

2009
2010



JALAN METALLURGICAL LIMITED

20th Annual Report

CORPORATE INFORMATION

Board of Directors

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

Registered Office

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

Statutory Auditors

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

CORPORATE
INFORMATION



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

DIRECTORS' REPORT

Dear Members,

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

1. FINANCIAL HIGHLIGHTS

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

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

2. DIVIDEND

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

3. DIRECTORS

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

4. AUDITORS

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

5. PUBLIC DEPOSITS

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

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

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

There are no foreign exchange transactions during the year.

7. PARTICULARS OF EMPLOYEES

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

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

- in preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- they have selected the accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and for the profit of the Company for the same period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the Annual Accounts on a going concern basis.

9. LISTING

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

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

10. CORPORATE GOVERNANCE

Your Company has complied with mandatory

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

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

this report.

11. ACKNOWLEDGMENT

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

For and on behalf of the Board

Place: Vadodara
Date: September 01, 2010

Nileshkumar Khatri
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Development

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

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

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

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

2. Opportunities and Threats

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

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

3. Financial Performance with Respect to Operational Performance

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

4. Outlook

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

5. Risk and Concerns

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

6. Internal Control Systems and Their Adequacy

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

7. Development in Human Resource and Industrial Relations

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

8. Forward Looking Statement

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

REPORT ON CORPORATE GOVERNANCE

1. Corporate Governance

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

2. Board of Directors

The composition of the Board of Directors is as under:

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

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

3. Audit Committee

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

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