

ELANGO INDUSTRIES LIMITED**Registered Office**

No.5, Ranganathan Garden
15th Main Road Extn.,
Anna Nagar
Chennai – 600 040

Board of Directors

Shri. S. Elangovan - Chairman & Managing Director
Shri. S.A .Premkumar - Director
Shri. K. S. Shanmugam - Director
Shri. V.R. Subramanian – Director- Independent
Shri V. Narayanan – Director- Independent
Shri R. Ramesh – Director- Independent

Company Secretary

Shri N.Asokan

Bankers

State Bank of India

Auditors

M/s. V. Senthilnathan & Co.,
Chartered Accountants
Chennai – 600 040

ELANGO INDUSTRIES LIMITED

No.5, Ranganathan Garden, 15th Main Road – Extn.
Anna Nagar, Chennai – 600 040

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the members of **ELANGO INDUSTRIES LIMITED** will be held on Thursday the 26th of September, 2013 at 11 a.m., at the Registered Office of the Company at No.5, Ranganathan Garden, (15th Main Road Extension) Anna Nagar, Chennai – 600 040, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2013 and the Statement of Profit and Loss for the year ended 31st March 2013 together with the Auditors' Report and Directors' Report thereon.
2. To appoint a Director in the place of Mr.K.S.Shanmugam who retires by rotation being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Mr. R.Ramesh who retires by rotation being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and authorize the Board to fix their remuneration.

For and on behalf of the Board

Place: Chennai
Date: 19th August, 2013

(S. Elangovan)
Chairman & Managing Director

NOTES

1. A Member entitled to attend and vote at the above meeting is entitled to appoint one or more Proxies to attend and vote instead of himself and the Proxy need not be a Member of the Company. The Proxy form duly completed should be deposited at the Registered Office of the Company not less than 48 hours fixed for holding the Meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 20/9/2013 to 26/9/2013 (both days inclusive)

For and on behalf of the Board

Place: Chennai
Date: 19th August, 2013

(S. Elangovan)
Chairman & Managing Director

ELANGO INDUSTRIES LIMITED

No.5, Ranganathan Garden, 15th Main Road – Extn.
Anna Nagar, Chennai – 600 040

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the 24th Annual Report of the Company together with the Audited Balance Sheet of the Company as at 31st March, 2013, the Statement of Profit and Loss for the year ended on that date and the Auditors' Report thereon.

FINANCIAL REVIEW

Rs. Lakhs

	2012-13	2011-12
Net Sales	-	-
Other Income	15.19	30.38
Profit Before Depreciation and Tax	(36.54)	(31.08)
Depreciation	1.75	2.04
Profit before Tax	(38.29)	(33.12)
Less : Provision for Tax	-	-
Profit after Tax	(38.29)	(33.12)
Add : profit brought forward	163.58	196.70
Profit Carried to Balance Sheet	125.28	163.58

DIVIDEND

Considering financial performance, Your Directors have decided not to declare any Dividend for this year.

FUTURE OUTLOOK

The Company has invested its surplus funds in a power generating company and has generated income in the form of dividend to the tune of Rs 15.19 Lakhs. The Company has parked the funds in the Power Generating Company and planning to enter into power sector.

DEPOSITS

No Fixed Deposits were accepted by the Company during the year.

DIRECTORS

Shri. K.S.Shanmugam Director and Shri.R. Ramesh Director of the Company, who retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS

M/s. V. SENTHILNATHAN & Co., Chartered Accountants, Chennai, the Statutory Auditors of the Company, retires at the conclusion of the forth coming Annual General Meeting and is eligible for re-appointment.

DISCLOSURES

As the Company yet to begin its activities, the required particulars under Sections 217 (1) & (2) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Directors) Rules, 1988 is not applicable.

PARTICULARS OF EMPLOYEES

The Statement as required under 217(2A) of the Companies Act is not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

- a) That in preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures ;
- b) That the Directors had selected such 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 ended on 31st March, 2013.
- c) That the Directors had taken proper and sufficient care for maintenance of adequate accounting records for the year ended 31st March, 2013 in accordance with the Provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for the prevention and detection of Fraud and other irregularities.
- d) That the Directors had prepared the Annual Accounts on an ongoing basis.

ACKNOWLEDGEMENT

Your Directors would like to place on record their gratitude to the Members for their continued support and confidence. Your Directors also would like to thank the Staff Members at various levels for their committed Services for the Company.

For and on behalf of the Board

Place: Chennai

Date: 19th August, 2013

(S. Elangovan)
Chairman & Managing Director

CORPORATE GOVERNANCE**Philosophy of Code of Governance**

The company continues to focus on good corporate governance, in line with the prescribed standards, and its primary objective is to create and adhere to a corporate culture of conscience and consciousness, integrity, transparency and accountability for efficient and ethical conduct of business for meeting its obligations towards shareholders and other stakeholders.

The Company recognizes the strong corporate governance is indispensable an important instrument of investor protection.

1. Board of Directors**Composition:**

The Board Comprises of Six Directors of which 4 are non-executive directors.

