

29TH
ANNUAL REPORT
2012 - 2013

**Rasandik Engineering
Industries India Limited**



RASANDIK
Passion For Excellence
www.rasandik.com



BOARD OF DIRECTORS

Mr. S. C. Kapoor, Chairman
Mr. Rajiv Kapoor, Managing Director
Mrs. Deepika Kapoor
Dr. Shyam S. Sethi
Mr. M. S. Ramaprasad

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
Allahabad Bank

REGISTERED OFFICE

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

CORPORATE OFFICE

525, Udyog Vihar, Phase-V
Gurgaon - 122016

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NOTICE

To the Shareholders

Notice is hereby given that the 29th Annual General Meeting of the Shareholders of the Company will be held on Saturday, the 31st August, 2013 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, 2013 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."

SPECIAL BUSINESS

4. **TO APPROVE THE APPOINTMENT AND PAYMENT OF REMUNERATION OF MS. RADHICKA KAPOOR, RELATIVE OF DIRECTORS AS VICE PRESIDENT OF THE COMPANY**

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

"RESOLVED THAT pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956 read with Director's Relative (Office or Place of Profit) Rules, 2003 (including any statutory modification or re-enactment thereof), consent of the Company be and is hereby accorded to the appointment of Ms. Radhicka Kapoor, relative of Directors of the Company to hold an office or place of profit in the Company as Vice President of the Company on a gross monthly remuneration of Rs. 200,000/- with effect from 1st June 2013 and with authority to the Board of Directors to sanction at its

discretion such promotion and/or increase in remuneration not exceeding gross monthly remuneration of Rs. 250,000/, in due course, as the Board of Directors may deem fit and proper."

By Order of the Board
For Rasandik Engineering Industries India Limited

Sd/-

Gorav Arora

Company Secretary

Place : New Delhi

Date : 30.05.2013

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 26.08.2013 to 31.08.2013 (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 2005-06, 2006-



07 and 2007-08 are requested to lodge their request with the company at its Corporate Office at 525, Udyog Vihar, Phase-V, Gurgaon - 122016 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:

Financial Year ended	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Last date for transfer to IEPF
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

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.

- 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.
- As required by Securities Exchange Board of India(SEBI) vide its Circular, the shareholders are requested to furnish a copy of the PAN card to the

Company/ Registrar & Share Transfer Agents while sending the shares held in physical form for transfer, transmission, transposition and deletion of name of the deceased shareholder(s).

- 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

Sd/-

Place : New Delhi
Date : 30.05.2013

Gorav Arora
Company Secretary



ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO- 4

TO APPROVE THE APPOINTMENT AND PAYMENT OF REMUNERATION OF MS. RADHICKA KAPOOR, RELATIVE OF DIRECTORS AS VICE PRESIDENT OF THE COMPANY

Ms. Radhicka Kapoor is appointed to hold the office of Profit as Vice President in the company w.e.f. June 1, 2013.

Ms. Radhicka Kapoor has done B.A. and M.A. Honours Economics from University of Cambridge, M.Sc Economics (Distinction), M.Res and PhD Economics from London School of Economics and Political Science. She is having experience of more than 12 Years and having exposure in

the field of Finance & Economics. She is associated as consultant with Planning Commission, Government of India.

The Board is of the opinion that her experience in the field of Economics and Finance will be extremely beneficial to the Company and her appointment is in the best interest of the Company.

None of the Director except Mr. S C Kapoor being the Grandfather, Mr. Rajiv Kapoor being the Father and Mrs. Deepika Kapoor being the Mother of the incumbent, is deemed to be concerned or interested in this resolution.

The Board of Directors recommends the resolution set out in item no. 4 of the accompanying notice for the approval of the Members.

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

Name	:	Deepika Kapoor
Date of Birth	:	26 th November' 1957
Nationality	:	Indian
Date of Appointment	:	10 th January 1984
Qualification	:	B. Ed. Graduate
Expertise in specific functional area	:	Administration
Number of Shares held in the Company	:	34,300
List of other Companies in which Directorship held	:	Nil
Chairman / Member of the Committees of Board of Directors of Other Companies	:	None

By Order of the Board
For Rasandik Engineering Industries India Limited

Sd/-

Gorav Arora
Company Secretary

Place : New Delhi
Date : 30.05.2013

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting the 29th Annual Report of your Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2013.

FINANCIAL RESULTS (Rs in millions)

PARTICULARS	2012-13	2011-12
Total Income (Gross)	2771.72	2502.41
Profit Before Finance Cost, Depreciation and Taxation	326.69	162.19
Finance Cost	150.75	160.10
Depreciation	133.80	127.28
Profit Before Tax	42.14	-125.19
LESS:		
Tax expense	10.05	13.42
Profit/Loss After Tax (Loss)	32.09	-138.61
ADD:		
Balance in Profit and Loss Account	83.24	221.85
Amount Available for Appropriation	115.33	83.24

OPERATING RESULTS

During the year under review, the overall performance of the Company showed upward movement as compared to the previous year. The total revenue (gross) of the company for the year ended 31st March, 2013 was Rs. 2771.71 millions as compared to Rs. 2502.41 millions in the previous year. The profit before depreciation, finance cost, taxation is increased to Rs. 326.69 millions from Rs. 162.19 millions in the previous year. The net profit after depreciation and finance cost is Rs. 42.14 millions for the current financial year as compared to loss of Rs.125.19 millions in the previous year. The Profit after tax is Rs. 32.09 millions in comparison to loss of Rs.138.61 millions in previous year.

DIVIDEND

In view to improve liquidity position of the Company and considering the funding requirements of the underlying businesses, your directors do not recommend any dividend.

PROSPECTS FOR THE CURRENT YEAR

Your Company is expecting a growth of at least 10% for the coming financial year 2012-13. The prospect for the current year seems bright, as your company has received number of orders in the areas of TWB and Component Manufacturing.

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, the Company is continuously renewing and updating the knowledge and skill of its employees at all levels through training and development.

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 2012-13. The application for Voluntary delisting application is still pending at the Calcutta Stock Exchange. 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

Mrs. Deepika Kapoor retires from the Board by rotation and being eligible, offer herself for reappointment.

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 for the year ended 31st March 2013, 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 2012-13 and of the profit for the period ended March 31, 2013;
- 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 for the year ended 31st March 2013 have been prepared on a 'going concern' basis.

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.

COST AUDITORS AND COST AUDIT REPORT

Pursuant to Section 233B(2) of the Companies Act, 1956, in terms of the Central Government's approval the Board of Directors appointed M/s. Jitender Navneet & Co., Cost Auditor's firm as the Cost Auditor of the Company. The Board has received a Certificate from the Cost Auditor certifying his independence and arm's length relationship with the Company. Pursuant to The Companies (Cost Audit Report) Rules, 2011, the Compliance Report for the financial year 2011-12 were filed by the Cost Auditor on Ministry of Corporate Affairs website.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from public 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.

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 Maruti Suzuki Motors Ltd, Tata Motors Ltd, New Holland Tractors, Honda Siel, Fiat India, General Motors, Mahindra, Renault, Swaraj Mazda, Honda Motorcycles & Scooters, Ashok Leyland, Force Motors and all other Customers. Your Directors look forward to receive their continued confidence, support and encouragement.

For and on Behalf of the Board

Sd/-

Place : New Delhi
Date : 30.05.2013

(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 & FORMING PART OF DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2013.

Details of employee(s) who draw an aggregate remuneration of Rs. 60,00,000/- or more per annum or Rs. 500,000/- or more per month

None

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, 2013.

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

SI No.	Particulars	2012-13	2011-12
a.	Purchased of Electricity		
	Units Purchased	7,262,542	7,148,148
	Total Amount (Rs.)	47,307,225	40,034,171
	Average rate / unit (Rs.)	6.51	5.60
b.	Own Generation of Electricity		
	DG Set Generated Units	1,586,471	1,938,112
	Total Amount (Rs.)	33,284,109	26,325,153
	Average rate / unit (Rs.)	20.98	13.58

(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, 2013	For the year ended March 31, 2012
F.O.B. Value of Exports	3,02,69,705	4,39,85,624

c. Foreign Exchange Outgo:**(In Rs)**

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Raw Material & Component (CIF Value of Imports)	2,73,54,812	3,73,79,770
Store & Spares (CIF Value of Imports)	63,17,980	13,54,780
Plant & Machinery	Nil	18,55,35,000
Traveling	58,290	11,54,122
Professional Charges	99,11,727	37,09,457
Others	-	-

ANNEXURE - C

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2012-13

(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 five of which two 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 30.05.2012, 14.08.2012, 08.11.2012, 08.12.2012 and 14.02.2013. The maximum time gap between any two consecutive meetings was not more than four months. 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, 2013, is given below:

Name	Designation	Promoter/ Independent Director	Meetings attended in other companies (Indian)	Directorships	Attendance in last AGM (Nos.)	Share- holding
Mr. S. C. Kapoor	Chairman	Non- Independent	5	0	Yes	809,447
Mr. Rajiv Kapoor**	Managing	Promoter Director	5	0	Yes	146,900
Mrs. Deepika Kapoor	Director	Promoter Director	5	0	No	34,300
Dr. Shyam S. Sethi	Director	Independent	5	0	No	Nil
Mr. M. S. Ramaprasad	Director	Independent	5	0	No	Nil

* 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 described hereunder.

