Notice

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of Govind Rubber Limited will be held on Saturday, the 21st August, 2010, at 11.00 a.m. at Nehru Centre, Hall of Harmony, Dr.Annie Besant Road, Worli, Mumbai – 400 018 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Umesh Lathi who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution.

   RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors ("the Board") of the Company to borrow from time to time, any sum or sums of money for the purpose of the Company, upon such terms and conditions as the Board of Directors may in its discretion think fit, notwithstanding that the money or moneys to be borrowed by the Company (apart from the ordinary loans obtained or to be obtain from the Company's bankers in the ordinary course of business) together with the moneys already borrowed by the Company may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that maximum amount of the moneys so borrowed by the Board and remaining outstanding shall not at any time, exceed Rs.250 Crores (Rupees Two Hundred Fifty Crores only).

   RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required.

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution.

   RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors(" the Board") of the Company to create such charges, mortgages and hypothecation in addition to the existing charges, mortgages and hypothecation created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks/Financial Institutions to secure rupee/foreign currency loans, working capital loans, Term Loans/ FITL and/or the issue of debentures whether partly/ fully/non convertible provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payments or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of said loans, shall not, at any time exceed the limit of Rs.250 Crores (Rupees Two Hundred Fifty Crores only).

   RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required.

By order of the Board of Directors

Place: Mumbai
Date: 16th July, 2010

VINOD PODDAR
Managing Director

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT

THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

UNPAID/ UNCLAIMED DIVIDEND:

In terms of provisions of relevant sections of the Companies Act, 1956, the Company has already transferred unpaid dividend for the financial year 1999-2000 to the Central Government on the completion of seven years from the date of payment and this being the last dividend payment made by the Company since then, there has been no pending unpaid dividend to be transferred to the Central Government as of now.

Members are requested to notify to the Company or its Registrar immediately of any change in their address.

The Register of Members and Share Transfer Books of the Company shall remain closed from 19.08.2010 to 21.08.2010 (both days inclusive).

Note on Director's seeking appointment / re-appointment as required under Clause 49 (VI)(A) of the Listing Agreement of Stock Exchange, Mumbai.

Shri Umesh Lathi is retiring by rotation and is eligible for reappointment, has offered himself for reappointment. His attendance record in the Board/ General Meeting during the year under review is given in this Report. Shri Umesh Lathi is a whole time Director of the Company since June, 2007. He is Chartered Accountant by qualification. He is having vast experience of finance and commercial domain for last 20 years. He is a member of audit committee as well as shareholders' grievance committee.

ANNEXURE TO NOTICE :

The Explanatory Statement under Section 173 (2) in respect of Item No. 4 & 5 of the accompanying notice set out hereinabove is as under;

Item No.4

At the earlier Annual General Meeting / Extraordinary General Meeting of the Company, the Shareholders of the Company had authorised the Board of Directors to borrow to the extent of Rs. 100 Crores in excess of the paid up Share Capital and Free Reserves of the Company (excluding temporary loans obtained from the Company's Bankers in the ordinary course of the business). Taking into account the additional financial requirements for the continuous modernization and expansion/ diversification activities, the Company proposes to increase the borrowing limits to Rs. 250 Crores.

None of the Directors of the Company is interested in the Resolution No. 4.

The Board of Directors recommends the passing of the Ordinary Resolution at item No. 4.

Item No.5

The shareholders at the earlier Annual General Meeting had given their consent under Section 293(1)(a) of the Companies Act, 1956 to the Board of Directors of the Company to create mortgage/charge over the Company's properties to secure borrowings.

The Board of Directors may need to resort to further borrowings by way of loans from time to time to meet its requirements of funds for various working capital requirements, capital expenditure programmes, repayment or pre-payment of the existing debts, as well as for various other corporate purposes up to a sum of Rs. 250 Crores. These borrowings may have to be secured by mortgage/charge of Company's properties.

Mortgaging/Charging of the Company's immovable/ movable properties in favour of the lenders in certain events may be considered as disposal of the whole or substantially the whole of Company's undertakings in terms of Section 293(1)(a) of the Companies Act, 1956 and the same requires the consent of the Shareholders.

By order of the Board of Directors

Place: Mumbai
Date:16th July, 2010

VINOD PODDAR
Managing Director

DIRECTORS' REPORT, MANAGEMENT DISCUSSION & ANALYSIS

Dear Shareholders,

Your Directors are pleased to present the 25th Annual Report and Audited Statement of Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS :

Rs. In Lacs

	2009-2010	2008-2009
Sales and Operational Income (Gross)	**30139**	25982
Other Income	**16**	44
TOTAL INCOME	**30155**	26026
Gross Profit	**602**	447
Depreciation	**277**	297
Operating Profit	**325**	150
Profit before Tax	**325**	150
Fringe Benefit Tax	**-**	(6)
Refund of Income Tax	**2**	-
Profit after Tax	**327**	144
Balance brought forward	**(5103)**	(5247)
Balance carried forward to Balance Sheet	**(4776)**	(5103)

In view of inadequacy of profit, no dividend has been recommended by the Board of Directors for the year 2009-2010.

OPERATIONS:

Your Company has achieved a Gross Turnover and Operational Income of Rs. 30139 lacs as compared to Rs 25982 lacs in the previous year. The gross profit is Rs. 602 lacs as compared to Rs 447 lacs in the previous year. The net profit for the year stood at Rs 327 lacs as compared to Rs 144 lacs in the previous year.

OUTLOOK FOR THE CURRENT YEAR 2010-2011:

The year gone by has witnessed a high volatility in terms of Raw Materials and steady increase in selling prices. Your Company shall transform into sales and manufacturing excellence strategies to lead the industry in the years to come in terms of creating value for our esteemed customers.

Keeping core strength and area of business in mind, your Company is embarking upon entering into verticals of Auto Tyres and Tubes business by benchmarking itself with top three leading competitors. Your Company has also set up a separate division to deal in complete bicycle of all range and also agricultural farm sprayers by assembling at our plant. We are in the process of shaping up various innovation, talent and technology in this direction.

DIRECTORS :

Shri Umesh Lathi will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offers him for reappointment.

GROUP:

As required under Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, persons constituting "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purposes of availing exemption from the applicability of the provisions of Regulations 10 to 12 of the aforesaid SEBI Regulations are given in Annexure-I attached herewith and the said Annexure-I forms part of this Annual Report.

CORPORATE GOVERNANCE :

Pursuant to the Provisions of Clause 49 of the Listing Agreement with the Stock Exchange, Mumbai, Management Discussion and Analysis, Corporate Governance Report and Auditor's Certificate regarding Compliance of the same are made a part of this Annual Report as per Annexure- IV

FIXED DEPOSITS :

No deposit was accepted during the year and there was no outstanding deposit as on 31st March, 2010.

RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed that -

i. In the preparation of the annual accounts for the financial year ended 31st March 2010, the applicable Accounting Standards had been followed and there are no material departures from prescribed accounting standards in the adoption of the accounting standards.

ii. 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 and of the profit of the Company for the year under review ;

iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records

in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;

iv. the Directors have prepared the accounts for the financial year ended 31st March 2010, on a "going concern" basis.

AUDITORS

M/s. Jayantilal Thakkar & Co., Chartered Accountants, Mumbai, the Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

HUMAN RESOURCES

The employee relations scenario continued to be harmonious and congenial. Training on behavioral skills, productivity, Sales skills enhancement and quality improvements were imparted during the year. We are pursuing to create favourable work environment by encouraging to attend various training and development initiatives across the organization to enhance their skill sets in alignment with their respective roles.

ADEQUECY OF INTERNAL CONTROLS

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

The internal control system is designed to ensure that the financial and other records are reliable to prepare financial statements and other data and for maintaining accountability of assets.

PARTICULARS OF EMPLOYEES

Particular of remuneration paid to the employees as required to be disclosed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees), Rules, 1975 are set out in Annexure- II attached hereto and form part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to 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, is given in the Annexure-III of the report.

CAUTIONARY STATEMENTS:

Statements in this report describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements considering the applicable laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand- supply conditions. Finished goods prices, raw materials costs and availability, fluctuations in exchange rates, changes in Government regulations and tax structure within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations. Investors will bear the above in mind.

APPRECIATION

The Board of Directors of your company wish to thank and place on record the continued co-operation and assistance extended to it by the Shareholders, Financial Institutions and Banks. Your Directors also wish to place on record their warm appreciation for the services rendered by the Executives, Staff, Workers, vendors and Customers of the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 16th July, 2010.

