







Building Blocks for India's Infrastructure



Annual Report 2010-11

A Construction Equipment A Rail Transportation A Automotive A Power

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to understand our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumption prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Our core focus areas are the very ones which are helping build a new India. We are dedicated to help create some of India's best infrastructure by providing the building blocks with our high-end precision engineering.

▲ Construction Equipment ▲ Rail Transportation ▲ Automotive ▲ Power

Rishi Laser Ltd. Annual Report 2010-11

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Key Numbers at a Glance (on Standalone basis)

Net Sales

(₹ in crores)

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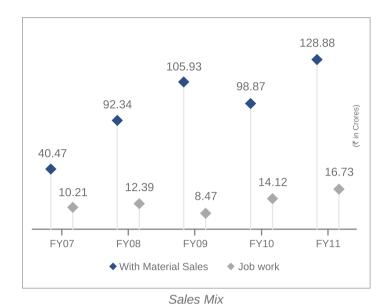
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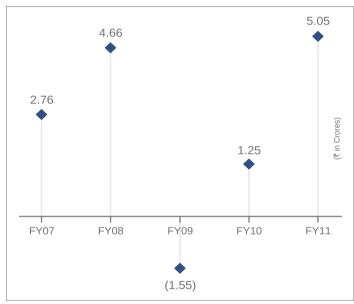
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					t in crores)
Particulars	2011	2010	2009	2008	2007
Profit and Loss Account					
Revenue (Net)	145.61	112.99	114.40	104.73	50.68
Total Income	151.03	115.24	117.21	109.54	52.21
EBIDTA (Excluding Other Income)	21.50	14.92	14.56	18.93	10.09
Profit/(Loss) Before Tax (PBT)	5.89	1.98	(1.81)	7.15	4.23
Profit/(Loss) After Tax (PAT)	5.05	1.25	(1.55)	4.66	2.76
Balance Sheet					
Equity Capital	8.64	8.55	7.95	7.95	5.96
Reserves and Surplus	41.55	37.45	34.52	36.22	19.63
Networth	50.19	45.99	42.47	44.17	25.58
Loan Funds	52.51	57.77	80.17	68.03	44.15
Gross Block Including CWIP	100.83	98.29	115.34	98.50	64.96
Net Current Assets	30.82	27.34	33.85	34.70	18.93
Ratio Analysis					
EBIDTA Margin (%) (Excluding Other Income)	14.77	13.20	12.73	18.08	19.92
PAT Margin (%)	3.47	1.10	(1.36)	4.45	5.45
Debt-Equity Ratio	1.05	1.26	1.89	1.54	1.74
Current Ratio	1.87	2.04	2.98	2.65	2.55
Total Assets Turnover	1.05	0.81	0.81	0.94	0.75
Fixed Assets Turnover	2.10	1.44	1.46	1.81	1.50
ROCE (%)	8.65	6.23	4.73	9.67	7.99
Ratios-Per Share					
Earnings Per Share (₹)	6.15	1.60	(2.00)	6.60	4.95
Dividend Per Share (₹)	1.25	-	-	2.00	2.00
Book Value Per Share (₹)	58.09	53.81	53.42	55.56	42.94
104.73 114.40 112.99	5.61	18.93	14.56	14.92	21.50
2007 2008 2009 2010 2 (011 2007	2008	2009	2010	2011

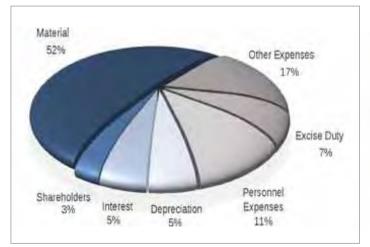
EBIDTA (excluding other income)

(₹ in crores)

