

॥ श्री ॥

Lincoln Industries Ltd.

SUBJECT TO KOLKATA JURISDICTION

P-36, INDIA EXCHANGE PLACE EXTN.
ROOM NO. 43, 2ND FLOOR
KOLKATA - 700 001
PHONE : 2225-4673 / 3353
FAX : 91-33-2225 4850 • GRAM : LINC EXP

Date

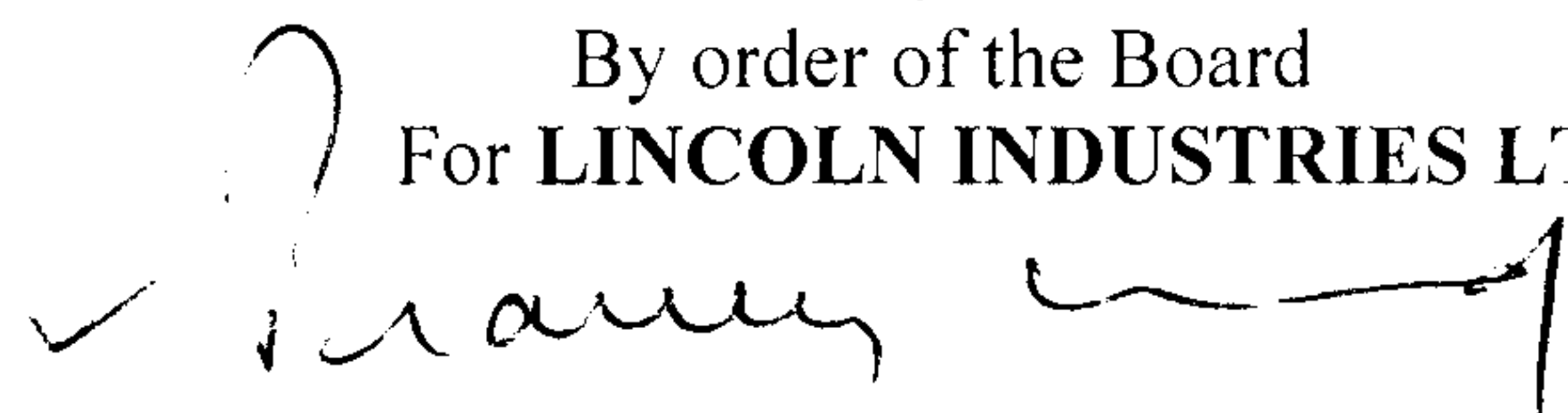
NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held at the Registered Office of the Company at P-36, India Exchange Place Extn., 2nd Floor, Room No. 43, Kolkata- 700 001 on Friday, 31st day of August, 2012 at 10.00 A.M. to transact the following business:-

As Ordinary Business:

1. To consider and adopt the Balance Sheet as at 31st March 2012 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors' and Auditors' thereon.
2. To appoint a director in place of Sri Prem Chand Dhandhanian who retires by rotation and being eligible offers himself for re-appointment.
3. To re-appoint M/s B K S & Co., Chartered Accountants to hold office from the conclusion of this Annual General meeting until the conclusion of the next Annual General meeting and to fix their remuneration.

Place: Kolkata
Date: 30th day of May, 2012

By order of the Board
For **LINCOLN INDUSTRIES LTD**

(PRAVEEN CHAND DHANDHANIA)

MANAGING DIRECTOR

NOTICES:

1. The Register of members and the share transfer books of the Company shall remain closed from 24th day of August, 2012 to 31st day of August, 2012 (both days inclusive)
2. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself / herself and the proxy need not be a member of the company. However, the proxy forms duly filled up must be lodged with the company before 48 hours of the meeting.*
3. Please note that as per the notifications of SEBI, the company's equity shares have been under compulsory demat trading mode for all the investor. You are therefore, requested to demat your share holding to avoid inconvenience in future.

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P-36, INDIA EXCHANGE PLACE EXTN.

ROOM NO. 43, 2ND FLOOR

KOLKATA - 700 001

PHONE : 2225-4573 / 3353

FAX : 91-33-2225 4850 • GRAM : LINC EXP

Date

4. Members are requested to :-

- a. Notify change of address, if any.
- b. Send query (ies), regarding audited accounts at least 10 days before the meeting.
- c. Bring with them their copy of the Annual Report in the meeting.

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants.

Lincoln Industries Ltd.

SUBJECT TO KOLKATA JURISDICTION

P-38, INDIA EXCHANGE PLACE EXTN.
ROOM NO. 43, 2ND FLOOR
KOLKATA - 700 001

PHONE : 2225-4573 / 3353
FAX : 91-33-2225 4850 • GRAM : LINC EXP

Date

Directors' Report

to the members of M/s Lincoln Industries Ltd.

Your directors have pleasure in presenting the Annual Report and Audited statement of Accounts of the company for the year ended 31.03.2012.

FINANCIAL RESULTS:

| | Year ended 31.03.2012 | (Rs.in Lacs) | Year ended 31.03.2011 |
|--|----------------------------------|---------------------|----------------------------------|
| Total Revenue | 5270.50 | | 6077.59 |
| Profit/ (Loss) before Tax | 0.54 | | 7.57 |
| Profit/ (Loss) after Tax | (0.28) | | 5.46 |
| Balance in Profit & Loss Account of Previous Year | 85.93 | | 80.57 |
| Balance Carried to Balance Sheet | 85.65 | | 85.93 |

DIVIDEND:

The Directors regret their inability to recommend any dividend for the year under report

DIRECTORS:

Sri Prem Chand Dhandhanian retires by rotation and being eligible offer himself for re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

The particulars regarding conservation of energy, technology absorption, etc. in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are enclosed and forms part of our report. The Company does not have any foreign exchange earning and outgo during the year under report.

PERSONNEL:

The Company did not have in its employment any employee as defined in Section 217(2A) of the Companies Act, 1956.

DEPOSIT:

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

AUDITORS:

M/s B K S & Co., Chartered Accountants, auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS' OBSERVATIONS:

Auditors' observations are duly dealt in notes on accounts and are self-explanatory.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 the directors confirm:

- (a) that in the preparation of the annual accounts, the applicable accounting standards has 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 judgements 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 and of the profit or loss of the Company for that period;
- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the directors had prepared the annual accounts on a going concern basis.

LISTING:

The Shares of the Company are listed at Calcutta and Delhi Stock Exchanges. The listing fee to all the stock exchanges are paid up-to-date

DEPOSITORY SYSTEM:

The Company's shares are under compulsory demat mode and hence the Company has entered into agreement with NSDL and CDSL and the shares of company are tradable in demat mode. Members are requested to dematerialize their holding for their operational convenience.