VINOD PODDAR
Managing Director

ANNEXURE -I TO DIRECTORS' REPORT

The following is the list of persons constituting "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purposes of availing exemption from the applicability of the provisions of Regulations 10 to 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("the said Regulations"), as provided in Clause 3(1)(e)(i) of the said Regulations:

S. No.	Name
A	**Companies**
1	S P Finance & Trading Ltd.
2	Balgopal Holdings & Traders Ltd.
3	Vishal Furnishings Ltd.
4	Poddar Brothers Investment Pvt. Ltd.
5	Sanchna Trading & Finance Ltd.
6	SP Investrade (India) Ltd.
7	SPG Realty Pvt. Ltd.
8	Poddar Bio-Diesel Pvt. Ltd.
9	Oxemberg Clothing Ltd.
10	Siyaram Polycote Ltd.
11	Oxemberg Fashions Ltd.
12	Beetee Textile Industries Ltd.
13	Santigo Textile Mills Pvt. Ltd.
14	Balkrishna Paper Mills Ltd.
15	Balkrishna Synthetics Ltd.
16	BKT Moulds Ltd.
17	BKT Tyres Ltd.
18	BKT Exim Ltd.
19	SPG Power Ltd.
20	SPG Infrastructure Ltd.
21	Futuristic Concept Media Ltd.
22	Seeom Fabrics Ltd.
23	Paramount Minerals & Chemicals Ltd.
24	Image Commercials Private Ltd..
25	GRL International Ltd.
26	Balkrishna Industries Ltd.
27	Siyaram Silk Mills Ltd.
28	Trendline Commercials Pvt.Ltd.
29	Wavelink Commercials Pvt.Ltd.
B	**Individuals**
1	Shri Dharaprasad Ramrikhdas Poddar
2	Smt Geetadevi Dharaprasad Poddar
3	Shri Rameshkumar Dharaprasad Poddar
4	Smt Ashadevi Rameshkumar Poddar
5	Shri Pawankumar Dharaprasad Poddar
6	Smt Madhudevi Pawankumar Poddar
7	Shri Avnish Pawankumar Poddar
8	Smt Vithika Avnish Poddar
9	Mst Agastya Avnish Poddar
10	Shri Anurag Pawankumar Poddar
11	Smt Megha Anurag Poddar
12	Smt Sangeeta Pramodkumar Poddar
13	Shri Gaurav Pramodkumar Poddar
14	Smt Smriti Gaurav Poddar
15	Shri Ankit Pramodkumar Poddar
16	Shri Shrikishan Dharaprasad Poddar
17	Smt Vibha Shrikishan Poddar
18	Shri Abhishek Shrikishan Poddar
19	Shri Harshit Shrikishan Poddar
20	Smt Anuja Mundra
21	Smt Shivani Tiberwala
22	Smt Tribenidevi Mahabirprasad Poddar
23	Smt Shyamlata Sureshkumar Poddar
24	Shri Rishabh Sureshkumar Poddar
25	Shri Arvindkumar Mahabirprasad Poddar
26	Smt Vijaylaxmi Arvindkumar Poddar
27	Shri Rajiv Arvindkumar Poddar
28	Smt Khushboo Rajiv Poddar
29	Shri Vinodkumar Mahabirprasad Poddar
30	Smt Sunita Vinodkumar Poddar
31	Shri Rahul Vinodkumar Poddar
32	Smt Shefali Rahul Poddar
33	Ms Rishita Vinodkumar Poddar
34	Shri Shirish Shorewala
35	Smt Aanchal Deora
36	Smt Shikha Kandoi
37	Smt Pooja Dhoot
C	**Partnership Firms**
1	Fabwear Garment
2	Tirupati Realty
3	Balaji Realty
4	Shree Siyaram Textiles
D	**HUF**
1	Dharaprasad & Sons HUF
2	Dharaprasad Poddar & Co. HUF
3	Rameshkumar Poddar & Bros.HUF
4	Rameshkumar Poddar & Co.HUF
5	Pawankumar Poddar & Co.HUF
6	Pramod Poddar HUF
7	Dharaprasad Pramodkumar HUF
8	Shrikishan Poddar HUF
9	Mahabirprasad Poddar & Co.HUF
10	Arvindkumar Sureshkumar Poddar HUF
11	Sureshkumar Poddar & Co.HUF
12	Mahabirprasad & Sons HUF
13	Sureshkumar Poddar & Bros.HUF
14	Arvind Poddar HUF
15	Mahabirprasad Vinodkumar HUF
16	Vinod Poddar HUF
E	**Limited Liability Partnership**
1	DPP Enterprises LLP
2	GPP Enterprises LLP
3	PKP Enterprises LLP
4	HSP Enterprises LLP
5	TMP Enterprises LLP
6	AKP Enterprises LLP
7	RAP Enterprises LLP
8	VKP Enterprises LLP

ANNEXURE - II TO DIRECTORS' REPORT

STATEMENT OF PARTICULARS UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES PARTICULARS OF EMPLOYEES) RULES, 1975 FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.

Sr. No.	Name of Employee	Age	Designation	Remuneration Rs. (Gross)	Qualification & Experience in yrs.	Date of Commencement of Employment	Particulars of last Employment held (Name, Designation and Experience)
A.	**Employed throughout the year and in receipt of remuneration in aggregate of not less than Rs.24,00,000/-.**						
1.	Mr.Vinod Poddar	50	Managing Director	48,41,484/-	B.Com (30)	01.01.86	Business (11yrs)
B.	**Employees for part of the year and in receipt of remuneration of not less than Rs.2,00,000/- per month.**						

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For and on behalf of the Board of Director

Mumbai:
Dated : 16th July, 2010

VINOD PODDAR
Managing Director

ANNEXURE- III TO DIRECTORS' REPORT

DISCLOSURE UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS), RULES, 1988.

A. CONSERVATION OF ENERGY:

a) **Energy conservation measures taken:**

I. The boilers have been upgraded for lowering the energy consumption. Plant equipment insulations have been improved by use of higher grade of insulating material and automization of the processes for better equipment efficiency.

II. The Company is carrying out regular maintenance of steam/ stem traps and user equipment to ensure high efficiency levels throughout the year.

III. Rice-husk is being used to reduce consumption of coal for which special purpose boilers have been installed.

IV. Maximum demand of Electricity is being reduced by evenly distributing the loads throughout the day and increasing efficiency of Plants & Equipments.

b) **Additional investments and proposals, if any, being implemented for reduction of consumption of energy.**

Introduction of modern compressors will bring substantial energy saving.

The Company is reviewing various proposals for reduction in consumption of energy by way of replacement of existing equipments by modern and energy efficient equipment.

c) **Impact of the measurers at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.**

---As per Table A---

d) **Total and per unit energy consumption as per form A.**

FORM - A

	2009-2010	2008-2009
(A) Power & Fuel Consumption :		
1) Electricity:		
a) Purchased:		
Units	**1,49,60,600**	1,70,04,908
Total Amount (Rs.)	**8,50,97,669**	8,37,39,798
Rate/Unit (Rs.)	**5.69**	4.92
b) Own Generation		
i) Through Diesel Generator:		
Units	**21,01,647**	11,77,200
Units per liter of diesel	**3.00**	3.00
Cost/Unit (Rs.)	**9.75**	10.46
ii) Through Steam Turbine/Generator	**Nil**	Nil
2) (a) Coal		
Quantity (Kgs.)	**25,775**	27,080
Amount (Rs.)	**2,44,334**	2,60,448
Rs./Kg.	**9.48**	9.62
(b) Rice-Husk		
Quantity (Kgs.)	**1,99,91,202**	1,86,30,505
Amount (Rs.)	**6,36,84,009**	6,96,53,460
Rs./Kg.	**3.19**	3.74

(B) Energy Consumption per Unit of Production:

Sr. No.	Product	2009-2010 Electricity Units	2009-2010 Coal Kgs.	2009-2010 RiceHusk Firewood Kgs.	2008-2009 Electricity Units	2008-2009 Coal Kgs.	2008-2009 Rice-Husk Kgs.
1	Cycle Tyres	0.66	0.001	0.770	0.73	0.001	0.747
2	Cycle Tubes	0.22	0.000	0.261	0.23	0.000	0.233
3	Auto Tyres	-	-	-	-	-	-
4	Auto Tubes	0.38	0.001	0.444	0.44	0.001	0.449

NOTE: The Company manufactures a wide range of products and the consumption of energy will vary significantly depending upon the actual product mix for the period.

B. TECHNOLOGY ABSORPTION

e) Efforts made in technology absorption as per form B

FORM - B

Form for disclosure of particular with respect to technology absorption.

A) **Research & Development (R&D) :**

1) **Specific area in which Research & Development carried out by the Company.**

The Company has developed new products to meet the requirement of the customers in niche market for domestic and international markets. These involve developing of new pattern, constructions, rubber compounds and raw materials sources.

2) **Benefit derived as a result of above Research & Development :**

To remain better than the best in the industry, continuous R & D activities helps the Company to set new international bench marking and maintain growth in value added products.

3) **Future plan of action**

Development of new varieties and product mix. Achieving complete customer solution.

B) **Technology absorption, adaptation and innovation:**

I. **Efforts in brief made towards technology absorption, adaptation and Innovation;**

1) The Company has been putting Thrust on improvements in process technology in its various manufacturing sections which are being implemented into regular manufacturing operations.

2) The new value added products were developed based on the various inputs received from our local & foreign customers. The processes were further adapted and innovated to be compatible with the newly acquired equipment.

II. **Benefits derived as a result of the above efforts.**

Improved process efficiency, higher product quality, cost reduction and achieved a better customer satisfaction.

iii) **Information of Imported Technology**

Nil

C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

f) **Activities relating to exports, initiatives taken to increase exports, developments of new markets for products and services and export plans:** The Company is one of the largest exporters of Cycle Tyres/Tubes in the country. The Company exports a large quantity to over seventeen countries.

g) Total foreign exchange used & earned:

I) USED (Rs. in Lacs)	2009-2010	2008-2009
i) Import of Raw Materials /Capital goods	4727.71	3171.92
ii) Commission on Exports	55.28	122.55
iii) Freight on Exports	46.57	93.54
iv) Others	105.05	109.04
Total	4934.61	3497.05
II. EARNED (Rs. in lacs)		
i) Exports at F.O.B. Value	3677.12	6036.14
ii) Reimbursement of Freight and insurance	46.57	93.54
iii) Indirect Exports	530.64	789.52
Total	4254.33	6919.2

For and on Behalf of the Board of Directors

Place : Mumbai:
Dated : 16th July, 2010

VINOD PODDAR
Managing Director

ANNEXURE-IV

CORPORATE GOVERNANCE

In accordance with clause 49 of the Listing Agreement entered into with the Stock Exchange in India, the details of compliance by the Company with the norms on Corporate Governance are as under;

I. Company's Philosophy on Code of Corporate Governance

The Company strongly believes in Corporate Governance and endeavors to continuously take initiatives to strengthen areas of Corporate Governance. The Company's philosophy on Corporate Governance is to practice transparency in operations and maintain a professional approach in dealing with its stakeholders. The Company strongly believes that Corporate Governance is an important tool to achieve all round excellence with ultimate objective of enhancing the shareholders' value.

