW Mini Hydel Power Project located at Neora, District Darjeeling in the State of West Bengal was the first of its kind set up in the State of West Bengal. The Unit has generated electricity of 48.95 lakhs Kwh during the year 2010-11, and all the power was sold to the West Bengal State Electricity Board in terms of Power Selling Agreement entered into with them.

With the experience gained in operation of the Mini Hydro Power Station, the Company plans to expand its operation in the similar field.

Human Relations

The Company continues to maintain its excellent record of human relations over the decades. Your Directors appreciate the commitment and dedication of its staff and officers.

Consolidated Financial Statements

In accordance with Accounting Standard 21 (Consolidated Financial Statements), the Group Accounts form part of this Report & Accounts. The Group Accounts also incorporate

Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interest in Joint Ventures) issued by the Institute of Chartered Accountants of India. The Group Accounts have been prepared on the basis of audited financial statements received from the subsidiaries, as approved by their respective Boards.

Corporate Governance

A separate report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges is attached as a separate Annexure and forms a part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT U/S 217(2AA) OF THE COMPANY'S ACT, 1956

Your Directors state:

- (i) That in the preparation of the annual accounts, applicable accounting standards have been followed, along with proper explanations relating to material departures, and the Notes in the Auditors' Report in this regard are self-explanatory;
- (ii) That such accounting policies have been selected and applied consistently and judgements and estimates made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profit of the Company for that period;
- (iii) That proper and sufficient care has been taken 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) That the annual accounts have been prepared on a 'going concern' basis.

The SEBI's guidelines regarding Corporate Governance have been implemented by the Company. An Audit Committee of the Board and Shareholders' / Investors' Grievance and Share Transfer Committee have been constituted and are functioning in keeping with the given guidelines.

Group

Pursuant to an intimation from the promoters, the names of the promoters and entities comprising "Group" as defined under the Monopolies and Restrictive Trade Practices (MRTP) Act, 1969 are disclosed as Annexure A in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997.

Particulars of Employees

There was no employee who was in receipt of remuneration as required to be disclosed under Section 217 (2A) of the Companies Act, 1956.

Directors

Shri S. K. Poddar, Director of the Company, retires by rotation and is eligible for re-election.

Auditors

The Auditors, M/s. K.N. Gutgutia & Co, retire and are eligible for re-appointment.

For and on behalf of the Board

Kolkata
Dated: 23rd May, 2011

S.K. Poddar
Chairman

Enclosure to the Report of the Directors

Annexure - A

Persons constituting Group coming within the definition of “Group” for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997, include the following:

Sr. No.	Name of the Entity	Sr. No.	Name of the Entity
1.	Abhisekh Holding Pvt. Ltd.	25.	Mcfarlene & Co. Ltd.
2.	Academiam Sales Pvt. Ltd.	26.	New Eros Tradecom Ltd.
3.	Adventz Industries India Ltd.	27.	Paradeep Phosphates Ltd.
4.	Adventz Infracore India Ltd.	28.	Planon Group Ltd.
5.	Adventz Investments and Holding Ltd.	29.	Poddar Heritage Finance Pvt. Ltd.
6.	Adventz Securities Enterprises Ltd.	30.	Ricon Commerce Ltd.
7.	Birla Construction Ltd.	31.	Sanghashree Investment & Trading Co. Ltd.
8.	Coltrane Corporation Ltd.	32.	Simon India Ltd.
9.	Duke Commerce Ltd.	33.	Style Spa Furniture Ltd.
10.	Eureka Trades Pvt. Ltd.	34.	Syndak Teatech Ltd.
11.	Fullford Vinimay Pvt. Ltd.	35.	The Pench Valley Coal Co. Ltd.
12.	Future Fuels (International) India Pvt. Ltd.	36.	Texmaco Rail & Engineering Ltd.
13.	Globalware Holding Ltd.	37.	Zauri Commodity Trading limited
14.	Globex Ltd.	38.	Zuari Fertilisers & Chemicals Ltd.
15.	Gobind Sugar Mills Ltd.	39.	Zuari Financial Services Ltd.
16.	Greenland Trading Pvt. Ltd.	40.	Zuari Holdings Ltd.
17.	Gulbarga Cement Ltd.	41.	Zuari Indian Oiltanking Ltd.
18.	High Quality Steels Ltd.	42.	Zuari Insurance Brokers Ltd.
19.	India Furniture Products Ltd.	43.	Zuari Industries Ltd.
20.	Indrakshi Trading Company Pvt. Ltd.	44.	Zuari Investments Ltd.
21.	Interglos India Pvt. Ltd.	45.	Zuari Management Services Ltd.
22.	Lionel Edwards Ltd.	46.	Zuari Maroc Phosphates Ltd.
23.	Lionel India Ltd.	47.	Zuari Rotem Speciality Fertilisers Ltd.
24.	Master Exchange & Finance Ltd.	48.	Zuari Seeds Ltd.

Group: Pursuant to an intimation from the Promoters, the names of the Promoters and Entities comprising “Group” as defined under the Monopolies and Restrictive Trade Practices (MRTP) Act, 1969 are disclosed as Annexure “B” in the Annual Report for the purpose of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997.



Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

1. Company's philosophy on Code of Governance

The core values of the Company's Corporate Governance are Transparency, Professionalism, Accountability, Customer focus, Teamwork, Quality, Fairness and Social Responsibility. Your Company is committed to fulfill these objectives and enhance the wealth generating capacity, keeping in mind long-term interest of the shareholders, employees and the society. The Company believes in adopting and adhering to the best Corporate Governance practices and continuously

benchmarking itself against the best practice in the industry.

2. Board of Directors

The Company's Board consisting of Five Directors, represents the optimum mix of professionalism, knowledge, and experience. The category of Directorship, number of meetings attended, attendance at the last AGM, Directorships in other Companies, number of Committees in which such Director is a member, are mentioned below :-

Name of Directors	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM	No. of Directorships in other Companies #	No. of Chairmanship/ Membership of Board/ Committees in other Companies	Chairman	Member
Shri S.K. Poddar	Chairman	5	Yes	10	4		3
Shri Ramesh Maheshwari *	Executive Vice Chairman	3	Yes	-	-		-
Shri B.P. Bajoria*	Independent	2	No	-	-		-
Shri H.C. Gandhi*##	Independent	1	No	-	-		-
Shri A.C. Chakraborti*	Independent	3	Yes	-	-		-
Dr. H. Sadhak ##	Nominee of LIC	3	No	-	-		-
Shri Manish Gupta*	Independent	2	Yes	-	-		-
Shri S Dhasarathy*	Independent	2	No	-	-		-
Shri Akshay Poddar	Non- Executive & Non Independent	2	No	9	2		4
Shri D. H. Kela*	Whole Time	2	No	-	-		-
Shri Gautam Khaitan**	Independent	1	No	9	-		-
Shri Utsav Parekh**	Independent	2	No	6	-		7
Shri Dipankar Chatterji**	Independent	1	No	8	5		10

*# Resigned on 29th May, 2010.

* Resigned on 25th September, 2010.

** Appointed on 25th September, 2010.

Resigned on 8th February, 2011.

excluding Private Companies, Companies under Section 25 of the Companies Act, 1956 and Foreign Companies.

The Chairman does not have a separate office in the Company, and the Corporate Office of the Company supports the Chairman for discharging his responsibilities.

None of the Directors of the Company is a member of more than 10 Committees or Chairman of more than 5 committees across all the Companies in which he is a Director.

Five Board Meetings were held during the year 2010-2011 on the following dates:-

29th May, 2010	27th July, 2010
25th September, 2010	2nd November, 2010
8th February, 2011	

3. Audit Committee/sub-committee

(a) Audit Committee

Terms of Reference and Composition

The terms of reference of the Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

The Audit Committee comprises of the following Four Directors, and their attendance in the committee meeting is given alongside

Name of Directors	No. of meetings attended
Shri A. C. Chakrabortti, Ex-Chairman *	2
Shri B. P. Bajoria, Member*	1
Shri Manish Gupta, Member*	1
Shri Akshay Poddar, Member	1
Shri Utsav Parekh, Chairman**	2
Shri Gautam Khaitan, Member**	1
Shri Dipankar Chatterji, Member**	1

* Resigned on 25th September, 2010.

** Appointed on 25th September, 2010.

Four Meetings were held during the year:

29th May, 2010, 27th July, 2010, 2nd November, 2010 and 8th February, 2011.

(b) Sub-Committee

The Sub-Committee comprises of the following four Directors and their attendance in the committee meeting is given alongside.

Name of Directors	No. of Meetings attended
Shri S. K. Poddar, Member	–
Shri B. P. Bajoria, Member*	–
Shri A. C. Chakrabortti, Member*	–
Shri Manish Gupta, Member*	–
Shri Akshay Poddar, Member	1
Shri Dipankar Chatterji, Member**	1
Shri Utsav Parekh, Member**	2

* Resigned on 25th September, 2010.

** Appointed on 25th September, 2010.

Committee met one time during the year on 20th October, 2010.

4. Remuneration of Directors

The Company has not set up a Remuneration Committee. The Remuneration of Executive Directors is fixed by the Board of Directors / Sub-Committee of Directors. Non-Executive Director are eligible for sitting fee and a commission not exceeding 1% of the net profit of the Company for each year, with a ceiling of Rs.1 Lakh per annum, whichever is lower. Directors are paid a sitting fee of Rs.20,000/- each for attending Board Meeting and Rs.10,000/- each for attending Committee / Sub-committee Meeting. The details of the payment made during the year 2010-11 are as follows.



i) Non-Executive Directors

Name of the Directors	Sitting fee for the year (Rs.)	Commission for the year (Rs.)	Total (Rs.)
Shri B.P. Bajoria	50000	48,493	98,493
Shri H.C. Gandhi	20000	15,590	35,590
Shri A.C. Chakrabortti	80000	48,493	1,28,493
Shri Manish Gupta	50000	48,493	98,493
Shri S. Dhasarathy	40000	48,493	88,493
Dr. H. Sadhak (L.I.C)*	60000	85,753	1,45,753
Shri Akshay Poddar	60000	1,00,000	1,60,000
Shri Utsav Parekh	80000	51,507	1,31,507
Shri Gautam Khaitan	30000	51,507	81,507
Shri Dipankar Chatterji	40000	51,507	91,507

* Fees for the meeting attended by Dr. H. Sadhak, Nominee Director of LIC is being paid to L.I.C.

Note: The Commission was paid to Directors proportionate to their tenure, subject to a maximum of Rs. 1 Lakh per annum.

5. Investors'/Shareholders' Grievance Committee

The Committee consists of three Directors viz. Shri Akshay Poddar, Shri Utsav Parekh and Shri Gautam Khaitan, and the grievances received are dealt with at its meetings. Shri Amit Dhanuka, Secretary is the Compliance Officer of the Company. During the year, 52 complaints were received from the shareholders, all of which have been resolved.

In order to provide quick service to Investors, the Board has delegated certain powers to few Executives to deal with various matters including transfer of Shares, transmission of Securities etc. The Company has no transfers pending at the close of the

financial year. A meeting of the Investors'/Shareholders' Grievance Committee was held on 8th February, 2011

6. Internal Control System

The Internal Control system of the Company is aimed at proper utilization and safeguarding of the Company's resources and to promote operational efficiency. The findings of the internal audit and consequent corrective actions initiated and implemented from time to time are placed before the Audit Committee. The Audit Committee reviews such audit findings and the adequacy of the internal control system.



7. General Body Meetings

Details of date and time of the Annual General Meetings and Extra Ordinary General Meeting held in last three years are given below. All the AGMs & EGM were held at Birla Building, 9/1, R. N. Mukherjee Road, Kolkata – 700 001.

Annual General Meetings for Financial Year	Date and time of the AGMs	Date and time of the EGM
2009-2010	12th August, 2010 at 2.30 P.M.	–
2008-2009	23rd July, 2009 at 2.30 P.M	–
2007-2008	11th August, 2008 at 2.30 P.M	7th January, 2008 at 4.45 P.M

Whether Special Resolutions-		
A	Were put through Postal Ballot last year	No
B	Are proposed to be conducted through postal ballot	No

8. Disclosure

There are no materially significant related-party transactions made by the Company with its Promoters, Directors or Management, Subsidiaries, Associates etc. that may have potential conflict with the interests of the Company at large. Transactions carried out with the related parties are disclosed in Note No. 10 of Schedule 'Q' of Annual Report.

During the last three years, there were no strictures or penalties imposed either by SEBI or the Stock Exchanges or any statutory authorities for non-compliance of any matter related to Capital Market.

9. Secretarial Audit

A Qualified practicing Chartered Accountant carried out Quarterly Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued

and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and total number of shares in dematerialised form held with NSDL and CDSL.

10. Means of Communication

The Quarterly Unaudited Financial Results and the Annual Audited Financial Results as taken on record and approved respectively by the Board of Directors of the Company are published in local English and Vernacular newspapers. It is also sent immediately to all the Stock Exchanges with which the Shares of the Company are listed. These results are also posted on Company's website www.texmaco.in. The official news release and other related information, if any, are displayed on the aforesaid website of the Company. These are not sent individually to the shareholders. Management Discussion & Analysis Report forms part of the Annual Report.

11. General Shareholder Information

AGM : Date, Time & Venue

On 1st September, 2011 at 4.30 P.M. Birla Building, 9/1, R.N. Mukherjee Road, Kolkata – 700 001

Financial Calendar

1st April to 31st March

First Quarter Result – Last week of July.

Second Quarter Results – Last week of October.

Third Quarter Results – Last week of January.

Results for the year ending 31st March, 2012.

By Last week of May 2012.

Date of Book Closure

From 26th August, 2011 to 1st September, 2011 both days inclusive.

Listing on Stock Exchanges

1. National Stock Exchange of India Limited, Mumbai.
2. Bombay Stock Exchange Ltd., Mumbai.
3. The Calcutta Stock Exchange Ltd., Kolkata.

The Company has paid listing fees for the period 1st April, 2011 to 31st March, 2012.

Dividend Payment Date

Early October, 2011.

Stock Code – Physical

National Stock Exchange	TEXMACOLTD
Bombay Stock Exchange	505400
Calcutta Stock Exchange	30044
Demat ISIN No. for CDSL/NSDL	INE 435C01024

High / Low of market prices of the Company's Equity Shares of Re.1/- each traded on National Stock Exchange of India Limited and Bombay Stock Exchange Limited during the period

April 2010 to March 2011 are furnished here after:

Period	National Stock Exchange of India Limited		Bombay Stock Exchange Limited	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2010	142.60	123.20	143.00	124.30
May, 2010	144.00	114.00	144.30	114.00
June, 2010	144.05	115.10	143.95	118.00
July, 2010	145.00	127.00	142.50	128.60
August, 2010	156.80	130.65	156.90	130.25
September, 2010	175.00	147.60	173.85	148.00
October, 2010	176.90	158.10	177.85	157.25
November, 2010*	94.40	46.55	160.00	47.10
December, 2010	55.90	37.05	55.90	43.10
January, 2011	55.30	41.20	55.25	41.40
February, 2011	45.60	34.65	46.00	34.60
March, 2011	36.85	30.55	36.85	30.10

Note: *Post demerger of Heavy Engineering and Steel Foundry businesses of the Company to Texmaco Rail & Engineering Limited (TexRail) the Shareholders of the Company were allotted Equity Shares of TexRail in the ratio of 1:1 in terms of the approved scheme of demerger on, the record date of 2nd November, 2010. The shares of TexRail are also listed at BSE, NSE and CSE on 3rd March 2011.

There was no trading during the year in The Calcutta Stock Exchange Ltd., Kolkata.

Registrar & Transfer Agent (RTA)

M/s Karvy Computershare Private Limited.

Karvy House, 21, Avenue 4, Street No.1 Banjara Hills, Hyderabad-500034

Phone: 040-23312454, 23320751-53

Fax No. 040-23311968, 23323049

E Mail: jayaramannv@karvy.com

Share Transfer System

Request for transfer of shares held in physical form may be lodged with Karvy Computershare Private Limited at Hyderabad or may also be sent to Company Secretary at the Registered office of the Company at Kolkata. Share transfers are registered and returned within 30 days from the date of lodgment, provided documents are complete in all respects.

Distribution of Shareholding and Shareholding Pattern as on 31st March, 2011

No. of Equity Shares held	Folios	%	Shares (Rs.)	%
Upto 5000	37,381	98.10	1,25,23,861	9.85
5001 to 10000	342	0.90	24,65,187	1.94
10001 to 20000	165	0.43	24,29,851	1.91
20001 to 30000	45	0.12	11,14,307	0.88
30001 to 40000	30	0.08	10,30,567	0.81
40001 to 50000	20	0.05	9,00,792	0.70
50001 to 100000	50	0.13	35,48,397	2.79
100001 and above	73	0.19	10,31,70,128	81.12
Grand Total	38,106	100.00	12,71,83,090	100.00

Shareholding Pattern as on 31st March, 2011

Category	No. of shares	%
Promoters	6,20,70,532	48.80
Banks, Insurance Cos., and Fis	35,26,511	2.77
Mutual Funds and U.T.I.	2,83,29,071	22.28
Corporate Bodies	1,11,66,466	8.78
NRI / OCB/FIIs	18,83,913	1.48
Indian Public	1,82,78,584	14.37
Others	19,28,013	1.52
Total	12,71,83,090	100.00

Dematerialisation of Shares as on 31st March 2011 and Liquidity.