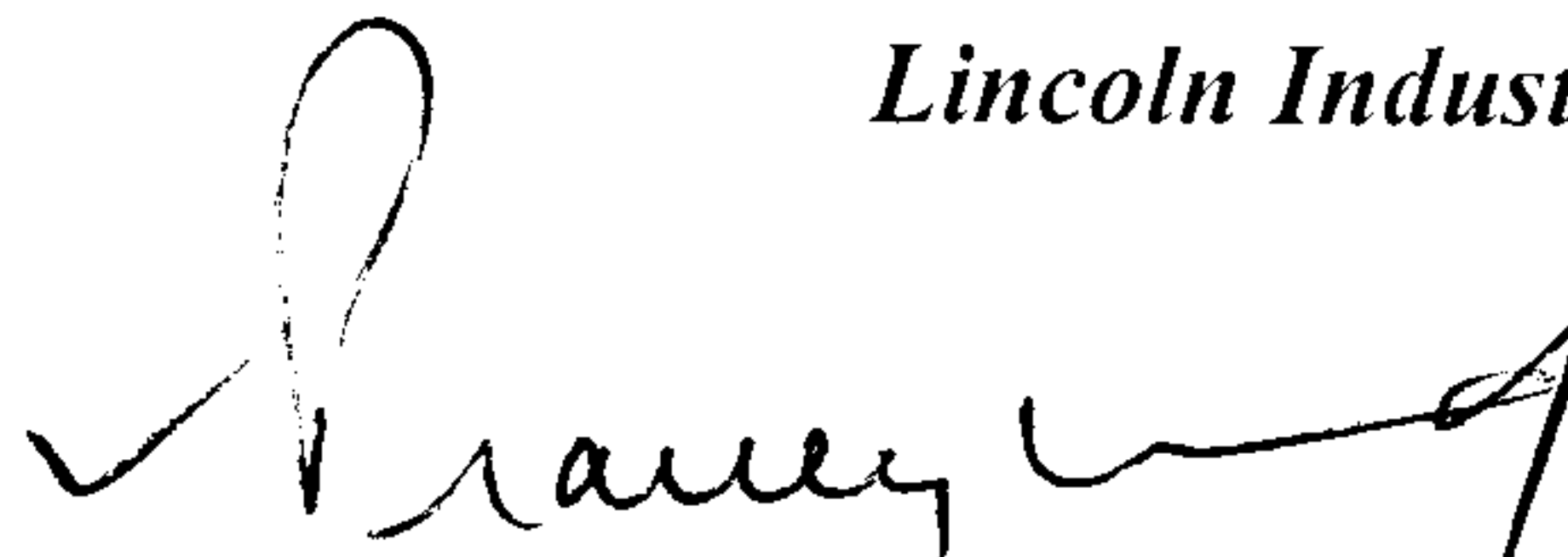
ACKNOWLEDGEMENT:

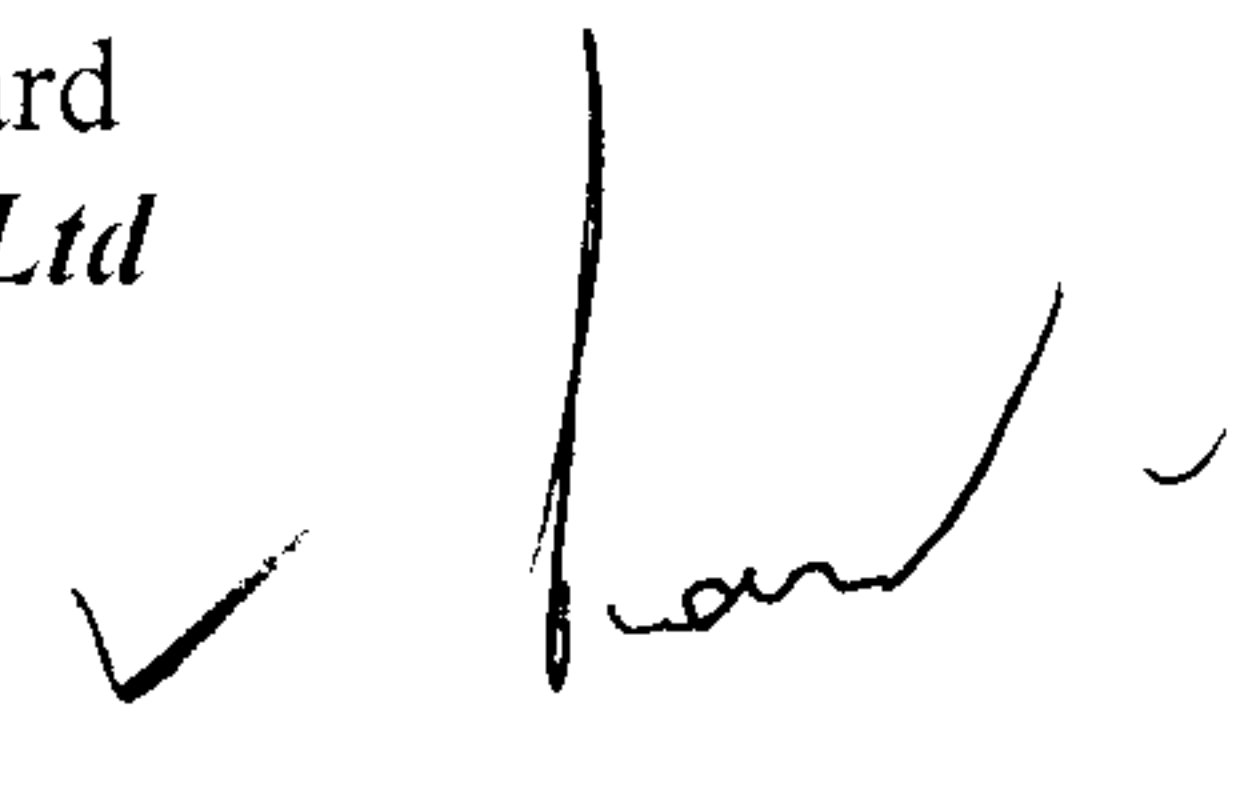
Industrial relation continues to be cordial during the year. Your directors acknowledge the continued support extended by the bankers, clients and employees of the Company.

Place: Kolkata

Dated: the 30th day of May, 2012

On behalf of the Board
Lincoln Industries Ltd


Managing Director


Director

ANNEXURE TO THE DIRECTORS REPORT

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

A. CONSERVATION OF ENERGY

Energy optimization schemes and pollution control measures have been fully incorporated in the design and engineering of the plant. The company continues to lay a great deal of emphasis on conservation of energy.

The company maintained satisfactory and acceptable pollution control measures and environmental management system during the year.

B. TECHNOLOGY ABSORPTION

Research & Development

The company has an in-house Research and Development Department which always keeps on adopting latest development in improving quality and productivity thereby making the products most cost effective.

Technology absorption, Adaptation and Innovation

The company has always been aware of the latest technological development and has adopted them to attain high levels of quality at lowest cost of production.