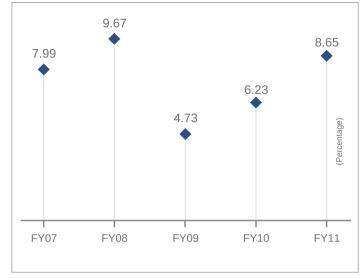




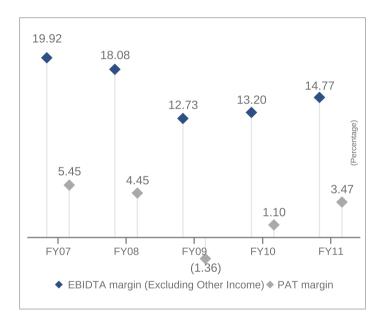
Profit After Tax



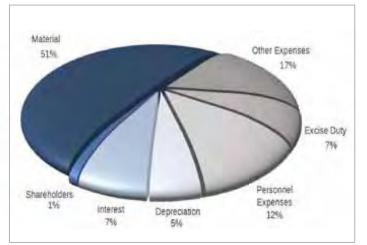
Distribution of Revenue 2010-11



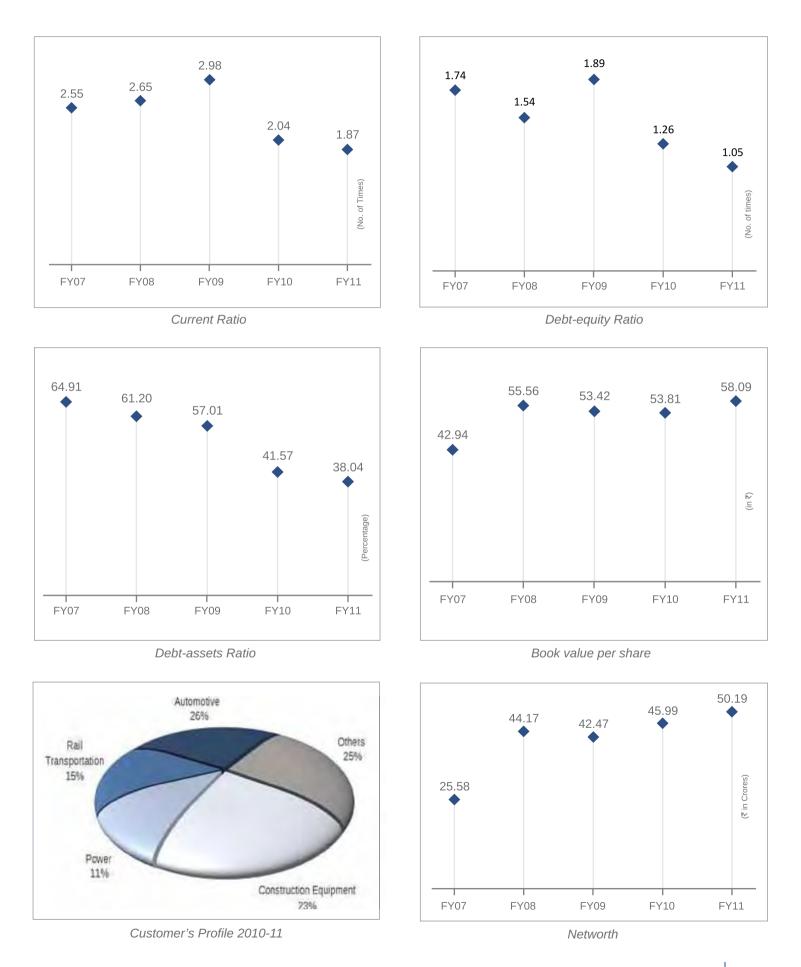
Return on Capital Employed



EBIDTA & PAT margins



Distribution of Revenue 2009-10



Symbiotic Growth



The perceived need increase flexibility and adapt to changing business conditions is very much a part of our organisational ethos. We at Rishi Laser have been on a sharp learning curve given the stringent quality requirements from our customers. In turn, this has led to improved efficiency, working practices and productivity within the Company. We work closely with some of the biggest names in the respective industries and have experienced their desire to be involved with the growth offered by India.

During the year even the senior management of the Company was closely working with a couple of our major clients who invited us to work more closely with them. This was a great learning experience for executives of the Company at various levels. One of our other client AMW invited us to their facility at Bhuj which was an eye-opener. The blazing growth path which the Company has adopted and achieved in a short span of time is strongly embedded in our minds. This again is beneficial for the Company as Rishi Laser Rishi Laser's management team was also a beneficiary of increased interaction with a global engineering giant with whom we hope to collaborate more in days to come.

is in a symbiotic relationship with AMW and thus also a beneficiary of the growth.

Rishi Laser's management team was also a beneficiary of increased interaction with a global engineering giant with whom we hope to collaborate more in days to come. We remain impressed with the extensive support and have channelised the learnings into our manufacturing. Increased interactions with large engineering giants have thus gone a long way in improving upon our internal practices."

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Our Vision

"To inspire innovations and ignite aspirations of people, transforming a multi-location steel fabrication Company into an Engineering Giant."

Our Mission

"Strategic use of technological advancements to manufacture world-class steel assemblies."

Company Information

COMPANY SECRETARY Ms. Supriya Joshi

BANKERS

State Bank of India Industrial Finance Branch, Tara Chambers, Wakdewadi, Pune-Mumbai Road, Pune - 411 003.

Canara Bank

Tamarind Lane Branch, Tamarind Lane, 8/10, Calcot House, Mumbai - 400 023.

Axis Bank

Atlanta, Ground Floor, 209 Nariman Point, Mumbai - 400 021.

AUDITORS

Alladi Krishnan & Kumar 4, Marshal, Mogal Lane, Mahim, Mumbai - 400 016.

REGISTRARS AND TRANSFER AGENTS

Adroit Corporate Services Pvt. Ltd. 19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059.

REGISTERED OFFICE

612, Veena Killedar Industrial Estate, 10/14, Pais Street, Byculla (W), Mumbai – 400 011.

Chairman's Speech



Dear Shareholders,

During the past accounting year the Company further consolidated its position in the market. Sales grew by 29% on standalone basis and 39% on consolidated basis. However, even at these levels, the Company's capacity utilisation at national level is around 75%.

Even though the demand from customers has been moving at a seemingly slow pace, it has been better than the previous year and will continue steadfastly.

Out of the major segments of the Engineering sectors that are served by the Company, only the automotive sector showed strength towards the later part of the year. The construction equipment sector limped back to March 2008 levels. The Railway transportation business was good since the Company was executing a long-term project, which lasted till the late part of the year.

One setback was in the Power Equipment T&D business. We had a negative growth in this sector due to extremely poor realisations and partly due to weak demand.

In the context of difficult market conditions I am quite pleased with the performance of the Company. The Company's EBIDTA margin (on a standalone basis excluding other income) improved by 156 bps from 13.20% in FY 09-10 to 14.76% in FY 10-11. The ROCE has also improved by 242 bps from 6.23% in FY 09-10 to 8.65% in FY 10-11.

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The Government has been making the right noises about putting a manufacturing policy in place, which will increase the share of manufacturing in the GDP by 6% over the next decade.

As mentioned in the earlier years a difficult part of the work has been to create a world-class infrastructure engineering facilities around of the country. An even more intricate job has been to create an organisation which can take advantage of these facilities and which can provide complete solutions to our customers. With these two building blocks in place we are well placed to take advantage of the opportunities that will arise in the future. In addition to that, we are also exploring possibilities to being able to add certain equipment to build on our domain expertise in newer industries. On successful completion, we feel confident it will mitigate risks associated with demand fluctuation vagaries.

A look at the growth of the GDP in the last two years gives an impression of robust demand and escalating growth. However, this has not benefited a large part of the manufacturing sector. The manufacturing sector has grown by a mere 8% per year in the 11th plan. Even this growth has largely come from few sectors like Automotive, Pharma etc. The Government has been making the right noises about putting a manufacturing policy in place, which will increase the share of manufacturing in the GDP by 6% over the next decade.

The biggest worry in the short-term is the rising cost of borrowing. At the current rates many large projects will be unviable and hence investments will be deferred. This is likely to affect our business though other factors still indicate a positive outcome.

The 12th five year plan from 2012-17 is targeting an average infrastructure spend of ₹ 8 trillion per year. This can give a huge boost to the manufacturing sector, especially engineering. The sectors serviced by us, which will benefit will be Automotive (HCV), Construction Equipment and Power.

One worry is the Rail transportation sector. The growth of metro rail network as also SS coaches in Railway is The past year played out as expected and we have factored in moderate expectations from the current year since we are in the process of putting building blocks for a seamless growth phase. I assure you that ambitions for growth are intact and are a constant endeavour at Rishi Laser.

very slow and we do not see sufficient visibility. I feel that the Automotive and CE sector will continue to provide us with good growth. The power T&D sector can only improve from here.

Large flat steel capacities are coming on stream in the next three years. Steel Industry is expected to grow at 10% compounded for next five years. The domestic steel production is expected to be close to 100 million tons by 2015. Intensification of steel use is the only way to achieve high growth in manufacturing. The per capita steel consumption in India is still very low at 48 kg as against world average of 180 kg. This steel will have to be processed by Companies like ours to be made into parts and assemblies for engineering products. We presume that the steel industry has done its homework and is sure of the demand for their flat steel. Growth in steel capacity presents a great and promising opportunity for our Industry.

