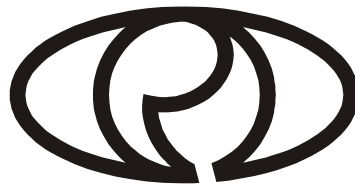


Rasandik Engineering Industries India Limited



RASANDIK
Passion For Excellence

**26TH
ANNUAL REPORT
2009 - 2010**

www.rasandik.com



BOARD OF DIRECTORS

Mr. S. C. Kapoor, Chairman
Mr. Rajiv Kapoor, Managing Director
Mr. Deepika Kapoor
Dr. Shyam S. Sethi
Mr. A. R. Halasyam

COMPANY SECRETARY

Mr. Gorav Arora

AUDITORS

M/s. Awatar & Co., Chartered Accountants
1203, Rohit House,3, Tolstoy Marg
New Delhi - 110 001

BANKERS

Oriental Bank of Commerce
ICICI Bank
Kotak Mahindra Bank
Canara Bank
State Bank of India
HDFC Bank

REGISTERED OFFICE

14, Roz-Ka-Meo Industrial Area
Sohna, Distt. Gurgaon
Haryana - 122 103

CORPORATE OFFICE

C-4 & 5, First Floor,
C - Block Market
Vasant Vihar, New Delhi - 110 057

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FINANCIAL HIGHLIGHTS

Rs. in lacs

Particulars	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
RESULTS FOR THE YEAR												
Gross Turnover	2,834.60	4,964.35	6,090.88	7,240.20	9,852.51	12,421.37	16,957.10	17,759.73	18,905.92	21,558.88	22,725.17	25,338.87
Net Turnover	2,388.53	4,081.78	4,783.18	5,678.00	7,717.80	9,957.99	14,059.71	14,785.25	15,834.03	18,038.96	19,766.97	23,020.02
Total Income	2,839.79	4,998.64	6,110.18	7,275.62	9,932.82	12,492.07	16,996.63	17,921.92	19,030.39	21,952.23	22,852.51	23,154.90
Profit before interest, dep. & tax (PBDIT)	415.77	780.71	586.14	978.47	966.47	1,118.46	1,636.03	1,543.15	1,604.49	2,809.58	2,742.32	3,115.57
Depreciation	118.00	184.30	205.12	282.45	321.22	410.13	557.14	469.50	557.76	831.67	1,073.33	1,289.85
Profit before tax	164.72	197.75	24.16	206.41	288.37	403.73	821.79	786.92	611.39	1,243.08	269.81	678.78
Profit after tax	147.12	182.63	14.09	105.54	194.69	252.50	546.11	497.00	367.78	716.15	(72.88)	485.61
Equity Dividend %	10%	—	—	—	10%	12%	15%	15%	10%	15%	—	—
Dividend Payout incl. Div Tax	39.69	—	—	—	50.48	63.82	80.82	80.82	55.28	82.92	—	—
YEAR END POSITION												
CAPITAL EMPLOYED												
Fixed Assets(Gross)	1,852.67	3,384.94	3,702.47	3,937.81	4,869.59	6,239.06	6,834.48	9,746.26	11,164.71	16,590.64	20,207.62	21,509.53
Fixed Assets(Net)	2,681.36	3,051.28	3,590.46	3,102.75	4,406.44	5,121.03	4,950.50	7,630.21	12,764.12	16,808.80	20,530.14	19,690.12
Other Assets (Net)	100.25	291.89	432.16	744.58	557.29	240.06	787.84	865.96	1,741.95	2,192.89	769.56	(321.01)
Investment	—	—	—	—	—	—	—	—	—	198.92	198.92	198.92
Capital Employed	2,781.61	3,343.16	4,022.62	3,847.33	4,963.73	5,361.09	5,738.34	8,496.17	14,506.07	19,200.60	21,498.62	19,568.03
SOURCES OF FUND												
Share Capital	396.92	396.92	396.92	396.92	471.92	471.92	472.50	472.50	472.50	472.50	472.50	472.50
Free Reserves	387.56	570.20	584.29	415.83	635.04	823.71	1,293.61	1,709.79	2,022.29	2,655.41	2,372.89	2,886.93
Share Application Money	—	—	—	—	150.00	—	—	—	—	—	—	—
Net Worth	784.48	967.12	981.21	962.75	1,106.96	1,295.07	1,766.11	2,182.29	2,494.79	3,127.91	2,845.39	3,359.43
Deferred liabilities	—	—	—	358.45	453.25	581.11	576.33	737.13	810.80	1,134.47	1,431.16	1,501.74
Borrowed Funds	1,997.13	2,376.05	3,041.41	2,526.13	3,430.41	3,522.33	3,395.90	5,538.95	11,361.60	14,938.22	17,222.07	14,745.49
Sources of funds	2,781.61	3,343.16	4,022.62	3,847.33	4,963.73	1,876.19	5,738.34	8,458.37	14,667.19	19,200.60	21,498.62	18,104.92
KEY INDICATORS												
Face value per share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Earning per share (Rs.)	3.71	4.60	0.36	2.66	4.35	5.36	11.58	10.52	7.78	15.16	(1.54)	10.28
Cash Earning per share (Rs.)	6.68	9.24	5.52	9.78	10.93	14.06	23.35	20.46	19.59	32.76	21.17	34.45
Gross Turnover per share (Rs.)	71.41	125.07	153.45	182.41	208.77	263.52	358.88	375.87	400.13	456.27	480.96	536.27
Book Value per share (Rs)	19.76	24.37	24.72	20.48	23.46	27.48	37.38	46.19	52.80	66.20	60.22	71.09
Dividend per share (Rs)	1.00	—	—	—	1.00	1.20	1.50	1.50	1.00	1.50	—	—
Debt Equity Ratio	2.55	2.46	3.10	2.62	3.07	2.72	1.92	2.54	4.55	4.78	6.05	4.38
PBDIT/Gross Turnover%	14.67	15.73	9.62	13.51	9.81	9.00	9.65	8.69	8.49	13.03	12.07	12.29
Net Profit Margin%	5.19	3.68	0.23	1.46	1.98	2.03	3.22	2.80	1.95	3.32	(0.32)	1.91
RONW%	18.75	18.88	1.44	10.96	17.59	19.49	30.92	22.77	14.74	22.90	(0.03)	14.43
Assets Net Turnover ratio	1.29	1.21	1.29	1.44	1.58	1.60	2.06	1.52	1.42	1.09	0.98	1.16

**NOTICE**

To the Shareholders

Notice is hereby given that the 26th Annual General Meeting of the Shareholders of the Company will be held on Friday, the 3rd September, 2010 at 10 a.m. at Conference Hall, Saras Tourist Complex, Damdama, Sohna, Haryana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Deepika Kapoor, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s Awatar & Co. Chartered Accountants, be and is hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as will be fixed by the Board of Directors.”

By Order of the Board

For **Rasandik Engineering Industries India Limited**

Place: New Delhi
Date : 05.06.2010

Gorav Arora
Company Secretary

Registered Office:

14, Roj-ka-Meo Industrial Area,
Sohna, Gurgaon, Haryana-122103

NOTES:

1. The relevant details as stipulated under Clause 49 of the Listing Agreements with Stock Exchanges, of persons seeking re-appointment as a Director are provided in the Report on Corporate Governance forming part of the Annual Report.
2. **A member entitled to attend and vote at the above meeting is entitled to appoint a Proxy to attend and**

vote on a poll instead of himself and such proxy need not be a member of the Company. The proxy form must be lodged with the Company at its Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

3. Members are requested to bring the enclosed Attendance Slip along with their copies of Annual Report for attending Meeting.
4. Members who hold shares in dematerialised form are requested to write down their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 28.08.2010 to 03.09.2010 (both days inclusive).
6. Members holding shares in electronic mode are requested to intimate any change of address, bank details, etc, to their respective Depository Participants (DPs) and those holding shares in physical mode are requested to intimate the above details quoting their Folio Number(s) to the Company's Registrar - Link Intime India Pvt. Ltd.
7. Members who have not yet claimed/encashed their dividend warrants for the Financial Year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 are requested to lodge their request with the company at its Corporate Office at C-4 & 5, C-Block Market, Vasant Vihar, New Delhi-110 057 for revalidation of the Dividend warrants.

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividends which remain unclaimed for a period of 7 years from the date of transfer of the same to the Company's unpaid dividend account will be transferred to the Investor Education and Protection Fund of the Central Government. The following are the details of the Dividends paid by the Company by the shareholders:

Further the Company shall not in a position to entertain the claims of the Shareholders for the unclaimed dividends which have been transferred to the credit of IEP Fund.

Financial Year ended	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Last date for transfer to IEPF
31.03.2003	26.09.2003	24.10.2010	23.11.2010
31.03.2004	13.08.2004	10.08.2011	09.09.2011
31.03.2005	19.08.2005	18.08.2012	17.09.2012
31.03.2006	25.08.2006	24.08.2013	23.09.2013
31.03.2007	07.09.2007	06.09.2014	05.09.2014
31.03.2008	12.09.2008	11.09.2015	10.09.2015



RASANDIK

Rasandik Engineering Industries India Limited

8. Individual Shareholders holding shares singly or jointly in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit the details to the Company / RTA in the prescribed Form 2B for this purpose.
9. All documents referred to in the accompanying notice, are open for inspection at the registered office of the Company on all working days, between 11 a.m. and 1 p.m. upto the date of meeting.

By Order of the Board
For **Rasandik Engineering Industries India Limited**

Place: New Delhi
Date : 05.06.2010

Gorav Arora
Company Secretary

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Name	:	Deepika Kapoor
Date of Birth	:	26 th November' 1957
Date of Appointment	:	10 th January 1984
Educational Qualification	:	B. Ed Graduate
Expertise in specific functional area	:	Administration
List of other Companies in which Directorship held	:	Nil
Chairman / Member of the Committees of Board of Directors of Other Companies	:	Nil

For **Rasandik Engineering Industries India Limited**

Place : New Delhi
Date : 05.06.2010

Gorav Arora
Company Secretary

**DIRECTORS' REPORT**

To The Members,

Your Directors have pleasure in presenting the 26th Annual Report of your Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2010.

FINANCIAL RESULTS (Rs in millions)

PARTICULARS	STAND ALONE		CONSOLIDATED	
	2009-10	2008-09	2009-10	2008-09
Total Income (Gross)	2547.38	2285.28	2,744.25	2,433.48
Profit Before Finance Charges, Depreciation and Taxation	311.56	274.23	343.12	295.74
Finance Charges	128.99	139.92	1,34.42	146.17
Depreciation	114.69	107.25	121.12	110.53
Profit Before Tax	67.88	27.06	87.58	39.04
LESS:				
Tax expense	19.32	34.27	24.38	35.39
Profit/Loss After Tax (Loss)	48.56	-7.29	63.20	3.65
ADD:				
Balance in Profit and Loss Account	152.79	160.08	148.63	144.98
Amount Available for Appropriation	201.35	152.79	211.83	148.63

OPERATING RESULTS

During the year under review, in spite of recession the overall performance of the Company showed an improvement as compared to the previous year. The total stand alone revenue (gross) of the company for the year ended 31st March, 2010 was Rs. 2547.38 millions as compared to Rs. 2285.28 millions in the previous year. The stand alone profit before depreciation, interest, taxation is increased to Rs. 311.56 millions from Rs. 274.23 millions in the previous year. The net profit after depreciation and interest is Rs. 67.88 millions as compared to Rs. 27.06 millions in the previous year. The profit after tax is Rs. 48.56 millions in comparison to loss of Rs. 7.29 millions in previous year.

DIVIDEND

The Board of Directors has not recommended any dividend for the financial year 2009-10.

PROSPECTS FOR THE CURRENT YEAR

Your Company is expecting a growth of at least 20% for the coming financial year 2010-11. The prospect for the current year seems very bright, in view of the overall growth of the Automobile sector and specifically better orders in TWB.

FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBS):

The USD 10 Millions 3% Foreign Currency Convertible Bonds issue of the Company was matured on 8 April 2009 and is due for payment.

HUMAN RESOURCES

The human resource profile of your Company is an optimal mix of industry experience and fresh blood from engineering and business institutions. During the year under review, your company had taken several steps in further reinforcing a performance driven working environment that encourages innovation.

CORPORATE GOVERNANCE

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms the part of the Annual Report.

A Certificate from the Auditors of the Company, M/s Awatar & Co, Chartered Accountant confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed Management Discussion and Analysis Report, pursuant to Clause 49 of the Listing Agreement is annexed hereto, forming part of this report.

LISTING

The shares of your Company continued to be listed at Mumbai Stock Exchanges. The listing fee has already been paid for the Financial Year 2010-11. The application for Voluntary delisting application is still pending at the Calcutta Stock Exchange; the company is continuously following up the same. Further annual custody fee has been paid to NSDL and CDSL.

CASH FLOW STATEMENT

As required by Clause 32 of the Listing Agreement with Stock Exchanges, a Cash Flow Statement is annexed.

DIRECTORS

As per the provisions of the Companies Act, 1956, Mrs. Deepika Kapoor, Director is liable to retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offers herself for re-appointment.

A brief resume of the Director being reappointed, nature of his expertise in specific functional areas and names of companies in which they hold Directorship and Membership/ Chairmanship of Committees of the Board, as stipulated under clause 49 of the listing agreement, are given in the statement of Corporate Governance elsewhere in the Annual Report.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 as amended, your Directors state that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed with proper explanations relating to material departures, if any;
- The accounting policies adopted in preparation of the annual accounts have been applied consistently and reasonable and prudent judgements and estimates have



been made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2009-10 and of the profit for the period ended March 31, 2010;

- c) Proper and sufficient care has been taken 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;
- d) The annual accounts have been prepared on a 'going concern' basis.

SUBSIDIARY COMPANY

As required u/s of the Companies Act, 1956, the audited statements of accounts, along with the report of Board of Directors, relating to the Company's subsidiary viz. Rasandik Auto Components Private Limited and respective Auditors Report thereon for the year ended 31st March, 2010, are annexed to this report.

The statement pursuant to Section 212 of the Companies Act, 1956 containing details of subsidiaries of the Company, forms part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by Clause 32 of the listing agreement with the stock exchanges, the consolidated financial statements have been prepared by the Company in accordance with the Accounting Standard- 21 (AS-21) - "Consolidated Financial Statements" notified under Section 211 (3C) of the Companies Act 1956, read with Companies (Accounting Standards) Rules, 2006, as applicable. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

The consolidated net profit of the Company including its subsidiary amounted to Rs. 63.20 Millions for the financial year ended on 31.03.2010 as compared to Rs. 3.65 Millions for the previous year.

AUDITORS

The Statutory Auditors of the Company, M/s Awatar & Co., Chartered Accountants, New Delhi, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

FIXED DEPOSITS

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

INSURANCE

All the properties of the Company including Buildings, Plant and Machinery and Stocks have been adequately insured.

PARTICULARS OF EMPLOYEES

Information as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of

Employees) Rules, 1975, as amended, regarding particulars of employees are set out in the Annexure A to this report. However, having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report is being sent to all members of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

The particulars relating to energy conservation, technology absorption, foreign exchange earning and outgo, as required to be disclosed under Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, forming part of the Directors' Report is enclosed as per Annexure B to this report.

QUALITY SYSTEM

Your Company has been certified as an ISO/TS 16949-2002 version Quality System Company by AIB Vincotte Inter Belgium and also an ISO 14001 - Environment Management System Company by British International Standard (BIS).

AUDITORS' REPORT

The observations made in the Auditors Report are self-explanatory and therefore do not call for any further comment under Section 217 (3) of the Companies Act, 1956.

TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, The declared dividends which remain unclaimed for a period of 7 years have been transferred by the company to the Investor Education and Protection Fund of the Central Government pursuant to section 205C of the said Act.

ACKNOWLEDGEMENTS

Your Directors would like to thank the employees, shareholders, customers, suppliers and bankers for their continued support and for their continued support and confidence in the management.

Your Company is grateful for the co-operation and continued support extended by Suzuki Motors Ltd., Tata Motors Ltd, New Holland Tractors, Honda Sael, Fiat India, Honda Motorcycles & Scooters, LG Electronics and all other Customers. Your Directors look forward to receive their continued confidence, support and encouragement.

For and on Behalf of the Board

Place : New Delhi
Date : 05.06.2010

(S. C. KAPOOR)
CHAIRMAN



ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-A

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

Details of employee(s) who draw an aggregate remuneration of Rs. 24,00,000/- or more per annum or Rs. 2,00,000/- or more per month

Sl No.	Name	Age	Designation	Remuneration Received (in rupees)	Qualification	Experience (in years)	Dt. of Commencement of Employment	Previous Employment
01	Rajiv Kapoor	55	Managing Director	53,76,000	B.Tech (Mech)	35	01.10.1984	DCM Toyota Ltd.

Notes:

- Nature of Employment - Contractual.
- Remuneration includes salary and other perquisites calculated in accordance with the Income Tax Act, 1961 and Rules there under.
- Mr. Rajiv Kapoor is related to Mr. S. C. Kapoor, Chairman and Mrs. Deepika Kapoor, Director.
- Other terms and conditions of employment are as per the Contract of Service and Rules of Company.
- Nature of duties of the employee: Mr. Rajiv Kapoor has an overall responsibility towards smooth operation and co-ordination of his company with other companies. His duty is to look after the day-to-day affairs of all the aspects of the profitability and management of the Company.

ANNEXURE-B

INFORMATION UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.

A. CONSERVATION OF ENERGY

Your Company is not an industry listed in Schedule to Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988. It has given top priority to energy consumption by putting continuous efforts towards optimization of operating and processing parameters, up-gradation of plant equipments, ensuring that scarce energy resources are utilized in the most efficient manner etc. It has been continuously thriving to optimize energy consumption levels by selecting energy efficient and environment friendly technologies for its plants.

(i) Statement of Power & Fuel Consumption

Sl No.	Particulars	2009-10	2008-09
a.	Purchased of Electricity		
	Units Purchased	8,256,730	7,892,903
	Total Amount (Rs.)	83,281,675	34,274,527
	Average rate / unit (Rs.)	4.64	4.34
b.	Own Generation of Electricity		
	DG Set Generated Units	2,554,460	10,044,431
	Total Amount (Rs.)	27,742,406	41,842,775
	Average rate / unit (Rs.)	10.86	4.17

(ii) Energy Conservation Measures taken

Your company has given utmost importance to the Energy conservation by adopting the most modern technology and has implemented many Energy conservation measures through small group activities and suggestion schemes. It is taking various steps for optimizing operations in use of power and energy and also reduction in energy consumption. These are as follows:

- To reduce electrical energy consumption by enhancing use of natural light.
- To conserve energy by reducing compressed air consumption.
- To conserve energy by using energy efficient Welding Guns.

In addition to the above, constant energy monitoring is being done in various sections of the plant for which energy meters have been installed in each Press Machines as well as in various Shops. Statistical analysis will be carried out and energy consumption and reduction plans will be worked out.



(iii) Additional investment and proposal, if any, being implemented for reduction of energy

NIL

(iv) Impact of measures of (i) & (ii) above for reduction of energy consumption and consequent impact on the cost of production of goods

NIL

B. RESEARCH AND DEVELOPMENT & TECHNOLOGY ABSORPTION

The Company's Research and Development (R&D) activities include up-gradation of technology and cost reduction by Value Engineering. As there is no separate R&D Department, the amount incurred on R&D is difficult to estimate. Your company believes in employing the most modern technologies to derive the best possible results.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

Your company continues to maintain its focus on and avail of export opportunities based on economic considerations. Strong initiatives have been taken to interact with a variety of overseas customers with the focus on identification of new customers and procuring contracts from them.

The company is continuing with its vigorous efforts to increase its exports by broadening its customer profile, concentrating on formulation sales, exploring possibilities of entering into new and expanding markets etc.

a. Activities relating to export:

The company has identified products and potential customers for Export. The Company have number of export orders in hand and the product development is under process.

b. Foreign Exchange Earnings:

(In Rs)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
F.O.B. Value of Exports	30,127,717	52,286,829

c. Foreign Exchange Outgo:

(In Rs)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Raw Material & Component(CIF Value of Imports)	104,560,714	62,727,981
Store & Spares (CIF Value of Imports)	79,855	41,432,650
Plant & Machinery	72,044,946	18,047,937
Traveling	176,754	1,393,190
Professional Charges	1,239,919	354,065
Interest	2,436,842	13,403,243
Others	-	1,386,046



CORPORATE GOVERNANCE REPORT FOR THE YEAR 2009-10

(As required under Clause 49 of the Listing Agreements entered with Stock Exchange)

1. Company’s philosophy on Code of Governance

We believe that Corporate Governance is a voluntary and self discipline code which means not only ensuring compliance with regulatory requirements but also being responsive to our stakeholders needs. Focus of the Company has always been to ensure continuing value creation for each of its stakeholders and above all to achieve business excellence with the goal of long-term sustainable development.

2. BOARD OF DIRECTORS

The present strength of Directors on the Board is six of which three are independent and non-executive, two are non-independent and non-executive and one is non-independent and executive who is responsible for the management of Company’s business.

The Board Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman may bring up any matter for the consideration of the Board. All major issues included in the Agenda are backed by comprehensive information being circulated in advance of each meeting of the Board to enable the Board to take informed decisions.

