



SIKA INTERPLANT SYSTEMS LTD

Regd Office : 3, Gangadhara Chetty Road, Bangalore - 560 042, India
Ph: 91-80-25599086 / 25599144 Fax : 91-80-25599501
email:bsg@sikaglobal.com

NOTICE

NOTICE is hereby given that the twenty fourth Annual General Meeting of the Company will be held at Hotel Ajantha, 22, M.G.Road, Bangalore 560 001 on Thursday, 30th September 2010 at 11.00 A.M., to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended 31.03.2010 along with the Reports of the Directors and Auditors thereon.
2. To declare dividend for year ended 31st March, 2010.
3. To appoint Directors in place of Mr.R.N.Chawhan, Director who retires at the Annual General Meeting and being eligible offers himself for re-appointment.
4. To appoint Directors in place of Dr.J.M.Deb Nath, Director who retires at the Annual General Meeting and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

M/s.Shekar & Yatish, Chartered Accountants, Bangalore, retire at this meeting and they are eligible re appointment.

For & on Behalf of the Board

Place:Bangalore
Date :01.09.2010

Rajeev Sikka
Chairman & Managing Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and that proxy need not be a member.
2. Proxies to be effective shall reach the registered office of the Company at least 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from 21.09.2010 To 30.09.2010 (Both days inclusive).

I.General information

The Company is an existing Engineering Company in Design, Development, manufacturing Advanced Hi-tech Equipment, Engineering Projects & Services. The Company turn over has come down due to recession. However Company remains profitable and future performance should provide the Company growth.

II. Other Information

The Company has introduced systems for effective management information and control system which will improve the overall efficiency of Company`s operations with cost reduction in all fields. The Company taking advice of experts and consultants to increase productivity and reduce wastage in the plant and machinery, which will improve the productivity and profitability in the immediate future.

III. Disclosures

The details of remuneration to all Directors including working Directors are dealt with in the corporate governance report forming part of Directors report attached to this notice.

For & on Behalf of the Board

Place:Bangalore
Date :01.09.2010

Rajeev Sikka
Chairman & Managing Director

TWENTY FOURTH ANNUAL REPORT

SIKA INTERPLANT SYSTEMS LTD.

BOARD OF DIRECTORS

(As on 16th August, 2010)

1. RAJEEV SIKKA : Chairman & Managing Director
2. SANJEEV SIKKA : Managing Director
3. Dr.C.G.KRISHNADAS NAIR : Director
4. R.N.CHAWHAN : Director
5. DR.J.M.DEB NATH : Director
6. H.K.RAMESH : Director

AUDITORS : M/s.Shekar & Yathish
Chartered Accountants

BANKERS : Canara Bank,
Industrial Finance Branch
Bangalore.

REGISTERED OFFICE : No.3, Gangadhara Chetty Road
Bangalore - 560 042.

REGISTRAR & SHARE
TRANSFER AGENTS : M/s.Cameo Corporate Services Ltd
'Subramanian Building'
No.1, Club House Road
Chennai 600 002

DIRECTORS REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty Fourth Annual Report along with Audited Statement of Accounts for the year ended 31st March 2010

FINANCIALS RESULTS

	Rs in lakhs	
	31/3/2010	31/3/2009
Total Income	11,06,71,790	12,90,88,279
Profit (Loss) before tax & depreciation	2,83,45,960	3,69,53,754
Provision for taxes	90,72,000	1,24,84,383
Depreciation	16,20,695	16,22,000
Profit (Loss) for the year after tax and depreciation	1,76,85,953	2,28,47,371
Earning per share	4.17	5.39

OPERATIONAL REVIEW.

Your company has posted turnover of Rs.1107.44 Lakhs & profit of Rs. 267.25 lakhs before for the year 2009-10. There has been a reduction in turnover & profitability due to the recession. The Company would be on the growth path in the current year barring unforeseen circumstances.

Your company has taken up construction of engineering complex at Bangalore which will be completed in the current financial year.

DIVIDEND

Your Directors have recommended a dividend of 6% on 4240175 equity shares of Rs.10/- each absorbing Rs. 25,44,105/- excluding tax for the year ended 31st March 2010 for the share holders whose name appear in the register of members as on date of book closure.

The Dividend has been kept unchanged as the Company has taken up a expansion program involving financial outlay in the current year. The benefit of the expansion project will be reflected in the performance of coming years.

Subsidiary Companies

The Company has following subsidiary companies:-

- 1) M/s.Sikka n Sikka Engineers Pvt Ltd
- 2) M/s.EMSAC Engineering Pvt Ltd
- 3) M/s.SIKA UK Ltd

Annual report of all subsidiary companies for the year ended 31st March 2010 is attached to the Balance sheet of the Company.

Sikka n Sikka Engineers Pvt Ltd is a 100% subsidiary of the Company.

EMSAC Engineering Pvt Ltd specialized in Servo systems and control systems including specialized design software, application engineering and support, Hardware etc. EMSAC is developing a competent team with specialised training in India and abroad.

SIKA UK Ltd located in UK specializes in Fasteners of exotic materials for Aerospace and Defense both for India and European markets.

As required under the listing agreements with the Stock exchange a consolidated financial statement of the Company and its subsidiaries is attached. The Consolidated Financial Statements have been prepared in accordance with accounting standards 21 issued by the Institute of Chartered Accountants of India.

DIRECTORS:

Mr.R.N.Chawhan, Director and Dr,J.M.Deb Nath Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The proposals regarding their re-appointment as Directors are placed for your approval.

TERM LOAN

The Company for its expansion of manufacturing facilities is funding the project through internal accruals & debt.

CORPORATE GOVERNANCE CODE

As per Clause 49 of the listing agreement with the Stock Exchange, the Company complies with the corporate Governance practices as enunciated in the listing agreement, Corporate Governance report and Management discussions & analysis are annexed, which form part of this report.

OTHER PARTICULARS

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of the employees) Rules 1975 : is NIL.

Fixed Deposits

During the year ended 31st March, 2010, your Company has not accepted any deposits within the meaning of Sec.58A of the Companies Act, 1956, read with companies (Acceptance of Deposits) Rules, 1975.

DIRECTORS RESPONSIBILITY STATEMENT.

The Directors responsibility statement, setting out the compliance with the accounting and financials reporting requirements specified under section 217(2AA) of the Companies Act, 1956 is annexed to this report.

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

Under the Companies (disclosure of particulars in the report of Board of Directors) Rules, 1988 is annexed to this report.

AUDITORS

M/s.M/s.Shekar & Yathish, Chartered Accountants & Auditors of the company retire at the conclusion of the ensuing Annual General Meeting and offers themselves for re-appointment.

ACKNOWLEDGEMENT

Your Directors would like to thank all stake holders for their co-operation & continued support. We deeply appreciate your support and look forward to your continued support for future growth.

On Behalf of the Board of Directors

Place :Bangalore

Date :16.08.2010

RAJEEV SIKKA
Chairman & Managing Director

ANNEXURE TO DIRECTOR`S REPORT

A) DIRECTORS RESPONSIBILITY STATEMENT.

In accordance with the provision of Sec.217 (2AA) of the Companies Act, 1956, your Directors state:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed;
- b) That your Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) That your Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

That your Directors have arranged the annual accounts on a going concern basis.

B) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

Under the Companies (disclosure of particulars in the report of Board of Directors) Rules, 1988.

A. Conservation of Energy

SIKA has taken steps towards Conservation of Energy in the manufacturing processes as an ongoing process.

B. Technology Absorption, Adaptation and Innovation

SIKA has been successful in absorbing and adopting New Technologies during the year. SIKA has also finalised plans for further upgradation of technology and processes. Technology absorption and adaptation continues to be at the heart of Companies Core strategy and objectives. As the Company continues to take up R&D, the company is taking steps to obtain approval from CSIR.

C. Foreign Exchange out go is Rs. 2,96,13,912/- (Rupees two crores ninety six lakhs thirteen thousand nine hundred twelve only) (which includes import of raw materials, components, foreign travel expenses) and the Foreign Exchange earned Rs. 3,74,08,757/- (Rupees three crores seventy four lakhs thirty eight thousand seven hundred fifty seven only).

MANAGEMENT DISCUSSION AND ANALYSIS

The Director's have pleasure in presenting the Management Discussion and analysis report for the year ended March 31, 2010. The shareholders are hereby cautioned that this discussion and analysis mainly comprises statements that involve predictions based on, risk and uncertainties. These are the management perceptions and the actual results may differ materially from those expressed specifically or implied. Therefore as a matter of caution, undue reliance on forward looking statements should not be made. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and notes thereto.

INDUSTRY OVERVIEW

Indian economy along with the world economy has faced turbulence and downturn. SIKA's operations are in Aeronautics and Defense and the opportunities are considerable including the opportunities in the offsets programs of Government of India.

BUSINESS OUTLOOK

Long term Business outlook is bright in spite of turbulence & slack economic growth in the short term. Your Company has taken steps to put in place corporate planning and growth strategy for the coming years.

SIKA is taking up modernization and expansion of its facilities in Bangalore to meet the requirements of international companies and domestic projects. Concurrently SIKA is finalizing partnerships which will bring regular business for the Company. The Company is confident of growth barring unforeseen circumstances.

RISKS AND CONCERNS

Your Company believes that it is well positioned to sustain and grow its business as significant growth opportunities exists in its business.

As your Company operates both in the international and domestic markets, there are inherent risks like foreign exchange risk, product warranty etc. These risks are being mitigated through appropriate de-risking strategies.

OPPORTUNITIES AND THREATS

With the growing Indian market in Aerospace and Defence, India is seen as one of the target business markets by the International Aerospace and Defence industry. In this scenario international Aerospace and defence companies want to gain a competitive edge by outsourcing jobs to Indian industry and also provide Indian customers with MRO support in India.

SIKA has excellent network with international Aerospace and defence companies and is well positioned for this potential business.

Currently the offset opportunity is estimated at USD 10 billion and international Aerospace and defence companies are looking for good Indian companies

SIKA would be able to capitalise on these opportunities as it has deep understanding of the international Aerospace and defense market and has network to match the same. Therefore, SIKA would be able to source critical technologies and materials unlike other Indian Companies

INTERNAL CONTROL SYSTEMS

The Company has adequate internal audit and control systems to ensure that all the transactions are authorised, recorded and reported correctly. The Company has audit committee of the Board, the composition and functions of which are given in Corporate Governance report as part of this Annual Report.

SEGMENT WISE PERFORMANCE

The Company is primarily engaged in the business of manufacturing and rendering of services in engineering products, projects and designs. For all purposes the company is organized into one operating activity of Engineering products and services. Accordingly the Company is of the view that it has only one business segment. The Company has no activity outside India except for export of Engineering Services presently. Thereby there is no geographical segment.

HUMAN RESOURCES

The company provides employees with a fair and equitable work environment and support to develop their capabilities. We are also focusing on bringing a new talent and competencies in the organization and building on the existing strength of the employees to move the company to be a key player in the Market.

Annexure – Forming part of the Director’s report for the year ended March 31, 2010

CORPORATE GOVERNANCE REPORT

1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE CODE:

The Clause 49 of the Listing Agreement incorporates certain disclosure requirements related to Corporate Governance with the purpose of enhancing statutory compliances and disclosure related thereto, together with a thrust on the Company’s value system.

2. BOARD OF DIRECTORS

The composition and attendance of Directors’s at Board meetings and the AGM held in the year as under:

Sl	Name of Director	Category	No of other directorships	No of committee membership	
				Chairman	Member
1	Mr.Rajeev Sikka	CMD	6	-	1
2	Mr.Sanjeev Sikka	WTD	6	-	-
3	Dr.C.G.Krishnadas Nair	Independent Director	10	1	2
4	Mr.R.N.Chawhan	Independent Director	3	2	1
5	Dr.J.M.Deb Nath	NED	1	-	-
6	Mr.H.K.Ramesh	Independent Director	-	-	3

2A. MEETINGS OF THE BOARD OF DIRECTORS

Sl	Name of Director	No of Meetings	
		Held	Attended
1	Mr.Rajeev Sikka	5	5
2	Mr.Sanjeev Sikka	5	2
3	Dr.C.G.Krishnadas Nair	5	5
4	Mr.R.N.Chawhan	5	5
5	Dr.J.M.Deb Nath	5	4
6	Mr.H.K.Ramesh	5	5

3. THE BOARD COMMITTEE

I) AUDIT COMMITTEE

Sl	Name of Director	Category	Status
1	Mr.R.N.Chawhan	Independent Director	Chairman
2	Dr.C.G.Krishnadas Nair	Independent Director	Member
3	Mr.H.K.Ramesh	Independent Director	Member

During the year under report four meetings of the Committee were held . The attendance at the meetings was under:

Sl	Name of Director	No of meetings held	No of meetings attended
1	Mr.R.N.Chawhan	4	4
2	Dr.C.G.Krishnadas Nair	4	4
3	Mr.H.K.Ramesh	4	4

At its meetings, the Audit Committee reviewed the quarterly and annual financial results before the Board took the same on record. The Committee also reviewed Internal Audit Reports and Procedure and made recommendations to the Board, where improvements were deemed necessary to strengthen the same. The minutes of the meetings of the Audit committee are regularly placed before the board.

Terms of Reference:

The terms of the Audit committee have been enlarged to include overseeing the Company`s financial reporting process and disclosure of financial information to ensure that the financial statements reflect true and fair position, reporting practices of the Company and its compliances with the legal and regulatory requirements.

Overseeing the audits of the Company`s financial statements, appointments and performances of internal & statutory Auditors, compliance with accounting standards and stock exchange requirements.