FOREIGN EXCHANGE EARNING AND OUTGO

Total foreign Exchange used and earned are:-

| | 2011-12 Rs. | 2010-11 Rs. |
|--------|----------------|----------------|
| Used | NIL | NIL |
| Earned | NIL | NIL |

M/s LINCOLN INDUSTRIES LIMITED
BALANCE SHEET AND
STATEMENT OF PROFIT & LOSS
FOR THE FINANCIAL YEAR 2011-12

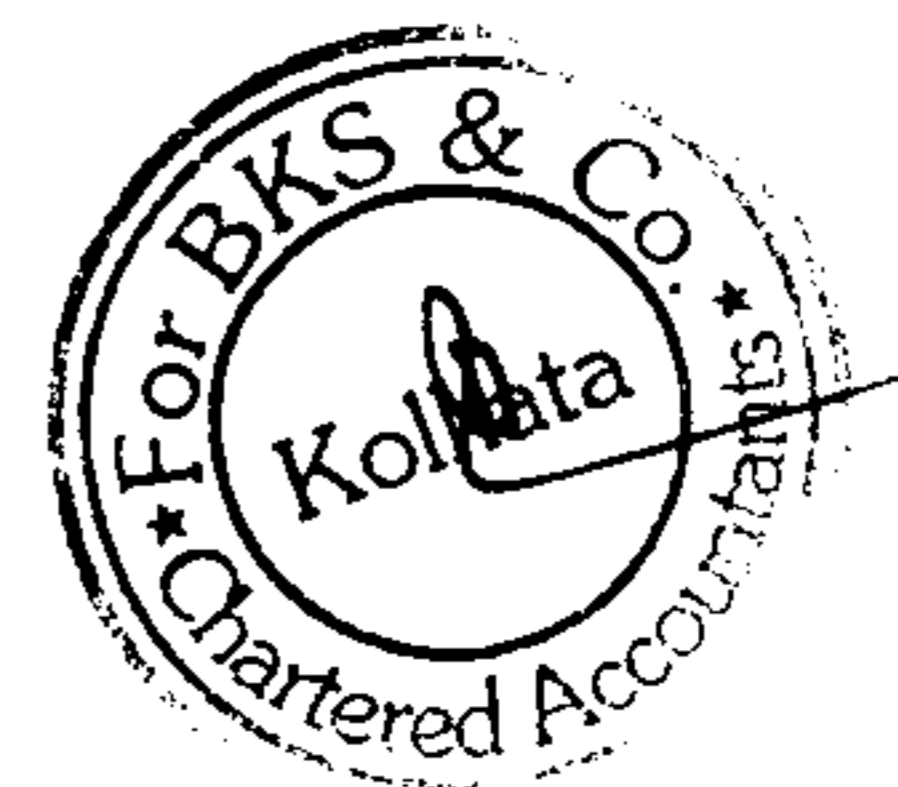
Auditors' Report

To the Members,
LINCOLN INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of Lincoln Industries Limited as at 31st March, 2012 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. **Management's Responsibility for the Financial Statements**
Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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 misstatements, whether due to fraud or error.
3. **Auditor's Responsibility**
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statements.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
4. As required by the Companies (Auditor's Report) Order 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks as considered appropriate and according to the information and explanations 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 to the extent applicable.





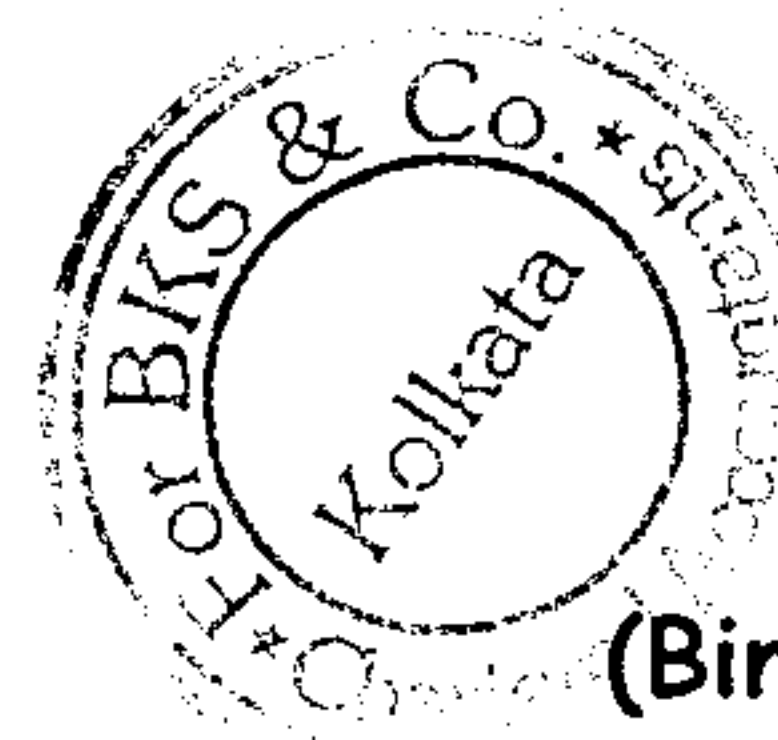
Chartered Accountants




5. As required by section 227 (3) of the Act, we report that:
- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - 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;
 - The Balance Sheet and Profit Loss Account dealt with by this report are in agreement with the books of account;
 - In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956;
 - On the basis of written representations received from the director, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on date mentioned above from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India:
- In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - In the case of the Profit and Loss Account, of the Profit/(Loss) for the period ended on that date; and
 - In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **B K S & CO**
Chartered Accountant

Place: Kolkata
Dated: 30/05/2012

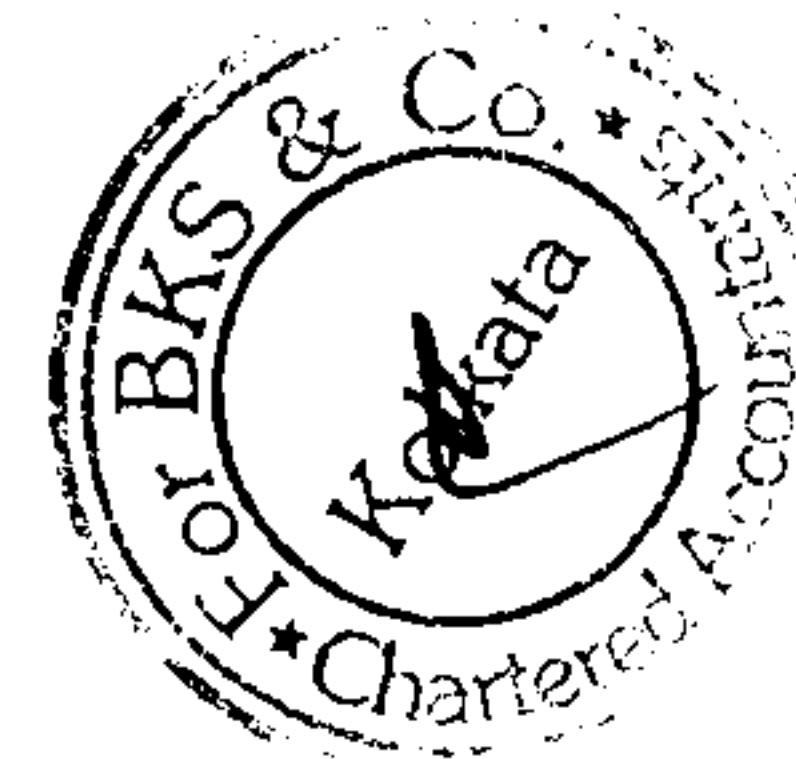



(Binay Kumar Singhania/Partner)
Firm Registration # 325718E
Membership # 057889

ANNEXURE TO THE AUDIT REPORT

With reference to the Annexure referred to in Paragraph 4 of the report of the Auditors to the Members of Lincoln Industries Limited for the year ended 31st March, 2012, we report that:

- 1) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- 2) In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- 3) In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a) The Company has not granted any loans to and/ or taken loans from parties covered under section 301 of The Companies Act, 1956 during the year.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any weaknesses in internal controls.

