

MILTON HOLDINGS LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

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MANAGEMENT, ADMINISTRATION AND LEGAL FORM**COMPANY NAME**

MILTON HOLDINGS LTD

REGISTERED AGENT: -

Associated Consultants Ltd

REGISTERED OFFICE: -

Suite G12
St. James Court
St. Denis Street
Port Louis
Mauritius

AUDITORS: -

DWARKA Soochit, FCCA, FCMA, CGMA
La Forge Avenue
Palma Road
Quatre Bornes
Mauritius

LEGAL FORM

The company is registered under the Companies Act, 2001 and the Financial Services Development Act, 2001 of the Republic of Mauritius.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

This report is made solely to the members of Milton Holdings Ltd (the "Company"), as a body, in accordance with the Companies Act 2001. My audit work has been undertaken so that I might state to the Company's members those matters I am required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for my audit work, for this report, or for opinions I have formed.

Report on the Financial Statements

I have audited the financial statements of Milton Holdings Ltd on pages 4 to 10 which comprise the balance sheet at March 31, 2013, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with Relevant Accounting Standards and in compliance with the requirements of the Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

My responsibility is to express an opinion on these financial statements based on my audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

Subject to the above, in my opinion, the financial statements on pages 4 to 10 give a true and fair view of the financial position of the Company at March 31, 2013, and of its financial performance and its cash flows for the year then ended in accordance with the Companies Act 2001

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on Other Legal and Regulatory Requirements

I have no relationship with or interests in the Company, other than in my capacity as auditors, tax and business advisers and dealings in the ordinary course of business.

I have obtained all information and explanations I have required.

In my opinion, proper accounting records have been kept by the Company as far as it appears from my examination of those records.



Dwarka SOOCHIT

Certified Accountant, F.C.C.A, F.C.M.A, C.G.M.A

La Forge Avenue,
Palma Road
Quatre Bornes
Mauritius.

Date: *20 May 2013*

MILTON HOLDINGS LTD

BALANCE SHEET AS AT 31 MARCH 2013

	NOTES	2013 US \$	2012 US \$
ASSETS			
CURRENT ASSETS			
Loan & Advances	2	47,04,890	47,10,440
Cash and bank balances		875	1,075
		<u>47,05,765</u>	<u>47,11,515</u>
TOTAL ASSETS		<u>47,05,765</u>	<u>47,11,515</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	3	47,35,100	47,35,100
Retained Earnings	4	(32,635)	(26,885)
		<u>47,02,465</u>	<u>47,08,215</u>
CURRENT LIABILITIES			
Accounts payable	5	<u>3,300</u>	<u>3,300</u>
TOTAL EQUITY AND LIABILITIES		<u>47,05,765</u>	<u>47,11,515</u>

APPROVED ON 20 May 2013

Lidany Prater Singh

 DIRECTOR

The accompanying notes form an integral part of these financial statements.

MILTON HOLDINGS LTD**INCOME STATEMENT****FOR THE YEAR ENDED 31 MARCH 2013**

	NOTES	2013 U.S.\$	2012 U.S.\$
INCOME			
Interest Received		<u>-</u>	<u>-</u>
EXPENSES			
Administrative Expenses		2,500	2,500
Professional fees		3,000	200
Bank charges		250	325
Accounts & Audit fees		-	3,000
		<u>5,750</u>	<u>6,025</u>
LOSS FOR THE YEAR		(5,750)	(6,025)
RETAINED LOSS BROUGHT FORWARD		(26,885)	(20,860)
RETAINED LOSS CARRIED FORWARD		<u>(32,635)</u>	<u>(26,885)</u>
LOSS PER SHARE	7	<u>(0.13)</u>	<u>(0.14)</u>

The accompanying notes form part of these financial statements.