II. SHAREHOLDER`S GRIEVANCE/SHARE TRANSFER COMMITTEE

I) COMMITTEE MEMBERS

Sl	Name of Director	Category	Status
1	Dr.C.G.Krishnadas Nair	Independent Director	Chairman
2	Mr.R.N.Chawhan	Independent Director	Member
3	Mr.H.K.Ramesh	Independent Director	Member

During the year under report four meetings of the Committee were held. The attendance at the meetings was under:

Sl	Name of Director	No of meetings held	No of meetings attended
1	Mr.R.N.Chawhan	3	3
2	Dr.C.G.Krishnadas Nair	3	3
3	Mr.H.K.Ramesh	3	3

There were no complaints received during the financial year 2009-10. During the year 1 requests for physical share transfer and 17 requests for dematerializations were received and approved by the Committee.

Terms of reference

To Examine and redress the complaints and grievances of shareholders of the Company relating to transfer of shares, non-receipt of annual reports, non-receipt of dividends.

To ensure prompt redressal of any issue relating to the share transfer, transmission and issue of duplicate shares and related activities.

III. REMUNERATION COMMITTEE

I) COMMITTEE MEMBERS

Sl	Name of Director	Category	Status
1	Mr.R.N.Chawhan	Independent Director	Chairman
2	Dr.C.G.Krishnadas Nair	Independent Director	Member
3	Mr.H.K.Ramesh	Independent Director	Member

During the year no Committee meetings were held.

Terms of reference

The Remuneration committee determine the Company`s policy on remuneration packages for Managing Director/Whole time director and any other compensation, benefits related matters and issues within the frame work of provisions and enactments governing the same.

Details of Remuneration paid to Directors:

- 1) Chairmand and Managing Director – Mr.Rajeev Sikka Rs.19,59,507/- consolidated
- 2) Managing director - Mr.Sanjeev Sikka Rs.17,96,493/- consolidated

4. GENERAL MEETINGS

The particulars of the last three annual General Meetings of the Company are as under:

Financial year	Venue	Date and time	Special resolution passed
2006-07	Hotal Ajantha, M.R.Road, Bangalore 560001	28 th September 2007 11.00 am	1. Appointment of Dr.c.G.Krishnadas Nair as Director
2007-08	Hotal Ajantha,	29 th September	1. Revision in remuneration payable

	M.R.Road, Bangalore 560001	2009 11.00 am	to Mr.Rajeev Sikka, Chaiman and Managing Director. 2. Revision in remuneration payable to Mr.Sanjeev Sikka, Whole time Director. 3. Appointment of Mr.R.N.Chawhan as Director
2008-09	Hotal Ajantha, M.R.Road, Bangalore 560001	30 th September 2009 11.00 am	1. Appointement of Mr.Rajeev Sikka, as Chaiman and Managing Director. 2. Appointment of Mr.Sanjeev Sikka, as Managing Director. 3. remuneration to Independent Directors.

5. MENAS OF COMMUNICATION

The Company regularly publishes its quarterly, half yearly and annual results in due time in National and regional newspapers in compliance with the requirements.

No presentation have been made to institutional Investors/Analyst during the year.

5. GENERAL SHAREHOLDER INFORMATION.

1.Listing on Stock exchange.

Bombay Stock Exchange,Mumbai
1sr floor,New Trading Ring,Rotunda Bldg.
P.J.Towers,Dalal Street,Fort
Mumbai 400 001.

Stock code: 523606

The company has paid listing Fees for 2010-11.

DEPOSITORY SYSTEM

Your Company`s shares are tradable compulsorily in electronic form and your Company has established connectivity with both the depositories given below with common ISIN Number NE438E01016:

- a) National Securities Depository Limited (NSDL)
- b) Central Depository Service Limited (CDSL)

DEPOSITORY REGISTRAR AND TRANSFER AGENT:

M/s Cameo Corporate Services Limited,
“Subramnian Building”
1, Club House Road
Chennai 600 002

COMPLIANCE OFFICER DETAILS

Mr.Sathish.K.S – Manager (Finance)
Email:bsg@sikaglobal.com

6. MARKET PRICE DATA

Year/Month	BSE market price (in Rs.)	
	High	Low
April 2009	21.00	13.68
May 2009	32.85	18.15
June 2009	41.40	31.05
July 2009	38.90	26.20
August 2009	35.85	27.80
September 2009	46.90	31.80
October 2009	48.00	33.60
November 2009	41.50	33.65
December 2009	40.35	32.70
January 2010	47.00	43.00
February 2010	74.30	68.05
March 2010	74.00	61.00

7. DISTRIBUTION SCHEDULE

No of shares	No of share holders	% of share holders	No of shares held
1 to 500	2735	9.74	
501 to 1000	182	3.56	151033
1001 to 2000	21	0.95	40400
2001 to 3000	19	1.11	47112
3001 to 4000	5	0.42	17855
4001 to 5000	17	2.06	87242
5001 to 10000	11	1.94	82159
10001 & above	14	80.22	3401478
Total	3004	100.00	4240175

8. SHARE HOLDING PATTERN AS ON 31.03.2010

Category	No of shareholders	No of share held	% of shareholding
Promoters	9	9029367	71.44
Foreign	0	0	0
Financial institutions & Bank	0	0	0
Bodies Corporate	74	147087	3.47
Indian Public	2913	1059953	25.00
Individual Foreign	3	3019	0.07
Clearing Member	5	749	0.02

4068833 shares i.e. 95.88 % of the equity shares were held in Dematerialised form as on 31.03.2010

9. UNCLAIMED DIVIDENDS

As on March , 31 2010 the following dividends remained outstanding:

Sl	For the year ended	Amount in Rs.
1	31 st March 2008	2,01,898
2	31 st March 2009	3,08,113
3	31 st March 2010	4,05,937

10. OUTSTANDING GDRs/ADRs

The company has not issued any GDRs or ADRs or any other convertible instruments.

CERTIFICATE BY CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY.

I Rajeev Sikka, Chairman and Managing Director of the Company do hereby declare that pursuant to provisions of clause 49 of the listing agreement all the members of the Board of Directors and the senior Management personnel have affirmed compliance with the code of conduct of the Company for the year 2009-10

For Sika Interplant Systems Ltd

Rajeev Sikka
Chairman and Managing Director

Place: Bangalore
Date: 16-08-2010

AUDITOR`S CERTIFICATION ON CORPORATE GOVERNANCE

To the Members of Sika Interplant Systems Ltd

We have examined the compliance of the conditions of corporate governance by Sika Interplant Systems Ltd for the year ended March 31, 2010 as stipulated in Clause 49 of the Listing agreement of the said Company with the Stock Exchanges.

The Compliance of the 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. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing agreement.

We state that company has not received any complaints from shareholders during the financial year.

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

Place: Bangalore
Date : 16-08-2010

for and on behalf of
M/s. Shekar & Yathish
Chartered Accountants
FR No.008964S

Kusuma Yathish
Partner.
Membership Number -209637

Auditors' Report

To

The Members of **M/s.Sika Interplant Systems Limited**

We have audited the attached Balance Sheet of **M/s Sika Interplant Systems Limited** as at 31st March 2010, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion:

1. 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.
2. In our opinion, proper Books of Accounts as required by law have been kept by the Company so far as appears from our examinations of these books.
3. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the Books of Accounts
4. In our opinion the Balance Sheet and the Profit and Loss Account comply with the Accounting Standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956.
5. On the basis of the written representation received from the Directors as on 31-03-2010, and taken on record by the Board of Directors, we report that none of the Directors is prima-facie disqualified as on 31st March, 2010 from being appointed as Directors in terms of clause (g) of sub-section (1) of Section 274 of The Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and Notes to the Accounts, give the information required by the Act, in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India

subject to note no.7 of the notes on accounts.

- a) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2010.
 - b) in the case of the Profit and Loss Account of the Profit for the year ended on that date. And;
 - c) in the case of the cash flow statement, of the cash flows for the year ended on that date
7. As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give below a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (i)
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) All the assets have been physically verified by the management at reasonable intervals. Having regard to the size of the company and the nature of its assets , no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, substantial part of the fixed assets has not been disposed off by the Company during the year.
 - (ii)
 - (a) The inventory has been physically verified during the year by the management.
 - (b) The company is maintaining proper records of Inventory, minor discrepancies noticed on such physical verification have been properly dealt with in the books of accounts.
 - (iii)
 - (a) The Company has granted an interest free unsecured loan to one company listed in the register maintained Under Section 301 of the Act. The maximum amount involved during the year and the year end balance of such loan is Rs.20,03,483/-.
 - (b) In respect of the interest free unsecured loan given to its subsidiary company no terms of repayment has been prescribed and hence no amounts have become overdue.
 - (c) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act.

- (d) In view of what is stated in Para (c) above, the matters to be reported vide sub clause (f) and (g) of clause (iii) with regard to the rate of interest, terms and conditions of loan being prejudicial to the interests of the company and regular repayment of interest and principal amount of loan are not applicable.
- (iv) There are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets, and the sale of goods. Further, on the basis of our examination of the books and records of the Company, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v)
 - (a) According to the information and explanations given to us, the particulars of transactions or arrangements that were required to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered;
 - (b) In respect of transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;
- (vi) In view of the Company not having accepted deposits in terms of the provisions of sections 58 A and 58 AA and other relevant provisions of the Companies Act 1956 the compliance requirements as mentioned thereof do not arise.
- (vii) In our opinion based on the information and explanations given to us the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, The Central Government has not prescribed maintenance of cost records under Sec. 209(1) (d) of the Companies Act 1956.
- (ix)
 - (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it and according to the information and explanations given to us no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and Cess were in arrears, as at 31.03.2010 for a period of more than six months from the date they became payable

- (b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and 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 financial institutions, banks or debenture holders.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (xiv) In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4 (xiii) are not applicable to the company.
- (xv) According to the information and explanations given to us the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) The Company has raised a term Loan during the audit period and has been applied for the purposes for which it was raised
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us the Company had not issued any Debentures during the period under audit.
- (xx) The Company has not made any public issues during the period under audit and consequently the verification of end use of the same does not arise.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported.

for and on behalf of
M/s. Shekar & Yathish
Chartered Accountants
FRNo.008964S

Place: Bangalore
Date : 16/08/2010

Kusuma Yathish
Partner.
Membership Number -209637

SIKA INTERPLANT SYSTEMS LTD
BALANCE SHEET AS AT 31st MARCH 2010

	SCH. NO.	AS AT	
		31.03.2010	31.03.2009
		Rs.	Rs.
SOURCES OF FUNDS			
<u>Share Holders Funds</u>			
Share Capital	1	42,401,750	42,401,750
Reserves & Surplus	2	176,262,000	176,262,000
<u>Loan Funds</u>			
Secured Loans	3	10,239,264	1,121,168
Deferred Tax Liability		513,577	546,264
TOTAL		229,416,591	220,331,182
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	30,054,901	28,928,956
Less Depreciation		11,580,662	9,959,968
Net Block		18,474,239	18,968,988
Capital Work in Progress		20,395,929	2,815,821
		38,870,168	21,784,809
Investments	5	15,761,244	14,042,855
Current Assets , Loans & Advances (A)			
Inventories	6	980,821	1,106,000
Sundry Debtors	7	35,014,925	45,872,669
Cash & Bank Balances:	8	25,247,496	18,695,941
Loans, Advances & Deposits	9	41,425,097	28,141,478
		102,668,339	93,816,088
Less: Current Liabilities & Provisions (B)			
Current Liabilities	10	25,814,772	27,597,724
Provisions	11	38,031,314	32,192,039
		63,846,086	59,789,763
Net Current Assets [(A) -(B)]		38,822,253	34,026,325
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Amalgamation Reserve	12	135,962,925	150,477,192
TOTAL		229,416,591	220,331,182
Significant Accounting Policies	18		
Notes on Accounts	19		
<p>The Schedules referred to above form an integral part of this Balance Sheet As per our report of even date.</p> <p>SHEKAR & YATHISH Chartered Accountants FRN - 008964S</p> <p style="text-align: center;">RAJEEV SIKKA Chairman & Managing Director</p> <p style="text-align: right;">SANJEEV SIKKA Managing Director</p> <p>KUSUMA YATHISH Partner Membership No.209637</p> <p style="text-align: center;">Dr.C.G.Krishnadas Nair Director</p> <p style="text-align: right;">R.N.Chawhan Director</p> <p style="text-align: right;">Dr.J.M.Deb Nath Director</p> <p>Place: Bangalore Date: 16/08/2010</p>			

SIKA INTERPLANT SYSTEMS LTD
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	SCH. NO	For the year ended	
		31.03.2010 Rs.	31.03.2009 Rs.
INCOME			
Sales & Services	13	107,959,058	124,075,369
Other Income	14	2,712,732	5,001,448
TOTAL		110,671,790	129,076,817
EXPENDITURE			
Cost of Materials Consumed, Purchases & Manufacturing Expenses	15	57,978,872	65,550,538
Administrative/Selling/distribution Expenses	16	23,836,503	25,975,897
Interest & Financial Charges	17	510,455	596,627
Depreciation		1,620,695	1,622,000
TOTAL		83,946,524	93,745,062
PROFIT BEFORE TAX		26,725,266	35,331,755
Provision for Taxation			
- Current		9,072,000	12,200,000
- Deferred Tax (Asset)/Liability		(32,687)	(315,617)
- Fringe Benefits		-	600,000
PROFIT AFTER TAX		17,685,953	22,847,372
APPROPRIATIONS:			
Short Provision of Tax earlier years		205,036	-
Proposed Dividend on Equity Shares		2,544,105	2,544,105
Tax on Dividend proposed		422,544	432,371
Transferred to Amalgamation Reserve		14,514,268	19,870,896
Face value of Shares Rs. 10/- each			
Weighted average No. of shares for computing earnings per share (Basic & Diluted)		4,240,175	4,240,175
Earnings per share (Basic & Diluted)		4.17	5.39
Significant Accounting Policies	18		
Notes on Accounts	19		
<p>The Schedules referred to above form an integral part of this Profit and Loss Account. As per our report of even date.</p> <p style="text-align: center;"> SHEKAR & YATHISH Chartered Accountants FRN - 008964S </p> <p style="text-align: center;"> RAJEEV SIKKA Chairman & Managing Director </p> <p style="text-align: center;"> SANJEEV SIKKA Managing Director </p> <p style="text-align: center;"> KUSUMA YATHISH Partner Membership No.209637 </p> <p style="text-align: center;"> Dr.C.G.Krishnadas Nair Director </p> <p style="text-align: center;"> R.N.Chawhan Director </p> <p style="text-align: center;"> Dr.J.M.Deb Nath Director </p> <p>Place: Bangalore Date: 16/08/2010</p>			