2. Meetings of the Board

The Board meets at least once a quarter to review the quarterly results and other items on the agenda. The Board meetings are generally held in the Registered Office at Chennai. The agenda of the Board meeting is drafted in consultation with the Chairman and the same is distributed in advance to the Board members.

During the Financial Year Four Meetings of the Board of Directors were held on 27.04.2012, 25.07.2012, 29.10.2012 and 28.01.2013.

Attendance Recorded of each of the Directors at the Board Meeting during the year ended 31.03.2013 as also of the Annual General Meeting is as under.

Name	No. of Board Meetings Attended	Attendance at the Last AGM
Mr. S. Elangovan	4	Yes
Mr. S.A. Premkumar	4	Yes
Mr. K.S. Shanmugam	4	Yes
Mr. V.R. Subramanian	4	Yes
Mr. V. Narayanan	4	Yes
Mr. R. Ramesh	4	Yes

3. Availability of information to the Members of the Board

The Board has complete access to any information within the company. The Board welcomes opinions and the suggestions from the Managers and Employees who can provide additional insights in to the various issues of the company.

The information regularly provided to the Board includes:

- Annual operating plans and budgets including capital budgets and any updates.
- Quarterly results of the company and its operating divisions or business segments.

- Minutes of meeting of Audit committee, and related party transactions committee of the Board.
- The information on recruitment and remuneration of senior officers.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Details of any joint collaboration agreement.
- Sale of material nature, of investments, subsidiaries assets, which is not in normal course of business.
- Non-Compliance of any regulatory, statutory nature or listing requirements.

4. Brief note on Directors seeking reappointment at the ensuing AGM.

Shri K.S Shanmugam aged about 89 Years having more than 20 years in the steel industry. He is well versed in all aspects of the Steel Industry.

Shri R.Ramesh aged about 51 Years having more than 15 years in the Steel Industry. He is well versed in all aspects of the Steel Industry.

5. Board Level Committee

The company has constituted the Audit Committee and Shareholders/Investors Grievance committee as required under the Companies Act, 1956/ Corporate Governance code. The committee comprise of experienced members of the Board who ensure that high standards of corporate governance are followed in every sphere.

6. Audit Committee

The Audit Committee consists of Four Directors and is chaired by Mr. S. A. Premkumar. The Audit Committee Meetings were held on 27.04.2012, 25.07.2012, 29.10.2012 and 28.01.2013.

The Terms of reference of the Audit Committee covers the various matters specified in Clause 49 of the Listing Agreement.

Name of the Member	No. of Meetings Held	Attendance
1. Mr. K.S. Shanmugam	4	4
2. Mr. S.A. Premkumar	4	4
3. Mr. V. Narayanan	4	4
4. Mr. R. Ramesh	4	4

7. Scope of the committee:

The scope of the committee includes the following

- Review of company's financial reporting process
- Review of internal control systems and its functioning
- Review of Financial statements
- Discuss with the Auditors the adequacy of the internal audit function, major accounting policies compliance with accounting standards and other legal requirements
- To establish a mechanism for prevention and detection of frauds
- To review and appraise the performance of the investments made by the company

8. Transfer and Shareholders' Grievance Committee

The Transfer and Shareholders' Grievance Committee consists of Three Directors and is chaired by Mr. S.Elangovan. The Transfer and Shareholders Grievance Committee Meetings were held on 27.04.2012, 25.07.2012, 29.10.2012 and 28.01.2013.

Name of the Member	No. of Meetings Held	Attendance
1. Mr. S. Elangovan	4	4
2. Mr. S.A. Premkumar	4	4
3. Mr. V.R. Subramanian	4	4

9. Disclosure

Disclosures on materially significant related party transactions i.e. Transactions of the Company of material nature, with its promoters/Directors of the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large. None of the transactions with any of the related parties were in conflict with the interest of the Company.

10. Annual General Meeting

The details of last three Annual General Meetings of the company:

Year	Date	Time	Place
2012	28 th September, 2012	11.00 A.M	No.5 Ranganathan Garden, Anna Nagar, Chennai-600 040.
2011	29 th September, 2011	11.00 A.M	No.5 Ranganathan Garden, Anna Nagar, Chennai-600 040.
2010	23 rd September, 2010	11.00 A.M	No.5, Ranganathan Garden, Anna Nagar, Chennai-600 040.

11. Means of Communication & General Shareholders Information;

The Quarterly results are usually published in **News Today (in English)** and **Maalai Sudar (in vernacular language)** "Dailies".

12. Annual General Meeting

Day, Date and Time; Thursday 26th September, 2013 at 11.00.A.M
 Venue No. 5, Ranganathan Garden, Anna Nagar
 Chennai -600040

13. Book Closure:

The Register of Members and the share transfer book shall remain closed from 20th September 2013 to 26th September 2013 (Both days inclusive).