II. Board of Directors

a) Composition of Board :

At present there are four Directors on the Board of the Company and the composition of the Board is in consonance with clause 49 of the Listing Agreement. The Company has a Managing Director, a Whole time Director and two Non-Executive Independent Directors. The Non- Executive Directors are professionals, drawn from amongst persons with experience in business & industry, finance and law.

b) Number of Board Meetings:

There have been five Board Meetings held during the year as follows-

22nd May, 2009, 24th June, 2009, 27th July, 2009, 30th October, 2009 and 29th January, 2010.

c) Directors attendance record and Directorship held

The Composition and category of Directors and attendance at the Board Meetings during the year and at the last Annual General Meeting and also the number of outside Directorships and Committee Memberships/ Chairmanships in public Companies is given below.

Sr. No.	Name of Directors	Category	Attendance		Outside Director ship	Committee Position	
			Board	Last AGM		Member	Chairman
1	Vinod Poddar	Managing Director	4	Yes	–	–	–
2	K.M.Garg	Non-Executive Independent Director	5	Yes	–	–	–
3	Umesh Lathi	Whole time Director	5	Yes	–	–	–
4	Sandeep Jhunjhunwala	Non-Executive Independent Director	5	Yes	3	–	–

d) Code of Conduct:

The Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the code on annual basis.

III. Audit Committee

a) The Audit Committee has been constituted by the Board in accordance with the terms of Clause 49 II of the Stock Exchange.

The terms of reference of the Audit Committee are broadly as under;

i) Review of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement reflect a true and fair position and that sufficient and credible information is disclosed.

ii) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.

iii) Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post- audit discussion to ascertain any area of concern.

iv) Reviewing the financial statements and draft audit report, including quarterly/ half yearly financial information.

v) Reviewing with the management, the annual financial statements before submission to the Board, focusing primarily on;

- any changes in accounting policies and practices,
- major accounting entries based on exercise of judgement by management,
- qualification in draft audit report,
- significant adjustments arising out of audit,
- the going concern assumption,
- compliance with accounting standard,
- compliance with stock exchange and legal requirements concerning financial statements,
- any related party transactions as per risk management policies.

vi. Reviewing the Company's financial and risk management policies.

vii. Disclosure of contingent liabilities.

viii. Reviewing with the management, external and internal auditors report, the adequacy of internal control systems.

ix. Discussions with internal auditors of any significant findings and follow-up thereon.

b) Composition, Name of Members and Chairman:-

The Audit Committee consisting of three Directors i.e. Shri K.M.Garg (Chairman), Shri Umesh Lathi and Shri Sandeep Jhunjhunwala and two of them are Non-Executive Independent Directors. All the Members of the Audit Committee are highly knowledgeable in the Corporate, Finance, Accounts and the Company law matters. The Statutory Auditors are invited at the Audit Committee Meetings.

c) The Audit Committee Meetings were held five times in the year i.e. on 22.05.2009, 24.06.2009, 27.07.2009, 30.10.2009 and 29.01.2010. The attendance of each Audit Committee member is as under:-

Sr. No.	Name of Director	Category	No.of Meetings Attended
1.	K. M. Garg	Non Executive Independent Director	5
2.	Umesh Lathi	Whole-time Director	5
3.	Sandeep Jhunjhunwala	Non Executive Independent Director	5

IV. Subsidiary Companies:

The Company does not have any subsidiary company.

V. Remuneration Committee:

The Company has not formed any remuneration committee. The remuneration policy of the company is as under:-

The payment of remuneration to the Company's Managing Director and Whole time Director is as per the provisions of relevant sections of the Companies Act, 1956 read with Schedule XIII of the said Act and also approved by the Board/ members of the Company. The Non-Executive / Independent Directors are not paid any remuneration except sitting fees for attending Board/ Committee Meetings.

Remuneration paid to the Directors during the year 2009-2010

Name of Director	Sitting Fees (Rs.)	Salary & Perquisites (Rs.)	Total (Rs.)
Vinod Poddar	–	48,41,484	48,41,484
Umesh Lathi	–	18,84,732	18,84,732
K. M. Garg	2,500	–	2,500
Sandeep Jhunjhunwala	2,550	–	2,550

The Company does not have any stock option scheme.

Shareholding of Non-Executive Director

NIL

VI. Shareholder's / Investors' Grievance Committee

a) Terms of Reference

b) The terms of reference of the Shareholders/ Investors' Grievance Committee is to look into the redressal of

shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non- receipt of declared dividends and dematerialization of shares and other related matters.

c) Composition of Committee

The Committee comprises of the three Directors namely Shri K.M. Garg being the Chairman of the committee, Shri Umesh Lathi & Shri Sandeep Jhunjhunwala.

d) The Shareholders'/ Investors' Grievance Committee met five times during the year i.e. on 22.05.2009, 24.06.2009, 27.07.2009, 30.10.2009 and 29.01.2010 and the Committee Members attended the said Investors Grievance Meetings. The Board has appointed Shri S.P.Parekh- (Manager- Secretarial & Legal) as the Compliance Officer.

e) The Company and its Registrar attend to all grievances of the shareholders and investors received by them.

f) Details of Shareholders' Complaints/ requests received during the year.

Sr No.	Nature of Complaints/ Requests	No.of Compl-aints	Redres-sed dur the year	Bal as on year end
1	Non- receipt of Share Certificates	2	2	0
2	Non- receipt of Dividend	1	1	0
3	Non confirmation of Demat Request	1	1	0
4	Demat/ Remat Request	71	71	0
5	Other Misc.	8	8	0

VII. General Body Meetings

Locations and time where last three Annual General Meetings of the Company were held:

Financial Year	Location	Date & Time
2008-2009	Nehru Centre, Hall of Culture, Worli, Mumbai - 400 018	17.08.2009 10.30 A.M.
2007-2008	Nehru Centre, Hall of Harmony, Worli, Mumbai - 400 018	25.08.2008 10.30 A.M.
2006-2007	Nehru Centre, Hall of Harmony, Worli, Mumbai - 400 018	21.08.2007 10.30 A.M.

Whether any special resolutions passed in the previous three AGMs- Yes details of which are given hereunder:-

Date	Matter
17.08.2009	Change of Address of Company's Registrar where Register of Members, Index of Members and other related books are kept. Section 163 of the Companies Act, 1956.
25.08.2008	Allotment of shares on preferential basis to the Financial Institution and Promoter pursuant to the provisions of Section 81(1A) of the Companies Act, 1956
21.08.2007	Allotment of shares on preferential basis to the Financial Institution and Bank pursuant to the provisions of Section 81(1A) of the Companies Act, 1956

Whether special resolution was put through the postal ballot last year- No.

Details of voting pattern- N.A.

Person who conducted the postal ballot exercise- N.A.

Whether any resolution is proposed to be conducted through postal ballot – No.

VIII. Disclosure

a) Related Party Transaction:

There are no material significant related party transactions made by the Company with its promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large. Necessary disclosures are made in Notes **No.11 (ii) of Schedule "Q"**

b) Disclosure of Accounting Treatment:

All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following same.

c) Risk Management:

Business risk evaluation and management is an ongoing process within the Company.

d) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years:

The Company has complied with all requirements of the Listing Agreement of the Stock Exchange as well as the regulations and guide lines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchange or any statutory authority for non- compliance of any matter related to the capital market.

e) Whistle Blower Policy:

The Company has not adopted a Whistle Blower Policy. However, no person of the Company has been denied access to the Audit Committee.

f) Details of Compliance with mandatory requirement:

The Company has complied with all applicable accounting standard policies.

IX. Disclosure regarding appointment / reappointment of Directors:

The details of Directors seeking appointment/ re-appointment have been provided in the AGM Notice attached with this Annual Report.

X. Disclosure regarding unpaid/ unclaimed Dividend:

In terms of provisions of relevant sections of the Companies Act, 1956, the Company has already transferred unpaid dividend for the financial year 1999- 2000 to the Central Government on the completion of seven years from the date of payment and this being the last dividend payment made by the Company since then, there has been no pending unpaid dividend to be transferred to the Central Government as of now.

XI. Means of Communications:

Quarterly, half yearly results and annual audited financial results are published in Free Press Journal and Nav-Shakti (Vernacular). All these results are promptly submitted to the Stock Exchange.