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India- National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 12,48,87,198 Ordinary shares of the Company representing 98.20% of the Company's Share Capital are dematerialised as on 31st March, 2011.

**Insider Trading:**

The Company has voluntarily adopted the Code of Internal Procedures and Conduct framed under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, to, inter-alia, prevent insider trading in the shares of the Company.

Code of Conduct and Ethics:

The Company has adopted a Code of Conduct and Ethics (Code) for the members of Board of Directors and Senior Management Personnel of the Company. The essence of the code is to conduct the business of the Company in an honest, fair and ethical manner, in compliance with applicable laws and in a way that excludes considerations of personal advantage. All Directors and Senior Management personnel have affirmed compliance with the code, and a declaration to this effect, signed by the Director, is attached to this report.

Plant location

The Company's Hydro Power Plant is located at Neora Dist.: Darjeeling, W.B.

Address for Correspondence

Shareholders may contact Shri Amit Dhanuka, Secretary at the Registered Office of the Company for any assistance.

Telephone No : (033) 2569-1500

E-mail : amit.dhanuka@texmaco.in

Shareholders holding Shares in Electronic mode should address all their correspondence to their respective Depository Participants.

Investor Education and Protection Fund (IEPF)

Pursuant to the provision of Section 205 A (5) of the Companies Act 1956, dividend for the financial year ended 31st March 2004 and thereafter, which remain unclaimed for a period of Seven years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205 C of the Companies Act 1956. The Company has already transferred the unclaimed dividend for the year ended 31st March 2003 to the IEPF.

Information in respect of such Unclaimed Dividend, when due for transfer to the said Fund, is given below:

Financial year ended	Date of declaration of Dividend	Last date for claiming un-paid Dividend	Due date for transfer to IEPFund
31st March, 2004	4th August, 2004	10th September, 2011	10th October, 2011
31st March, 2005	26th July, 2005	2th September, 2012	2nd October, 2012
31st March, 2006	28th July, 2006	4th September, 2013	4th October, 2013
31st March, 2007	18th July, 2007	23rd August, 2014	23rd September, 2014
31st March, 2008	11th August, 2008	16th September, 2015	16th October, 2015
31st March, 2009	23rd July, 2009	28th August, 2016	28th September, 2016
31st March, 2010	12th August, 2010	17th September, 2017	17th October, 2017

Shareholders who have not so far encashed the dividend warrant (s) are requested to seek issue of Duplicate warrant(s) by writing to the Company's Registrar & Transfer Agent M/s Karvy Computershare Private Limited immediately.

Shareholders are requested to note that no claims shall lie against the Company for the said fund in respect of any amounts which is unclaimed and unpaid for a period of 7 years from the dates that they first became due for payment, and no payment shall be made in respect of any such claims.

12. CEO / CFO Certification

The CEO of the Company has given a certificate on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing agreement.

13. Retirement of Directors by rotation and re-appointment:

Shri S. K. Poddar is due for retirement by rotation and is eligible for re-appointment in the next Annual General Meeting. Brief particulars regarding the Director is given here below :-

Shri Saroj Kumar Poddar:

Shri Saroj Kumar Poddar, aged 66 years, a gold medalist in B. Com (Hons) from Calcutta University, and recipient of the Rashtriya Samman from the Central Board of Direct Taxes, is the Chairman of Poddar Heritage Enterprises. The Group of Companies have now been re-positioned under a unified corporate banner 'ADVENTZ'. Under Shri Poddar, the group has promoted various projects including joint ventures with leading international corporations. The most notable of these ventures are Gillette India Ltd – a joint venture with The Gillette Company of U.S.A, Hettich India Private Ltd – a joint venture with the Hettich Group of Germany and Texmaco United Group Rail Private Ltd – a joint venture with the United Group of Australia. Shri Poddar is the Chairman of these Joint Ventures.

Besides above, Shri Poddar is the Chairman of Zuari Industries Limited, Chambal Fertilisers & Chemicals Limited, Chambal Infrastructure Ventures Limited, Simon India Limited, Texmaco Limited and Zuari Cement Limited (a unit of Ciments Francais). He is also on the Advisory Board of one of the most reputed

global corporate financial investment banking - Indian arm of Messrs N M Rothschild & Sons.

Shri Poddar is involved with art, culture and sports. A keen collector of contemporary Indian art, Poddars also promote young cricketers to go abroad for training and practice. The family is currently involved in setting up a museum in Delhi with the theme 'India through the ages'. The museum to be named after Shri Poddar's father - in - law, the late Dr K K Birla as 'K K Birla Academy', will be fully funded by the family and is scheduled to be commissioned in the next three years.

Having served as President of FICCI and International Chamber of Commerce in India, Shri Poddar has been appointed by Govt of India on Board of Trade (the highest body on trade) and also on the Indian Institute of Science, Bangalore. Shri Poddar has also served as a member of the Board of Governors of the IIT, Kharagpur and on the local Board of the Reserve Bank of India for 10 years each.

Shri Poddar is the serving Chairman of India-Saudi Arabia Joint Business Council and a Member of the Indo-French CEO Forum.

Names of the other Companies in which Shri Saroj Kumar Poddar is a Director

Sl. No.	Names of the company
1.	Chambal Fertilisers and Chemicals Limited
2.	Chambal Infrastructure Ventures Limited
3.	Gillette India Limited
4.	India Furniture Products Limited
5.	Adventz Investments and Holdings Limited
6.	Simon India Limited
7.	Texmaco Rail & Engineering Limited
8.	Zuari Cement Limited
9.	Zuari Industries Limited
10.	Lionel India Limited
11.	Hettich India Private Limited
12.	Mining Consultants (India) Private Limited
13.	Poddar Heritage Finance Private Limited
14.	Texmaco United Group Rail Private Limited



Certificate

To the members of Texmaco Limited

We have examined the compliance of the conditions of Corporate Governance by Texmaco Limited for the year ended 31st March 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

We state that in respect of investor grievances received during the year 31st March 2011, no investor grievances are pending against the Company as on date, as per the records maintained by the Company and presented to the Investors' / Shareholders' Grievance Committee.

We further state that such compliance is neither 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 **K. N. Gutgutia & Co.**
Chartered Accountants
Registration No. 304153E

P. K. Gutgutia
Partner
Membership No.6994

Kolkata,
Dated : 23rd May 2011

Declaration by the Director

To The Members

Texmaco Limited

Belgharia, Kolkata-700056

In compliance with the requirements of Clause-49 of the Listing Agreement with Stock Exchanges relating to Corporate Governance, I confirm that, on the basis of confirmations / declarations received, all the Directors and Senior Management Personnel of the Company have complied with the Code of Conduct and Ethics as adopted by the Board of Directors of the Company at its meeting held on 23rd May, 2011.

For **Texmaco Limited**

Kolkata,
Dated : 23rd May 2011

S. K. Poddar
Director



Financial Section

Auditors' Report

To
The Members of
Texmaco Limited

We have audited the attached Balance Sheet of TEXMACO LIMITED as at 31st March, 2011, the Profit and Loss Account for the year ended on that date and the Cash flow Statement for the year ended on that date 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.

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 amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as considered appropriate and according to the information and explanation given to us during the course of our audit we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments as stated above, we report that:
 - (i) 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.
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from site office not visited by us.

- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and 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.
- (v) On the basis of the written representation received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts together with the Accounting Policies and Notes thereon and Schedules annexed thereto 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 affairs of the Company as at 31st March, 2011;
 - (b) in the case of the Profit & 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 flows for the year ended on that date.

For **K. N. Gutgutia & Co.**
Chartered Accountants

Firm Registration No. 304153E

6C, Middleton Street,
Kolkata - 700 071
Dated: 23rd May, 2011

P. K. Gutgutia
Partner

Membership No. 6994

Annexure to the Auditors' Report

(Referred to in Paragraph (1) of our Report of even date)

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As explained to us, the Company has a system of verifying all its major fixed assets over a period of three years. The fixed assets so scheduled for verification during this year have been physically verified. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) During the year, the Company has not disposed off any substantial / major part of fixed assets.
- ii) The Company has no inventory and hence para (a) to (c) of clause (ii) of the order is not applicable to the Company.
- iii) (a) The Company has neither granted nor taken any loan secured/ unsecured from Companies covered in the register maintained under section 301 of the Companies' Act, 1956 (1 of 1956).
- (b) As stated above sub-clause (b) to (g) of Clause (iii) of the Companies (Auditor's Report) order 2003 are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls system.
- v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that, sub clause (a) & (b) of Clause (v) of the Companies (Auditor's Report) Order, 2003, is not applicable since no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into by the Company during the year.
- vi) The Company has not received any fixed deposit from the public and hence Clause (vi) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii) The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies' Act, 1956 for any of the products of the Company except for generation of hydro-electric power in respect of its unit Neora Hydro. We have broadly reviewed the books of account and records maintained by the company pursuant to the rules prescribed by the central government for the maintenance of cost records and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.
- ix) (a) According to the information and explanations given to us and records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investors education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March 2011 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there were no dues of Sales Tax, Income Tax, Customs, Wealth Tax, Service Tax, Excise Duty, Cess, which have not been deposited on account of disputes.
- x) There are no accumulated losses of the Company as on 31st March 2011. The Company has not incurred any



cash losses during the financial year covered by our audit and the immediately preceding financial year.

- xi) Based on our audit procedures the Company has no dues to any financial institution, bank or debenture holders and hence Clause (xi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and / or advances on the basis of security by way of pledge of shares, debentures, and other securities.
- xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a Chit Fund company or nidhi / mutual benefit fund / society.
- xiv) 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 (Auditors' Report) Order, 2003 are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from a bank or financial institutions.
- xvi) According to the information and explanations given to us, no term loans were raised and hence application for the

purposes for which they were raised does not arise.

- xvii) According to the information and explanations given to us, no term loan were raised and hence the application for the purposes for which they were raised does not arise.
- xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
- xix) During the year covered by our audit report, the Company has not issued secured debentures
- xx) The Company has not raised any money by public issues during the year covered by our report.
- xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **K. N. Gutgutia & Co.**
Chartered Accountants
Firm Registration No. 304153E

6C, Middleton Street,
Kolkata - 700 071
Dated: 23rd May, 2011

P. K. Gutgutia
Partner
Membership No. 6994

Balance Sheet As at 31st March 2011

	Schedule	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Capital	"A"	1,271.83	1,271.83
(b) Employees Stock Option Outstanding	"A1"	25.17	43.96
(c) Reserves and Surplus	"B"	21,772.24	54,284.60
2. Loan Funds			
(a) Secured Loans	"C"	–	11,519.01
(b) Unsecured Loans	"D"	678.85	739.41
3. Deferred Tax Liabilities (Net) (Refer Note No.14 of Schedule 'Q')			
		376.65	289.54
Total		24,124.74	68,148.35
II. APPLICATION OF FUNDS			
1. Fixed Assets			
(a) Gross Block	"E"	14,323.13	34,365.33
(b) Less: Depreciation		1,646.51	11,372.87
(c) Net Block		12,676.62	22,992.46
(d) Capital Work-in-Progress		57.28	157.65
		12,733.90	23,150.11
2. Investments			
	"F"	11,354.81	25,602.25
3. Current Assets, Loans and Advances			
(a) Inventories	"G"	–	17,586.44
(b) Sundry Debtors	"H"	6.29	27,101.60
(c) Cash and Bank Balances	"I"	43.95	701.20
(d) Other Current Assets	"J"	–	242.74
(e) Loans and Advances	"K"	1,151.07	8,719.55
Total		1,201.31	54,351.53
Less : Current Liabilities and Provisions			
(a) Liabilities	"L"	888.00	32,873.85
(b) Provisions	"M"	277.28	2,081.69
Total		1,165.28	34,955.54
Net Current Assets		36.03	19,395.99
Total		24,124.74	68,148.35
NOTES	"Q"		

Schedules referred to above form an integral part of the Balance Sheet
In terms of our Report of even date attached herewith.

For **K. N. Gutgutia & Co.**

Chartered Accountants

P. K. Gutgutia

Partner

Membership No. 6994

6C, Middleton Street,

Kolkata - 700 071

Dated: 23rd May 2011

Amit Dhanuka

Secretary

S. K. Poddar
Utsav Parekh
Dipankar Chatterji
Gautam Khaitan
Akshay Poddar

Directors

Profit and Loss Account For the year ended 31st March 2011

Schedule	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
INCOME		
Gross Sales	1,198.88	112,549.43
Less : Inter Segment Revenue	–	14,914.81
Less : Excise Duty	–	4,565.32
Net Sales / Income from Operations	1,198.88	93,069.30
Other Sources	"N"	1,452.96
Total	1,665.25	94,522.26
EXPENDITURE AND CHARGES		
Operating Costs	"O"	249.73
Less : Inter Segment Transfer	–	249.73
Interest	"P"	41.27
Depreciation		
For the year	312.98	1,194.80
Less: Recouped from Revaluation Reserve	–	312.98
		46.24
Total	603.98	80,584.62
Profit before Taxation & Exceptional items	1,061.27	13,937.64
Add / (Less) Exceptional items		
– VRS in Engineering Division	–	(41.13)
Profit before Taxation	1,061.27	13,896.51
Less: Provision for Taxation		
– Current Tax	210.00	4,493.00
– Deferred Tax	87.11	63.80
Less: Income Tax for earlier year	3.36	300.47
		35.23
Profit After Taxation	760.80	9,304.48
Add: Balance Brought Forward from Previous Year	5,785.16	5,337.05
Profit available for Appropriation	6,545.96	14,641.53
APPROPRIATIONS		
Dividend on Preference Shares Redeemed	–	14.69
Tax on Dividend on Preference Shares Redeemed	–	2.50
Proposed Dividend		
On Equity Shares	127.18	1,144.65
Tax on Dividend	20.63	194.53
Transferred to General Reserve	300.00	7,500.00
Transferred to Balance Sheet	6,098.15	5,785.16
	6,545.96	14,641.53
Earning Per Share of Re.1 each (Basic) (Refer Note No. 13 of Schedule 'Q')	0.60	7.63
Earning Per Share of Re.1 each (Diluted) (Refer Note No. 13 of Schedule 'Q')	0.59	7.61
NOTES	Q"	

Schedules referred to above form an integral part of the Profit and Loss Account
In terms of our Report of even date attached herewith.

For **K. N. Gutgutia & Co.**

Chartered Accountants

P. K. Gutgutia

Partner

Membership No. 6994

6C, Middleton Street,

Kolkata - 700 071

Dated: 23rd May 2011

Amit Dhanuka

Secretary

S. K. Poddar
Utsav Parekh
Dipankar Chatterji
Gautam Khaitan
Akshay Poddar

Directors

Schedules to Balance Sheet

		2010-11 (Rs. in Lakhs)		2009-10 (Rs. in Lakhs)
SCHEDULE A CAPITAL				
Authorised				
17,00,00,000 Equity Shares of Re.1/- each		1,700.00		1,700.00
3,00,000 6% Preference Shares of Rs.100/- each		300.00		300.00
		2,000.00		2,000.00
Issued, Subscribed and Paid-up				
12,71,83,090 (12,71,83,090) Equity Shares of Re.1/- each fully paid-up (Including 37,50,000 Equity Shares allotted for consideration other than cash)	1,271.82		1,271.82	
Add: Forfeited Shares (Amount paid-up)	0.01	1,271.83	0.01	1,271.83
		1,271.83		1,271.83

SCHEDULE A1 EMPLOYEES STOCK OPTION OUTSTANDING				
Employees Stock Option Outstanding		60.77		60.77
Less: Deferred Employees Compensation Expenses		35.60		16.81
		25.17		43.96

Schedules to Balance Sheet

	2010-11 (Rs. in Lakhs)		2009-10 (Rs. in Lakhs)	
SCHEDULE B RESERVES AND SURPLUS				
Share Premium				
As per last Account	18,846.35		2,323.02	
Less: Transferred to Texmaco Rail & Engineering Ltd.	(16,523.33)		–	
Less: Transfer to General Reserve	(2,323.02)		–	
Add: Equity QIP Share Premium	–	–	16,523.33	18,846.35
Revaluation Reserve				
As per last Account	1,306.55		1,355.42	
Less: Transferred to Texmaco Rail & Engineering Ltd.	(1,306.55)		–	
Less: On Assets sold/ discarded during the year	–		2.63	
	–		1,352.79	
Less: Transferred to Profit and Loss Account	–	–	46.24	1,306.55
State Capital Investment Subsidy				
As per last Account	265.00		265.00	
Less: Transferred to Texmaco Rail & Engineering Ltd.	(15.00)	250.00	–	265.00
State Interest Subsidy				
As per last Account	96.66		–	
Add: Received during the year	–	96.66	96.66	96.66
Capital Redemption Reserve				
As per last Account	415.07		141.02	
Add: Transferred from General Reserve Account	–	415.07	274.05	415.07
General Reserve				
As per last Account	27,569.82		20,343.86	
Less: Transfer to Capital Redemption Reserve	–		274.05	
Add: Transfer of Equity Right Share Premium	2,323.02		–	
Less: Transfer to Texmaco Rail & Engineering Ltd.	(15,280.48)		–	
	14,612.36		20,069.81	
Add: Transferred from Profit and Loss Account	300.00	14,912.36	7,500.00	27,569.81
Profit & Loss account		6,098.15		5,785.16
		21,772.24		54,284.60