14. Listing on Stock Exchange:

Bombay Stock Exchange Limited (BSE) – Code No. 513452

15. Share Holding Pattern as on 31/03/2013

Category	No. of Shares Held	% of Shareholding
Indian Promoters	1213100	31.79
Mutual Funds and UTI	-	-
Private Corporate Bodies	21560	0.56
Indian Public	2579515	67.60
NRI's/OCB's	1825	0.05
Independent Directors and Relatives	-	-
Other Directors	-	-
Total	3816100	100

16. Distribution of Shareholding as on 31/03/2013

Share Holding Range	No. of Holders	% of Holders	No. of Shares	% of Shares
Upto 500	7453	91.52	1276651	33.45
501 - 1000	445	5.46	363936	9.54
1001-2000	173	2.12	257057	6.74
2001-3000	20	0.25	49456	1.30
3001-4000	14	0.17	51067	1.34
4001-5000	7	0.09	33705	0.88
5001-10000	16	0.20	125300	3.26
10001 and above	16	0.20	1658928	43.47
Total	8144	100	3816100	100

17. Stock Market price data for the year 2012 - 2013

Month	Bombay Stock Exchange Ltd		
	High	Low	No. of Shares
Apr - 2012	5.69	5.23	1625
May - 2012	6.48	5.37	1659
Jun - 2012	5.88	5.88	300
Jul - 2012	5.59	3.03	25367
Aug - 2012	4.46	2.91	7132
Sep - 2012	4.44	3.62	328
Oct - 2012	3.44	3.12	1777
Nov - 2012	3.42	2.97	1457
Dec - 2012	3.50	3.50	200
Jan - 2013	3.50	3.50	356
Feb - 2013	3.70	3.60	6261
Mar - 2013	3.70	3.44	251

18. Dematerialization of Shares and Liquidity :

No. of Shares dematerialized - 1721275

No. of Shares dematerialized in percentage 45.11%

19. Fixed Deposits

The Company has not accepted any fixed deposits during the year.

20. Address for correspondence

1. Registered office: No. 5, Ranganathan Gardens,
Anna Nagar, Chennai – 600 040.
2. Share Transfer Agent: Cameo Corporate Services Limited,
No. 1, Club House Road, Chennai 600 002
E-MailID: admin@kaveripower.com /
asokan@kaveripower.com

21. Code of Conduct

The Board has laid down a Code of Conduct for all Board Members and senior management of the company. All the Board members and senior management personnel have affirmed compliance with the Code for the year 2012-13.

For and on Behalf of the Board

Place : Chennai

S.Elangovan

Date : 19th August 2013

Chairman and Managing Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT

We submit here the Management Discussion & Analysis Report on the business of the Company for the year ended 31st March 2013. In this we have attempted to include discussion on all the specified matters to the extent relevant or within limits that in our opinion are imposed by the Company's own competitive position.

COMPANY INDUSTRY STRUCTURE & DEVELOPMENTS

During the Financial Year 2005-06, started a Gas based Power Plant through an SPV namely Kaveri Gas Power Limited, at Maruthur Village, Mayiladuturai T.K., Nagapattinam District. The company also received dividend for its investment for the period 2006-2007 to 2011-2012.

REVIEW OF OPERATIONS

The financial review is available in the Directors report.

OUTLOOK

The Power Sector has a bright future. So the Company actively planning to enter into EPC contracts in power sector and generation of power.

ENVIRONMENT & SAFETY

The Company is very conscious of the need to protect environment. The company is taking all possible steps for safe guarding the environment.

OTHER MATTERS

There are no further or typical areas of risks or concerns outside the usual course of business foreseeable at this time. Internal control systems are found to be adequate and are continuously reviewed for further improvement.

CAUTIONARY STATEMENT

Statements in this "Management Discussion & Analysis" which seek to describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be "forward looking statements" with in the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include global and Indian demand-supply conditions, finished goods prices, stock availability and prices, cyclical demand and pricing in the company's markets, changes in the government regulations, tax regimes, economic developments within India and countries with which the company conducts business besides other factors, such as litigation and other labour negotiations.

For and on behalf of the Management Team

Place : Chennai

S. Elangovan

Date : 19th August, 2013

Chairman & Managing Director

Auditors' Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreements.

1. We have examined the compliance with the conditions of Corporate Governance by M/s Elango Industries Limited (the Company) for the year ended 31st March 2013 with the relevant records and documents maintained by the Company and furnished to us for our examination and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance with conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
3. Based on the aforesaid examination and according to information and explanations given to us we Certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges for the year ended 31st March 2013.
4. We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' /Investors' Grievance Committee.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **V.SENTHILNATHAN & Co.,**
Chartered Accountants
ICAI F.NO.: 003711S

Place : Chennai
Date : 19th August, 2013

(V. Senthilnathan)
Partner
M.No:024244

Independent Auditor's Report**To the Members of ELANGO INDUSTRIES LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of ELANGO INDUSTRIES LIMITED, which comprises the balance sheet as at 31 March 2013, the statement of profit and loss and Cash Flow Statement of the company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