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 approved.
 - 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: 30.05.2012, 14.08.2012, 08.11.2012 and 14.02.2013. 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. M. S. Ramaprasad	Member	4

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: 30.05.2012, 14.08.2012, 08.11.2012 and 14.02.2013. The necessary quorum was present at all the meetings.

Attendance:

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. M. S. Ramaprasad	Member	4

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, Compliance Officer & Company Secretary
 525, Udyog Vihar, Phase-V, Gurgaon - 122016
 email: cs@rasandik.com

Shareholders can also contact

Mr. Pradeep C. Nayak, Asst. Company Secretary
 525, Udyog Vihar, Phase-V, Gurgaon - 122016
 email: acs@rasandik.com



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, 2012 to 31st March, 2013 is as follows:

Opening Balance	Received during the year	Resolved during the year	Pending
Nil	2	2	Nil

Pursuant 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 and acs@rasandik.com.

5. 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.

6. GENERAL BODY MEETINGS

Year	Type	Date of Meeting	Venue of Meeting	Time	No. of Directors Present
2009-10	AGM	03.09.2010	Conference Hall, Saras Tourist Complex, Damdama, Sohna Haryana - 122103	10 a.m.	2
2010-11	AGM	30.09.2011	Conference Hall, Saras Tourist Complex, Damdama, Sohna Haryana - 122103	10 a.m.	2
2011-12	AGM	29.09.2012	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 2010-11. Special Resolutions of Re-appointment and Remuneration of Mr. Rajiv Kapoor, Managing Director was passed during 2011-12. Special Resolutions of Appointment and Remuneration of Ms. Sonali Kapoor, Relative of Directors as Vice President of the Company was passed during 2011-12. There was no occasion to pass any Special Resolutions through Postal Ballot on any of the matters specified under Clause 35 of the listing agreement. No resolution is proposed through postal ballot this year.

7. REMUNERATION TO DIRECTORS

None of the Directors including the Managing Director of the Company is in receipt of any kind of remuneration during the financial year 2012-13. 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 (Rs.)	Sitting Fee Per Meeting (Rs.)	Sitting Fee Paid During 2012-13
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. M. S. Ramaprasad	5	5000	25000

MANAGING DIRECTOR

No remuneration is paid to Mr. Rajiv Kapoor, Managing Director (re-appointed as Managing Director w.e.f. 01.10.2011 for a period of three years) during the financial year 2012-13.

8. 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.

9. APPOINTMENT OF DIRECTORS

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

Brief Resume of Directors are as follows

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

10. MEANS OF COMMUNICATION

The Quarterly results of the Company were announced within a month of the end of each quarter of the financial year 2012-13 and the Audited Annual results of the financial year 2012-13 were announced on 30th May 2013; 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 and in which newspaper normally published in.	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 and acs@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 displayed on Website of the Company www.rasandik.com.

11. GENERAL SHAREHOLDER INFORMATION

Registered Office	: 14, Roz-Ka-Meo Industrial Area, Sohna, Distt. Gurgaon, Haryana-122103
Annual General Meeting Date & Time Venue	: Saturday, August 31, 2013 at 10.00 a.m. Conference Hall, Saras Tourist Complex, Damdama, Sohna, Haryana
Financial Calendar	: Tentative and subject to change
Financial Reporting	: Financial Year 2013-14 (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, 2013	: Within 60 days from the end of financial year
Book Closure Date	: 26.08.2013 to 31.08.2013 (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 Annual Listing fees as prescribed for the year 2013-14 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 2013-14. 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

12. 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 31.03.2013	Last date for claiming unpaid Dividend
2005-06	7th	15%	25.08.2006	153,337.50	24.08.2013
2006-07	8th	10%	07.09.2007	113,683.00	06.09.2014
2007-08	9th	15%	12.09.2008	149,440.50	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.

44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, 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 Fourteen 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

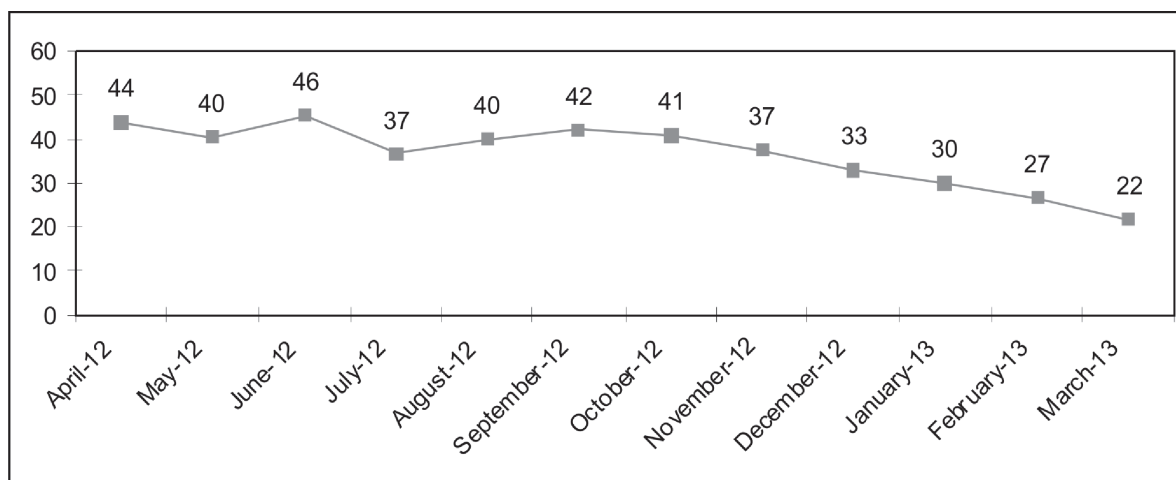
The monthly high and low quotation of equity shares at the Bombay Stock Exchange is listed below:

(Face Value Rs. 10/-)

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total turnover	Deliverable Qty	% Deli. Qty to Traded Qty	* Spread (Rs.)	
										H-L	C-O
Apr-12	39	45	37	44	13,684	103	5,72,635	13,684	100	8.20	5.30
May-12	42	45	39	40	38,031	151	16,20,182	38,031	100	5.60	(1.60)
Jun-12	40	46	35	46	12,270	76	4,87,866	12,270	100	10.05	5.45
Jul-12	46	46	33	37	32,797	117	12,05,575	32,580	99	13.25	(9.00)
Aug-12	38	44	38	40	7,899	101	3,30,323	7,253	92	5.75	1.70
Sep-12	40	44	35	42	35,610	185	13,50,925	32,622	92	8.65	2.00
Oct-12	41	46	36	41	8,001	101	3,16,304	7,110	89	9.70	(0.45)
Nov-12	39	42	35	37	13,510	63	5,30,273	12,805	95	6.65	(1.50)
Dec-12	36	38	32	33	28,665	217	9,69,172	24,049	84	6.20	(2.95)
Jan-13	33	34	29	30	5,309	85	1,65,501	3,905	74	5.45	(2.85)
Feb-13	31	31	25	27	6,673	91	1,89,457	6,416	96	6.45	(4.30)
Mar-13	27	27	21	22	5,718	57	1,30,820	5,618	98	5.90	(4.90)

(Source: www.bseindia.com)

SHARE PRICE MOVEMENT GRAPH ON MUMBAI STOCK EXCHANGE 2012-13



(Source: www.bseindia.com)



Shareholding:

Distribution of Shareholding as on March 31, 2013:

No. of Shares	No. of Share-holders	%	Holding in Nos	%	No. of Share-holders	%	Holding in Nos	%
	As on 31.03.2013				As on 31.03.2012			
1-500	4414	91.52	552,892	11.70	4,586	91.08	171,838	3.64
501-1000	173	3.59	142,104	3.01	192	3.81	157,759	3.34
1001-2000	91	1.88	132,983	2.81	101	2.00	149,150	3.16
2001-3000	41	0.85	105,144	2.23	47	0.93	119,183	2.52
3001-4000	28	0.58	95,023	2.01	29	0.58	99,327	2.10
4001-5000	14	0.29	64,843	1.37	16	0.32	74,522	1.58
5001-10000	22	0.46	169,206	3.58	26	0.52	199,577	4.22
10001 & Above	40	0.83	3,462,805	73.29	38	0.76	3,345,360	70.80
Total	4823	100	4,725,000	100	5,035	100	4,725,000	100