Schedules to Balance Sheet

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
SCHEDULE C SECURED LOANS		
From Banks :		
Secured by hypothecation of Finished Goods and part of Raw Materials, Stock-in-Process, Stores, Book Debts, etc. and second charge on Fixed Assets.		
Cash Credit Accounts / SLC / FCNR (B)	–	10,343.75
Term Loans :		
Secured by Letter of Credit opened by the Buyer From State Bank of India	–	328.75
Project Loans :		
From State Bank of India	–	508.33
From Landesbank Wutterberg, Germany	–	170.53
From IREDA - Secured by Exclusives first charge of immovable / movable properties of Neora hydro project both existing and future subject to prior charge of Banks on specified Current assets.	–	167.65
	–	11,519.01

SCHEDULE D UNSECURED LOANS		
From Body Corporates	278.85	15.74
Fixed Deposit from employees/ex-employees	–	23.67
Advance against sale of land	400.00	700.00
	678.85	739.41

Schedules to Balance Sheet

SCHEDULE E

(Rs. in Lakhs)

FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As on 01.04.2010	Less: Due to De- Merger Scheme	Additions During The Year	Sales/ Adjustments	As on 31.03.2011	As on 01.04.2010	Less: Due to De- Merger Scheme	During The Year	Sales/ Adjustments	As on 31.03.2011	As on 31.03.2010
Land	4,738.42	1,375.01	373.29	-	3,736.70	-	-	-	-	3,736.70	4,738.42
Buildings (\$)	14,752.85	5,113.56	0.83	12.84	9,627.28	3,376.66	2,461.68	239.64	4.07	1,150.55	11,376.19
Roads	105.17	105.17	-	-	-	40.61	40.61	-	-	-	64.56
Railway Sidings	279.23	279.23	-	-	-	128.27	128.27	-	-	-	150.96
Plant & Machinery (\$)	12,692.12	11,829.54	-	3.93	858.65	6,965.64	6,585.76	67.11	3.73	443.26	5,726.48
Electrical Machinery	844.93	837.12	0.29	-	8.10	363.19	358.63	0.30	-	4.86	481.74
Office Equipments	420.17	406.96	0.34	-	13.55	253.84	243.08	0.57	-	11.33	166.33
Furniture & Fittings (\$)	134.20	116.89	28.13	-	45.44	82.93	69.18	1.21	-	14.96	51.27
Vehicles	398.24	359.48	-	5.35	33.41	161.73	141.36	4.15	2.97	21.55	236.51
Total	34,365.33	20,422.96	402.88	22.12	14,323.13	11,372.87	10,028.57	312.98	10.77	1,646.51	22,992.46
Capital Work - In - Progress	157.65	157.65	57.28	-	57.28	-	-	-	-	57.28	157.65
Grand Total	34,522.98	20,580.61	460.16	22.12	14,380.41	11,372.87	10,028.57	312.98	10.77	1,646.51	23,150.11
Previous Year	33,139.41		1,567.46	183.89	34,522.98	10,290.63		1,194.80	112.56	11,372.87	23,150.11

Notes : 1. Rs. 3,340.73 Lakhs (including Rs. 53.25 lakhs for the year) expenses incurred for development of land of Birla Textile capitalised.

2. Rs. 320.04 lacs transfer from Stock in Trade

3. \$ includes assets held in co-ownership with others at Kolkata and Delhi (see note number 7 of schedule (Q))

Schedules to Balance Sheet

				2010-11 (Rs. in Lakhs)		2009-10 (Rs. in Lakhs)	
SCHEDULE	F	INVESTMENTS					
A) Long-Term Investment (At Cost)							
Trade investments							
Fully paid-up Shares held in:-							
Quantity	F.V.						
1499	100	Wagon India Limited	1.50				
		Less. Provision for Diminution of Investment	1.50	-	-	-	-
15000	10	MSTC Limited			0.75		0.75
OTHER INVESTMENTS							
a) In Government Securities:-							
Quantity	F.V.						
100	100	12% Tamil Nadu Loan, 2011		0.10		0.10	
b) Fully paid-up Shares held in:-							
Quantity	F.V.						
7500	10	Birla Buildings Limited		0.75		0.75	
120	10	Elgin Mills Limited (5% 'B' Cumulative Pref. Shares)		0.01		0.01	
76700	10	APV Texmaco Limited	5.61				
		Less. Provision for Diminution of Investment	5.61	-		-	
2557941	10	Zuari Industries Limited		4,766.83		4,766.83	
6187	1	Calcutta Stock Exchange Limited		123.74		123.74	
106864 (42900)	10	Chambal Fertilisers & Chemicals Ltd.		45.65		7.55	
35529	10	Upper Ganges Sugar & Ind. Ltd.		24.04		24.04	
4100	10	New India Retailing & Investment Ltd.		1.78		1.78	
3500	10	Taparia Limited		0.40		0.40	
21000	10	Leas Communications Limited	2.10				
		Less. Provision for Diminution of Investment	2.10	-		-	
1000	10	Chandausi Rice Mills Limited	0.10				
		Less. Provision for Diminution of Investment	0.10	-		-	
15000	10	Birla Constructions Limited		1.50		1.50	
525450	100	Lionel India Limited		525.45		525.45	
- (10000)	10	Texmaco United Group Rail Pvt. Ltd.		-		1.00	
54599300	1	Texmaco Rail & Engg.Ltd. (Formerly Texmaco Machines Ltd.of Re. 1/-each)		545.99		545.99	
c) Fully paid-up Shares held in Subsidiary Companies							
Quantity	F.V.						
1209010	2.50	High Quality Steels Limited		30.22		30.22	
		Macfarlane & Co. Limited					
139265	5	Ordinary Shares	2.80				
16551	1	Deferred Shares	0.08	2.88		2.88	
				6,069.34		6,032.24	

Schedules to Balance Sheet

		2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
SCHEDULE	F	INVESTMENTS (Contd.)	
B) Current Investments			
a) Fully paid-up shares in:-			
Quantity	F.V.		
-	10	Idea Cellular Limited	7.30
(5000)			
-	10	Powergrid Corporation of India Limited	16.78
(11000)			
-	10	Tata Teleservices (Maharashtra) Limited	9.79
(20000)			
-	2	Bharat Forge Limited	5.88
(2000)			
-	10	Lakshmi Vilas Bank	9.35
(10000)			
-	10	Aditya Birla Chemical India Limited	9.80
(9500)			
-	2	East India Hotels Limited	11.17
(5000)			
-	10	SREI Infrastructure Finance Limited	2.18
(1000)			
-	10	Century Textiles Limited	4.34
(500)			
-	10	NHPC Ltd.	36.53
(101471)			113.12
		Less. Provision for Diminution	32.84
			80.28
b) Mutual Funds in:-			
Units	F.V.		
-	10	UTI Spread Fund Growth Plan	500.00
(4477598.574)			
-	1000	UTI Floating Rate Fund ST Plan - Instl. DD	512.39
(51199217)			
-	10	SBI -SHF- UST Fund - Instl. Plan -DD	1,342.82
(13420149.962)			
-	10	Fortis Short Term Income Fund - Instl. Plus - DD	513.21
(5130528.912)			
-	10	HDFC Floating Rate Income Fund - ST Plan- Wholesale Option - Div. Reinv.	514.87
(5107376.572)			
-	10	L&T Freedom Income STP - Instl. cum Org.	515.09
(3473412.54)			
-	10	SBI Magnum Insta Cash Fund Daily Div. Option	3,200.35
(19106199.799)			
-	10	Reliance Quarterly Interval Fund III Instl. Div. Plan	501.87
(4998400.512)			
-	10	Reliance Monthly Interval Fund Series I Instl. Div. Plan	501.29
(4998500.45)			
-	10	Reliance Monthly Interval Fund Series II Instl. Div. Plan	543.04
(5426567.331)			

Schedules to Balance Sheet

		2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
SCHEDULE F	INVESTMENTS (Contd.)		
B) Current Investments			
b) Mutual Funds in:-			
Units	F.V.		
-	10	Birla Sun Life enhanced Arbitrage Fund – Instl.– Div.	2,556.22
(25198883.350)			
-	10	Birla Sun Life Dynamic Bond Fund- Retail Plan - Monthly Div.	2,100.65
(20173733.482)			
-	10	Kotak Bond (Short Term) Monthly Div.	515.09
(5105685.914)			
-	10	LIC Income Plus Fund – Growth Plan	514.77
(4163426.834)			
-	1000	AXIS Treasury Adv. Fund – Instl. weekly Div.	108.27
(10821.268)			
-	10	UTI FI Interval Fund – S II – Quarterly Interval Plan V– Instl. Div. Plan	502.99
(5028171.789)			
-	10	Peerless Ultra STF - Super Instl. - Daily Div.	502.11
(5021038.135)			
47847158.000	10	Birla Sunlife ST Series VII	-
-			
5000000.000	10	SBI Mutual Fund SDF	-
-			
c) Bonds			
Units	F.V.		
-	8500	In NABARD – Zero Coupon Bonds	2,498.45
(26750)			
-	100000	In IRFC Bond	540.00
(540)			
-	100000	In IIFCL	1,005.50
(1000)			19488.98
Subscribed and sold during the year (Refer Note No.22 of Schedule 'Q')			
Total		11,354.81	25,602.25
		Book Value	Market Value
Aggregate amount of Quoted Investments		5,508.03	54,191.48
Aggregate amount of Unquoted Investments		5,846.78	20,598.03
		11,354.81	25,602.25

		2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
SCHEDULE G	INVENTORIES		
Stock as per inventories taken, valued and certified by the Management			
Land		-	320.04
Stores, Components & Spare Parts, etc		-	7,345.40
Raw Materials (incl.Site Rs. NIL lakhs,Previous year Rs.507.49 lakhs)		-	2,858.20
Goods-in-Transit		-	4,766.36
Stock-in-Process		-	2,196.51
Finished Goods		-	99.93
		-	17,586.44



Schedules to Balance Sheet

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
SCHEDULE H SUNDRY DEBTORS (Unsecured-considered good)		
(Including Retention Money Rs. NIL lakhs, Previous year Rs.2,220.23 lakhs)		
Debts Outstanding for a period Exceeding six months		
Considered good	6.29	5,380.41
Considered doubtful	–	–
	6.29	5,380.41
Other Debts considered good	–	21,721.19
	6.29	27,101.60

SCHEDULE I CASH AND BANK BALANCES		
Cash balance on hand	1.34	27.75
Balances with Scheduled Banks :		
Deposit Accounts	1.59	502.83
Cash Credit Account	0.74	–
Current Accounts	14.07	148.19
Dividend Accounts	26.21	22.43
	43.95	701.20

SCHEDULE J OTHER CURRENT ASSETS		
Interest accrued on Loans	–	242.74
	–	242.74

SCHEDULE K LOANS AND ADVANCES		
(Unsecured considered good, unless otherwise stated)		
Loans	–	3,402.00
Advances recoverable in cash or in kind or for value to be received	189.00	4,365.92
Balance with Customs, Port, Excise and other		
Government Authorities	–	796.00
Deposits	4.56	20.17
Self Assessment Tax	822.71	–
Share Application money	135.00	135.00
Advance payment of FBT (Net of Provision)	(0.20)	0.46
	1,151.07	8,719.55

Schedules to Balance Sheet

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
SCHEDULE L LIABILITIES		
Sundry Creditors		
For Goods supplied	–	20,734.70
For Expenses and other Finance	132.44	4,747.12
Trade and Other Deposits and Advances	723.34	7,363.59
Preference Share Capital Redeemed	5.76	5.76
Unclaimed Dividend on Preference Shares	0.25	0.25
Unclaimed Dividend on Equity Shares *	26.21	22.43
* There is no amount due and outstanding to be credited to the Investor Education and Protection Fund.		
	888.00	32,873.85

SCHEDULE M PROVISIONS		
For Contingencies	3.93	4.93
For Leave	4.08	118.82
For Gratuity	20.60	77.40
Proposed Dividend	127.18	1,144.65
Tax on Dividend	20.63	194.53
For others	–	333.10
Provision for Income Tax (Net of Advance Tax)	100.86	208.26
	277.28	2,081.69

	2010-11 (Rs. in Lakhs)		2009-10 (Rs. in Lakhs)	
SCHEDULE N INCOME FROM OTHER SOURCES				
Income from Investments - Long Term				
Trade	11.75		11.63	
Others	117.74	129.49	78.54	90.17
Income from Investments - Current		190.96		326.75
Profit on Sale of Investments - long term		–		44.11
Profit on Sale of Investments - Current (Net) (Refer Note No. 20 of Schedule 'Q')		14.27		110.90
Miscellaneous Receipts and Income		4.00		17.61
Sundry Credit Balance Adjusted		–		1.25
Profit on sale of Fixed Assets (Net) (Refer Note No. 20 of Schedule 'Q')		32.34		25.26
Provision & Excess Liabilities Written Back		20.42		14.58
Provision for Diminution of Current Investment Written Back		–		13.94
Export Incentive		–		10.17
Interest Subsidy		–		36.45
Interest				
From Bank		0.08		21.74
From Others (TDS Rs. 7.48 lakhs, Previous year Rs.51.93 lakhs)		74.81		740.03
		466.37		1,452.96



Schedules to Profit and Loss Account

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
SCHEDULE O OPERATING COSTS		
Raw Materials Consumed (01)	–	10,238.82
Consumption of Components (Incl Job processing and contract labour charges Rs.NIL lakhs, Previous year Rs 3,013.41 lakhs)	–	67,648.93
Consumption of Stores & Spare Parts (including Accessories and after adjusting Sales and departmental transfers,etc.)	–	4,045.45
Purchases	10.48	10.04
Power and Fuel	4.73	2,573.35
Salaries,Wages and Bonus	66.02	2,794.50
Contribution to and Provision for		
Provident Fund and Pension Fund	2.44	267.58
Superannuation Fund	–	30.66
Gratuity	–	197.98
Provision for Leave Encashment	–	20.77
Workmen and Staff Welfare Expenses	12.70	214.78
Selling Agents Commission	0.10	6.24
Selling Expenses	–	148.13
Erection Expenses	–	538.09
Freight, Packing and Transport (Net) (Refer Note No. 20 of Schedule 'Q')	–	(122.64)
Excise Duty Provided on Stock	–	0.09
Royalty & Knowhow	–	–
Rates & Taxes	52.02	120.19
Rent Paid	4.44	36.30
Research & Development	–	56.01
Insurance	5.21	26.95
Repairs		
Building	14.70	372.48
Plant and Machinery	15.69	491.48
Others	2.09	98.04
Miscellaneous Expenses	64.39	1,127.19
Charity and Donations	–	35.71
Sundry Debit Balance Adjusted	–	1.03
Expenses related to previous year (Refer Note No. 21 of Schedule 'Q')	0.59	62.03
Jigs & Fixtures, Drawings and Designs	–	133.81
Bad Debts Written off	–	411.96

Schedules to Profit and Loss Account

	2010-11 (Rs. in Lakhs)		2009-10 (Rs. in Lakhs)	
SCHEDULE O OPERATING COSTS (Contd.)				
Auditors' Remuneration				
As Auditors	2.21		6.25	
For Tax Audit	–		1.25	
For Quarterly Review	0.11		2.35	
For Fees for Other Services (incl. for issuing various certificates)	–		4.26	
For Reimbursement of out of pocket expenses	–	2.32	0.25	14.36
Cost Auditors' Fees		–		0.11
Directors' Fees		5.10		6.15
Employee Compensation Expenses under ESOP		(18.79)		43.96
Directors' Commission		5.50		7.00
Provision for Diminution of Current and Long Term Investment		–		1.50
Adjustment regarding difference in value of Opening and Closing Stocks of Finished Goods, and Stock-in-Process (O2)		–		1,831.50
		249.73		93,490.53

SCHEDULE O1 RAW MATERIALS CONSUMED				
Opening Stock	–		3,323.18	
Add: Purchases and Departmental Transfers etc.	–	–	12,403.34	15,726.52
Less: Returns, Sales and Departmental issues used in Works and in Block	–		2,629.50	
Closing Stock	–	–	2,858.20	5,487.70
Raw Materials consumed		–		10,238.82

SCHEDULE O2 ADJUSTMENT REGARDING DIFFERENCE IN VALUE OF OPENING AND CLOSING STOCKS OF FINISHED GOODS AND STOCK-IN-PROCESS				
Opening Stock:				
Stock-in-Process	–		4,037.67	
Finished Stock	–	–	90.27	4,127.94
Closing Stock:				
Stock-in-Process	–		2,196.51	
Finished Stock	–	–	99.93	2,296.44
(Increase)/Decrease		–		1,831.50

SCHEDULE P INTEREST				
Term Loans		10.10		128.62
Fixed Deposit		–		2.14
Banks		–		518.02
Others		31.17		211.56
		41.27		860.34



Schedules to Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT

A. ACCOUNTING POLICIES

General

These accounts are prepared on historical cost basis and on the accounting principles of a going concern. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles. Applicable Accounting Standards notified by the Companies Accounting Standards Rules, 2006 have been followed except otherwise stated.