- I. In the case of the balance sheet, of the state of affairs of the company as at 31 March 2013; and
- II. In the case of the statement of profit and loss, of the Loss for the year ended on that date.
- III. In case of Cash Flow Statement for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Audit Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section 227 of the Act, we give in the Annexure a statement of the matters specified in Paragraphs 4 and 5 of the Act.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - c) The balance sheet and statement of profit and loss dealt with by this Report are in agreement with the books of accounts; and
 - d) In our opinion, the balance sheet, and statement of profit and loss comply with the accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors as on March 31 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of Sub Section(1) of Section 274 of the Companies Act, 1956

For **V.SENTHILNATHAN & Co.,**
Chartered Accountants
ICAI F.NO.: 03711S

Place : Chennai
Date: 19th August, 2013

(V. Senthilnathan)
Partner
M.No:024244

Annexure to the Auditor's Report

The Annexure referred to in our report to the members of Elango Industries Limited for the year ended 31st March 2013. We report that:

- [i] [a] The Company has maintained proper records showing full particulars including quantitative details of its fixed assets.
- [b] All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- [c] During the year there was no disposal of fixed assets by the Company.
- [ii] As the Company does not possess any inventories during this year, the provisions of clause 4(ii) of the Companies (Auditors Report) Order, 2003 are not applicable.
- [iii] In our opinion, no loans that has been taken from / granted to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 is not, prima facie, prejudicial to the interest of the Company.
- [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 purchases of goods, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- [v] According to the information and explanations given to us, we are of the opinion that there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- [vi] In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public under the provisions of sections 58(A) and 58(AA) of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 (as per our report).
- [vii] In our opinion, the Company has an in-house internal audit system commensurate with the size and nature of its business.
- [viii] We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the central government for the maintenance of cost Records under Section 209 (1) (d) of the Companies Act, 1956 in respect of the Company's products to which the said rules are made applicable, and are of the opinion that prima facie prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate.
- [ix] (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, custom duty, excise duty, cess and other material statutory dues applicable to it except sales tax.
- (b) According to the information and explanation given to us, the undisputed amount payable in respect of sales tax arrears for a period of more than six months from the date they became payable is Rs.85,454/- (Previous Year Rs.85,454/-).
- (c) On the basis of our examination of the documents and records of the Company and the information and explanations given to us upon our enquiries in this regards, disputed amounts payable in respect of income-tax not deposited with the appropriate authorities is Rs.27,59,978/- (Previous Year Rs.27,59,978/-).

- [x] The Company has incurred cash losses during the financial year covered by our audit and not incurred cash loss immediately preceding financial year.
- [xi] In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institutions, bank or debenture holders. Hence, the provisions of clause 4(xi) of the Companies (Auditors Report) Order, 2003 are not applicable.
- [xii] We are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the year under consideration. Accordingly the provisions of clause 4(xii) of the Companies (Auditors Report) Order, 2003 are not applicable.
- [xiii] In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- [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 (Auditor's Report) Order, 2003 are not applicable to the Company.
- [xv] According to the information given to us, we are of the opinion that the Company has not given any guarantee for loans taken by an associate Company. Hence the provisions of clause 4(xv) of the Companies (Auditors Report) Order, 2003 are not applicable.
- [xvi] In our opinion, no term loan has been availed by the Company. Hence the provisions of clause 4(xvi) of the Companies (Auditors Report) Order, 2003 are not applicable.
- [xvii] As we were not able to establish any audit trail of fund flows which can correlate end use with corresponding funds raised, according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term in nature have been used for long term investment and vice versa.
- [xviii] According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act. Hence the provisions of clause 4(xviii) of the Companies (Auditors Report) Order, 2003 are not applicable.
- [xix] According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures. Hence the provision of clause 4 (xix) of the Companies (Auditors Report) Order, 2003 are not applicable.
- [xx] During the period covered by our audit report, the Company has not raised any money through public issue. Hence, the provisions of Clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- [xxi] According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **V.SENTHILNATHAN & CO.,**

Chartered Accountants

ICAI F.No: 003711S

(V.Senthilnathan)

Partner

M.No: 024244

Place : Chennai

Date : 19th August, 2013

ELANGO INDUSTRIES LIMITED			
No.5, Ranganathan Gardens, 15th Main Road Extn, Anna Nagar, Chennai -600040			
BALANCE SHEET AS AT 31ST MARCH, 2013			
Particulars	Note	As on 31-03-2013	As on 31-03-2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds	1	38,216,000	38,216,000
(a) Share Capital	2	12,528,313	16,357,992
(b) Reserves and Surplus		-	-
(c) Money received against share warrants		-	-
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities		-	-
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	3	22,184	22,184
(d) Long term provisions		-	-
(4) Current Liabilities		-	-
(a) Short-term borrowings	4	251,083	74,714
(b) Trade payables	5	5,005,893	4,867,629
(c) Other current liabilities		-	-
(d) Short-term provisions		-	-
Total		56,023,473	59,538,519
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	6	1,086,711	1,262,451
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development	7	37,630,000	30,630,000
(b) Non-current investments		-	-
(c) Deferred tax assets (net)	8	15,487,213	22,287,213
(d) Long term loans and advances		-	-
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	9	996,205	996,205
(c) Trade receivables	10	26,144	42,650
(d) Cash and cash equivalents	11	778,473	4,320,000
(e) Short-term loans and advances	12	18,727	-
(f) Other current assets		-	-
Total		56,023,473	59,538,519
Notes referred to above form an integral part of this Balance sheet			
Previous figures are regrouped wherever necessary			
This is the Balance sheet referred to in our report of even date			
for V. SENTHILNATHAN & Co.,			
Chartered Accountants			
Firm Reg No: 003711S			
(V. SENTHILNATHAN)		S. ELANGO VAN	S.A. PREMKUMAR
Partner		Managing Director	Director
M.No.024244		N.Asokan	
Place: Chennai		Company Secretary	
Date : 19 th August, 2013			