The past year played out as expected and we have factored in moderate expectations from the current year since we are in the process of putting building blocks for a seamless growth phase. I assure you that ambitions for growth are intact and are a constant endeavour at Rishi Laser. The increased footprint is primarily demand led by specific customers. Going forward, we will be looking to improve asset efficiency across verticals. Improved financials in the year gone by has improved our bandwidth to take on more challenges in the future. We await more such areas to emerge during the year and assure you of our latent capability to deliver on such opportunities.

I take this opportunity to applaud and thank my colleagues for their painstaking efforts to ensure sustained growth and performance at Rishi Laser. I also offer my gratitude to all our partners, including capital providers, for their continuous encouragement and support during our growth journey.

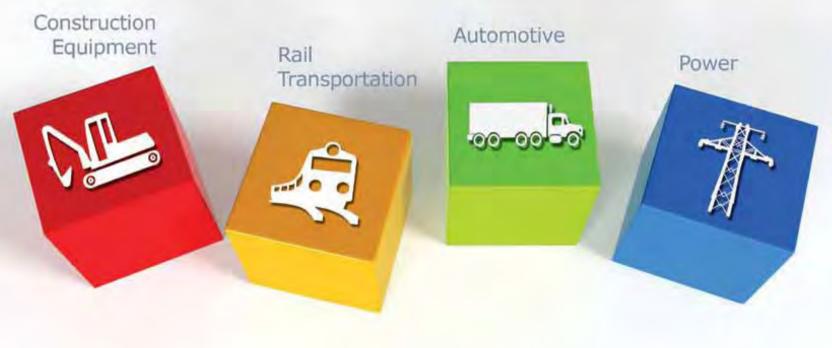
It is with great hope that we move forward into the next year.

Sincerely yours,

hunder

Harshad B. Patel Chairman and Managing Director

Industries We Partner



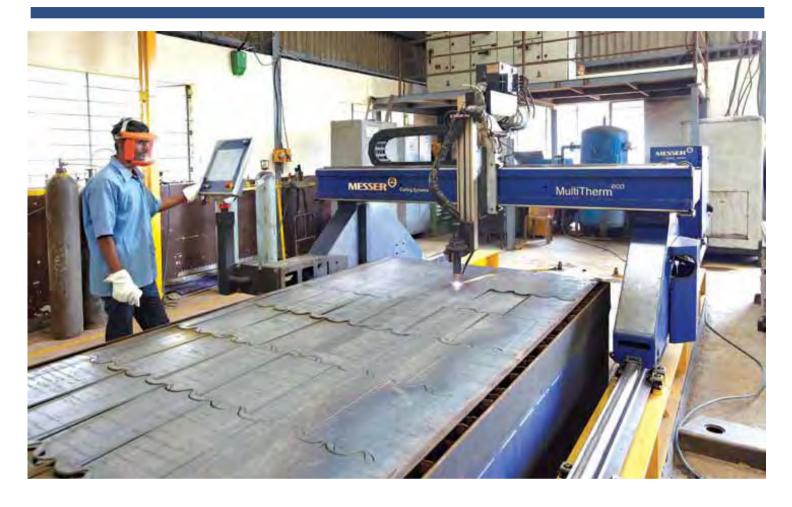
▲ Construction Equipment ▲ Rail Transportation ▲ Automotive ▲ Power



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Management Discussion & Analysis

Global and Macro Overview



To drive 9% GDP growth, the Government has indicated that approximately ₹ 41 trillion will be invested in the 12th Plan up to 2017.

The global economy has undergone a structural change and we are now in the midst of a "new normal". The economic conditions in most parts of developed world are fragile and may hit an air pocket causing unexpected changes. The economic conditions in the West may turn out to be a booster for emerging economies given that commodity prices tend to remain soft with lower demand in the advanced economies. Corporates are scouting aggressively in fast-growing emerging economies that offer lower costs and big markets.

A recent survey of many corporations revealed, that in the manufacturing sector, India is the second most desired location after China. Given the strong engineering skills and ability to adapt by Indian corporations, this trend is not likely to reverse in the near future.

The domestic markets have rebounded strongly after the sharp downturn in 2009. Corporates have by and large grown wiser and resilient to sustain ripples caused by external shocks. Growth has come at a steady clip and infrastructure in particular has gained weight over the past few years. In FY 12, the current expectations

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India's steelmaking capacity is likely to grow by 18 million tonnes per annum to 83 million tonnes by 2013, a growth of more than 26% in less than 3 years.

place India's economic growth at 8.5% driven mainly by local consumption and growth. Given an aggressive stance on investments in the years ahead, India's growth is likely to be superior to that of the Western economies. In the recent, past infrastructure growth has been slower than anticipated and may fall short of the ₹ 20.5 trillion target of the 11th Plan. To drive 9% GDP growth, the Government has indicated that approximately ₹ 41 trillion will be invested in the 12th Plan up to 2017. Rishi Laser's fortunes are meshed with infrastructure creation. The current phase of infrastructure creation makes us confident of success, since compared to the 11th Plan; the 12th Plan may see relatively better execution. In part, this is due to private sector taking a lead in executing commercially viable projects while social development would be led by the Government. Further, the Government will also leverage easy access of funds to the sector.

The infrastructure sector offers strong visibility and has Government backing but issues like land acquisition need to be resolved in an amicable manner. All stakeholders have to be agreeable for meaningful growth to occur and in this regard the way shown by the Government of Gujarat, which has the least amount of land acquisition disputes, is commendable. Across the country a fresh reforms push is needed to speed up execution. Important legislation like the Goods and Services Act, which aims to harmonise the indirect tax system and the Direct Tax Code await adoption.

One of the factors that can lead to higher growth in the coming years is the large amount of infrastructure raw material becoming available to the economy and enabling higher growth. India's steelmaking capacity is likely to grow by 18 million tonnes per annum to 83 million tonnes by 2013, a growth of more than 26% in less than 3 years. Steel is one of the most basic materials essential for a country's growth and we anticipate growth in per capita steel consumption from the current abysmal level of sub-50 kg per annum compared to the global average of 198 kg and 250 kg in China. Overall improvement in steel availability augurs well for strong growth in the coming years. Even other basic materials like cement and power availability is likely to see marked improvement. These factors eventually cause significant economic growth in



Rishi Laser is one of the high end steel processors and the superior technologies available with the company for deployment makes us one of the best suited to translate the country growth to that of the enterprise.

the country and we firmly believe that India as a nation and Rishi Laser as a company are indeed destined for far better economic times. Rishi Laser is one of the high-end steel processors and the superior technologies available with the Company for deployment makes us one of the best suited to translate the country growth to that of the enterprise.

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The year witnessed increased requirements across many sectors. Bank loans turned dearer during the year after the Reserve Bank of India hiked interest rates 11 times progressively since March 2010. Increased cost of funds will severely impact investment and we hope that the Reserve Bank brings interest to reasonable levels which make it viable for projects with longer gestation.