Fixed Assets

Fixed assets are stated at cost net of Cenvat. Cost includes purchase price and related expenses.

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on external/internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price and 'value in use' of the assets. The estimated future cash flows considered for determining the value in use are discounted to their present value at the weighted average cost of capital.

Depreciation

Depreciation has been provided on straight line method except in respect of a unit (Neora Hydro) having a Gross assets Valuing Rs 2,565.42 Lakhs (Previous Year Rs 2,564.23 Lakhs) where Written Down method has been followed in accordance with the rates in Schedule XIV of the Companies Act, 1956.

Investments

Current Investment are stated at lower of cost and fair value.

Long term Investments are considered "at Cost" on individual investment basis, unless there is a decline other than temporary in value thereof, in which case adequate provision is made against such diminution in the value of investments.

Recognition of Income and Expenditure

Sales revenue is recognised on transfer of the significant risks and rewards of ownership of the goods to the buyer and stated at net of Sales Tax, Service Tax, VAT, trade discounts, rebates. Dividend income on investments is accounted for when the right to receive the payment is established. Interest income is recognised on time proportion basis. Certain insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

Employee Benefits

(1) The company's contribution to provident fund, employees' state insurance scheme are charged on accrual basis to Profit & Loss Account.

(2) Leave :

Leave liability is accounted for based on actuarial valuation at the end of year.

(3) Gratuity:

Year-end accrued liabilities on account of gratuity payable to employees are provided on the basis of actuarial valuation.

Contingent Liabilities

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Use of Estimates

The presentation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and the estimates are recognised in the period in which the results are known/ materialised.

Schedules to Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

Borrowing Cost

Interest on borrowings directly attributable to the acquisition, construction or production of qualifying assets is being capitalised till the date of commercial use of the qualifying assets. Other interests on borrowings are recognised as an expense in the period in which they are incurred.

Segment Reporting

- Based on the organisational structures and its Financial Reporting System, the Company has classified its operation into three business segments namely Real Estate, Hydro Power and Others.
- Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which are related to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under un-allocable expenses.
- Capital Employed to each segment is classified on the basis of allocable assets minus allocable liabilities identifiable to each segment on reasonable basis.

Taxation

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred tax is calculated at current statutory Income Tax Rate and is recognised on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognised and carried forward only to the extent that there is reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Employee Stock Option Scheme

In respect of Stock options granted pursuant to the Company's Employees Stock Option Schemes 2007, the intrinsic value of the options (excess of Market Price of the share over the exercise price of the option) is treated as discount and accounted as deferred employee's compensation cost over the vesting period.

Government Grant

Grants from the government are recognised when there is a reasonable assurance that the grant will be received and all attaching conditions will be complied with. Revenue grants/subsidies are recognised in the Profit & Loss Account. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Other Capital Grants are credited to Reserve & Surplus of the Company.

B. NOTES ON ACCOUNTS

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
1 Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance)	Nil	159.07
	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
2 Contingent Liabilities (not provided for) in respect of :		
(a) Guarantees given by Banks	–	32,258.80
(b) Letters of Credit opened by Banks	–	25,397.05
(c) Claims under Dispute (Excise & Service Tax)	–	2,054.48
(d) Claims not acknowledged as debts (Amount unascertainable)	–	–
(e) Income Tax assessment re-opened (Amount unascertainable)	–	–

Schedules to Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

3. a) Pursuant to the Scheme of Arrangement approved by the Hon'ble High Court, Calcutta, all the Assets, Liabilities, Capital Investment Subsidy, Equity QIP Share Premium and Revaluation Reserve of Heavy Engineering and Steel Foundry businesses of the Company as on 1st April 2010 have been transferred to Texmaco Rail & Engineering Limited ("TexRail") at their book values and accordingly, Rs 15,280.48 lacs being the surplus of Assets over the Liabilities of the Business so Demerged, has been reduced from General Reserve in terms of the Order of the Hon'ble High Court, Calcutta.
- b) Pursuant to the Scheme, TexRail has issued 12,71,83,090 Equity Shares of Re 1 each aggregating to Rs 1,271.83 lacs to the existing shareholders of the Company as on the record date, in the ratio of 1 fully paid up Equity Share of Re 1 each of TexRail for each share of Re 1 each held in the Company.
- c) The results of the Company for the current year ended 31st March, 2011 are after giving effect to the Scheme of Arrangement with TexRail, whereby the Heavy Engineering and Steel Foundry businesses have been demerged to TexRail with appointed date of 1st April, 2010 and accordingly its previous year's figures are not comparable with the current year.
4. Pursuant to the Supreme Court order dated 25th March, 2010 the Company could retain 35% of its Industrial Land with a F.A.R., 1.5 times of normal and surrender the balance Land to DDA. The Company is in process of identifying the area required to be surrendered to DDA and have moved an application in the Court of Dist. Judge, Delhi who is the Authority nominated by the Hon'ble Supreme Court for executing orders of Supreme Court.
5. As per the Agreement with Chambal Fertilisers & Chemicals Ltd., when they took over the assets and liabilities of Baddi Unit from 01-10-99, Texmaco is liable to pay wages and salary in respect of excess workers / staff taken over by them over and above the required one to run the Baddi Unit. The Company has paid Rs. 53.25 Lakhs (Previous year Rs. 21.79 Lakhs) during the year to such workers/ staff including various other related expenses. Such expenses have been shown as expenses on land and capitalised under the head 'Land'.
6. a) Remuneration paid to Non-executive and Independent Directors as sitting fees Rs. 5.10 Lakhs (previous year Rs.6.15 Lakhs) and commission Rs. 5.50 Lakhs (previous year Rs 7.00 Lakhs).
- b) Managerial Remuneration:

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
Computation of Net Profit in accordance with Section 198 of the companies Act, 1956.		
Profit before Tax as per Profit & Loss Account	1,061.27	13,896.51
Add/(Less): Directors' remuneration	-	171.75
Directors' Fees	5.10	6.15
Directors' Commission	5.50	7.00
Profit/ (Loss) On Sale of Fixed Assets (Net)	-	(25.26)
Provision for diminution in value of Investment	-	(12.44)
Profit/ (Loss) on sale of Investment	(14.27)	(155.01)
Net Profit for Section 198 of the Companies Act, 1956	1,057.60	13,888.70
Maximum Commission to Directors (Excluding Whole Time Directors) @ 1%	10.58	138.89
Commission to Non Whole Time Directors restricted to Rs 1.00 Lakh each on proportionate basis	5.50	7.00

Schedules to Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

7. Following assets (company's share) are held under co ownership with other companies

(Rs. in Lakhs)

Assets	2010-11			2009-10		
	Original Cost	Accumulated Depreciation	WDV	Original Cost	Accumulated Depreciation	WDV
Building	77.01	17.18	59.83	77.01	16.04	60.97
Plant & Machinery	37.36	18.47	18.89	37.36	16.26	21.10
Furniture & Fittings	0.51	0.51	–	0.51	0.49	0.02

8. In the opinion of the management, current assets, loans and advances have a value on realisation in the ordinary course of business unless otherwise stated, at least to the amount at which they are stated and the provisions for all known and determined liabilities is adequately provided.
9. Balance of debtors and loans and advances are subject to confirmation from respective parties.

10. Related Party Disclosure

(a) Name of the related parties and relationship:

	Relationship	Parties where control Exist	Parties where control Exist
		2010-11	2009-10
A	Subsidiaries	High Quality Steels Limited (99.87% of the Capital held by the Company)	High Quality Steels Limited (99.87% of the Capital held by the Company)
		Macfarlane & Company Limited (71.27% of the Capital held by the Company)	Macfarlane & Company Limited (71.27% of the Capital held by the Company)
		–	Texmaco Rail & Engineering Limited TREL (Formerly Texmaco Machines Limited – Changed to TREL w.e.f. 01/04/2010) (99.99% of the Capital held by the company)
B	Associates	Lionel India Limited (50.00% of the Capital held by the Company)	Lionel India Limited (50.00% of the Capital held by the Company)
		Texmaco Rail & Engineering Limited (30.04% of the Capital held by the Company)	–
C	Key Management Personnel	Shri S. K. Poddar Chairman	Shri S. K. Poddar Executive Chairman
D	Relatives of Key Management Personnel	Shri Gaurav Agarwala Relative of Director	Shri Gaurav Agarwala Relative of Director

Schedules to Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

(b) Related Party Transactions						(Rs. in Lakhs)
Transactions	Subsidiaries	Associate	Key Management Personnel	Relatives of Key Management Personnel	Grand Total	
Purchase of Goods/ Services	-	-	-	-	-	
- High Quality Steels Limited	(1,540.30)	-	-	-	(1,599.19)	
- Lionel India Limited	-	(58.89)	-	-	-	
Loans/ Advances received	-	-	-	-	-	
- High Quality Steels Limited	(138.25)	-	-	-	(186.50)	
- Macfarlane & Company Limited	(48.25)	-	-	-	-	
Loans/ Advances paid	-	-	-	-	-	
- Texmaco Rail & Engineering Limited	-	(11.17)	-	-	(11.17)	
Remuneration paid	-	-	-	12.00	12.00	
- Shri S. K. Poddar	-	-	(114.36)	(12.00)	(244.96)	
- Shri Ramesh Maheshwari	-	-	(82.83)	-	-	
- Shri D. H. Kela	-	-	(35.77)	-	-	
- Shri Gaurav Agarwala	-	-	-	12.00	-	
Interest Received	-	-	-	(12.00)	-	
- Lionel India Limited	-	(12.42)	-	-	(12.42)	
Debit Balance Outstanding at year end	-	-	-	-	-	
- Texmaco Rail & Engineering Limited	-	(11.58)	-	-	(11.58)	
Credit Balance Outstanding at year end	-	-	-	-	278.85	
- High Quality Steels Limited	(138.25)	-	-	-	(187.98)	
- Macfarlane & Company Limited	(48.25)	-	-	-	-	
- Texmaco Rail & Engineering Limited	-	278.85	-	-	-	
- Lionel India Limited	-	(1.48)	-	-	-	

Note: Figures given in brackets are for previous year.

Schedules to Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

11. Employee Benefits Obligation

Employee Benefits, Defined Benefits Plans – As per Actuarial Valuation as on March 31, 2011 (Rs. in Lakhs)

	Funded Gratuity 2010-11	Funded Gratuity 2009-10	Unfunded Leave 2010-11	Unfunded Leave 2009-10
I Change of Benefit Organisation				
Liability at the beginning of the year	1,575.24	1,452.97	118.82	106.93
Transferred to Texmaco Rail & Engineering Limited	(1,537.60)	–	(114.03)	–
Interest cost	1.70	113.56	0.34	8.47
Current Service Cost	1.34	74.27	0.39	8.99
Past Service Cost (Non Vested Funds)	–	–	–	–
Past Service Cost (Vested Funds)	–	–	–	–
Benefits Paid	(1.86)	(194.39)	–	(8.99)
Actuarial (Gain)/Loss on obligation	(18.22)	74.79	(1.44)	3.42
Curtailments and Settlements	–	–	–	–
Plan Amendment	–	54.04	–	–
Liability at the end of the year	20.60	1,575.24	4.08	118.82
II Fair Value of Plan Assets				
Fair value of Plan Assets at the beginning of the year	1,497.84	1,378.29	–	–
Transferred to Texmaco Rail & Engineering Limited	(1,497.84)	–	–	–
Expected Return on Plan Assets	–	119.88	–	–
Contributions	1.86	194.06	–	8.99
Benefit Paid	(1.86)	(194.39)	–	(8.99)
Actuarial (Gain)/Loss on Plan Assets	–	–	–	–
Fair Value of Plan Assets at the end of the year	–	1,497.84	–	–
Total Actuarial (Gain)/Loss to be Recognised	–	–	–	–
III Actual Return on Plan Assets				
Expected Return on Plan Assets	–	119.88	–	–
Actuarial (Gain)/Loss on Plan Assets	–	–	–	–
Actual Return on Plan Assets	–	119.88	–	–
IV Amount Recognised in the balance sheet				
Liability at the end of the year	20.60	1,575.24	4.08	118.82
Fair Value of Plan Assets at the end of the year	–	(1,497.84)	–	–
Difference	20.60	77.40	4.08	118.82
Unrecognised Past Service Cost	–	–	–	–
Amount Recognised in the Balance Sheet	20.60	77.40	4.08	118.82
V Expenses Recognised in the Income Statement				
Current Service Cost	1.34	74.27	0.39	8.99
Interest Cost	1.70	113.56	0.34	8.47
Expected Return on Plan Assets	–	(119.88)	–	–
Net Actuarial (Gain)/Loss to be Recognised	(18.22)	74.79	(1.44)	3.42
Past Service Cost/(Non Vested Benefit) Recognised	–	54.04	–	–
Past Service Cost/(Vested Benefit) Recognised	–	–	–	–
Effect of Curtailment or settlement	–	–	–	–
Curtailments and Settlements	–	–	–	–
Expenses Recognised in the Profit and Loss Account	15.18	196.78	(0.71)	20.88

Schedules to Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

11. Employee Benefits Obligation

Employee Benefits, Defined Benefits Plans – As per Actuarial Valuation as on March 31, 2011 (Rs. in Lakhs)

	Funded Gratuity 2010-11	Funded Gratuity 2009-10	Unfunded Leave 2010-11	Unfunded Leave 2009-10
VI Balance Sheet Reconciliation				
Opening Net Liability	77.40	74.68	118.82	106.93
Transferred to Texmaco Rail & Engineering Limited	(39.76)		(114.03)	
Expense as above	(15.18)	196.78	(0.71)	20.88
Employer's Contribution	(1.86)	(194.06)	–	–
Effect of Curtailment or settlement	–	–	–	–
Benefits paid	–	–	–	8.99
Amount Recognised in the Balance Sheet	20.60	77.40	4.08	118.82
VII Actuarial Assumption				
Discount Rate Current	8.25%	7.50%	8.25%	7.50%
Rate of Return on Plan Assets	8.50%	8.50%	–	–
Salary Escalation Current	5.00%	5.00%	5.00%	5.00%

12. Under the Employees Stock Option Scheme 2007 (ESOS 2007), the Company has granted 3,65,000 options to its eligible employees, the details of which are as follows:

(A) Employees Stock Option Scheme

Particulars	Terms
No. of Options	10,00,000
Method of Accounting	Intrinsic Value
Vesting Plan	Minimum two years and maximum three years from the date of grant of option
Exercise Period	Commence from the date of vesting and will expire on completion of 5 years from the date of vesting operation
Grant Date	11.05.2007
Grant Price (Rs. per Share)	22.59
Market Price on the date of Grant of Option (Rs.)	71.75

(B) Movement of Options Granted:

Particulars	2010-11
Option Outstanding at the beginning of the year	3,65,000
Granted during the year	–
Exercise during the year	–
Lapsed during the year	–
Option outstanding at the end of the year	3,65,000
Option unvested at the end of the year	3,65,000
Option exercisable at the end of the year	–

(C) Fair Valuation:

The Fair value of option used to compute Performa net income and earnings per equity share has been done by an independent firm of Chartered Accountants on the date of grant using Black – Scholes Model.

The Key assumption in Black – Scholes Model for calculating fair value as on the date of grant are:

Risk Free Rate	%	8.04
Option Life	Months	44
Expected Volatility	%	16.12
Expected Growth in Dividend	%	13.33

The weighted average fair value of the option, as on date of grant, works out to Rs. 31.45 per stock option.

Schedules to Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

Had the compensation cost for the stock option granted under ESOS been determined, based on fair-value approach, the Company's net profit and earnings per share would have been as per the Performa amounts indicated below:

	Rs. in Lakhs
Particulars	2010-11
Net Profit (As Reported)	760.80
Add Compensation Expenses under ESOS included in the Net Profit	18.79
(Less) Compensation Expenses under ESOS as per fair value	(32.34)
Net Profit (fair value basis)	747.25
Basic Earning per Share (As Reported) Re. 1/-share	0.60
Basic Earning per Share (Fair Value Basis) Re. 1/- share	0.59
Diluted Earning per Share (As Reported) Re. 1/- share	0.60
Diluted Earning per Share (Fair Value Basis) Re. 1/- share	0.59

13. Earning Per Share – The numerator and denominators used to calculate Basic/ Diluted Earning per Share

		2010-11	2009-10
Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator	Rs in Lakhs	760.80	9,287.29
Weighted average number of Equity share outstanding used as denominator for Basic earning per share	Number	127183090	121791309
Weighted average number of Equity share on account of Employees Stock Option Scheme	Number	365000	211990
Weighted average number of Equity share used as denominator for Diluted Earning per Share	Number	127548090	122003299
(A) Basic Earning per share (face value of Re 1/- each)	Rs.	0.60	7.63
(B) Diluted Earning per share (face value of Re 1/- each)	Rs.	0.59	7.61

14. Deferred Tax Assets/Liability is recognised as per AS 22 "Accounting for Taxes on Income" issued by the Companies (Accounting Standards) Rules, 2006 The Deferred Tax Assets & Liabilities comprise of Tax effect of following timing differences:

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
Items u/s 43B and u/s 40(a)(i)(a) of I.T Act	250.86	381.51
Depreciation	(627.51)	(671.05)
Net Deferred Tax Liability	(376.65)	(289.54)

15. Sales include inter department transfers Rs Nil (Previous Year Rs 14,914.81 Lakhs) Tax deducted at source Rs 108.61 lakhs (Previous Year Rs. 1267.68 lakhs), excess/(short) realisation of bills (net) Rs. Nil {Previous Year Rs. (5.11) lakhs (net)}.