ELANGO INDUSTRIES LIMITED

No:5,Ranganathan Gardens, 15th Main Road Extn
Anna Nagar , Chennai -600040

Statement of Profit and Loss for the period 1st April 2012 to 31st March 2013

Particulars	Note	As on 31-03-2013	As on 31-03-2012
Revenue from operations		-	-
Other Income	13	1,519,000	3,038,000
Total Revenue		1,519,000	3,038,000
Expenses:			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefit expense	14	4,659,761	5,843,069
Financial costs	6	175,739	204,236
Depreciation and amortization expense	15	513,178	302,929
Other expenses		-	-
Total Expenses		5,348,678	6,350,234
Profit before exceptional & extraordinary items and tax		(3,829,678)	(3,312,234)
Exceptional Items		-	-
Profit before extraordinary items and tax		(3,829,678)	(3,312,234)
Extraordinary Items		-	-
PROFIT / (LOSS) BEFORE TAX		(3,829,678)	(3,312,234)
Tax Expense:			
Current tax		-	-
Deferred tax		-	-
PROFIT (LOSS) FOR THE PERIOD		(3,829,678)	(3,312,234)
Earning per equity share:			
(1) Basic		(1.00)	(0.87)
(2) Diluted		(1.00)	(0.87)

Notes referred to above form an integral part of this Balance sheet

Previous figures are regrouped wherever necessary

This is the Balance sheet referred to in our report of even date

for V. SENTHILNATHAN & Co.,

Chartered Accountants

Firm Reg No: 003711S

(V. SENTHILNATHAN)

Partner

M.NO : 024244

Place : Chennai

Date : 19th August, 2013

S. ELANGO VAN
Managing Director

S.A.PREMKUMAR
Director

N.Asokan
Company Secretary

ELANGO INDUSTRIES LIMITEDNo:5, Ranganathan Gardens, 15th Main Road Extn
Anna Nagar, Chennai -600040**NOTES FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED 31.03.2013**

PARTICULARS	As on 31-03-2013 Rs	As on 31-03-2012 Rs
NOTE 1		
SHARE CAPITAL		
A.Authorised Capital		
40,00,000 Equity Shares of Rs.10 each	40,000,000	40,000,000
B.Issued & Subscribed Capital :		
38,38,100 Equity Shares of Rs.10 each	38,381,000	38,381,000
Paid up Capital :		
38,16,100 Equity Shares of Rs.10 each	38,161,000	38,161,000
C.Par Value of Shares	10	10
D.Reconciliation of Shares		
Opening Balance	38,161,000	38,161,000
Capital raised during the year	-	-
Buy Back of shares	-	-
Closing Balance	38,161,000	38,161,000
E.Shares held by the Holding Company		
F.Shareholder holding more than 5% Share	% of Holding	% of Holding
S.Elangovan	15.03%	15.03%
Shanmugam	9.16%	9.16%
Cauvery Power Trading Chennai Ltd	5.24%	5.24%
G.Calls Unpaid on Shares	-	-
H.Forfeited Shares	55,000	55,000
	38,216,000	38,216,000
NOTE - 2		
RESERVES & SURPLUS		
General Reserve	5,000,000	5,000,000
Subsidy	25,281	25,281
	5,025,281	5,025,281
Profit & Loss Account		
Opening Balance	11,332,711	14,644,945
Add: Profit/(Loss) during the year	(3,829,678)	(3,312,234)
	7,503,033	11,332,711
	12,528,313	16,357,992