Categories of Shareholders as on March 31, 2013:

Category	No. of Shares	Percentage	No. of Shares	Percentage
	2012-13		2011-12	
Promoters and Promoters Group	2,548,946	53.95	2,554,746	54.07
Mutual Funds	3,100	0.07	3,100	0.07
Private Corporate Bodies	379,182	8.03	388,819	8.23
Indian Public	1,697,755	35.93	1,670,644	34.09
NRIs	96,017	2.03	107,691	2.28
Total	4,725,000	100.00	4,725,000	100.00

Top ten shareholders as on March 31, 2013:

Category	Name	No. of shares	%
Promoter	Rajiv Kapoor	809,447	17.13
Promoter Group	Radhika Securities Pvt. Ltd.	651,459	13.79
Promoter Group	Ganeshia Securities Pvt. Ltd.	616,740	13.05
Promoter Group	Kapoor & Budhwar Associates Pvt. Ltd.	197,200	4.17
Private Corporate Bodies	Sudha Commercial Company Limited	160,000	3.39
Promoter Group	S C Kapoor	146,900	3.11
Indian Public	S Sangeetha	118,330	2.50
Indian Public	Harsha Hitesh Javeri	117,500	2.49
Indian Public	Hitesh Ramji Javeri	117,500	2.49
Indian Public	Mars Associates Private Limited	77,490	1.64

Dematerialisation of Shares

As on 31st March, 2013, 88.62 % of the Company's total ordinary shares representing 4,187,778 nos of shares were in dematerialised forms. 67.72 % is held by NSDL and 20.90 % 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 II	Plant III	Plant IV	Plant V
13,14 Roz-Ka-Meo Industrial Area, Sohna, District- Gurgaon, Haryana - 122103	1, Roz-Ka-Meo Indl 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	Kanwarsika, Sohna District- Nuh, Haryana- 122103

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

The US\$ 10,000,000 3% Unsecured Foreign Currency Convertible Bonds due 2009 has been matured 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)
Maturity Date	8 April 2009

13. 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.

14. 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 2013.

For Rasandik Engineering Industries India Ltd

Sd/-

Rajiv Kapoor

Managing Director

New Delhi, 30th May 2013

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, 2013, 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 : 30th May 2013



MANAGEMENT DISCUSSION AND ANALYSIS

India: A Vibrant Economy

India is already the sixth largest automotive manufacturer in the world, with the industry contributing about six per cent to GDP, 22 per cent to manufacturing GDP, and generating direct employment for over a million people and indirect employment for 15 million. The industry is one of the key drivers of economic growth of the nation in terms of the nation's gross domestic product (GDP), creating employment, or raising standards of living. Since the delicensing of the sector in 1991 and the subsequent opening up of 100 percent FDI through automatic route, Indian automobile sector has come a long way. Today, almost every global auto major has set up facilities in the country.

Indian Scenario - An Overview

The outlook for FY2014 also does not look very positive. The root cause of what is affecting the industry is due to the volatile economic environment, uncertainty over economic growth, high vehicle financing rates, high inflation leading to people making fewer discretionary expenses and rising fuel prices, as well as policy shocks such as the additional three per cent duty on SUVs.

Considering the enormous contribution and potential of this industry, its emergence from the slowdown needs to be high priority for the country at large and not just the auto industry. The automotive industry needs both measures to boost the sector in the short term as well as long term policy interventions to sustain the growth momentum. Some examples are taxation policies, fleet modernisation programmes and a boost to infrastructure development.

Automobile companies across segments continue to face tremendous pressure on profit margins due to elevated inflation levels. Added to this are the heightened marketing costs incurred and heavy discounts offered by vehicle manufacturers to attract consumers to the showrooms. This partially explains the price hikes initiated by the vehicle OEMs to protect margins, despite the weak demand environment. Going ahead, amidst rising market competition, new product launches, as also product refreshes planned, OEMs are expected to increase spend on marketing & promotional activities. Although commodity prices are not expected to witness steep hikes, overall cost and competitive pressures would keep the profit margins under pressure.

Factors that will drive growth in the sector

- Rising incomes among Indian population will lead to increased affordability, increasing domestic demand for vehicles, especially in the small car segment.
- Fuel economy and demand for greater fuel efficiency is a major factor that affects consumer purchase decision that will bring leading companies across two-wheeler and four-wheeler segment to focus on delivering performance-oriented products.
- Product innovation and market segmentation will channelize growth. Vehicles based on alternative fuels will be an area of interest for both consumers and auto makers.
- Focus on establishing India as auto-manufacturing hub is reigning in policy support in form of Government's technology modernisation fund.

Challenges - Typical of a high Growth Emerging Market

- Raising Capital & Scaling Capacities
- Infrastructure Challenges
 - Roads
 - Ports
 - Power
- Inflation
- Availability of Skilled Manpower
- Managerial Depth across Tiers
- R&D Competence



OUTLOOK:

Outlook and some of the key strategies that vehicle manufacturers are likely to adopt in 2013 are listed below:

Commercial Vehicles

- Launch new models
- Increased customer focus by expanding sales and service network
- Focus on product innovation to create new market segments
- Develop new products for the international markets
- Expand footprint to newer export markets
- Continue thrust on cost control & productivity improvement measures
- Greater thrust on and expansion of less cyclical businesses.

Passenger Vehicles:

- Launch new vehicle models, especially more diesel models
- Increase focus on tier II and tier III markets, even for high-end models
- Expand sales and service network for enhanced customer satisfaction
- Increase focus on expanding pre-owned vehicle business
- Continue thrust on cost control & productivity improvement measures
- Leverage social media to establish closer bonds with customers.

Two wheelers:

- Increase focus on small towns and rural markets (e.g. expansion of distribution/service network).
- Increase focus on emerging markets such as Brazil, Africa, Argentina, Indonesia, etc to push exports.

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	Opportunities
<ul style="list-style-type: none"> • Including proven manufacturing capabilities • Improving design abilities • High production efficiency • Flexibility Small Batch production • Use of latest technology • Operating smaller plants efficiently scheme • State-of-the-art Tool room • Scaling up capacities, products and processes • Cost competitiveness • Adheres to strict quality controls • Customized solution 	<ul style="list-style-type: none"> • Massive growth Prospect in Auto Sector • Sourcing hub for global automobile majors • Export opportunities • Low cost advantage • Rising Per capita income and easy finance scheme boost auto sales • Rising working population • Recovery in the European and American markets is anticipated to give an impetus to the exports market



Weakness	Threats
<ul style="list-style-type: none"> • High interest rates • Very high fuel prices • Stagnating disposable income • 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 • This fragmentation Indian auto components industry is preventing players to meet large volumes demand of global auto majors • Indian per capita incomes are still way below Asian peers 	<ul style="list-style-type: none"> • Trained man-power shortage in the TWB • Indian auto component industry faces direct threat from China and Thailand • Material of components has been changed by OEMs from sheet metal to plastic • 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 • Labour Unrest • Free Trade Agreements (FTAs) between India and other countries • Import of Chinese auto components into India has multiplied briskly over the last five years by virtue of their cheaper costs

PRODUCT ANALYSIS & REVIEW

Your company caters to the following Product Sectors:

- ◆ Cars
- ◆ Trucks
- ◆ Tractors
- ◆ Two Wheelers
- ◆ Three Wheeler
- ◆ Die & Tools
- ◆ TWB

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 transaction 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 Costs were Rs. 150.75 millions in the year 2012-13 as against Rs. 161.04 millions in the year 2011-12.
- Depreciation:** Depreciation was at Rs. 133.80 millions in comparison to Rs. 127.28 millions in previous year.
- Tax:** Tax Expenses for current year is Rs. 10.05 millions as compared to Rs. 13.72 millions (including deferred tax) in the previous year.
- Net Profit:** Net Profit after tax for the year 2012-13 is Rs. 32.94 millions as compared to Net Loss of Rs.138.61 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 and price, demand and pricing by the Company's major customers, change in the Government regulations, tax regimes, economic development and other incidental factors.