16. Amount Remitted during the year on account of Dividend (As certified by the Management):

	2010-11	2009-10
Number of Non-resident Shareholders	17	17
Number of Equity Shares held	14840	14840
Dividend remitted (Rs. in Lakhs)	0.13	0.11

17. The following items are included under other heads of expenses in the Profit & Loss account:

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
Salary & Wages	Nil	28.70
Stores & Spares consumed	Nil	752.81

Schedules to Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

18. Miscellaneous expenses include:

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
Travelling expenses paid to the Directors for attending Board Meetings	–	5.87
Bank charges including Guarantee Commission	–	393.65
Foreign Exchange (Gain)/Loss*	–	(46.74)

* In addition to above, Exchange Difference arising on Foreign Currency Transactions on account of imported Raw Materials/ Stores has been accounted under respective Revenue Heads.

19. Issued, Subscribed and Paid up Share Capital of the company is excluding 9960 Nos. of Equity Shares lying in abeyance – NSDL – Transit case (Previous Year – 9960 Nos. of Equity Shares)

20. Details of Income/ Expenses disclosed on Net basis:

SL No.	Particulars	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
1	Freight, Packing and Transport		
	Paid	–	612.44
	Received	–	735.08
	Net	–	(122.64)
2	Profit on sale of Fixed Assets		
	Profit	33.52	30.47
	Loss	1.18	5.21
	Net	32.34	25.26
3	Income / Profit on sale of current investment		
	(i) Shares		
	Profit		0.48
	Loss	–	–
	Net	–	0.48
	(ii) Mutual Funds & Others		
	Profit	14.27	110.42
	Loss	–	–
	Net	14.27	110.42
	Total (i+ii)	14.27	110.90

21. Details of Expenses related to previous year:

Particulars	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
(i) Fringe Benefit Tax	–	0.02
(ii) Dividend	0.01	–
(iii) Interest for Income Tax	0.58	62.01
	0.59	62.03

22. Details of Investment purchased and sold during the year:

Sl. No.	Name of Mutual Fund	Amount Invested (Rs. in Lakhs)	No of Units	FV/Unit
1	Birla Sun Life Floating Rate Fund-Retail-Long Term-DD	2,567.58	25663008.303	10
2	Birla Sun Life ST Opportunity Fund	2,583.06	25780944.821	10
3	BSL Dynamic Bond Fund Retail plan monthly	2,153.04	21271516.940	10
4	BSL Short Term FMP Series 2 Dividend -Payout	4,784.72	47847158.260	10

Schedules to Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

23. Pending receipt of intimation from its suppliers about registration under MSMED Act, the management has reclassified erstwhile SSI creditors as MSMED creditors. Information in terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:		
a) Principal amount due	Nil	474.18
Interest due on the above.	Nil	Nil
b) Interest paid during the period beyond the appointed day	Nil	Nil
c) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	Nil	Nil
d) Amount of interest accrued and remaining unpaid at the end of the period	Nil	Nil
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	Nil	Nil
The above information included in Schedule "L" Current Liabilities regarding micro enterprise and small enterprises has been determined on the basis of information available with the Company. This has been relied upon by the auditors.		

24. Sales include inter departmental transfers Rs. Nil (previous year Rs. 14,914.81 lakhs), Tax deducted at source Rs. Nil (previous year Rs. 1,267.68 lakhs), excess/(short) realisation of bills Rs. Nil (previous year Rs. net (5.11) lakhs).

25. Analysis of raw materials consumed:

	Units	Quantity		Value	
		2010-11	2009-10	2010-11	2009-10
		(Rs. in Lakhs)			
M.S. & C.I. Scrap	M.T.	-	17,359.00	-	3,024.81
Pig Iron	M.T.	-	670.00	-	115.46
Sponge Iron	M.T.	-	2,651.00	-	412.83
Plates & Sheets	M.T.	-	12,925.55	-	5,832.55
Rounds, Bars and Flats	M.T.	-	-	-	-
Structural	M.T.	-	1,601.73	-	644.54
Billets	M.T.	-	462.11	-	208.63
Tubes & Pipes	Meter	-	-	-	-
				-	10,238.82

Schedules to Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

26. Value of raw materials and stores (including components and spare parts) services etc.:

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)	2010-11 (In %)	2009-10 (In %)
Imported	-	17,824.26	-	21.75
Indigenous	-	64,108.94	-	78.25
	-	81,933.20	-	100.00

27. Value of imports on C.I.F. Basis:

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
Raw Materials	-	201.09
Components, Spare Parts and Stores	-	12,863.47
	-	13,064.56

28. Expenditure in Foreign Currency:

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
Royalty & Know-how	-	-
Interest	-	7.86
Consultancy Fees	-	28.84
Traveling and Others	-	26.76

29. Income in Foreign Exchange:

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
Export of Goods (F.O.B.)	-	60.65
Interest	-	100.95

30. Amount Remitted during the year on account of Dividend (As certified by the Management):

	2010-11	2009-10
Number of Non-resident Shareholders	17	17
Number of Equity Shares held	14840	14840
Dividend remitted (Rs. in Lakhs)	0.13	0.11

Schedules to Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

31. Particulars in Respect of Goods Manufactured :

Class of Goods	Units	Year	Installed Capacity	Actual Production	Stock of Goods Produced				Sales	
					Opening		Closing		Quantity	Value
					Quantity	Value (Rs. in Lakhs)	Quantity	Value (Rs. in Lakhs)		
Wagons	VUs	2010-2011	-	-	-	-	-	-	-	-
		2009-2010	7,500	4,110	-	-	-	-	4,110	82,057.27
Structurals	M.T.	2010-2011	-	-	-	-	-	-	-	-
		2009-2010	20,400	2,320	-	-	-	-	2,320	3,319.94
Water Tube Boilers and Package Boilers	M.T.	2010-2011	-	-	-	-	-	-	-	-
		2009-2010	720	-	5	74.88	-	58.83	-	21.86
Sugar Mill Machinery (Complete Plant 1200 Tons Crushing Capacity)	M.T.	2010-2011	-	-	-	-	-	-	-	-
		2009-2010	4,000	5	-	0.44	-	-	5	2.49
Pressure Vessels, Heat Exchangers and Chemical Machineries	M.T.	2010-2011	-	-	-	-	-	-	-	-
		2009-2010	1,500	985	3	0.79	-	-	988	1,122.26
Points and Crossings	Sets	2010-2011	-	-	-	-	-	-	-	-
		2009-2010	2,000	-	-	-	-	-	-	-
Site Fabrication and Erection	M.T.	2010-2011	-	-	-	-	-	-	-	-
		2009-2010	-	1,674	-	-	-	-	1,674	1,743.52
Steel Castings & Ingots (including Draft Gear 4000 Sets)	M.T.	2010-2011	-	-	-	-	-	-	-	-
		2009-2010	30,000	18,304	-	-	-	-	18,304	18,951.71
Power Tiller/Reaper	Nos.	2010-2011	-	-	-	-	-	-	-	-
		2009-2010	2,000	601	17	13.17	49	40.11	569	572.14
Ring Frames, Doublers and Worsted Ring Frames	Nos.	2010-2011	-	-	-	-	-	-	-	-
		2009-2010	1,173	-	2	0.60	2	0.60	-	-
Speed Frames	Nos.	2010-2011	-	-	-	-	-	-	-	-
		2009-2010	-	-	1	0.39	1	0.39	-	-
Generation of Hydro Electric Power	KWH	2010-2011	120 Lakhs	48.95 Lakhs	-	-	-	-	48.95 Lakhs	174.45
		2009-2010	120 Lakhs	67.28 Lakhs	-	-	-	-	67.28 Lakhs	239.77
Rent		2010-2011	-	-	-	-	-	-	-	1,012.48
		2009-2010	-	-	-	-	-	-	-	980.61
Scrap	M.T.	2010-2011	-	-	-	-	-	-	-	1.43
		2009-2010	-	-	-	-	-	-	-	1,220.14
Tarding Goods	M.T.	2010-2011	-	3	-	-	-	-	3	10.52
		2009-2010	-	-	-	-	9	-	10.09	-
Others		2010-2011	-	-	-	-	-	-	-	-
		2009-2010	-	-	-	-	-	-	-	2,307.63
Total		2010-2011	-	-	-	-	-	-	-	1,198.88
		2009-2010	-	-	-	90.27	-	99.93	-	112,549.43

- Notes :
1. Installed Capacity have been certified by the Management.
 2. Weight of bought-outs and Erection not included in quantity.
 3. Where units are in numbers,value of spares, sub-assembly and part production considered.

Schedules to Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

32. Information about Segment Working is given below:

(Rs. in Lakhs)

	2010-2011				2009-2010				
	Real Estate	Mini Hydro	Others	Total	Heavy Engg. Division	Steel Foundry	Real Estate	Others	Total
	1	2	3	4 (1+2+3)	1	2	3	4	5 (1+2+3+4)
Revenue (Net of Excise Duty and Cess)									
External Sales	1,024.42	174.46		1,198.88	86,277.03	5,619.24	933.26	239.77	93,069.30
Internal-Segment Sales	-	-	-	-	3,041.18	11,873.63	-	-	14,914.81
Total Revenue	1,024.42	174.46		1,198.88	89,318.21	17,492.87	933.26	239.77	107,984.11
Result									
Segment Result	825.55	(114.50)	316.60	1,027.65	10,895.54	2,346.94	686.71	107.02	14,036.21
Unallocated Corporate Expenses									
Operating Profit/(Loss)				1,027.65					14,036.21
Interest Expenses				(41.27)					(860.34)
Interest Income				74.89					761.77
Total Profit/(Loss) before Tax				1,061.27					13,937.64
Provision for Current Tax				(210.00)					(4,493.00)
Provision for Deferred Tax				(87.11)					(63.80)
Income Tax for earlier year				(3.36)					(35.23)
Profit/(Loss) from ordinary activities				760.80					9,345.61
Extra ordinary items				-					(41.13)
Net Profit/(Loss)				760.80					9,304.48
Other Information									
Segment assets	11,202.81	250.19	2,424.92	13,877.92	50,657.10	9,551.43	11,311.79	5,122.48	76,642.80
Unallocated Corporate assets									-
Total assets				13,877.92					76,642.80
Segment liabilities	536.11	28.04	1,132.17	1,696.32	38,341.05	5,765.56	1,508.97	259.21	45,874.79
Unallocated corporate liabilities				-					289.54
Total Liabilities				1,696.32					46,164.33
Capital expenditure	373.29	1.19	85.68	460.16	686.91	331.90	531.31	17.34	1,567.46
Depreciation	127.15	181.40	4.43	312.98	279.92	538.03	120.56	210.05	1,148.56
Non-cash expenses other than depreciation				-					72.65

Note : The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

33. Previous year figure have been regrouped/ rearranged/ restated/ recast wherever necessary to confirm this year classification.

34. Figures below Rs.500/- have been omitted for rounding off and above Rs.500/- have been rounded off to the next Rs.1,000/.

In terms of our Report of even date attached herewith.

For **K. N. Gutgutia & Co.**

Chartered Accountants

P. K. Gutgutia

Partner

Membership No. 6994

6C, Middleton Street,

Kolkata - 700 071

Dated: 23rd May 2011

Amit Dhanuka
Secretary

S. K. Poddar
Utsav Parekh
Dipankar Chatterji
Gautam Khaitan
Akshay Poddar

Directors

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No.: State Code

Balance Sheet Date - -

Date Month Year

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

Public Issue

Bonus Issue

Rights Issue

Private Placement

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

Total Liabilities

Total Assets

Sources of Funds

Paid-up-capital

Secured Loans

Deferred Tax Liabilities (Net)

Application of Funds

Net Fixed Assets

Net Current Assets

Accumulated Losses

Reserves and Surplus

Unsecured Loan

Employees Stock Option Outstanding

Investments

Deferred Tax Assets (Net)

Misc. Expenditure

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

Turnover

Other Income

Profit before Tax

Earning per share in Rs. .

Total Expenditure

Profit after Tax

Dividend Rate (%)

V Generic Names of three Principal Products of Company

Product Description:

i) Hydro Power

Item Code No. (ITC Code):

In terms of our Report of even date attached herewith.

For **K. N. Gutgutia & Co.**

Chartered Accountants

P. K. Gutgutia

Partner

Membership No. 6994

6C, Middleton Street,

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Dated: 23rd May 2011

Amit Dhanuka

Secretary

S. K. Poddar
Utsav Parekh
Dipankar Chatterji
Gautam Khaitan
Akshay Poddar

Directors

Cash Flow Statement For the year ended 31st March 2011

(Rs. in Lakhs)

	Year ended 31.03.2011	Year ended 31.03.2010
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax & Exceptional Items	1,061.27	13,937.64
Adjustments for:		
Depreciation	312.98	1,148.56
Interest Paid	41.27	860.34
Employee Compensation Expenses under ESOP	(18.79)	43.96
Interest Received	(74.89)	(761.77)
Income From Investments	(320.45)	(416.92)
Profit on Sale of Investments-Current(Net)	(14.27)	(110.90)
Profit on Sale of Investments-Long Term (Net)	-	(44.11)
Profit on Sale of Fixed Assets (Net)	(32.34)	(25.26)
Provision for Diminution in value of Investments	-	1.50
Miscellaneous Expenditure Written Off	-	44.97
	(106.49)	740.37
Operating Profit before Working Capital Changes & Exceptional Items	954.78	1,4678.01
(Increase)/Decrease in Trade & Other Receivables	3,375.78	(10,665.31)
(Increase)/Decrease in Inventories	-	5,268.19
Increase/(Decrease) in Trade Payables	(60.05)	(6,686.17)
Cash Generated from Operations	4,270.51	2,594.72
Direct Taxes Paid	(449.43)	(3,826.46)
Cash Flow before Exceptional Items	3,821.08	(1,231.74)
Exceptional Items	-	(41.13)
Net Cash from Operating Activities	3,821.08	(1,272.87)
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(140.15)	(1,567.46)
Sale of Fixed Assets	43.71	93.96
(Purchase)/Sale of Investments	(2,751.31)	(19,569.95)
Interest Received	170.17	661.76
Income From Investments	320.45	416.92
Capital/Interest Subsidy	-	96.66
Net Cash used in Investing Activities	(2,357.13)	(19,868.11)

Cash Flow Statement (Contd.)

(Rs. in Lakhs)

	Year ended 31.03.2011	Year ended 31.03.2010
C) Cash Flows From Financing Activities		
Receipt/(Payment) of Long Term Borrowings	(88.80)	(1,185.36)
Receipt/(Payment) of Short Term Borrowings	–	6,010.13
Proceeds from issue of Share Capital including Share Premium (Net of Exps.)	–	16,687.33
Redemption of Preference Shares	–	(274.05)
Interest Paid	(41.27)	(860.34)
Dividend Paid	(1,335.40)	(1,005.06)
Net Cash used in Financing Activities	(1,465.47)	19,372.65
Net Decrease in Cash and Cash Equivalents	(1.52)	(1,768.33)
Cash and Cash Equivalents at the beginning of the period	701.20	
Less: Transfer of Demerged Engg. Division to Texmaco Rail & Engg. Ltd.(*)	(655.73)	45.47
Cash and Cash Equivalents at the end of the period	43.95	701.20

Note: (1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 "Cash Flow Statement" as notified in the Companies (Accounting Standard) Rules, 2006.

(2) As the engineering division of the Company (Texmaco Ltd.) is demerged and transferred to Texmaco Rail & Engg. Ltd.(*), the current year Cash Flow Statement is not comparable with the corresponding previous year Cash Flow Statement.

(3) The Cash Flow Statement of the current financial year has been prepared after taking into consideration the financial statements of demerged engineering division of the Company(*) as on 01.04.2010.

(4) In the current financial year Texmaco Rail & Engg Ltd.(formerly Texmaco Machines Ltd.) has been de-subsidiarised and become an associate of the Holding Company w.e.f. 01.04.2010.

(5) Previous year's figures are regrouped/rearranged wherever necessary.

(*) Refer to Note no. 3 Of Schedule Q on Notes on Accounts.

In terms of our Report of even date attached herewith.