Commercial credit growth for the year ended March 2011 grew in excess of 21% led primarily by increases in retail, commercial real estate and infrastructure. Credit growth is expected to record improvement on an anticipated up-tick in the latter part of the year. Loans to the infrastructure sector registered growth in excess of 40%, taking the sector share of advances to 12.9% in FY 10-11. Reduced leverage at most corporations has left them with sufficient room to seek loans to fund growth. Improved productivity is also visible across the

manufacturing sector. The past couple of years have allowed most companies to become more flexible and lean to adapt to fast-changing world scenarios. There is far greater emphasis on cost control and process optimisation. During this period companies have also fought off stiff competition due to duty reduction and currency fluctuations. The past years have certainly added character to our organisation and we have emerged lean, flexible and hungry for growth and Rishi Laser is well-positioned to capitalise on growth prospects afforded by sustained economic expansion.



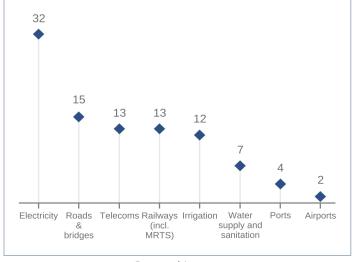
Capital Goods Industry and Operating Environment

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Capital Goods Industry and Operating Environment

Increased interaction with quality-focussed customers has resulted in Rishi Laser increasingly becoming a reliable one-stop flat steel processor offering an excellent value proposition.

India's capital goods industry is entering an exciting phase of executing the largest capex cycle the country has ever witnessed. In the 12th Plan the country has a



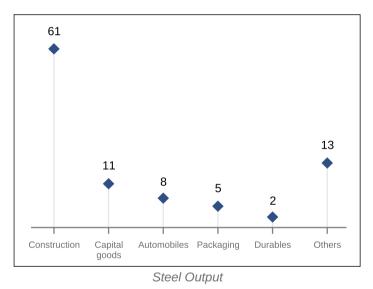
Sectoral Layout

Source : Industry reports, Planning Comission

planned infrastructure spend of nearly a trillion dollars to support the anticipated 9-10% GDP growth. Bulk of the spending so far has been garnered by electricity, telecom and roads. The sector-wise share of capital expenditure spend may not significantly vary from the 11th Plan. Though the Plan faces near-term challenges in the form of higher interest rates, higher commodity prices and a human resources crunch, the tide is likely to change in the medium-term to provide a better operating environment.

Putting building blocks in place for growth – India and Rishi Laser

In the capital expansion journey so far, emphasis has been on critical sectors like roads, water, power and railways. This pattern is expected to continue in the upcoming 12th Plan. Together, these sectors account for more than 80% of the total investment outlay with civil works (construction) taking up a big chunk of the activity. The emphasis on these sectors to achieve GDP growth in India is significant to Rishi Laser as these are the very sectors we cater to. Fortunately, the basic building blocks in the growth plan like steel



Source : Industry reports

and cement capacities are already in the midst of a significant expansion. For example, around 60% of the steel output is utilised by the construction sector. The total steel capacity of the country is likely to double between 2006 and 2015. By 2013 steel production in the country is likely to grow by almost 26% to 83 million tonnes. The country will also require massive support in terms of infrastructure and services to achieve these targets.

Rishi Laser garners almost 80% of its revenues from four main verticals namely Construction Equipment, Power,

Automotive and Rail transportation. We derive great satisfaction from the fact that the areas of our strength and high-end technological offerings are the very areas that will drive the country to greater heights. We are uniquely positioned as a supplier of choice for most of our customers and they are willing to have a long-term association with us. Confidence in our abilities has led to renowned quality-conscious customers allowing us to set up a plant-in-plant within their facilities. Our customers across these verticals include Caterpillar, L&T Komatsu, Volvo, AMW, Bombardier Transportation, JCB and Tata Group, to name a few. These companies appreciate superior offerings and provide growth opportunities as they look to increase their operations.

Given our pan-India presence and a strong relationship with most of our customers, we look forward to contributing significantly to the country's progress and gain execution muscle to take on further challenges. Our larger customers provide capital goods and solutions to help build a stronger India. We are thus laying building blocks to contribute to India's growth as well as enabling a strong phase of growth for Rishi Laser. The performance of our verticals have matched the growth in the sector or exceeded like in the case of Automotives

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and Construction equipments. Increased interaction with quality-focussed customers has resulted in Rishi Laser increasingly becoming a reliable one-stop flat steel processor offering an excellent value proposition.

Verticals – our pillars of growth

Rishi Laser has a presence in the infrastructure sector through its four verticals – Construction Equipment, Automotive, Power and Rail transportation. While the overall share of business from these four verticals is in the range of 80%, their internal share is dynamic. For example, during the year the Construction Equipment (CE) and Automotive segment witnessed healthy traction. We have been able to utilise this period to work on optimising asset efficiency.





Automotive

We are witnessing the fruits of sustained efforts in research as it has increased our ability to offer automated fabrication for heavy commercial vehicles.

In the automotive segment, sustained demand from some of the Heavy Commercial Vehicle manufacturers resulted in strong growth. Our major clients in this segment are the Tata group and Asia Motor Works (AMW). We also made a breakthrough by initiating supply of precision engineering components to a UK-based company. Some of our products are manufactured using high-precision welding robots as the products are used to increase load-bearing in commercial vehicles. We are witnessing the fruits of sustained efforts in research as it has increased our ability to offer automated fabrication for heavy commercial vehicles. Our automotive business contributed approximately ₹ 37 crore or ~ 21% to our consolidated total income. We cater to demand from automotive paint shops for supply of paint booths and conveyors. We are also engaged in fabrication of components and assemblies for commercial vehicles. The bulk of the activity in this division is at our Pune unit where we cater to the demands of customers like Tata group and Asia Motor Works. We are in the process of investing further in this vertical as revenue visibility is strong and further expansion may happen in the state of Gujarat. One of the reasons we are having a good run in this sector despite overall macro overhang is our specialisation as a dedicated vendor for large manufacturers who rely on our engineering execution skills.

Last year we had indicated that given our concentrated presence in the commercial vehicles segment, any macro improvement would be beneficial for the Company. Higher material and interest rates may pose a challenge and keep growth rates in the sector under check. Automotives was earlier thought of as a high-volume, low-margin industry but the experiences of the past couple of years have challenged these assumptions. This sector provides quantum growth at sustainable margins. We are positive on business prospects in the vertical during the coming year.



Construction Equipment (CE)

At a capital investment of ₹ 8-10 crore per km, road segment alone can hold a revenue potential of between \$43-\$55 billion over a 5-year period.