Meetings and Attendance:

During the year Five (5) Board meetings were held on 28.04.2009, 30.06.2009, 31.07.2009, 31.10.2009 and 02.02.2010. The Composition of Board of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting and other directorships and chairmanships/memberships of the Committees of each Director held in various companies, as at 31st March, 2010, is given below:

Name	Designation	Promoter/ Independent Director	Meetings attended	Directorships in other companies (Indian)	Attendance in last AGM	Share- holding (Nos.)
Mr. S. C. Kapoor	Chairman	Non-Independent	5	0	Yes	806,334
Mr. Rajiv Kapoor	Managing Director	Promoter	5	0	Yes	146,900
Mrs. Deepika Kapoor	Director	Promoter	5	0	No	34,300
Dr. Shyam S. Sethi	Director	Independent	5	0	No	Nil
Mr. A. R. Halasyam	Director	Independent	5	1	No	23,000
Mr. V K Chopra*	Director	Independent	2	15	No	Nil

* Mr. V K Chopra resigned from Directorship w.e.f. 28.08.2009

** Excludes Directorships in Private Limited Companies

***Mr. Rajiv Kapoor is related to Mr. S. C. Kapoor,Chairman and Mrs. Deepika Kapoor,Director

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49) across all Companies in which he/she is a Director. The necessary disclosures in this regard have been made by all the Directors.

Directors with Material Pecuniary or Business Relationship with the Company

Disclosures to be made to the Board by the Directors of the company relating to all material, financial and commercial transactions in which they have personal interest, which may have a potential conflict with the interest of the Company at large. None of the Directors has any pecuniary relationship or transaction with the company.

Code of Conduct: The Board of Directors has laid down Code of Conduct for all Board members and all employees in management grade of the Company. The Code of Conduct is posted on the website of the Company.

A declaration signed by the Chief Executive Officer is attached and forms part of the Annual Report of the Company.



COMMITTEES OF THE BOARD

The Board of Directors has constituted three Committees of the Board - Audit Committee, Investor Grievance Committee and Share Transfer Committee. The terms of reference of the Board Committees are determined by the Board from time to time. The role and composition of these Committees, including the number of meetings held and the related attendance is as follows:

3. AUDIT COMMITTEE

- (i) The role & term of reference of the audit committee are in conformity with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges.
- (ii) The terms of reference of the Audit Committee of the Company are broadly as under:
 - Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - Recommending to the Board, the appointment, re-appointment and if required, replacement or removal of the statutory auditor and the fixation of audit fees and also approval for payment for any other services.
 - Reviewing, the financial statements and draft audit report, including quarterly/ financial statements before submission to the Board for approval.
 - Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - Matters required to be included in the Director's Responsibility Statements to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - Changes, if any, in accounting policies and practices and reason for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Qualifications in the draft audit report;
 - Significant adjustments in made in the financial statement arising out of audit findings;
 - The going concern assumptions;
 - Compliance with Accounting Standard;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Any related party transactions as per Accounting Standard 18.
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - Reviewing the Company's financial and risk management policies.
 - Disclosure of contingent liabilities.
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - Discussion with internal auditors any significant findings and follow up there on.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - To look into the reasons for substantial defaults in payment to the shareholders (in case of non payment of declared dividends) and creditors, if any.
 - Reviewing functioning of the Company's Whistle Blower Mechanism. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (iii) In its meeting, the Audit Committee considered audit reports covering operational, financial and other business areas and the quarterly results of the Company. The Audit Committee meetings are usually held at Corporate Office of the Company and are attended by members, Chief Financial Officer, representatives of Statutory Auditors and representatives of Internal Auditors. The Operational Heads are invited to the meetings, as required. The Company Secretary is the Secretary to the Committee. The Audit Committee (AC) comprises of three Non-Executive Directors, with a majority of them being Independent Directors.



- (iv) Four Audit Committee meetings were held during the year. The dates on which the said meetings were held are as follows: 30.06.2009, 31.07.2009, 31.10.2009 and 02.02.2010. The necessary quorum was present at all the meetings.
- (v) The Composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Sl. No.	Name of the Directors	Designation	No. of Meetings Attended
1	Dr. Shyam S. Sethi	Member	4
2	Mr. S. C. Kapoor	Member	4
3	Mr. A. R. Halasyam	Member	4
4	Mr. V K Chopra*	Member	1

* Mr. V K Chopra resigned from Directorship w.e.f. 28.08.2009

4. SHAREHOLDER'S GRIEVANCE COMMITTEE

Composition: The Shareholders Grievance Committee consists of three Non-Executive Directors, with a majority of them being Independent Directors. The Chairman of the Committee is a Non-Executive Independent Director and the Company Secretary is the Secretary to the Committee.

Terms of Reference: The functioning and terms of reference of the committee are to oversee various matters relating to redressal of shareholders grievances like:

- Delay in Transfer/Transmission of shares
- Review of shares dematerialized and all other related matters
- Monitoring expeditious redressal of investors grievance
- Non-receipt of Annual Report and Dividend
- All other matters related to shares

Besides the Committee oversees the Shareholders Grievance, formulates redressal mechanism and recommends measures to improve the level of service to Shareholders.

Meetings & Attendance: Four Shareholders Grievance Committee meetings were held during the year. The dates on which the said meetings were held are as follows: 30.06.2009, 31.07.2009, 31.10.2009 and 02.02.2010. The necessary quorum was present at all the meetings.

Attendance:

Sl. No.	Name of the Directors	Designation	No. of Meetings Attended
1	Mr. S. C. Kapoor	Member	4
2	Dr. Shyam S. Sethi	Member	4
3	Mr. V K Chopra*	Member	1
4	Mr. A R Halasyam	Member	2

* Mr. V K Chopra resigned from Directorship w.e.f. 28.08.2009

Compliance Officer:

The company has appointed Mr. Gorav Arora, Company Secretary of the company, as the Compliance Officer of the company. The contact address is as follows:

Mr Gorav Arora, Company Secretary
C-4 & 5, C-Block Market Vasant Vihar
New Delhi -110057 **email: cs@rasandik.com**

Shareholders can also contact Mr. Pradeep C. Nayak, Asst. Company Secretary at the abovementioned address.

SHAREHOLDERS' QUERIES / COMPLAINTS

The Company ensures that Shareholder's grievances are minimal and the same are redressed promptly to their satisfaction. The status of queries/complaints received, resolved and pending during 1st April, 2009 to 31st March, 2010 is as follows:



Opening Balance	Received during the year	Resolved during the year	Pending
Nil	6	6	Nil

Persuant to SEBI Circular, the Company has created an email ID exclusively for redressal of investors' grievances. The investors can post their grievance on cs@rasandik.com.

4. SHARE TRANSFER COMMITTEE

The Committee meets regularly to consider the allotment, transfer, transmission, split, issue of duplicate share certificates, etc. and take note of Demat Reports. Details of share transfers / transmissions etc. approved by the Committee are placed at the Board Meeting from time to time.

The Committee consists of two members. The Chairman of the Committee is a Non-Executive Director and the Company Secretary is the Secretary to the Committee.

5. GENERAL BODY MEETINGS

Year	Type	Date of Meeting	Venue of Meeting	Time	No. of Directors Present
2007-08	AGM	07.09.2007	Conference Hall, Saras Tourist Complex, Damdama, Sohna Haryana – 122103	10 a.m.	3
2008-09	AGM	12.09.2008	Conference Hall, Saras Tourist Complex, Damdama, Sohna Haryana – 122103	10 a.m.	2
2009-10	AGM	11.09.2009	Conference Hall, Saras Tourist Complex, Damdama, Sohna Haryana – 122103	10 a.m.	2

The shareholders passed all the resolutions set out in the respective notices. No Special Resolutions passed during 2007-08 and 2009-10. Special Resolutions of Re-appointment and Remuneration of Mr. Rajiv Kapoor, Managing Director was passed during 2008-09. There was no occasion to pass any Special Resolutions through Postal Ballot on any of the matters specified as under law during 2009-10.

6. REMUNERATION TO DIRECTORS

None of the Directors except the Managing Director of the Company is in receipt of any kind of remuneration. The non-executive directors are paid only sitting fees for attending the meetings. As the constitution of Remuneration Committee is a non-mandatory item under Clause 49 of the listing agreement, the Company has not yet formed the Remuneration Committee.

NON-EXECUTIVE DIRECTORS

Non-executive Directors are paid only sitting fees for attending meetings of the Board of Directors within the limits prescribed under the Companies Act, 1956. The details are as follows:

DETAILS OF SITTING FEES PAID TO THE NON EXECUTIVE DIRECTORS

Sr. No.	Name of the Director	No. of Meeting Attended	Sitting Fee Per Meeting (Rs.)	Sitting Fee Paid During 2009-10 (Rs.)
1	Mr. S. C. Kapoor	5	5000	25000
2	Mrs. Deepika Kapoor	5	5000	25000
3	Dr. Shyam S. Sethi	5	5000	25000
4	Mr. A. R. Halasyam	5	5000	25000
5	Mr. V K Chopra	2	5000	10000



MANAGING DIRECTOR

The details of the remuneration paid to Mr. Rajiv Kapoor, Managing Director (re-appointed as Managing Director w.e.f. 01.10.2008) during the financial year 2009-10, are as follows:

(Rs.)

Basic	Contribution to Provident and Other Funds	Perquisites	Commission	Total
4,800,000	576,000	-	-	5,376,000

7. DISCLOSURES

There were no transactions of material nature with the promoters, directors or the management or relatives, etc. that may have potential conflict with the interests of the Company. There are no instances of non-compliances nor have any penalties/strictures been imposed by any Stock Exchange or SEBI or any other statutory authority during the last three years on any matter related to capital market.

8. REAPPOINTMENT OF DIRECTORS

Mrs Deepika Kapoor, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

9. MEANS OF COMMUNICATION

The Quarterly results of the Company were announced within a month of the end of each quarter of the financial year 2009-10 and the Audited Annual results of the financial year 2009-10 were announced on 5th June 2010; such results were published, inter alia, in the following newspapers 'The Financial Express' and 'Veer Arjun'.

Quarterly Disclosures	: The results of the Company are Published in the newspapers.
Quarterly results	: Results of the Company are normally Published in the Financial Express and Veer Arjun
Website	: www.rasandik.com
Designated Exclusive Email ID	: The Company has designated the following email id exclusively for investors servicing:cs@rasandik.com
Annual Report	: Annual Report containing, inter alia, Directors Report, Auditors Report, Audited Annual Accounts and other important information is circulated to Members and others entitled thereto. The Management's Discussion and Analysis Report forms part of the Annual Report.

The Financial Statements, Corporate Governance Reports, Shareholding Pattern etc. have also been filed EDIFAR Website. This electronically filing of data is in addition to the filing of the data in the physical form with the Stock Exchanges.

10. GENERAL SHAREHOLDER INFORMATION

Registered Office	: 14, Roz-Ka-Meo Industrial AreaSohna, Distt. Gurgaon, Haryana-122103
Annual General Meeting Date & Time	: Friday, September 3, 2009 at 10.00 a.m.
Venue	: Conference Hall, Saras Tourist Complex Damdama, Sohna, Haryana
Financial Calendar	: Tentative and subject to change
Financial Reporting	: Financial Year 2010-11 (April to March)
First Quarter Results	: Within 45 days from the end of quarter
Second Quarter Results	: Within 45 days from the end of quarter
Third Quarter Results	: Within 45 days from the end of quarter
Results for the Year ending 31st March, 2011	: Within 60 days from the end of financial year



Book Closure Date : 28.08.2010 to 3.09.2010 (Both days inclusive)

Listing on Stock Exchanges : At present the Equity Shares of the Company are listed at The Bombay Stock Exchange Ltd. (BSE), P.J. Towers, Dalal Street, Mumbai – 400 001.

The Foreign Currency Convertible Bonds are listed at Luxembourg Stock Exchange (LuxSE), BP 165, L-2011 Luxembourg, Siege social, 11 avenue de la Pote-Neuve.

The Annual Listing fees as prescribed for the year 2010-11 has already been paid to BSE within the prescribed time and th annual custodian fee has been paid to NSDL and CDSL for the financial year 2010-11.The application for voluntary delisting of Equity Shares made to the Stock Exchange at Kolkata is pending.

Stock Code of BSE : 522207

ISIN for NSDL & CDSL : INE682D01011

ISIN for FCCB : XS0245101075

11. SHAREHOLDER’S REFERENCE

Unclaimed Dividends of the Company for previous years: The dividends remaining unclaimed for 7 years from the date they become due for payment will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205A/205C of the Companies Act, 1956 after completion of above said period.

UNCLAIMED DIVIDEND AMOUNTS:

Financial Year	Dividend Identification No.	Rate of Dividend	Date of Declaration of Dividend	Unpaid Dividend as on 31.03.2010	Proposed date for transfer to IEPF
2002-03	4 th	10%	26.09.2003	165,939.00	24.10.2010
2003-04	5 th	15%	13.08.2004	195,835.60	12.08.2011
2004-05	6 th	15%	19.08.2005	182,736.00	18.08.2012
2005-06	7 th	15%	25.08.2006	154,537.50	24.08.2013
2006-07	8 th	15%	07.09.2007	114,783.00	06.09.2014
2007-08	9 th	10%	12.09.2008	151,015.50	11.09.2015

Registrar & Transfer Agent:

The company has appointed Link Intime India Pvt. Ltd. as its RTA to carry on all work related to share registry (both physical and electronic). All the transfers received are processed by the Registrar and Transfer Agent is approved by the Share Transfer Committee of the Company constituted in this behalf.

Link Intime India Pvt. Ltd.

A-40, 2nd Floor, Naraina Industrial Area, Phase-II
 New Delhi – 110 028
 Phone: (011) 41410592–94
 Fax : (011) 41410591

Share Transfer System:

Share transfers in physical form are generally registered within a fortnight from the date of receipt provided the documents are found to be in order. Share transfer Committee considers and approves the transfer proposal.

All requests for dematerialization of shares, which are found to be in order, are generally processed within twenty one days and the confirmation is given to the respective depositories i.e., National Security Depository Limited and Central Depository Services (India) Limited



MARKET PRICE INFORMATION

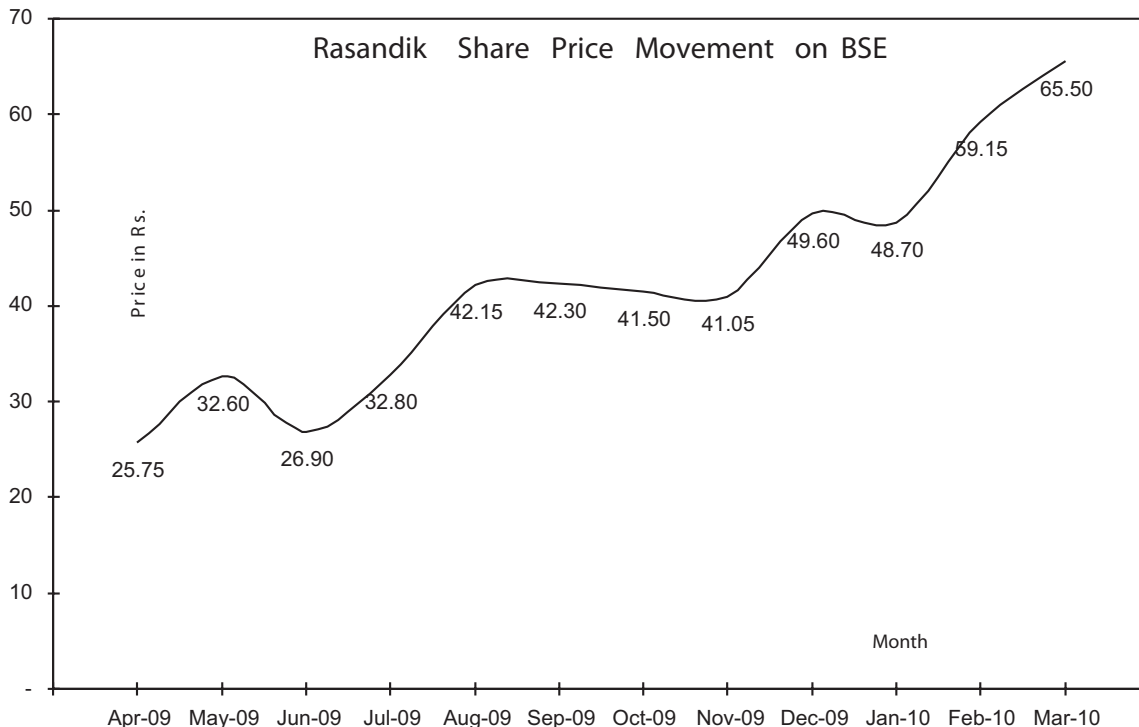
The monthly high and low quotation of equity shares at the Bombay Stock Exchange is listed below:

(Face Value Rs. 10/-)

Month Price	Open Price	High Price	Low Price	Close Shares	No. of Trades	No. of (Rs.)	Total Turnover	* Spread (Rs.)	
								H-L	C-O
Apr-09	18.50	29.95	17.90	25.75	27,102	241	6,79,712	12.05	7.25
May-09	24.25	33.95	23.35	32.60	1,27,303	777	38,13,430	10.60	8.35
Jun-09	34.00	36.50	26.55	26.90	2,37,846	1,300	76,76,394	9.95	-7.10
Jul-09	26.00	34.50	23.50	32.80	1,13,602	889	33,66,660	11.00	6.80
Aug-09	34.25	45.90	34.25	42.15	3,17,554	1,827	1,29,62,391	11.65	7.90
Sep-09	44.00	48.35	40.00	42.30	88,797	645	38,84,586	8.35	-1.70
Oct-09	42.10	53.80	39.00	41.50	1,24,524	716	59,88,493	14.80	-0.60
Nov-09	40.15	46.25	39.55	41.05	27,892	229	11,93,850	6.70	0.90
Dec-09	41.00	54.95	40.00	49.60	1,24,516	840	62,69,296	14.95	8.60
Jan-10	52.05	62.80	48.70	48.70	1,09,321	767	62,67,714	14.10	-3.35
Feb-10	48.70	69.00	48.00	59.15	1,56,984	1,159	99,58,574	21.00	10.45
Mar-10	61.00	66.55	59.75	65.50	75,802	608	47,68,587	6.80	4.50

(Source: www.bseindia.com)

SHARE PRICE MOVEMENT GRAPH ON MUMBAI STOCK EXCHANGE 2009-10



(Source: www.bseindia.com)



Shareholding:

Distribution of Shareholding as on March 31, 2010:

No. of Shares	No. of Share-holders	%	Holding in Nos	%	As on 31.03.2010		As on 31.03.2009	
					No. of Share-holders	%	Holding in Nos	%
Up to 250	4,319	82.44	424,038	8.97	4,291	83.56	423,471	8.96
251-500	464	8.86	188,809	4.00	439	8.55	177,160	3.75
501-1000	206	3.93	172,987	3.66	175	3.41	140,908	2.98
1001-2000	94	1.79	139,620	2.96	84	1.64	126,292	2.67
2001-3000	47	0.90	118,188	2.50	52	1.01	130,564	2.76
3001-4000	24	0.46	82,601	1.75	25	0.49	86,936	1.84
4001-5000	19	0.36	87,564	1.85	15	0.29	69,578	1.47
5001-10000	27	0.52	201,361	4.26	13	0.25	103,052	2.18
10001 & Above	39	0.74	3,309,832	70.05	41	0.80	3,467,039	73.38
Total	5,239	100	4,725,000	100	5,135	100	4,725,000	100

Categories of Shareholders as on March 31, 2010:

Category	2009-10		2008-09	
	No. of Shares	Percentage	No. of Shares	Percentage
Promoters and Promoters Group	2,552,523	54.02	2,552,933	52.95
Mutual Funds	3,100	0.07	179,463	10.42
Private Corporate Bodies	462,280	9.78	401,126	8.28
Indian Public	1,610,645	34.09	1,503,372	26.46
NRIs	96,452	2.04	88,106	1.22
Total	4,725,000	100.00	4,725,000	100.00

Top ten shareholders as on March 31, 2010:

Category	Name	No. of shares	%
Promoter Group	Rajiv Kapoor	806,334	17.07
Promoter Group	Radhika Securities Pvt. Ltd.	651,459	13.79
Promoter Group	Ganesha Securities Pvt. Ltd.	616,740	13.05
Promoter Group	Kapoor & Budhwar Associates Pvt. Ltd.	197,200	4.17
Private Corporate Bodies	Mackertich Consultancy Services Pvt. Ltd.	159,000	3.37
Promoter Group	S C Kapoor	146,900	3.11
Private Corporate Bodies	Mars Associates Private Limited	77,490	1.64
Promoter Group	Krishna Kumari Kapoor	67,000	1.42
Promoter Group	Harsha Hitesh Javeri	60,001	1.27
Indian Public	Narinder Singh Khanna	49,000	1.04



DEMATERIALISATION OF SHARES

As on 31st March, 2010, 84.96 % of the Company's total ordinary shares representing 40,14,178 nos of shares were in dematerialised forms. At present 84.96 % of total shareholding of the Company is held in demat mode out of which, 62.07% is held by NSDL and 22.89 % is held by CDSL. The Equity shares of the Company are actively traded in BSE.