Schedules forming part of the Balance sheet

	31.03.2010	31.03.2009
	Rs.	Rs.
SCHEDULE - 1 SHARE CAPITAL		
<u>Authorised Capital</u>		
5000000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
<u>Issued Subscribed & Paid-up Capital</u>		
42,40,175 Equity Shares of Rs. 10/- each (Previous Year : 42,40,175 Shares of Rs.10- each)	42,401,750	42,401,750
(Of the above shares 26,00,000 shares are issued for consideration other than cash)		
	42,401,750	42,401,750
SCHEDULE - 2 RESERVES & SURPLUS		
Securities Premium Account	176,262,000	176,262,000
TOTAL	176,262,000	176,262,000
SCHEDULE - 3 LOAN FUNDS		
Secured Loans		
From Banks term loan	10,151,993	
Vehicle Loan	87,271	1,121,168
TOTAL	10,239,264	1,121,168

SIKA INTERPLANT SYSTEMS LTD
SCHEDULE - 4 - FIXED ASSETS

Particulars	Gross Block			Depreciation				Net Block	
	Balance As On 01-04-2009	Additions/ (Sales)	Balance As On 31-03-2010	Upto 31-03-2009	For the Year	Adjustments	Upto 31-03-2010	Balance As On 31-03-2010	Balance As On 31-03-2009
Freehold land	758,344	-	758,344	-	-	-	-	758,344	758,344
Leasehold land	5,699,479	-	5,699,479	-	-	-	-	5,699,479	5,699,479
Plant & Machinery	1,395,090	19,739	1,414,829	453,785	66,616	-	520,401	894,428	941,305
Office Equipments	2,703,982	386,418	3,090,400	1,275,194	120,496	-	1,395,690	1,694,710	1,428,788
Furniture & Fixtures	4,156,018	186,542	4,342,560	926,953	247,870	-	1,174,823	3,167,737	3,229,065
Vehicles	10,129,480		10,129,480	4,705,395	774,664	-	5,480,059	4,649,421	5,424,085
Computers	4,086,563	533,246	4,619,809	2,598,640	411,049	-	3,009,689	1,610,120	1,487,923
Total	28,928,956	1,125,945	30,054,901	9,959,967	1,620,695	-	11,580,662	18,474,239	18,968,989
Previous Year	28,336,135	592,821	28,928,956	9,232,786	1,622,000	(894,818)	9,959,968	18,968,989	19,103,349
Capital WIP	2,815,821	17,580,108	20,395,929	-	-	-	-	20,395,929	2,815,821
Previous Year	1,538,511	1,277,310	2,815,821	-	-	-	-	2,815,821	1,538,511
Total	31,744,777	18,706,053	50,450,830	-	-	-	-	38,870,168	21,784,810

SIKA INTERPLANT SYSTEMS LTD
SCHEDULE - 5 : INVESTMENTS AT COST

SCHEME	BUY NAV	QUANTITY	31.03.2010	31.03.2009
			Rs.	Rs.
Current Investments:				
HDFC Floating STP Gr	17.70	169,507	3,000,000	4,000,000
ICICI PRU INCOME GROWTH	168.05	22,918	3,851,221	6,909,513
Reliance STP - GR	12.08	331,214	4,000,000	2,223,319
Templeton STP Growth	1,809.16	2,211	4,000,000	-
Quoted:				
Melstar Information Technology	11.90	800	9,520	9,520
Investment in Unquoted Companies				
Emsac Engineering Pvt Ltd	1.00	155,000	255,000	255,000
SIKA UK Ltd	550.00	83.00	45,503	45,503
Sikka n Sikka Engineers Pvt Ltd	100.00	6,000	600,000	600,000
TOTAL			15,761,244	14,042,855
(Market value of quoted Investments is Rs. 16,138,801/-)				

Schedules forming part of the Balance sheet

	31.03.2010 Rs.	31.03.2009 Rs.
SCHEDULE -6 INVENTORIES		
Raw Materials	980,821	1,106,000
A	980,821	1,106,000
SCHEDULE - 7 - SUNDRY DEBTORS (Unsecured and considered good)		
Debts outstanding for more than 6 months	170,330	68,500
Other Debts	34,844,595	45,804,169
B	35,014,925	45,872,669
SCHEDULE 8 - CASH & BANK BALANCES:		
Cash in Hand	34,084	46,732
Cash with Scheduled Banks - In Current account	3,939,039	6,511,511
Interest Accrued	211,150	265,758
In Fixed Deposit	21,063,225	11,871,940
C	25,247,497	18,695,941
SCHEDULE 9 - LOANS, ADVANCES & DEPOSITS: (Advance recoverable in cash or kind or for value to be received, Unsecured considered good)		
Advance to Staff	793,816	298,912
Prepaid Expenses	1,404,381	25,605
Advance Income Tax / TDS	32,340,585	23,267,533
Deposits:		
With Government Agencies	56,684	48,050
SIKA UK Ltd	2,003,483	2,315,359
With others	4,826,149	2,186,019
D	41,425,098	28,141,478
TOTAL	A+B+C+D	102,668,340
102,668,340	93,816,088	93,816,088
SCHEDULE - 10 CURRENT LIABILITIES		
Sundry Creditors	19,968,530	18,419,147
Advance from Customers	2,420,000	6,500,000
Unclaimed dividend	405,937	308,113
Other Current Liabilities	3,020,304	2,370,464
Total (A)	25,814,772	27,597,724
SCHEDULE - 11 PROVISIONS		
Provision for Leave Encashment	167,665	132,963
Provision for Dividend	2,544,105	2,544,105
Tax on Proposed Dividend	432,371	432,371
Provision for Taxation	34,560,000	29,082,600
Total (B)	37,704,141	32,192,039
TOTAL (A) +(B)	63,518,913	59,789,763
SCHEDULE - 12 MISCELLANEOUS EXPENDITURE		
Amalgamation Reserve		
As per Profit and Loss Account	150,477,192	170,348,089
Less: Transferred from Profit & Loss Account	14,514,267	19,870,897
	135,962,925	150,477,192

Schedules forming part of the Profit & Loss Account

	31.03.2010	31.03.2009
	Rs.	Rs.
SCHEDULE - 13 SALES & SERVICES		
Sales	70,530,604	71,943,594
Services	37,428,454	52,131,774
TOTAL	107,959,058	124,075,368
SCHEDULE - 14 OTHER INCOME		
Interest from Banks [(TDS of Rs.75,088/-),(previous year:Rs 1,72,381/-)]	604,154	835,597
Foreign Exchange Fluctuation Gains	-	1,496,481
Profit on Sale of Investments	2,103,943	1,913,592
Miscellaneous and other Incomes	4,636	755,778
TOTAL	2,712,732	5,001,448
SCHEDULE - 15 COST OF RAW MATERIALS CONSUMED, PURCHASES & MANUFACTURING EXPENSES		
Opening Stock	1,106,000	2,142,492
Add: Purchases	40,761,075	43,681,381
	41,867,075	45,823,873
Less:Closing Stock	980,821	1,106,000
Raw Materials Consumption	40,886,254	44,717,873
Stores and spares consumed	89,487	408,264
Manufacturing & Other Direct Expenses	3,619,873	7,919,292
	44,595,614	53,045,429
Employee Cost		
Salaries, Wages & Bonus	12,536,490	9,872,468
Contribution to Provident, ESI, Gratuity & other funds	578,106	2,120,232
Staff Welfare Expenses	268,662	512,409
	13,383,258	12,505,109
TOTAL	57,978,872	65,550,538
SCHEDULE - 16 ADMINISTRATIVE/SELLING/DISTRIBUTION EXPENSES		
Communication Expenses	963,048	1,259,353
Printing & Stationery	482,117	413,652
Rent	1,601,557	2,449,600
Rates and Taxes	132,941	64,995
Professional Charges	5,162,765	6,287,648
Insurance	97,747	156,228
Repairs & Maintenance	1,433,272	1,772,356
Vehicle Maintenance	967,971	1,222,416
Bank Charges	166,585	251,465
A.G.M. Expenses	88,260	87,049
Travelling Expenses	4,066,840	6,009,202
General Expenses	527,104	513,746
Managerial Remuneration	4,009,500	2,256,250
Selling Expenses	1,942,011	2,152,485
Goodwill - Written off	-	500,000
Technical knowhow - Written off	-	500,000
Foreign Exchange Fluctuation Loss	2,109,302	-
<u>Auditors Remuneration -</u>		
Audit Fees	55,150	55,150
Tax Audit Fees	19,303	19,303
Certification Etc	11,030	5,000
TOTAL	23,836,503	25,975,897
SCHEDULE - 17 INTEREST & FINANCIAL EXPENSES		
Interest on Term loan	27,289	46,030
Interest others	65,637	84,248
Bank Guarantee Commission	417,529	466,349
TOTAL	510,455	596,627

Schedule 18

Significant Accounting Policies:

Accounting Convention:

1. The Financial statements are prepared under the historical cost convention, in accordance with generally accepted accounting principals, the mandatory accounting standards prescribed by the Institute of Chartered Accountants India and the provisions of the Companies Act.

Fixed Assets and Depreciation:

- a Fixed Assets are stated at cost less depreciation. All costs relating to the acquisition and installation of fixed assets have been capitalized.
- B Depreciation on assets has been provided at the rates specified in Schedule XIV of the Companies Act, 1956 straight-line method.

Valuation of Inventories:

Stock of spare parts, raw materials and stock in trade are valued at lower of cost and net realizable value. Work-in-progress is valued at cost.

Valuation of Investments:

Investments, being current investments, are valued at the lower of cost and market value. Investment in the equity capital of companies registered outside India is carried in the Balance Sheet at the rate prevailing on the date of transaction.

Retirement Benefits:

Company has Group Gratuity policy with Life Insurance Corporation of India and the premiums determined thereon are charged to revenue. The Company has provided for Leave Encashment based on accumulated un-availed leave by the employees as on the date of Balance Sheet.

Revenue Recognition:

1. Revenue from sale of goods is recognized on passing of the property in goods.
2. Services – Revenue from services is recognized on completion of service.
3. Warranties –Revenue from warranties in connection with post sale services is recognized on pro-rata basis over the warranty period.
4. Profit on sale of investments: Profit / loss on sale of investments are recognized on the date of redemption.

Foreign Currency Transactions:

Transactions in foreign currency are recorded using the spot rate at the transaction date and exchange differences resulting from settled transactions are adjusted in the profit and loss account. At the balance sheet date, monetary items denominated in foreign currencies are converted into rupee equivalents at exchange rates as at the balance sheet date. Those relating to acquisition of fixed assets are adjusted to the cost of assets.

Provisions:

A provision is recognized when outflow of resources will be required to settle a present obligation as a result of past events. Accordingly provisions are determined based on best estimate required to settle the obligation at Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Segment Reporting Policies

Primary Business Segments:

The Company is primarily engaged in the business of manufacturing and rendering of services in engineering products and designs. For all purposes the company is organized into one operating activity of Engineering products and services. Accordingly the Company is of the view that it has only one business segment. The Company has no activity outside India except for export of Engineering Services. Thereby there is geographical segment.

Impairment of Assets

At each Balance Sheet date the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, the Company estimates the recoverable amount and if this is lower than the carrying amount of the asset, an impairment loss is recognized in the Profit and Loss account to the extent the carrying amount exceeds the recoverable amount.

SCHEDULE – 19

NOTES TO ACCOUNTS AS AT 31.03.2010

1. Contingent Liabilities not provided for in the books of Accounts
In respect of Bank Guarantees:Rs.93,45,018/-(Previous Year: Rs.1,08,31,400/-)

2. a) Term loan of Rs 510 lakhs has been sanctioned by Canara Bank for factory expansion at Bommasandra against which Rs 101.52 Lakhs utilized upto 31.3.2010. The same is secured on equitable mortgage of land of M/s Sikka and Sikka Engineers Pvt Ltd, a 100% Subsidiary of the company. In addition to above M/s Sikka and Sikka Engineers Pvt Ltd have given corporate guarantee. Loan payable within one year is Rs.70,80,000/-.

- b) The Secured loan represents the liability towards purchase of motorcars under a financing arrangement with Citi Bank and is secured by hypothecation of the said vehicle and personal guarantee of Directors. Balance as at March 31, 2010 includes Rs.87,271/- .Payable within one year is Rs.87,271/- (Previous year Rs.10,33,897 /-).

3. Capital commitments to the extent not provided for in the books of accounts in respect of projects undertaken by the Company is estimated at Rs.1,49,58,868/- based on definite agreements entered.

4. The cash in the current accounts of scheduled banks includes a dividend bank account with a balance of Rs.4,25,010/- and the same represents unclaimed dividend. (Previous Year Rs.3,08,173).

5. a) The information required to be disclosed under the Micro, Small, Medium enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.

- b) According to the information available with the Company, as at March 31, 2010 there are no outstanding dues to Small Scale Undertakings. (Previous Year: Rs.NIL).

6. Figures of Previous year have been regrouped / rearranged wherever considered necessary.

7. In accordance with the Accounting Standard 22 “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India, the company has provided for deferred tax liability upto 31.3.2010 comprising of the following components.