The CE segment is a major contributor of revenue for Rishi Laser and carries enormous significance for the economy given the high multiplier the sector achieves. Even Governments generally fall back on this segment for significant transference of economic activity. Our subsidiary Rishi Consfab is gaining size and operates alongside the parent in this vertical. Through its construction equipment vertical, Rishi Laser provides higher-end precision engineering products to L&T Komatsu from its Bengaluru facility. Our other customers in this segment include JCB, Volvo, Caterpillar and Terex. These respected names are giants in their own right and have a dominating presence (almost three guarters of the total) in the local construction equipment segment. Earlier estimates of the construction equipments segment in India touching nearly \$12 billion by 2015 is definitely on the cards. Increased customer confidence in our quality precision engineering and manufacturing capabilities has been reinforced and has translated into increased business requirements. In 2010-11, the Construction Equipment segment

contributed ₹ 33 crore standalone and nearly ₹ 66 crore on consolidated basis. This is an important segment for Rishi Laser and the sector has picked up well after the 2008 slowdown. Initial estimates place investment in infrastructure at ₹ 13 lakh crore in the two years ending 2014. The sector is sensitive to construction demand and interest rates. Road projects constitute a significant part of demand which is fulfilled by our customers. There is a significant pickup in activity on the roads front. In particular, the impediments pertaining to land acquisition for construction of roads are being solved at a faster rate than before. This lends to hope that activity in the sector may witness a significant pick-up. Recently, the National Highway Authority of India (NHAI) awarded large road contracts aggregating almost ₹ 200 billion. Of the 7300 km which the NHAI has recorded as an objective, nearly 2000 km of road-laying orders have already been placed.

The roads sector is likely to enter into a major execution phase and is likely to open opportunities for many. It is currently expected that orders for ~ 24,000 km of roads will be placed over the coming 3-5 years. At a capital investment of ₹ 8-10 crore per km, this segment alone can hold a revenue potential of between \$43-\$55 billion over a 5-year period. This vertical provides us superior growth potential that we will capitalise on given our capability as reliable manufacturers of quality precision engineering equipment. We have a 74% stake in our subsidiary Rishi Consfab, which primarily meets the requirements of L&T Komatsu.



Rail Transportation

We have gained understanding and developed expertise to be able to successfully contribute to the wide number of Metro projects coming up across the country.

The Railways segment recorded one of the highest growths during the past fiscal but may be in for a period of consolidation ahead. Our largest client in this segment is Bombardier Transportation for whom we manufacture precision parts utilised in rolling stock. Bombardier is a supplier for Delhi Metro and Rishi Laser has acquired certifications in higher-end automated Stainless Steel welding to make a breakthrough in the MRTS projects that are being planned across the country and we hope to be able to be a preferred supplier for companies looking to offer rolling stock and assemblies. Growth in this vertical is a function of local factors, which tend to place a check on speed of decision-making. However, the absence of central standards and policy for MRTS could slow down progress in the sector. Currently, this division contributes about ₹ 22 crores or 12.4% of the total consolidated revenue of the Company. Indian Railways is in need of substantial investment going ahead and the marked shortage of rolling stock will be acutely felt in the days to come. One of the reasons for the vastly improved performance of this vertical was the fulfilling of export orders. Our presence in the Railways segment is directed more towards various Metro projects across the country. We have gained understanding and developed expertise to be able to successfully contribute to the wide number of Metro projects coming up across the country. We are a preferred supplier to Bombardier, which is supplying rolling stock for the widely acclaimed Delhi Metro. We also have certifications for S.S. Welding technologies that are proving to be entry barriers for other private players in this segment.

We are optimistic on the sector's prospects and hope to reach greater heights in the days to come. The positives that can result in better performance are uniform standards across metro projects within the country leading to uniformity in requirements.



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Power

Growth expected in this sector is likely to increase opportunities for businesses like us which have the resourcefulness and ability to deliver high-end precision engineering products.

The year saw a relatively subdued performance from the power vertical. The power sector is having a strong outlook on the generation side and consolidation continues on the transmission and distribution side. India has one of the lowest per capita consumption of electricity yet faces massive power shortages as local electricity boards refuse to buy available merchant power. The Indian power distribution sector is saddled with high levels of distribution losses that threaten the financial existence of several state electricity boards. The pinch is also felt by us as our products and services are directed more at the distribution side compared to the generation space. This is a sector where patience may be advocated as the long-term outlook is positive. Our major customers in the distribution space are Areva T&D, ABB, CG Lucy and Schneider and Alstom in the generation segment.

Our power business contributed about ₹ 17 crore or ~10% to our total income. Our presence is more pronounced on the distribution side of business. Our major products are directed at switchgear manufacturers and our other products include SS Tanks, switch gear parts and laminations. While the generation space is abuzz with activity, the distribution side is currently undergoing a period of consolidation. We remain optimistic about our prospects in this vertical given the long-term potential afforded by the sector.

Growth expected in this sector is likely to increase opportunities for businesses like us which have the resourcefulness and ability to deliver high-end precision engineering products. Alstom is a major customer in the generation side whereas Areva T&D, ABB, CG Lucy and Schneider are major customers in the transmission and distribution space. Hydro power is an important green energy source and our capabilities in this segment are likely to occupy an important position in heavy fabrications for hydro-electric plants which can reduce the country's carbon footprint.

Operations and Financials



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Financial Performance (on a Standalone basis)

Trust built on strong execution capabilities and high commitments of Rishi Laser helped the Company increase business volumes with OEMs from this sector.

The global economy which started on road to recovery in the year 2009-10 improved further during FY 2010-11. The Indian economy continued to be robust with a GDP growth of 8.6%. In line with Indian growth story, Rishi Laser registered impressive performance on all important financial parameters during the year under review i.e. 2010-11.

REVENUES

Efficient execution of orders from major verticals was the key focus area which helped the Company to clock net sales of ₹ 145.61 crores in FY 10-11, registering a growth of 28.87% over previous year 2009-10. Revenues from four major verticals i.e. Construction Equipments, Automotives, Rail Transportation and Power cumulatively aggregated ₹ 109.48 crores or 75.19% of the top line in FY 10-11 compared to ₹ 87.29 crores or 77.25% in FY 2009-10.

Growth in revenues is mainly attributable to increased sales to Automotive sector which accounted for 25.62% (₹ 37.30 crores) of total sales in FY 10-11 compared

to 21.66% (₹ 24.48 crores) in FY 09-10. The Indian automotive sector recorded a growth of over 26% in FY 10-11 on the back of a robust economy. The Company mainly caters to commercial vehicles segment in automotive sector. The year witnessed a strong domestic demand for commercial vehicles from manufacturing and mining sectors. Trust built on strong execution capabilities and high commitments of Rishi Laser helped the Company increase business volumes with OEMs from this sector.