ELANGO INDUSTRIES LIMITED

No:5,Ranganathan Gardens, 15th Main Road Extn
Anna Nagar , Chennai -600040

NOTES FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED 31.03.2013

PARTICULARS	As on 31-03-2013 Rs	As on 31-03-2012 Rs
NOTE - 3		
LONG TERM PROVISIONS		
Provision for MAT/IT	22,184	22,184
	<u>22,184</u>	<u>22,184</u>
NOTE - 4		
TRADE PAYABLES :		
Sundry Creditors	251,083	74,714
NOTE - 5		
OTHER CURRENT LIABILITIES :		
Staff & Workers Salary payable	384,335	334,218
Audit fees payable	50,562	50,562
TDS payable	58,081	200,717
Related Parties :		
Cauvery Power Generation Chennai Pvt Ltd	-	4,190,423
Kaveri Gas Power Ltd	4,512,915	91,709
	<u>5,005,893</u>	<u>4,867,629</u>
NOTE - 7		
NON CURRENT INVESTMENTS :		
Investment in Equity instruments		
In Kaveri Gas Power Limited		
25000 Equity Shares @ Rs.10 each fully paid	250,000	250,000
In Cauvery Power Generation Chennai Private Limited	7,000,000	-
Share Application Money		
Investment in Preference Shares		
In Kaveri Gas Power Limited	30,380,000	30,380,000
30,38,000 Preference Shares @ Rs 10 each fully paid		
	<u>37,630,000</u>	<u>30,630,000</u>
The Investment of Rs.2,50,000/- in the Equity Shares of M/s. Kaveri Gas Power Ltd and Investment of Rs. 3,03,80,000/- in the Preference Shares of M/s. Kaveri Gas Power Ltd, under the same management whose shares are unquoted are valued at cost. The Management is of the opinion that there is no diminishing value on these Investments.		

NOTE-6

ELANGO INDUSTRIES LIMITED
No:5,Ranganathan Gardens, 15th Main Road Extn
Anna Nagar , Chennai -600040

DEPRECIATION & FIXED ASSETS UNDER THE COMPANIES ACT FOR THE YEAR ENDED 31-03-2013

Particulars	ROD In %	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
		As on 01.04.2012	Addition	Disposals	As on 31.03.2013	As on 01.04.2012	For the year	As on 31.03.2013	As on 31.03.2012	As on 31.03.2013
Plant & Machinery	13.91%	4,159,731			4,159,731	3,109,735	1,46,054	3,255,789	1,049,996	903,942
Electrical Installation	13.91%	930,970			930,970	719,023	29,482	748,505	211,947	182,465
Franking Machine	13.91%	13,801			13,801	13,801	-	13,801	-	-
Office Equipments	13.91%	16,050			16,050	16,050	-	16,050	-	-
Computers	40.00%	505,125			505,125	504,618	203	504,821	507	304
Cycle	20.00%	3,012			3,012	3,012	-	3,012	-	-
Total		5,628,689	-	-	5,628,689	4,366,239	175,739	4,541,978	1,262,450	1,086,711

Depreciation is provided on written down value basis as per the rates prescribed under Schedule XIV of The Companies Act, 1956. Expenditure which are of a capital nature are capitalized at cost, which comprises of purchase price of materials, labour, consultancy charges and directly attributable cost of bringing the assets to its working condition for the intended use.

NOTE - 8**LONG TERM LOANS & ADVANCES****Balance with Statutory Authorities :**

Excise Duty - Cenvat Credit	1,976,645	1,776,645
TDS Receivable 2008-09	-	-
TDS Receivable 2009-10	-	-
Sales tax Deposit	5,000	5,000
Electricity Subsidy due	10,996,636	10,996,636

Related Parties :

Cauvery Power Generation Chennai Pvt Ltd - Security Deposit for contracts	-	7,000,000
--	---	-----------

Loans and Advances to Others :

Ankit Ispat Pvt Ltd	2,308,932	2,308,932
Rent Advance	200,000	200,000
	<u>15,487,213</u>	<u>22,287,213</u>

As per the order by the Appellate Tribunal for Excise Duty, against the appeal to waive the demand and penalty by the company, the company paid an additional deposit of Rs. 2,00,000/- during this year. The appeal is under progress.

NOTE - 9**TRADE RECEIVABLES**

Sundry Debtors - Less than six months old	-	-
Sundry Debtors - More than six months old	<u>996,205</u>	<u>996,205</u>
	<u>996,205</u>	<u>996,205</u>

NOTE - 10**Cash and Cash Equivalents**

Cash Balances on Hand	6,631	8,713
-----------------------	-------	-------

Balance with Banks :

State Bank of India	<u>19,513</u>	<u>33,937</u>
	<u>26,144</u>	<u>42,650</u>

NOTE - 11**Short term Loans and Advances****Loans and Advances to Related Parties :**

Cauvery Power Trading Chennai Ltd	769,560	4,320,000
-----------------------------------	---------	-----------

Loans and Advances to Others :

Advance to staff	<u>8,913</u>	-
	<u>778,473</u>	<u>4,320,000</u>

NOTE - 12**Other Current Assets****Prepaid Expenses**

Demat Expenses	<u>18,727</u>	-
	<u>18,727</u>	-

ELANGO INDUSTRIES LIMITEDNo:5,Ranganathan Gardens, 15th Main Road Extn
Anna Nagar , Chennai -600040**NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31.03.2013**