	2010		2009	
	Assets Rs.	Liabilities Rs.	Assets Rs.	Liabilities Rs.
Depreciation	-	10,80,110	-	8,61,881
Other Items	5,66,533	-	3,15,617	-
Total	5,66,533	10,80,110	3,15,617	8,61,881
Net Deferred Tax Liability		5,13,577		5,46,264

8.Related party transactions

Related party disclosure in accordance with AS 18

Amount in Rs. In lakhs

Particulars	Referred to in (a) below		Referred to in (b) below		Referred to in (c) below	
	31.3.2010	31.3.2009	31.3.2010	31.3.2009	31.3.2010	31.3.2009
Purchase:						
Goods and Materials (including service)	29,22,736	42,24,056	-	-	-	-
Sales:						
Goods and Materials (including service)	2,64,720					
Expenses:						
a.Remuneration	-	-	37,93,500	21,55,216		
b.Rent	-	-	-	-	2,40,000	2,40,000
c.Service	-	-	-	-	3,00,000	3,00,000
d.Prof charges	-	-	-	-	3,00,000	3,00,000
Outstandings:						
a. Rent					20,000	20,000
b.Maintainance					25,000	25,000
c.Prof Charges					25,000	25,000

Related Party Information

Relationships

a. Where significant influence exists(Affiliates)

1. M/s. Sikka N Sikka Engineers Pvt Ltd
2. M/s. Emsac Engineering Pvt Ltd
3. Sika UK Ltd
4. M/s. Gourmet Estates Pvt Ltd
5. M/s. Moneyplant Estates Pvt Ltd
6. M/s. Ultraweld Engineers Pvt Ltd
7. M/s. Softspace Network Pvt Ltd
8. M/s. Softspace Computing Pvt Ltd

b. Key Management Personnel

1. Mr. Rajeev Sikka
2. Mr. Sanjeev Sikka

c. Relatives of Directors

1. Mrs. Anuradha Sikka
2. Mrs. Anita Sikka
3. Mr. S.B.Sikka
4. Mrs. Krishna Sikka

9. Information pursuant to Paragraph 3, 4c of Part II of Schedule VI to the Companies Act, 1956

A Particulars of Licensed, installed Capacity and Production – N.A

B. Value of Raw-materials consumed (As Certified by the Management)

Imported and Indigenous Consumption

Particulars	2009-10		2008-09	
	Rs	% of Consumption	Rs.	% of Consumption
a. Raw Materials				
Imported	2,92,61,092	71.41%	3,81,43,678	86.50%
Indigenous	1,17,14,649	28.59%	59,45,976	13.50%
Total	4,09,75,741	100.00%	4,40,89,654	100.00%
B. Components				
Imported	89,487	100.00%	4,08,264	100.00%
Indigenous				
Total	89,487	100.00%	4,08,264	100.00%

10. Expenditure in Foreign Currency

Particulars (Including Expenses Capitalized)	2009-10	2008-09
Raw Materials	7,16,374	1,14,135
Traded Items	3,00,69,181	3,82,75,014
Travelling Expenses	5,48,925	5,87,277
Total	3,13,34,480	3,89,76,426

11. Earnings in Foreign Currency (on FOB basis)

Particulars	2009-10	2008-09
Others (on A/c. of Export sales)	3,79,49,130	5,31,58,543

Signatures to Schedule '1' to '19'

For Shekar & Yathish
Chartered Accountants
FRN: 008964S

Rajeev Sikka
Chairman &
Managing Director

Sanjeev Sikka
Managing Director

Kusuma Yathish
Partner
M.No- 209637

Dr.C.G.Krishnadas Nair
Director

R.N.Chawhan
Director

Dr.J.M.Deb Nath
Director

Place : Bangalore
Date : 16-08-2010

SIKA INTERPLANT SYSTEMS LTD
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2010

CASH FLOW STATEMENT	31st March 2010	31st March 2009
Cash flow from Operating Activities		
Net Profit before tax and exceptional item	26725265	36343216
Adjustments for		
Other Income	-2785523	-3496149
Depreciation	1620695	1622000
Interest Expenses	510455	596627
Loss on sale of mutual funds	72791	11462
Operating Profit before working capital changes	26143683	35077156
Trade Receivables	10857744	-37234204
Other Receivables	-4210568	1963381
Inventory	125179	1036492
Trade Payables	-2530617	10939567
Other Payables	740217	-4614078
Income Tax Liability	-3052564	5675000
Deferred Tax Liability	-367921	315617
Dividend and Tax on Dividend Paid	-2976476	-2976476
Income Tax paid during the year	-9073052	-7924350
Net cash from Operating activities (A)	15655625	2258105
Cash Flow from Investing Activities		
Net(Redemption / Purchase) current investments	-1718389	3737052
Proceeds on disposal of fixed assets	0	60000
Purchase of Fixed Assets	-1125945	-1824502
Change in Capital work in Progress	-17580108	-1277310
Interest and Dividend Income & Others	2785523	2760651
Loss on sale of mutual funds	-72791	-11462
Net Cash flow from investing activities (B)	-17711710	3444429
Cash flow from Financing Activities		
Interest on Advances paid	-510455	-596627
Net increase / decrease in Secured loan	9118096	-717818
Net increase / decrease in unsecured loan	0	0
Net cash from Financing Activities '(c)	8607641	-1314445
Net increase / decrease in cash and cash equivalents	6551556	4388089
Cash and Cash equivalents at the beginning of the year	18695941	14307852
cash and cash equivalents at the end of the year	25247497	18695941

SIKA INTERPLANT SYSTEMS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	L29190KA1985PLC007363	State Code	08
Balance Sheet Date	31.03.2010		

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	229,416.59	Total Assets	229,416.59
Sources of Funds:			
Paid up Capital	42,401.75	Reserves & Surplus	176,262.00
Secured Loans	10,239.26	Unsecured Loans	-
Deferred tax Liability	513.58	Share Application money	-
Application of Funds:			
Net Fixed Assets	18,474.24	Investments	15,761.24
Net Current Assets	38,822.25	Misc. Expenditure	135,962.93
Deferred tax	-	Capital Work in Progress	20,395.93

IV Performance of Company (Amount in Rs. Thousands)

Turnover	110,671.79	Total Expenditure	110,671.79
Profit (Loss) before tax	26,725.27	Profit (Loss) after tax	17,685.95
Earning per Share in Rs.	4.17	Dividend rate %	6%

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

Item code No. (ITC Code)	356105008
Product description	a.Handling Equipment b.Engineering projects and Engineering Services a.Design Engineering and Supply. b.Engineering Services.

For and on behalf of
M/s.Sika Interplant Systems Limited

Rajeev Sikka
Chairman and
Managing Director

Sanjeev Sikka
Managing Director

Dr.C.G.Krishnadas Nair
Director.

R.N.Chawhan
Director

Dr.J.M.Debnath
Director

Date : 16/08/2010.

place :
Bangalore

SIKA INTERPLANT SYSTEMS LTD

CONSOLIDATED
ANNUAL REPORT 2009-10

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors
Sika Interplant Systems Ltd
Bangalore

1. We have examined the attached Consolidated Balance Sheet of Sika Interplant Systems Ltd (the parent), and its subsidiaries (together 'the group') as at March 31, 2010, the Consolidated Profit and loss account and the related Consolidated Cash Flow Statement for the year ended on that date, annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the management of Sika Interplant Systems Ltd. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of an overseas subsidiary as at March 31, 2010 are un-audited as the overseas subsidiary is exempt from the statutory requirement for an audit for the period. The financial statements and other information of this subsidiary in so far as it relates to the amounts included in respect of this subsidiary is based on the compilation of accounts certified by an auditor of that country.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, as notified in the Companies (Accounting Standards) Rules, 2006.
5. On the basis of the information and explanation given to us and on the consideration of the separate audit report on individual audited financial statements of Sika Interplant Systems Ltd and its subsidiaries, we are of the opinion that:
 - a) the consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of the group as at March 31,2010;
 - b) the consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of the group for the year ended as at March 31,2010; and
 - c) the consolidated Cash Flow Statement gives a true and fair view of the consolidated Cash Flows of the group for the year ended as at March 31,2010;

For Shekar and Yathish.,
Chartered Accountants

Kusuma Yathish
Partner

Membership Number -209637

Place: Bangalore

Date: 16-08-2010

SIKA INTERPLANT SYSTEMS LTD
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2010

	SCH. NO.	AS AT	
		31.03.2010	31.03.2009
		Rs.	Rs.
SOURCES OF FUNDS			
<u>Share Holders Funds</u>			
Share Capital	1	42,401,750	42,401,750
Reserves & Surplus	2	180,237,420	182,488,099
Minority Interest		646,600	301,496
<u>Loan Funds</u>			
Secured Loans	3	12,057,842	3,109,881
Unsecured Loans		9,615,565	5,061,074
Deferred Tax Liability/(Asset)		714,720	720,113
TOTAL		245,673,897	234,082,413
APPLICATION OF FUNDS			
<u>Fixed Assets</u>			
Gross Block	4	44,276,831	38,931,718
Less Depreciation		15,002,746	11,812,455
Net Block		29,274,085	27,119,263
Capital Work in Progress		20,395,929	2,815,821
Investments	5	16,337,328	14,294,004
Current Assets , Loans & Advances (A)	6	111,759,778	102,794,146
Less: Current Liabilities & Provisions (B)	7	70,003,279	65,989,987
Net Current Assets [(A) -(B)]		41,756,499	36,804,159
Preliminary Expenses		30,000	
Miscellaneous Expenditure (to the extent not written off or adjusted)		137,880,056	153,049,164
TOTAL		245,673,897	234,082,413
Notes to Balance Sheet	13		
<p>Schedules 1 to 7 & 13 form an integral part of this Balance Sheet This is the balance sheet mentioned in our report of even date</p>			
<p>SHEKAR & YATHISH Chartered Accountants FRN - 008964S</p>			
<p>KUSUMA YATHISH Partner Membership No.209637</p>			
<p style="text-align: center;">RAJEEV SIKKA Chairman & Managing Director</p>			
<p style="text-align: center;">Dr.C.G.Krishnadas Nair Director</p>			
<p style="text-align: center;">Dr.J.M.Deb Nath Director</p>			
<p style="text-align: center;">SANJEEV SIKKA Managing Director</p>			
<p style="text-align: center;">R.N.Chawhan Director</p>			
<p>Place: Bangalore Date: 16/08/2010</p>			

SIKA INTERPLANT SYSTEMS LTD
CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2010

	SCH. NO	For the year ended	
		31.03.2010 Rs.	31.03.2009 Rs.
INCOME			
Sales & Services	8	131,197,955	157,840,219
Other Income	9	3,350,810	5,653,578
TOTAL		134,548,765	163,493,797
EXPENDITURE			
Manufacturing /Service Expenses	10	74,486,203	92,931,473
Administrative Expenses	11	31,487,714	35,395,871
Financial Expenses	12	743,007	824,459
Depreciation	4	3,370,443	3,095,373
TOTAL		110,087,367	132,247,176
PROFIT BEFORE TAX		24,461,398	31,246,621
Provision for Taxation			
- Current		9,891,890	12,782,361
- Deferred Tax (Asset)/Liability		(811)	(243,574)
- Fringe Benefits		-	627,638
PROFIT AFTER TAX		14,570,319	18,080,196
Prior year Adjustments		(51,756)	
Balance Profit / (Loss) from last year		(149,060,982)	(170,432,261)
		(134,542,419)	(152,352,065)
APPROPRIATIONS:			
Less: Short / (Excess_ provisions of taxes earlier years		-	61,430
Minorities share of Profit & Loss		370,988	(2,361,204)
Proposed Dividend on Equity Shares		2,544,105	2,544,105
Tax on Dividend proposed		422,544	432,371
Balance Profit / (Loss) carried to Balance Sheet		(137,880,056)	(153,028,767)
Face value of Shares Rs. 10/- each			
Weighted average No. of shares for computing earnings per share (Basic & Diluted)		4,240,175	4,240,175
Earnings per share (Basic & Diluted)		3.44	4.26
Significant Accounting Policies	13		
Notes to Accounts	14		
Schedules 4, 8 to 12 & 13 form an Integral part of this Profit & Loss Account			
<p>SHEKAR & YATHISH Chartered Accountants FRN - 008964S</p>			
<p>KUSUMA YATHISH Partner Membership No.209637</p>			
<p style="text-align: center;">RAJEEV SIKKA Chairman & Managing Director</p>			
<p style="text-align: center;">SANJEEV SIKKA Managing Director</p>			
<p style="text-align: center;">Dr.C.G.Krishnadas Nair Director</p>			
<p style="text-align: center;">R.N.Chawhan Director</p>			
<p style="text-align: center;">Dr.J.M.Deb Nath Director</p>			
<p>Place: Bangalore Date: 16/08/2010</p>			

Schedules forming part of the Balance sheet

	31.03.2010	31.03.2009
	Rs.	Rs.
SCHEDULE - 1 SHARE CAPITAL		
<u>Authorised Capital</u>		
5000000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
<u>Issued Subscribed & Paid-up Capital</u>		
42,40,175 Equity Shares of Rs. 10/- each (Of the above shares 26,00,000 shares are issued for consideration other than cash) (Previous Year : 16,40,175 Shares of Rs.10- each)	42,401,750	42,401,750
	42,401,750	42,401,750
SCHEDULE - 2 RESERVES & SURPLUS		
Securities Premium Account	176,262,000	176,262,000
Capital Reserve	500,000	500,000
General Reserve	1,462,661	5,726,099
TOTAL	178,224,661	182,488,099
SCHEDULE - 3 LOAN FUNDS		
Secured Loans		
Term From Banks	11,970,571	19.88.713
Vehicle Loan	87,271	1,121,168
	12,057,842	
unsecured Loans		
From shareholders	7,914,815	
from others	1,700,750	
	9,615,565	
TOTAL	21,673,407	31,09,881