Plant location:

The Company has the following manufacturing & operation divisions:

Plant I	Tool Shop	Plant II	Plant III
13,14 Roz-Ka-Meo Industrial Area, Sohna, District- Gurgaon, Haryana - 122103	1, Roz-Ka-Meo Industrial Area Sohna, District- Gurgaon Haryana - 122103	A-1/2-2 & A-1/2-3 Surajpur Industrial Area, Site - B, Greater Noida Uttar Pradesh -201306	E-82 & 83, MIDC, Ranjangaon, Pune Maharashtra

Outstanding GDRs/ADRs/Warrants/ or any convertible instruments, conversion date and likely impact on equity:

The USD Ten Millions Foreign Currency Convertible Bonds (FCCBs) issue of the Company (details given below) was matured on 8 April 2009 and is due for payment.

Number of FCCBs issued & Face Value	10,000 No of FCCBs of US\$1,000 face Value Total value of the issue US\$ 10,000,000 (US\$ 10 million)
Tenor/ Period	7 April 2006 to 8 April 2009 (3 years 1 days)
Interest Rate on Bonds	Coupon Rate: 3% Yield to maturity (YTM): 5.75%
Redemption Date	On or before 8 April 2009

12. SECRETARY'S RESPONSIBILITY STATEMENT

The Company Secretary confirms that the Company has:

- Maintained all Books of Accounts and Statutory registers required to be maintained under the Companies Act, 1956, and the rules made there under and as prescribed by SEBI.
- Filed all the forms and returns and furnished all necessary particulars in time to the Registrar of Companies, Reserve Bank of India and other authorities prescribed under various laws governing the functioning of the Company.
- Issued all notices required to be given for Board Meetings and AGM.
- Conducted the Board Meetings, Committee Meetings and Annual General Meeting in accordance with the Companies Act, 1956, SEBI Guidelines and Stock Exchange regulations as applicable.
- Complied with the requirements relating to the minutes of the proceeding of the meeting of the Board of Directors, Committee Meetings and General Body Meetings.
- Obtained necessary approvals of Directors, Shareholders, and other Authorities as per the statutory requirements.
- Not exceeded its borrowing powers.
- Complied with the requirements of the Listing Agreements entered into with Stock Exchanges.



13. NON-MANDATORY REQUIREMENTS

Audit Qualifications	During the year under review, there were no audit qualifications on the Company's financial statements.
Whistle Blower Policy	The Company has put in place a 'Whistle Blower Policy' for employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
Chairman of the Board	No separate office is maintained for Non-Executive Chairman. Only sitting fee is paid to the Chairman.
Remuneration Committee	The Company has not as yet set up a Remuneration Committee
Shareholder's Right	The Company's financial results are published in English and Hindi newspapers. Hence, same are not sent to Shareholders. The financial results are put on the Company's website.
Training of Board Members	All the members of the Board are well qualified senior industrialists/professionals actively engaged in their respective fields of specialization on a day to day basis. The Company will address the requirement of training of Board Members as and when considered necessary.

DECLARATION UNDER CLAUSE 49 I(D) OF THE LISTING AGREEMENT REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to certify that the Company has laid down Code of Conduct for all Board Members and senior Management of the Company and the copies of the same are uploaded on the website of the Company-www.rasandik.com.

Further certified that the Members of the Board of Directors and senior Management personnel have affirmed having complied with the Code applicable to them for the financial year ended 31st March 2010.

For Rasandik Engineering Industries India Ltd

Sd/-

Rajiv Kapoor

Managing Director

New Delhi, 5th June 2010

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Shareholders of,

Rasandik Engineering Industries India Ltd.

We have examined the compliance of conditions of Corporate Governance by Rasandik Engineering Industries India Limited, for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges. 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 with the conditions of the Corporate Governance as stipulated in the said Clause. 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, and based on the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance(s) is pending for a period exceeding one month against the company as per records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **AWATAR & CO.**

Chartered Accountants

Sd/-

BRIJENDRA AGRAWAL

Partner

Membership No : 87787

Place : New Delhi

Date : 5th June, 2010

**MANAGEMENT DISCUSSION AND ANALYSIS****Evolution of Auto Component Industry in India**

It is very interesting to note that the industry was started in 1940 to cater to the requirements of the Hindustan Motors and Premier Auto. With the entry of players like Telco, Bajaj, M&M in the 1950's their production went up. The scenario was changed completely with the introduction of India's first people car 'Maruti'. With the accelerated growth, the golden period of the industry was started and many new players mushroomed, many of them with Japanese collaborations. With Maruti, the industry started its northward journey. Exports were also attractive mainly due to low cost labour and raw materials. With the entry of many MNC's to the country for the production of variety of mid-range and luxury cars, it seemed that sky is the limit. Domestic players rushed for the huge capacity expansion and modernisation programmes.

Indian Scenario – An Overview

Auto ancillary industry caters to original equipment manufacturers (OEM) in the auto industry as also to the replacement market. Companies in the sector are now looking at exports markets as well. The industry, which was evolved by the government by forcing auto manufacturers to comply with time-bound indigenisation programme, is now on its own. The conditions are ripe for it to look at global markets by improving quality and expanding capacities. The industry has been growing at a CAGR of 11.5% for the past five years. The requirement of the automobile industry is largely met through domestic auto component manufacturers.

Automobile Production Trends

(Number of Vehicles)

Category	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Passenger Vehicles	989,560	1,209,876	1,309,300	1,545,223	1,777,583	1,838,593	2,351,240
Commercial Vehicles	275,040	353,703	391,083	519,982	549,006	416,870	566,608
Three Wheelers	356,223	374,445	434,423	556,126	500,660	497,020	619,093
Two Wheelers	5,622,741	6,529,829	7,608,697	8,466,666	8,026,681	8,419,792	10,512,889
Grand Total	7,243,564	8,467,853	9,743,503	11,087,997	10,853,930	11,172,275	14,049,830

Automobile Domestic Sales Trends

(Number of Vehicles)

Category	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Passenger Vehicles	902,096	1,061,572	1,143,076	1,379,979	1,549,882	1,552,703	1,949,776
Commercial Vehicles	260,114	318,430	351,041	467,765	490,494	384,194	531,395
Three Wheelers	284,078	307,862	359,920	403,910	364,781	349,727	440,368
Two Wheelers	5,364,249	6,209,765	7,052,391	7,872,334	7,249,278	7,437,619	9,371,231
Grand Total	6,810,537	7,897,629	8,906,428	10,123,988	9,654,435	9,724,243	12,292,770

An ACMA overview depicts that:

- India is the largest 3 W market in the world, 2nd largest 2 W markets in the world and 2nd largest 2 W manufacturers in the world after China.
- India is the 4th largest Passenger vehicle market in Asia and 4th largest Tractor market in the world.
- India is the 5th largest commercial market in the world.
- Indian automotive clusters are Delhi and Haryana in Northern sector, Mumbai, Pune and Aurangabad in western sector, Kolkata and Jamshedpur in eastern sector and Chennai and Bangalore-Mysore in southern sector.

DEMAND DRIVERS

- Due to cost advantage, many global players are using India as an export base, and hence the export prospects are good and will be a key driver for the industry in the future.



- The faster indigenisation process particularly in passenger car segment will also boost the demand in the sector.
- E-commerce oriented efforts will curtail the share of spurious market which will improve demand for genuine parts in long-term.
- The GDP growth and the increased industrialisation will also infuse the demand for the auto industry and in turn for the ancillaries.

Cost Advantage in Manpower

There is huge opportunity for Indian automobile and auto ancillary manufacturers due to low cost advantage primarily because of vast availability of low cost high skilled manpower.

Average wage rates in India auto industry are around US \$ 8 per hour compared to US \$ 20 per hour in the developed markets. Indian Manufacturers spend 3-15% of sales on labour cost whereas global companies spend 20-40%. Cost of automotive design in Europe ranges as high as \$800 per hour and even higher in the US, costs are as low as \$60 per hour in India for equivalent quality.

According to the "World Competitiveness Yearbook" published by the International Institute for Management Development, India ranks first in the availability of engineers and second in the availability of skilled labour. India has the second largest pool of scientific talent in the world adding 0.14 million engineers and 1 million polytechnic diploma holders every year.

Strong Skills in Design, Manufacturing Systems and R & D

The ability to provide design services (concept and system design, engineering design and prototyping) is an important value adds to the customer and significantly enhances positioning as a solutions provider. Complex products like automobiles comprise several assemblies, sub-assemblies and components and require several engineers who may be working on different components or sub-systems in parallel. A high degree of collaboration and mechanisms for design conflict resolution are necessary to achieve compatibility between different sub-systems and overall optimization in terms of cost, quality and lead-time. The success of M&M's Scorpio and Tata Motors Indica clearly bring out India's capabilities in these areas.

Outsourcing

India is well on its way to become an outsourcing hub for global auto manufacturers and the country stands a good chance against China

Already 15 global car makers including GM, Ford, Daimler Chrysler, Mercedes-Benz, Audi, Isuzu and Nissan have set up outsourcing offices in the country, with a combined budget of approximately \$1.5 billion, industry sources say. Leading component makers like Delphi, Visteon and Caterpillar, too, have found India their best bet.

Global auto-makers are increasingly turning to India for sourcing a wide range of needs that even include designing models meant only for global markets. According to the Auto Components Association of India, outsourcing has been triggered by the overall economic slowdown and large-scale bankruptcies in the global auto sector. And as global giants continue losing money, cost pressures are forcing them to opt for sourcing bases in developing countries.

High Quality & Productivity

Indian auto companies have achieved a high level of productivity by embracing Japanese and American best practices and technology and modify them to suit Indian conditions with exceptional results.

RISK AND CONCERNS

The key issue confronting the auto component industry in India is of building the economies of scale and another key development in the sector is raising raw material prices, which continue to put pressure on operating margins.

SWOT ANALYSIS

Strengths

- Automation
- Use of latest technology
- Lean manufacturing system
- State-of-the-art Tool room
- Scaling up capacities, products and processes
- Cost competitiveness
- Adheres to strict quality controls

Opportunities

- Massive growth Prospect in Auto Sector
- Sourcing hub for global automobile majors
- Export opportunities
- Low cost advantage primarily because of vast availability of low cost high skilled manpower
- Rising Per capita income and easy finance scheme boost auto sales
- Rising working population and middle class urbanisation

**Weakness**

- Highly competitive area
- Cyclical downturns in the automotive industry
- Volatility in the prices of metals and other inputs could erode the industry's cost competitiveness
- Intense competition from counterparts in other emerging economies may add pressure on margins of manufacturers
- Low level of research and development capability
- The rejection rate for Indian auto components is 2900 parts per million, which is more than 12 times the world level of 240 ppm
- Indian auto components industry is highly fragmented. This fragmentation is preventing players to meet large volumes demand of global auto majors

Threats

- Trained man-power shortage in the Tool Room Segment
- Indian auto component industry faces direct threat from China and Thailand.
- Raising steel and other raw material prices
- Cost Cutting is putting pressures component maker
- Pricing pressure is an industry norm globally and the same trend is continued in India
- The presence of a large counterfeit components market poses a significant threat
- Shorter product life cycle
- Rapidly changing technology
- Looming inflation and sharp rise in input costs

OUTLOOK:

There is a perceptible exuberance in the industry and growth estimates indicate a booming industry. The factors that will drive growth for the auto component industry are:

Short Term

Infrastructure development (\$500 billion in the next 5-6 years)
Low penetration rate of vehicles (8/1000)

To encourage new wave of partnerships at the Tier 2/3 level covering the entire automotive supply chain to address not only product technology, but also "Process Technology".

Long Term

According to ACMA, Auto-Component Sector needs US\$ 1.5 billion of new investments every year for next 8 years.

Investments in Auto-IT sector is a high potential area.
Supply side – Low cost

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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 that transactions are authorized, recorded and reported correctly.

The Company has established the internal control system by standardising and documenting policies and procedures for all the major processes and associated key controls, for credible reporting of the financial and operating results.

OPERATING RESULTS AND PROFITS

Strong economic growth, low interest rates and continued focus on several measures undertaken by the Company like new product introductions, cost cutting and quality and process improvements have all resulted in the Company achieving a satisfactory performance.

Finance Charges : The Finance Charges were Rs. 128.99 millions in the year 2009-10 as against Rs. 139.92 millions in the year 2008-09.

Depreciation : Depreciation was at Rs. 114.60 millions in comparison to Rs. 107.33 millions in previous year.

Tax : Provision for current year taxation is Rs. 67.88 millions as compared to Rs. 26.98 millions in the previous year.

Net Profit : Net profit after tax for the year 2009-10 is increased to Rs. 48.56 millions as compared to loss of Rs. 7.29 millions in the previous year.

PERSONNEL

Industrial Relations at all the plants remained cordial and peaceful throughout the year. The focus of the previous year was continuous organizational development and various training programmes introduced for skill up-gradation. The Company's focus during the year has been to improve productivity and information sharing.

CAUTIONARY STATEMENT

Statements in this Management Discussion & Analysis that describe the Company's objectives, expectations and predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors could make a difference to the Company's operations include raw material availability at a price, demand and pricing by the Company's major customers, change in the Government regulations, tax regimes, economic development and other incidental factors.



AUDITOR'S REPORT

TO THE SHAREHOLDERS OF RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED

1. We have audited the attached Balance Sheet of **RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED** ("the Company") as at 31st March, 2010 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed hereto. 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 the 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 the 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) Amended Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts *subject to Note No. 5 regarding non-payment of Foreign Currency Convertible Bonds on their maturity and non provision of interest thereon (Rs. 1,35,42,000/-) and Note No. 13 regarding non-ascertainment and charging of losses due to relocation of assets from Singur in West Bengal to Sanand in Gujarat and apportionment of pre-operative expenses thereon and their consequential effect on Profit, Assets and Liabilities and read together with the significant accounting policies and notes thereon* give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **A W A T A R & C O.**
Chartered Accountants
Registration Number 000726N

BRIJENDRA AGRAWAL
Partner
Membership No. : 087787

Place : New Delhi
Date : June 05, 2010



ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets but the additions and deletions made during the year have not been incorporated therein as yet.
- (b) According to the information and explanations given to us, the fixed assets were physically verified by the management in accordance with the programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. As per the information given to us by the management, no material discrepancies as compared to book records were noticed in respect of fixed assets verified.
- (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off any substantial part of its fixed assets during the year and as such has not affected the going concern status of the Company.
- (ii) (a) The management has conducted physical verification of inventory at the end of the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of Inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (b), (c) and (d) of clause 4(iii) of the Order are not applicable to the Company.
- (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (f) and (g) of clause 4(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets. During the course of our audit, we have not observed any continuing major weakness in such internal controls.
- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts and arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section: and
- (b) Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from public during the year. Therefore, the provisions of clause 4(vi) of the Order are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the products manufactured by the Company We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the Company pursuant to aforesaid section and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records.
- (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Excise Duty, Service Tax, Cess and other statutory dues. We have been informed that there is no liability towards Investor Education and Protection Fund.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales Tax, Excise Duty, Service Tax and Cess were in arrears, as at March 31, 2010 for a period of more than six months from the date they became payable. *However,*



Rs. 27,46,262/- (excluding interest) on account of tax deducted at source and Rs. 72,47,116/- on account of interest on customs duty of Rs. 4,76,93,564/- payable on machinery kept in bonded warehouse respectively are outstanding for more than six months as at March 31, 2010.

- (c) According to the information and explanations given to us, details of dues of Income Tax and Sales Tax which have not been deposited on account of any dispute are given below:-

Particulars	Period to which the amount related	Forum where the dispute is pending	Amount (Rs. in Crore)
Income Tax	AY 2007-08	Commissioner of Income Tax(Appeals)	0.55
Haryana VAT	AY 2005-06	Joint Excise & Tax Commissioner (Appeals)	0.73

- (x) The company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank . However, the Foreign Currency Convertible Bonds aggregating to US\$ 10 Million (Rs. 45.79 crores at issue) that matured for repayment on 8th April, 2009 and the interest accruing thereon have not been repaid by the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions of guarantees given by the Company, for certain limits taken by wholly owned subsidiary from banks is not prejudicial to the interest of the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- (xvii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that the Company has used funds of the order of Rs. 30.33 Lacs raised on short term basis for long term investment.
- (xviii) According to the information and explanations given to us, during the period covered by our audit report, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the Company has not issued debentures during the year. However, 10,000 3% Foreign Currency Convertible Bonds (FCCBs) of US\$ 1,000 each aggregating to US\$ 10 million (Rs. 45.79 crores at issue) have matured during the year and are outstanding.
- (xx) During the year covered by our audit report, the Company has not raised any money by way of public issue.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **A W A T A R & C O.**
Chartered Accountants
Registration Number 000726N

BRIJENDRA AGRAWAL
Partner
Membership No. : 087787

Place : New Delhi
Date : June 05, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31st March, 2010 (Rs.)		As at 31st March, 2009 (Rs.)	
SOURCES OF FUNDS					
1. Shareholders' Funds					
Share Capital	1	47,250,000		47,250,000	
Reserves & Surplus	2	288,693,472	335,943,472	240,132,363	287,382,363
2. Loan Funds					
Secured	3	864,677,189		1,027,687,297	
Unsecured	4	609,490,280		693,678,686	
Deferred Credits against Leasehold Land		382,055	1,474,549,524	840,547	1,722,206,530
3. Deferred Tax Liability (Net) (Refer Note-8, Schedule-22)			150,174,567		143,116,567
TOTAL			1,960,667,563		2,152,705,460
APPLICATION OF FUNDS					
4. Fixed Assets	5				
Gross Block		2,150,953,872		2,020,762,203	
Less: Depreciation		631,443,986		517,520,746	
Net Block		1,519,509,886		1,503,241,457	
Capital Work in Progress		449,502,654	1,969,012,540	549,772,694	2,053,014,152
5. Investments	6		19,892,000		19,892,000
6. Current Assets, Loans and Advances					
Inventories	7	375,659,647		366,557,416	
Sundry Debtors	8	230,375,433		216,745,251	
Cash and Bank Balances	9	44,617,999		47,650,993	
Other Current Assets	10	33,623,468		34,391,958	
Loans and Advances	11	174,485,240		191,771,756	
		858,761,787		857,117,374	
7. Less: Current Liabilities and Provisions					
Current Liabilities	12	864,292,221		751,079,892	
Provisions	13	26,570,900		29,081,716	
		890,863,121		780,161,608	
Net Current Assets			(32,101,334)		76,955,766
Miscellaneous Expenditure (To the extent not written off or adjusted)	14		3,864,357		2,843,542
TOTAL			1,960,667,563		2,152,705,460
Significant Accounting Policies	21				
Notes to Accounts	22				

Schedules referred to above form an integral part of the Accounts.

As per our report of even date.

for and on behalf of the Board

for **A W A T A R & C O.**

Chartered Accountants

S C KAPOOR
Chairman

RAJIV KAPOOR
Managing Director

DEEPIKA KAPOOR
Director

BRIJENDRA AGRAWAL

Partner
M.No.87787

SHYAM S.SETHI
Director

A.R. HALASYAM
Director

GORAV ARORA
Company Secretary

Place : New Delhi
Date : 05.06.2010



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

	Schedule	Year Ended 31st March, 2010 (Rs.)	Year Ended 31st March, 2009 (Rs.)
INCOME			
Turnover (Gross)	15	2,533,887,939	2,272,517,383
Less : Excise Duty on Sales		231,885,447	295,819,933
Turnover (Net)		2,302,002,492	1,976,697,450
Other Income	16	9,693,619	11,446,825
Exchange Fluctuation		3,794,055	1,286,474
TOTAL		2,315,490,166	1,989,430,749
EXPENDITURE			
Manufacturing & Other Expenses	17	1,972,400,621	1,764,038,140
Cost of Goods Traded	18	–	3,564,727
(Increase)/Decrease in Stock of finished goods and work in process	19	31,531,972	(52,404,420)
		2,003,932,593	1,715,198,447
Profit before Interest, Depreciation and Taxation		311,557,573	274,232,302
Interest and Finance charges	20	128,985,576	139,918,189
Depreciation		114,693,886	107,332,850
		243,679,462	247,251,039
Profit before Taxation		67,878,111	26,981,263
Provision for Taxation			
Current Tax		12,259,000	3,050,000
Wealth Tax		–	–
Fringe Benefit Tax		–	1,550,000
Deferred Tax (Refer Note 8, Schedule 22)		7,058,000	29,669,567
Profit after Taxation		48,561,111	(7,288,303)
Profit Brought Forward		152,790,074	160,078,380
Available for Appropriations		201,351,185	152,790,076
APPROPRIATIONS			
General Reserve		–	–
Proposed Dividend		–	–
Tax on Proposed Dividend		–	–
Balance carried forward to the Balance Sheet		201,351,185	152,790,076
		201,351,185	152,790,076
Basic Earning per share		10.28	(1.54)
Diluted Earning per share (Refer Note 9 , Schedule 22)		10.28	(1.54)
Cash Earning Per share		34.55	21.17
Significant Accounting Policies	21		
Notes to Accounts	22		

Schedules referred to above form an integral part of the Accounts.