For **K. N. Gutgutia & Co.**

Chartered Accountants

P. K. Gutgutia

Partner

Membership No. 6994

6C, Middleton Street,

Kolkata - 700 071

Dated: 23rd May 2011

Amit Dhanuka
Secretary

S. K. Poddar
Utsav Parekh
Dipankar Chatterji
Gautam Khaitan
Akshay Poddar

Directors



Statement Pursuant to Section 212 of the Companies Act, 1956 Related to its subsidiary companies

1.	Name of the Subsidiary Companies :	High Quality Steels Limited	Macfarlane & Company Limited
2.	Financial year of the Subsidiary Companies ended on :	31st March, 2011	31st March, 2011
3.	Shares of the Subsidiaries held by Texmaco Limited on the above date		
	a) Number and Face Value :	1209010 Equity Shares of Rs. 2.50 each fully paid.	139265 Ordinary Shares of Rs. 5/- each fully paid and 16551 Deferred Shares of Re. 1/- each fully paid.
	b) Extent of holding :	99.87 %	71.27 %
4.	Net aggregate amount of profits/(losses) of the Subsidiaries so far as they concern members of the Holding Company		
	a) For the said financial year of the subsidiaries		
	i) dealt with in the accounts of the Holding Company :	NIL	NIL
	ii) not dealt with in the accounts of the Holding Company :	Rs.2,178,260	Rs.1,290,186
	b) For the previous financial years of the subsidiary since it become the Holding Company's subsidiary		
	i) dealt with in the accounts of the Holding Company :	NIL	NIL
	ii) not dealt with in the accounts of the Holding Company :	Rs.10,792,204	Rs.5,597,825
5.	As the financial year of the Subsidiary Companies coincide with the financial year of the Holding Company, Section 212(5) of the Companies Act, 1956 is not applicable.		

In terms of our Report of even date attached herewith.

For **K. N. Gutgutia & Co.**

Chartered Accountants

P. K. Gutgutia

Partner

Membership No. 6994

6C, Middleton Street,

Kolkata - 700 071

Dated: 23rd May 2011

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Akshay Poddar

Directors

Particulars of Subsidiary Companies

As required by Order No. 47/562/2010-CL - III dated 8th June 2010 of Ministry of Company Affairs, Government of India, issued under Section 212(8) of the Companies Act, 1956 for the Financial Year 2010-11 are as follows:

(Rs. in Lakhs)

Name of the Subsidiary Companies	High Quality Steels Limited	Macfarlane & Company Limited
(a) Share Capital (Equity & Deferred)	30.27	10.00
(b) Reserves and Surplus (Net of Debit Balance of Profit & Loss Account)	129.87	96.72
(c) Total Assets (Fixed Assets + Current Assets + Deferred Tax Assets + Loans & Advances)	543.34	135.41
(d) Total Liabilities (Current Liabilities & Provisions)	383.20	28.72
(e) Details of Investments (Excluding Investment in Subsidiary Companies)		
– Equity/ Preference Share	–	–
– Government Securities	–	0.04
– Mutual Funds	–	–
(f) Turnover	1,571.01	32.14
(g) Profit/(Loss) before Taxation	39.70	25.14
(h) Provision for Taxation	17.89	7.04
(i) Profit/(Loss) after Taxation	21.81	18.10
(j) Proposed Dividend (including Dividend Tax)	–	–



Auditors' Report on the Consolidated Financial Statements

To
The Members of
Texmaco Limited

1. We have audited the attached consolidated Balance Sheet of Texmaco Limited as at 31st March, 2011 and also the consolidated Profit & Loss account and the consolidated Cash Flow statement for the year ended on that date annexed thereto. These statements are the responsibility of the Texmaco's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the 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. We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 135.45 lakhs as at 31st March, 2011, the total revenue of Rs. 32.14 lakhs and cash flows amounting to Rs (2.26) lakhs for the year then ended. These financial statements and other financial information have been audited by other auditor whose report has been furnished to us, and our opinion is based solely on the report of other auditor.
4. *Subject to note No, 6 (b) of Schedule 'Q' regarding provisions for Gratuity and Leave Pay which are not in*

accordance with AS-15(Revised) and its corresponding adjustment in the retained earning(amount not ascertained), we report that the consolidated financial statements have been prepared by the Texmaco's management in accordance with the requirements of Accounting Standards - (AS) - 21 Consolidated financial statement and 23 Accounting for Investments in Associates as notified by Companies (Accounting Standards) Rules, 2006.

Based on our audit and on consideration of report of other auditor on separate financial statements & on the other financial information of the components & to the best of our information & according to the explanation given to us, we are of the opinion that the attached consolidated statements give a true & fair view in conformity with the accounting principles generally accepted in India.

- a) in the case of the consolidated Balance Sheet, of the state of affair of Texmaco Limited as at 31st March, 2011.
- b) in the case of the consolidated Profit and Loss account, of the profit for the year ended on that date; and
- c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **K. N. Gutgutia & Co.**
Chartered Accountants
Firm Registration No. 30415.3E

6C, Middleton Street,
Kolkata - 700 071
Dated: 23rd May, 2011

P. K. Gutgutia
Partner
Membership No. 6994

Consolidated Balance Sheet

As at 31st March 2011

	Schedule	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Capital	"A"	1,271.83	1,271.83
(b) Employee Stock Option Outstanding	"A1"	25.17	43.96
(c) Reserves and Surplus	"B"	34,758.91	54,441.81
2. Minority Interest			
		31.14	25.86
3. Loan Funds			
(a) Secured Loans	"C"	–	11,519.01
(b) Unsecured Loans	"D"	678.85	739.41
4. Deferred Tax Liabilities (Net) (Refer Note No. 12 of Schedule 'Q')			
		356.48	274.83
Total		37,122.38	68,316.71
II. APPLICATION OF FUNDS			
1. Fixed Assets			
(a) Gross Block	"E"	14,372.94	34,415.19
(b) Less: Depreciation		1,649.27	11,375.68
(c) Net Block		12,723.67	23,039.51
(d) Capital Work-in-Progress		57.28	157.65
		12,780.95	23,197.16
2. Investments			
	"F"	24,105.80	25,565.25
3. Current Assets, Loans and Advances			
(a) Inventories	"G"	0.31	17,587.06
(b) Sundry Debtors	"H"	105.89	27,201.20
(c) Cash and Bank Balances	"I"	74.16	718.40
(d) Other Current Assets	"J"	–	242.74
(e) Loans and Advances	"K"	1,613.17	8,763.28
Total		1,793.53	54,512.68
Less : Current Liabilities and Provisions			
(a) Liabilities	"L"	1,229.79	32,881.83
(b) Provisions	"M"	328.11	2,076.55
Total		1,557.90	34,958.38
Net Current Assets		235.63	19,554.30
Total		37,122.38	68,316.71
NOTES	"Q"		

Schedules referred to above form an integral part of the Balance Sheet
In terms of our Report of even date attached herewith.

For **K. N. Gutgutia & Co.**

Chartered Accountants

P. K. Gutgutia

Partner

Membership No. 6994

6C, Middleton Street,

Kolkata - 700 071

Dated: 23rd May 2011

Amit Dhanuka
Secretary

S. K. Poddar
Utsav Parekh
Dipankar Chatterji
Gautam Khaitan
Akshay Poddar

Directors

Consolidated Profit and Loss Account For the year ended 31st March 2011

Schedule	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
INCOME		
Gross Sales	2,769.89	112,588.51
Less : Inter Segment Revenue	–	14,914.81
Less : Excise Duty	–	4,565.32
Net Sales / Income from Operations	2,769.89	93,108.38
Other Sources	"N" 503.63	1,460.33
Total	3,273.52	94,568.71
EXPENDITURE AND CHARGES		
Operating Costs	"O" 1,792.97	93,473.23
Less : Inter Segment Transfer	–	14,914.81
	1,792.97	78,558.42
Interest	"P" 41.44	860.35
Depreciation		
For the year	312.98	1,194.80
Less: Recouped from Revaluation Reserve	–	46.24
	312.98	1,148.56
Total	2,147.39	80,567.33
Profit before Taxation and Exceptional items	1,126.13	14,001.38
Less: Provision for taxation		
– Current Tax	238.30	4,521.43
– Deferred Tax	81.64	53.48
Profit After Taxation (before Exceptional items)	806.19	9,426.47
Add/(Less): Income Tax for earlier year	(5.47)	(33.36)
Add / (Less): exceptional items		
VRS in Engineering Division	–	(41.13)
Profit After Taxation and Exceptional items	800.72	9,351.98
Less : Minority Interest	5.28	6.99
Profit after Minority Interest	795.44	9,344.99
Share of profit/(loss) in associates	3,645.95	–
Add: Balance Brought Forward from previous year (Opening differences of Rs. 10.79 lacs arise due to de-subidiarisation of Texmaco Rail & Engg Ltd.)	5,993.85	5,494.44
Profit available for appropriation	10,435.24	14,839.43
Dividend on Preference Share Redeemed	–	14.69
Tax on Dividend on Preference Share Redeemed	–	2.50
Proposed Dividend on Equity Shares	127.18	1,144.65
Provision for Tax on Proposed Dividend	20.63	194.53
Transferred to/(from) General Reserve	300.00	7500.00
Transferred to Balance Sheet	9,987.43	5,983.06
	10,435.24	14,839.43
Earning Per Share of Re. 1 each (Basic) Rs. (Refer Note No. 11 of Schedule 'Q')	3.49	7.66
Earning Per Share of Re. 1 each (Diluted) Rs. (Refer Note No. 11 of Schedule 'Q')	3.48	7.65
NOTES	"Q"	

Schedules referred to above form an integral part of the Profit and Loss Account
In terms of our Report of even date attached herewith.

For **K. N. Gutgutia & Co.**

Chartered Accountants

P. K. Gutgutia

Partner

Membership No. 6994

6C, Middleton Street,

Kolkata - 700 071

Dated: 23rd May 2011

Amit Dhanuka
Secretary

S. K. Poddar
Utsav Parekh
Dipankar Chatterji
Gautam Khaitan
Akshay Poddar

Directors

Schedules to Consolidated Balance Sheet

	2010-11 (Rs. in Lakhs)		2009-10 (Rs. in Lakhs)	
SCHEDULE A CAPITAL				
Authorised				
17,00,00,000 Equity Shares of Re.1/- each		1,700.00		1,700.00
3,00,000 6% Preference Shares of Rs.100/- each		300.00		300.00
		2,000.00		2,000.00
Issued, Subscribed and Paid-up				
12,71,83,090 (12,71,83,090) Equity Shares of Re. 1/- each fully paid-up (Including 37,50,000 Equity Shares allotted for consideration other than cash)	1,271.82		1,271.82	
Add: Forfeited Shares (Amount paid-up)	0.01	1,271.83	0.01	1,271.83

SCHEDULE A1 EMPLOYEES STOCK OPTION OUTSTANDING				
Employees Stock Option Outstanding	60.77		60.77	
Less: Deferred Employees Compensation Expenses	(35.60)	25.17	16.81	43.96



Schedules to Consolidated Balance Sheet

	2010-11 (Rs. in Lakhs)		2009-10 (Rs. in Lakhs)	
SCHEDULE B RESERVES AND SURPLUS				
Share Premium				
As per last Account	18,846.35		2,323.02	
Less: Transferred to Texmaco Rail & Engineering Ltd.	(16,523.33)		–	
Less: Transferred to General Reserve	(2,323.02)		–	
	–		2,323.02	
Add: Equity QIP Share Premium	–	–	16,523.33	18,846.35
Revaluation Reserve				
As per last Account	1,306.55		1,355.42	
Less: Transferred to Texmaco Rail & Engineering Ltd.	(1,306.55)		–	
Less On Assets sold/ discarded during the year	–		2.63	
	–		1,352.79	
Less: Transferred to Profit and Loss Account	–	–	46.24	1,306.55
Share in Revaluation Reserve in Associates				
Add: From associates at the time of acquisition	392.43		–	
Less: Share in reduction during the year	(19.39)	373.04	–	–
State Capital Investment Subsidy				
As per last Account	265.00		265.00	
Less: Transfer to Texmaco Rail & Engg. Ltd.	(15.00)	250.00	–	265.00
State Interest Subsidy				
As per last Account	96.66		–	
Add: Received during the year	–	96.66	96.66	96.66
Capital Reserve				
Add: On acquisition of an associates	9,171.66		–	
Less: Goodwill of an associates on acquisition	(227.34)	8,944.32	–	–
Capital Redemption Reserve				
As per last Account	415.07		141.02	
Add: Transferred from General Reserve Account	–	415.07	274.05	415.07
General Reserve				
As per last Account	27,529.12		20,303.17	
Less: Transferred to Capital Redemption Reserve Account	–		274.05	
Add: Transfer of Equity Rights Share Premium	2,323.02		–	
Less: Transferred to Texmaco Rail & Engineering Ltd.	(15,280.48)		–	
Add: Transferred from Profit & Loss Account	300.00		7,500.00	
Less: Loss of an associates (Refer Note No 14 of Schedule Q)	(179.27)	14,692.39	–	27,529.12
Profit & Loss account		9,987.43		5,983.06
		34,758.91		54,441.81

Schedules to Consolidated Balance Sheet

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
SCHEDULE C SECURED LOANS		
From Banks :		
Secured by hypothecation of Finished Goods and part of Raw Materials, Stock-in-Process, Stores, Book Debts, etc. and second charge on Fixed Assets.		
Cash Credit Accounts / SLC / FCNR (B)	–	10,343.75
Term Loans :		
Secured by Letter of Credit opened by the Buyer		
From State Bank of India	–	328.75
Project Loans :		
From State Bank of India	–	508.33
From Landesbank Wurttemberg, Germany	–	170.53
From IREDA -		
Secured by Exclusives first charge of immovable / movable properties of Neora Hydro Project both existing and future subject to prior charge of Banks on specified Current Assets.	–	167.65
	–	11,519.01

SCHEDULE D UNSECURED LOANS		
From Body Corporates	278.85	15.74
Fixed Deposit from employees/ex-employees	–	23.67
Advance against sale of land	400.00	700.00
	678.85	739.41

Schedules to Consolidated Balance Sheet

SCHEDULE E

(Rs. in Lakhs)

FIXED ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK		
	As on	Less:	Additions	Sales/	As on	As on	During	Sales/	As on	As on	As on	As on	As on
	01.04.2010	Due to De- Merger Scheme	During The Year	Adjustments	31.03.2011	01.04.2010	The Year	Adjustments	31.03.2011	31.03.2011	31.03.2011	31.03.2010	
Land	4,785.47	1,375.01	373.29	-	3,783.75	-	-	-	-	-	3,783.75	4,785.47	
Buildings	14,754.21	5,113.56	0.83	12.84	9,628.64	3,372.24	239.64	4.07	1,146.13	8,482.51	11,381.97		
Roads	105.17	105.17	-	-	-	40.61	-	-	-	-	-	64.56	
Railway Sidings	279.23	279.23	-	-	-	128.27	-	-	-	-	-	150.96	
Plant & Machinery	12,695.75	11,829.54	-	3.93	862.28	6,969.76	67.11	3.73	447.83	414.45	5,725.99		
Electrical Machinery	845.02	837.12	0.29	-	8.19	363.27	0.30	-	4.94	3.25	481.75		
Office Equipments	417.91	406.96	0.29	-	11.24	254.25	0.58	-	11.24	-	163.66		
Furniture & Fittings	134.19	116.89	28.13	-	45.43	83.02	1.21	-	15.05	30.38	51.17		
Vehicles	398.24	359.48	-	5.35	33.41	164.26	4.14	2.96	24.08	9.33	233.98		
Total	34,415.19	20,422.96	402.83	22.12	14,372.94	11,375.68	312.98	10.76	1,649.27	12,723.67	23,039.51		
Capital Work - in - Progress	157.65	157.65	57.28	-	57.28	-	-	-	-	57.28	157.65		
Grand Total	34,572.84	20,580.61	460.11	22.12	14,430.22	11,375.68	312.98	10.76	1,649.27	12,780.95	23,197.16		
Previous Year	33,142.23	-	1,614.50	183.89	34,572.84	10,293.44	1,194.80	112.56	11,375.68	23,197.16			

Notes : 1. Rs. 3,340.73 Lakhs (including Rs. 53.25 lakhs for the year) expenses incurred for development of land of Birla Textile capitalised.