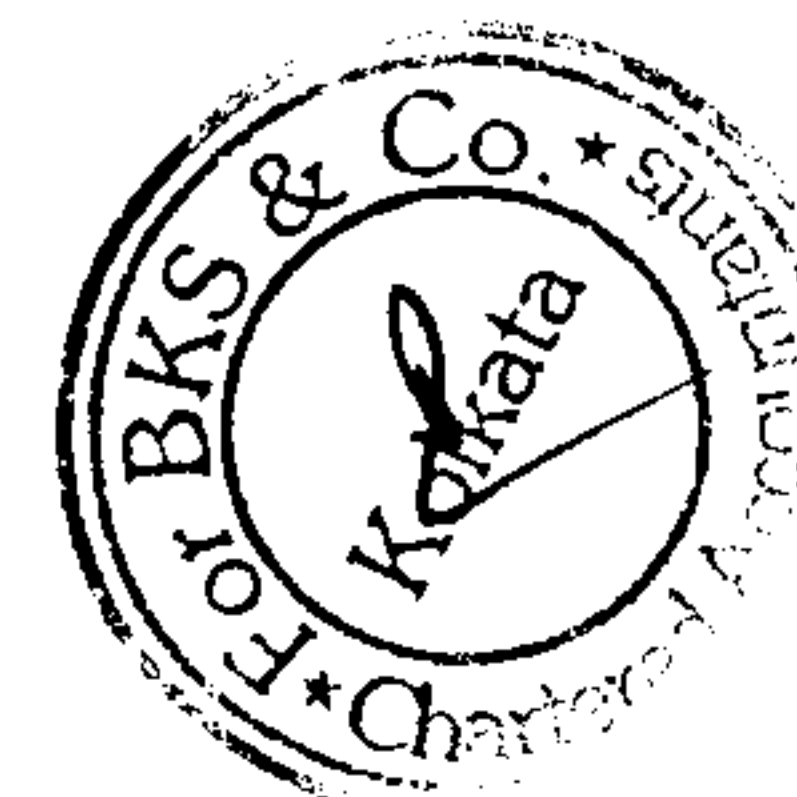




- 5) In respect of transactions covered under Section 301 of the Companies Act, 1956:
- a) In our opinion and according to the information and explanations given to us, there were transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956, and particulars of the transactions have been entered in the register.
- b) In our opinion and according to the information and explanations given to us, there were transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956, however the transactions have been made at the reasonable prevailing market prices at the relevant time.
- 6) The Company has not accepted any deposits from the public within the meaning of the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
- 7) In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
- 8) The Central Government has not prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 in respect of nature of goods dealt by the Company.
- 9) In respect of statutory dues:
- a) According to the records of the Company, no undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues were remained unpaid for a period exceeding six months. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2012 for a period of more than six months from the date of becoming payable.
- b) According to the record of the company, there are no dues outstanding of sales tax, income tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues on account of dispute, other than the following:

| Name of the statute | Nature of dues | Amount (Rs.) | Period to which the amount relates | Forum where dispute is pending |
|---------------------|----------------|---------------|------------------------------------|--------------------------------|
| | | -----NIL----- | | |
| | | | | |

- 10) The company has no accumulated losses at the end of the financial year and has not incurred cash losses during financial year.

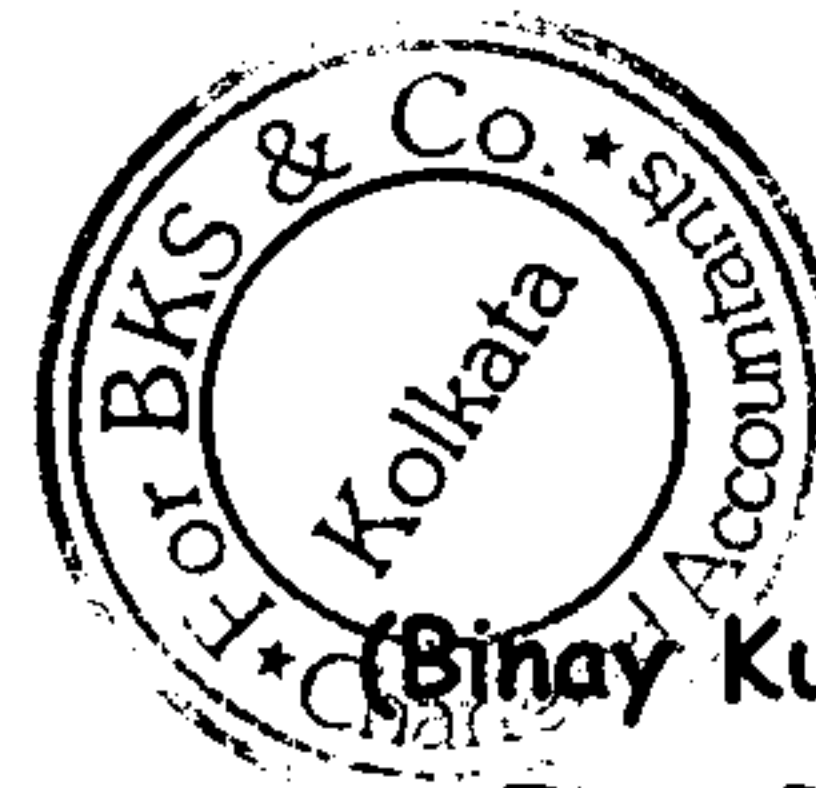




Chartered Accountants

- 11) The company has maintained proper records of the transactions and contracts and timely entries have been made therein. There is no investment made by the company in shares, securities and therefore the clause is not applicable to the company.
- 12) Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- 13) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- 14) In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2004 is not applicable to the Company.
- 15) The Company has not given guarantees for loans taken by others from banks or financial institutions.
- 16) The Company has not raised any term loans during the year.
- 17) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilized fund from short-term sources towards repayment of long-term borrowings and acquisition of fixed assets.
- 18) According to the information and explanations given to us and on an overall examination of the Books of Accounts the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- 19) No debentures has been issued by the company therefore creation of securities in respect thereof is not applicable.
- 20) The Company has not raised any money by way of public issue during the year.
- 21) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For **B K S & CO**
Chartered Accountant



B Singhania

(Binay Kumar Singhania/Partner)