**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF
RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements *subject to Note No. 31 regarding non-payment of Foreign Currency Convertible Bonds on their maturity and non provision of interest thereon (Rs. 1,63,20,000/-) and Note No.35 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, 2013;
- (b) In the case of the Statement of Profit and Loss, 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors except Mr. M. S. Ramprasad is qualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **AWATAR & CO.**
Chartered Accountants
Firm Registration Number 000726N

Sd/-
BRIJENDRA AGRAWAL
Partner
Membership No. : 087787

Place : New Delhi
Date : May 30, 2013



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets. Additions and deletions made during the year under report will be entered in the said records during current year i.e. 2013-14, as per Company's practice.
 - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii) In respect of its inventories:
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- (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, fixed assets and services and supplies. During the course of our audit, we have not observed any continuing major weakness in such internal controls.
- (v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts / arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 500,000/- in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
- (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 & nature if its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost 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, income-tax, wealth tax, sales-tax, service tax, custom duty, cess and other material statutory dues applicable to it. 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, Excise Duty, Service Tax and Cess were in arrears, as at March



31, 2013 for a period of more than six months from the date they became payable. However, Rs. 2,07,50,000/- on account of Sales Tax are outstanding for more than six months as at March 31, 2013.

- (c) According to the information and explanations given to us, details of dues of Income Tax which has 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 2009-10	Commissioner of Income Tax-Appeals	0.28

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses during the current financial year 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 April 8, 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 Company has not given any guarantee for loans taken by others from the banks or financial institutions. Therefore, provisions of clause 4(xv) of the Order are not applicable to the Company.
- (xvi) To the best of our knowledge and belief 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) Based on the information and explanations given to us and on an overall examination of Balance Sheet and Cash Flow Statement as at 31st March, 2013, of the Company, in our opinion, funds raised on short term basis to the extent of Rs. 48.79 lakhs have been used during the year for long term investment i.e. towards acquisition of fixed assets and repayment of long term borrowings.
- (xviii) The Company has not made any fresh allotment of equity shares during the year.
- (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) matured for repayment on 8th April, 2009 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 **AWATAR & CO.**
Chartered Accountants
Firm Registration Number 000726N

Sd/-
BRIJENDRA AGRAWAL
Partner
Membership No. : 087787

Place : New Delhi
Date : May 30, 2013



BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31st March, 2013 (Rs.)		As at 31st March, 2012 (Rs.)	
I EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	2	47,250,000		47,250,000	
(b) Reserves and Surplus	3	202,673,878		170,580,349	
(c) Money received against share warrants		-	249,923,878	-	217,830,349
(2) Share Application Money Pending Allotment					
-					
(3) Non Current Liabilities					
(a) Long- Term Borrowings	4	300,665,336		374,276,867	
(b) Deferred Tax Liabilities (Net)	5	177,308,967		176,101,067	
(c) Other Long -Term Liabilities	6	227,191,538		186,090,318	
(d) Long Term Provisions	7	16,816,655	721,982,496	16,109,385	752,577,637
(4) Current Liabilities					
(a) Short -Term Borrowings	8	496,027,184		473,457,187	
(b) Trade Paybles		405,675,440		462,817,903	
(c) Other Current Liabilities	9	957,883,250		919,449,685	
(d) Short-Term Provisions	10	10,022,515	1,869,608,389	8,322,612	1,864,047,387
Total		2,841,514,763		2,834,455,373	
II ASSETS					
(1) Non- current Assets					
(a) Fixed Assets	11				
(i) Tangible Assets		1,623,744,838		1,696,230,467	
(ii) Intangible Assets		-		-	
(iii) Capital work- in- progress		386,504,654		356,655,413	
(iv) Intangible assets under development		-		-	
(b) Non- current investments	12	-		-	
(c) Deferred Tax Assets (Net)		-		-	
(d) Long term loans and advances	13	45,367,971		45,997,226	
(e) Other non current assets	14	383,041	2,056,000,504	1,149,127	2,100,032,233
(2) Current Assets					
(a) Current investments	15	-		-	
(b) Inventories	16	399,185,492		353,040,542	
(c) Trade Receivables	17	255,888,159		245,690,224	
(d) Cash and cash equivalents	18	34,925,361		39,804,495	
(e) Short term loans and advances	19	75,497,233		75,834,680	
(f) Other current assets	20	20,018,014	785,514,259	20,053,199	734,423,140
Total		2,841,514,763		2,834,455,373	

Statement of Significant Accounting Policies 1

Note to Accounts 2 to 43

Notes referred to above form an integral part of the Balance Sheet.

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

Firm Registration Number 000726N

S C KAPOOR

Chairman

RAJIV KAPOOR

Managing Director

DEEPIKA KAPOOR

Director

BRIJENDRA AGRAWAL

Partner

M.No.87787

Place : New Delhi

Date : 30th May 2013**SHYAM S. SETHI**

Director

M S RAMAPRASAD

Director

GORAV ARORA

Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	Year Ended 31st March, 2013 (Rs.)	Year Ended 31st March, 2012 (Rs.)
I Revenue from Operations (Gross)	21	2,771,716,632	2,502,412,048
Less: Excise Duty		348,672,464	283,915,247
Revenue from Operations (Net)		2,423,044,168	2,218,496,801
II Other Income	22	5,276,907	7,071,315
III Total Revenue (I + II)		2,428,321,075	2,225,568,116
IV EXPENSES			
Cost of Materials Consumed	23	1,582,329,000	1,546,815,242
Purchases of trade goods		-	-
Changes in inventories of finished goods, trade goods and work in progress		10,235,368	(13,685,858)
Manufacturing and Operating Expenses	24	200,679,773	205,994,323
Employee benefit expenses	25	179,246,947	189,096,465
Other expenses	27	129,139,310	135,159,006
Total Expenses		2,101,630,398	2,063,379,178
Profit before finance cost, depreciation and tax (EBITDA)		326,690,677	162,188,938
Finance costs	26	150,754,212	160,104,180
Profit before depreciation and tax (PBDT)		175,936,465	2,084,758
Depreciation and amortisation expense	11	133,797,183	127,277,746
Profit before and tax (PBT)		42,139,282	(125,192,988)
V Profit before exceptional and extraordinary items and tax (I-II)		42,139,282	(125,192,988)
VI Exceptional items		-	-
VII Profit / (loss) before extraordinary items and tax (V - VI)		42,139,282	(125,192,988)
VIII Extraordinary items		-	-
IX Profit / (loss) before tax (VII - VIII)		42,139,282	(125,192,988)
X Tax expense :			
(1) Current tax		8,782,600	-
(2) Deferred tax		1,207,900	13,401,800
(3) Wealth tax (Includes Rs.25,173/- of Previous Year)		55,251	20,000
XI Profit / (loss) for the period from continuing operations (V - VI)		32,093,531	(138,614,788)
XII Profit / (loss) from discontinued operations		-	-
XIII Tax expense of discontinued operations		-	-
XIV Profit / (loss) from discontinued operations (after tax) (VIII - IX)		-	-
XV Profit / (loss) for the period		32,093,531	(138,614,788)
XVI Earning per equity share			
(1) Basic		6.79	(29.34)
(2) Diluted		6.79	(29.34)

Statement of Significant Accounting Policies

1

Note to Accounts

2 to 44

Notes referred to above form an integral part of the Statement of Profit and Loss.

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
Firm Registration Number 000726N

S C KAPOOR
Chairman

RAJIV KAPOOR
Managing Director

DEEPIKA KAPOOR
Director

BRIJENDRA AGRAWAL

Partner
M.No.87787

SHYAM S. SETHI **M S RAMAPRASAD**
Director Director

GORAV ARORA
Company Secretary

Place : New Delhi
Date : 30th May 2013



CASH FLOW STATEMENT FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED AS AT 31ST MARCH, 2013

(Amount in Rupees)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	42,139,280	(125,192,988)
Adjustments for:		
Depreciation	133,797,183	127,277,746
(Profit) /Loss on sale of assets	94,594	22,705
Interest Income	(4,465,516)	(5,266,582)
Excess Liabilities and Unclaimed Balances written back	(408,048)	(107,368)
Interest and Finance Charges	150,754,212	160,104,180
Deferred Revenue Expenditure (Net)	1,630,138	1,779,273
Exchange Fluctuation	8,619,062	7,592,424
Others	1,114,684	16,660,174
Bad & Doubtful Debts Written Off	18,876	1,570,133
	291,155,185	309,632,685
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	333,294,465	184,439,697
Adjustments for:		
Trade and other receivables	(17,336,834)	84,148,221
Inventories	(46,144,948)	(35,413,333)
Trade payables and other liabilities	(59,379,773)	158,934,391
	(122,861,554)	207,669,279
Cash generated from operations	210,432,910	392,108,976
Direct Taxes paid	7,257,857	(9,874,832)
	7,257,857	(9,874,832)
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	217,690,767	382,234,144
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	217,690,767	382,234,144
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(59,533,289)	(263,094,533)
Proceed from sales of fixed Assets	450,000	19,53,272
Interest received	4,465,516	52,66,582
	(54,617,773)	(255,874,678)
NET CASH USED IN INVESTING ACTIVITIES (B)		
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	101,040,000	-
Repayment of Long Term Borrowings	(132,615,766)	(179,594,865)
Interest & Finance Charges paid	(150,754,212)	(160,104,180)
Borrowings/(Repayment) from/to Bank	(12,260,220)	125,233,615
Sales Tax and other loans (Net of repayments)	26,638,070	38,423,265
Dividend Paid	-	-
	(167,952,128)	(176,042,165)
NET CASH USED IN FINANCING ACTIVITY (C)		
Net Increase in cash and cash equivalents (A+B+C)	(4,879,134)	(49,682,700)
CASH & CASH EQUIVALENTS AS AT :		
Opening Balance 01.04.2012	39,804,495	89,487,195
Closing Balance 31.03.2013	34,925,361	39,804,495

Notes:

- 1 Above statement has been prepared in indirect method.
- 2 Cash and cash equivalents consists of cash on hand and balance with banks
- 3 Trade and other receivables include other current assets and loans and advances.
- 4 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.
- 5 Previous Year's figures have been regrouped/rearranged wherever necessary.