Revenues from Rail Transportation vertical witnessed healthy growth of 91.73% contributing ₹ 21.80 crores to the total sales as against ₹ 11.37 crores in FY 09-10. Growth in revenue from this vertical was mainly on account of export orders from Italy for steel moulds for concrete sleepers. Timely and efficient execution of orders of precision engineering stainless steel parts and assemblies to Bombardier Transportation acted as a growth catalyst.

Construction equipment vertical continues to be one of the major verticals contributing ₹ 33.50 crores translating to 23.01% of total net revenues in FY 10-11 compared to ₹ 32.70 crores or 28.94% in the previous year. Sales from this vertical registered a marginal growth in absolute terms however as a percentage of total sales it declined from 28.94% to 23.01%.

Power vertical contributed ₹ 16.88 crores in FY 10-11 compared to ₹ 18.74 crores in FY 09-10. This vertical registered a negative growth of 9.92% compared to previous year. The Company is present mainly in



transmission and distribution segment of the value chain. This sector holds promise as numbers of HSTC (High Speed Transmission Corridors) projects are in the pipeline to be awarded.

Revenue from **Job Work** sales for the year at ₹ 16.73 crores grew by 18.48% over the previous year 09-10 majorly because of higher job work volumes from Bombardier Transportation. However, job work receipts as a percentage of net sales for year declined by 101 bps to 11.49% from 12.50% in FY 09-10.

EXPENDITURE

Raw material consumption for the current year increased by 30.70% to ₹ 81.39 crores from ₹ 62.27 crores in FY 09-10 mainly due to increase in business volumes. Raw material cost as a percentage of sales with material remained flat at around 63%.

Manufacturing expenses amounted to ₹ 18.43 crores in FY 10-11 compared to ₹ 14.09 crores in FY 09-10 registering an increase of 30.80%. Manufacturing cost as a percentage of net sales increased by 19 bps to 12.66% in FY 10-11 from 12.47% in FY 09-10 primarily due to higher processing charges incurred to fulfill export orders.

Personnel Cost for FY 10-11 at ₹ 17.51 crores has increased by ₹ 2.19 crores in absolute terms but as a percentage of net revenue it has come down by 153 bps to 12.03% from 13.56% in FY 09-10. The increase in personnel cost is due to normal yearly increments and increased business volumes.

Financial Expenses for the year under review amounted to ₹ 8.01 crores as against ₹ 9.10 crores

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in FY 09-10. Financial expenses as a percentage of net sales has shown remarkable decrease of 255 bps to 5.50% in FY 10-11 compared to 8.05% in FY 09-10. The reduction in finance cost was all the more significant as the cost of borrowings prevailing was generally high during most part of the current financial year and a moderate increase of ₹ 2 crores in working capital borrowings. The decrease in financial expenses was on account of repayment of term debt to the tune of ₹ 8.64 crores during FY 10-11.

EARNINGS

Earnings before Interest, Depreciation and Tax (excluding extraordinary items and other income) climbed to ₹ 21.50 crores in FY 10-11 from ₹ 14.92 crores in FY 09-10 representing a healthy growth of 44.10%. EBIDTA as a percentage of net sales increased by 157 bps in FY 10-11 to 14.77% from 13.20% in FY 09-10. Improvement in operating margin could be attributed to higher productivity and reduction in Personnel, Administrative and selling & distribution expenses.

Profit before Tax of the Company for the year under review at ₹ 5.89 crores registered a hefty growth of 197.47% over previous year 09-10.

Profit after Tax increased to ₹ 5.05 crores as compared to ₹ 1.25 crores in FY 09-10 representing astounding growth of 304%.

Return on Capital Employed for the current year increased to 8.65% compared to 6.23% in FY 09-10. Improvement in return on capital employed was on account of improvement in margin and repayment of sizable term debt during the year under review.

LIQUIDITY AND LEVERAGE

Cash accruals from the operations were lower by ₹ 2.93 crores as compared to the previous year mainly due to higher gross working capital.

Gross working Capital as a percentage of net sales at ₹ 66.07 crores decreased by 2.04% due to higher customer receivables and inventories. Net customer receivables and inventories at the end of FY 01-11 stood at ₹ 31.72 crores and ₹ 24.95 crores, representing 75 days of sales and 102 days purchases respectively. Concentrated efforts are being made to improve upon both the parameters.

Net working capital for FY 10-11 at ₹ 30.82 crores increased by ₹ 3.48 crores compared to FY 09-10 mainly due to increase in debtors and inventories and trade payables.

Gross Debt-equity ratio improved significantly to 1.05 times in FY11 from 1.26 times in FY 09-10. Gross debt decreased to ₹ 52.51 crores as at March 31, 2011 as compared to ₹ 57.77 crores as at March 31, 2010. Improvement in this ratio will support company's long-term growth plan and higher shareholder value creation.

The Debt-asset ratio of the Company improved significantly in FY 10-11 to 38.04% from 41.57% in FY 09-10. It reflects the strong financial position of the Company with respect to dependency on borrowed funds to support the Company's assets is concerned.



VALUE CREATION

Net worth of the Company increased by ₹ 4.20 crores to ₹ 50.19 crores as at 31^{st} March, 2011 from ₹ 45.99 crores as at 31^{st} March, 2010. Increase in net worth was on account of improved profitability and addition of fresh equities during FY 10-11 by way of allotment of 91,800 equity shares of ₹ 10/- each under ESOP 2006 to employees at a premium of ₹ 10/- per share.

Book Value per Share increased to ₹ 58.09 as at 31st March, 2011 from ₹ 53.81 as at 31st March, 2010 due to significant increase in profitability.

OPPORTUNITIES AND RISKS

Opportunities

Large Infrastructure spending: In the recent past infrastructure growth has been slower than anticipated and will miss the target of 11th plan by a big margin. However, to achieve 8.5% GDP growth, the Government has indicated an investment of ₹ 41 trillion in 12th plan up to 2017. The proposed investment provides huge opportunities in the infrastructure sectors. The Company's fortunes are directly co-related to infrastructure creation. In the capital expansion journey so far, emphasis has been on critical sectors like roads, water, power and railways. This pattern is expected to continue in the upcoming 12thPlan. Together, these sectors account for more than 80% of the total investment outlay with civil works (construction) taking up a big chunk of the activity. The emphasis on these sectors to achieve GDP growth in India is significant to Rishi Laser as these are the very sectors we cater to.