Firm Registration # 325718E

Membership No. 057889

Place: Kolkata
Dated: 30/05/2012

LINCOLN INDUSTRIES LIMITED
P-36, INDIA EXCHANGE PLACE EXTN, ROOM # 43, 2ND FLOOR, KOLKATA -700001
BALANCE SHEET AS AT 31ST MARCH, 2012

| Particulars | Note No. | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|--|----------|---|--|
| | | ₹ | ₹ |
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 3 | 52,450,000 | 52,450,000 |
| (b) Reserves and Surplus | 4 | 13,670,806 | 12,925,531 |
| (2) Share Application money pending allotment | | | |
| (3) Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 5 | 648,833 | 648,833 |
| (b) Deferred Tax Liabilities (Net) | | 783,969 | 701,980 |
| (4) Current Liabilities | | | |
| (a) Short-Term Borrowings | 6 | 56,074,864 | 31,403,714 |
| (b) Trade Payables | 7 | 28,550,696 | - |
| (c) Other Current Liabilities | 8 | 21,603,265 | 7,197,701 |
| (d) Short-Term Provisions | 9 | 80,362 | 80,362 |
| Total Equity & Liabilities | | 173,862,795 | 105,408,121 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Gross Block | 10 | 61,256,511 | 60,049,856 |
| (ii) Depreciation | | 25,091,174 | 20,482,825 |
| (iii) Net Block | | 36,165,337 | 39,567,031 |
| (b) Non-current investments | 11 | 803,000 | 803,000 |
| (c) Deferred tax assets (net) | | - | - |
| (d) Long term loans and advances | 12 | 1,126,966 | 1,126,966 |
| (e) Other non-current assets | 13 | 20,000 | 30,000 |
| (2) Current Assets | | | |
| (a) Inventories | 14 | 85,852,432 | 17,354,859 |
| (b) Trade receivables | 15 | 24,310,055 | 40,264,727 |
| (c) Cash and cash equivalents | 16 | 22,421,735 | 1,706,498 |
| (d) Short-term loans and advances | 17 | 3,163,271 | 4,555,040 |
| (e) Other current assets | | - | - |
| Total Assets | | 173,862,795 | 105,408,121 |

NOTES TO ACCOUNTS

2

Schedules referred to above and notes attached thereto form an integral part of Balance Sheet
This is the Balance Sheet referred to in our Report of even date.

FOR BKS & CO.
CHARTERED ACCOUNTANTS

B Singhania
(CA. BINAY KUMAR SINGHANIA / PARTNER)



Membership No.: 057889
Firm Reg. No.: 325718E
Place: Kolkata
Dated: 30/05/2012

FOR LINCOLN INDUSTRIES LIMITED

FOR LINCOLN INDUSTRIES LIMITED

Man Chand Thandhan

Director
FOR LINCOLN INDUSTRIES LIMITED

Praveen

Director

S

| Sr. No. | Particulars | Note No. | Figures as at the end of current reporting period | Figures as at the end of previous reporting period |
|---------|---|------------|---|--|
| | | | ₹ | ₹ |
| I | Revenue from operations | 18 | 525,933,128 | 606,305,623 |
| II | Other Income | 19 | 1,116,573 | 1,452,883 |
| III | III. Total Revenue (I + II) | | 527,049,701 | 607,758,506 |
| IV | Expenses: | | | |
| | Cost of Materials Consumed | 20 | 470,115,659 | 400,337,996 |
| | Purchase of Stock-in-Trade | 21 | 108,861,334 | 193,777,048 |
| | Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 22 | (67,838,202) | (1,547,117) |
| | Employee Benefit Expense | 23 | 2,104,223 | 2,329,023 |
| | Financial Costs | 24 | 4,570,607 | 3,129,026 |
| | Depreciation and Amortization Expense | 25 | 4,618,349 | 5,087,791 |
| | Other Administrative Expenses | 26 | 4,564,193 | 3,887,569 |
| | Total Expenses (IV) | | 526,996,164 | 607,001,336 |
| V | Profit before exceptional and extraordinary items and tax | (III - IV) | 53,537 | 757,170 |
| VI | Exceptional Items | | - | - |
| VII | Profit before extraordinary items and tax (V - VI) | | 53,537 | 757,170 |
| VIII | Extraordinary Items | | - | - |
| IX | Profit before tax (VII - VIII) | | 53,537 | 757,170 |
| X | Tax expense: | | | |
| | (1) Current tax | | - | - |
| | (2) Deferred tax | | 81,989 | 210,772 |
| XI | Profit/(Loss) from the period from continuing operations | (IX-X) | (28,452) | 546,398 |
| XII | Profit/(Loss) from discontinuing operations | | - | - |
| XIII | Tax expense of discounting operations | | - | - |
| XIV | Profit/(Loss) from Discontinuing operations (XII - XIII) | | - | - |
| XV | Profit/(Loss) for the period (XI + XIV) | | (28,452) | 546,398 |
| XVI | Earning per equity share: | | | |
| | (1) Basic | | (0.12) | 2.23 |
| | (2) Diluted | | (0.12) | 2.23 |

Schedules referred to above and notes attached thereto form an integral part of Profit & Loss Statement
This is the Statement of Profit & Loss referred to in our Report of even date.


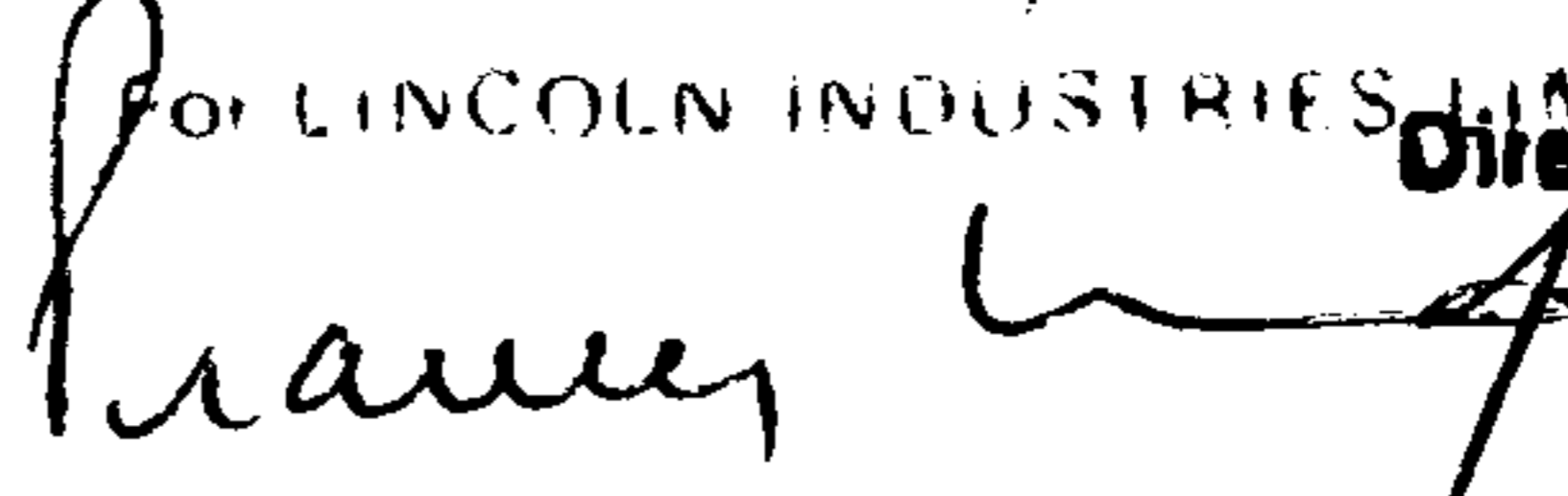
FOR BKS & CO.
CHARTERED ACCOUNTANTS


(CA. BINAY KUMAR SINGHANIA / PARTNER)