As per our report of even date.

for and on behalf of the Board

for **A W A T A R & C O.**

Chartered Accountants

S C KAPOOR
Chairman

RAJIV KAPOOR
Managing Director

DEEPIKA KAPOOR
Director

BRIJENDRA AGRAWAL

Partner
M.No.87787

SHYAM S.SETHI
Director

A.R. HALASYAM
Director

GORAV ARORA
Company Secretary

Place : New Delhi
Date : 05.06.2010


SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31st March, 2010 (Rs.)	As at 31st March, 2009 (Rs.)
SCHEDULE – 1		
SHARE CAPITAL		
Authorised		
10,000,000 Equity Shares of Rs.10/- each	100,000,000	100,000,000
Issued, Subscribed and Paidup		
4725000 Equity Shares of Rs. 10/- each	47,250,000	47,250,000
TOTAL	47,250,000	47,250,000
SCHEDULE – 2		
RESERVES & SURPLUS		
Share Premium	7,500,000	7,500,000
General Reserve		
As per last Balance Sheet	75,587,847	97,500,000
Less: Adjustment as per transitional provision of AS-11(Refer Note No. 7 of schedule 22)	–	21,912,153
Add : Transferred from Profit & Loss Account	–	– 75,587,847
Capital Reserve	4,254,440	4,254,440
Balance as per Profit & Loss Account	201,351,185	152,790,076
TOTAL	288,693,472	240,132,363



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 (Contd...)

	As at 31st March, 2010 (Rs.)	As at 31st March, 2009 (Rs.)
SCHEDULE – 3		
SECURED LOANS		
A. From Banks:		
Term Loan		
Foreign Currency Loans (Payable within one year Rs. 2,85,84,820/- Previous year Rs. 5,80,22,153/-)	48,277,230	134,650,042
Rupee Loans (Payable within one year Rs.7,76,44,748/- Previous year Rs. 6,21,88,933/-)	531,155,734	579,551,956
Working Capital Loan	229,661,063	250,873,834
B. From Others :		
Term Loan	-	
Rupee Loans (Payable within one year Rs.12,38,724 /- Previous Year 7,84,812/-)	4,091,914	4,699,420
Interest Free Trade Tax Loan (Payable within one year Rs.1,12,23,405/- Previous year Rs. 77,44,289/-)	51,491,248	57,912,045
TOTAL	864,677,189	1,027,687,297

Note :

- (i) Foreign Currency Term Loans include External Commercial Borrowings raised to finance Supplier's Credit, which are secured by issue of bank guarantee/ Letter of Credit by an Indian Bank in favour of overseas banks.
- (ii) Rupee Term Loans from banks are secured by exclusive charge on specific equipment and unconditional & irrevocable personal guarantee of two directors.
- (iii) Rupee Term Loan from others is secured by exclusive charge on specific equipment and unconditional & irrevocable personal guarantee of Managing Director.
- (iv) Working Capital Loan from bank is secured by hypothecation of stocks of raw materials, stock-in-process, finished goods, stores and spares , packing material and book debts of the company and personal guarantee of two directors of the company. The same are also secured by way of equitable mortgage of properties at its plants at 1, 13,14, Rojka Meo Industrial Area, Sohna and by first charge on fixed assets of the company situated at its plant at Surajpur, Gautam Budg Nagar,Uttar Pradesh
- (v) Interest Free Trade Tax Loan is secured by way of second charge on fixed assets including Plant and Machinery situated at A-1/2-2 & 2-3 ,Site B , Surajpur Industrial Area, Distt Gautambudh Nagar, Uttar Pradesh

SCHEDULE – 4

UNSECURED LOANS

3% Foreign Currency Convertible Bonds	451,400,000	509,500,000
From Bodies Corporate	158,090,280	182,855,193
Deferred Payment of Trade Tax	-	1,323,493
TOTAL	609,490,280	693,678,686

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

**SCHEDULE – 5
FIXED ASSETS**

(Refer Note 2, Schedule 21)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As At 31st March, 2009	* Additions (Deductions)	As At 31st March, 2010	Upto 31st March, 2009	For The Year 2010	Upto 31st March, 2010	As At 31st March, 2010	As At 31st March, 2009
Land- Freehold	39,046,828	—	39,046,828	—	—	—	39,046,828	39,046,828
Land – Leasehold	54,459,781	219,482	54,679,263	1,224,995	135,655	1,360,650	53,318,613	53,234,786
Factory Buildings	291,943,511	(22,358,115)	269,585,396	38,405,057	9,377,536	47,782,593	221,802,803	253,538,454
Administrative Buildings	7,102,010	—	7,102,010	1,018,051	115,762	1,133,813	5,968,197	6,083,959
Plant & Machinery	1,213,641,135	145,152,106	1,358,793,241	288,723,451	64,766,414	353,487,267	1,005,305,974	924,917,684
Dies, Jigs & Fixtures	318,520,523	2,962,022	321,482,545	138,566,337	29,066,176	167,632,513	153,850,032	179,954,186
Furniture & Fixtures	9,879,115	3,662,651	13,541,766	4,202,832	712,390	4,902,982	8,638,783	5,676,283
Computers & Other Peripherals	31,008,105	—	30,696,271	17,690,173	(12,240)	21,667,318	9,028,954	13,317,932
Vehicles	18,069,306	(311,834)	16,792,444	7,358,990	1,470,465	7,983,978	8,808,466	10,710,316
Utilities	37,091,888	(2,855,580)	39,234,109	20,330,859	(845,476)	25,492,872	13,741,237	16,761,029
	2,020,762,202	130,191,671	2,150,953,872	517,520,746	114,783,555	631,443,986	1,519,509,886	1,503,241,455
Depreciation Capitalized during the year					(89,669)			
Capital work in progress including Advances against Capital Expenditure							*435,536,925	533,313,961
Expenditure during construction period pending allocation							13,965,729	16,458,733
Total Current Year	2,020,762,202	130,191,671	2,150,953,872	517,520,746	114,693,886	631,443,986	1,969,012,540	2,053,014,152
Previous Year	1,659,064,077	361,698,128	2,020,762,203	41,017,7461	107,332,850	517,520,746	2,053,014,152	—
Depreciation capitalised during the year					(90,253)			

*Refer note 6 of schedule 22 relating to effect of foreign currency fluctuation to the cost of fixed assets.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 (Contd...)

	As at 31st March, 2010 (Rs.)	As at 31st March, 2009 (Rs.)
SCHEDULE – 6		
INVESTMENTS (AT COST)		
LONG TERM INVESTMENTS(FULLY PAID UP)		
Trade Investment in wholly owned subsidiary		
Equity Shares (Unquoted)	19,892,000	19,892,000
Rasandik Auto Components Private Ltd. 1989200 equity shares of Rs. 10 each fully paid up		
	19,892,000	19,892,000
SCHEDULE – 7		
INVENTORIES		
(As valued and certified by the Mangement)		
Raw Materials & Components	127,480,010	94,452,213
Stock in Trade	–	–
Stores & Spare Parts	30,804,990	60,107,142
Work –in –Process	119,039,246	187,838,866
Finished Goods	76,631,942	5,401,708
Goods in Transit	21,703,459	18,757,487
TOTAL	375,659,647	366,557,416
SCHEDULE – 8		
SUNDRY DEBTORS		
(Unsecured)		
A Debts considered good		
Outstanding for a period exceeding six months	26,150,412	24,949,660
Others	204,225,021	191,795,591
	230,375,433	216,745,251
B Debts considered doubtful		
Outstanding for a period exceeding six months	912,744	267,649
Less: Provision for doubtful debts	(912,744)	(267,649)
	–	–
TOTAL	230,375,433	216,745,251
SCHEDULE – 9		
CASH AND BANK BALANCES		
Cash in hand	533,938	477,892
Cheques in hand	–	3,245,859
Bank Balances:		
With Scheduled Banks		
Current Accounts	8,141,629	12,121,457
Unclaimed Dividend Accounts	964,847	972,634
Margin Money Deposits	34,961,784	30,815,314
Call Money Deposits	13,227	14,930
Citi Bank, Escrow Account	2,575	2,907
TOTAL	44,617,999	47,650,993

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31st March, 2010 (Rs.)	As at 31st March, 2009 (Rs.)
SCHEDULE – 10		
OTHER CURRENT ASSETS		
(Unsecured – considered good)		
Interest Accrued	15,885,737	13,102,334
Cenvat Claims Receivable	17,737,731	21,289,624
TOTAL	33,623,468	34,391,958
SCHEDULE – 11		
LOANS AND ADVANCES		
(Unsecured – considered good)		
Advances recoverable in cash or in kind or for value to be received	20,347,318	9,165,174
Advances to Suppliers	42,213,991	19,055,661
Advances to Others	21,415,008	23,182,472
Loans to Bodies Corporate	16,955,000	38,300,000
Security Deposit	12,301,753	15,137,770
Advance Income Tax and Tax deducted at Source	11,263,628	5,621,939
Balances with Excise Departments	49,988,542	81,308,740
TOTAL	174,485,240	191,771,756
SCHEDULE – 12		
CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors :		
Micro, Small and Medium Enterprises (Refer to Note 17, Schedule 22)	–	–
Others	601,958,869	548,612,605
Security Deposits	2,278,442	4,429,773
Advance from Customers	146,842,979	96,591,507
Other Liabilities	111,524,838	85,626,964
Unclaimed Dividends (Refer Note– 3, Schedule 22)	964,845	972,633
Book Overdraft	–	3,997,714
Liabilities accrued, but not due	722,248	10,848,696
TOTAL	864,292,221	751,079,892
SCHEDULE – 13		
PROVISIONS		
Taxation	13,328,709	17,598,466
Proposed Dividend	–	–
Tax on Proposed Dividend	–	–
Gratuity	10,789,744	9,579,089
Leave Encashment	2,452,447	1,904,161
TOTAL	26,570,900	29,081,716
SCHEDULE – 14		
MISCELLANEOUS EXPENDITURE		
Deferred Revenue Expenditure	4,812,204	3,791,389
Less: 1/5 Written off	947,847	947,847
TOTAL	3,864,357	2,843,542

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED 31ST MARCH, 2010 (Contd...)**

	Year Ended 31st March, 2010 (Rs.)	Year Ended 31st March, 2009 (Rs.)
SCHEDULE – 15		
TURNOVER		
(Refer Note 4, Schedule 21)		
Domestic Sales–Sheet Metal	2,483,032,979	2,178,821,843
Domestic Sales–Tools & Dies	9,332,291	26,593,943
Domestic Sales–Stock in trade	–	3,856,005
Export Sales–Sheet Metal	24,983,426	35,324,265
Export Sales–Tools & Dies	5,144,291	18,141,509
Job Work –Tools & Dies	11,394,952	7,625,326
Job Work –Sheet Metal	–	2,154,492
TOTAL	2,533,887,939	2,272,517,383
SCHEDULE – 16		
OTHER INCOME		
Interest from banks (Tax deducted at source Rs.2,37,984/- previous year Rs.494388/-)	2,321,810	2,392,907
Interest on Loans to Bodies Corporate (Tax deducted at source Rs.3,89,169/- previous year Rs.12,26,623/-)	3,719,547	5,895,584
Interest from others (Tax deducted at source Rs. 9,024/- Previous year Rs. 18,590/-)	382,406	396,727
Profit on Sale of Fixed Assets	26,062	–
Excess Liabilities and Unclaimed Balances written back	68,388	1,077,436
Miscellaneous Income	3,175,406	1,684,171
TOTAL	9,693,619	11,446,825
SCHEDULE – 17		
MANUFACTURING AND OTHER EXPENSES		
Raw Material Consumed		
Opening Stock	94,452,214	85,194,629
Add: Purchases	1,576,783,534	1,382,327,123
	<u>1,671,235,748</u>	<u>1,467,521,752</u>
Less: Closing Stock	127,480,010	94,452,213
	1,543,755,738	1,373,069,539
Stores & Spares Consumed	57,638,070	71,498,143
Manufacturing Expenses		
Power & Fuel	64,828,480	54,827,553
Processing Charges	16,895,789	15,535,922
Repairs to :		
Plant & Machinery	24,396,839	13,770,263
Building	1,672,515	3,032,551
Others	4,078,318	3,955,291
Lease Rentals	346,765	216,077
Excise Duty	(2,738)	(446,705)

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED 31ST MARCH, 2010**

	Year Ended 31st March, 2010 (Rs.)	Year Ended 31st March, 2009 (Rs.)
Payment to and provisions for employees		
Salaries, Wages and Bonus	146,638,361	121,454,902
Contribution to Employees State Insurance Scheme, Provident Fund and Labour Welfare fund	5,765,169	5,364,320
Courtesy Expenses	2,887,443	2,916,458
	<u>155,290,973</u>	<u>129,735,680</u>
Selling Administration & Other Expenses		
Warranty Claims, Line Rejections etc.	1,492,544	6,400
Rent	8,557,440	2,715,492
Rates & Taxes	5,126,901	3,848,171
Insurance	8,437,148	5,135,743
Transportation and Forwarding Charges	32,737,381	23,556,668
Loss on Sale of assets	347,435	34,725
Travelling & Conveyance	12,025,595	16,845,822
Bad Debts written off	-	467,591
Less: Provision for doubtful debts written back	-	467,591
	<u>3,458,308</u>	<u>17,062,698</u>
Provision for doubtful debts	3,458,308	17,062,698
Amount Writtten off	121,661	89,308
Deferred Revenue Expenditure Written off	947,847	947,847
Miscellaneous Expenses	30,247,612	28,600,952
TOTAL	<u>1,972,400,621</u>	<u>1,764,038,140</u>
SCHEDULE – 18		
COST OF GOODS TRADED		
Opening Stock	-	12,123
Add: Purchases	-	3,552,604
	<u>-</u>	<u>3,564,727</u>
Less : Closing Stock	-	-
TOTAL	<u>-</u>	<u>3,564,727</u>
SCHEDULE – 19		
(INCREASE)/DECREASE IN STOCK		
OPENING STOCK		
Finished Goods	5,401,708	10,560,879
Work in process	187,163,866	129,600,275
	<u>192,565,574</u>	<u>140,161,154</u>
CLOSING STOCK		
Finished Goods	76,631,942	5,401,708
Work in process	84,401,660	187,163,866
TOTAL	<u>161,033,602</u>	<u>192,565,574</u>
	<u>31,531,972</u>	<u>(52,404,420)</u>
SCHEDULE – 20		
INTEREST AND FINANCE CHARGES		
Interest :		
Term Loans	53,763,034	57,431,134
Others	47,970,089	63,189,772
Finance Charges	15,596,187	10,000,202
Cash Discount	11,656,266	9,297,081
TOTAL	<u>128,985,576</u>	<u>139,918,189</u>



SCHEDULE – 21

SIGNIFICANT ACCOUNTING POLICIES

1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements are prepared under the historical cost convention, on accrual basis and in accordance with the generally accepted accounting principles and applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

2) FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost of acquisition or construction, which comprises of purchase price (net of Modvat / Cenvat /rebate and discounts, wherever applicable) and any directly attributable cost of bringing the asset to its working condition for the intended use. Expenditure during construction period including borrowing cost, wherever applicable, is allocated on the direct cost of the relevant assets on a pro-rata basis.

Depreciation on fixed assets has been provided as under:

- a) Depreciation on fixed assets is provided on Straight Line Method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 as amended except in the case of following assets for which depreciation has been provided at higher rates based on the useful life as determined by Management :

Additions to Communication Equipments (w.e.f. 01.04.2001)	20%
Machinery acquired after expiry of lease term	20%
Utilities	20%
- b) Depreciation on assets added /sold during the year is provided on pro rata basis with reference to the date of addition/disposal of the respective assets.
- c) Depreciation on incremental cost arising on account of premium on forward contract of foreign currency liabilities for acquisition of fixed assets has been provided as aforesaid over the residual life of the respective assets.
- d) Individual assets costing Rs. 5,000/- or less are depreciated in full.
- e) Leasehold land is amortized equally over unexpired period of lease from the date it is put to use.

3) INVENTORIES

- a) Raw materials, components, stores & spares are valued at cost on First in First out (FIFO) basis or net realizable value which ever is lower. The cost is arrived at after deducting the cenvat credit.
- b) Finished goods and work in process are valued at lower of cost or net realizable value. Cost is arrived at by absorption costing method. Finished goods and work in process includes cost of conversion incurred in bringing the inventories to its present location and condition.
- c) Scrap is valued at net realizable value.
- d) Goods in transit are valued at cost.

4) RECOGNITION OF INCOME AND EXPENDITURE

- a) Sales are recognized, net of returns, on dispatch of goods to customers and are recorded gross of excise duty and net of sales tax and discounts.
- b) Insurance claims made by the company are accounted for at the time of their acceptance.
- c) Product warranty claims are charged to the Profit & Loss account as and when claimed by the customers on actual basis.
- d) Liability on account of customs duty on imported material in transit is accounted in the year in which the goods are cleared from the customs.
- e) Individual prior period items up to Rs. 20,000/- are treated as income/expenditure for the current year.

5) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date.



Pursuant to the notification of the Companies (Accounting Standards) Amendment Rules 2006 on 31 March 2009, which amended Accounting Standard 11 on the Effects of foreign currency changes arising during the year, in so far as these relate to the acquisition of a depreciable capital assets are added to/deducted from the cost of the asset and depreciated over the balance life of the asset.

6) EMPLOYEE BENEFITS

Employee benefits have been recognized in accordance with revised AS-15. Accordingly,

- i) Long term compensated absences are provided for based on actuarial valuation at the end of each financial year.
- ii) Provident Fund is a defined contribution scheme and the same is administered through Regional Employees Provident Fund Organisation. Contribution to the said Organisation paid/ payable during the year is recognised in the Profit and Loss account. The shortfall, if any, between the return guaranteed by the Fund and actual earnings of the Fund is provided for by the holding company and contributed to the Fund.
- iii) Gratuity liability is a defined benefit obligation and is fully provided for on the basis of actuarial valuation made at the end of each financial year. The actuarial valuation is made on Projected Unit Credit (PUC) method.
- iv) Actuarial gains/losses are immediately recognised and are not deferred.

7) BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised/ charged to revenue in accordance with the Accounting Standard-16 issued by the Institute of Chartered Accountants of India.

8) TAXES ON INCOME

- a) Provision for current tax and Fringe Benefit Tax is made in accordance with and at the rates specified under the Income Tax Act, 1961, as amended. Tax expenses are accounted in the same period to which the revenue and expenses relate.
- b) Provision for deferred tax is made in accordance with Accounting Standard 22-'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India. The deferred tax charge or credit is recognized, using current tax rates, for timing differences between book and tax profits that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only when there is virtual certainty of realization of such assets in future. Such assets are reviewed at each balance sheet date to reassess realization.

9) REDEMPTION PREMIUM ON FOREIGN CURRENCY CONVERTIBLE BONDS

Premium payable on redemption of FCCB as per terms of issue is provided fully in the year of issue.

10) IMPAIRMENT OF ASSETS

An Asset is treated as impaired when its carrying cost exceeds its recoverable amount on the reporting date. An impairment loss is charged to the Profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior periods is reversed if there has been a change in the estimate of recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

11) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

12) PROPOSED DIVIDEND:

Dividend on Share Capital, if proposed by the Directors, is provided in the books.



SCHEDULE – 22

NOTES TO ACCOUNTS

1) **Contingent Liabilities not provided for : -**

- a) Letters of credit opened by Bank – Rs 8,89,12,349/- (Previous Year Rs. 12,80,04,416/-)
- b) Bank guarantees given by the bank on behalf of Company - Rs. 61,05,000/- (Previous year -Rs. 26,55,000/-).
- c) Guarantees given by the Company on behalf of Subsidiary –Rs 6,30,00,000/-(Previous Year -Rs. 6,30,00,000/-)
- d) Export obligation under EPCG License- Rs 1,12,23,060/-(Previous Year Rs. 1,49,89,024/-)
- e) Guarantees given by the Company on behalf of loan of employees- Rs.6,50,213/-(Previous Year Rs. 8,03,750/-)

2) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) - Rs.116,50,200/- (Previous year – Rs 328,06,964/-).

3) Unclaimed dividend of Rs. 9,64,845/- shown under Current Liabilities does not include any amount due and outstanding to be credited to “Investor Education and Protection Fund”.

4) In the opinion of the management and to the best of their knowledge and belief, the valuation on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance sheet and there has been no impairment to any asset.

5) The Company has issued 10,000 3% Foreign Currency Convertible Bonds (FCCBs) of US\$ 1000 each aggregating to US\$ 10 Million (Rs.45.79 Crores at issue) on 07th Apr-2006. These Bonds have matured on 8th April, 2009 and are due for payment. In view of the expiry of contract with Bondholders and pending settlement with them, the interest on Bond for the financial year 2008-09 has not been considered.

6) The financial effects of changes in Foreign Exchange rates are as under:

Net gain of Rs. 37,94,055/- for the year on account of exchange difference related to Exports of Goods, Raw Material and Spares purchased, has been included in “Miscellaneous Income” as per AS-11 revised.

The company has changed the policy for accounting the exchange differences arising on long term foreign currency monetary items in accordance with the Companies (Accounting Standards) Amendment Rules on AS 11 notified by Government of India on March, 31, 2009. Accordingly, the net gains arising from the effect of changes in foreign currency rates on foreign currency loans relating to acquisition of depreciable capital assets amounting to Rs 661.84 lacs has been reduced from the cost of assets. The corresponding impact for the previous year was Rs 1166.31 lacs towards the addition to the cost of fixed assets due to net loss arising from the effect of changes in foreign currency.

7) **Foreign Currency Exposure:**

		2009-10		2008-09	
a)	Not Hedged				
i)	Receivables	USD	56,710	USD	359,336
ii)	Payables	USD	11,985,615	USD	12,968,930
	CHF	NIL		CHF	1,002,032
b)	Hedged -				
i)	Receivables	USD	NIL	USD	NIL
ii)	Payables	USD	NIL	USD	NIL

8) **Deferred Tax Liability (Net)**

The company estimates the deferred tax charge/(credit) using the applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year. Details of deferred tax liability and deferred tax assets are as under:

(Rupees in thousands)

	As at 31-03-2009	For the year	As at 31-03-2010
Liability:			
Depreciation (A)	1,52,660	3,176	1,55,836
Assets:			
Other timing differences (B)	(9,543)	3,881	(5,662)
Net deferred tax liability (A+B)	143117	7057	150174



9) Earning Per Share:

(Amount in Rs.)