Large Steel Capacity Expansion There's large steel capacity expansion planned in India. This industry is expected to grow at 10% compounded for next five

years. Steel production capacity in India is expected to touch 100 million tons by 2015. The per capita steel consumption in India is very low at 48 kgs. compared to world average of 180 kgs. Steel is one of the most basic materials essential for a country's growth. Steel produced will have to be processed by Companies like ours to be made into parts and assemblies for engineering products. We presume that the steel industry has done its homework and is sure of the demand for their flat steel. Growth in steel capacity presents a great and promising opportunity for our Industry.

Risks

Input Costs: We are operating in a raw material intensive industry. The main inputs used by the Company are various types and grades of steel which constitute a substantial percentage of its overall cost. Unexpected rise and volatility in the steel prices can adversely affect profit margin or have a negative impact on the demand.

Hardening of Interest rates and other inflationary trends: Inflation continues to be a major cause of concern for our country and to contain it the central bank has stepped up policy rates seven times during FY 10-11 resulting in increase in repo and reverse repo rates by 225 and 275 bps to 7.25% and 6.75%. However, inflation continues to be high and further hardening of interest rates cannot be ruled out. Hardening of policy rates by RBI has led to significant jump in borrowing cost negatively impacting capacity expansion for Indian industries in general and manufacturing industries in particular. Further hardening of interest rates could have severe impact on industrial growth.

Exchange rates Wide fluctuation in exchange rates could have adverse impact on export business as well as import of steel, machines and spares.

Government Regulations: Government policies relating to import of steel, capital goods, stringent emission norms or other similar policies could have adverse impact on Company's business.

Internal Control Systems

The Company has adequate systems of internal control and procedures covering all financial and operating functions commensurate with the size and nature of operations. The Company believes that a strong internal control framework is one of the important pillars of Corporate Governance. Continuous efforts are being made to see that the controls are designed to provide a reasonable assurance with regard to maintaining of accounting controls and protecting assets from unauthorised use or losses. The audit committee looks into all aspects of internal and advices corrective actions as and when required.

Cautionary Statement

Statements in the management discussion and analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government Regulations, tax laws and other statutes and incidental factors.

Human Resources

The most valuable of resources... Our People

We operate broadly on a huband-spoke model that allows for a fair bit of decentralisation in day-to-day operations.

Sustainable organisation growth can happen by combination of efficient manpower and effective methods of working under good leadership. We believe growth comes naturally with good leaders and it is our endeavour at Rishi Laser to make growth a possibility for all.

During the past year the biggest constraint faced by us was attracting and retaining good talents even as equipment, capital and material were relatively easier to come by. Further development of management team for future challenges and creating a uniform work culture across all units by implementing lean manufacturing practices is seen as a challenge.

We perceive an increased need to be more flexible and adapt to changing business conditions in order to gain efficiency and productivity. We operate broadly on a hub-and-spoke model that allows for a fair bit of decentralisation in day-to-day operations. Nevertheless, we have adapted and have taken steps to resourcefully tackle the piquant situation. We have brought in a modified version of best practices that are currently used in Japanese automotive companies and in the process adopted a flatter organisational structure than before. The advantages of this structure are the visible progress made by employees, both financially as well as in terms of authority and responsibility. This is among the measures that we believe will aid improved motivation among employees.

We are also trying to adopt a plant-in-plant model that permits higher devolution of responsibility and powers among our employees. This also allows easier growth of younger talent, enabling them to meet their aspirations much faster than available in other industry segments. Thus this step maintains job attractiveness given the freedom enjoyed by employees at various levels. We are also increasing our training budget by 300% in the current year with the aim of being able to have substantially higher talent available with us in line with our overall requirements. We seek to be aggressive in our training needs since they help human resources gain and hone their skills.

We have been proactive in developing our human resource plan in accordance with future requirements. Corporate HR department has been established and lot of HR initiatives have been initiated to inspire and motivate employees to help deliver an efficient and commendable performance. With measures like decentralisation and improved motivation, we aim to iteratively improve the leadership capability of the enterprise significantly. These measures are the mainstay in our endeavour to attract, motivate and retain talent which can drive our performance to greater heights.

Corporate Social Responsibility



Our Social Side

One of our objectives is to achieve inclusive economic growth and this can better be achieved by creating employment opportunities.

The goal of undertaking social responsibility is to acknowledge the Company's actions and try to create an impact through our activities on all the stakeholders. One of our objectives is to achieve inclusive economic growth and this can better be achieved by creating employment opportunities. Employment generation is also the need of the hour and availability of rewarding careers is a first step in a lifelong progression. In India, employment opportunities can be generated closer to our sites in an easier manner given the strong growth phase currently witnessed by the industry. However, to go from being willing to be employed gainfully to being on the right career path, today's youth needs to be ingrained with skills and techniques.

While social interest may spread across areas like environment and communities, we have chosen to be involved in training young people and help them to be gainfully employment. We have adopted the route of offering dedicated training at certain sites to help the local youth. At Rishi Laser we aim to provide a platform for people to gain from our training. It gives us immense pleasure to see young people gain skill sets and techniques in order to function at higher levels. In the process, this results in better livelihood opportunities for the community and society at large

As a strategic decision, the group has committed itself to empowerment of manpower. Rishi Laser is continuing with its mission in Vocational e-Learning i.e. development of computer-based courses for vocational training are focused on "employability". We believe that equipped with correct tools and skills, today's youth can be empowered to sustain growth for tomorrow's India. Toward this end we are setting up a chain of Vocational Training Institutes across India. We provide state-of-the-art simulator-based training at nominal rates that bring the training as close to real life requirements as possible. Close coordination of the institutes with industry forums, organisations and Government helps in superior employment options. We also undertake a pilot vocational training institute at our Vadodara facility which provides exclusive welding training. We are also involved with the Institute of Precision Fabrication Technology at Pune where courses related to the steel fabrication industry from computer-aided design drafting to press brake operations are offered.

Rishi Laser also contributes to rural education development by way of financial assistance to a school in Pune district for classroom construction. In the past, we have also provided some computers to various schools in rural areas in Pune. Employees of Rishi Laser are contributing to the educational trust managed by the Company as a CSR activity.

It is of great importance that we return to the community what we have gained from it. Investing time has far more impact than money in such cases. It is our endeavour that our involvement in social activity will act as a guide to what the Company stands for and upholds.

Board of Directors







First Row (Left to Right) Mr. Harshad Patel Mr. Jayesh Sheth Mr. Vandan Shah

Second Row (Left to Right) Mr. Dinesh Mehta Mr. Vasant Goray

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Mr. Harshad Patel

Mr. Harshad Patel has been on the Board of the Company since its inception. Mr. Patel is a qualified Chartered and Cost Accountant. He is 54 years old and has over 24 years of experience in this Business. As the only executive director on the Board, Mr. Patel's responsibilities have increased manifold and will grow in future, as the Company is planning further expansion of its various units. The Board appointed him as Managing Director w.e.f. 1st April, 2008.