SIKA INTERPLANT SYSTEMS LTD
SCHEDULE - 4 - FIXED ASSETS - CONSOLIDATED

Particulars	Gross Block			Depreciation				Net Block	
	Balance	Additions/	Balance	Upto	For the	Adjustments	Upto	Balance	Balance
	As On 01-04-2009	(Sales)	As On 31-03-2010	31-03-2009	Year		31-03-2010	As On 31-03-2010	As On 31-03-2009
Freehold land	758,344	-	758,344	-	-	-	-	758,344	758,344
Leasehold land	7,611,425	-	7,611,425	-	-	-	-	7,611,425	7,611,425
Building	2,187,264	-	2,187,264	110,009	73,055	-	183,064	2,004,200	2,077,255
Plant & Machinery	339,496 6,660,396	4,560,401	11,220,797	1,994,445	1,706,453	-	3,700,898	7,519,899	4,825,296
Office Equipments	2,780,467	386,418	3,166,885	1,279,211	124,129	-	1,403,340	1,763,545	1,501,256
Furniture & Fixtures	4,192,468	204,544	4,397,012	929,203	250,973	-	1,180,176	3,216,836	3,263,265
Vehicles	10,129,480	-	10,129,480	4,705,395	774,664	-	5,480,059	4,649,421	5,424,085
Computers	4,272,378	533,246	4,805,624	2,614,040	441,169	-	3,055,209	1,750,415	1,658,338
Total	38,931,718	5,684,609	44,276,831	11,632,303	3,370,443	-	15,002,746	29,274,085	27,119,264
Previous Year	31,147,625	7,784,093	38,931,718	9,611,900	3,095,373	(894,818)	11,812,455	27,119,263	21,535,725
Capital WIP	2,815,821	17,580,108	20,395,929	-	-	-	-	20,395,929	2,815,821
Previous Year	1,538,511	1,277,310	2,815,821	-	-	-	-	2,815,821	1,538,511
Total	41,747,539	23,264,717	64,672,760	-	-	-	-	49,670,014	29,935,085

Note:

Leasehold land of Rs.56,99,479/- in respect of land allotted by Karnataka Industrial Area Development Board for Tourism Project.

SCHEDULE - 5 : INVESTMENTS AT COST - CONSOLIDATED

SCHEME	BUY NAV	QUANTITY	31.03.2010	31.03.2009
			Rs.	Rs.
Current Investments:				
HDFC Floating STP Gr	12.57	277,510		4,000,000
ICICI PRU INCOME GROWTH	23.14	21,605		6,909,513
Reliance STP - GR	11.52	172,637		2,223,319
HDFC income fund	13.61	22038.41		285754
Government bonds				68500
PRUICICI short term plant	12.7	7877.06		498635
RELIANCE MIP GR	12.85	8131.27		298763
HDFC Floating STP Gr	17.70	169,507	3,000,000	-
ICICI PRU INCOME GROWTH	168.05	22,918	3,851,221	-
Reliance STP - GR	12.08	331,214	4,000,000	-
Templeton STP Growth	1,809.16	2,211	4,000,000	
Government bonds			68500	
PRUICICI short term plant	103.57	6758.43	700000	
RELIANCE MIP GR	12.43	56314.46	700000	
Difference in Capilta Investment			8,087	
Quoted:				
Melstar Information Technology	11.90	800	9,520	9,520
TOTAL			16,337,328	14,294,004
(Market value of quoted Investments is Rs.1,66,80,229/-)				

Schedules forming part of the Balance sheet

	31.03.2010	31.03.2009
SCHEDULE -6 CURRENT ASSETS, LOANS & ADVANCES		
Inventories		
Raw Materials	2,495,689	1,980,320
A	2,495,689	1,980,320
Sundry Debtors (Unsecured and considered good)		
Debts outstanding for more than 6 months	3,913,553	68,500
Other Debts	35,013,914	49,842,143
B	38,927,467	49,910,643
Cash & Bank Balances:		
Cash in Hand	71,462	51,260
Cash with Scheduled Banks - In Current account	4,502,357	7,342,967
Interest Accrued	251,167	335,896
In Fixed Deposit	25,274,098	14,239,229
C	30,099,084	21,969,352
Loans, Advances & Deposits: (Advance recoverable in cash or kind or for value to be received, Unsecured considered good)		
Advance to Staff	210,055	74,327
Advance to Others	1,321,261	233,546
Factory Shed Advance	1,057,583	-
Prepaid Expenses	1,404,381	25,605
Advance Income Tax / TDS	33,095,895	25,312,744
VAT Credit	696,204	18,800
Service Tax Credit	336,587	553,281
Deposits:		
With others	2,115,571	2,715,528
D	40,237,537	28,933,831
TOTAL A+B+C+D	111,759,777	102,794,146
SCHEDULE - 7 CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors	24,182,401	21,981,489
Advance from Customers	3,735,550	6,500,000
Unclaimed dividend	405,937	308,113
Other Current Liabilities	3,233,615	2,994,785
Total (A)	31,557,503	31,784,387
Provisions		
Provision for Leave Encashment	167,665	132,963
Provision for Dividend	2,544,105	2,544,105
Tax on Proposed Dividend	422,544	432,371
Provision for Taxation	35,311,462	31,096,161
Total (B)	38,445,776	34,205,600
TOTAL (A) +(B)	70,003,279	65,989,987

Schedules forming part of the Profit & Loss Account

SCHEDULE - 8 OTHER INCOME			
Interest from Banks		823,066	835,957
Foreign Exchange Fluctuation Gains		-	1,914,126
Profit on Sale of Investments		2,521,959	1,925,054
Miscellaneous and other Incomes		5,785	978,442
TOTAL		3,350,810	5,653,579
SCHEDULE - 9 SALES & SERVICES			
Sales		91,915,563	104,681,676
Services		39,282,392	53,158,543
TOTAL		131,197,955	157,840,219
SCHEDULE - 10 MANUFACTURING / SERVICE EXPENSES			
Consumption of raw materials			
Opening Stock		2,047,400	2,142,492
Add: Purchases		54,024,952	67,154,494
		56,072,352	69,296,986
Less: Closing Stock		2,495,689	2,047,400
Consumption		53,576,663	67,249,586
Manufacturing & Other Direct Expenses		3,619,873	7,919,292
Employee Cost		17,289,667	17,762,594
TOTAL		74,486,203	92,931,472
SCHEDULE - 11 ADMINISTRATIVE EXPENSES			
Communication Expenses		1,078,952	1,384,276
Printing & Stationery		628,204	642,556
Rent, Rates & Taxes		3,145,573	5,126,014
Professional Charges		5,526,388	7,269,442
Insurance		271,551	253,541
Repairs & Maintenance		3,151,296	3,762,481
Vehicle Maintenance		967,971	1,222,416
Bank Charges		283,018	315,594
A.G.M. Expenses		88,260	87,049
Travelling Expenses		5,105,787	7,544,644
General Expenses		797,948	636,722
Managerial Remuneration		4,600,150	3,515,350
Selling Expenses		2,311,328	2,307,202
Goodwill - Written off		-	500,000
Technical knowhow - Written off		-	500,000
Preliminary Expenses written off			10,000
Hire of Plant & Machinery		1,018,537	-
Foreign Exchange Fluctuation Loss		2,156,974	-
Loss on Sale of Car		-	11,462
<u>Auditors Remuneration -</u>			
For Audit		314,414	302,123
Tax Audit Fees		19,303	
For Other Services		22,060	5,000
TOTAL		31,487,714	35,395,871
SCHEDULE - 12 FINANCIAL EXPENSES			
Interest on Overdraft/Term Loan		220,369	91,949
Interest others		105,109	466,349
Bank Guarantee Commission		417,529	266,161
TOTAL		743,007	824,459

Schedule 13

Significant Accounting Policies:

Accounting Convention:

1. The Consolidated financial statements relate to Sika Interplant Systems Ltd and its subsidiaries which have been prepared:
 - a) The Financial statements are prepared under the historical cost convention, in accordance with generally accepted accounting principals, the mandatory accounting standards prescribed by the Institute of Chartered Accountants of India and the provisions of the Companies Act.
 - b) In accordance with Accounting Standard (AS 21) on Consolidated Financial Statements.
2. **Fixed Assets and Depreciation:**
 - a) Fixed Assets are stated at cost less depreciation. All costs relating to the acquisition and installation of fixed assets have been capitalized.
 - B) Depreciation on assets has been provided at the rates specified in Schedule XIV of the Companies Act, 1956 on a straight-line method.
3. **Valuation of Inventories:**

Stock of spare parts, raw materials and stock in trade are valued at lower of cost and net realizable value. Work-in-progress is valued at cost.
4. **Valuation of Investments:**

Investments, being current investments, are valued at the lower of cost and market value. Investment in the equity capital of companies registered outside India is carried in the Balance Sheet at the rate prevailing on the date of transaction.
5. **Retirement Benefits:**

Company has Group Gratuity policy with Life Insurance Corporation of India and the premiums determined thereon are charged to revenue. The Company has provided for Leave Encashment based on accumulated un-availed leave by the employees as on the date of Balance Sheet.
6. **Revenue Recognition:**
 5. Revenue from sale of goods is recognized on passing of the property in goods.
 6. Services – Revenue from services is recognized on completion of service.
 7. Warranties – Revenue from warranties in connection with post sale services is recognized on pro-rata basis over the warranty period.
 8. Profit on sale of investments: Profit / loss on sale of investments are recognized on the date of redemption.
7. **Foreign Currency Transactions:**

Transactions in foreign currency are recorded using the spot rate at the transaction date and exchange differences resulting from settled transactions are adjusted in the profit and loss account. At the balance sheet date, monetary items denominated in foreign currencies are converted into rupee equivalents at exchange rates as at the balance sheet date. Those relating to acquisition of fixed assets are adjusted to the cost of assets.
8. **Provisions:**

A provision is recognized when outflow of resources will be required to settle a present obligation as a result of past events. Accordingly provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
9. **Segment Reporting Policies**

Primary Business Segments:
The Company is primarily engaged in the business of manufacturing and rendering of services in engineering products and designs. For all purposes the company is organized into one operating activity of Engineering products and services. Accordingly the Company is of the view that it has only one business segment. The Company has no activity outside India except for export of Engineering Services. Thereby there is only one geographical segment.
10. **Impairment of Assets**

At each Balance Sheet date the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, the Company estimates the recoverable amount and if this is lower than the carrying amount of the asset, an impairment loss is recognized in the Profit and Loss account to the extent the carrying amount exceeds the recoverable amount.

SCHEDULE – 14

CONSOLIDATED NOTES TO ACCOUNTS AS AT 31.03.2010

1. Contingent Liabilities not provided for in the books of Accounts
In respect of Bank Guarantees:Rs.93,45,018/-(Previous Year :Rs.1,08,31,400/-)

2. a) Term loan of Rs 510 lakhs has been sanctioned by Canara Bank for factory expansion at Bommasandra against which Rs 101.52 Lakhs utilized upto 31.3.2010. The same is secured on equitable mortgage of land of M/s Sikka and Sikka Engineers Pvt Ltd, a 100% Subsidiary of the company. In addition to above M/s Sikka and Sikka Engineers Pvt Ltd have given corporate guarantee. Loan payable within one year is Rs.70,80,000/-.

- b)The Secured loan represents the liability towards purchase of motorcars under a financing arrangement with Citi Bank and is secured by hypothecation of the said vehicle and personal guarantee of Directors. Balance as at March 31, 2010 includes Rs.87,271/- .Payable within one year is Rs.87,271/- (Previous year Rs.11,21,168 /-).

3. Capital commitments to the extent not provided for in the books of accounts in respect of projects undertaken by the Company is estimated at Rs.1,49,58,868/- based on definite agreements entered.

4. The cash in the current accounts of scheduled banks includes a dividend bank account with a balance of Rs.4,05,937/- and the same represents unclaimed dividend. (Previous Year Rs.3,08,173).

5. a) The information required to be disclosed under the Micro, Small, Medium enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.

- b) According to the information available with the Company, as at March 31, 2010 there are no outstanding dues to Small Scale Undertakings. (Previous Year : Rs.NIL).