PARTICULARS	As on 31-03-2013 Rs	As on 31-03-2012 Rs
NOTE - 13		
OTHER INCOMES		
Dividend on other investments(Shares) :	1519000	3038000
Dividend from M/s Kaveri Gas Power Ltd		
NOTE - 14		
Employee Benefit Expense		
Salaries & Wages	4295238	5430031
Bonus & Incentive	361550	410100
Staff welfare exp.	2973	2938
	4659761	5843069
NOTE - 15		
OTHER EXPENSES :		
Rates & Taxes :		
Custodial fee - NSDL & CDSL	28090	42346
Demat Expenses	9363	27575
Listing Fee	31964	16545
Postage Expenses	65330	367
Printing & Stationery	150250	13950
Professional & Legal Expenses :		
Legal & Secretarial charges	105000	0
Secretarial Fees	20225	38020
Audit fee		
Statutory Audit fee	56180	56180
Administrative Expenses :		
Advertisement	25720	27060
Office Expenses	1472	5272
Administrative Expenses	17765	621
Bank charges	1819	681
Income Tax Reversal	0	74312
	513178	302929

NOTES FORMING PART OF BALANCE SHEET FOR THE YEAR ENDED 31.03.2013**BASIS FOR PREPARATION OF FINANCIAL STATEMENTS****BASIS OF ACCOUNTING**

The Financial Statements have been prepared under historical cost convention on accrual basis and comply with notified accounting standards as referred to in Section 211(3C) and other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. Based on the nature of the services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

USE OF ESTIMATES

The preparation of the financial statements in conformity with the accounting standards generally accepted in India requires the management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates.

The Company is a Small and Medium Sized Company (SMC) as defined in the general instructions in respect of accounting standards notified under the companies Act 1956. Accordingly, the company has complied with the accounting standards as applicable to a Small and Medium Sized Company.

VALUATION OF INVENTORY

The company does not have any Inventory as on 31.3.2013.

IMPAIRMENT OF ASSETS

An asset is concerned as impaired in accordance with Accounting Standard 28 on 'Impairment of Assets', when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). There were no reduction or gain against the carrying amount to the recoverable amount and no effect for the impairment is recognized in the profit and loss account.

CONTINGENT LIABILITY

Contingent liabilities as defined in accounting standard 29 on "provisions, contingent liabilities and contingent assets" are disclosed by way of notes to the accounts. Provision is made if it is probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability. There were no transactions covered under this category and no provision has been made during this year.

ACCOUNTING FOR TAXES ON INCOME

Income taxes are accounted for in accordance AS 22 "Accounting for Taxes and Income" issued by the ICAI. Tax expense comprises both current and deferred tax. Current tax is measured at the amount expected to be paid to/ recovered from the tax authorities using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing difference between taxable income and accounting income that are capable of reversing in or more subsequent periods and or measured using relevant enacted tax rates. At each Balance Sheet, the Company reassesses unrecognized deferred tax assets to the extent they have become reasonably certain or virtually certain of realization, as the case may be.

EMPLOYEE BENEFITS**Defined Contribution Plan**

The Company has defined contribution plans for employees. But there are no permanent employees during the financial year. Hence there is no Contributions Paid/Payable to these plans during the financial year.

FOREIGN CURRENCY TRANSACTION

There is no foreign currency transaction during the financial year 2012-13, hence there is no exchange difference.

SEGMENT REPORTING

As The Company has closed down its operation, there are no separate reportable segments as per Accounting Standard (AS) 17 "Segment Reporting".

RELATED PARTY TRANSACTION

In accordance with Accounting standard (AS) 18, the disclosures required as given below:

Particulars	Subsidiary Company	Other Company(s)	Key Management Personnel	Financial Year Ended 31.03.2012	Financial Year Ended 31.03.2013
Loans & Advances	N.A.	Cauvery Power Trading Chennai Private Limited	S.Elangovan S.A.Premkumar K.S.Shanmugam	43,20,000	769,560
Investment	N.A.	Kaveri Gas Power Ltd	S. Elangovan S.A. Premkumar K. S. Shanmugam	2,50,000 (In Equity Shares) 30,380,000 (In Preference Shares)	2,50,000 (In Equity Shares) 30,380,000 (In Preference Shares)
Current Liabilities	N.A.	Cauvery Power Generation Chennai Private Limited	S. Elangovan S.A. Premkumar	4,190,423	NIL
Current Liabilities	N.A.	Kaveri Gas Power Limited	S. Elangovan S.A. Premkumar K. S. Shanmugam	91,709	4,512,915
Security Deposit for Contracts	N.A.	Cauvery Power Generation Chennai Private Limited	S. Elangovan S.A. Premkumar	7,000,000	NIL
Other Current Assets	N.A.	Cauvery Power Generation Chennai Private Limited	S. Elangovan S.A. Premkumar	NIL	7,000,000

EARNINGS PER SHARE:

Basic/Diluted earnings per share is calculated by dividing the net profit/loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding as at the end of the year. As there were no shares considered as dilutive, same denominator as applicable for Basic EPS has been used for computing the dilutive Earnings Per Share.