XII. General Shareholders Informations:

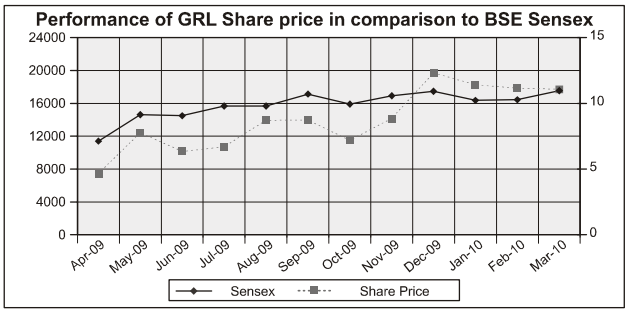
a) Annual General Meeting

a) Date	:	21.08.2010
b) Time	:	11.00 a.m.
c) Venue	:	Nehru Centre, Hall of Harmony, Dr.Annie Beasant Road, Worli, Mumbai-400018.
b) Financial Calendar' 10	:	April, '10 to March, '11
c) Financial Results (Tentative)		
i) 1st Quarter	:	2nd Week of Aug, '10
ii) 2nd Quarter	:	2nd Week of Nov,'10
iii) 3rd Quarter	:	2nd Week of Feb,'11
iv) Audited Yearly Results	:	4th Week of May, '11
d) Book Closure Date	:	19.08.2010 to 21.08.2010
e) Listing on Stock Exchange	:	BSE, Mumbai
f) Stock Code	:	509148
g) ISIN for NSDL & CDSL	:	011C01015

H. Annual Listing Fees has been paid to the Stock Exchange up to 31.03.2011.

I. STOCK PRICE DATA FOR THE YEAR 2009-2010 AT STOCK EXCHANGE, MUMBAI

	(Rupees)			BSE SENSEX		
Month	**High**	**Low**	**Close**	**High**	**Low**	**Close**
April	06.00	03.80	04.66	11492	9546	11403
May	07.88	04.23	07.76	14931	11621	14625
June	09.38	05.49	06.34	15600	14017	14494
July	06.69	04.65	06.69	15733	13220	15670
August	08.71	06.31	08.71	16002	14684	15667
September	09.59	07.80	08.72	17143	15367	17127
October	09.15	07.00	07.18	17493	15805	15896
November	09.75	06.80	08.85	17290	15331	16926
December	13.35	08.30	12.31	17531	16578	17465
January	16.34	11.03	11.41	17790	15982	16358
February	13.58	10.84	11.15	16669	15652	16430
March	13.90	10.27	11.07	17793	16438	17528



J. Share Transfer System

The Company's shares are traded compulsorily in Demat segment in the Stock Exchange, Mumbai. Shares in physical segment which are lodged for transfer are processed by our Registrar and returned to the Shareholders within stipulated time period.

K. Registrar & Transfer Agent

The Company has assigned the Share Registry work to M/s Sharepro Services, Mumbai as per the SEBI directive.As such the entire share registry work in respect of physical as well as electronic is being looked after by them.

L. Dematerialisation of Shares

The Company's shares are compulsorily traded in dematerialized form. 90.19 % shares have been dematerialized as on 31st March, 2010

M. Distribution of Shareholding as on 31.03.2010

Range of holding	No. of Shareholders	% age of total Shareholders	No. of Shares held	% age of total Shares
1 to 500	7369	75.65	1612163	7.38
501 to 1000	1126	11.56	983290	4.50
1001 to 5000	926	9.51	2254396	10.33
5001 to 10000	153	1.57	1184432	5.42
10001 & above	167	1.71	15804182	72.37
Total	**9741**	**100.00**	**21838463**	**100.00**

N. Shareholding Pattern as on 31.03.2010

Sr. No.	Particulars	No. of Folios	No. of Shares	Percentage
1	Foreign Investors	02	95238	0.45
2	NRI	29	57983	0.26
3	Promoters			
	a) Individual	53	4908365	22.47
	b) Companies	09	6849515	31.36
4	Other Companies	285	2252327	10.32
5	Mutual Funds / UTI	05	10100	0.05
6	Financial Institutions / Banks	03	328655	1.50
7	Others	9355	7336280	33.59
	TOTA L	**9741**	**21838463**	**100.00**

O. Plants Location :

a) Village & P.O. Jugiana - 141 120 Dist: Ludhiana b) Kanganwal – 141 120, Dist.: Ludhiana

P. Address for Correspondence : (for shareholders)

Sharepro Services (India) Pvt. Ltd., 13 AB Samhita Warehousing Complex, 2nd Floor, Near Sakinaka Telephone Exchange, Andheri (E), Mumbai- 400 072, Phone: 67720300, 67720400 Fax: 2859 1568, Email: sharepro@vsnl.com

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 16th July, 2010

VINOD PODDAR
Managing Director

To

The Board of Directors
Govind Rubber Limited
Mumbai- 400 011

I hereby confirm that the Company has in respect of the year ended 31st March, 2010, received from its Board Members as well as Senior Management Personnel affirmation as to compliance with the code of conduct.

Place: Mumbai
Date: 16th July, 2010

VINOD PODDAR
Managing Director

CEO/CFO CERTIFICATION

The Board of Directors
Govind Rubber Limited
Mumbai- 400 011

We the undersigned certify to the Board that;

a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2010 and that to the best of our knowledge and belief :
   (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (ii) These statements together presents a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable law and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee
   (i) significant changes in internal control over financial reporting during the year;
   (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

VINOD PODDAR
Managing Director

UMESH LATHI
Whole time Director

Place : Mumbai
Date : 16th July, 2010

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE. TO THE SHAREHOLDERS OF GOVIND RUBBER LIMITED

We have examined the compliance of corporate governance by Govind Rubber Limited, for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the Stock Exchange.

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

In our opinion and to the best of our information and according to the 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 Agreement.

We 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 Jayantilal Thakkar & Co.
Chartered Accountants
(ICAI Reg. No. 104133W)
C. V. Thakker
Partner
Membership No. 6205

Mumbai
Dated : 16th July, 2010

Auditors' Report

TO THE SHAREHOLDERS OF GOVIND RUBBER LIMITED

1. We have audited the attached Balance Sheet of GOVIND RUBBER LIMITED as at 31st March, 2010, the Profit and Loss Account and also the Cash Flow Statement 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. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies' (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the Act) we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, 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 purposes 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 the books;

   c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Act;

   e. On the basis of information and explanations given to us and written representations received from the Directors of the Company as at 31st March, 2010 and taken on record by the Board of Directors, we report that no Director is disqualified from being appointed as a Director of the Company under Clause (g) of Sub-Section (1) of Section 274 of the Act.

5. 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 Accounting Policies and other notes thereon, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

   i] In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,

   ii] In the case of the Profit and Loss Account of the Profit for the year ended on that date and

   iii] In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Jayantilal Thakkar & Co.
Chartered Accountants
(ICAI Reg. No. 104133W)

C. V. Thakker
Partner
Membership No. 6205

Mumbai
Dated : 31st May, 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 of our report of even date on the accounts of Govind Rubber Limited for the year ended 31st March, 2010)

i) a] The Company has maintained proper records showing full particulars, including quantitative details and the situation of its fixed assets.

   b] Fixed Assets have been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed have been properly dealt with in the books of accounts.

   c] The assets disposed off during the year are not significant and therefore do not affect the going concern assumption.

ii) a] The inventory other than that with third parties have been physically verified by the management at reasonable intervals. There is a process of obtaining confirmation in respect of inventory with the third parties.

   b] In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.

   c] In our opinion the Company has maintained proper records of inventory. The discrepancies between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account.

iii) The Company has neither granted nor taken any loans, secured or unsecured, to /from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, clauses (iii)b,(iii)c,(iii)d,(iii)f and (iii)g of the order are not applicable.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sales 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) In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under Section 301 of the Act.

vi) The Company has not accepted any deposits from the public.

vii) In our opinion, the Company has internal audit system commensurate with the size of the Company and nature of its business.

viii) We have broadly reviewed, without carrying out a detailed examination, 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 Act and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not however, made detailed examination of the records with a view to determining whether they are accurate or complete.

ix) a] According to the records and as per information and explanations provided to us, the Company is regular in depositing with appropriate authorities undisputed amount of provident fund, investor education protection fund, employees state insurance, income tax, sales tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2010, for a period of more than six months from the date they became payable.

b] According to the information and explanations given to us, there are no dues of income-tax, wealth-tax, sales-tax, customs duty, excise duty and cess which have not been deposited on account of any dispute, except as stated below :

Name of the Statute	Nature of dues	Financial Year to which the matter pertains	Forum where dispute is pending	Amount (Rs. in lacs)
Central and State Sales Tax Acts	Sales Tax	2001-2002	AETC (Appeal), Ludhiana	0.98
Central and State Sales Tax Acts	Sales Tax	2006-2007	AETC (Appeal), Ludhiana	3.11
Central and State Sales Tax Acts	Sales Tax	2007-2008	AETC (Appeal), Ludhiana	1.60
Central and State Sales Tax Acts	Sales Tax	2008-2009	AETC (Appeal), Ludhiana	0.95
Central and State Sales Tax Acts	Sales Tax	2009-2010	AETC (Appeal), Ludhiana	0.45
The Central Excise Act	Excise Duty	1993-1994	Supreme Court, Delhi	43.89
Punjab State Electricity Regulatory Commission	Electricity	2008-2009	High Court, Chandigarh	138.86

x) In our opinion, the accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.

xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.

xii) In our opinion and according to the information and explanations 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.

xiii) The Company is not a chit/nidhi/mutual benefit fund/society and clause 4 (xiii) of the Order is not applicable.

xiv) The Company is not dealing or trading in shares, securities, debentures and other investments and clause 4 (xiv) of the order is not applicable.

xv) On the basis of the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

xvi) The Company has not raised any new term loan from banks. The term loans outstanding at the beginning of the year were applied for the purposes for which they were raised.

xvii) According to the information and explanations given to us and on an overall examination of the balance sheet and other records of the Company, we are of the opinion that, funds raised on short-term basis have not, prima facie, been used for long-term investment.

xviii) During the year, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.

xix) The Company did not have any outstanding debentures during the year.

xx) The Company has not raised any money by public issues during the year.

xxi) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Jayantilal Thakkar & Co.
Chartered Accountants
(ICAI Reg. No. 104133W)