6. Figures of Previous year have been regrouped / rearranged wherever necessary.

7 *Income Tax*

In accordance with the Accounting Standard 22 “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India, the company has provided for deferred tax liability upto 31.3.2010 comprising of the following components

	2010		2009	
	Assets Rs.	Liabilities Rs.	Assets Rs.	Liabilities Rs.
Depreciation	-	13,05,813	-	12,08,827
Other Items	5,91,093	-	5,28,296	-
Total	-	7,14,720	5,28,296	12,08,827
<i>Net Deferred Tax Liability</i>		<i>7,14,720</i>		<i>7,20,113</i>

8.Related party transactions

Related party disclosure in accordance with AS 18

Amount in Rs. In lakhs

Particulars	Referred to in (a) below		Referred to in (b) below		Referred to in (c) below	
	31.3.2010	31.3.2009	31.3.2010	31.3.2009	31.3.2010	31.3.2009
Expenses:						
a.Remuneration	-	-	37,93,500	21,55,216		
b.Rent	-	-	-	-	2,40,000	2,40,000
c.Service	-	-	-	-	3,00,000	3,00,000
d.Prof charges	-	-	-	-	3,00,000	3,00,000
Outstandings:						
a. Rent					20,000	20,000
b.Maintainance					25,000	25,000
c.Prof Charges					25,000	25,000

Related Party Information:

Relationships

Where significant influence exists(Affiliates)

1. M/s.Gourmet Estates Pvt Ltd
2. M/s.Moneyplant Estates Pvt Ltd
3. M/s.Ultraweld Engineers Pvt Ltd
4. M/s.Softspace Network Pvt Ltd
5. M/s.Softspace Computing Pvt Ltd

Key Management Personnel

1. Mr.Rajeev Sikka
2. Mr.Sanjeev Sikka

Ralatives of Directors

1. Mrs.Anuradha Sikka
2. Mrs.Anita Sikka
3. Mr.S.B.Sikka
4. Mrs.Krishna Sikka

10. Information pursuant to Paragraph 3,4c of Part II of Schedule VI to the Companies Act, 1956

- A Particulars of Licensed, installed Capacity and Production – N.A
- B. Value of Raw-materials consumed

Vide our Report of Even Date

Shekar & Yathish

Chartered Accountants

FRN: 008964S

Kusuma Yathish

Partner

M.No 209637

Rajeev Sikka
Chairman & Managing Director

Dr.C.G.Krishnadas Nair
Director

Dr.J.M.Deb Nath
Director

Sanjeev Sikka
Managing Director

R.N.Chawhan
Director

Place : Bangalore

Date : 16-08-2010

CONSOLIDATED CASH FLOW STATEMENT

	31st MARCH 2010	31ST MARCH 2009
Cash flow from Operating Activities		
Net Profit before tax and exceptional item	24847937	31533485
Adjustments for		
Other Income	-2574950	-3719173
Depreciation	3252964	3095373
Interest Expenses	703535	824459
Preliminary expenses written off	10000	
Loss on sale of mutual fund investment	72971	
Operating Profit before working capital changes	26312457	31734144
Trade Receivables	10983176	-40887627
Other Receivables	-3460556	5823544
Inventory	-358652	162172
Trade Payables	2200912	14358047
Other Payables	-2553376	1627663
Deffered Tax Liability	434417	-243574
Dividend and Tax on Dividend Paid	-2976476	-2976476
Income Tax paid during the year	-13191421	-7933699
Net cash from Operating activities (A)	17390481	1664194
Cash Flow from Investing Activities		
Redemption / Investment of current investments	-2043324	4228722
Proceeds on disposal of fixed assets	0	60000
Purchase of Fixed Assets	-5252704	-9015774
Change in Capital work in Progress	-17580108	541156
Interest and Dividend Income & Others	2574950	2761011
Loss on sale of mutual fund investment	-72971	
Net Cash flow from investing activities (B)	-22374157	-1424885
Cash flow from Financing Activities		
Interest on Advances paid	-703535	-824459
Net increase / decrease in Secured loan	8947961	1270895
Net increase / decrease in unsecured loan	4554491	5061074
Net increase / decrease in Minority Interest	314491	301496
Net cash from Financing Activities (C)	13113408	5809006
Net increase / decrease in cash and cash equivalents	8129732	6048315
Cash and Cash equivalents at the beginning of the year	21969352	15921037
cash and cash equivalents at the end of the year	30099084	21969352

SIKKA n SIKKA ENGINEERS PVT LTD

ANNUAL REPORT 2009-10

SIKKA n SIKKA ENGINEERS PVT LTD.

BOARD OF DIRECTORS
(As on 16th August, 2010)

1. KRISHNA SIKKA : Chairman & Managing Director
2. RAJEEV SIKKA : Director
3. SANJEEV SIKKA : Director

AUDITORS : M/s.Shekar & Yathish
Chartered Accountants

REGISTERED OFFICE : D.Shivsagar Estate,
Dr.Annie Basant road
Worli, Mumbai 400018

DIRECTORS REPORT

Directors have pleasure in presenting their Annual Report along with the Audited Accounts for the year ended 31st March 2010.

FINANCIALS RESULTS

	Rs in lakhs	
	31/3/2010	31/3/2009
Total Income	6,33,524	15,22,614
Profit (Loss) before tax & depreciation	(3,72,800)	2,29,837
Provision for taxes	24,560	76,573
Depreciation	1,01,963	1,01,651
Profit (Loss) for the year after tax and depreciation	(4,99,323)	57,128
Earning per share	-	9.52

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS DURING THE YEAR.

Under the Companies Disclosure of the particulars in the Report of Board of Directors Rules, 1956.

The Company has made efforts towards conservation of Energy in its manufacturing process. There was a no foreign earning during the year and previous year is also nil.

PARTICULARS OF EMPLOYEES

The Company has no person drawing a salary in excess of the limits prescribed in the Companies (Particulars of Employees) rules 1975 as amended, read with Sec 217 (2A) of the Companies Act, 1956.

FIXED DEPOSIT

The Company has not accepted deposits from the public hence the provisions of Sec. 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.

AUDITORS

Shekar & Yathish, Chartered Accountants, retire at this Annual General Meeting and offer themselves for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provision of Sec.217 (2AA) of the Companies Act, 1956, your Director state:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed;
- b) That your Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) That your Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of your Company and for preventing and detecting fraud and other irregularities;

That your Directors have arranged the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors would like to thank all our employees and business associates for their contribution to the growth and well being.

By Order of the Board
For SIKKA N SIKKA ENGINEERS PVT LTD

Sd/-
RAJEEV SIKKA
DIRECTOR

Place: Bangalore
Date: 16.08.2010

AUDITOR'S REPORT

To
The Members
Sika N Sikka Engineers Pvt Ltd
Bangalore

We have audited the attached Balance Sheet of M/s Sikka N Sikka Engineers Pvt Ltd as at 31st March 2010, and the Profit and Loss Account for the year ended on that date annexed thereto. These Financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion :

1. 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.
2. In our opinion, proper Books of Accounts as required by law have been kept by the Company so far as appears from our examinations of these books.
3. The Balance Sheet and the Profit and Loss Account dealt with by this Report are in agreement with the Books of Accounts and is in compliance with the Accounting Standard referred to in Section 211 (3C) of the Companies Act, 1956.
4. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and also give a true and fair view :
 - a) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2010 and
 - b) in the case of the Profit and Loss Account of the Profit for the year ended on that date.

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5. As required by the Companies (Auditor's Report) Order 2003 , issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956 we give below a statement on the matters specified in paragraphs 4 and 5 of the said Order.
6. (i)(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- (b) All the assets have been physically verified by the management at reasonable intervals. Having regard to the size of the company and the nature of its assets , no material discrepancies were noticed on such verification
- (c) The Company has not disposed off any substantial part of Fixed Assets during the year.
- (ii) (a) The Company does not have any inventories. Accordingly the clauses 4(ii) a to c of the Order are not applicable to the Company.
- (iii) (a) The Company has not taken any loan from other companies covered in the register maintained under section 301 of the Companies Act 1956.
- (b) In view of what is stated in Para (a) above, the rate of interest and other terms and conditions on which loans have been taken from / granted to companies , firms or other parties listed in the register maintained under section 301 of the Companies Act 1956 are not applicable.
- (c) In view of what is stated in Para (a) above, the question of regular repayment of principal amounts and other conditions do not arise.
- (d) In view of what is stated in Para (a) above, the question of overdue amounts of loans are not applicable.
- (iv) In our opinion and according to the information and explanations given to us , there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory , fixed assets , and the sale of goods. During the course of our audit, we have observed no major continuing failure to correct major weaknesses in internal controls
- (v) (a) According to the information and explanations given to us, no transactions to be entered in the register maintained under section 301 of the Companies Act , 1956 have been made
- (b) In view of what is stated in Para (a) above, this clause does not apply

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- (vi) Since the Company has not accepted deposits in terms of the provisions of section 58 A and 58 AA of the Companies Act 1956 and the Companies (Acceptance of Deposits) Rules 1975 the requirements in regard to the acceptance of deposits does not arise
- (vii) In our opinion , the Company has an internal audit system commensurate with the size and nature of its business
- (viii) The Central Government has not prescribed maintenance of records under Sec 209(1)(d) of the Companies Act 1956 in respect of the Company
- (ix)
 - (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax , Sales Tax , Wealth Tax , Customs Duty , Excise Duty , Cess other statutory dues with Appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March 2010 for a period more than six months from the date they became payable..
 - (b) We have further been informed that there are no dues in respect of Income- Tax, Cess and other statutory dues which are disputed.
- (x) The Company has no accumulated losses and has not incurred any cash losses in 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 financial institutions , banks or debenture holders.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities but has not granted advances to suppliers on bank guarantees and to employees on hypothecation of vehicles.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the requirement to maintain proper records for dealing in shares and other investments is not applicable to the company.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions
- (xvi) The Company has not borrowed term Loans.

- (xvii) According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company , we report that no funds raised on short-term basis have been used for long-term investment, No long-term funds have been used to finance short-term assets.
- (xviii) According to the information and explanations given to us the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report , the Company had not issued any Debentures.
- (xx) The Company has not made any public issues.
- (xxi) According to the information and explanations given to us , no fraud on or by the Company has been noticed or reported during the course of our audit.

for Shekar & Yatish
Chartered Accountants
FRN -0089545S

Kusuma Yathish
Partner
Membership Number -209637

Place: Bangalore
Date : 16.08.2010

SIKKA N SIKKA ENGINEERS PVT LTD
BALANCE SHEET AS AT 31ST MARCH 2010

	SCH. NO.	31.03.2010	31.03.2009
		Rs.	Rs.
SOURCES OF FUNDS			
<u>Share Holders Funds</u>			
Share Capital	1	600,000	600,000
Reserves & Surplus	2	8,227,648	8,573,692
Deferred Tax Liability/(Asset)		168,358	143,797
TOTAL		8,996,005	9,317,489
APPLICATION OF FUNDS			
Fixed Assets	3		
Gross Block		4,695,690	4,695,690
Less: Depreciation		582,728	480,765
Net Block		4,112,962	4,214,925
Investments	4	1,468,500	1,151,652
Current Assets, Loans & Advances			-
Sundry Debtors	5	355,267	857,179
Cash & Bank Balances	6	3,136,209	2,850,624
Loans, Advances & Deposits	7	342,215	3,060,406
		3,833,691	6,768,209
Less: Current Liabilities & Provisions			
Current liabilities	8	295,586	803,737
Provisions	9	123,561	2,013,561
		419,147	2,817,298
Net Current Assets		3,414,544	3,950,911
TOTAL		8,996,005	9,317,489
Significant Accounting Policies & Notes on Accounts	14		
<p>The schedules referred to above form an integral part of this Balance Sheet. As per our report of even date.</p> <p>M/s.SHEKAR & YATHISH Chartered Accountants FRN - 008964S</p> <p>KUSUMA YATHISH Partner Membership.No.209637</p> <p>RAJEEV SIKKA DIRECTOR</p> <p>SANJEEV SIKKA DIRECTOR</p> <p>Place : Bangalore Date:16/08/2010</p>			

SIKKA N SIKKA ENGINEERS PVT LTD
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 2010

	SCH. NO	31.03.2010 Rs.	31.03.2009 Rs.
INCOME			
Sales & Services	10	-	1,299,951
Other Income	11	633,524	222,663
TOTAL		633,524	1,522,614
EXPENDITURE			
Administrative Expenses	12	988,146	1,285,076
Financial Expenses	13	18,177	7,701
Depreciation		101,963	101,651
TOTAL		1,108,287	1,394,428
Net Profit/(loss) before tax		(474,763)	128,186
Provision for Taxation			
- Current		-	12,500
- Deferred		24,561	41,991
Fringe Benefit Tax			17,500
Net Profit after/(loss) tax		(499,323)	56,195
Appropriations:			
Add: Excess provision of taxes earlier years		153,279	61,430
Balance B/f from Previous Year		6,611,031	6,616,266
Balance carried to Balance Sheet		6,264,987	6,611,031
Face value of Shares Rs. 100/- each			
Weighted average No. of shares for computing earnings per share (Basic & Diluted)		6,000	6,000
Earnings per share (Basic & Diluted)		(83.22)	9.37
Significant Accounting Policies & Notes on Accounts	14		
The Schedules referred to above form an integral part of this Profit and Loss Account. As per our report of even date.			
<p>M/s.SHEKAR & YATHISH Chartered Accountants FRN - 008964S</p> <p>KUSUMA YATHISH Partner Membership.No.209637</p> <p>Place : Bangalore Date:16/08/2010</p> <p style="text-align: right;">RAJEEV SIKKA DIRECTOR</p> <p style="text-align: right;">SANJEEV SIKKA DIRECTOR</p>			

Schedules forming part of Balance Sheet

	31.03.2010	31.03.2009
	Rs.	Rs.
SCHEDULE - 1 - SHARE CAPITAL		
<u>AUTHORISED</u> 24000 Equity Shares of Rs. 100/- each	2,400,000	2,400,000
<u>ISSUED, SUBSCRIBED AND PAID UP</u> 6000 Equity Shares of Rs. 100/- each	600,000	600,000
SCHEDULE - 2 - RESERVES & SURPLUS		
Capital Reserve	500,000	500,000
General Reserve	1,462,661	1,462,661
Profit and Loss Account	6,264,987	6,611,031
TOTAL	8,227,648	8,573,692
SCHEDULE - 5 SUNDRY DEBTORS		
Debts outstanding for more than 6 months	355,267	857,179
Other Debts	-	-
A	355,267	857,179
SCHEDULE - 6 CASH & BANK BALANCES		
Cash in Hand	1,028	113
Balance with Scheduled Banks:		
In Current Accounts	560,315	713,444
Interest accrued on Fixed Deposits	40,018	69,778
Fixed Deposits	2,534,848	2,067,289
B	3,136,209	2,850,624
SCHEDULE - 7 LOANS AND ADVANCES		
Unsecured, Considered good (Recoverable in Cash or in kind or for value to be received)		
Advance Income Tax	281,602	2,006,866
Other receivables	-	1,000,000
Advance to Others	60,613	53,540
C	342,215	3,060,406
TOTAL	A+B+C	3,833,691
SCHEDULE - 8 CURRENT LIABILITIES		
Sundry Creditors	243,548	179,416
TDS payable	8,052	631
Bonus payable	15,120	14,828
Service tax payable	-	7,122
Electricity charges payable	4,306	-
Deposit from Avasarala	-	600,000
Salary payable	22,420	-
PT payable	775	375
PF payable	1,365	1,365
A	295,586	803,737
SCHEDULE - 9 PROVISIONS		
Provision for Taxation	123,561	2,013,561
B	123,561	2,013,561
TOTAL	A+B	2,817,298