Particulars		Year ended 31st March, 2010	Year ended 31st March, 2009
a)	Profit after taxation as per Profit & Loss Account	48,561,111	(7,288,303)
b)	Weighted average number of equity shares for Basic EPS	4,725,000	4,725,000
c)	Dilutive Potential Equity Shares	–	–
d)	Weighted average number of equity shares for Diluted EPS	4,725,000	4,725,000
e)	Nominal Value of equity shares (Rs.)	10.00	10.00
f)	Basic Earning per share (Rs.) (a/b)	10.28	(1.54)
h)	Diluted Earning per share (Rs.) (a/b)	10.28	(1.54)

10) Related Party Disclosures

a) Related parties and their relationship

Subsidiaries

Rasandik Auto Components Private Limited

Key Management Personnel

Mr. Rajiv Kapoor, Managing Director

b) Transaction with Related parties

(Amount in Rs.)

	Subsidiary	Key Management Personnel
Sale of Goods	2,14,879	
Sale of fixed assets	NIL	
Purchase of Fixed Assets	1,10,221	
Services rendered	50,000	
Services received	NIL	
Loan Received	1,03,00,000	
Interest Received	12,71,560	
Guarantees and Collateral given	6,30,00,000	
Amount Payable	7,72,099	
Amount Receivable(including loan amount)	74,40,392	

11) Auditors Remuneration (Excluding Service Tax)

(Amount in Rs.)

	Year ended 31st March, 2010	Year ended 31st March, 2009
Audit Fee	1,200,000	1,000,000
Tax Audit Fee	300,000	200,000
Taxation Matters	300,000	300,000
Certification and others	300,000	300,000
	2,100,000	1,800,000

12) Managerial Remuneration:

(Amount in Rs.)

a) Managing Director		
Salary	4,800,000	4,200,000
Contribution to Provident Fund	576,000	504,000
Total	5,376,000	4,704,000



13) Singur Plant :

Investment made in Singur Plant for Tata Motors Ltd (TML) for the small car project “Nano” has been treated as Capital Work in Progress. TML has abandoned the project in Singur due to various uncontrollable factors. Further, TML has relocated this project to new location in Sanand in Gujarat.

The company shall relocate the assets along with apportionment of pre-operative expenditure outstanding in accordance with the decision of the Board of Directors.

14) Computation of net profit in accordance with section 349 of the Companies Act, 1956 for Calculation of commission payable to Managing Director: (Amount in Rs.)

Particulars	2009-10	2008-09
Profit before taxation	67,878,111	26,981,263
Add:		
Mangerial remuneration	5,376,000	4,704,000
Depreciation charged in the accounts	114,693,886	107,332,850
Loss on sale of fixed assets	347,435	34,725
Provision for bad and doubtful debts	3,458,308	17,062,698
Provision for leave encashment	1,210,655	2,369,733
Provision for gratuity	548,286	267,605
	193,512,681	158,752,874
Less:		
Depreciation as per section 350 of Companies Act,1956	110,418,115	103,261,303
Profits on sale of fixed assets	26,062	-
Net Profit on which commission is payable	83,068,504	55,491,571
Remuneration payable to Managing Director	4,153,425	2,774,579
Remuneration paid by way of monthly salary perquisites and contribution to provident fund	5,376,000	4,704,000
Remuneration payable by way of commission	NIL	NIL

Note: The remuneration does not include gratuity provided on the basis of actuarial valuation in the accounts since the same is not available for individual employees except for the employees retired during the year. (Amount in Rs.)

Particulars	Year ended 31st March, 2010	Year ended 31st March, 2009
Directors' Sitting Fees	110,000	110,000

15) Debtors and Creditors Balances are subject to confirmation/ reconciliations.

16) Disclosure pursuant to Accounting Standard-15 (Revised) “Employee Benefits”

Effective 1st April, 2007, the Company has adopted Accounting Standard 15 (Revised) “Employee Benefits” issued by ICAI. The Company has classified the various benefits provided to employee as under:-

- i) Long term compensated absences are provided for based on actuarial valuation at the end of each financial year.
- ii) Provided Fund is a defined contribution scheme and the same is administered through contributions to Regional Provident Fund. Contribution to the said Fund paid/payable during the year is recognized in the Profit and Loss account



iii) Gratuity liability is defined benefit obligation and is fully provided for on the basis of actuarial valuation made at the end of each financial year. The actuarial valuation is made on the Projected Unit Credit method.

iv) Actuarial gains/losses are immediately recognized and are not deferred.

The following table set out the status of the non funded gratuity plan and on fund long term compensated absences and the amount recognized in Company financial statement as at 31st March, 2010.

Change in Benefit Obligation	Gratuity Non –Funded Rs.	Compensated Absences Non-Funded Rs.
Liability at the beginning of the year 1 st April'09	9579089	1904161
Interest cost	718432	142812
Current Service Cost	1174812	540586
Benefit Paid	(264691)	(267421)
Actuarial (gain) / Loss on obligation	(467193)	95825
Liability at the end of the year	10740449	2415963
Changes in the Fair Value of Plan Assets		
a) Present Value of Plan Assets as at 1 st April, 2009	–	–
b) Expected Return on Plan Assets	–	–
c) Actuarial (Gain)/Loss	–	–
d) Employers' Contributions	–	–
e) Benefits Paid	–	–
f) Present Value of Planned Assets as at 31 st March, 2009	–	–
Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets		
a) Present Value of Defined Benefit Obligation as at 31 st March, 2009	–	–
b) Fair Value of Plan Assets as at 31 st March, 2009	–	–
c) Net Liability recognized in the Balance Sheet (as at 31 st March,2009)	–	–
Expenses Recognized in the Profit and Loss Account		
a) Service Cost	1174812	540586
b) Interest Cost	718432	142812
c) Expected Return on Plan Assets	–	–
d) Curtailment Cost/(Credit)	–	–
e) Settlement Cost/(Credit)	–	–
f) Net Actuarial (Gain)/Loss	(467193)	95825
g) Total Expenses recognized in the Profit and Loss A/c	1426051	779223
Actuarial Assumptions		
Retirement age	58	58
Discount rate	7.5%	7.5%
Mortality	LIC (1994-96) DULY MODIFIED	
Withdrawal rate	1% - 3%	1%-3%
Salary escalation	–	–



17) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

The company has a system of obtaining periodical written confirmations from the suppliers to identify micro enterprises or small enterprises. Based on such identification company makes provision for unpaid statutory interest under Sec 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and disclosures required by Sec 22 of the said Act.

SL/No.	Particulars	Year ended March 31,2010 (Rs.)	Year ended March 31,2009 (Rs.)
01	Amount outstanding on account of – Principal amount – Interest Due	NIL 1,857	NIL NIL
02	– Total Interest paid on all delayed payments during the year under the provisions of the Act – Payment made to suppliers beyond the appointed day	NIL 82,667	NIL NIL
03	Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act.	NIL	NIL
04	Interest accrued but not paid	1,857	NIL

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. Previous year figure has not been given as the information was not available with the company.

18) Additional information pursuant to the provisions of paragraph 3 and 4 of Part II of Schedule VI of the Companies Act, 1956 is as under:

(A) Raw Material Consumed

Particulars	Unit	2009-10		2008-09	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Steel Items	M.T.	31,462	1,514,856,748	26,093	1,344,408,824
Paint & Chemicals	KLS	104	15,579,309	77	12,367,997
C.I.Castings	M.T.	232	13,319,681	225	16,292,718
TOTAL			1,543,755,738		1,373,069,539

(B) Consumption of Raw Material,Components & Spare Parts

Particulars	2009-10		2008-09	
	Value (Rs.)	%	Value (Rs.)	%
i) Raw Material				
– Imported	111,221,600	7.20	81,559,910	5.94
– Indigenous	1,432,534,138	92.80	1,291,509,629	94.06
TOTAL	1,543,755,738	100.00	1,373,069,539	100.00
ii) Stores & Spare Parts				
– Imported	2,783,798	4.83	2,733,517	3.82
– Indigenous	54,854,272	95.17	68,764,626	96.18
TOTAL	57,638,070	100.00	71,498,143	100.00



Particulars	2009-10 (Rs.)	2008-09 (Rs.)
(C) C.I.F.Value of Imports		
Raw Materials	104560713	62,727,981
Stores & Spares	791,855	41,432,650
Plant & Machinery	72044946	18,047,937
(D) Expenditure in Foreign Currency (On Cash Basis)		
Travelling Expenses	176,754	1,393,190
Interest on Loan	2,436,842	13,403,243
Professional Charges	1,239,919	354,065
Others	-	1,386,046
(E) Earning in Foreign Currency		
F.O.B.Value of Exports	30,127,717	52,286,829
Tool Development Charges	-	-
Interest	-	-

(F) Capacity, Production, Sales and Stock

(i) Capacity*

Particulars	Unit	Licensed	Installed	Actual Production	
				2009-10	2008-09
Steel Fabrication	M.T.	N.A	58,230	31,462	26,732

(ii) Sales

Particulars	Unit	2009-10		2008-09	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Fuel Set Tanks	Nos	3,95,797	470,466,223	4,44,329	355,349,683
Sheet Metal Components	Nos	1,15,35,162	1,816,643,133	86,39,693	1,645,866,659
Steel Sheets	Kgs.	20,41,458	52,933,241	13,44,313	64,658,039
Tools & Dies	Nos	6	23,404,864	25	47,037,951
Stock in Trade	-	-	-	-	3,856,005
3 Wheeled Vehicles	Nos	295	29,506,575	127	13,944,199
Others	Kgs.	96,83,390	129,538,951	93,25,628	132,025,029
TOTAL			2,522,492,987		2,262,737,565

(iii) Closing Stock of Finished Goods :

Particulars	Unit	As at 31.03.2010		As at 31.03.2009		As at 31.03.2008	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Fuel Set Tanks	Nos	520	680,869	195	219,319	1,117	349,909
Sheet Metal Components	Nos	7,214	2,250,346	17,138	2,255,015	1,00,265	9,771,987
Tools & Dies	Sets	54	73,307,214	-	-	-	-
Others	Kgs.	33,133	393,513	65,430	2,927,374	39,802	438,983
TOTAL			76,631,942		5,401,708		10,560,879

19) Figures of the previous year have been regrouped/recast wherever necessary so as to conform to current year's classification.



**INFORMATION PURSUANT TO THE PART - IV OF SCHEDULE - VI TO THE COMPANIES ACT, 1956 :
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details

Registration No.	L74210HR1984PLC032293	State Code	05
Balance Sheet Date	31.03.2010		

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities	28,51,531	Total Assets	28,51,531
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Sources of Funds

Paid-up Capital	47,250	Reserves & Surplus	2,88,693
Equity Warrants	—	Secured Loans	8,64,677
Deferred Liabilities(Net)	1,50,557	Unsecured Loans	6,09,491

Application of Funds

Net fixed Assets	19,69,013	Investments	19,892
Net Current Assets	(32,101)	Misc.Expenditure	3,864

IV. Performance of Company (Amount in Rs. Thousand)

Turnover	25,33,888	Total Expenditure	24,66,010
Profit Before Tax	67,878	Profit After Tax	48,561
Earning per Share	10.28	Dividend Rate (%)	Nil

V. Generic Names of Three Principal Products of Company (as per monetary terms)

Item Code No. (ITC Code)	: 8708
Product Description	: SHEET METAL COMPONENTS : ASSEMBLIES & SUB ASSEMBLIES
Item Code No. (ITC Code)	: 8462
Product Description	: TOOLS, DIES & MOULDS

Schedules referred to above form an integral part of the Accounts.

As per our report of even date.

for and on behalf of the Board

for **A W A T A R & C O.**
Chartered Accountants

S C KAPOOR
Chairman

RAJIV KAPOOR
Managing Director

DEEPIKA KAPOOR
Director

BRIJENDRA AGRAWAL
Partner
M.No.87787

SHYAM S.SETHI
Director

A.R. HALASYAM
Director

GORAV ARORA
Company Secretary

Place : New Delhi
Date : 05.06.2010

**CASH FLOW STATEMENT FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED AS AT 31ST MARCH,2010**

(Amount in Rupees)

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	67,878,111	26,981,263
Adjustments for:		
Depreciation	114,693,886	107,332,850
(Profit) /Loss on sale of assets	321,373	34,725
Interest Income	(6,423,763)	(8,685,218)
Excess Liabilities and Unclaimed Balances written back	(68,388)	(1,077,436)
Bad Debts Written off	-	89,308
Interest and Finance Charges	128,985,576	139,918,189
Deferred Revenue Expenditure (Net)	(1,020,815)	947,847
Exchange Fluctuation	(3,794,055)	(1,286,474)
Amount Writtten off	121,661	-
Others	1,758,941	2,710,675
Provision for doubtful debts	3,458,308	17,062,698
	238,032,724	257,047,165
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	305,910,835	284,028,428
Adjustments for:		
Trade and other receivables	13,064,002	4,103,488
Inventories	(9,102,231)	(101,339,703)
Trade payables and other liabilities	119,578,408	226,950,169
	123,540,179	129,713,954
Cash generated from operations	429,451,014	413,742,382
Direct Taxes paid	(18,341,689)	(3,651,884)
	(18,341,689)	(3,651,884)
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	411,109,325	410,090,498
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	411,109,325	410,090,498
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments	-	-
Purchase of Fixed Assets	(98,886,390)	(391,036,158)
Proceed from sales of fixed Assets	1,688,730	88,000
Interest received	3,640,360	6,134,268
Amount paid to Misc.Expenditure	-	-
NET CASH USED IN INVESTING ACTIVITIES (B)	(93,557,300)	(384,813,891)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Convertible Equity Warrants	-	-
Proceeds from Long Term Borrowings	173,151,193	324,042,618
Repayment of Long Term Borrowings	(325,385,031)	(221,913,119)
Interest & Finance Charges paid	(139,112,024)	(139,055,952)
Repayment of Deferred Credits against leasehold land Borrowings/(Repayment) from/to Bank	(840,547)	(1,008,000)
Sales Tax and other loans (Net of repayments)	(21,212,771)	(8,566,118)
Dividend Paid	(7,185,839)	25,289,893
	-	(7,087,500)
NET CASH USED IN FINANCING ACTIVITY (C)	(320,585,019)	(28,298,177)
Net Increase in cash and cash equivalents (A+B+C)	(3,032,994)	(3,021,570)
CASH & CASH EQUIVALENTS AS AT :		
Opening Balance 01.04.2009	47,650,993	50,672,564
Closing Balance 31.03.2010	44,617,999	47,650,994

Notes:

- Above statement has been prepared in indirect method.
- Cash and cash equivalents consists of cash on hand and balance with banks
- Trade and other receivables include other current assets and loans and advances.
- Additions to Fixed Assets are stated inclusive of movements of capital work-in -progress in between beginning and end of the year and treated as part of Investing Activities.
- Previous Year's figures have been regrouped/rearranged wherever necessary.

Schedules referred to above form an integral part of the Accounts.

As per our report of even date.

for and on behalf of the Board

for **A W A T A R & C O.**

Chartered Accountants

BRIJENDRA AGRAWAL

Partner

M.No.87787

Place : New Delhi

Date : 05.06.2010

S C KAPOOR
Chairman**RAJIV KAPOOR**
Managing Director**DEEPIKA KAPOOR**
Director**SHYAM S.SETHI**
Director**A.R. HALASYAM**
Director**GORAV ARORA**
Company Secretary

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT,
RELATED TO SUBSIDIARY COMPANIES**

S.No.	Name of the Subsidiary	Rasandik Auto Components Pvt Ltd
1.	Financial year of the subsidiary ended on	31/03/2010
2.	Shares of the subsidiary held by the Company on the above date:	
	(a) Number	19,89,200
	Face value	10
	(b) Extent of holding	100%
3.	Date from which it became a subsidiary	29-9-2006
4.	Net aggregate amount of profits/(losses) of the subsidiary for the above financial year of the subsidiary so far as they concern members of the Company:	
	(a) dealt with in the accounts of the Company for the year ended 31st March, 2010 (Rs.)	10,477,489
	(b) not dealt with in the accounts of the Company for the year ended 31st March, 2010 (Rs.)	-
5.	Net aggregate amount of profits/(losses) for previous years of the subsidiary, since it became a subsidiary so far as they concern members of the Company:	
	(a) dealt with in the accounts of the Company for the year ended 31st March, 2010 (Rs.)	5,175,171
	(b) not dealt with in the accounts of the Company for the year ended 31st March, 2010 (Rs.)	NIL
6.	Changes in the interest of JPVL between the end of the subsidiary's financial year and 31st March, 2010 Number of shares acquired	NIL
7.	Material changes between the end of the subsidiary's financial year and 31st March, 2010	
	(i) Fixed Assets (Net additions)	NIL
	(ii) Investments	NIL
	(iii) Moneys lent by subsidiary	NIL
	(iv) Moneys borrowed by the subsidiary company other than for meeting current liabilities	NIL



NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Company will be held at the Registered Office of the Company at C-4 & 5, C - Block Market Vasant Vihar, New Delhi – 110 057 on Wednesday, the 31st day of July, 2010 at 11:00 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date and report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gautam Bhattacharya, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and for that purpose pass with or without modification the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** M/s. V. Sankar Aiyar & Co., Chartered Accountants, New Delhi, be and are hereby appointed as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and Board of Directors of the Company be and are hereby authorised to fix their remuneration for the said period.”

NOTES:

A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be member of the Company. In order to be effective the proxy must be lodged at the registered office of the Company at least 48 hours before the scheduled time of the meeting.

By Order of the Board
For Rasandik Auto Components Private Limited

Gautam Bhattacharya
Director

Place : New Delhi
Date : 22.05.2010

Regd. Office:
Rasandik Auto Components Private Limited
C-4 & 5, First Floor, C-Block Market,
Vasant Vihar, New Delhi - 110057



DIRECTOR'S REPORT

To the members of RASANDIK AUTO COMPONENTS PRIVATE LIMITED

Your Directors have pleasure in presenting the 12th Annual Report on the performance of the Company along with the Audited Accounts for the year ended 31st March, 2010.

The total Sales (Gross) of the company for the year ended 31st March, 2010 was Rs.199,176,529/- as compared to Rs.168,547,982/- in the previous year. The profit before depreciation, interest, taxation is increased to Rs. 32,834,426/- as against Rs.23,838,661/- in the previous year.

During the year ended 31st March 2010, the company has made a profit (after taxation) of Rs.14,636,196/- as against profit (after taxation) of Rs.10,935,253/- during the year ended 31st March, 2009.

DIRECTORS

Mr. Gautam Bhattacharya, Director retires by rotation and being eligible, offers himself for re-appointment.

DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors confirm that they have:

- followed in the preparation of Annual Accounts, the applicable accounting standards and there is no material departures from the same;
- 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 state of affairs of the company as at the March 31, 2010;
- 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; and
- prepared the annual accounts of the Company on a going concern basis.

AUDITORS

The Statutory Auditors of the Company, M/s. V. Sankar Aiyar & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS REPORT

For the year ended 31st March 2010 the Auditors Report is self-explanatory and needs no further clarification from your Directors.

FIXED DEPOSITS

The Company has not invited any fixed deposit from public in terms of Section 58(A) of the Companies Act, 1956.

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

The Company's (Disclosure of particulars in Report of the Board of Directors) Rules 1988 require the disclosure of particulars regarding conservation of energy in Form-A and technology absorption in Form-B prescribed by the Rules are not applicable to the Company.

PERSONNEL

The particulars of the employees covered under section 217(2A) of the Companies Act, 1956, are Nil.

For and on Behalf of the Board
For Rasandik Auto Components Private Limited

Gautam Bhattacharya
Director

Place : New Delhi
Date : 22.05.2010



**AUDITORS' REPORT TO THE SHAREHOLDERS OF
RASANDIK AUTO COMPONENTS PRIVATE LTD.**

1. We have audited the attached Balance Sheet of Rasandik Auto Components Private Ltd. as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date and the cash flow statement of the Company thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.
2. We conducted our audit in accordance with the 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 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Companies Act, 1956 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:
 - i. 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;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - iii. The Company's Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of Account;
 - iv. In our opinion, the Balance Sheet and Profit and Loss Account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable;
 - v. On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts and read with the significant accounting policies and other notes thereon, give the information required by The Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010,
 - (b) In the case of the Profit and Loss account of the Profit for the year ended on that date and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **V. Sankar Aiyar & Co.**,
Chartered Accountants

Place : Chennai
Date : 25.05.2010

Sd/-
S. Venkataraman
Partner
M. No. 23116
ICAI regd. No.109208W



ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE.