Membership No.: 057889
Firm Reg. No.: 325718E
Place: Kolkata
Dated: 30/05/2012

FOR LINCOLN INDUSTRIES LIMITED

Director

For LINCOLN INDUSTRIES LIMITED
Director

Director

LINCOLN INDUSTRIES LTD.
CASH FLOW STATEMENT AS AT 31st MARCH, 2012

| DESCRIPTION | Figures as at the end of current reporting period | | Figures as at the end of previous reporting period | |
|--|---|-------------------|--|--------------------|
| | | | | |
| Flow From Operating Activities. | | | | |
| Profit Before Tax | 53,537 | | 757,170 | |
| Non cash Items | | | | |
| Depreciation | 4,608,349 | 4,661,886 | 5,077,791 | 5,834,961 |
| Provision for | | | | |
| Losses on sale of Fixed Assets | | | | 52,356 |
| Interest Paid | | 4,475,850 | | 1,868,886 |
| Interest Received | | (1,098,033) | | (1,260,140) |
| Capital Expenditure | | 10,000 | | 10,000 |
| Profit on Sale of Fixed Assets | | - | | (70,392) |
| Operating Profit before working capital changes | | 8,049,704 | | 6,435,671 |
| Adjustment for Working Capital changes | | | | |
| Increase in Trade Debtors | (68,497,573) | | (1,236,810) | |
| Increase in Debtors | 15,954,672 | | (9,402,118) | |
| Increase in Advances & Prepayments | 1,391,769 | | (1,290,924) | |
| Increase in Provisions | - | | (86,036) | |
| Increase in Creditors | 42,956,260 | (8,194,872) | 6,095,256 | (5,920,632) |
| Net Cash generated from Operations | | (145,168) | | 515,039 |
| Extraordinary Items | | | | |
| Grant from Government | | 773,727 | | |
| Tax Paid | | | | 10,245 |
| Flow before prior period adjustments | | 628,559 | | 504,794 |
| Prior period adjustments | | | | |
| Cash Flow from operating activities | | 628,559 | | 504,794 |
| Cash Flow from Investing Activities | | | | |
| Acquisition of fixed Assets | (1,206,655) | | (596,030) | |
| Disposal of Fixed Assets | - | | 475,211 | |
| Interest Received | 1,098,033 | | 1,260,140 | |
| Dividend of Investment | - | | - | |
| Cash from Investing Activities | | (108,622) | | 1,139,321 |
| Cash Flow from Financing Activities | | | | |
| Proceeds from issue of Share Capital | - | | | |
| Borrowed Loan | 24,671,150 | | (3,374,714) | |
| Interest Paid | (4,475,850) | | (1,868,886) | |
| Cash from Financing Activities | | 20,195,300 | | (5,243,599) |
| Summary Statements | | | | |
| Cash and Cash equivalent as at 01.04.2011 | | 1,706,498 | | 5,305,983 |
| Change in Cash Flow during the year (A+B) | | 20,715,236 | | (3,599,484) |
| Cash and Cash equivalent as at 31.03.2012 | | 22,421,735 | | 1,706,498 |

Notes: 1) Figures in brackets are out flows/deductions
2) Previous year's figures have been regrouped wherever necessary

BKS & CO
Chartered Accountants

B. Singhania
B. Singhania / Partner)

Membership No 057889

Firm Registration No.:325718E

Office: Kolkata

Dated: 30/05/2012



For LINCOLN INDUSTRIES LIMITED
Munim Chandra Nath
Director
LINCOLN INDUSTRIES LIMITED
Pranay Chandra
Director

DIRECTORS

Corporate Information

Company is mainly engaged in the business of Ginning, Pressing & Oil Mill at its operating plant at Bhuna, Haryana and Registered & Head Office of the company is situated at P-36, India Exchange Place Extn, Room # 43, 2Nd Floor, Kolkata -

Significant Accounting Policies**Basis of accounting and preparation of financial statements**

Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

Preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Valuation of Inventory

Inventory are valued at cost or net realizable value whichever is lower.

2.4 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Depreciation

Depreciation on fixed assets has been provided on W.D.V method at the rates and in the manner prescribed in schedule II of the Companies Act, 1956

2.6 Recognition of Income & Expenditure

Income and Expenditure are recognised on Accrual Basis.

2.7 Fixed Assets

Assets are stated at cost less accumulated depreciation. Cost includes all expenses relating to acquisition and installation of the concerned assets and any attributable cost of bringing the asset to condition of its intended use.

2.8 Government Grants & Subsidies

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve.

2.9 Investments

Long Term & unquoted investment share are valued at cost.

2.10 Retirement Benefits

Provision has not been made for gratuity as the company has no liability for gratuity.

2.11 Earning Per Share

Profit available for equity shareholders

(Numerator used for Calculation of EPS)



| | <u>31.03.2012</u> | <u>31.03.2011</u> |
|--|-------------------|-------------------|
| Profit available for equity shareholders | (28,452) | 546,398 |

| | | | |
|------------------------------------|---------|---------|----|
| Equity Shares | 245,000 | 245,000 | |
| Factor used for Calculating EPS) | | | 11 |
| Dividend per share of Rs.10/- each | (0.12) | 2.23 | |

2.12 Deferred Tax

Setting the deferred tax assets on brought forward losses and unabsorbed depreciation against the deferred tax on timing difference of depreciation and brought forward losses, there remains net deferred tax liabilities as on 31.03.2012. The amount of such deferred tax liabilities has been recognised in the books of account on consideration of Accounting Standard - 22

2.13 Contingent Liabilities Annual Statement Of Accounts

Contingent liabilities not provided for in the accounts and are separately shown here under:

Preference shareholders have communicated with the company for not distributing the dividend on Preference Shares. The company has agreed to their request. The company may have to incur the dividend liability in the future and the same may be treated as Contingent Liability.

| | <u>31.03.2012</u> | <u>31.03.2011</u> |
|--|-------------------|-------------------|
| Contingent Liability | Nil | Nil |
| Contracted amount of contracts remaining to be executed (Contractual obligations to the extent not provided for in the accounts) | Nil | Nil |

2.14

As identified from the available information, there are no dues to small scale industrial undertakings which require to be paid.

The company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is nil.