Notes referred to above form an integral part of the Balance Sheet.

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
Firm Registration Number 000726N

S C KAPOOR
Chairman

RAJIV KAPOOR
Managing Director

DEEPIKA KAPOOR
Director

BRIJENDRA AGRAWAL

Partner
M.No.87787

SHYAM S. SETHI
Director

M S RAMAPRASAD
Director

GORAV ARORA
Company Secretary

Place : New Delhi

Date : 30th May 2013



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.

'Monetary Assets and Liabilities hedged by a hedge contract are expressed in Indian Rupees at the rate of exchange prevailing on the date of Balance Sheet adjusted to the rates in the hedge contract. The exchange difference arising either on settlement or at reporting date is recognized in the Statement of Profit and Loss except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets

Pursuant to the notification of the Companies (Accounting Standards) Amendment Rules 2006 on 31 March 2009, this amended Accounting Standard 11 on the Effects of changes arising during the year, in so far as they relate to the acquisition of a depreciable capital asset 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 unfunded 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. Other Borrowing Costs are charged to Profit and Loss Statement.

8) 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. 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.

13) CASH & CASH EQUIVALENTS

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all investments that are readily convertible to known amounts of cash to be cash equivalents.

14) USE OF ESTIMATES

The preparation of the financial statements in conformity with GAAP requires the Management to Make estimates and assumptions that affect the reported balances of assets and Liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision is recognized prospectively in current and future period.

15) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Notes on Financial Statements for the year ended 31st March, 2013

2. SHARE CAPITAL

	As at 31st March, 2013		As at 31st March, 2012	
	Number	Rs.	Number	Rs.
a Authorised				
Equity Shares of Rs.10/- each	10,000,000	100,000,000	10,000,000	100,000,000
b Issued, subscribed and fully paid				
Equity Shares of Rs.10/- each	4,725,000	47,250,000	4,725,000	47,250,000
Total	4,725,000	47,250,000	4,725,000	47,250,000

2.1 Reconciliation of the number of equity shares
Equity Shares.

Number of shares outstanding as at beginning of the year	4,725,000	47,250,000	4,725,000	47,250,000
Add:				
Number of shares allotted as fully paid-up bonus shares during the year	-	-	-	-
Number of shares allotted during the year as fully paid-up pursuant to a contract without payment being received in cash	-	-	-	-
Number of shares allotted to employees pursuant to ESOPs/ESPs	-	-	-	-
Number of shares allotted for cash pursuant to public issue	-	-	-	-
	4,725,000	47,250,000	4,725,000	47,250,000
Less:				
Number of shares bought back during the year				
Number of shares outstanding as at end of the year	4,725,000	47,250,000	4,725,000	47,250,000

2.2 Shares in the company held by each shareholder holding more than 5% shares

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number	Percentage	Number	Percentage
Rajiv Kapoor	809,447	17.13%	809,447	17.13%
Radhika Securities Pvt. Ltd.	651,418	13.79%	651,459	13.78%
Ganesha Securities Pvt. Ltd.	616,740	13.05%	616,740	13.05%
Total	2,077,605	43.97%	2,077,646	43.96%



Notes on Financial Statements (Contd....)

3. RESERVES AND SURPLUS

	As at 31st March, 2012 Rs.	Additions during the year	Deductions during the year	As at 31st March, 2013 Rs.
a Capital Reserves	4,254,440			4,254,440
b General Reserve	75,587,847			75,587,847
c Securities Premium Reserve	7,500,000			7,500,000
d Debenture Redemption Reserve				-
e Revaluation Reserve				-
f Share Options Outstanding Account				-
g Other Reserves (specify nature)				-
h Surplus (+ / -)	83,238,060	32,093,531		115,331,591
Total	170,580,347	32,093,531	-	202,673,878

4. LONG-TERM BORROWINGS

	As at 31st March, 2013 Rs.		As at 31st March, 2012 Rs.	
Secured				
a Bonds / Debentures (with interest rate)				
b Term loans				
- from banks.	265,757,083		297,356,411	
- from other parties	-	265,757,083	-	297,356,411
c Long term maturities of finance lease obligations				
Total Secured Loans		265,757,083		297,356,411
Unsecured				
a Bonds / Debentures (with interest rate)				
b Term loans				
- from banks				
- from other parties	23,375,491	23,375,491	52,921,592	52,921,592
c Deferred payment liabilities.		11,532,762		23,998,864
d Public Deposits.		-		-
e Loans and advances from related parties.		-		-
f Long term maturities of finance lease obligations		-		-
g Other loans and advances (specify nature).		-		-
Total Unsecured Loans		34,908,253		76,920,456
Grand Total -Long Term Borrowings		300,665,336		374,276,867

- 4.1 a) Corporate Loan of Rs 7.50 Cr taken from Bank during 2011 is payable in 35 monthly installments of Rs 0.214 Cr from April, 2011 and carries interest rate @ 14.50% to 16.25%.
- b) Term Loan of Rs 7.06 Cr taken from Bank during 2008 to 2010 is payable in 48 monthly installments of Rs 0.147 Cr from October, 2010 and carries interest rate @ 13.50% to 16.25%.
- c) Term Loan of Rs 36.00 Cr taken from Bank during period April 2007 to 2009 is payable in 84 monthly installments of Rs 0.43 Cr from October, 2010 and carries interest rate @ 13.50% to 16.25%. An amount of Rs 19.31Cr has been converted into Foreign Currency Loan at effective cost of 12.85% per annum.



Notes on Financial Statements (Contd....)

- d) Corporate Loan of Rs 10.00 Cr taken from bank in September 2012 for Rs 10.00 Cr is payable in 24 monthly installments of Rs 0.416 Cr and carry interest rate of 16.25%. The Loan has been converted into Foreign Currency Loan at effective Cost of 12.85% per annum. The loans are secured by first Charge on the unencumbered fixed assets including immovable property of the company. Further the Loan has been guaranteed by personal guarantee of two Promoter Directors of the Company.
- 4.2 Interest free Trade Tax Loan is secured by way of Second Charge on the Fixed Assets including Plant & Machinery situated at A-1/2-2 and 2-3, Site B, Surajpur Industrial area, Distt Gautambudh Nagar, Uttar Pradesh. The Deferred Sales Tax due to be paid are as below: on 31-5-2013-Rs 1.24Cr, on 31-5-2014 - Rs 1.15 Cr.
- 4.3 Term Loan of Rs 11.53 Cr from Non Banking Financial Institution was taken in January, 2010, payable in 48 monthly installments of Rs 0.24 Cr commencing from January, 2011 and carries interest @ 12.25% to 15.25%. The loan is secured by second charge on Plant & Machinery and other assets (Excluding Land & Building) at Plot No 13-14 Roj Ka Meo, Sohna, Gurgaon, Haryana.
- 4.4 The company has taken Vehicles Loan from various banks during period 2011 to 2013. These carries interest rate @ 10% to 12% per annum. The loan are secured against hypothecation of Vehicles purchased. These Loans are taken for maximum three years and falls due for repayment in 2013-14, 2014-15, 2015-16.

5. DEFERRED TAX LIABILITIES- NET

	As at 31st March, 2012 Rs.	For the year Rs.	As at 31st March, 2013 Rs.
Deferred Tax Liability :			
Depreciation	183,355,867	1,600,300	184,956,167
Less: Deferred Tax Assets			
Other timing differences	(7,254,800)	(392,400)	(7,647,200)
Net Deferred Tax Liability	176,101,067	1,207,900	177,308,967

(Decrease)/Accretion in Deferred Tax Liability

Deferred Tax Liability provided during the year

6. OTHER LONG TERM LIABILITIES

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
a Trade payables	3,520,677	-
b Advance from Customers	133,166,503	94,431,303
c Security Retained	1,797,756	1,823,684
d Others	88,706,602	89,835,331
Total	227,191,538	186,090,318

7. LONG-TERM PROVISIONS

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
a Provision for employee benefits.	16,816,655	16,109,385
b Others (specify nature).	-	-
Total	16,816,655	16,109,385



Notes on Financial Statements (Contd....)