ELANGO INDUSTRIES LIMITED
24th Annual Report

Particulars	Current Year 2012-13	Previous Year 2011-12
Profit after Tax	-3829678	-3312234
Less: Dividend on preference shares (Including corporate dividend tax)	-	-
Profit after tax for equity share holders -Basic (numerator)	-3829678	-3312234
Add/(Less): Exchange loss /(gain) on FCCBs	-	-
Profit after tax for equity share holders- Diluted (numerator)	-3829678	-3312234
Earning per share – Basic	(1.00)	(0.87)
Earning per share – Diluted	(1.00)	(0.87)
Nominal value per share	10	10
Weighted average number of equity shares for Basic EPS (denominator)	38,16,100	38,16,100
Weighted average number of equity shares for Diluted EPS (denominator)	38,16,100	38,16,100
DISCONTINUED OPERATIONS (PURSUANT TO AS 24):		
1. Discontinued since	: 01.08.2003	
2. Segment	: Primarily Manufacturing of Steel Ingots	
3. Carrying amount of total assets	: 17,397,769	
4. Carrying amount of total liabilities	: NIL	
5. Profit from ordinary activities	: NIL	
6. Income Tax expenses	: NIL	
7. Gain on Disposal of Assets	: NIL	
8. Cash flow from discontinued operations.		
Operating activities	}	NIL
Investing activities		
Financial activities		

In the opinion, of the Board of Directors and to the best of their knowledge and belief, the value on realization of Current Assets, Loans and Advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance sheet.

Confirmation of Balances from certain parties for the amounts due to them or due from them is yet to be received / reconciled.

For the year ended on March 31, 2013, the company has not generated any sales revenue from the Plant & Machinery capable of manufacturing 13000 tons P.A of Steel Ingots from Metal Scraps during the financial year 2012-13 but earned only exempted dividend income from the investment in shares of companies.

The timing differences related mainly to depreciation and unabsorbed losses and the net effect of such differences will result in deferred tax asset or liability. The company has not earned any taxable income hence as a measure of prudence net deferred tax asset relating to the above period has not been recognized in the accounts.

Since there is no tax liability, no Provision for Income Tax has been made in the books of accounts as per the provisions of the Income Tax Act.

MANAGERIAL REMUNERATION

Payment of Managerial Remuneration and other benefits inclusive of perquisites not made to the Managing Director and Director against their option.

MICRO, MEDIUM & SMALL ENTERPRISES ACT, 2006.

In spite of the absence of a database identifying Creditors as Small Scale industrial Undertakings, it is the opinion of the management that there are no parties, which can be classified as Small Scale industrial Undertaking to whom the Company owes any sum. The Auditors have accepted the representation of the management in this matter.

As per the Business Plan prepared by the Management, they are exploring the possibilities to revive the manufacturing activities along with the present investment of surplus funds into the diversified projects.

According to the information and explanation given to us, we are of the opinion that the changes in the Fixed Assets have not affected the going concern status of the company.

Figures shown in the accounts have been rounded off to the nearest rupee.

Notes 1 to 15 are annexed to and forming part of the accounts.

ELANGO INDUSTRIES LIMITEDNo:5,Ranganathan Gardens, 15th Main Road Extn
Anna Nagar, Chennai -600040**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2013**

	As on 31.03.2013 Rs.	As on 31.03.2012 Rs.
I. CASH INFLOWS:		
1) From Operating Activities		
(a) Profit from Operating Activities		
Adjustments:		
Depreciation		
Dividend Income		
(b) Working Capital Changes		
Increase in Current Liability	314,833	4,462,066
TOTAL	314,833	4,462,066
2) From Investing Activities		
Dividend Received	1,519,000	3,038,000
3) From Financing Activities		
TOTAL CASH INFLOWS	1,833,833	7,500,066
II. CASH OUTFLOWS:		
1) From Operating Activities		
a) Loss from Operating Activities	3,829,878	3,312,234
Adjustments:		
Depreciation	(175,739)	(204,239)
Dividend Income	1,519,000	3,038,000
(b) Working Capital Changes		
Increase in Current Assets	(3,405,100)	2,932,531
Decrease in Current Liability		
(c) Direct Taxes Paid		
TOTAL CASH OUTFLOWS	1,784,839	8,078,639
III. NET(DECREASE)INCREASE IN CASH & CASH EQUIVALENT	68,994	(1,578,454)
Add: Cash & Cash Equivalent at the beginning of the period	42,650	1,621,114
IV. Cash & Cash equivalent at the end of the Period	25,144	42,660
-> Cash on Hand	5,631	33,937
-> Balance with other banks		
- SBI	19,513	8,713
	25,144	42,660

We have verified the Cash Flow Statement for the year ended on 31st March, 2013 of with reference to the Audited Annual Accounts for the said period and found the same are in agreement therewith.

for V. SENTHILNATHAN & Co.,

Chartered Accountants

Firm Reg No: 003711S

(V. SENTHILNATHAN)

Partner

M.NO : 024244

Place : Chennai

Date : 19th August, 2013S. ELANGO VAN
Managing DirectorS.A.PREMKUMAR
Director

N.Asokan

Company Secretary