2.15 Regrouping of Income And Expenses

Items of previous year have been regrouped and stated in line with the current years presentation. This re-grouping has no effect on reported profits.

2.16 Related Party Transactions

The list of related parties over which control of the company exist - None.

Name of the related parties with whom the transactions were carried out with the company.

| Name of the Related parties | Relationship |
|-----------------------------|--------------------------------|
| Praveen Chand Dhandhania | Key management Personnel (KMP) |

2.16.1 Transaction during the year with Related Parties :-

| Nature of the Transaction | Associate | KMP | Total Amounts |
|---------------------------|-----------|------------|---------------|
| Rent Payable | | 0.6 | 0.6 |
| Directors Remuneration | | 0.6 | 0.6 |
| Total | | 1.2 | 1.2 |

2.17

Information pursuant to paragraph 3, 4C, & 4D of Part II of Sch VI of The Companies Act, 1956 is attached.



LINCOLN INDUSTRIES LIMITED

Information pursuant to the Provisions of Paragraph 3, 4C & 4D of Part II of Schedule VI to the Companies Act, 1956

Quantitative information of goods manufactured / traded :

1) **LICENSED, INSTALLED CAPACITY & PRODUCTION**

| Products | Units | Licensed Capacity | Installed Capacity | Production |
|-----------------|--------|-------------------|--------------------|------------------------|
| Cotton | Qntls. | ---- | 48 R/G 3 S/G | 33269.87 (27599.58) |
| Cotton Seeds | Qntls. | ---- | ---- | 57274.54 (49068.78) |
| C/Seed Oil Cake | Qntls. | ---- | 12 Expellers | 40167.96 (20803.31) |
| C/Seed Oil | Qntls. | ---- | ---- | 5470.12 (2204.985) |

OPENING STOCK, PRODUCTION, SALES, CONSUMPTION & CLOSING STOCK OF MANUFACTURING A/C

| ITEM | OP. STOCK | | PRODN. | | Sales | | Consumed | | Closing Stock | |
|-----------------|----------------------|--------------------------|------------------------|------------------------|------------------------------|---------------------|---------------------------|-------|---------------|--|
| | Qtls. | Amount | Qtls. | Qtls. | Amount | Qtls. | Qtls. | Qtls. | Amount | |
| Cotton | 143.53 (289.80) | 1,269,000 (2,269,357) | 33269.87 (27599.50) | 32106.34 (27745.85) | 307,828,034 (335,369,725) | 1307.06 (143.53) | 12,039,595 (1,269,000) | | | |
| Cotton Seed | 1477.50 (2167.47) | 2,514,587 (3,112,487) | 57274.54 (49068.72) | 11817.12 (29708.22) | 21,326,714 (46,455,964) | 162.90 (1477.50) | 274,293 (2,514,587) | | | |
| C/Seed Oil Cake | 676.00 (331.11) | 957,669 (419,942) | 40167.96 (20803.31) | 40272.76 (20458.42) | 55,349,639 (25,832,625) | 571.20 (676.00) | 809,724 (957,669) | | | |
| C/seed Oil | 458.37 (201.06) | 2,536,821 (803,202) | 5470.12 (2204.99) | 5451.14 (1947.68) | 31,577,287 (9,400,179) | 477.35 (458.37) | 3,029,478 (2,536,821) | | | |



1) OPENING STOCK, PURCHASES, SALES, & CLOSING STOCK OF TRADING A/C

| ITEM | Unit | OP. STOCK | | Purchase | | Sales | | Consumed | | CL. STOCK | |
|--------------|-------|-----------|---------|------------|---------------|------------|---------------|-----------|-------------|-----------|-----------|
| | | Units | Amount | Units | Amount | Units | Amount | Units | Amount | Units | Amount |
| Cotton | Bales | Nil | Nil | 5490 | 81,677,259 | 5490 | 86,768,046 | Nil | Nil | Nil | Nil |
| | | Nil | Nil | (7945.00) | (184,892,220) | (7945.00) | (185,604,247) | Nil | Nil | Nil | Nil |
| Cotton Seed | Bags | Nil | Nil | 354 | 276,208 | Nil | Nil | 354 | 276,208 | Nil | Nil |
| | | Nil | Nil | (9255.00) | (5,444,196) | Nil | Nil | (9255.00) | (5,444,196) | Nil | Nil |
| Guwar Seed | Bags | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | | (4) | (6,820) | Nil | Nil | (4) | (9,360) | Nil | Nil | Nil | Nil |
| Mustard Seed | Bags | Nil | Nil | 902 | 1,865,580 | Nil | Nil | Nil | Nil | 902 | 1,865,580 |
| | | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Yarn | Kgs | Nil | Nil | 142885.60 | 25,042,287 | 128893.50 | 22,782,771 | Nil | Nil | 13992.10 | 2,568,624 |
| | | Nil | Nil | (19629.18) | (3,440,632) | (19629.18) | (3,526,188) | Nil | Nil | Nil | Nil |

III) VALUE OF IMPORTS DURING THE YEAR

2011-12 AMOUNT NIL
2010-11 AMOUNT NIL

IV) EXPENDITURE IN FOREIGN CURRENCIES

NIL NIL

V) EARNINGS IN FOREIGN EXCHANGE

NIL NIL



VI) DETAILS OF RAW MATERIALS CONSUMED

| | <u>2011-12</u> QNTLS | <u>2011-12</u> AMOUNT | <u>2010-11</u> QNTLS | <u>2010-11</u> AMOUNT |
|-------------|-------------------------|--------------------------|-------------------------|--------------------------|
| NARMA | 91274.17 | 400581920.87 | 78259.52 | 385392746.62 |
| COTTON SEED | 160.10 | 276208.00 | 3996.72 | 5444196.00 |

VII) BREAK UP OF CONSUMPTION OF RAW MATERIALS AND SPARE PARTS

| | <u>2011-12</u> % | <u>2011-12</u> AMOUNT | <u>2010-11</u> % | <u>2010-11</u> AMOUNT |
|------------|---------------------|--------------------------|---------------------|--------------------------|
| INDIGENOUS | 100% | 400858128.87 | 100% | 390836942.62 |
| IMPORTED | Nil | Nil | Nil | Nil |

VIII) REMITTANCES (NET OF TAX) IN FOREIGN CURRENCIES ON ACCOUNT OF DIVIDEND

NIL

NIL



LINCOLN INDUSTRIES LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2012

| | ₹ | ₹ |
|---|-------------------|-------------------|
| Particulars | Current Year | Previous Year |
| 3 Share Capital | | |
| <u>AUTHORIZED CAPITAL</u> | | |
| 10,00,000 Equity Shares of Rs. 10/- each. | 10,000,000 | 10,000,000 |
| 5,00,000 6% Non-Cumulative Redeemable Preference shares of Rs. 100/- each | 50,000,000 | 50,000,000 |
| | 60,000,000 | 60,000,000 |
| <u>ISSUED CAPITAL</u> | | |
| 245000 Equity Shares of Rs.10/- each | 2,450,000 | 2,450,000 |
| 500000 6% Non-Cumulative Redeemable Preference shares of Rs. 100/- each | 50,000,000 | 50,000,000 |
| | 52,450,000 | 52,450,000 |
| <u>SUBSCRIBED & FULLY PAID UP CAPITAL</u> | | |
| 245000 Equity Shares of Rs.10/- each | 2,450,000 | 2,450,000 |
| 500000 6% Non-Cumulative Redeemable Preference shares of Rs. 100/- each | 50,000,000 | 50,000,000 |
| | 52,450,000 | 52,450,000 |
| Total in ₹ | 52,450,000 | 52,450,000 |