8. SHORT-TERM BORROWINGS

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
Secured		
a Working Capital Loans	388,467,184	400,727,404
b Term loans		
– from banks.	–	–
– from other parties	–	–
Total Secured Loans	388,467,184	400,727,404
Unsecured		
a Term loans		
– from banks.	–	–
– from other parties	104,612,000	72,729,783
b Loans and advances from related parties.	2,948,000	–
c Security Deposit from Dealers and Others	–	–
d SalesTax Deferred	–	–
Total Unsecured Loans	107,560,000	72,729,783
Note : In case of continuing default as on the balance sheet date in repayment of loans and interest		
1. Period of default		
2. Amount		
Grand Total -Short Term Borrowings	496,027,184	473,457,187

- 8.1** Working Capital Loan (Cash Credit Facility) from Bank is secured by First Charge on Hypothecation of Stocks and Receivables and personal Guarantee of two Directors of the Company. The Cash Credit is repayable on demand. The same are also collaterally secured by First Charge on the unencumbered Fixed Assets including immovable property of the Company situated at Sohna, Haryana, Pune Maharashtra and Gautam Budh Nagar, Uttar Pradesh except the immovable property (Industrial Land only) charged to another bank for Loan against Property Facility. Further the Loan has been guaranteed by personal guarantee of two Promoter Directors of the Company
- 8.2** Loan against Property taken from Bank is secured by First Charge(Equitable Mortgage) of unencumbered Industrial Land measuring located at at Revenue Estate Village Kanwarsikka, Tehsil Nuh, Distt Mewat, Haryana. Further the Loan has been guaranteed by personal guarantee of the Company.
- 8.3** Unsecured Loan from Others are includes Inter Corporate Loan, repayable on Demand. These carries interest @ 15% to 16%per annum. It also includes Loan from Liife Insurance Corporation secured against KeyMan Policy issued in the Name of Promoter Director, Mr Rajiv Kapoor. The loan carries interest @ 10% per annum. Unsecured Loan from Related Party includes loan from Director at Nil rate of interest.



Notes on Financial Statements (Contd....)

9. OTHER CURRENT LIABILITIES

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
a Current maturities of long-term debt	168,000,459	134,156,840
b Current maturities of finance lease obligations	-	-
c Interest accrued but not due on borrowings	6,480,889	5,493,459
d Interest accrued and due on borrowings	5,195,112	3,905,933
e Income received in advance	-	-
f Unpaid/unclaimed dividends	416,447	598,283
g Application money received for allotment of securities (with full details) and due for refund and interest accrued thereon	-	-
-		
h Unpaid matured deposits and interest accrued thereon	-	-
i Unpaid matured debentures and interest accrued thereon	544,000,000	510,000,000
j Security Deposits	2,463,122	3,983,274
k Sales Tax Payable	29,683,568	28,194,168
l Excise Duty & Service Tax Payable	8,169,107	3,277,026
m TDS Payable	1,426,956	1,818,060
n PF & ESI Payable	1,108,024	1,047,475
o Advance from Customers	44,153,407	15,743,295
p Expenses payables	146,786,159	211,231,872
Total	957,883,250	919,449,685

10. SHORT TERM PROVISIONS

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
a Provision for employee benefits.	958,204	550,789
b Provision for dividends (including dividend tax)	-	-
c Provision for income tax	8,812,678	3,783,953
d Others provisions	2,51,633	3,987,870
Total	10,022,515	8,322,612

Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

NOTE – 11
FIXED ASSETS

Description	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION			ACCUMULATED IMPAIRMENT			NET CARRYING AMOUNT	
	As At 31st March, 2012	Additional adjustment during the year	Deductions during the year	As At 31st March, 2012	Provided during the year	Deductions during the year	As At 31st March, 2012	Reversed during the year	Provided during the year	As At 31st March, 2012	As At 31st March, 2013
i. Tangible Assets:											
(a) Land:											
- Owned	23,701,828									23,701,828	23,701,828
- Leased	70,024,263			3,064,275	364,394		3,428,669			66,595,988	66,595,988
(b) Buildings (Owned)											
- Factory	317,151,802	12,797,384		66,620,341	10,123,121		76,743,462			250,531,461	253,205,724
- Administrative	7,102,010			1,365,339	147,285		1,512,624			5,736,671	5,589,386
(c) Plant and Equipment (Owned)	1,704,030,945	41,740,216		503,433,833	86,304,379		589,738,212			1,200,597,112	1,156,032,949
(d) Dies, Jigs & Fixture (Owned)	325,631,341			220,172,737	25,451,486		245,624,203			105,458,604	80,007,138
(e) Furniture and Fixtures (Owned)	17,236,493	257,061		6,646,638	968,014		7,614,652			10,591,845	9,880,892
(f) Vehicles (Owned)	22,827,065	3,684,110	1,016,299	11,084,236	2,076,658	471,705	12,689,189			11,842,849	12,905,707
(g) Office equipment (Owned)	7,857,994	896,535		2,091,782	391,714		2,483,496			5,766,212	6,271,033
(h) Computers & Other Peripherals (Owned)	33,293,255	982,709		27,882,990	2,245,678		30,128,668			5,415,265	4,152,296
(i) Utilities (Owned)	46,115,019	1,498,132		36,486,386	5,724,474		42,210,860			9,628,633	5,402,291
Total Current Year	2,575,075,025	61,856,147	1,016,299	878,846,557	133,797,183	471,705	1,012,174,035			1,696,230,468	1,623,744,838
ii. Intangible Assets:											
TOTAL											
iii. Capital work-in-progress	343,570,806	29,042,988								343,570,806	372,613,794
iv. Pre-operative Expenditure	13,890,860									13,890,860	13,890,860
TOTAL	357,461,666	29,042,988								357,461,666	386,504,654
v. Intangible assets under Development											
TOTAL											
Previous Year	2,298,704,238	279,824,234	3,449,437	752,215,019	127,277,746	650,468	878,842,237			1,636,236,728	

Notes on Financial Statements (Contd....)

12. NON-CURRENT INVESTMENTS

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
Trade investments and other investments	-	-
Total	-	-

13. LONG TERM LOANS & ADVANCES

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
Secured / Unsecured, Considered good / doubtful		
a Capital Advances;	24,038,114	24,569,841
b Security Deposits;	11,473,829	8,442,309
c Loans and advances to related parties (giving details thereof);	-	-
d Other loans and advances (specify nature).	-	-
Inter Corporate Loans	-	-
Loan to Staff Agst. Vehicles-Secured	156,632	237,431
Advance for tool Purchase	1,666,483	1,637,925
Advance to Others	7,937,913	10,141,037
Advance to Staff	95,000	968,683
Advance Recoverable in cash or in kind	-	-
Total	45,367,971	45,997,226

14. OTHER NON CURRENT ASSETS

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
Deferred Revenue Expenditure	383,041	1,149,127
Total	383,041	1,149,127

15. CURRENT INVESTMENTS

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
	-	-
Total	-	-



Notes on Financial Statements (Contd....)

16. INVENTORIES

	As at 31st March, 2013		As at 31st March, 2012	
	Rs.	Rs.	Rs.	Rs.
a Raw materials	183,284,270		176,157,710	
Raw materials In transit	2,104,742	185,389,012	1,596,472	177,754,182
b Work-in-progress		93,358,817		95,416,878
c Finished goods	69,537,997		40,399,156	
Finished Goods In transit	-	69,537,997	-	40,399,156
d Stock-in-trade (in respect of goods acquired for trading)		21,037,866		9,339,164
e Stores and spares		29,725,999		29,299,064
f Loose tools		-		-
g Packing Material		135,801		832,098
Total		399,185,492		353,040,542

17. TRADE RECEIVABLES

	As at 31st March, 2013		As at 31st March, 2012	
	Rs.	Rs.	Rs.	Rs.
Secured / Unsecured, Considered good / doubtful				
a Trade Receivable outstanding more than six months from the date they become due for payment:		31,311,607		38,265,205
b Trade Receivables (Others)		224,576,552		207,425,019
c Debts Considered doubtful		-		2,116,605
Less: Provision for doubtful debts		-		(2,116,605)
Total		255,888,159		245,690,224

18. CASH & CASH EQUIVALENTS

	As at 31st March, 2013		As at 31st March, 2012	
	Rs.	Rs.	Rs.	Rs.
a Balances with banks :				
i) Earmarked bank balances				
ii) Unpaid dividend bank account	416,461		598,297	
iii) Money raised in public issue kept in schedule bank account pending allotment				
iv) Monies kept in escrow account for payment of buyback consideration	-	416,461	2,910	601,207
b Bank balances held as margin money or as security against :				
i) Borrowings				
ii) Guarantees	4,082,988		2,480,000	
iii) Letters of Credit	19,000,000		34,714,000	
iv) Other commitments	7,500,000	30,582,988		37,194,000
c Other bank balances:				
i) In Current Accounts	2,898,947		1,349,994	
		2,898,947		1,349,994
d Cheques, drafts on hand;		519,677		-
e Cash on hand;		165,554		659,294
f Others (specify nature).		341,734		-
Total		34,925,361		39,804,495



Notes on Financial Statements (Contd....)