C. V. Thakker
Partner
Membership No. 6205

Mumbai
Dated : 31st May, 2010

Balance Sheet

GRL INTERNATIONAL
Partners Forever

BALANCE SHEET AS AT 31ST MARCH, 2010

	SCHEDULE	Rs. in Lacs	AS AT 31.3.2010 Rs. in Lacs	AS AT 31.3.2009 Rs. in Lacs
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS:				
Share Capital	A	**2184.18**		2184.17
Reserves and Surplus	B	**2679.60**		2679.60
			4863.78	4863.77
LOAN FUNDS:				
Secured Loans	C	**9044.18**		9831.58
Unsecured Loans	D	**1293.84**		1941.32
			10338.02	11772.90
TOTAL			**15201.80**	16636.67
APPLICATION OF FUNDS				
FIXED ASSETS:	E			
Gross Block		**11515.18**		11061.43
Less: Depreciation		**8213.73**		7939.14
NET BLOCK			**3301.45**	3122.29
INVESTMENTS	F		**0.23**	0.23
DEFERRED TAX ASSET (NET)			**1014.51**	1014.51
CURRENT ASSETS, LOANS AND ADVANCES:				
Inventories	G	**2421.98**		4077.00
Sundry Debtors	H	**8747.86**		7934.49
Cash and Bank Balances	I	**144.98**		21.07
Loans and Advances	J	**935.10**		1179.73
		12249.92		13212.29
LESS: CURRENT LIABILITIES AND PROVISIONS:				
Liabilities	K	**4758.16**		4432.30
Provisions	L	**41.10**		42.17
		4799.26		4474.47
NET CURRENT ASSETS			**7450.66**	8737.82
PROFIT AND LOSS ACCOUNT				
Balance as per Profit and Loss A/c		**4776.61**		5103.48
Less Balance in General Reserve - per contra		**1341.66**		1341.66
			3434.95	3761.82
TOTAL			**15201.80**	16636.67
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS	**Q**			

The Schedules and Notes referred to above form an integral part of the accounts.

As per our Report of even date attached.
FOR JAYANTILAL THAKKAR & CO.
Chartered Accountants
C. V. THAKKER
Partner
Membership No. 6205
Mumbai : 31st May, 2010

For and on behalf of the Board
VINOD PODDAR MANAGING DIRECTOR
K. M. GARG DIRECTOR
UMESH LATHI WHOLE TIME DIRECTOR

Profit & Loss Account

GRL INTERNATIONAL
Partners Forever

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE	Rs. in Lacs	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
INCOME				
Sales and Operational Income (Gross)	M		**30138.94**	25982.27
Less : Excise duty recovered on sales		**18.27**		24.04
: Trade discount and Rebate		**1079.58**		1232.87
			1097.85	1256.91
Net Sales			**29041.09**	24725.36
Other Income	N		**16.33**	43.63
Total Income			**29057.42**	24768.99
EXPENDITURE				
Manufacturing and Other Expenses	O		**27301.98**	23052.17
Interest and Finance Charges	P		**1154.13**	1270.00
Depreciation			**276.76**	296.94
Total Expenditure			**28732.87**	24619.11
PROFIT BEFORE TAX			**324.55**	149.88
Fringe benefit Tax			**–**	(6.16)
Refund of Income Tax			**2.32**	–
PROFIT AFTER TAX			**326.87**	143.72
Balance brought forward from last year			**(5103.48)**	(5247.20)
Balance carried to Balance Sheet			**(4776.61)**	(5103.48)
Basic and diluted Earning Per Shares (Rupees)			**1.50**	0.66
(Refer Note no.8 of Schedule Q)				
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS	**Q**			

The Schedules and Notes referred to above form an integral part of the accounts.

As per our Report of even date attached.
FOR JAYANTILAL THAKKAR & CO.
Chartered Accountants
C. V. THAKKER
Partner
Membership No. 6205
Mumbai : 31st May, 2010

For and on behalf of the Board
VINOD PODDAR MANAGING DIRECTOR
K. M. GARG DIRECTOR
UMESH LATHI WHOLE TIME DIRECTOR

Cash Flow Statement

GRL INTERNATIONAL
Partners Forever

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

PARTICULARS	Rs. in Lacs	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before Tax		**324.55**	**149.88**
ADJUSTMENTS FOR:			
Depreciation	**276.76**		296.94
Loss/(Profit) on Sale of Fixed Assets	**(0.08)**		0.28
Interest received	**(4.12)**		(1.53)
Misc balance written off	**10.97**		(24.27)
Unrealised Foreign exchange(gain)/Loss	**–**		(0.47)
Interest paid	**1154.13**		1270.00
		1437.66	1540.95
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**1762.21**	1690.82
Trade and Other Receivables	**(558.39)**		68.39
Inventories	**1655.02**		527.60
Trade and other Payables	**331.45**		(1446.76)
		1428.08	(850.77)
CASH GENERATED FROM OPERATIONS		**3190.29**	840.05
Direct Taxes Refund / (Paid)		**(14.66)**	0.46
Net Cash from Operating activities		**3175.63**	840.51
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		**(457.69)**	(524.56)
Disposal of Fixed Assets		**1.84**	1.11
Investment written off		**–**	0.50
Interest received		**4.12**	1.53
Misc balance written off		**(10.97)**	24.27
Net Cash Used in Investing Activities		**(462.70)**	(497.15)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Long term Borrowings		**(499.11)**	(445.70)
Repayment of Short term Borrowings-net		**(935.78)**	1356.16
Interest paid		**(1154.13)**	(1270.00)
Unrealised Foreign exchange gain/(Loss)		**–**	0.47
Net Cash Used in financing Activities		**(2589.02)**	(359.07)
CASH AND CASH EQUIVALENT		**123.91**	(15.71)
ADD : OPENING CASH & BANK BALANCE		**21.07**	36.78
CLOSING CASH & BANK BALANCE		**144.98**	21.07

As per our Report of even date attached.
FOR JAYANTILAL THAKKAR & CO.
Chartered Accountants
C. V. THAKKER
Partner
Membership No. 6205
Mumbai : 31st May, 2010

For and on behalf of the Board

VINOD PODDAR	MANAGING DIRECTOR
K. M. GARG	DIRECTOR
UMESH LATHI	WHOLE TIME DIRECTOR

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	Rs. in Lacs	AS AT 31.3.2010 Rs. in Lacs	AS AT 31.3.2009 Rs. in Lacs
SCHEDULE - A : SHARE CAPITAL:			
Authorised:			
22000000 (22000000) Equity Shares of Rs.10/- each.		**2200.00**	2200.00
Total		**2200.00**	2200.00
Issued, :			
21845038 Nos.(21845038 Nos.) Equity Shares of Rs. 10/- each fully paid up.		**2184.50**	2184.50
		2184.50	2184.50
Subscribed :			
21838463 Nos.(21845038 Nos.) Equity Shares of Rs. 10/- each		**2183.85**	2184.50
		2183.85	2184.50
Paid up:			
21838463 Nos.(21845038 Nos.) Equity Shares of Rs. 10/- each		**2183.85**	2184.50
Less: Allotment Money in arrears (from others)		**–**	0.33
Add : Amount paidup on 6575 Nos. Equity shares forfeited		**0.33**	–
		2184.18	2184.17
		2184.18	2184.17

Out of the above-

i) 1745000 Equity Shares of Rs.10/- each alloted as fully paid up without payment being received in cash, pursuant to Schemes of Amalgamation,

ii) 2495000 Equity Shares of Rs.10/-each issued as fully paid bonus shares by way of capitalisation of Amalgamation Reserve.

iii) 5069745 Equity shares of Rs. 10/- each are issued as fully paid up to Financial Institutions/ Bank against simple Interest dues as on 31st March 2003 as per restructuring package approved by CDR Cell of RBI.

iv) 459474 Equity shares of Rs. 10/- each are issued as fully paid up on Net present value (NPV) basis on account of 1% reduction in the rate of interest payable in future to Financial Institution/Bank, in terms of re-workout package approved by CDR Cell of RBI.

(v) 6575 Equity share of Rs. 10/- each are forfeited during the year.

SCHEDULE - B : RESERVE AND SURPLUS:

1) Capital Reserve			
Amalgamation Reserve			
As per last Balance Sheet	**103.71**		103.71
		103.71	103.71
2) Security Premium Account			
As per last Balance Sheet	**2575.89**		2578.84
Less: Allotment money in arrears	**–**		2.95
		2575.89	2575.89
3) General Reserve			
As per last Balance Sheet	**1341.66**		1341.66
Less: Deducted from Profit and Loss Acccount	**1341.66**		1341.66
		–	–
TOTAL		**2679.60**	2679.60

	Rs. in Lacs	AS AT 31.3.2010 Rs. in Lacs	AS AT 31.3.2009 Rs. in Lacs
SCHEDULE - C : SECURED LOANS:			
a) Term Loan from Financial Institutions/Banks		**3634.40**	4117.74
b) Vehicles Loan from Banks/NBFCs		**8.43**	24.20
c) From Banks-			
i) Cash Credit/ Packing Credit	**2554.60**		2681.64
ii) Working Capital Demand Loans	**2358.89**		2065.08
iii) Bills Discounting	**487.86**		942.92
		5401.35	5689.64
TOTAL		**9044.18**	9831.58

NOTES :

1) Cash Credit, Packing Credit, Working Capital Demand Loans and Bill Discounting facilities from the banks as shown above are secured against the hypothecation of Inventories and Book debts and further secured by way of second charge on parri-passu basis on the Fixed Assets of the Company at Ludhiana.
2) Term Loans from Financial Institutions/Banks are secured by way of first charge on parri-passu basis on Company's movable and immovable assets both present and future subject to prior charge on inventories and Book debts in favour of Company's Bankers.
3) Vehicles loans are secured by hypothecation of vehicles aquired out of proceeds of the loans.
4) Loans/ Facilities from Banks and Financial Institutions as shown above are personally guaranteed by the Managing Director.