Details of shares held by each shareholder holding more than 5% shares:

| | Current Year | Previous Year |
|--|--------------|---------------|
| Class of shares / Name of shareholder / % of Holding | Number | Number |
| Equity Shares | | |
| Mukul Dhandhanian 6.73% | 16,500 | 16,500 |
| Master Prateet Dhandhanian 8.65% | 21,200 | 21,200 |
| Praveen Chand Dhandhanian 7.98% | 19,550 | 19,550 |
| Dhancot Fibres Ltd. 40.82% | 100,000 | 100,000 |
| Prem Chand Dhandhanian (HUF) 9.39% | 23,000 | 23,000 |
| Pravesh Dhandhanian 9.80% | 24,000 | 24,000 |
| Premlata Dhandhanian 6.49% | 15,900 | 15,900 |
| Seema Dhandhanian 7.37% | 18,050 | 18,050 |
| Preference Shares | | |
| Anklt Dealers Pvt. Ltd. 10.00% | 50,000 | 50,000 |
| Drake Commercial Pvt. Ltd. 7.00% | 35,000 | 35,000 |
| Dhancot Fibres (P) Ltd 30.00% | 200,000 | 150,000 |



LINCOLN INDUSTRIES LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2012

| 4 Reserve & Surplus | ₹ | ₹ |
|---|-------------------|-------------------|
| | Current Year | Previous Year |
| Particulars | | |
| Capital Reserve | 4,866,056 | 4,092,329 |
| Balance brought forward from previous year | 4,092,329 | 4,092,329 |
| Add: Subsidy Received | 773,727 | - |
| Export Profit Reserve | 240,000 | 240,000 |
| Surplus / (Deficit) in Statement of Profit & Loss | 8,564,750 | 8,593,202 |
| Balance brought forward from previous year | 8,593,202 | 8,057,048 |
| Less: Tax on Regular Assessment Paid | - | (10,245) |
| Add: Profit / (Loss) for the period | (28,452) | 546,398 |
| Total in ₹ | 13,670,806 | 12,925,531 |

| 5 Long Term Borrowings | ₹ | ₹ |
|------------------------|----------------|----------------|
| | Current Year | Previous Year |
| Particulars | | |
| Other Loans & Advances | 648,833 | 648,833 |
| Total in ₹ | 648,833 | 648,833 |

| 6 Short Term Borrowings | ₹ | ₹ |
|---|-------------------|-------------------|
| | Current Year | Previous Year |
| Particulars | | |
| Loan Repayable on Demand - From Bank | 56,074,864 | 31,403,714 |
| Note :- Working Capital Facility from Bank is Secured by hypothecation on all stocks of the Company and additionally secured by way of hypothecation of the entire movable machinery installed/to be installed in the factory. The said facilities are further secured by equitable mortgage of property standing in the name of the Director and also by his personal guarantee. | | |
| Total in ₹ | 56,074,864 | 31,403,714 |

| 7 Trades Payable | ₹ | ₹ |
|-------------------------|-------------------|---------------|
| | Current Year | Previous Year |
| Particulars | | |
| Trade Payable for Goods | 28,550,696 | - |
| Total in ₹ | 28,550,696 | - |



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LINCOLN INDUSTRIES LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2012

8 Other Current Liabilities

| Particulars | ₹ | ₹ |
|-------------------------------|-------------------|------------------|
| | Current Year | Previous Year |
| Liabilities for Expenses | 1,856,302 | 1,541,131 |
| Liabilities for Other Finance | 646,963 | 156,570 |
| Advance from Customers | 19,100,000 | 5,500,000 |
| Total in ₹ | 21,603,265 | 7,197,701 |

9 Short Term Provisions

| Particulars | ₹ | ₹ |
|------------------------|---------------|---------------|
| | Current Year | Previous Year |
| Provision For Taxation | 33,000 | 33,000 |
| Provision For FBT | 47,362 | 47,362 |
| Total in ₹ | 80,362 | 80,362 |



LINCOLN INDUSTRIES LIMITED
Notes Forming Integral Part of the Balance Sheet as at 31st March, 2012

Note : 10 Fixed Asset

₹

| Sr. No | Particulars | Rate | Gross Block | | | Depreciation | | | Net Block | | | |
|--------|------------------------------|-------|------------------------|--------------------------|---------------------------|-------------------|------------------------|--------------------------|---------------------------|-------------------|----------------------|----------------------|
| | | | Value at the beginning | Addition during the year | Deduction during the year | Value at the end | Value at the beginning | Addition during the year | Deduction during the year | Value at the end | WDV as on 31.12.2012 | WDV as on 31.03.2011 |
| | Tangible Assets | | | | | | | | | | | |
| | Assets under Lease | | 24,620 | - | - | 24,620 | - | - | - | 24,620 | 24,620 | |
| | Land | | | | | | | | | | | |
| | Owned Tangible Assets | | | | | | | | | | | |
| | Factory Building | 10.00 | 977,180 | | | 977,180 | 36,640 | - | 647,421 | 329,759 | 366,399 | |
| | Office Building | 5.00 | 753,904 | | | 753,904 | 22,232 | - | 331,487 | 422,417 | 444,649 | |
| | Building | 5.00 | 15,086,557 | | | 15,086,557 | 588,574 | - | 3,903,653 | 11,182,904 | 11,771,478 | |
| | Plant & Machinery | 13.91 | 41,107,869 | 1,206,655 | | 42,314,524 | 3,715,391 | | 18,874,603 | 23,439,921 | 25,948,657 | |
| | Vehicles | 25.89 | 1,247,847 | | | 1,217,847 | 193,308 | | 664,504 | 553,343 | 746,651 | |
| | Cycle | 20.00 | 7,150 | | | 7,150 | 361 | | 5,707 | 1,443 | 1,804 | |
| | Computer | 40.00 | 255,767 | | | 255,767 | 7,820 | | 244,038 | 11,729 | 19,549 | |
| | Furniture & Fixture | 18.10 | 618,962 | | | 618,962 | 44,023 | | 419,762 | 199,201 | 243,224 | |
| | Total (Current Year) | | 60,049,856 | 1,206,655 | - | 61,256,511 | 4,608,349 | - | 25,091,174 | 36,165,337 | 39,567,031 | 39,567,031 |
| | (Previous Year) | | 60,383,566 | 596,030 | 929,740 | 60,049,856 | 15,877,599 | 5,077,791 | 472,565 | 20,482,825 | 39,567,031 | 44,505,967 |