18.1 Margain Money against letter of credit and Bank Guarantee is kept in the form of Bank Fixed Deposit (FDs) discharged in favour of Bank. It includes FDs, totalling Rs 17,35,488/- (Previous Year- Rs 3,71,94,000) the maturity of which is more than 12 months.

19. SHORT TERM LOANS & ADVANCES

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
Secured / Unsecured, Considered good / doubtful		
Others (specify nature) :		
i) Security Deposit with various authorities (including Deposit with Govt. Authorities)	312,500	3,150,000
ii) Advance Payment of Tax	7,257,857	19,432,423
iii) Income Tax Refundable	15,947,203	-
iv) Advance to Suppliers	37,681,039	35,765,330
v) Advance to Employees	2,988,024	440,428
vi) Interest Accrued on FDR with Bank	-	4,67,336
vii) Balance with Excise Authorities	4,454,265	83,33,333
viii) Advance Recoverable in cash or in kind	6,856,345	82,45,830
Total	75,497,233	75,834,680

20. OTHER CURRENT ASSETS

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
i) Interest accrued and due on Investments/loans and advances	12,405,997	13,192,600
ii) Deferred Revenue Expenditure	383,045	1,247,097
iii) Cenvat Adjustable	7,228,972	5,613,502
Total	20,018,014	20,053,199

21. REVENUE FROM OPERATIONS

	As at 31st March, 2013 Rs.		As at 31st March, 2012 Rs.	
a <u>Sale of products:</u>				
Domestic Sales-Sheet Metal	2,499,667,641		2,224,584,043	
Domestic Sales-Tools & Dies	34,375,180		12,000,000	
Domestic Sales- 3 Wheeler Auto	49,362,761		68,664,756	
Domestic Sales-Stock in trade	-		-	
Export Sales-Sheet Metal	28,006,615		43,227,927	
Export Sales-3 Wheeler Auto	2,263,090	2,613,675,287	757,697	2,349,234,423
b <u>Sale of services:</u>				
Job Work -Sheet Metal	11,781,802		14,097,852	
Job Work -Tools & Dies	1,268,600	13,050,402	-	14,097,852
c <u>Other operating revenues;</u>				
Scrape Sales	142,114,636		136,588,564	
Income from testing charges	-		545,000	
Net gainon foreign exchange fluctuation	2,122,124		946,209	
Others (specify nature).	754,183	144,990,943	1,000,000	139,079,773
Total		2,771,716,632		2,502,412,048



Notes on Financial Statements (Contd....)

22. OTHER INCOME

	As at 31st March, 2013		As at 31st March, 2012	
	Rs.	Rs.	Rs.	Rs.
a <u>Interest Income :</u>				
from Banks	4,076,391		4,650,590	
on Loans to bodies Corporates	-		258,966	
from others	389,125	4,465,516	357,026	5,266,582
b Dividend Income (Subsidiary / Long term / Current)		-		-
c Net gain / loss on sale of investments (Current / Long Term)		-		-
d Profit on sale of fixed assets		-		224,684
e Foreign Exchange Fluctuation-Gain		21,739		27,510
f Other non-operating income (net of expenses directly attributable to such income)		789,652		15,52,539
Total		5,276,907		7,071,315

23. COST OF MATERIAL CONSUMED

	As at 31st March, 2013		As at 31st March, 2012	
	Rs.	Rs.	Rs.	Rs.
a <u>Raw Material Consumed</u>				
i) <u>Sheet Metals:</u>				
Opening Stock	166,958,467		147,274,174	
Add: Purchase	1,584,852,147		1,558,061,477	
Less: Closing Stock	(182,408,331)	1,569,402,283	(175,141,843)	1,530,193,808
ii) <u>Others</u>				
Opening Stock	1,015,868		1,070,913	
Add: Purchase	12,786,787		16,566,389	
Less: Closing Stock	(875,938)	12,926,717	(1,015,868)	16,621,434
b <u>Change in inventories of Finished Goods, WIP and Stock in Trade:</u>				
Opening Stock of WIP	103,600,252		87,526,682	
Opening Stock of FG	40,399,155		34,603,494	
Opening Stock of Stock in Trade	-			
Add: Purchases in Trade	50,170,641			
Less:				
Closing Stock of WIP	(93,358,817)		(95,416,878)	
Closing Stock of FG	(69,537,997)		(40,399,156)	
Closing Stock of Stock in Trade	(21,037,866)	10,235,368		(13,685,858)
Total		1,592,564,368		1,533,129,384

Notes on Financial Statements (Contd....)

24. MANUFACTURING & OPERATING EXPENSES

	As at 31st March, 2013		As at 31st March, 2012	
	Rs.	Rs.	Rs.	Rs.
a Power & Fuel		80,591,334		75,537,396
b Stores & Spares Consumed		53,842,748		78,325,286
c Processing Charges		16,628,407		12,498,168
d Repairs to :				
Plant & Machinery	20,544,336		16,360,051	
Building	10,093,917		5,452,669	
Others	13,789,741	44,427,994	16,184,061	37,996,781
e Excise Duty on Finished Goods Provision		4,513,719		406,997
f Warranty Claims, Line Rejections etc.		675,571		1,229,695
g Others		-		-
Total		200,679,773		205,994,323

25. EMPLOYEE BENEFIT EXPENSES

	As at 31st March, 2013		As at 31st March, 2012	
	Rs.	Rs.	Rs.	Rs.
a Salaries and wages,bonus,gratuity and allowances		168,847,747		178,001,388
b Contribution to PF,ESIC and other funds,		6,343,883		6,815,583
c Expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP),		-		-
d Director's Remuneration		-		-
e Staff welfare expenses		4,055,317		4,279,494
Total		179,246,947		189,096,465

26. FINANCE COST

	As at 31st March, 2013		As at 31st March, 2012	
	Rs.	Rs.	Rs.	Rs.
a Interest expense		144,434,415		152,350,110
b Other borrowing costs		1,037,964		1,255,833
c Net gain/(loss) on foreign currency transactions and translation		5,281,833		6,498,237
Total		150,754,212		160,104,180



Notes on Financial Statements (Contd....)

27. OTHER EXPENSES

	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
a Rent.	13,224,000	12,262,772
b Rates and taxes	8,535,055	3,770,709
c Insurance	8,978,581	10,044,926
d Lease Rentals	303,761	829,280
e Transportation and Forwarding Charges	27,286,481	34,657,880
f Traveling & Conveyance	15,478,485	16,399,638
g Legal, Professional and Consultancy Charges	4,915,669	5,899,071
h Communication Expenses	2,483,830	2,810,943
i Sales Promotion Expenses-Auto	25,710	314,007
j Payment to Statutory Auditors:		
- as auditors	1,300,000	1,300,000
- for tax audit	300,000	300,000
- for taxation matters	300,000	300,000
- for certification & others	300,000	300,000
- reimbursement of expenses (out of pocket expenses)	4,185	3,600
k Loss on sale of fixed assets	94,594	330,014
l Bad & Doubtful Debts Written Off	18,876	15,70,133
m Amount Written off	-	-
n Deferred Revenue Expenditure Written off	1,630,138	1,779,273
o Bank Charges	11,583,148	14,480,944
p Cash Discount	9,031,733	8,565,581
p Net gain/(loss) on foreign currency transactions and translation	2,943,316	42,130
q Expenses pertaining to Previous Year	-	-
r Miscellaneous expenses	20,401,748	19,198,105
Total	129,139,310	135,159,006

28) Contingent Liabilities not provided for : -

- a) Letters of credit opened by Bank - Rs 17,72,24,099/- (Previous Year Rs. 18,91,70,353/-)
- b) Bank guarantees given by the bank on behalf of Company - Rs. 1,97,60,000/- (Previous year - Rs. 1,29,85,000/-)
- c) Export obligation under EPCG License- Rs 8,38,33,558/- (Previous Year Rs. 8,76,14,368/-)
- d) Guarantees given by the Company on behalf of loan of employees- Rs.-1,57,074/- (Previous Year Rs. 2,37,431 /-)

29) Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs 725000/- (Previous year - Rs. 13,78,66,050/-)

30) Unclaimed dividend of Rs. 4,16,447/- (Previous Year Rs. 5,98,297/-) shown under Current Liabilities does not include any amount due and outstanding to be credited to "Investor Education and Protection Fund".