2. Rs. 320.04 lacs transfer from Stock in Trade

Schedules to Consolidated Balance Sheet

				2010-11		2009-10	
				(Rs. in Lakhs)		(Rs. in Lakhs)	
SCHEDULE	F	INVESTMENTS					
A) Long-Term Investment (At Cost)							
Trade investments							
Fully paid-up Shares held in:							
Quantity	F.V.						
1499	100	Wagon India Limited	1.50				
		Less: Provision for Diminution of Investment	1.50	-	-	-	-
15000	10	MSTC Limited			0.75		0.75
Other Investments							
(a) In Government Securities:							
Quantity	F.V.						
100	100	12% Tamil Nadu Loan, 2011		0.10		0.10	
		12 Year National Plan Savings Certificates		0.01		0.01	
		12 Year National Defence Certificates		0.03		0.03	
(b) Fully paid-up Shares held in:							
Quantity	F.V.						
7500	10	Birla Buildings Limited		0.75		0.75	
120	10	Elgin Mills Limited (5% 'B' Cumulative Pref. Shares)		0.01		0.01	
76700	10	APV Texmaco Limited	9.61				
		Less: Provision for Diminution of Investment	9.61	-		-	
2557941	10	Zuari Industries Limited		4,766.83		4,766.83	
6187	1	Calcutta Stock Exchange Limited		123.74		123.74	
106864 (42900)	10	Chambal Fertilisers & Chemicals Ltd.		45.65		7.55	
35529	10	Upper Ganges Sugar & Ind. Ltd.		24.04		24.04	
4100	10	New India Retailing & Investment Ltd.		1.78		1.78	
3500	10	Taparia Limited		0.40		0.40	
22000	10	Leas Communications Limited	2.20				
		Less: Provision for Diminution of Investment	2.20	-		-	
1000	10	Chandausi Rice Mills Limited	0.10				
		Less: Provision for Diminution of Investment	0.10	-		-	
15000	10	Birla Constructions Limited		1.50		1.50	
525450	100	Lionel India Limited	525.45				
		Less: Goodwill	227.34				
		Less: Loss of earlier adjusted to general reserve	179.27				
		Less: Share of loss for the current year	2.62	116.22		525.45	
- (10000)	10	Texmaco United Group Rail Pvt. Ltd.		-		1.00	
54599300	1	Texmaco Rail & Engg. Ltd. (Formerly Texmaco Machines Ltd.)	545.99				
		Add: Capital Reserve	9,171.66				
		Add: Share in Revaluation Reserve	373.04				
		Add: Share of Profit for the current year	3,648.58	13,739.27		-	
				18,820.33		5,453.19	



Schedules to Consolidated Balance Sheet

		2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
SCHEDULE	F	INVESTMENTS (Contd.)	
B) Current Investments			
a) Fully paid-up shares in:			
Quantity	F.V.		
–	10	Idea Cellular Limited	–
(5000)			7.30
–	10	Powergrid Corporation of India Limited	–
(11000)			16.78
–	10	Tata Teleservices (Maharashtra) Limited	–
(20000)			9.79
–	2	Bharat Forge Limited	–
(2000)			5.88
–	10	Lakshmi Vilas Bank	–
(10000)			9.35
–	10	Aditya Birla Chemical India Limited	–
(9500)			9.80
–	10	East India Hotels Limited	–
(5000)			11.17
–	10	SREI Infrastructure Finance Limited	–
(1000)			2.18
–	10	Century Textiles Limited	–
(500)			4.34
–	10	NHPC Limited	–
(1000)			36.53
			–
		Less: Provision for Diminution	–
			113.12
			32.84
			80.28
b) Mutual Funds in:			
Units	F.V.		
–	10	UTI Spread Fund Growth Plan	–
(4477598.574)			500.00
–	1000	UTI Floating Rate Fund ST Plan – Instl. DD	–
(51199217.000)			1,054.44
–	10	SBI-SHF-UST Fund - Instl. Plan - DD	–
(13420149.962)			1,342.82
–	10	Fortis Short Term Income Fund – Instl. Plus – DD	–
(5130528.912)			513.21
–	10	HDFC Floating Rate Income Fund – ST Plan – Wholesale Option – Div. Reinv.	–
(5107376.572)			514.87
–	10	L&T Freedom Income STP – Instl. cum Org.	–
(3473412.540)			515.09
–	10	SBI Magnum Insta Cash Fund Daily Div. Option	–
(19106199.799)			3,200.35
–	10	Reliance Quarterly Interval Fund III Instl. Div. Plan	–
(4998400.512)			501.87
–	10	Reliance Monthly Interval Fund Series I Instl. Div. Plan	–
(4998500.450)			501.29
–	10	Reliance Monthly Interval Fund Series II Instl. Div. Plan	–
(5426567.331)			543.04
–	10	Birla Sun Life enhanced Arbitrage Fund – Instl.- Divn	–
(25198883.350)			2,556.22

Schedules to Consolidated Balance Sheet

		2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
SCHEDULE F	INVESTMENTS (Contd.)		
B) Current Investments			
b) Mutual Funds in:			
Units	F.V.		
–	10	Birla Sun Life Dynamic Bond Fund- Retail Plan - Monthly Div. (20173733.482)	–
–	10	Kotak Bond (Short Term) Monthly Div. (5105685.914)	–
–	10	LIC Income Plus Fund – Growth Plan (4163426.834)	–
–	10	AXIS Treasury Adv. Fund – Instl. weekly Div. (10821.268)	–
–	10	UTI FI Interval Fund – S II – Quarterly Interval Plan V – Instl. Div. Plan (5028171.789)	–
–	10	Peerless Ultra STF – Super Instl. – Daily Div. (5021038.135)	–
47847158.000	10	Birla Sunlife ST Series VII	–
–			4,784.72
5000000.000	10	SBI Mutual Fund SDF	–
–			500.00
c) Bonds:			
Units	F.V.		
–	8500	In NABARD – Zero Coupon Bonds (26750)	–
–	100000	In IRFC Bond (540)	–
–	100000	In IIFCL (1000)	–
			2,498.45
			540.00
			1,005.50
			5,284.72
Subscribed and sold during the year as per Note No 20 of Schedule "Q"			
Total		24,105.80	25,565.25
		Book Value	Market Value
		Book Value	Market Value
Aggregate amount of Quoted Investments		18,701.31	54,191.48
Aggregate amount of Unquoted Investments		5,404.49	5,004.22
		24,105.80	25,565.25

SCHEDULE G	INVENTORIES		
Stock as per inventories taken, valued and certified by the Management			
Land			
As per last Account		320.04	
Less Transferred to Fixed Assets		(320.04)	–
			320.04
Stores, Components & Spare Parts, etc			–
Raw Materials			0.20
(incl. at Site Rs. Nil lakhs Previous Year Rs. 507.49 lakhs)			2,858.60
Goods-in-Transit (at cost)			–
Stock-in-Process			–
Finished Goods			0.11
			100.15
		0.31	17,587.06



Schedules to Consolidated Balance Sheet

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
SCHEDULE H SUNDRY DEBTORS (Unsecured-considered good)		
(Including Retention Money Rs. NIL lakhs, Previous year Rs.2,220.23 lakhs)		
Debts outstanding for a period Exceeding six months		
Considered good	99.60	5,471.47
Considered doubtful	–	–
	99.60	5,471.47
Other Debts considered good	6.29	21,729.73
	105.89	27,201.20

SCHEDULE I CASH AND BANK BALANCES		
Cash Balance on hand	1.43	28.57
Cheques on hand	21.32	–
Balances with Scheduled Banks :		
Deposit Accounts	1.59	502.83
Cash Credit Account	0.74	–
Current Accounts	22.87	164.57
Dividend Accounts	26.21	22.43
	74.16	718.40

SCHEDULE J OTHER CURRENT ASSETS		
Interest accrued on Loans	–	242.74
	–	242.74

SCHEDULE K LOANS AND ADVANCES		
(Unsecured considered good, unless otherwise stated)		
Loans	–	3,431.24
Advances recoverable in cash or in kind or value to be received	622.60	4,378.42
Share Application money	135.00	135.51
Balance with Customs, Port, Excise and other Govt. Authorities	0.04	796.04
Deposits	5.93	21.54
Advance payment of Income Tax and FBT and Tax Deducted at Source / I.Tax Refundable (net of provision)	849.60	0.53
	1,613.17	8,763.28

Schedules to Consolidated Balance Sheet

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
SCHEDULE L LIABILITIES		
Sundry Creditors		
For Goods supplied	–	20,734.70
For Expenses and other Finance (Other than MSME)	394.44	4,684.69
Trade and Other Deposits and Advances	802.70	7,433.57
Advance against Sale of Land/Factory	0.38	0.38
Preference Share Capital Redeemed	5.81	5.81
Unclaimed Dividend on Preference Shares	0.25	0.25
Unclaimed Dividend on Equity Shares (*)	26.21	22.43
(*) There is no amount due and outstanding to be credited to the Investor Education and Protection Fund		
	1,229.79	32,881.83

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
SCHEDULE M PROVISIONS		
For Contingencies	3.93	4.93
Proposed Dividend	127.18	1,144.65
Tax on Dividend	20.63	194.53
For others	–	333.10
Provision for Income Tax (Net of Advance Tax)	100.86	171.46
For Leave	28.68	133.91
For Gratuity	46.83	93.97
	328.11	2,076.55

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
SCHEDULE N INCOME FROM OTHER SOURCES		
Income from Investments-Long Term		
Trade	11.75	11.63
Others	117.74	80.59
Income from Investments-Current	190.96	326.75
Profit on Sale of Investments-long term	–	44.11
Profit on Sale of Investments – Current (Net) (Refer Note No. 18 of Schedule 'Q')	14.27	110.90
Miscellaneous Receipts and Income	6.79	21.86
Provision & Excess Liabilities Written Back	20.42	14.58
Sundry Credit Balance Adjusted	0.10	1.25
Provision for Diminution of Current Investments Written Back	–	13.94
Export Incentive	–	10.17
Interest Subsidy	–	36.45
Profit on Sale of Fixed Assets (Net) (Refer Note No. 18 of Schedule 'Q')	32.34	25.26
Interest Received (TDS Rs.7.48 lakhs, previous year Rs.51.93 lakhs)	77.16	762.84
Rent Received (TDS Rs. 8.03 lakhs)	32.10	–
	503.63	1,460.33

Schedules to Consolidated Profit and Loss Account

	2010-11 (Rs. in Lakhs)		2009-10 (Rs. in Lakhs)	
SCHEDULE O OPERATING COSTS				
Raw Materials Consumed (O1)		–		10,238.82
Consumption of Components		–		66,108.63
Consumption of Stores & Spare Parts (Incl Job processing and contract labour charges Rs NIL lakhs, Previous year Rs 1473.11 lakhs)		1,224.34		5,227.38
Purchases		10.48		10.04
Power and Fuel		4.66		2,573.51
Salaries,Wages and Bonus		285.75		3,051.75
Gratuity		9.66		197.98
Provision for Leave Encashment		9.51		20.77
Contribution to and Provision for Provident Fund and Pension Fund		32.56		298.72
Superannuation Fund		–		30.66
Workmen and Staff Welfare Expenses		13.95		216.14
Selling Agents Commission		0.10		6.24
Selling Expenses		–		148.13
Erection Expenses		–		538.09
Expediting Service Charges		40.15		31.87
Freight, Packing and Transport (Net) (Refer Note No. 18 of Schedule 'Q')		–		(122.64)
Excise Duty provided on Stock		–		0.09
Rates & Taxes		53.00		121.25
Rent Paid		4.66		36.52
Research & Development		–		56.01
Insurance		5.26		27.01
Repairs				
Building	14.70		372.48	
Plant and Machinery	15.69		491.48	
Others	3.88	34.27	98.48	962.44
Miscellaneous Expenses		68.99		1,144.09
Charity and Donations		–		35.71
Bad Debts Written off		–		411.95
TDS Written Off		0.11		–
Excess Debit/Credit Adjusted (Net)		–		1.03
Provision for dimunition in value of Inventories		0.31		
Jigs & Fixtures,Drawings and Designs Written Off		–		133.81
Auditors' remuneration				
As Auditors	2.59		6.62	
For Tax Audit	0.04		1.30	
For Quarterly Review	0.11		2.35	
For Other Services (incl. for issuing for various certificate)	0.07		4.43	
For Reimbursement of out of pocket expenses	–	2.81	0.25	14.95

Schedules to Consolidated Profit and Loss Account

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
SCHEDULE O OPERATING COSTS (Contd.)		
Directors' Fees	5.10	6.15
Cost Auditors Fees	–	0.11
Directors' Commission	5.50	7.00
Expenses relating to previous year (Refer Note No. 19 of Schedule 'Q')	0.59	62.06
Provision for Diminution in Current and Long Term Investments	–	1.50
Adjustment regarding difference in value of Opening and Closing Stocks of Finished Goods, and Stock-in-Process (O2)	–	1,831.50
Employee's Compensation expenses under ESOP	(18.79)	43.96
	1,792.97	93,473.23

SCHEDULE O1 RAW MATERIALS CONSUMED		
Opening Stock	–	3,323.58
Add: Purchases and Departmental Transfers etc.	–	12,403.34
Less: Returns, Sales and Departmental issues used in Works and in Block	–	2,629.50
Closing Stock	–	2,858.60
Raw Materials consumed	–	10,238.82

SCHEDULE O2 ADJUSTMENT REGARDING DIFFERENCE IN VALUE OF OPENING AND CLOSING STOCKS OF FINISHED GOODS AND STOCK-IN-PROCESS		
Opening Stock:		
Stock-in-Process	–	4,037.67
Finished Stock	–	90.49
Closing Stock:		
Stock-in-Process	–	2,196.51
Finished Stock	–	100.15
(Increase)/Decrease	–	1,831.50

SCHEDULE P INTEREST		
Term Loans	10.10	128.62
Fixed Deposit	–	2.14
Banks	–	518.02
Others	31.34	211.57
	41.44	860.35



Schedules to Consolidated Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT

A. ACCOUNTING POLICIES

General

These accounts are prepared on historical cost basis and on the accounting principles of a going concern. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles. Applicable Accounting Standards notified by the Companies Accounting Standards Rules, 2006 have been followed except otherwise stated.

Fixed Assets

Fixed assets are stated at cost net of Cenvat. Cost includes purchase price and related expenses.

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on external/internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price and 'value in use' of the assets. The estimated future cash flows considered for determining the value in use are discounted to their present value at the weighted average cost of capital.

Depreciation

Depreciation has been provided on straight line method except in respect of a unit (Neora Hydro) having a Gross assets Valuing Rs 2,565.42 Lakhs (Previous Year Rs 2,564.23 Lakhs) where Written Down method has been followed in accordance with the rates in Schedule XIV of the Companies Act, 1956.

Investments

Current Investment are stated at lower of cost and fair value.

Long term Investments are considered "at Cost" on individual investment basis, unless there is a decline other than temporary in value thereof, in which case adequate provision is made against such diminution in the value of investments.

Recognition of Income and Expenditure

Sales revenue is recognised on transfer of the significant risks and rewards of ownership of the goods to the buyer and stated at net of Sales Tax, Service Tax, VAT, trade discounts, rebates. Dividend income on investments is accounted for when the right to receive the payment is established. Interest income is recognised on time proportion basis. Certain insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

Employee Benefits

(1) The company's contribution to provident fund, employees' state insurance scheme are charged on accrual basis to Profit & Loss Account.

(2) **Leave :**

Leave liability is accounted for based on actuarial valuation at the end of year.

(3) **Gratuity:**

Year-end accrued liabilities on account of gratuity payable to employees are provided on the basis of actuarial valuation.

Contingent Liabilities

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Use of Estimates

Schedules to Consolidated Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

The presentation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and the estimates are recognised in the period in which the results are known/materialised.

Borrowing Cost

Interest on borrowings directly attributable to the acquisition, construction or production of qualifying assets is being capitalised till the date of commercial use of the qualifying assets. Other interests on borrowings are recognised as an expense in the period in which they are incurred.

Segment Reporting

- a) Based on the organisational structures and its Financial Reporting System, the Company has classified its operation into three business segments namely Real Estate, Hydro Power and Others.
- b) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which are related to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under un-allocable expenses.
- c) Capital Employed to each segment is classified on the basis of allocable assets minus allocable liabilities identifiable to each segment on reasonable basis.

Taxation

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred tax is calculated at current statutory Income Tax Rate and is recognised on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognised and carried forward only to the extent that there is reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Employee Stock Option Scheme

In respect of Stock options granted pursuant to the Company's Employees Stock Option Schemes 2007, the intrinsic value of the options (excess of Market Price of the share over the exercise price of the option) is treated as discount and accounted as deferred employee's compensation cost over the vesting period.

Government Grant

Grants from the government are recognised when there is a reasonable assurance that the grant will be received and all attaching conditions will be complied with. Revenue grants/subsidies are recognised in the Profit & Loss Account. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Other Capital Grants are credited to Reserve & Surplus of the Company.

B. Notes on Accounts

1. Principles of Consolidated Financial Statement:

The Consolidated Financial Statement that relate Texmaco Limited and its various subsidiaries have been prepared on the following basis:

- a) The Financial Statements of the Company and its Subsidiaries are combined on a line - by - line basis by adding together the book value of like terms of assets, liabilities, income and expenditure, after fully eliminating intra group balance, intra group transactions and any unrealised profit/ loss included therein.
- b) Investment in Associate Companies has been accounted under the equity method as per (AS 23) – "Accounting for Investment in Associate in Consolidated Financial Statement".

Schedules to Consolidated Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

The company accounts for its share in the change in net assets of the associates, post acquisition, after eliminating unrealised profit and losses resulting from transactions between the Company and its associates to the extent of its shares, through its Profit & Loss account to the extent such changes is attributable to the associates' Profit & Loss account and through its reserves for the balances, based on available information.

The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statement as Goodwill or Capital Reserve as the case may be

- c) The Consolidated Financial Statements have been prepared using uniform accounting policies, except stated otherwise, for like transaction and are presented, to the extent possible, in the same manner as the Company's separate Financial Statement.
- d) The Subsidiaries/ Associate Companies considered in the Financial Statement are as follows:

Name	Country of Incorporation	% of Voting power as on 31.03.2011
Subsidiaries		
High Quality Steels Limited	India	99.87
Macfarlane & Company Limited	India	71.27
Associates		
Lionel India Limited	India	50.00
Texmaco & Rail Engineering Limited	India	30.04

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance)	–	159.07

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
3. Contingent Liabilities (not provided for) in respect of		
(a) Guarantees given by Banks	–	32,258.80
(b) Letters of Credit opened by Banks	–	25,397.05
(c) Claims under Dispute (Excise & Service Tax)	–	2,054.48
(d) Claims not acknowledged as debts (Amount unascertainable)	–	–
(e) Income Tax assessment re-opened (Amount unascertainable)	–	–

4. a) Pursuant to the Scheme of Arrangement approved by the Hon'ble High Court, Calcutta, all the Assets, Liabilities, Capital Investment Subsidy, Equity QIP Share Premium and Revaluation Reserve of Heavy Engineering and Steel Foundry businesses of the Company as on 1st April 2010 have been transferred to Texmaco Rail & Engineering Limited ("TexRail") at their book values and accordingly, Rs 15,280.48 lacs being the surplus of Assets over the Liabilities of the Business so Demerged, have been reduced from General Reserve in terms of the Order of the Hon'ble High Court, Calcutta.