1. (a) The Company has maintained records showing particulars of quantitative details and situation of Fixed Assets.
(b) We are informed that the Fixed Assets have been physically verified by the Management during the year. In our opinion, frequency of verification is reasonable. As per the information given to us by the management that no material discrepancies has compared to book records were noticed in respect of fixed assets verified.
(c) During the year, the company has not disposed off substantial part of the fixed assets and hence it does not affect the going concern.
2. (a) The inventory representing raw materials, stores and spares have been physically verified at the end of the year by the management. In our opinion, the frequency of verification was reasonable.
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the unit and nature of its business.
(c) *The company has a stock recording system which needs further improvement of updating of data with regard to not received issues of materials. The closing stock as of year- end is determined by physical verification by the management as of year- end and stock records balances are not available, we could not determine whether any discrepancies existed.*
3. (a) The Company has not granted any loans secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, reporting under sub clauses (a) to (d) of clause 4 (iii) does not arise.
(b) The Company has not taken any loans secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, reporting under sub clauses (e) to (g) of clause 4 (iii) does not arise.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that for purchase of majority of raw materials, stores and components, alternative sources of supply are limited with reference to quality, delivery schedules, credit period and hence comparable alternative quotations are not available for these and with regard to purchase of fixed assets, sale of goods and services, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. According to the information and explanation given to us, the Company has not entered into contract or arrangements referred to in section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public.
7. The Company does not have an internal audit system during the year.
8. According to the information and explanations given to us, the Central Govt. has prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for the products of manufactured by the Company *but the same is not maintained.*
9. (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including, Provident Fund and Employees State Insurance Income Tax, Sales Tax, Excise Duty, Service Tax, Cess and other statutory dues. There are no arrears in outstanding statutory dues at 31st March 10 for a period of more than six months from the date it becomes payable. We are informed that there are no liability towards Wealth Tax, and Investor Education and Protection Fund.
(b) According to the information and explanations given to us, there are no disputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Fringe Benefit Tax, Service Tax and Cess as at 31st March 2010.
10. The provisions of clause 4 (x) of the Order are not applicable to the Company since this is the fourth year from the date of registration.

**Rasandik Auto Components Private Limited**

11. The company has not defaulted in repayment of dues to the Bank from whom loan was borrowed.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of clause 4 (xiii) of the Order are not applicable to the Company.
14. The provisions of clause 4 (xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for any loans taken by others from any bank or financial institution.
16. On the basis of the records examined by us and relying on the information compiled by the Company for co-relating the funds raised to the end-use of term loan, we have to state that the major part of the term loan raised have been utilized for the purpose for which it was obtained.
17. According to the information and explanations given to us, based on an overall examination of the balance sheet of the Company, related information made available to us and as represented to us by the Management, funds raised on short term basis, prima facie, have not been used during the year for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in register maintained under section 301 of the Companies Act, 1956, during the period.
19. The Company has not issued any debentures during the period and therefore the question of creating security in respect thereof does not arise.
20. The Company has not made any public issue of any securities during the period and therefore the question of disclosing the end-use of money raised by any public issue does not arise.
21. Based on the audit procedures performed and the representation obtained from the management, we report that no fraud on or by the Company, having a material misstatement on the financial statements has been noticed or reported during the period under audit.

Place : Chennai
Date : 25.05.2010

For **V. Sankar Aiyar & Co.**,
Chartered Accountants

Sd/-
S. Venkataraman
Partner
M. No. 23116
ICAI regd. No. 109208W

**BALANCE SHEET AS AT 31ST MARCH, 2010**

	Schedule	As at 31st March, 2010 (Rs.)		As at 31st March, 2009 (Rs.)
SOURCES OF FUNDS				
1. Shareholders' Funds				
Share Capital	1	19,892,000	19,892,000	
Reserves & Surplus	2	<u>10,477,489</u>	30,369,489	19,892,000
2 Loan Funds				
Secured	3	44,314,585		47,999,892
Unsecured	4	13,211,664		28,417,360
3 Deferred Tax (Net)(vide note no.7 of sch 20)				
Deferred Tax Liabilities		5,620,359		—
TOTAL		<u>93,516,097</u>		<u>96,309,252</u>
APPLICATION OF FUNDS				
4 Fixed Assets	5			
Gross Block		96,483,172	92,812,815	
Less: Depreciation		<u>25,867,044</u>	19,465,628	
5 Net Block		<u>70,616,128</u>	73,347,187	
Capital Work in Progress		1,991,062	1,897,681	75,244,868
6 Current Assets, Loans and Advances				
Inventories	6	9,272,373	8,359,985	
Sundry Debtors	7	36,372,730	30,219,342	
Cash and Bank Balances	8	1,053,253	1,565,118	
Other Current Assets	9	5,338,975	3,001,491	
Loans and Advances	10	<u>10,227,143</u>	3,389,016	
		<u>62,264,474</u>	46,534,952	
7 Less: Current Liabilities and Provisions				
Current Liabilities	11	36,273,294	28,220,110	
Provisions	12	<u>5,082,274</u>	1,593,565	
		<u>41,355,568</u>	29,813,675	
8 Net Current Assets			20,908,906	16,721,277
9 Deferred Tax (Net)(vide note no.7 of sch 20)				
Deferred Tax Asset			—	184,399
10 MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)				
Debit Balance in Profit & Loss Account			—	4,158,708
TOTAL		<u>93,516,097</u>		<u>96,309,252</u>
Significant Accounting Policies	19			
Notes to Accounts	20			

Schedules referred to above form an integral part of the Accounts.

As per our report of even date.

For and on behalf of the Board

V. SANKAR AIYAR & CO.

Chartered Accountants

S. VENKATARAMAN

Partner

M.No : 23116

ICAI Regd No.109208W

Place : NEW DELHI

Date : 22/05/2010

M.S. RAMPRASAD

Director

GAUTAM BHATTACHARYA

Director



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

	Schedule	Year Ended 31st March, 2010 (Rs.)	Year Ended 31st March, 2009 (Rs.)
INCOME			
Sales (Gross)	13	199,176,529	168,547,982
Less : Excise Duty on Sales		15,568,132	20,338,523
Sales (Net)		183,608,397	148,209,459
Other Income	14	3,026,700	1,959,508
TOTAL		186,635,097	150,168,967
EXPENDITURE			
Manufacturing & Other Expenses	15	154,245,270	125,848,217
(Increase)/Decrease in Stock of finished goods and work in process	16	(444,599)	482,090
		153,800,671	126,330,307
Profit before Interest, Depreciation and Taxation		32,834,426	23,838,660
Interest and Finance charges	17	6,711,521	8,588,770
Depreciation - net (vide note no. 5 of schedule 20)	18	6,424,274	3,193,996.00
		13,135,795	11,782,766
Profit/(Loss) before Taxation		19,698,631	12,055,894
Less:current tax		3,400,000	1,215,000
Less:Deferred Tax Liability (vide note no.7 of sch 20)		5,804,758	-
Add: MAT credit entitlement (vide note no. 8 of sch 20)		4,142,323	-
Add: Deferred Tax asset (vide note no.7 of sch 20)	0	-	184,399
Less:Fringe Benefit Tax		-	90,040
Profit/(Loss) after Taxation for the year		14,636,196	10,935,253
APPROPRIATIONS			
Profit/(Loss) Brought Forward		(4,158,707)	(15,093,961)
Profit/(Loss) after Taxation for the year		14,636,196	10,935,253
TOTAL		10,477,489	(4,158,708)
Balance carried forward to the Balance Sheet		10,477,489	(4,158,708)
TOTAL		10,477,489	(4,158,708)
Basic Earning per share		7.36	5.50
Diluted Earning per share		7.36	5.50
(Refer Note 9 , Schedule 20)			
Significant Accounting Policies	19		
Notes to Accounts	20		

Schedules referred to above form an integral part of the Accounts.
As per our report of even date.

For and on behalf of the Board

V. SANKAR AIYAR & CO.

Chartered Accountants

S. VENKATARAMAN

Partner

M.No : 23116

ICAI Regd No.109208W

Place : NEW DELHI

Date : 22/05/2010

M.S. RAMPRASAD

Director

GAUTAM BHATTACHARYA

Director



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

	As at 31st March, 2010 (Rs.)	As at 31st March, 2009 (Rs.)
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED		
3,000,000 Equity Shares of Rs.10/- each	<u>30,000,000</u>	<u>30,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
1989200 Equity Shares of Rs.10/- each (Of which, 1989199 Equity Shares of Rs.10/- each held by the holding company)	<u>19,892,000</u>	<u>19,892,000</u>
	<u>19,892,000</u>	<u>19,892,000</u>
SCHEDULE - 2		
RESERVES & SURPLUS		
Balance in Profit and Loss Account	<u>10,477,489</u>	-
	<u>10,477,489</u>	-
SCHEDULE - 3		
SECURED LOANS		
A. From Banks:		
Term Loan	16,941,885	21,515,209
Rupee Loans		
Interest Accrued and Due	161,921	-
Working Capital Loan	27,210,779	26,484,683
Interest Accrued and Due	-	-
	<u>44,314,585</u>	<u>47,999,892</u>
Notes :		
(i) Rupee Term Loan from Bank is secured by first charge on the entire fixed assets, both movable and immovable (present and future) of the company and second charge on the current assets (both present and future) of the company .The same is also secured by way of corporate guarantee of holding company and personal guaranty of promoter director of the holding company.		
(ii) Working Capital Loan from Bank is secured by hypothecation of current assets of the company including receivables (present and future) and collaterally secured by second charge on the entire fixed assets of the company . The same is also secured by way of corporate guarantee of holding company and personal guarantee of promoter director of holding company.		
SCHEDULE - 4		
UNSECURED LOANS		
From Holding Company (REIL)	7,440,392	17,334,266
From Other Body Corporate (TVS)	4,692,278	10,597,238
From NBFC's	1,078,994	485,856
	<u>13,211,664</u>	<u>28,417,360</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

**SCHEDULE – 5
FIXED ASSETS**

(Refer Note 2, Schedule 21)

PARTICULARS BLOCK	DEP Rate.	GROSS BLOCK			DEPRECIATION						NET BLOCK	
		AS AT 01.04.09	ADDITIONS	DELETIONS	AS AT 31.03.10	AS AT 31.03.09	ON OPENING BALANCE	ON ADDITION	ON DELETIONS	TOTAL	AS AT 31.03.10	AS AT 01.04.09
LAND – LEASEHOLD	16.67%	1,160,083	–	–	1,160,083	611,372	193,386	–	–	804,758	355,325	548,711
FACTORY BUILDINGS	3.34%	22,159,612	390,042	–	22,549,654	1,905,241	740,131	3,926	–	2,649,298	19,900,356	20,254,371
PLANT & MACHINERY	4.75%	41,770,243	713,108	131,581	42,351,769	6,295,394	2,023,164	10,799	22,858	8,306,499	34,045,270	35,474,849
DIES, JIGS & FIXTURE	11.31%	20,103,767	935,528	–	21,039,295	6,972,768	1,996,073	118,380	–	9,087,221	11,952,074	13,130,999
FURNITURE & FIXTURES	6.33%	471,364	15,694	–	487,058	230,590	20,096	10,728	–	261,414	225,644	240,774
COMPUTERS	16.21%	969,594	214,648	–	1,184,242	423,136	157,056	30,590	–	610,782	573,460	546,458
UTILITIES	20%	4,531,181	71,615	–	4,602,796	2,693,747	895,071	44,978	–	3,633,796	969,000	1,837,434
VEHICLES	9.50%	1,646,971	1,461,304	–	3,108,275	333,379	156,462	23,434	–	513,275	2,595,000	1,313,592
TOTAL FOR CURRENT YEAR		92,812,815	3,801,939	131,581	96,483,172	19,465,627	6,181,439	242,835	22,858	25,867,044	70,616,129	73,347,188
PREVIOUS YEAR Capital work in progress including Advance against Capital Expenditure		105,402,257	1,487,655	14,077,097	92,812,815	16,271,632	6,343,786	143,319	3,293,110	19,465,627	73,347,188	89,130,625
											2987017	2,341,919



	As at 31st March, 2010 (Rs.)	As at 31st March, 2009 (Rs.)
SCHEDULE - 6		
INVENTORIES		
(As valued and certified by the Mangement)		
(Refer Note no 3 schedule 19)		
Raw Materials & Components	6,382,667	5,905,144
Consumables, Stores & Spare Parts	771,979	717,935
Work -in -Process	1,005,376	1,186,213
Finished Goods	148,927	131,895
Finished Goods in Transit	75,424	111,337
MS Scrap	888,000	262,200
Goods in transit	-	45,261
	<u>9,272,373</u>	<u>8,359,985</u>
SCHEDULE - 7		
SUNDRY DEBTORS		
(Unsecured)		
Debts considered good		
Outstanding for a period exceeding six months	2,483.00	229,160
Others	36,370,247	29,990,182
	<u>36,372,730</u>	<u>30,219,342</u>
SCHEDULE - 8		
CASH AND BANK BALANCES		
Cash on hand	71,535	337,783
Bank Balances:		
With Scheduled Banks		
In Current Accounts	123,649	222,240
In Fixed Deposit (includes margin money deposit made for LC opened)	858,069	1,005,095
	<u>1,053,253</u>	<u>1,565,118</u>
SCHEDULE - 9		
OTHER CURRENT ASSETS		
Inter - Corporate Loan	4,500,000	2,350,000
Interest Accrued	838,975	651,491
	<u>5,338,975</u>	<u>3,001,491</u>
SCHEDULE - 10		
LOANS AND ADVANCES		
(Unsecured - considered good)		
Advances recoverable in cash or in kind or for value to be received	2,802,608	2,224,993
Security Deposit	774,380	773,940
Advance Income Tax and Tax deducted at Source	2,432,952	14,236
Balances with Excise, VAT Departments	74,880	375,847
MAT Credit Entitlement	4,142,323	-
	<u>10,227,143</u>	<u>3,389,016</u>



	As at 31st March, 2010 (Rs.)	As at 31st March, 2009 (Rs.)
SCHEDULE - 11		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors :		
Amount due to Micro, Small, Medium Enterprises	-	-
Amount due to Other than Micro, Small, Medium Enterprises	32,841,270	25,892,325
Other Liabilities	3,432,024	2,327,785
	36,273,294	28,220,110

SCHEDULE - 12

PROVISIONS

Fringe Benefit Tax	-	90,040
Provision for Tax - MAT	4,615,000	1,215,000
Gratuity	340,205	214,724
Leave Encashment	127,069	73,801
	5,082,274	1,593,565

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE
YEAR ENDED 31ST MARCH 2010**

	For the year ended 31st March 2010 (Rs.)	For the year ended 31st March 2009 (Rs.)
SCHEDULE - 13		
TURNOVER		
(Refer Note 4, Schedule 19)		
Domestic Sales-Automobile 2 wheeler parts	199,176,529	168,547,982
	199,176,529	168,547,982

SCHEDULE - 14

OTHER INCOME

Interest from banks (TDS Rs.6137/-, previous year Rs.6958/-)	42,767	9,917
Interest from others (TDS deducted Rs.39,563/- previous year Rs.70,210/-)	526,964	344,461
Discount Received	67	
Excess Liabilities and Unclaimed Balances written back	6,150	396,187
Sale of Scrap	2,450,752	1,208,943
	3,026,700	1,959,508



	For the year ended 31 st March 2010 (Rs.)		For the year ended 31 st March 2009 (Rs.)	
SCHEDULE - 15				
MANUFACTURING AND OTHER EXPENSES				
Raw Material Consumed				
Opening Stock	5,905,144		7,265,394	
Add: Purchases	108,997,898		88,036,591	
	<u>114,903,042</u>		<u>95,301,985</u>	
Less: Closing Stock	6,382,667	108,520,375	5,905,144	89,396,841
Stores & Spares Consumed		<u>12,107,208</u>		<u>11,593,632</u>
TOTAL RAW MATERIAL CONSUMED		<u>120,627,583</u>		<u>100,990,474</u>
Salaries, Wages and Contribution to Funds				
Salaries, Wages	12,558,635		9,786,005	
Contribution to ESIC, PF and Labour Welfare fund	742,368		587,333	
Staff Welfare Expenses	925,343	14,226,346	659,925	11,033,263
Processing & Job Work charges		8,654,594		4,712,245
Power & Fuel		3,626,917		2,780,545
Repairs to :				
– Plant & Machinery		875,378		471,523
– Building		312,598		347,395
– Others		65,821		15,620
Contract Payments		920,460		1,170,035
Facility Charges for Gas Pipeline		300,000		303,333
Rent		456,240		466,230
Rates & Taxes		226,401		148,383
Insurance		69,009		72,917
Transportation and Forwarding Charges		899,816		658,591
Travelling & Conveyance		928,153		748,377
Loss on Sale of Fixed Asset		664		–
Balances in Current Asset written off		124,442		472,735
Miscellaneous Expenses		1,930,848		1,456,551
TOTAL MANUFACTURING & OTER EXPENSES		<u>154,245,270</u>		<u>125,848,217</u>
SCHEDULE - 16				
(INCREASE)/DECREASE IN STOCK				
OPENING STOCK				
Finished Goods	243,232		497,979	
Work in process	1,448,413	1,691,645	1,719,998	2,217,977
	<u>1,691,645</u>		<u>2,217,977</u>	
CLOSING STOCK				
Finished Goods	247,434		243,232	
Work in process	1,893,376	2,140,810	1,448,413	1,691,645
	<u>2,140,810</u>		<u>1,691,645</u>	
Excise Duty on Increase (Decrease) in Finished Goods Stock				
Excise Duty on Closing Finished Goods Stock	23,083		18,517	
Less: Excise Duty on Opening Finished Goods Stock	18,517	4,566	62,759	(44,242)
		<u>(444,599)</u>		<u>482,090</u>

SCHEDULE - 17**INTEREST AND FINANCE CHARGES**

Interest on Term Loan	2,129,849	2,821,779
Interest on REIL & Others	1,794,068	2,427,316
Interest on CC Limit/Bank charges	2,787,604	3,339,675
	6,711,521	8,588,770

SCHEDULE - 18**DEPRECIATION**

Depreciation for the year	6,424,274	6,487,106
Less: Depreciation of earlier years written back	-	3,293,110
	6,424,274	3,193,996

SCHEDULE – 19**SIGNIFICANT ACCOUNTING POLICIES****1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements are prepared under the historical cost convention, on accrual basis and in accordance with the generally accepted accounting principles and applicable Accounting Standards.

2. FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at their original cost net of input credits, where applicable (including expenses related to acquisition and installation). Expenditure during construction period including borrowing cost, wherever applicable, is allocated on the direct cost of the relevant assets on a pro-rata basis.

Depreciation on fixed assets has been provided as under:

- a) Depreciation on fixed assets is provided on Straight Line Method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 as amended except in the case of following assets for which depreciation has been provided at higher rates based on the useful life as determined by Management :

Communication Equipments	20%
Utilities	20%

- b) Depreciation on assets added /sold during the year is provided on pro rata basis with reference to the date of addition/disposal of the respective assets.
- c) Individual assets costing Rs. 5000/- or less are depreciated in full.
- d) Leasehold land is amortized equally over unexpired period of lease from the date it is put to use.

3. INVENTORIES

- a) Raw materials, components, stores & spares are valued at cost. Cost is computed on First in First out (FIFO) basis.
- b) Finished goods are valued at lower of cost or net realizable value. Cost is arrived at by absorption costing method.
- c) Work in process is valued at cost, upto the stage of its production.
- d) Scrap is valued at net realizable value.

4. RECOGNITION OF INCOME AND EXPENDITURE

Revenue from sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the customer. The sales are net of returns and discounts.



5. FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary Items in foreign currency remaining unsettled as at the balance sheet dates are restated at the year end rates and the resultant net gains/loss is adjusted in the Profit & Loss Account.

6. 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 up to the date the asset is put to use. 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 Profit and Loss Account in the year in which they are incurred.

7. TAXES ON INCOME

- a) Provision for current tax is made in accordance with and at the rates specified under the Income Tax Act, 1961, as amended.
- b) Provision for deferred tax is made in accordance with Accounting Standard 22-'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India. The deferred tax charge or credit is recognized, using current tax rates, for timing differences between book & tax profits that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only when there is virtual certainty of realization of such assets in future. Such liabilities/assets are reviewed at each balance sheet date to reassess realization.

8. IMPAIRMENT OF ASSET

The carrying amounts of assets are reviewed at each balance sheet date for indication of any impairment based on internal/external factors. An impairment loss is recognized wherever for carrying amount of the assets exceeds its recoverable amount. Any such impairment loss is recognized by charging it to the profit and loss account. A previously recognized impairment loss is reversed where it no longer exists and the assets are restated to the effect.

9. EMPLOYEE BENEFITS

- a) Short-term Employee benefits :
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 benefits :
Contribution to Provident Fund is made to Regional Provident Fund and is charged to Profit & Loss account.
- c) Liabilities towards Leave Encashment Benefit and Gratuity are provided for, based on actuarial valuation done at the year end.

10. PROVISIONS & CONTINGENCIES

- a) A provision arising out of a present obligation is recognized when it is probable that an outflow or resources will be required to settle the obligation and the amount can be reasonably estimated.
- b) Wherever there is a possible obligation that may, but probably will not require an outflow of resources, the same is disclosed by way of contingent liability.
- c) Show Cause Notices are not Contingent Liabilities unless converted into demand.