SCHEDULE - 3 - FIXED ASSETS

Particulars	Gross Block			Depreciation				Net Block	
	Balance As On 01.04.2009	Additions/ (Sales)	Balance As On 31.03.2010	Upto 31.03.2009	For the Year	Adjustments for assets sold	Upto 31.03.2010	Balance As On 31.03.2010	Balance As On 31.03.2009
Land	1,911,946		1,911,946	-	-		-	1,911,946	1,911,946
Plant & Machinery	483,545		483,545	364,489	22,968		387,457	96,088	119,056
Furniture & Fixture	36,450		36,450	2,250	2,307		4,557	31,893	34,207
Office Equipments	76,485		76,485	4,017	3,633		7,650	68,835	72,465
Building	2,187,264		2,187,264	110,009	73,055		183,064	2,004,200	2,077,259
Total	4,695,690	-	4,695,690	480,765	101,963	-	582,728	4,112,962	4,214,925
Previous Year	2,811,490	1,884,200	4,695,690	379,441	101,651	-	379,114	4,214,925	2,432,379
Work In Progress	-								
Previous Year	1,818,466	-	-						1,818,466

SCHEDULE - 4 INVESTMENTS AT COST

SCHEME	BUY NAV	QUANTITY IN NUMBERS		31.03.2010	31.03.2009
		31.03.2010	31.03.2009	Rs.	Rs.
Government bonds				68500	68500
HDFC income fund	13.61		22038.41	0	285754
PRUICICI short term plant	103.57	6758.43	7877.06	700000	498635
RELIANCE MIP GR	12.43	56314.46	8131.27	700000	298763
				0	0
TOTAL				1468500	1151652
(Market value of above Investment is Rs.14,20,046/-)					

Schedules forming part of Profit & Loss Account

	31.03.2010	31.03.2009
	Rs.	Rs.
SCHEDULE - 10 SALES & SERVICES		
Labour Charges received	-	1,299,951
TOTAL	-	1,299,951
SCHEDULE - 11 OTHER INCOME		
Profit on sale of Investments	418,016	44,931
Other Income	1,150	15,626
Interest Received (Interest including TDS of Rs.21437/-)	214,358	162,106
TOTAL	633,524	222,663
SCHEDULE - 12 ADMINISTRATIVE EXPENSES		
Water & Electricity Charges	84,240	76,532
Salaries & Wages	330,983	321,455
Rent	87,408	87,408
Rates and Taxes	2,145	243,037
Travelling & Conveyance	151,866	137,473
Professional Charges	101,000	133,450
Postage, Telephone & Telegraph	36,051	41,321
Advertisement & Business Promotion	3,000	-
Printing & Stationery	2,835	24,557
Repairs & Maintenance	2,895	17,687
Office Expenses	7,552	27,744
Security Charges	151,153	139,724
Miscellaneous Expenses	10,473	18,143
<u>Auditors remuneration</u>		
Audit Fees	16,545	16,545
TOTAL	988,146	1,285,076
SCHEDULE - 13 FINANCIAL EXPENSES		
Interest & Bank Charges	18,177	7,701
TOTAL	18,177	7,701

SCHEDULE – 14

NOTES TO ACCOUNTS AS AT 31.03.2010

1.

i).Information pursuant to provisions of para 3,4c of Part - II of Schedule VI to the Companies Act 1956 does not apply to this company since the company had not carried on any Trading or Manufacturing activities during the year.

ii) Expenditure in Foreign Currency:	Nil	(Nil)
iii Earnings in foreign currency	Nil	(Nil)

2 Comparative figures relating to the previous year have been reclassified wherever necessary to conform to current year's classification and the amounts in brackets represents corresponding amount pertaining to previous year.

4.Significant Accounting Policies

a) Accounting Convention:

The Financial statements are prepared under the historical cost convention, in accordance with generally accepted accounting principals, the mandatory accounting standards prescribed by the Institute of Chartered Accountants of India and the provisions of the Companies Act.

b) Fixed Assets and Depreciation:

Fixed Assets are stated at cost. The Company has capitalized all costs relating to the acquisition and installation of fixed assets.

Depreciation on assets has been provided at the rate specified in Schedule XIV to the Companies Act, 1956 under the straight-line method on a pro-rata basis.

c) Valuation of Investments:

Investments, being current investments are valued at the lower of cost and market value.

e) Revenue Recognition:

9. Services – Revenue from services is recognized on completion of service.

10. Profit on sale of investments: Profit/loss on sale of investments is recognized on the date of redemption.

f) Foreign Currency Transactions:

Transactions in foreign currency are recorded using the spot rate at the transaction date and exchange differences resulting from settled transactions are adjusted in the profit and loss account. At the balance sheet date, monetary items denominated in foreign currencies are converted into rupee equivalents at exchange rates as at the balance sheet date. Those relating to acquisition of fixed assets are adjusted to the cost of assets.

g) Provisions:

A provision is recognized when outflow of resources will be required to settle a present obligation as a result of past events. Accordingly provisions are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

5) **Taxes On Income**

a) In compliance with the Accounting Standard –AS 22 relating to “Accounting for Tax on Income” issued by the Institute of Chartered Accountants of India, there is no Deferred Tax recognized in the Profit and Loss Account during this year.

b) Major components of deferred tax assets and liabilities arising on account of timing differences are:

	2010		2009	
	Assets Rs.	Liabilities Rs.	Assets Rs.	Liabilities Rs.
Depreciation	-	1,68,357		143,797
Total	-	-		
Net Deferred Tax Asset / Liability	-	1,68,357		143,797

6 **Calculation of Number of shares used for calculating Earnings per Share**

		2009-10	2008-09
(a)	Net Profit after Tax, available for Equity Shareholders (Rs.)	(loss) Rs. 5,38,525	Rs. 57,128
(b)	Weighted average number of Equity Share of Rs.100/- each outstanding during the year (No.of Shares)	6000	6000
(c)	Basic/Diluted Earnings per Share Rs.100/- each	NIL	9.37
(d)	Adjusted Earnings Per Share	NIL	9.37

Vide our Report of Even Date

M/s.Shekar & Yathish
Chartered Accountants

KUSUMA YATHISH
PARTNER

RAJEEV SIKKA
Director

SANJEEV SIKKA
Director

Place : Bangalore
Date : 16.08.2010

SIKKA N SIKKA ENGINEERS PRIVATE LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	U28900MH1971PTC014993	State Code	08
Balance Sheet Date	31.03.2010		

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	8,996.01	Total Assets	8,996.01
Sources of Funds:			
Paid up Capital	600.00	Reserves & Surplus	8,227.65
Secured Loans	-	Unsecured Loans	-
Deferred tax Liability	168.36	Share Application money	-
Application of Funds:			
Net Fixed Assets	4,112.96	Investments	1,468.50
Net Current Assets	3,414.54	Misc. Expenditure	-
Deferred tax Asset	-		

IV Performance of Company (Amount in Rs. Thousands)

Turnover	633.52	Total Expenditure	1,108.29
Profit (Loss) before tax	(474.76)	Profit (Loss) after tax	(499.32)
Earning per Share in Rs.	(83.22)	Dividend rate %	-

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

Item code No. (ITC Code)	356105008
Product description	a.Technical Consultants b.Business Services
Rajeev Sikka	Sanjeev Sikka
Director	Director

Date : 16/08/2010.

place :

| Bangalore

EMSAC ENGINEERS PVT LTD

ANNUAL REPORT 2009-10

EMSAC ENGINEERS PVT LTD.

BOARD OF DIRECTORS

(As on 3rd August, 2010)

1. DR.C.G.KRISHNADAS NAIR : Chairman
2. Mr.TED HOPPER ; Managing Director
3. RAJEEV SIKKA : Director
4. SANJEEV SIKKA : Director

AUDITORS

: M/s.Yuvaraj & Associates
Chartered Accountants

REGISTERED OFFICE

:No.3,Gangadharchetty Road
Bangalore 560042

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Second Annual Report on activities of the company for the period ended 31st March 2010.

FINANCIAL RESULTS:

The company has achieved a total turnover of Rs.99.07 Lakhs and earned net profit of Rs.9.40 Lakhs after providing Depreciation of Rs.0.31 Lakhs ., Your directors are taking various alternatives to improve the profitability of the company.

The company has not declared any dividend during the year.

AUDITORS:

M/s N N Yuvaraj & Associates, Chartered Accountants, Bangalore, is reappointed as Statutory Auditors of the company till the conclusion of the Annual General Meeting. The Auditors, being eligible, have indicated their consent to act as the Statutory Auditors of the company.

FIXED DEPOSIT

The Company has not accepted deposits from the public hence the provisions of Sec. 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.

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

Your company recognizes its role in health and safety, as well as its responsibility towards environment and society. Safety and environmental control is on top priority and the company is continuously upgrading its capability to meet with required stringent conditions to maintain safeguards.

The foreign exchange inflow during the period is Rs 20.38 Lakhs and outflow during the period under review is Nil

There is no absorption of any technical know-how during the year.

PARTICULARS OF EMPLOYEES:

There were no employees, who were in receipt of remuneration exceeding the limits specified under section 217(2A) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT:

As required under section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- In preparation of these annual accounts, the applicable accounting policies and standards have been followed.
- The accounting policies are consistently applied and reasonable, prudent, judgement and estimates are 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 and of the profit or loss of the Company for that year.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- These annual accounts have been prepared on a 'going concern' basis.

ACKNOWLEDGEMENT

Your Directors would like to thank all our employees and business associates for their contribution to the growth and well .

For and on behalf of the Board

(Dr.C.G.Krishnadas Nair)
Chairman

(Ted Hooper)
Managing Director

Place: Bangalore.
Date : 03.08.2010

AUDITOR'S REPORT

To the members of EMSAC ENGINEERING PRIVATE LIMITED.,

We have audited the attached Balance sheet of EMSAC ENGINEERING PRIVATE LIMITED., as at 31st March 2010 and the profit and Loss account of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express opinion on these financial statements based on our audit.

We have conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, is not applicable to the company
2. Further to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

- b) In Our opinion, the Company has kept proper books of account as required by Law so far as appears from our examination of the books.
- c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and the Profit and Loss Account comply with the Accounting standards referred to in sub-section (3C) of Sections 211 of the Companies Act, 1956.
- e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and fair view in conformity with the accounting principles generally accepted in India.

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

and

ii) In the case of Profit and Loss account, of the profit for the year ended on that date.

For N N Yuvaraj & Associates
Chartered Accountants.
ICAI FRN 0051375

PLACE: BANGALORE
DATE : 03 08. 2010

(U.D.Prithviraj)
Partner
M.NO-214307

EMSAC ENGINEERS PVT LTD
BALANCE SHEET AS AT 31st MARCH 2010

PARTICULARS	Sch. No.	As at 31.03.2010	As at 31.03.2009
<u>SOURCES OF FUNDS:</u>			
1. Shareholders Funds:			
Share Capital	1	500,000.00	500,000.00
Reserves & Surplus	2	694,640.00	82,434.00
Deferred Tax Liability	3	32,786.00	25,470.00
TOTAL		1,227,426.00	607,904.00
<u>APPLICATION OF FUNDS:</u>			
1. Fixed Assets			
Gross Block	4	203,817.00	185,815.00
Less : Depreciation		46,316.00	15,400.00
Net Block		157,501.00	170,415.00
		-	-
2. Current Assets, Loans & Advances:			
Current assets, loans & Advances	5	2,149,733.00	347,666.00
Sundry Debtors	6	2,127,284.00	-
Cash & Bank balances	7	15,134.00	111,207.00
Total Current Assets		4,292,151.00	458,873.00
Less : Current Liabilities & Provisions:	8	3,252,226.00	61,384.00
Net Current Assets		1,039,925.00	397,489.00
3. Miscellaneous Expenditure			
(to the extent not written off or adjusted)	9	30,000.00	40,000.00
Preliminary & Pre-Operative Expenditure		-	-
TOTAL		1,227,426.00	607,904.00

"Notes to Accounts" form integral parts of the
Annual accounts
For Emsac Engineering Pvt Ltd.,

13

As per our report of even date
for N N Yuvaraj & Associates
Chartered Accountants

(Dr. C.G.Krishnadas Nair)
Chairman

(Ted Hopper)
Managing Director

(U D Prithviraj)
Partner

(Rajeev Sikka)
Director

Place: Bangalore
Date : 03.08.2010

EMSAC ENGINEERS PVT LTD
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

PARTICULARS	Sch. No.	As at 31.03.2010	from 16.01.08 to 31.03.2009
INCOME:			
Sales		8,053,946.00	-
Service charges	10	1,853,938.00	1,026,769.00
Other income	11	4,554.00	41,971.00
TOTAL		9,912,438.00	1,068,740.00
EXPENDITURE:			
Purchases		6,643,768.00	-
Manpower cost		1,134,215.00	418,621.00
Administrative Expenses	12	1,189,916.00	490,751.00
Preliminary Expenses Written off		10,000.00	10,000.00
Depreciation	4	30,916.00	15,400.00
		9,008,815.00	934,772.00
Profit or (Loss) Before Taxation		903,623.00	133,968.00
Less : Provision for Taxation			
Current Tax		284,101.00	15,926.00
Fringe benefit tax		-	10,138.00
Deferred Tax		7,316.00	25,470.00
Profit or (Loss) After Taxation		612,206.00	82,434.00
Balance carried to Balance sheet		612,206.00	82,434.00

"Notes to Accounts" form integral parts of the

13

Annual accounts
For Emsac Engineering Pvt Ltd.,

As per our report of even date
for N N Yuvaraj & Associates
Chartered Accountants