SCHEDULE - D : UNSECURED LOANS :		
a) From Agents / Distributors against Security Deposit	**1183.84**	1766.14
b) From NBFC - against Vendors Bills discounting (Personally guaranteed by the Manging Director)	**–**	175.18
c) Loan from a Company	**110.00**	–
TOTAL	**1293.84**	1941.32

SCHEDULE - E : FIXED ASSETS

(Rupees in lacs)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
PARTICULARS	AS AT 1.04.09	Additions	Sales / Adjustment	**AS AT** 31.3.10	Upto 1.04.09	For the Year	On adjust. sale	**Upto** 31.3.10	**As At** 31.3.10	As At 31.3.09
Land (Free Hold)	214.78	–	–	214.78	–	–	–	–	214.78	214.78
Factory Building	1622.47	250.60	–	1873.07	394.73	58.85	–	453.58	1419.49	1227.74
Other Building	57.41	–	–	57.41	9.30	0.93	–	10.23	47.18	48.11
Plant and Machinery	7915.54	201.32	3.50	8113.36	6550.29	181.39	2.06	6729.62	1383.74	1365.26
Electrical Installations	806.29	–	–	806.29	711.12	12.44	–	723.56	82.73	95.17
Furniture, Fixures and Equipments	292.74	4.43	–	297.17	197.89	12.99	–	210.88	86.29	94.85
Vehicles	152.20	1.34	0.44	153.10	75.81	10.16	0.11	85.86	67.24	76.38
TOTAL	11061.43	457.69	3.94	11515.18	7939.14	276.76	2.17	8213.73	3301.45	–
PREVIOUS YEAR	10538.97	524.56	2.10	11061.43	7642.90	296.94	0.70	7939.14	–	3122.29

Note: 1) Other building includes Rs.811000/- being the cost of unit purchased on ownership basis

	Rs. in Lacs	AS AT 31.3.2010 Rs. in Lacs	AS AT 31.3.2009 Rs. in Lacs
SCHEDULE - F : INVESTMENTS (AT COST) :			
Long term Investments —			
Government Security			
National Saving Certificates (Unquoted)	**0.23**		0.73
(Deposited with Government department)			
Less: - Investments written off	**–**		0.50
		0.23	0.23
TOTAL		**0.23**	0.23
Aggregate book value of -			
a) Quoted Investment		**–**	–
b) Unquoted Investment		**0.23**	0.23
		0.23	0.23
Aggregate market value of quoted investment		**N.A.**	N.A.
SCHEDULE - G : INVENTORIES :			
(as taken, valued and certified			
by the Management)			
i) Stores and Spares:		**70.83**	58.28
ii) Stock in Trade :			
Raw Materials	**1397.55**		926.03
Work-In-process	**245.25**		443.49
Power and Fuel	**4.39**		4.11
Finished goods	**703.96**		2645.09
		2351.15	4018.72
TOTAL		**2421.98**	4077.00
(Valued at least of cost and Market Value)			
SCHEDULE - H : SUNDRY DEBTORS :			
UNSECURED			
Over six months			
Considered good		**94.48**	764.07
Considered Doubtful		**128.90**	5.43
		223.38	769.50
Less: Provision		**128.90**	5.43
		94.48	764.07
Others - Considered Good		**8653.38**	7170.42
TOTAL		**8747.86**	7934.49
SCHEDULE - I : CASH AND BANK BALANCES :			
i) Cash in Hand		**22.38**	3.30
ii) With Scheduled Banks:			
a) In Current Accounts	**5.36**		17.53
b) In Margin Money Accounts	**0.24**		0.24
Pledged with banks towards Margin Money			
c) In Fixed Deposits			
Pledged with banks	**117.00**		–
		122.60	17.77
TOTAL		**144.98**	21.07

	Rs. in Lacs	AS AT 31.3.2010 Rs. in Lacs	AS AT 31.3.2009 Rs. in Lacs
SCHEDULE - J : LOANS AND ADVANCES :			
UNSECURED			
1) Advances recoverable in cash or in kind or for value to be received			
Considered good		**861.22**	1111.02
2) Advance Income tax and tax deducted at source		**23.24**	12.91
3) Sundry Deposits with Govt, Semi- Govt. Local Authorities and Others.		**50.64**	55.80
TOTAL		**935.10**	1179.73
SCHEDULE - K : CURRENT LIABILITIES :			
i) Sundry Creditors-			
(a) Micro, Small and Medium Enterprises *	**122.20**		–
(b) Others	**2730.56**		3124.26
		2852.76	3124.26
ii) Interest accrued but not due		**–**	0.27
iii) Advances from Agents/Customers		**104.65**	249.26
iv) Other Liabilities		**1800.75**	1058.51
TOTAL		**4758.16**	4432.30
* The details of amount outstanding to Micro, Small and Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the company are as under :-			
1. Principal amount due and remaining unpaid		–	N.A.
2. Interest due on (1) above and the unpaid interest		–	N.A.
3. Interest paid on all delayed payment under the MSEMED Act		–	N.A.
4. Payment made beyond the appointed day during the year		–	N.A.
5. Interest due and payable for the period of delay other than (3) above		–	N.A.
6. Interest Accrued and remaining unpaid		–	N.A.
7. Amount of further interest remaining due and payable in succeding year		–	N.A.
SCHEDULE - L : PROVISIONS:			
Provision for Fringe Benefit Tax		**16.49**	23.15
Provision for Retirement Benefits		**24.61**	19.02
TOTAL		**41.10**	42.17

	Rs. in Lacs	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
SCHEDULE - M : SALES AND OPERATIONAL INCOME:			
Sales		**29828.45**	25457.97
Processing Charges		**310.49**	524.30
TOTAL		**30138.94**	25982.27
SCHEDULE - N : OTHER INCOME			
Misc balances written back		–	12.88
Excess provision of Gratuity written back		**0.30**	9.23
Provision for doubtful debts written back		**–**	11.39
Interest received (TDS deducted Rs. 0.30 lacs (Previous year Rs. NIL lacs)		**4.12**	1.53
Profit/(Loss) on Sale of Fixed Assets		**0.08**	–
Foreign Exchange Fluctuation Gain (Net)		**5.65**	–
Sundry Income		**6.18**	8.60
TOTAL		**16.33**	43.63

	Rs. in Lacs	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
SCHEDULE -O : MANUFACTURING AND OTHER EXPENSES			
Raw Materials Consumed :		**15574.47**	15522.90
Finished Goods Purchased		**299.82**	–
Employees Remuneration and Benefits :			
Salaries,Wages and Allowances	**1719.34**		1458.66
Contribution to Provident and other Funds	**167.89**		162.92
Retirement Gratuity	**42.75**		6.29
Workers and Staff Welfare Expenses	**66.82**		51.60
		1996.80	1679.47
Stores and Spares Consumed		**533.91**	606.96
Repairs and Maintenance to :			
Building	**13.53**		4.48
Machinery	**46.17**		56.78
Others	**27.77**		6.42
		87.47	67.68
Power and Fuel		**1695.14**	1659.02
Excise Duty on variation of Stock of Finished Goods		**8.27**	5.30
Insurance		**25.56**	20.99
Rent,Rates and Taxes		**18.54**	19.42
Legal and Professional Expenses		**54.53**	47.57
Travelling and Conveyance Expenses		**212.83**	263.04
Postage and Telephone Expenses		**26.27**	28.48
Directors Sitting Fees		**0.05**	0.05
Other Expenses		**98.13**	71.29
Bad debts & irrecoverable amount written off		**–**	10.62
Provision for Bad & doubtful debts		**123.47**	–
Loss on sale of Fixed assets		**–**	0.28
Foreign exchange fluctuation loss (net)		**–**	174.18
Donation		**7.22**	19.18
Selling Expenses:-			
Sales Commission	**148.88**		239.20
Discount	**2641.61**		1439.93
Sales Claims and Other Rebates	**649.20**		545.47
Outward Freight and Octroi	**710.08**		629.17
Advertisement and Sales Promotions	**250.36**		112.69
		4400.13	2966.46
DECREASE/(INCREASE) IN STOCK			
Opening Stock :			
Work-in-process	**443.49**		466.62
Finished Goods	**2645.09**		2511.24
	3088.58		2977.86
Closing Stock			
Work-in-process	**245.25**		443.49
Finished Goods	**703.96**		2645.09
	949.21		3088.58
		2139.37	(110.72)
TOTAL		**27301.98**	23052.17

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
SCHEDULE - P : INTEREST AND FINANCE CHARGES		
Interest Paid :		
To Bank on Fixed Loans	**560.96**	752.34
To Bank and others	**444.02**	412.24
Finance Charges	**149.15**	105.42
TOTAL	**1154.13**	1270.00

SCHEDULE - Q : SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

a. System of Accounting:

The financial statements have been prepared under historical cost basis adjusted by revaluation of certain fixed assets and on the accounting principles of a going concern.

The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

b. Use of Estimates:

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period.

Difference between the actual and the estimates are recognized in the period in which the results are known / materialized.

c. Fixed Assets:

Fixed Assets are stated at cost of acquisition inclusive of incidental expenses related to acquisition but net of CENVAT and includes amounts added on revaluation, less accumulated depreciation.