SCHEDULE – 20

NOTES TO ACCOUNTS

1. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) - Rs. Nil (Previous year - NIL).
2. Claims against the company not acknowledged as debts :
Disputed interest debited on loan borrowed from Customer -Rs. NIL
(Previous Year Rs.14,42,726.79)
Disputed claim by Creditors for supply of material – Rs.1,53,750/-
(Previous year - NIL).
3. Contingent Liabilities not provided for :
Disputed Excise Demand (amount pre deposited) - Rs. 8,19,504/-
(Previous Year Rs.8,19,504.00)
4. In the opinion of the management and to the best of their knowledge and belief, the valuation on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance sheet and there has been no impairment to any assets.
5. The depreciation for the previous year is lower due to adjustment arising out of de-capitalization of assets and hence is not comparable with the depreciation for the year.
6. During the year the Company has capitalised and claimed depreciation on two Auto Rickshaws amounting to Rs.2,84,899/-, which are pending registration with the local Regional Transport office.
7. **Deferred Tax Liability/Asset (Net)**
The Company has created net deferred tax liability after recognizing deferred tax assets arising on carried forwarded losses and unabsorbed depreciation as there is virtual certainty of Company’s operation yielding sufficient profit in future since the increased volume of sales will be sustained in future also.

(Amount in Rs.)

Particulars	As at 31.03.09	For the Year	As at 31.03.10
Assets			
Business Loss	88,73,154	(56,30,413)	32,42,741
Gratuity	72,985	42,651	1,15,636
Leave Encashment	25,085	(2,796)	22,289
Total Assets –(A)	89,71,224	(55,90,558)	33,80,666
Liability			
Depreciation	87,86,825	2,14,200	90,01,025
Total Liabilities –(B)	87,86,825	2,14,200	90,01,025
Net deferred tax assets/(liability) (A-B)	1,84,399	(58,04,758)	(56,20,359)

8. According to the management there is reasonable certainty that the Company will be liable to pay normal income tax during 7 subsequent years and hence MAT credit of Rs.41,42,323/- (previous year – Nil),has been recognized as an asset with corresponding credit to profit and loss account.



9. Earnings Per Share :

(Amount in Rs.)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
a) Profit after taxation as per Profit & Loss Account	1,46,36,196	1,09,35,253
b) Weighted average number of equity shares for Basic/Diluted EPS	19,89,200	19,89,200
c) Nominal value of equity shares (Rs.)	10	10
d) Basic/Diluted Earning per share (Rs.)(a/b)	7.36	5.50

10. Related Party Information

i) Relationships:

Holding Company – M/s. Rasandik Engineering Industries India Limited

ii) Disclosure of transactions between the company and related parties and the status of outstanding balances as on 31.03.2010

(Amount in Rs.)

TRANSACTIONS	2009-10	2008-09
Purchase of Goods	2,14,879	1,86,60,075
Purchase of Fixed Assets	2,84,899	8,49,856
Sale of Fixed Assets/Goods	110,221	21,454
Services Received	50,000	30,000
Loan repaid	1,03,00,000	–
Interest paid	12,71,560	23,29,629
Guarantees and Collateral Received	6,30,00,000	6,30,00,000
Amount Receivable	7,72,099	–
Amount Payable (including loan account)	74,40,392	18,000

11. The Company's sole business segment is manufacture and sale of auto components. The entire operations are governed by the same risk and returns and as such all business activities revolve around this segment. Hence, the operations have been considered as representing a single segment. Consequently, the need for separate disclosure as required under Accounting Standard 17 – "Segment Reporting" is not considered relevant.

12. Auditors Remuneration (Exclusive of Service Tax) :

(Amount in Rs.)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
Audit Fees	2,15,000	1,40,000
Tax Audit Fees	55,000	35,000
Out of pocket expenses	89,010	61,371
	3,59,010	2,36,371

13. There has been no warranty claim from the customers and hence provision for warranty is not made. However, line rejections effected by customers arising have been accounted for as and when received.

14. Confirmations of balance from Creditors have not been received.

15. The Company has not received any information from suppliers or service providers whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. So it is not been possible to give information under the Act.

16. Disclosure pursuant to Accounting Standard – 15 (Revised) "Employee Benefits"



a. Effective 1st April'07, the company has adopted accounting standard 15 (revised 2005) "Employee Benefits" issued by ICAI. The Company has classified the various benefits provided to employees as under:

b. Defined Contribution Plans:

The Company has contributed and recognized Rs. 4,80,588/- in the Profit & Loss Account which are included under contribution to Provident Fund and Other Funds.

c. Defined Benefit Plans (This information is given as per the report from Actuaries)

1	Change in Benefit Obligation	Gratuity Non –Funded Rs.	Leave Wages Non-Funded Rs.
	Liability at the beginning of the year 1 st April '09	2,14,724	73,801
	Interest cost	16,104	5,535
	Current Service Cost	1,16,754	37,870
	Benefit Paid	–	(77,752)
	Actuarial (gain) / Loss on obligation	(7,377)	87,615
	Liability at the end of the year	3,40,205	1,27,069
	Changes in the Fair Value of Plan Assets		
a)	Present Value of Plan Assets as at 1 st April, 2009	–	–
b)	Expected Return on Plan Assets	–	–
c)	Actuarial (Gain)/Loss	–	–
d)	Employers' Contributions	–	–
e)	Benefits Paid	–	–
f)	Present Value of Planned Assets as at 31 st March, 2010	–	–
	Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets		
a)	Present Value of Defined Benefit Obligation as at 31 st March, 2009	–	–
b)	Fair Value of Plan Assets as at 31 st March, 2009	–	–
c)	Net Liability recognized in the Balance Sheet (as at 31 st March,2010)	–	–
	Expenses Recognized in the Profit and Loss Account		
a)	Service Cost	1,16,754	37,870
b)	Interest Cost	16,104	5,535
c)	Expected Return on Plan Assets	–	
d)	Curtailement Cost/(Credit)	–	
e)	Settlement Cost/(Credit)	–	
f)	Net Actuarial (Gain)/Loss	(7,377)	87,615
g)	Total Expenses recognized in the Profit and Loss A/c	1,25,481	1,31,020
	Actuarial Assumptions		
	Retirement age	58	58
	Discount rate	7.50%	7.50%
	Mortality	LIC (1994-96)	duly modified
	Withdrawal rate	1% - 3%	1% - 3%
	Salary escalation	5.00%	5.00%



17. Additional information pursuant to the provisions of paragraph 3 and 4 of Part II of Schedule VI of the Companies Act, 1956 is as under:

A. RAW MATERIAL CONSUMED

	2009-10		2008-09	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Steel items	NA	10,85,20,375	NA	8,93,96,841

B. CONSUMPTION OF RAW MATERIAL

	2009-10		2008-09	
	Value – Rs.	%	Value – Rs.	%
i) Raw Material				
1 Imported	–	–	–	–
2 Indigenous	10,85,20,375	89.96%	8,93,96,841	88.52%
ii) Components & Spare Parts				
1 Imported	6,77,131	0.56%	5,34,817	0.53%
2 Indigenous	1,14,30,077	9.48%	1,10,58,814	10.95%

C. C.I.F. VALUE OF IMPORTS

	2009-10		2008-09	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Consumables	12 MT	5,49,803	12 MT	6,51,462

D. EXPENSES IN FOREIGN CURRENCY

Expenses in Foreign Currency	N.A	N.A
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E. INCOME IN FOREIGN CURRENCY

Income in Foreign Currency	Nil	Nil
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F. CAPACITY, PRODUCTION, SALES & STOCK

	2009-10			2008-09		
	Licensed	Licensed	Installed Capacity	Actual Production	Installed Capacity	Actual Production
a) Motor Cycle Frames (nos)	NA	2,40,000	1,20,621	NA	2,40,000	90,373
b) Others Parts for Motor Cycle and Mopeds (nos)	NA	21,00,000	7,85,045	NA	21,00,000	4,74,422

*As certified by the Management and accepted by the auditors, being a technical matter.

G. SALES

Description	2009-10		2008-09	
	Quantity	Value(Rs.)	Quantity	Value(Rs.)
1 Motor Cycle Frames Unpainted	1,20,551	16,75,59,943	90,373	14,43,35,927
2 Other parts of Motor Cycles & Mopeds	7,85,564	3,16,16,586	4,74,422	2,42,12,054
Total	9,06,115	19,91,76,529	5,64,795	16,85,47,981



H. CLOSING STOCK OF FINISHED GOODS

	As at 31-03-10		As at 31-03-09	
	Qty.	Value (Rs.)	Qty.	Value (Rs.)
1 Frames	73	91,425	3	3,442
2 Other parts of motor cycles & mopeds	4516	1,32,926	5035	2,21,273
Total	4589	2,24,351	5038	2,24,715

18. Previous year figures have been re-grouped wherever necessary to confirm to current year's classification.

For and on behalf of the Board

M.S. RAMAPRASAD
Director

GAUTAM BHATTACHARYA
Director

Place : NEW DELHI

Date : 22.05.2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
I. Registration Details

Registration No.	U29199DL1998PTC096582	State Code	55
Balance Sheet Date	31.03.2010		

II. Capital raised during the year (Amount in Rs.Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities	134871	Total Assets	134871
Sources of Funds			
Paid-up Capital	19892	Reserves & Surplus	10477
Secured Loans	44315	Unsecured Loans	13212
Application of Funds			
Net fixed Assets	72607	Investments	NIL
Net Current Assets	20909	Misc. Expenditure	NIL
Deferred Tax Assets (Net)	-5620	Accumulated Losses	NIL

IV. Performance of Company (Amount in Rs. Thousand)

Turnover (Gross)	199,177	Total Expenditure	179478
Profit Before Tax	19699	Profit After Tax	14636
Earning Per Share	9.90	Dividend Rate (%)	NIL

V. Generic Names of Three Principal Products of Company (as per monetary terms)

Item Code No.(ITC Code)	8708
Product Description	
Item Code No. (ITC Code)	8462
Product Description	

Schedules referred to above form an integral part of the Accounts.

As per our report of even date.

For and on behalf of the Board

V. SANKAR AIYAR & CO.

Chartered Accountants

S. VENKATARAMAN

Partner

M.No : 23116

M.S. RAMAPRASAD

Director

GAUTAM BHATTACHARYA

Director

Place: New Delhi

Date : 22/05/2010



CASH FLOW STATEMENT FORMING PART OF THE BALANCE SHEET

	Year Ended 31st March, 2010 (Rs.)	Year Ended 31st March, 2009 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	12,055,894	(9,251,715)
Adjustments for:		
Depreciation	6,487,106	7,864,608
Depreciation written back	(3,293,110)	
Interest and Finance Charges	8,588,770	10,480,915
Interest Income	(354,378)	(293,552)
Provision for Gratuity	118,211	56,784
Provision for Leave Encashment	45,405	28,396
Sundry Balances Written back	(396,187)	
(Profit)/Loss on sale of Fixed asset	—	34,906
Sundry Balances Written off	472,735	—
	<u>11,668,553</u>	<u>18,172,057</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	23,724,448	8,920,342
Adjustments for:		
Trade and other receivables	(11,128,792)	13,162,805
Inventories	2,750,769	78,525
Trade payables and other liabilities	5,681,259	(13,187,773)
	<u>(2,696,764)</u>	<u>53,557</u>
Cash generated from operations	21,027,683	8,973,899
Direct Taxes paid	(128,090)	(180,991)
	<u>(128,090)</u>	<u>(180,991)</u>
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	20,899,593	8,792,908
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	20,899,593	8,792,908
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,487,654)	(1,073,572)
(Increase)/Decrease Capital WIP	89,337	354,902
Proceeds from sale of fixed assets/Deletion of Fixed Asset	14,077,097	253,034
Loan to Other Bodies Corporate	(85,000)	(200,000)
Interest received	354,378	293,552
	<u>12,948,157</u>	<u>(372,084)</u>
NET CASH USED IN INVESTING ACTIVITIES (B)	12,948,157	(372,084)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in share Capital	—	—
Borrowings/(Repayment) from/to Bank & Others	(4,179,422)	1,084,376
Borrowings/(Repayment) of Long Term Borrowings	(20,007,808)	864,241
Interest & Finance Charges paid	(8,588,770)	(10,480,915)
	<u>(32,776,000)</u>	<u>(8,532,298)</u>
NET CASH USED IN FINANCING ACTIVITY (C)	(32,776,000)	(8,532,298)
Net Increase in cash and cash equivalents (A+B+C)	1,071,750	(111,474)
CASH & CASH EQUIVALENTS AS AT :		
Opening Balance	493,369	604,844
Closing Balance	1,565,118	493,369
	<u>1,071,750</u>	<u>(111,474)</u>

Notes:

- Above statement has been prepared in indirect method.
- Cash and cash equivalents consists of cash on hand and balance with banks
- Trade and other receivables include other current assets and loans and advances.
- Additions to Fixed Assets and capital work-in -progress in between beginning and end of the year are treated as part of Investing Activities.

Schedules referred to above form an integral part of the Accounts

As per our report of even date

for and on behalf of the Board

V. SANKAR AIYAR & CO.

Chartered Accountants

S. VENKATARAMAN

Partner

M.No : 23116

Place : New Delhi

Date : 22.06.2009

M. S. Ramprasad

Director

Gautam Bhattacharya

Director



AUDITORS REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED

- 1) We have audited the attached Consolidated Balance Sheet of **RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED** ("the Company") and its subsidiary as at March 31, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto of the Company. These financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the 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 the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of Rs. 935.16 Lacs (Previous year Rs. 921.51 Lacs) as at March 31, 2010, total revenues of Rs. 1866.35 Lacs (Previous year Rs. 1501.68 Lacs) and net cash outflows amounting to Rs. 5.11 Lacs (Previous year: Net cash inflows-Rs. 10.72 Lacs) for the year ended on that date. These financial statements and other financial information has been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditors.
- 4) We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21, Consolidated Financial Statements prescribed by the Central Government under Section 211 (3C) of the Companies Act, 1956 and other recognized accounting practices and policies.
- 5) Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with accounting principles generally accepted in India ;
 - i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiary as at March 31, 2010;
 - ii) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **A W A T A R & C O.**
Chartered Accountants
Registration Number 000726N

BRIJENDRA AGRAWAL
Partner
Membership No. : 087787

Place : New Delhi
Date : June 05, 2010



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Schedule	As at 31st March, 2010 (Rs.)	As at 31st March, 2009 (Rs.)
SOURCES OF FUNDS		
Shareholders' Funds		
Share Capital	1 47,250,000	47,250,000
Reserves & Surplus	2 299,170,961	235,973,654
	<u>346,420,961</u>	<u>283,223,654</u>
Loan Funds		
Secured	3 908,991,774	1,075,687,189
Unsecured	4 615,261,552	704,761,780
Deferred Credits against Leasehold Land	382,055	840,547
	<u>1,524,635,381</u>	<u>1,781,289,516</u>
Deferred Tax Liability (Net)	<u>155,794,926</u>	<u>142,932,168</u>
TOTAL	<u>2,026,851,268</u>	<u>2,207,445,337</u>
APPLICATION OF FUNDS		
Fixed Assets		
Gross Block	5 2,247,437,046	2,113,575,018
Less: Depreciation	657,311,032	536,986,376
Net Block	<u>1,590,126,015</u>	<u>1,576,588,642</u>
Capital Work in Progress	451,493,716	551,670,374
	<u>2,041,619,730</u>	<u>2,128,259,016</u>
Current Assets, Loans and Advances		
Inventories	6 384,932,020	374,917,401
Sundry Debtors	7 266,748,164	246,964,593
Cash and Bank Balances	8 45,671,252	49,216,111
Other Current Assets	9 34,462,443	35,043,449
Loans and Advances	10 181,771,991	180,176,508
	<u>913,585,870</u>	<u>886,318,062</u>
Less: Current Liabilities and Provisions		
Current Liabilities	11 900,565,515	779,300,002
Provisions	12 31,653,174	30,675,281
	<u>932,218,689</u>	<u>809,975,283</u>
Net Current Assets	<u>(18,632,819)</u>	<u>76,342,779</u>
Miscellaneous Expenditures (To be extant not written off or adjusted)	13 3,864,357	2,843,542
TOTAL	<u>2,026,851,268</u>	<u>2,207,445,337</u>
Significant Accounting Policies	20	
Notes to Accounts	21	

Schedules referred to above form an integral part of the Accounts.

As per our report of even date.

for and on behalf of the Board

for **A W A T A R & C O.**

Chartered Accountants

S C KAPOOR
Chairman

RAJIV KAPOOR
Managing Director

DEEPIKA KAPOOR
Director

BRIJENDRA AGRAWAL

Partner
M.No.87787

SHYAM S.SETHI
Director

A.R. HALASYAM
Director

GORAV ARORA
Company Secretary

Place : New Delhi

Date : 05.06.2010



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

	Schedule	Year Ended 31st March 2010 (Rs.)	Year Ended 31st March 2009 (Rs.)
INCOME			
Turnover (Gross)	14	2,732,849,589	2,422,405,289
Less : Excise Duty on Sales		247,453,579	316,158,456
Turnover (Net)		2,485,396,010	2,106,246,833
Other Income	15	11,398,759	11,076,703
Exchange Fluctuation (Refer Note 5,Schedule 20)		3,794,055	1,286,474
TOTAL		2,500,588,824	2,118,610,010
EXPENDITURE			
Manufacturing & Other Expenses	16	2,126,381,012	1,871,226,281
Cost of Goods Traded	17	-	3,564,727
(Increase)/Decrease in Stock of finished goods and work in process	18	31,087,373	(51,922,330)
		2,157,468,385	1,822,868,679
Profit before Interest, Depreciation and Taxation		343,120,439	295,741,331
Interest and Finance charges	19	134,425,537	146,177,330
Depreciation		121,118,160	110,526,846
		255,543,697	256,704,176
Profit before Taxation		87,576,742	39,037,155
Provision for Taxation			
Current Tax		11,516,677	4,265,000
Wealth Tax		-	-
Fringe Benefit Tax		-	1,640,040
Deferred Tax (Refer Note 8, Schedule 20)		12,862,758	29,485,168
Profit after Taxation		63,197,307	3,646,948
Profit Brought Forward		148,631,367	144,984,419
Available for Appropriations		211,828,674	148,631,367
APPROPRIATIONS			
General Reserve		-	-
Proposed Dividend		-	-
Tax on Proposed Dividend		-	-
Balance carried forward to the Balance Sheet		211,828,674	148,631,367
		211,828,674	148,631,367
Basic Earning per share		13.38	0.77
Diluted Earning per share		13.38	0.77
Significant Accounting Policies	20		
Notes to Accounts	21		

Schedules referred to above form an integral part of the Accounts.

As per our report of even date.

for and on behalf of the Board

for **A W A T A R & C O.**

Chartered Accountants

S C KAPOOR
Chairman

RAJIV KAPOOR
Managing Director

DEEPIKA KAPOOR
Director

BRIJENDRA AGRAWAL

Partner
M.No.87787

SHYAM S.SETHI
Director

A.R. HALASYAM
Director

GORAV ARORA
Company Secretary

Place : New Delhi

Date : 05.06.2010



**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED ACCOUNTS AS AT 31ST MARCH, 2010**

	As at 31st March, 2010 (Rs.)	As at 31st March, 2009 (Rs.)
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
10,000,000 Equity Shares of Rs.10/- each	<u>100,000,000</u>	<u>100,000,000</u>
Issued, Subscribed and Paidup		
4725000 Equity Shares of Rs. 10/- each	<u>47,250,000</u>	<u>47,250,000</u>
TOTAL	<u>47,250,000</u>	<u>47,250,000</u>
SCHEDULE - 2		
RESERVES & SURPLUS		
Share Premium	7,500,000	7,500,000
General Reserve		
As per last Balance Sheet	75,587,847	97,500,000
Less: Adjustment as per transitional provision of AS-11(Refer Note No.5 of schedule 20)	-	21,912,153
Add: Transferred from Profit & Loss Account	<u>- 75,587,847</u>	<u>- 75,587,847</u>
Capital Reserve	4,254,440	4,254,440
Balance as per Profit & Loss Account	<u>211,828,674</u>	<u>148,631,367</u>
TOTAL	<u>299,170,961</u>	<u>235,973,654</u>



**CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2010 (Contd...)**

	As at 31st March, 2010 (Rs.)	As at 31st March, 2009 (Rs.)
SCHEDULE - 3		
SECURED LOANS		
A. From Banks:		
Term Loan		
Foreign Currency Loans (Payable within one year Rs. 2,85,84,820/- Previous year Rs. 5,80,22,153/-)	48,277,230	134,650,042
Rupee Loans (Payable within one year Rs. 7,76,44,748/- Previous year Rs.6,21,88,933/-)	548,259,540	601,067,165
Working Capital Loan	256,871,842	277,358,517
B. From Others :		
Term Loan		
Rupee Loans (Payable within one year Rs. 12,38,724/- Previous Year 7,84,812/-)	4,091,914	4,699,420
Interest Free Trade Tax Loan (Payable within one year Rs. 1,12,23,405/- Previous year Rs. 77,44,289/-)	51,491,248	57,912,045
TOTAL	908,991,774	1,075,687,189
SCHEDULE - 4		
UNSECURED LOANS		
3% Foreign Currency Convertible Bonds	451,400,000	509,500,000
From Bodies Corporate	162,782,558	193,452,431
Deferred Payment of Trade Tax	-	1,323,493
From Non Banking Financial Companies	1,078,994	485,856
TOTAL	615,261,552	704,761,780

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010 (Contd...)