(Dr. C.G.Krishnadas Nair) (Ted Hopper)
Chairman Managing Director

(U D Prithviraj)
Partner

(Rajeev Sikka)
Director

Place: Bangalore
Date : 03.08.2010

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st March, 2010

PARTICULARS	Sch. No.	As at 31.03.2010	As at 31.03.2009
SHARE CAPITAL :	1		
Authorised Capital			
500,000 Equity Shares of Rs. 1/- each		500,000.00	500,000.00
Issued, Subscribed & Paid-up Capital			
500,000 Equity Shares of Rs. 1/- each fully Paid-up		500,000.00	500,000.00
TOTAL		500,000.00	500,000.00
RESERVES & SURPLUS	2		
Opening Balance:		82,434.00	
Add: transferred during the year		612,206.00	82,434.00
TOTAL		694,640.00	82,434.00
CURRENT ASSETS, LOANS & ADVANCES:	5		
(Unsecured considered goods, recoverable in cash or in kind or for value to be received)			
Staff Advance		-	8,961.00
Fixed Deposits		1,676,025.00	300,000.00
Advance Income tax		460,000.00	30,000.00
Fringe Benefit tax		207.00	8,345.00
Interest receivable		-	360.00
IT refund due		13,501.00	
TOTAL		2,149,733.00	347,666.00

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st March, 2010

<u>PARTICULARS</u>	Sch.	As at	As at
	No.	31.03.2010	31.03.2009
<u>SUNDRY DEBTORS</u>	6		
(Unsecured & considered goods)			
Debts outstanding for a period exceeding 6 months		-	
Other Debts		2,127,284.00	-
TOTAL		2,127,284.00	
CASH & BANK BALANCES:	7		
Cash at bank		3,003.00	106,792.00
Cash in hand		12,131.00	4,415.00
TOTAL		15,134.00	111,207.00
CURRENT LIABILITIES AND PROVISIONS:	8		
Sundry Creditors		1,497,364.00	-
Advances From Customers		1,315,550.00	-
Advance To Staff		991.00	-
Total(A)		2,813,905.00	-
Provisions:		-	
Audit fee payable		22,060.00	11,030.00
Certification charges payable		11,030.00	11,030.00
Provision for Tax		284,101.00	15,926.00
Provision for FBT		-	10,138.00
TDS Payable		6,800.00	4,000.00
Outstanding Liabilities		114,330.00	9,260.00
Total (B)		438,321.00	61,384.00
Total (A)+(B)		3,252,226.00	
MISCELLANEOUS EXPENDITURE:	9		
(to the extent not written off or adjusted)			
Less: Written off during the year		10,000.00	10,000.00
TOTAL		30,000.00	40,000.00

Schedules forming part of Profit & Loss Account

PARTICULARS	Sch. No.	As at 31.03.2010	for the period ended from 16-01-2008 to 31.03.2009
Income: Service Charges received	10	1853938.00	1026769.00
Total		1853938.00	1026769.00
Other income Exchange fluctuation account Interest received	11	0.00 4554.00	41611.00 360.00
Total		4554.00	41971.00
Administrative Expenses Business promotion Bank Charges Audit fee Certification charges Rates & taxes Insurance charges Postage & Courier Printing & Stationery Professional & Consultancy Charges Office expenses Travelling expenses Telephone Charges Subscription & membership Rent Paid Interest on Income Tax Exchange fluctuation account	12	315,098.00 10,580.00 22,060.00 11,030.00 5,000.00 2,998.00 4,009.00 62,440.00 286,500.00 7,667.00 288,767.00 11,498.00 - 75,125.00 39,472.00 47,672.00	78,034.00 2,781.00 11,030.00 11,030.00 6,630.00 3,016.00 6,593.00 28,933.00 59,921.00 522.00 268,211.00 4,050.00 10,000.00 - - -
TOTAL		1,189,916.00	490,751.00

SCHEDULE - 3

SCHEDULE OF FIXED ASSETS AS AT 31.03.2010 AS PER COMPANIES ACT, 1956.

NATURE OF ASSETS	GROSS BLOCK			Rate of Depn	DEPRECIATION			NET BLOCK	
	Cost As on 01.04.2009	Additions during the year	Total Cost As on 31.03.2010		Depn. Upto 31.03.2009	Depn. For the Year	Depn. Upto 31.03.2010	W.D.V. As at 31.03.2010	W.D.V. As at 31.03.2009
Furniture & Fixtures	-	18,002.00	18,002.00	6.33%	-	796.00	796.00	17,206.00	-
Computers	185,815.00	-	185,815.00	16.21%	15,400.00	30,120.00	45,520.00	140,295.00	170,415.00
TOTAL	185,815.00	18,002.00	203,817.00		15,400.00	30,916.00	46,316.00	157,501.00	170,415.00
Previous Year	-	185,815.00	185,815.00		-	15,400.00	15,400.00	170,415.00	

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

I	Registration Details	
	Registration No.	44963
	State Code	08
	Balance Sheet Date	31.03.2010
II	Capital Raised during the year	
	Public Issue	- NIL -
	Rights Issue	- NIL -
	Bonus Issue	- NIL -
	Private Placement	- NIL -
III	Position of Mobilisation and Development of Funds	Rs. In '000
	Total Liabilities	1,227
	Total Assets	1,227
	Sources of Funds	
	Paid - up Capital	500
	Share Application Money	-
	Reserves & Surplus	695
	Secured Loans	
	Unsecured Loans	-
	Deferred Tax Liability	33
	Application of Funds	
	Net Fixed Assets	158
	Investments	-
	Net Current Assets	1,040
	Miscellaneous Expenditure	30
	Accumulated Losses	-
IV	Performance of Company	
	Turnover	9,912
	Total Expenditure	9,009
	Profit/Loss Before Tax	904
	Profit/Loss After Tax	612
	Earnings per Share in Rs.	-
	Dividend Rate %	-

SIKA UK LTD

ANNUAL REPORT 2009-10

SIKA UK LTD.

Board of Directors

(As on 14.06.2010)

Mr H V Mapara

Mr K K Parmar

Registered office Hamilton Office Park

31 High View Close

Leicester

LE4 9LJ

Bank

Lloyds TSB

The Roundway

Thurmaston

Leicester

LE4 9JN

Accountants

HW Leicester LLP

Chartered Accountants

Hamilton Office Park

31 High View Close

Leicester

LE4 9LJ

Directors' Report

The directors present their report and accounts for the period ended 31 March 2010.

Principal activities

The principal activity of the company is precision manufacturing in aerospace engineering.

Directors

The directors who held office during the year were as follows:

- Mr H V Mapara
- Mr K K Parmar

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 14 June 2010 and signed on its behalf by:

Mr K Parmar
Director

Sika UK Ltd

Chartered Accountants' Report

Chartered Accountants' Report to the Board of Directors on the unaudited accounts of Sika UK Ltd

In accordance with the engagement letter, and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of the company which comprise the Profit and Loss Account, the Balance Sheet, and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 March 2010 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

HW Leicester LLP
Chartered Accountants
14 June 2010
Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

SIKA UK LTD
Balance sheet as on 31.03.2010

	Sch. No.	As On 31.03.2010	As On 31.03.2009
SOURCES OF FUNDS		Rs.	Rs.
Share Capital	1	68030	72,860
Reserves and Surplus			
Foreign exchange translation reserve		2012759	279,388
Unsecured Loan			
- From Share holders		9918298	7,206,801
- Hire purchase & lease		494714	697,197
- From Banks		1323864	1,291,516
- from others		1700750	
Deferred tax liability		-	514,464
Total		15,518,415	10,062,228
APPLICATION OF FUNDS			
Fixed Assets	5	9322423	5,121,257
Less: Depreciation		2793040	1,356,322
Net fixed Assets		6529383	3,764,934
Current Assets Loans & Advances	3	2969078	4,341,582
Less: Current Liabilities & Provisions	4	2485816	3,321,542
Net Current Assets		483,261	1,020,040
Total (A + B + C)		7,012,645	4,784,974
Profit & Loss account		8505770	5,277,253
Total		15,518,415	10,062,228

Accountants

HW Leicester LLP
Chartered Accountants
14 June 2010
Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

Mr Harish Mapara
Director

Mr Kishore Parmar
Director

Date: 14th June 2010

SIKA UK LTD
Profit & Loss Account as at 31.03.2010

	Sch. No.	As on 31/03/2010 Rs.	As on 31/03/2009 Rs.
INCOME			
Income from Operations		16,518,469	31,438,131
		16,518,469	31,438,131
EXPENDITURE			
Cost of Sales/Manufacturing Expenses	6	8,879,890	22,123,449
Administrative Expenses	7	8,539,535	12,461,547
Financial expenses		174,903	220,131
Depreciation		1,616,869	1,356,322
Total		19,211,197	36,161,449
Net Profit/(Loss) before tax		(2,692,728)	(4,723,318)
Less: Provision for Taxation - Current Tax		(535,789)	(553,935)
Less : Foreign Exchange Translation reserve			376,034
Net Profit after tax		(3,228,517)	(5,277,253)
Balance B/Fd from Previous Year		(5,277,253)	-
Balance C/Fd to Balance sheet		(8,505,770)	(5,277,253)

Accountants
HW Leicester LLP
Chartered Accountants
14 June 2010
Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

Mr Harish Mapara
Director

Mr Kishore Parmar
Director

Date: 14th June 2010

Schedules to Financials Statements

	As On 31.03.2010	As On 31.03.2009
<u>Schedule - 1 - Share Capital</u>		
<u>Authorised</u>		
1000 Equity Shares of GBP 1/- each	68,030	72,860
<u>Issued Subscribed & Paid-Up</u>		
1000 Equity Shares of GBP 1/- each	68,030	72,860
		-
<u>Schedule 2 - Reserves & Surplus</u>		-
<u>Schedule - 3 - Current Assets , Loans & Advances</u>		
Cash on Hand & Bank	24,219	11,220
stocks	1,514,868	874,320
Debtors	1,429,991	3,456,041
Total	2,969,078	4,341,582
<u>Schedule - 4 - Current Liabilities & creditors</u>		-
Creditors	2,472,959	3,096,259
other taxes & security cost payable	12,858	225,283
	2,485,816	3,321,542

Schedule 5 : Fixed Assets

Particulars	Gross Block			Depreciation			Net Block	
	Balance as on 1.04.09	Additions	Balance as on 31.3.09	Upto 01.10.07	for the year	Upto 31.3.09	Balance as on 31.3.09	
INR	4,781,761	4,043,023	8,824,784	1,176,171	1,344,273	2,520,443	6,304,340	-

Schedules to Financials Statements

	As on 31.03.2010	As On 31.03.2009
<u>Schedule - 6 - Manufacturing expenses</u>		
Opening Stock	910,560	
Purchases	3,853,869	4,135,962
Labour charges	5,493,712	18,233,506
Carriage	660,839	661,961
Discount	0	33,420
	10,918,980	23,064,849
Less: Closing Stock	1,514,868	941,400
	9,404,112	22,123,449
<u>Schedule - 7 - Administrative Expenses</u>		
Employees remuneration	2,441,211	4,364,409
Directors remuneration	590,650	1,412,100
Travelling & conveyance	598,314	1,129,758
Rent & rates	1,241,397	2,274,344
Office expenes	235,152	76,567
Hire of Plant & Machinery	1,018,537	-
Communication Expenses	64,346	72,959
Printing & stationery	80,812	175,414
Insurance	170,806	94,297
Repairs & maintenance	1,100,488	1,452,580
Professional Charges	240,843	788,423
Audit Fees	220,659	189,065
Selling Expenses	51,219	66,683
Electricity & Water charges	379,248	303,602
Bank Charges & Interest	105,853	61,348
	8,539,535	12,461,547

SIKA UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2010

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Going concern

These financial statements have been prepared on a going concern basis as there is continuing support from the parent company.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows: Plant and machinery 20% straight line basis

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRSSE.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Hire purchase and finance lease contracts

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

2 Turnover

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year. 17.43% of the company's turnover related to exports (2009 - 15.72%).

Related parties

Controlling entity

The company is controlled by Sika Interplant Systems Limited (a company incorporated in India) by virtue of the fact that it owns 70% of the share capital in the company.

Related party transactions

During the year sales made to Sika Interplant Systems Limited totalled £37,944 (2009: £16,973). As at the year end, the company owed Sika Interplant Systems Limited £29,450 (2009: £29,450) as a loan.

Mr K K Parmar who is a director and shareholder in the company is also a director and shareholder in B-Tech UK Limited. During the year purchases of £15,724 (2009: £30,500) were made from B-Tech UK Limited and there was £nil (2009: £30,500) owing to B-Tech UK Limited.

Accountants

HW Leicester LLP
Chartered Accountants
14 June 2010
Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

Date: 14th June 2010

PROXY

SIKA SIKA INTERPLANT SYSTEMS LTD

Regd Office : No.3, Gangadhara Chetty Road, Bangalore - 560 042, India
Phone : 91-80- 25599144 Fax : 91-80-25599501
E-mail : bsg@sikaglobal.com

I/We..... in the District of
hereby appoint Shri
ofin the District of
or failing him Shri.....in the District of
ofin the District of
or failing him Shriin the District of
as my / our proxy to vote for me / us on my / our behalf at the twenty third Annual General Meeting of the Company to be held Thursday the 30th September 2010.

As my witness my / our hand(s) this day of2010

Folio No.

Signature.....

Affix a
One
Revenue Stamp
here

No. of Shares held

NOTE : The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.

SIKA INTERPLANT SYSTEMS LTD.

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the Hall.

I hereby record my presence at the twenty third Annual General Meeting of the Company to be held at Hotel Ajantha on Thursday the 30th September 2010

Full Name of the Share holder in block letters :

Folio No. :

No. of Shares held :

Signature of Shareholder

Note : Only Shareholders of the Company or their authorised proxy will be allowed to attend the Meeting.