In respect of Major projects involving constructions, related pre-operational expenses form part of the assets capitalized. Book value of fixed assets, which appreciate significantly, are reviewed from time to time and revalued to relate them more closely to current replacement value.

d. Impairment:

The carrying amount of assets is reviewed at each balance sheet date for any indication of impairment based on internal/ external factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

e. Borrowing costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

f. Leases:

Assets leased under operating leases are shown as fixed assets. Rental income is recognized on accrual basis over the lease term.

Lease rentals in respect of assets acquired under leases are charged to Profit and Loss Account.

g. Depreciation:

Depreciation on Fixed assets other than leasehold land has been provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act 1956.

Depreciation on increased value of fixed assets due to revaluation is computed on the basis of the remaining useful life as estimated by the Valuer on straight-line method and adjusted to Revaluation Reserve Account.

Premium on leasehold land is amortised over the duration of lease and proportionate amount of premium written off is being charged to Profit & Loss Account.

h. Investments:

Long term Investments are stated at cost. Provision for diminution in the value is made only if such a decline is other than temporary in the opinion of the management.

i. Inventories:

Inventories are valued at lower of cost and net realisable value. Cost is computed on the first-in-first-out basis and

net of CENVAT, wherever applicable. Finished goods and work in process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition and excise duty paid/payable on such goods.

j. Export Benefits

Consumption of Raw material is arrived at after adjusting the difference between the cost of indigenous / duty paid imported raw materials and international cost of raw materials entitled to be imported / imported under Duty Exemption Scheme of the Government of India against direct/indirect exports made/to be made by the company during the year. Export Incentive under Duty Entitlement Pass Book Scheme and Duty Free Entitlement Certificate under EXIM Policy are accounted for in the year of export . Profit /Loss on sale of DEPB/Import License is accounted for in the year of such sale .

k. Sales:

Sale of goods is recognised on dispatch to customers. Sales are inclusive of Excise Duty and net of Sales-Tax.

l. Foreign Exchange Transactions:

a) Transactions in foreign currencies are accounted for at prevailing exchange rates. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment/realization in the Profit and Loss Account. The Current Assets and Current liabilities related to foreign currency transactions, other than those covered by forward contracts, remaining unsettled at the end of the year are adjusted at the rates prevailing at the year end, except for Pre-Shipment Credits in Foreign Currencies (PCFCs) which have been stated at the amounts received on the date of disbursement, since the PCFCs are liquidated against future export proceeds, at the rate of exchange at which the loans were disbursed.

b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contract is recognized over the life of the contract. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

m. Employee Benefits:

a) Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

b) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expenses is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

n. Deferred tax:

Deferred tax is recognized on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversible in one or more subsequent years.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of business losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to absorb such losses.

o. Provisions and Contingent Liabilities:

Provisions are recognized in the accounts in respect of present probable obligations , the amount of which can be reliably estimated .

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence of one or more uncertain future events not wholly within the control of the company.

p. Derivatives:

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts reduces the risk or cost to the company and the company does not use the foreign exchange contracts for trading or speculation purposes. The company records the gain or loss on effective hedges in the profit and loss account of that period.

B. NOTES:

1. In the opinion of the Company, the Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business and all known liabilities have been accounted for.

2. Contingent Liabilities in respect of:

   a) Guarantees given by the bankers to various authorities & vendors on behalf of the Company Rs172.95 Lacs (Rs.119.63 Lacs).

   b) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advance) Rs.78.39 Lacs (Rs. 83.55 Lacs)

c) Disputed Sales-tax liabilities not provided for against which Company has filed appeal Rs.10.79 lacs (Rs. 10.19 lacs)

d) Disputed Excise Liability not provided for against which the Company has filed an appeal with the appropriate authority Rs.83.99 lacs (Rs.83.99 lacs)

e) Disputed Electricity Liability not provided for against which the Company has filed an appeal with the appropriate authority Rs.145.96 lacs (Rs. 145.96 lacs)

(The contingent liabilities in respect of Bank Guarantees and other matters arising in the ordinary course of Business from which it is anticipated that no material liabilities will arise.)

3. The Gross Block of Fixed Assets includes Rs. 225.81lacs (Rs. 225.81 lacs) on account of revaluation of Fixed Assets carried out in the past, except Land, Factory Building and the Main Production Plant and Machinery, which are revalued, all other Fixed Assets continue to appear at cost.

4. The Company has adopted AS-15 (revised) "Employee Benefits" notified by the Company's Accounting Standard Rules, 2006. The Company has calculated the various benefits provided to employees as under:

Defined Contribution Plans:

During the year the Company has recognized the following amounts in the Profit and Loss account:-

(Rs.in lacs)

Employer's Contribution to Superannuation Fund	3.98 (3.98)
Employer's Contribution to Provident Fund	108.35 (105.59)

Defined Benefit Plans

Gratuity

Leave Encashment

In accordance with Accounting Standard 15 (revised 2005), an actuarial valuation was carried out in respect of the aforesaid defined benefit plans based on the following assumptions.

	Leave Encashment	Gratuity
Discount Rate (per annum)	8.00% (7.75%)	8.00% (7.75%)
Rate of increase in compensation level	5.00% (5.00%)	5.00% (5.00%)
Expected rate of return on planned assets	– (–)	– (–)

Amount of obligation as at the year end is determined as under: (Rs.in lacs)

	Leave Encashment	Gratuity
Present value obligation as at March 31, 2009	19.55 (78.81)	73.79 (100.61)
Interest cost	1.54 (5.81)	-7.66 (9.33)
Current service cost	0.27 (18.22)	23.49 (23.14)
Benefits Paid	– (-48.92)	-392.34 (14.29)
Actuarial (gain)/ loss on obligations	-0.96 (-26.39)	376.21 (-45.00)
Present value obligation as at March 31, 2010	20.40 (27.53)	73.49 (73.79)

Amount of the obligation recognized in the Balance Sheet: (Rs.in lacs)

	Leave Encashment	Gratuity
Present value obligation at the end of the period	20.40 (27.53)	73.49 (73.79)
Fair value of Plan Assets at the end of period	– (–)	– (–)
Liability recognized in the Balance Sheet	20.40 (27.53)	-73.49 (-73.79)

Expenses recognised in Profit and Loss Account:

	Leave Encashment	Gratuity
Current service cost	0.27 (18.22)	23.49 (23.14)
Interest cost	1.53 (5.80)	-7.66 (9.33)
Net Actuarial (gain)/ loss recognized during the year	-0.96 (-26.39)	376.21 (-45.00)
Total expense recognized in Profit and Loss Account	0.85 (-2.37)	392.04 (-12.53)

5. The deferred tax assets (net) for the current year has not been recognized keeping in view the consideration of prudence in accordance with the Accounting Standard

22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Company will reassess the unrecognized deferred tax assets/ liability in subsequent period having regards to the future developments.

6. Segment reporting:

The Company is mainly engaged in the business of Rubber Products consisting of all types of Tyres and Tubes. These, in the context of Accounting Standard – 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India, are considered as single primary segment.

The Company caters mainly to the needs of the Domestic Market. The export turn over is not significant in the context of the total turn over. As such there are no reportable geographical segments.

7. As per the provision of Section 23 of Sick industrial Companies (Special Provision) Act,1985 (SICA) and as approved by the Shareholders at Extra Ordinary General Meeting held on 26-12-2002, the Company has reported to the concerned authority the fact of erosion of its net worth by more than 50%. However the company continues to prepare its Accounts on going concern basis.

8. Earning per Share (EPS) computed in accordance with Accounting Standard-20 "Earning per share"

	Current year Rs. in Lacs	Previous year Rs. in Lacs
a) Profit after Tax	**326.87**	143.72
b) The Weighted average number of Ordinary Share	**21839994**	21845038
c) Basic and diluted EPS (Rs.)	**1.50**	0.66

9. Remuneration to the Managing Director and Whole time Director:

	Current year Rs. in Lacs	Previous year Rs. in Lacs
i Salary and other Allowance	**52.94**	51.19
ii Contribution to Provident/ Superannuation Fund	**4.17**	4.17
iii Retirement Benefits	10.15	--
TOTAL	**67.26**	55.36

Due to inadequacy of profits, remuneration paid to the Managing Director and whole time Director is within the minimum remuneration as prescribed under schedule XIII of the Companies Act 1956.

Computation of Profit under section 349 of the Companies Act, 1956 is not given since no commission is payable to the Managing Director.

10. Payment to Auditors:

	Current year Rs. in Lacs	Previous year Rs. in Lacs
A) Statutory Auditors:*		
i Audit Fees	**1.50**	1.00
ii Tax Audit Fees	**0.50**	0.50
iii Company Law matters	**0.50**	0.50
iv Taxation matters	**0.25**	0.25
v Certification & other work	**0.90**	0.76
vi Reimbursement of Expenses	**0.15**	0.15
TOTAL	**3.80**	3.16
B) Cost Auditors:*		
i. Audit Fees	**0.30**	0.30

* Exclusive of Service Tax.

11. (I) Disclosure of related parties (as identified by Management)

Names of the related parties with whom transactions were carried out during the year and description of relationship as required by AS – 18 "Related Parties Disclosure".

Related parties –

i) Associates:

Balkrishna Industries Ltd

GRL International Limited

Siyaram Silk Mills Ltd.