MILTON HOLDINGS LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2013

	Share Capital U.S.\$	Retained Earnings U.S.\$	Total U.S.\$
Balance at 01 April 2011	43,60,100	(20,860)	43,39,240
Loss for the year	-	(6,025)	(6,025)
At 31 March 2012	<u>43,60,100</u>	<u>(26,885)</u>	<u>43,33,215</u>
Balance at 01 April 2012	43,60,100	(26,885)	43,33,215
Loss for the year	-	(5,750)	(5,750)
At 31 March 2013	<u>43,60,100</u>	<u>(32,635)</u>	<u>43,27,465</u>

MILTON HOLDINGS LTD**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 MARCH 2013**

	2013	2012
	US\$	US\$
OPERATING ACTIVITIES		
Operating Deficit	(5,750)	(6,025)
Increase in Accounts Payable	-	(3,000)
Decrease in Loan & Advances	5,550	
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	<u>(200)</u>	<u>(9,025)</u>
INVESTING ACTIVITIES		
Advances for Mining Project	-	(3,65,000)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	<u>-</u>	<u>(3,65,000)</u>
FINANCING ACTIVITIES		
Issue of Shares	-	3,75,000
NET CASH INFLOW FROM FINANCING ACTIVITIES	<u>-</u>	<u>3,75,000</u>
DECREASE IN CASH AND CASH EQUIVALENTS	<u>(200)</u>	<u>975</u>
CASH AND BANK BALANCES		
Cash in hand and at bank	875	1,075
LESS: CASH AND BANK BALANCES PREVIOUS YEAR		
Cash in hand and at bank	1,075	100
DECREASE IN CASH AND CASH EQUIVALENTS	<u>(200)</u>	<u>975</u>

MILTON HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2013**

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies adopted by the company in the preparation of these financial statements.

Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with the relevant Accounting Standards.

Foreign Currency Translation

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Gains or losses on translation are included in the profit and loss account.

Financial instruments

The company's accounting policies in respect of the main financial instruments are set out below:

- Loans & Advances

Loans & Advances are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

- Payables

Payables are stated at their nominal value.

Comparative figures

Comparative figures have been restated whenever necessary to conform with changes in presentation or in accounting policies in the current year.

MILTON HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2013****2. LOANS & ADVANCES**

	2013	2012
	U.S.\$	U.S.\$
Advances for Mining project	10,84,240	10,84,240
Other Loan & Advances	33,55,000	33,55,000
Advances to Global Steel holdings ltd	2,65,650	2,71,200
	<u>47,04,890</u>	<u>47,10,440</u>

The carrying amount of other loans and advances approximate their fair value.

3. SHARE CAPITAL

**Ordinary shares of U.S.\$ 100.-
each**

	2013	2012
	U.S.\$	U.S.\$
ALLOTTED, CALLED UP AND FULLY PAID		
VALUE 1 APRIL	U.S.\$ 47,35,100	43,60,100
Issued during the year	-	3,75,000
NUMBER OF SHARES	<u>47,35,100</u>	<u>47,35,100</u>

4. RETAINED EARNINGS

	2013	2012
	U.S.\$	U.S.\$
At 01 April 2012	(26,885)	(20,860)
Loss for the year	(5,750)	(6,025)
At 31 March 2013	<u>(32,635)</u>	<u>(26,885)</u>

5. ACCOUNTS PAYABLE

	2013	2012
	US \$	US \$
Other payables and Accruals	<u>3,300</u>	<u>3,300</u>

The carrying amounts of other payables approximate their fair value.

6. LOSS PER SHARE

Basic loss per share is based on loss for the year before extraordinary items of US\$ 5,750 {2012: Loss US\$ 6,025} 47,351 equity shares in issue throughout the year ended 31 March 2013.

MILTON HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2013****7. FINANCIAL SUMMARY**

	2013	2012	2011
	US \$	US \$	US \$
PROFIT AND LOSS			
Loss for the year	<u>(5,750)</u>	<u>(6,025)</u>	<u>(5,619)</u>
BALANCE SHEET			
Share capital	47,35,100	47,35,100	43,60,100
Revenue reserves	<u>(32,635)</u>	<u>(26,885)</u>	<u>(20,860)</u>

8. TAXATION

The Company being not a resident in Mauritius is not liable to Income Tax in Mauritius.

9. FINANCIAL INSTRUMENTS

Fair values

The carrying amounts of receivables, cash and cash equivalents, borrowings and payables approximate their fair values.

10. INCORPORATION

The company is incorporated in Mauritius under the Companies Act 2001 and has been granted a Category 2 Global Business Licence under the Financial Services Development Act, 2001.

11. CURRENCY

The financial statements are presented in U.S. Dollars.

12. HOLDING COMPANY

The Holding Company is Balasore Alloys Limited, a Company incorporated in India and listed on the Bombay Stock Exchange.