31) 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 7th April 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 Bonds for the financial years 2009-10, 2010-11, 2011-12 and 2012-13 has not been provided. However premium on redemption of Bonds for USD 861,000 equivalent to Rs 4,68,38,400 has been accounted for and included in Other Payable under Other Current Liabilities



Notes on Financial Statements (Contd....)

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

Net Gains of Rs 21,22,126/- (Previous Year Net Loss Rs.9,04,079/-) for the year on account of exchange difference related to Exports of Goods, Raw Material and Spares purchased, has been included in "Operating Income". The Exchange Fluctuation on Borrowing has been separately disclosed in Note No 26 on Finance Cost.

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 loss arising from the effect of changes in foreign currency rates on foreign currency loans relating to acquisition of depreciable capital assets amounting to Rs 321.72 lacs has been added to the cost of Assets. The corresponding impact for previous year was Rs 535.00 lacs towards the addition in the cost of Assets due to Net Loss arising from the effect of changes in foreign currency.

33) Foreign Currency Exposure:

		2012-13		2011-12	
	Not Hedged				
i)	Receivables	USD	1,31,859	USD	2,93,868
ii)	Payables	USD	1,12,78,936	USD	1,12,79,076
		CHF	11,24,673		24,96,830
	Hedged -				
i)	Receivables	USD	NIL	USD	NIL
ii)	Payables	USD	5,450,000	USD	20,000,00

34) Related Party Disclosures

a) Related parties and their relationship

Key Management Personnel	Mr. Rajiv Kapoor, Managing Director
Relatives of Key Management Personnel	Ms. Sonali Kapoor (Daughter)
Associates	N.A.
Enterprises over which Key Managerial Personnel are able to exercise significant influence	N.A.

b) Transaction with Related parties-

Transactions	Key Management Personnel Rs.	Relatives of Key Management Personnel Rs.
Loan Received	29,48,000	NIL
Remuneration Paid	NIL	12,55,806

35) 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.

Notes on Financial Statements (Contd....)

The following table setout the status of the non funded gratuity plan and on fund lon term compensated absences and the amount recognized in Company financial statement as at 31st March, 2013.

Change in Benefit Obligation	Gratuity Non-Funded (Rs.)	Compensated Absences Non-Funded (Rs.)
Liability at the beginning of the year 1st April'12	1,35,63,287	30,09,179
Interest cost	10,85,063	2,40,734
Current Service Cost	13,27,357	5,13,288
Benefit Paid	(3,53,096)	(9,98,824)
Actuarial (gain) / Loss on obligation	(10,90,693)	3,80,552
Liability at the end of the year	1,45,31,918	31,44,929
Changes in the Fair Value of Plan Assets		
a) Present Value of Plan Assets as at 1st April, 2012	-	-
b) Expected Return on Plan Assets	-	-
c) Actuarial (Gain)/Loss	-	-
d) Employers' Contributions	-	-
e) Benefits Paid	-	-
f) Present Value of Planned Assets as at 31st March, 2013	-	-
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 31st March, 2013	-	-
b) Fair Value of Plan Assets as at 31st March, 2013	-	-
c) Net Liability recognized in the Balance Sheet (as at 31st March,2013)	-	-
Expenses Recognized in the Profit and Loss Account		
a) Service Cost	13,27,357	5,13,288
b) Interest Cost	10,85,063	2,40,734
c) Expected Return on Plan Assets	-	-
d) Curtailment Cost/(Credit)	-	-
e) Settlement Cost/(Credit)	-	-
f) Net Actuarial (Gain)/Loss	(10,90,693)	(9,98,824)
g) Total Expenses recognized in the Profit and Loss A/c	13,21,727	11,34,574
Actuarial Assumptions		
Retirement age	58	58
Discount rate	8.50%	8.50
Mortality	LIC (1994-96) DULY MODIFIED	
Withdrawal rate	1% - 3%	1% - 3%
Salary escalation	-	-

Notes on Financial Statements (Contd....)

36) 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, 2013 (Rs.)	Year ended March 31, 2012 (Rs.)
1	Amount outstanding on account of – Principal amount – Interest Due	Nil Nil	Nil Nil
2	– 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 Nil	437 28801
3	Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act.	NIL	NIL
4	Interest accrued but not paid	NIL	NIL

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

37) Value of Imports on CIF basis in respect of

Particular	2012-13 (Rs.)	2011-12 (Rs.)
Raw Materials	2,73,54,812	3,73,79,770
Stores & Spares	63,17,980	13,54,780
Plant & Machinery	-NIL-	18,55,35,000
TOTAL	3,36,72,792	22,42,69,550

38) Expenditure in Foreign Currency

Particular	2012-13 (Rs.)	2011-12 (Rs.)
Travelling Expenses	58,290	11,54,122
Professional Charges	99,11,727	37,09,457
TOTAL	99,70,017	48,63,579

39) Earnings in Foreign Currency.

Particular	2012-13 (Rs.)	2011-12 (Rs.)
F.O.B.Value of Exports	3,02,69,705	4,39,85,526
TOTAL	3,02,69,705	4,39,85,526



Notes on Financial Statements (Contd....)

40) Value of Raw Material Consumed.

Particulars	2012-13		2011-12	
	Value (Rs.)	%	Value (Rs.)	%
Imported	19,677,864	1.24	4,28,63,739	2.77
Indigenous	1,562,651,136	98.76	1,50,43,45,882	97.23
TOTAL	1,582,329,000	100.00	1,54,68,19,645	100.00

41) Value of Stores & Spares Consumed

Particulars	2012-13		2011-12	
	Value (Rs.)	%	Value (Rs.)	%
Imported	123,766	0.23	14,10,442	1.80
Indigenous	53,718,982	99.77	7,69,35,688	98.20
TOTAL	53,842,748	100.00	7,83,46,130	100.00

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

43) Figures of the previous year has been regrouped/recast wherever necessary so as to conform to current year's classification. The Revised schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous Year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

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

Firm Registration Number 000726N

S C KAPOOR

Chairman

RAJIV KAPOOR

Managing Director

DEEPIKA KAPOOR

Director

BRIJENDRA AGRAWAL

Partner

M.No.87787

Place : New Delhi

Date : 30th May 2013

SHYAM S. SETHI M S RAMAPRASAD

Director

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 / We resident of.....

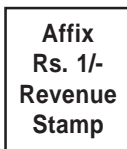
.....being a member / members of the above named Company, hereby appoint

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

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

to vote for me / us my/our behalf at the 29th ANNUAL GENERAL MEETING of the Company at 10.00 a.m. on Saturday, the 31st day of August, 2013 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 29th ANNUAL GENERAL MEETING of the Company held at Conference Hall, Saras Tourist Complex, Damdama, Sohna, Haryana at 10.00 a.m. on Saturday, the 31st day of August, 2013.

Signature of Shareholder \ Proxy

*Applicable for shareholders holding shares in electronic form



RASANDIK

Rasandik Engineering Industries India Limited

RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED

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

Sub. : Sending of Report, Accounts and Notice and other documents

Dear Shareholder,

Your Company proposes to send the Report,Accounts and Notice and other documents to you through Electronic Mode at your email address subject to registration of the same by you with the Company. Such registration by you will contribute towards furtherance of the "Green Initiative in Corporate Governance" announced last year by Ministry of Corporate Affairs, Government of India. The Listing Agreement with Stock Exchange amended recently, now requires a Company to send soft copies of the report and accounts to members who register their email address with the Company.

Kindly note that ever after registration, if you still wish too get a hard copy of all communications for any reason, we will provide the same to you at no extra cost on hearing from you. In such case you are requested to send an email on cs@rasandik.com or send a letter to the Company.

You can register your email address for the purpose by completing and returning the attached form.

We look forward to receive your consent as above.

Yours faithfully,

For Rasandik Engineering Industries India Limited

Sd/-

Gorav Arora
Company Secretary

To
The Company Secretary,
Rasandik Engineering Industries India Limited
525, Udyog Vihar, Phase-V
Gurgaon - 122016

I agree to receive all documents / notices from the Company in electronics mode. Please register my email id in your records for sending for sending communication through e-mail. The required details are as under.

Folio No: (For Physical Shares) :
DP ID :
Client ID :
PAN No :
Name of 1st Registered Holder :
Registered address of Shareholder :
Email Id :
Contact No :

Date:

Signature of First Holder

BOOK POST



If undelivered please return to :

**RASANDIK ENGINEERING
INDUSTRIES INDIA LIMITED**

525, Udyog Vihar, Phase-V
Gurgaon - 122016
Email : cs@rasandik.com