Schedules to Consolidated Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

- b) Pursuant to the Scheme, TexRail has issued 12,71,83,090 Equity Shares of Re 1 each aggregating to Rs 1271.83 lacs to the existing shareholders of the Company as on the record date, in the ratio of 1 fully paid up Equity Share of Re 1 each of TexRail for each share of Re 1 each held in the Company.
- c) The results of the Company for the current year ended 31st March, 2011 are after giving effect to the Scheme of Arrangement with TexRail, whereby the Heavy Engineering and Steel Foundry businesses have been demerged to TexRail with appointed date of 1st April, 2010 and accordingly its previous year's figures are not comparable with the current year.
5. Pursuant to the Supreme Court order dated 25th March, 2010 the Company could retain 35% of its Industrial Land with a F.A.R., 1.5 times of normal and surrender the balance Land to DDA. The Company is in process of identifying the area required to be surrendered to DDA and have moved an application in the Court of Dist. Judge, Delhi who is the Authority nominated by the Hon'ble Supreme Court for executing orders of Supreme Court
6. (a) Provision for Leave Pay and Gratuity Liability as at 31st March, 2011 has been made on Accrued Basis, instead of Actuarial Valuation as per AS – 15 (Revised), in High Quality Steels Limited, a Subsidiary of the Company.
- (b) No provision for Gratuity in accordance with the requirement of AS -15 (Revised) on Employee Benefits has been made by Macfarlane & Company Limited, a Subsidiary of the Company as it has only one employee, who has not completed five years of services to be eligible for Gratuity under the Payment of Gratuity Act, 1972, and in the opinion of the Director, the amount is not material.
7. As per the Agreement with Chambal Fertilizers & Chemicals Ltd., when they took over the assets and liabilities of Baddi Unit from 01-10-99, Texmaco is liable to pay wages and salary in respect of excess workers / staff taken over by them over and above the required one to run the Baddi Unit. The Company has paid Rs. 53.25 Lakhs (Previous year Rs 21.79 Lakhs) during the year to such workers/ staff including various other related expenses. Such expenses have been shown as expenses on land and capitalised under the head 'Land'.
8. In the opinion of the management, current assets, loans and advances have a value on realisation in the ordinary course of business unless otherwise stated, at least to the amount at which they are stated and the provisions for all known and determined liabilities is adequately provided

9. Related Party Disclosure

(a) Name of the related parties and relationship:

	Relationship	Parties where control Exist 2010-11	Parties where control Exist 2009-10
A	Subsidiaries	High Quality Steels Limited (99.87% of the Capital held by the Company)	High Quality Steels Limited (99.87% of the Capital held by the Company)
		Macfarlane & Company Limited (71.27% of the Capital held by the Company)	Macfarlane & Company Limited (71.27% of the Capital held by the Company)
		–	Texmaco Rail & Engineering Limited (TREL) (Formerly Texmaco Machines Limited – Changed to TREL w.e.f. 01/04/2010) (99.99% of the Capital held by the company)

Schedules to Consolidated Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

9. Related Party Disclosure

(a) Name of the related parties and relationship: (Contd.)

Relationship	Parties where control Exist 2010-11	Parties where control Exist 2009-10
B Associates	Lionel India Limited (50.00% of the Capital held by the Company)	Lionel India Limited (50.00% of the Capital held by the Company)
	Texmaco Rail & Engineering Limited (30.04% of the Capital held by the Company)	–
C Key Management Personnel	Shri S. K. Poddar Chairman	Shri S. K. Poddar Executive Chairman
	–	Shri Ramesh Maheshwari Executive Vice Chairman (Appointed as Executive Vice Chairman of the Company w.e.f. 13.01.2010)
	–	Shri D. H. Kela Whole Time Director, President & CEO (Appointed as President & CEO of the Company w.e.f. 01.01.2010)
D Relatives of Key Management Personnel	Shri Gaurav Agarwala Relative of Director	Shri Gaurav Agarwala Relative of Director

(b) Related Party Transactions

(Rs. in Lakhs)

Transactions	Associate	Key Management Personnel	Relatives of Key Management Personnel	Grand Total
Purchase of Goods/ Services	–	–	–	–
- Lionel India Limited	–	–	–	(58.89)
	(58.89)	–	–	–
Loans/ Advances paid	–	–	–	–
- Texmaco Rail & Engineering Limited	–	–	–	(11.17)
	(11.17)	–	–	–
Remuneration paid	–	–	–	12.00
- Shri S. K. Poddar	–	–	–	(232.96)
	–	(114.36)	–	–
- Shri Ramesh Maheshwari	–	–	–	–
	–	(82.83)	–	–
- Shri D. H. Kela	–	–	–	–
	–	(35.77)	–	–

Schedules to Consolidated Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

(b) Related Party Transactions (Contd.)

(Rs. in Lakhs)

Transactions	Associate	Key Management Personnel	Relatives of Key Management Personnel	Grand Total
- Shri Gaurav Agarwala	-	-	12.00	-
	-	-	(12.00)	-
Interest Received	-	-	-	-
	-	-	-	(12.42)
- Lionel India Limited	-	-	-	-
	(12.42)	-	-	-
Debit Balance Outstanding at year end	-	-	-	-
	-	-	-	(11.58)
- Texmaco Rail & Engineering Limited	-	-	-	-
	(11.58)	-	-	-
Credit Balance Outstanding at year end	-	-	-	278.85
	-	-	-	(1.48)
- Texmaco Rail & Engineering Limited	278.85	-	-	-
	-	-	-	-
- Lionel India Limited	-	-	-	-
	(1.48)	-	-	-

Note: Figures given in brackets are for previous year.

10. Under the Employees Stock Option Scheme 2007 (ESOS 2007), the Company has granted 3,65,000 options to its eligible employees, the details of which are as follows:

(A) Employees Stock Option Scheme

Particulars	Terms
No. of Options	10,00,000
Method of Accounting	Intrinsic Value
Vesting Plan	Minimum two years and maximum three years from the date of grant of option
Exercise Period	Commence from the date of vesting and will expire on completion of 5 years from the date of vesting operation
Grant Date	11.05.2007
Grant Price (Rs. per Share)	22.59
Market Price on the date of Grant of Option (Rs.)	71.75

(B) Movement of Options Granted:

Particulars	2010-11
Option Outstanding at the beginning of the year	3,65,000
Granted during the year	-
Exercise during the year	-
Lapsed during the year	-
Option outstanding at the end of the year	3,65,000
Option unvested at the end of the year	3,65,000
Option exercisable at the end of the year	-

Schedules to Consolidated Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

(C) Fair Valuation:

The Fair value of option used to compute Performa net income and earnings per equity share has been done by an independent firm of Chartered Accountants on the date of grant using Black – Scholes Model.

The Key assumption in Black – Scholes Model for calculating fair value as on the date of grant are:

Risk Free Rate	%	8.04
Option Life	Months	44
Expected Volatility	%	16.12
Expected Growth in Dividend	%	13.33

The weighted average fair value of the option, as on date of grant, works out to Rs. 31.45 per stock option.

Had the compensation cost for the stock option granted under ESOS been determined, based on fair-value approach, the Company's net profit and earnings per share would have been as per the Performa amounts indicated below:

	Rs. in Lakhs
Particulars	2010-11
Net Profit (As Reported)	4,441.39
Add Compensation Expenses under ESOS included in the Net Profit	18.79
(Less) Compensation Expenses under ESOS as per fair value	(32.34)
Net Profit (fair value basis)	4,427.84
Basic Earning per Share (As Reported) Re. 1/- share	3.49
Basic Earning per Share (Fair Value Basis) Re. 1/- share	3.48
Diluted Earning per Share (As Reported) Re. 1/- share	3.49
Diluted Earning per Share (Fair Value Basis) Re. 1/- share	3.48

11. Earning Per Share – The numerator and denominators used to calculate Basic/ Diluted Earning per Share

		2010-11	2009-10
Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator	Rs in Lakhs	4,441.39	9,334.79
Weighted average number of Equity share outstanding used as denominator for Basic earning per share	Number	127183090	121791309
Weighted average number of Equity share on account of Employees Stock Option Scheme	Number	365000	211990
Weighted average number of Equity share used as denominator for Diluted Earning per Share	Number	127548090	122003299
(A) Basic Earning per share (face value of Re 1/- each)	Rs.	3.49	7.66
(B) Diluted Earning per share (face value of Re 1/- each)	Rs.	3.48	7.65

Schedules to Consolidated Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

12. Deferred Tax Assets/Liability is recognised as per AS 22 "Accounting for Taxes on Income" issued by the Companies (Accounting Standards) Rules, 2006. The Deferred Tax Assets & Liabilities comprise of Tax effect of following timing differences:

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
Items u/s 43B and u/s 40(a)(i)(a) of I.T Act	271.02	396.22
Depreciation	(627.50)	(671.05)
Net Deferred Tax Liability	(356.48)	(274.83)

13. Sales include inter department transfers Rs Nil (Previous Year Rs 14,914.81 Lakhs). Tax deducted at source Rs 108.61 lakhs (Previous Year Rs. 1267.68 lakhs), excess/(short) realisation of bills (net) Rs. Nil {Previous Year Rs. (5.11) lakhs net}.
14. Earlier year losses of Lionel India Limited, an Associate, Rs 179.27 lacs have been adjusted with General Reserve due to non availability of Financial Statement in the earlier years.
15. The following items are included under other heads of expenses in the Profit & Loss account:

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
Salary & Wages	–	28.70
Stores & Spares consumed	–	752.81

16. Miscellaneous expenses include:

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
Travelling expenses paid to the Directors for attending Board Meetings	–	5.87
Bank charges including Guarantee Commission	–	393.65
Foreign Exchange (Gain)/Loss*	–	(46.74)

* In addition to above, Exchange Difference arising on Foreign Currency Transactions on account of imported Raw Materials/ Stores has been accounted under respective Revenue Heads.

17. Issued, Subscribed and Paid up Share Capital of the company is excluding 9960 Nos. of Equity Shares lying in abeyance – NSDL – Transit case (Previous Year – 9960 Nos. of Equity Shares)

Schedules to Consolidated Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

18. Details of Income/ Expenses disclosed on Net basis

SL No.	Particulars	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
1	Freight, Packing and Transport		
	Paid	–	612.44
	Received	–	735.08
	Net	–	(122.64)
2	Profit on sale of Fixed Assets		
	Profit	33.52	30.47
	Loss	1.18	5.21
	Net	32.34	25.26
3	Income / Profit on sale of current investment		
	(i) Shares		
	Profit	–	0.48
	Loss	–	–
	Net	–	0.48
	(ii) Mutual Funds & Others		
	Profit	14.27	110.42
	Loss	–	–
	Net	14.27	110.42
	Total (i+ii)	14.27	110.90

19. Details of Expenses related to previous year

Particulars	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
(i) Fringe Benefit Tax	–	0.02
(ii) Dividend	0.01	–
(iii) Interest for Income Tax	0.58	62.01
	0.59	62.03

Schedules to Consolidated Accounts

SCHEDULE Q NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

20. Details of Investment purchased and sold during the year:

Sl. No.	Name of Mutual Fund	Amount Invested (Rs. in Lakhs)	No of Units	FV/Unit
1	Birla Sun Life Floating Rate Fund-Retail-Long Term-DD	2,567.58	25663008.303	10
2	Birla Sun Life ST Opportunity Fund	2,583.06	25780944.821	10
3	BSL Dynamic Bond Fund Retail plan monthly	2,153.04	21271516.940	10
4	BSL Short Term FMP Series 2 Dividend - Payout	4,784.72	47847158.260	10

21. Previous year figure have been regrouped/ rearranged/ restated/ recast wherever necessary to confirm this year classification.
 22. Figures below Rs.500/- have been omitted for rounding off and above Rs.500/- have been rounded off to the next Rs.1,000/.

In terms of our Report of even date attached herewith.

For **K. N. Gutgutia & Co.**

Chartered Accountants

P. K. Gutgutia

Partner

Membership No. 6994

6C, Middleton Street,

Kolkata - 700 071

Dated: 23rd May 2011

Amit Dhanuka

Secretary

S. K. Poddar

Utsav Parekh

Dipankar Chatterji

Gautam Khaitan

Akshay Poddar

Directors



Consolidated Cash Flow Statement For the year ended 31st March 2011 (Rs. in Lakhs)

	Year ended 31.03.2011	Year ended 31.03.2010
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Taxation & Exceptional Items	1,126.13	14,001.38
Adjustments for:		
Depreciation	312.98	1,148.56
Interest Paid	41.44	860.35
Employee Compensation Expenses under ESOP	(18.79)	43.96
Interest Received	(77.16)	(762.85)
Income From Investments	(320.45)	(418.97)
Profit on Sale of Investments-Current (Net)	(14.27)	(110.90)
Profit on Sale of Investments-Long Term (Net)	-	(44.11)
Profit on Sale of Fixed Assets (Net)	(32.34)	(25.26)
TDS Written Off	0.11	-
Provision for Diminution in value of Investments	0.31	(12.44)
Miscellaneous Expenditure Written Off	-	44.97
	(108.17)	723.31
Operating Profit before Working Capital Changes & Exceptional Items	1,017.96	14,724.69
(Increase)/Decrease in Trade & Other Receivables	3,182.52	(11,464.98)
(Increase)/Decrease in Inventories	-	5,268.19
Increase/(Decrease) in Trade Payables	106.90	(5,863.53)
Cash Generated from Operations	4,307.38	2,664.37
Direct Taxes Paid	(470.19)	(3,858.93)
Cash Flow before Exceptional Items	3,837.19	(1,194.56)
Exceptional Items	-	(41.13)
Net Cash from Operating Activities	3,837.19	(1,235.69)
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(140.15)	(1,614.51)
Sale of Fixed Assets	43.71	93.96
(Purchase)/Sale of Investments	(2,751.31)	(19,552.75)
Interest Received	172.44	662.84
Income From Investments	320.45	418.97
Capital/Interest Subsidy	-	96.66
Net Cash used in Investing Activities	(2,354.86)	(19,894.83)

Consolidated Cash Flow Statement (Contd.)

(Rs. in Lakhs)

	Year ended 31.03.2011	Year ended 31.03.2010
C) Cash Flows From Financing Activities		
Receipt/(Payment) of Long Term Borrowings	(88.80)	(1,185.36)
Receipt/(Payment) of Short Term Borrowings	–	6,010.13
Proceeds from issue of Share Capital incl Share Premium(Net of Exps.)	–	16,687.33
Redemption of Preference Shares	–	(274.05)
Interest Paid	(41.44)	(860.35)
Dividend Paid	(1,335.40)	(1,005.06)
Net Cash used in Financing Activities	(1,465.64)	19,372.64
Net Decrease in Cash and Cash Equivalents	16.69	(1,757.88)
Cash And Cash Equivalents at the beginning of the period	718.40	
Less: Cash and Cash Equivalent of de-subsiarised of Texmaco Rail & Engg. Ltd.(*)	(5.20)	
Less:Transfer of Demerged Engg. Division to Texmaco Rail & Engg. Ltd.(*)	(655.73)	57.47
Cash and Cash Equivalents at the end of the period	74.16	718.40

Note: (1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 "Cash Flow Statement" as notified in the Companies (Accounting Standard) Rules, 2006.

(2) As the engineering division of the Company(Texmaco Ltd.) is demerged and transferred to Texmaco Rail & Engg. Ltd.(*), the current year Cash Flow Statement is not comparable with the corresponding previous year Cash Flow Statement.

(3) The Cash Flow Statement of the current financial year has been prepared after taking into consideration the financial statements of demerged engineering division of the Company(*) as on 01.04.2010.

(4) In the current financial year Texmaco Rail & Engg Ltd.(formerly Texmaco Machines Ltd.) has been de-subsiarised and become an associate of the Holding Company w.e.f. 01.04.2010.

(5) Previous year's figures are regrouped/rearranged wherever necessary.

(*) Refer to Note no. 4 Of Schedule Q on Notes on Accounts.

In terms of our Report of even date attached herewith.

For **K. N. Gutgutia & Co.**

Chartered Accountants

P. K. Gutgutia

Partner

Membership No. 6994

6C, Middleton Street,

Kolkata - 700 071

Dated: 23rd May 2011

Amit Dhanuka

Secretary

S. K. Poddar

Utsav Parekh

Dipankar Chatterji

Gautam Khaitan

Akshay Poddar

Directors

WHEN STALWARTS SOAR TOGETHER,
THE SKY IS THE LIMIT.





TEXMACO LIMITED

Belgharia, Kolkata 700 056