Sanchana Trading & Finance Ltd.

ii) Key Management Personnel:

Shri Vinod Poddar

Shri Umesh Lathi

iii) Relatives of Key Management Personnel:

Shri Rahul V. Poddar

(II) Disclosure of Related Party Transactions (Rupees in Lacs)

Sr. No.	Nature of Relationship/ Transaction	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
1	Sale of Goods	17,709.00 (15,303.54)	– (–)	– (–)	17,709.00 (15,303.54)
2	Unsecured Loan	110.00 (–)	– (–)	– (–)	110.00 (–)
3	Commission paid	80.21 (97.83)	– (–)	– (–)	80.21 (97.83)
4	Payment of Salaries	– (–)	67.26 (55.36)	– (3.54)	67.26 (58.90)
5	Processing Charges	– (42.31)	– (–)	– (–)	– (42.31)
6	Purchase of Raw materials	– (158.55)	– (–)	– (–)	– (158.55)
7	Purchase of Other Items & Services	5.10 (5.30)	– (–)	– (–)	5.10 (5.30)

(III) Amount due to/from related parties (Rs. in lacs)

Sr. No.	Nature of Relationship/ Transaction	Associates	Key Management Personnel	Relatives of Key Management Personnel	Total
1	Trade Receivables	6,562.92 (5,419.75)	– (–)	– (–)	6,562.92 (5,419.75)
2	Trade Payables	0.08 (11.16)	– (–)	– (–)	0.08 (11.16)

No amount in respect of related parties have been written off / back or are provided for during the year.

12. Information pursuant to Provisions of paragraph 3 & 4 part II of schedule VI of the Companies Act, 1956.

a) Particulars of Capacity & Productions: (Figures in Lacs)

Product	Unit	Licensed Capacity	Installed Capacity*	Total Production **
Cycle Tyres	Nos.	N.A. (N.A.)	300.00 (300.00)	183.32 (188.78)
Cycle Tubes	Nos.	N.A. (N.A.)	300.00 (300.00)	225.81 (199.30)
Auto Tyres	Nos.	N.A. (N.A.)	15.00 (15.00)	– (0.01)
Auto Tubes	Nos.	N.A. (N.A.)	25.00 (25.00)	2.25 (1.33)

* As Certified by the Management and relied upon being of technical nature.

** Production figures varies based on product mix and on the average weight of tyres & tubes manufactured.

b) Turnover and Stocks: (Figures in Lacs)

Product	Opening Stock		Closing Stock		Turnover	
	Qty. (Nos.)	Value (Rs.)	Qty. (Nos.)	Value (Rs.)	Qty. (Nos.)	Value (Rs.)
Cycle Tyres	20.77 (22.80)	1623.67 (1543.96)	4.78 (20.77)	311.15 (1623.67)	199.31 (190.81)	19074.45 (17191.06)
Cycle Tubes	28.60 (31.09)	893.08 (940.12)	12.27 (28.60)	326.92 (893.08)	242.14 (201.78)	9683.01 (8023.19)
Auto Tyres	0.01 (0.05)	2.34 (8.66)	– (0.01)	– (2.34)	0.01 (0.04)	0.26 (2.95)
Auto Tubes	0.92 (0.27)	126.00 (18.50)	0.33 (0.92)	65.05 (126.00)	4.12 (0.68)	666.16 (87.51)
Others				0.84 (–)		404.57 (153.26)
Processing Charges						310.49 (524.30)
		2645.09 (2511.24)		703.96 (2645.09)		30138.94 (25982.27)

c. Finished goods purchased : (Figures in Lacs)

Sr. No.	Products		Quantity	Value
1	Auto tubes		1.28 (-)	269.36 (-)
2	Others			30.46 (-)
	Total			299.82 (-)

d. Raw Material Consumed :

Sr. No.	Name of the Raw Material	Unit	Quantity (in Lac)	Value (Rupees in Lacs)
1	Rubber	Kgs. (Kgs.)	99.81 (94.96)	8400.01 (8421.37)
2	Chemicals & Minerals	Lot (Lot)	Not applicable (Not applicable)	1675.92 (1574.71)
3	Tyre Cord	Kgs. (Kgs.)	26.24 (29.80)	1990.30 (1886.33)
4	Bead Wire	Kgs. (Kgs.)	13.69 (15.46)	715.47 (918.13)
5	Others	Lot (Lot)	Not applicable (Not applicable)	2792.77 (2722.36)
	Total			15574.47 (15522.90)

e. Details of Raw Materials, Stores & Spares Consumed: (Rs. in Lacs)

	Raw Materials		Stores & Spares	
Particulars	Value	% of total	Value	% of total
Imported	4685.47 (3132.14)	30.08 (20.18)	3.24 (Nil)	0.61 (Nil)
Indigenous	10889.00 (12390.76)	69.92 (79.82)	530.67 (606.96)	99.39 (100.00)
Total	15574.47 (15522.90)	100.00 (100.00)	533.91 (606.96)	100.00 (100.00)

Schedules & Balance Sheet Abstract

	Current Year Rs. In Lacs	Previous Year Rs. In Lacs
f. CIF Value of Imports -		
For Raw Materials & others	**4727.71**	3171.92
g. Expenditure in Foreign Currency -		
i) Commission on Exports	**55.28**	122.55
ii) Freight on export	**46.57**	93.54
iii) Others	**105.05**	109.04
	206.90	325.13
h.. Earning in Foreign Exchange -		
i. Exports of Goods at F.O.B. price	**3677.12**	6036.14
ii. Reimbursement of Ocean Freight and Insurance	**46.57**	93.54
iii. Indirect Export	**530.64**	789.52
	4254.33	6919.20
i. Amount remitted in Foreign Currency on account of Dividend.	**Nil**	Nil

13. During the year company has not made Provision for Income Tax as there is no taxable income under Income Tax Act 1961
14. Previous year figures have been regrouped /reclassified wherever necessary.
15. Figures in brackets in these notes are in respect of the previous year.

Signatures to schedule 'A' to 'Q'

As per our Report of even date attached.
FOR JAYANTILAL THAKKAR & CO.
Chartered Accountants

C. V. THAKKER
Partner
Membership No. 6205
Mumbai : 31st May, 2010

For and on behalf of the Board

VINOD PODDAR	MANAGING DIRECTOR
K. M. GARG	DIRECTOR
UMESH LATHI	WHOLE TIME DIRECTOR

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

REGISTRATION DETAILS	
Registration No.	36320
State Code	11
Balance Sheet Date	31st March, 2010
CAPITAL RAISED DURING THE YEAR	(Rs.in lacs)
Public Issue	Nil
Rights Issue	Nil
Private Placement	Nil
Bonus Issue	Nil
POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS	(Rs.in lacs)
Total Liabilities	20001.06
Total Assets	20001.06
SOURCES OF FUNDS	(Rs.in lacs)
Paid up Capital	2184.18
Reserves & Surplus	2679.60
Secured Loans	9044.18
Unsecured Loans	1293.84

APPLICATION OF FUNDS	(Rs.in lacs)
Net Fixed Assets	3301.45
Investments	0.23
Deferred Tax Asset	1014.51
Net Current Assets	7450.66
Accumulated Losses	3434.95
PERFORMANCE OF THE COMPANY	(Rs.in lacs)
Turnover including other income	29057.42
Total Expenditure	28730.55
Profit after Tax	326.87
Earnings Per Share (Rs.)	1.50
Dividend (%)	Nil

GENERIC NAMES OF PRINCIPAL PRODUCTS/ SERVICES OF THE COMPANY

PRODUCT NAME	ITEM CODE NO. (ITC CODE)
Cycle Tyre	40115000
Cycle Tube	40132000
Auto Tyre	40114001
Auto Tube	40139002

For and on behalf of the Board

VINOD PODDAR	MANAGING DIRECTOR
K. M. GARG	DIRECTOR
UMESH LATHI	WHOLE TIME DIRECTOR

Mumbai : 31st May, 2010

GOVIND RUBBER LIMITED

Regd. Office: 1st Floor, Durga Trading Building, Sitaram Mills Compound, N. M. Joshi Marg, Lower Parel, Mumbai - 400011.

Client ID:	L.F. No.
DP ID:	No. of Shares held

ATTENDANCE SLIP

I/We hereby record my/our presence at the 25th Annual General Meeting of the Company to be held at Nehru Centre, Hall of Harmony, Dr. Annie Besant Road, Worli, Mumbai - 400 018. on Saturday, the 21st August, 2010

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

NOTES:

1. You are requested to sign and hand over this slip at the entrance.
2. If you intend to appoint a proxy to attend the meeting instead of yourself, the proxy form must be deposited at the Registered Office of the Company at 1st Floor Durga Trading Building, Sitaram Mills Compound, N. M. Joshi Marg, Lower Parel, Mumbai - 400 011 not less than 48 hours before the time for holding the meeting.
3. If you are attending the meeting in person or by proxy, your copy of the Annual Report may please be brought by you/ your proxy for reference at the meeting.

GOVIND RUBBER LIMITED

Regd. Office: 1st Floor, Durga Trading Building, Sitaram Mills Compound, N. M. Joshi Marg, Lower Parel, Mumbai - 400011.

Client ID :	L.F. No.
DP ID :	No. of Shares held

FORM OF PROXY

I/We.....of .....in the district .....being a member/members of the above named Company hereby appoint .....of .....in the district of.....or failing him..... .....of..... in the district of ..... as my/our proxy to vote for me/us or my/our behalf at the 25th Annual General Meeting of the Company to be held on Saturday, 21st August, 2010 and at any adjournment thereof.

Signed this ..... day of..... 2010

NOTE : The Proxy form must be dgposited at the Registered Office of the Company at 1st Floor Durga Trading Building, Sitaram Mills Compound, N. M. Joshi Marg, Lower Parel, Mumbai - 400 011 not less than 48 hours before the time for holding the Meeting.

Please Affix Ruppee One Revenue Stamp

Notes