**SCHEDULE - 5
FIXED ASSETS**

(Refer Note 2, Schedule 21)

(Amount in Rs.)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As At 31st March 2009	Additions (Deductions)	As At 31st March 2010	Upto 31st March, 2009	For The Year	Upto 31st March 2010	As At 31st March 2010	As At 31st March 2009
Land- Freehold	39,046,828		39,046,828	-	-	-	39,046,828	39,046,828
Land - Leasehold	55,619,864	219,482	55,839,346	1,836,366	329,041	2,165,407	53,673,939	53,783,498
Factory Buildings	314,103,124	(21,968,073)	292,135,051	40,310,298	10,121,593	50,431,891	241,703,160	273,792,826
Administrative Buildings	7,102,010	-	7,102,010	1,018,051	115,762	1,133,813	5,968,197	6,083,959
Plant & Machinery	1,255,411,376	145,865,214 (131,581)	1,401,145,009	294,936,136	66,800,377 (25,457)	361,711,056	1,039,433,953	960,475,240
Dies, Jigs & Fixtures	338,624,291	3,897,550	342,521,841	145,540,284	31,180,629	176,720,913	165,800,928	193,084,007
Furniture & Fixtures	10,350,479	3,678,345	14,028,824	4,486,945	743,214	5,217,919	8,810,905	5,863,534
Computers & Other Peripherals	31,977,700	77,988 (175,174)	31,880,514	18,113,311	4,164,790	22,278,101	9,602,413	13,864,389
Vehicles	19,716,277	3,040,022	19,900,719	8,420,949	1,650,361	9,225,833	10,674,886	11,295,328
Utilities	41,623,069	(2,855,580) 2,213,836	43,836,905	22,324,036	(845,476) 6,102,062	28,426,098	15,410,807	19,299,033
	2,113,575,018	133,862,028	2,247,437,046	536,986,376	121,207,829	657,311,032	1,590,126,015	1,576,588,642
Depreciation Capitalized during the year	-	-	-	-	(89,669)	-	-	-
Capital work in progress including Advances against Capital Expenditure	-	-	-	-	-	-	-	-
Expenditure during construction period pending allocation	-	-	-	-	-	-	437,527,987	535,211,640
Total Current Year	2,113,575,018	133,862,028	2,247,437,046	536,986,376	121,118,160	657,311,032	2,041,619,730	2,128,259,016
Previous Year	1,764,466,334	349,108,684	2,113,575,018	426,449,095	110,526,846	536,986,376	2,128,259,016	1,771,997,281



**CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2010 (Contd...)**

	As at 31st March, 2010 (Rs.)	As at 31st March, 2009 (Rs.)
SCHEDULE - 6		
INVENTORIES		
(As valued and certified by the Mangement)		
(Refer Note 3 , Schedule 20)		
Raw Materials & Components	133,862,677	100,357,357
Stock in Trade	-	-
Stores & Spare Parts	32,464,969	61,087,277
Work -in -Process	120,044,622	189,025,079
Finished Goods	76,856,293	5,533,603
Goods in Transit	21,703,459	18,914,085
TOTAL	384,932,020	374,917,401
SCHEDULE - 7		
SUNDRY DEBTORS		
(Unsecured)		
A Debts considered good		
Outstanding for a period exceeding six months	2,61,50,412	25,178,820
Others	24,05,97,752	221,785,773
	266,748,164	246,964,593
B Debts considered doubtful		
Outstanding for a period exceeding six months	912,744	267,649
Less: Provision for doubtful debts	(912,744)	(267,649)
	-	-
TOTAL	266,748,164	246,964,593
SCHEDULE - 8		
CASH AND BANK BALANCES		
Cash on hand	605,473	815,675
Cheques on hand	-	3,245,859
Bank Balances:		
With Scheduled Banks		
Current Accounts	8,265,278	12,343,697
Unclaimed Dividend Accounts	964,847	972,634
Margin Money Deposits	35,819,852	31,820,409
Call Money Deposits	13,227	14,930
Citi Bank, Escrow Account	2,575	2,907
TOTAL	45,671,252	49,216,111
SCHEDULE - 9		
OTHER CURRENT ASSETS		
(Unsecured - considered good)		
Interest Accrued	16,724,712	13,753,825
Cenvat Claims Receivable	17,737,731	21,289,624
TOTAL	34,462,443	35,043,449



**CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2010**

	As at 31st March, 2010 (Rs.)	As at 31st March, 2009 (Rs.)
SCHEDULE - 10		
LOANS AND ADVANCES		
(Unsecured - considered good)		
Advances recoverable in cash or in kind or for value to be received	23,149,926	13,740,168
Advances to Suppliers	42,213,991	19,055,661
Advances to Others	21,415,008	23,182,472
Loans to Bodies Corporate	14,014,608	20,965,734
Security Deposit	13,076,133	15,911,710
Advance Income Tax and Tax deducted at Source	17,838,903	5,636,175
Balances with Excise Departments	50,063,422	81,684,588
TOTAL	181,771,991	180,176,508
SCHEDULE - 11		
CURRENT LIABILITIES AND PROVISIONS CURRENT LIABILITIES		
Sundry Creditors :		
Micro, Small and Medium Enterprises	-	-
Others	634,800,139	573,730,622
Security Deposits	2,278,442	4,429,773
Advance from Customers	146,842,979	96,591,507
Other Liabilities	114,956,862	88,729,057
Unclaimed Dividends	964,845	972,633
Book Overdraft	-	3,997,714
Liabilities accrued; but not due	722,248	10,848,696
TOTAL	900,565,515	779,300,002
SCHEDULE - 12		
PROVISIONS		
Taxation	17,943,709	18,903,506
Proposed Dividend	-	-
Tax on Proposed Dividend	-	-
Gratuity	11,129,949	9,793,813
Leave Encashment	2,579,516	1,977,962
TOTAL	31,653,174	30,675,281
SCHEDULE - 13		
MISCELLANEOUS EXPENDITURE		
Deferred Revenue Expenditure	4,812,204	3,791,389
Less: 1/5 Written off	947,847	947,847
	3,864,357	2,843,542



**CONSOLIDATED SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2010 (Contd..)**

	For the year ended 31st March, 2010 (Rs.)	For the year ended 31st March, 2009 (Rs.)
SCHEDULE - 14		
TURNOVER		
(Refer Note 4, Schedule 20)		
Domestic Sales-Sheet Metal	2,681,994,629	2,328,709,749
Domestic Sales-Tools & Dies	9,332,291	26,593,943
Domestic Sales-Stock in trade	-	3,856,005
Export Sales-Sheet Metal	24,983,426	35,324,265
Export Sales-Tools & Dies	5,144,291	18,141,509
Job Work	11,394,952	9,779,818
TOTAL	2,732,849,589	2,422,405,289

SCHEDULE - 15

OTHER INCOME

Interest from banks (Tax deducted at source Rs. 244,121/- previous year Rs.4,97,183/-)	2,364,577	2,402,824
Interest on Loans to Bodies Corporate (Tax deducted at source Rs. 389,169/- previous year Rs.12,26,623/-)	2,447,987	3,565,953
Interest from others (Tax deducted at source Rs.27,587/- previous year Rs.18,590/-)	909,370	741,188
Profit on Sale of Fixed Assets	26,062	-
Excess Liabilities and Unclaimed Balances written back	74,538	1,473,623
Miscellaneous Income	5,576,225	2,893,115
TOTAL	11,398,759	11,076,703



**CONSOLIDATED SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2010 (Contd..)**

	For the year ended 31st March, 2010 (Rs.)	For the year ended 31st March, 2009 (Rs.)
SCHEDULE - 16		
MANUFACTURING AND OTHER EXPENSES		
Raw Material Consumed		
Opening Stock	100,357,358	92,460,023
Add: Purchases	1,685,566,553	1,451,703,638
	<u>1,785,923,911</u>	<u>1,544,163,661</u>
Less: Closing Stock	133,862,677	100,357,357
	<u>1,652,061,234</u>	<u>1,443,806,304</u>
Stores & Spares Consumed	69,745,278	83,091,774
Manufacturing Expenses		
Power & Fuel	68,455,397	57,608,098
Processing Charges	25,550,383	20,248,167
Repairs to :		
Plant & Machinery	25,272,217	14,241,786
Building	1,985,113	3,379,946
Others	4,144,139	3,970,912
Lease Rentals	346,765	216,077
Excise Duty	(2,738)	(446,705)
Payment to and provisions for employees		
Salaries, Wages and Bonus	159,196,996	131,240,907
Contribution to Employees State Insurance Scheme, Provident Fund and Labour Welfare fund	6,507,537	5,951,653
Courtesy Expenses	3,812,786	3,576,383
	<u>169,517,319</u>	<u>140,768,943</u>
Contract Payments	920,460	1,170,035
Selling Administration & Other Expenses		
Warranty Claims, Line Rejections etc.	1,492,544	6,400
Rent	9,013,680	3,181,722
Rates & Taxes	5,353,302	3,996,554
Insurance	8,506,157	5,208,660
Transportation and Forwarding Charges	33,637,197	24,215,259
Loss on Sale of assets	348,099	34,725
Travelling & Conveyance	12,953,748	17,594,199
Provision for doubtful debts	3,458,308	17,062,698
Deferred Revenue Expenditure	947,847	947,847
Miscellaneous Expenses	32,674,563	30,922,880
TOTAL	<u>2,126,381,012</u>	<u>1,871,226,281</u>



**CONSOLIDATED SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2010**

	For the year ended 31st March, 2010 (Rs.)	For the year ended 31st March, 2009 (Rs.)
SCHEDULE - 17		
COST OF GOODS TRADED		
Opening Stock	-	12,123
Add: Purchases	-	3,552,604
	<hr/>	<hr/>
Less : Closing Stock	-	3,564,727
TOTAL	<hr/> - <hr/>	<hr/> 3,564,727 <hr/>

SCHEDULE - 18

(INCREASE)/DECREASE IN STOCK

OPENING STOCK

Finished Goods	5,644,940		11,058,858	
Work in process	188,612,279	194,257,219	131,320,273	142,379,131

CLOSING STOCK

Finished Goods	76,879,376		5,689,182	
Work in process	86,290,470	163,169,846	188,612,279	194,301,461

TOTAL		<hr/> 31,087,373 <hr/>		<hr/> (51,922,330) <hr/>
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SCHEDULE - 19

INTEREST AND FINANCE CHARGES

Interest :				
Term Loans		55,892,883		60,234,323
Others		51,280,201		66,645,724
Finance Charges		15,596,187		10,000,202
Cash Discount		11,656,266		9,297,081
TOTAL		<hr/> 134,425,537 <hr/>		<hr/> 146,177,330 <hr/>



SCHEDULE – 20

SIGNIFICANT ACCOUNTING POLICIES

1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements are prepared under the historical cost convention, on accrual basis and in accordance with the generally accepted accounting principles and applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

2) FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost of acquisition or construction, which comprises of purchase price (net of MODVAT / CENVAT /rebate and discounts, wherever applicable) and any directly attributable cost of bringing the asset to its working condition for the intended use. Expenditure during construction period including borrowing cost, wherever applicable, is allocated on the direct cost of the relevant assets on a pro-rata basis.

Depreciation on fixed assets has been provided as under:

- a) Depreciation on fixed assets is provided on Straight Line Method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 as amended except in the case of following assets for which depreciation has been provided at higher rates based on the useful life as determined by Management :

Additions to Communication Equipments (w.e.f. 01.04.2001)	20%
Machinery acquired after expiry of lease term	20%
Utilities	20%

- b) Depreciation on assets added /sold during the year is provided on pro rata basis with reference to the date of addition/disposal of the respective assets.
- c) Depreciation on incremental cost arising on account of premium on forward contract of foreign currency liabilities for acquisition of fixed assets has been provided as aforesaid over the residual life of the respective assets.
- d) Individual assets costing Rs. 5,000/- or less are depreciated in full.
- e) Leasehold land is amortized equally over unexpired period of lease from the date it is put to use.

3) INVENTORIES

- a) Raw materials, components, stores & spares are valued at cost on First in First out (FIFO) basis or net realizable value which ever is lower. The cost is arrived at after deducting the CENVAT credit.
- b) Finished goods and work in process are valued at lower of cost or net realizable value. Cost is arrived at by absorption costing method. Finished goods and work in process includes cost of conversion incurred in bringing the inventories to its present location and condition.
- c) Scrap is valued at net realizable value.
- d) Goods in transit are valued at cost.

4) RECOGNITION OF INCOME AND EXPENDITURE

- a) Sales are recognized, net of returns, on dispatch of goods to customers and are recorded gross of excise duty and net of sales tax and discounts.
- b) Insurance claims made by the company are accounted for at the time of their acceptance.
- c) Product warranty claims are charged to the Profit & Loss account as and when claimed by the customers on actual basis.
- d) Liability on account of customs duty on imported material in transit is accounted in the year in which the goods are cleared from the customs.
- e) Individual prior period items up to Rs. 20,000/- are treated as income/expenditure for the current year.

5) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions or at the exchange rates under related forward exchange contracts. Transactions not covered by forward exchange contracts



and outstanding at the close of the year are converted at year end exchange rates and the profit/ loss so determined is credited/ debited in the profit and loss account.

The Company has with effect from 1st April, 2008 changed the following account policy:

The company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in Companies (Accounting Standards) Amendment Rules on AS 11 notified by Government of India on March, 31, 2009. Accordingly, the losses / gains arising from the effect of changes in foreign currency rates on foreign currency loans relating of acquisition of depreciable capital assets has been added to/reduced from the cost of assets.

6) EMPLOYEE BENEFITS

Employee benefits have been recognized in accordance with revised AS-15. Accordingly,

- i) Long term compensated absences are provided for based on actuarial valuation at the end of each financial year.
- ii) Provident Fund is a defined contribution scheme and the same is administered through Regional Employees Provident Fund Organisation . Contribution to the said Organisation paid/ payable during the year is recognised in the Profit and Loss account. The shortfall, if any, between the return guaranteed by the Fund and actual earnings of the Fund is provided for by the holding company and contributed to the Fund.
- iii) Gratuity liability is a defined benefit obligation and is fully provided for on the basis of actuarial valuation made at the end of each financial year. The actuarial valuation is made on Projected Unit Credit (PUC) method.
- iv) Actuarial gains/losses are immediately recognized and are not deferred.

7) BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised/ charged to revenue in accordance with the Accounting Standard-16 issued by the Institute of Chartered Accountants of India.

8) TAXES ON INCOME

- a) Provision for current tax and Fringe Benefit Tax is made in accordance with and at the rates specified under the Income Tax Act, 1961, as amended. Tax expenses are accounted in the same period to which the revenue and expenses relate.
- b) Provision for deferred tax is made in accordance with Accounting Standard 22-'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India. The deferred tax charge or credit is recognized, using current tax rates, for timing differences between book and tax profits that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only when there is virtual certainty of realization of such assets in future. Such assets are reviewed at each balance sheet date to reassess realization.

9) REDEMPTION PREMIUM ON FOREIGN CURRENCY CONVERTIBLE BONDS

Premium payable on redemption of FCCB as per terms of issue is provided fully in the year of issue.

10) IMPAIRMENT OF ASSETS

An Asset is treated as impaired when its carrying cost exceeds its recoverable amount on the reporting date. An impairment loss is charged to the Profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior periods is reversed if there has been a change in the estimate of recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

11) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to accounts. Contingent assets are neither recognized nor disclosed in the financial statements.



SCHEDULE – 21

Notes to Accounts

- 1) The consolidated Financial statement has been prepared on the basis of AS-21 issued by ICAI read with the following assumptions:-
 - a) The Financial Statement of the Parent Company and Its subsidiary company has been combined on line by line basis by adding together the book values of items like Assets , Liabilities , Income and Expenses, after fully eliminating the inter-group transactions and resultant unrealized profits or losses.
 - b) Investment of the parent company in the subsidiary company are eliminated against respective state of the parent company.
 - c) Depreciation on fixed assets is provided on pro rata basis by using Straight Line Method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 as amended except in the case of following assets for which depreciation has been provided at higher rates based on the useful life as determined by Management :

Additions to Communication Equipments (w.e.f. 01.04.2001)	20%
Machinery acquired after expiry of lease term	20%
Utilities	20%
- 2) The other notes to accounts containing inter-alia explanatory material particulars on loans has not been included here as the same are disclosed in the notes to accounts to respective companies under consideration.

Schedules referred to above form an integral part of the Accounts.

As per our report of even date.

for **A W A T A R & C O.**
Chartered Accountants

BRIJENDRA AGRAWAL
Partner
M.No.87787
Place : New Delhi
Date : 05.06.2010

for and on behalf of the Board

S C KAPOOR Chairman	RAJIV KAPOOR Managing Director	DEEPIKA KAPOOR Director
SHYAM S.SETHI Director	A.R. HALASYAM Director	GORAV ARORA Company Secretary



CASH FLOW STATEMENT FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED AS AT 31ST MARCH,2010

(Amount in Rupees)

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	87,576,742	39,037,157
Adjustments for:		
Depreciation	121,118,160	110,526,846
(Profit) /Loss on sale of assets	322,037	34,725
Interest Income	(6,993,494)	(9,039,595)
Excess Liabilities and Unclaimed Balances written back	49,904	(1,000,888)
Bad Debts Written off	-	89,308
Interest and Finance Charges	135,697,097	148,506,959
Exchange fluctuation	(3,794,055)	(1,286,474)
Deferred Revenue Expenditure W/off	(1,020,815)	947,847
Provision for Gratuity	1,336,136	2,561,280
Provision for Earned Leave	601,554	313,010
Amount Writtten off	121,661	-
Provision for doubtful debts	3,458,308	17,062,698
	250,896,493	268,715,717
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	338,473,235	307,752,874
Adjustments for:		
Trade and other receivables	6,148,196	(7,025,305)
Inventories	(10,014,619)	(98,588,933)
Trade payables and other liabilities	127,637,742	232,631,428
	123,771,319	127,017,190
Cash generated from operations	462,244,554	434,770,064
Direct Taxes paid	(20,677,041)	(3,779,974)
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	441,567,513	430,990,090
Prior Period Adjustments (Net)	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	441,567,513	430,990,090
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments	-	-
Purchase of Fixed Assets	(102,781,710)	(392,434,476)
Proceeds from sale of fixed assets	1,796,790	14,165,097
Loan to Body Corporate	(2,150,000)	(85,000)
Amount Paid to Misc.Expenditure	-	-
Interest received	4,210,091	6,488,645
NET CASH USED IN INVESTING ACTIVITIES (B)	(98,924,829)	(371,865,734)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Prococeeds from Share Capital	-	-
Proceeds from Long Term Borrowings	173,151,193	324,042,618
Repayment of Long Term Borrowings	(340,590,729)	(241,920,927)
Interest & Finance Charges paid	(145,823,545)	(147,644,722)
Repayment of Deferred Credits against leasehold land	(840,547)	(1,008,000)
Borrowings/(Repayment) from/to Bank	(24,898,078)	(12,745,540)
Sales Tax and other loans (Net of repayments)	(7,185,839)	25,289,893
Dividend Paid	-	(7,087,500)
NET CASH USED IN FINANCING ACTIVITY (C)	(346,187,545)	(61,074,177)
Net Increase in cash and cash equivalents (A+B+C)	(3,544,861)	(1,949,821)
CASH & CASH EQUIVALENTS AS AT :		
Opening Balance 01.04.2009	49,216,112	51,165,933
Closing Balance 31.03.2010	45,671,251	49,216,111

Notes:

- Above statement has been prepared in indirect method.
- Cash and cash equivalents consists of cash on hand and balance with banks
- Trade and other receivables include other current assets and loans and advances.
- Additions to Fixed Assets are stated inclusive of movements of capital work-in -progress in between beginning and end of the year and treated as part of Investing Activities.
- Previous Year's figures have been regrouped/rearranged wherever necessary.

Schedules referred to above form an integral part of the Accounts.

As per our report of even date.

for **A W A T A R & C O.**

Chartered Accountants
BRIJENDRA AGRAWAL
Partner

M.No.87787

Place : New Delhi

Date : 05.06.2010

for and on behalf of the Board

S C KAPOOR Chairman	RAJIV KAPOOR Managing Director	DEEPIKA KAPOOR Director
SHYAM S.SETHI Director	A.R. HALASYAM Director	GORAV ARORA Company Secretary

RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED

Regd.Office:14, Roj-Ka-Meo Industrial Area, Sohna, Distt. Gurgaon, Haryana 122103.

PROXY FORM

Folio No. / Shares held *DP ID..... *Client ID

I / Weresident of.....

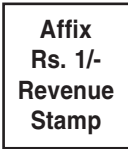
.....being a member / members of the above named Company, hereby appoint

Mr./Mrs./Ms.....resident of

failing him/her..... resident ofas my / our proxy

to vote for me / us my/our behalf at the 26TH ANNUAL GENERAL MEETING of the Company at 10.00 a.m. on Friday, the 3rd day of September, 2010 or at any adjournment thereof.

Date:.....



Signature of Member.....

Note: Proxies must reach the Company's Registered Office not less than 48 hours before the meeting.

CUT HEAR

RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED

Regd. Office:- 14, Roj-Ka-Meo Industrial Area, Sohna, Distt. Gurgaon, Haryana 122103.

ATTENDANCE SLIP

Please fill and sign the Attendance Slip and hand it over at the entrance of the meeting hall.

Shares held:

Folio No.

***DP ID**

***Client ID**

Name and Address of Shareholders:
.....
.....

I hereby record my presence at the 26TH ANNUAL GENERAL MEETING of the Company held at Conference Hall, Saras Tourist Complex, Damdama, Sohna, Haryana at 10.00 a.m. on Friday, the 3rd day of September, 2010.

Signature of Shareholder \ Proxy

*Applicable for shareholders holding shares in electronic form

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INDUSTRIES INDIA LIMITED**

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