Mr. Jayesh Sheth

Mr. Jayesh Sheth has been a Director of the Company since 1995. He is a Commerce Graduate and a Director in Kantilal Chhaganlal Securities Private Limited, a leading stock broking firm. He is 54 years old and has over 27 years experience in business.

Mr. Vandan Shah

Mr. Vandan Shah was appointed as Director in the Annual General Meeting held on 27th September, 2006. He holds a graduate degree in Engineering and

is currently Managing Director of Sipra Engineers Pvt. Ltd. Mr. Shah is 51 years old and has over 25 years experience in Industry mostly in the engineering sector. He is an Independent Director of the Company.

Mr. Dinesh Mehta

Mr. Dinesh Mehta was appointed as Director in the Annual General Meeting held on 27th September, 2006. He holds graduate degrees in Commerce and Law. He has over 31 years of experience in accounts, audit and finance. He currently heads Centennial Fabrics Ltd., a leading Technical Textiles firm in India. He is an Independent Director of the Company.

Mr. Vasant Goray

Mr. Vasant Goray was appointed as Director in the Annual General Meeting held on 27th September, 2006. He is a post graduate in Commerce and a Member of the Institute of Company Secretaries of India. He is 61 years old and has over 24 years experience in Company Law and legal matters. He is an Independent Director of the Company.

Senior Management





First Row (Left to Right)

Mr. Vinod Sharma Mr. Abhay Toshar Mr. M. K. Pandya

Second Row (Left to Right)

Mr. Rajendra Manmadkar Mr. Ganesh Agrawal Mr. Vishal Desai

Third Row Mr. Navin Dashora

Mr. Vinod Sharma

Head Operations, Northern Region

Mr. Vinod Sharma has been with Rishi Laser since June 2006 and currently heads the North region operations. He has 22 years of deep domain experience in manufacturing industry operations. Mr. Sharma holds a degree in Mechanical Engineering from Institutions of Engineers, India.

Mr. Abhay Toshar

Head Operations, Southern Region

Mr. Abhay Toshar has been with Rishi Laser since January 2003 and currently heads the operations of the Southern region. He has 31 years of in-depth experience in operations and administration of the manufacturing industry. Mr. Toshar has a graduate degree in Science from Bengaluru University.

Mr. M. K. Pandya

Head Operations, Gujarat

Mr. M. K. Pandya joined Rishi Laser in August 2003 and presently heads the Gujarat region operations. He has 31 years of in-depth experience in operations of the manufacturing industry, both in India and abroad. Mr. Pandya holds a Mechanical Engineering degree from Maharaja Sayajirao University, Baroda.

Mr. Rajendra Manmadkar

Head Operations, Maharashtra

Mr. Rajendra Manmadkar joined Rishi Laser in December 2009 and presently heads the operations of Maharashtra region. He has over 27 years of diverse and rich experience in maintenance and operations of the manufacturing industry. Mr. Manmadkar has a degree in Mechanical Engineering from Marathawada University, Aurangabad.

Mr. Ganesh Agrawal

Chief Financial Officer

Mr. Ganesh Agrawal joined Rishi Laser in July 2006 and, as the CFO, presently heads the Finance and Accounts function. He has 19 years of rich and diverse accounting and financial experience, both in India and abroad. Mr. Agrawal holds a degree in Chartered Accountancy from ICAI, Delhi.

Mr. Vishal Desai

Head, Human Resource

Mr. Vishal Desai joined the Company in June 2000 and presently heads the Human Resource function. He has 11 years of comprehensive experience in the entire gamut of HR and Administrative functions. Mr. Desai holds a Masters in HRD from South Gujarat University, Surat and PG Diploma in Training and Development from ISTD, New Delhi.

Mr. Navin Dashora

Head, Supply Chain

Mr. Navin Dashora has been with the Company since July 2006 and currently heads the supply chain management function. He has 22 years of in-depth experience in commercial functions across different industries. Mr. Dashora is a qualified Chartered Accountant from ICAI, Delhi.

Financial Information



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Rishi Laser Ltd. Notice

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of Rishi Laser Limited will be held on Tuesday, the 27th Day of September, 2011 at 11.30 a.m. at Indian Merchant's Chamber, Killachand Conference Room, 2nd Floor, IMC Marg, Churchgate, Mumbai 400 020 to transact the following business.

AS ORDINARY BUSINESS

- 1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2011 and the Profit and Loss Account for the year ended on that date and the Report of the Board of Directors and Auditors thereon.
- 2. To appoint a Director in place of Mr. Jayesh K. Sheth who retires by rotation and being eligible offers himself for reappointment.
- 3. To declare a Dividend.
- 4. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications the following Resolution as a Special Resolution

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment of Mr. Harshad Patel as Managing Director of the Company, for a period of three years from 1st of April, 2011, on remuneration and perquisites and other terms and conditions not exceeding the maximum limits specified in Schedule XIII as set out in the Draft of the Agreement to be entered into between the Company and Mr. Harshad Patel, placed before this Meeting and initialed by the Chairman for identification, and the Board of Directors be and is hereby authorised, with the acceptance of Mr. Harshad Patel, to vary or increase or enhance the Scope of the remuneration or perquisites as and when deem fit.

"RESOLVED FURTHER THAT the Company Secretary be and is hereby authorised to do all such Acts, Deeds, Matters and things as may be considered necessary, proper and expedient to give effect to this resolution.

"**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits Mr. Harshad Patel be paid remuneration to the extent provided in Schedule XIII.

Registered Office: -	By Order of the Board
612, Veena Killedar Industrial Estate,	For Rishi Laser Ltd.
10-14, Pais Street, Byculla (W),	
Mumbai - 400 011.	Supriya Joshi
Dated: 30 th May, 2011	Company Secretary

NOTES:

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
- Register of members and share transfer books of the Company will remain closed from 21.09.2011 to 27.09.2011 (both days inclusive).
- c) Re-appointment of Directors retiring by rotation:

Mr. Jayesh K. Sheth aged 54 years is a Director of the Company since 1995. He is a Commerce Graduate and is Director in Kantilal Chhaganlal Securities Pvt. Ltd. He retires by rotation and is eligible for re-appointment. He holds 3,62,755 shares in the Company. Except Mr. Jayesh K. Sheth, no other Director is interested in the said resolution.

ANNEXURE

EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 5

Mr. Harshad Patel has been on the Board of the Company from the inception. He has been acting as Whole-Time Director of the Company since 2004. The Board of Directors in their meeting held on 30.6.2008 decided to designate him as Managing Director and remunerate him appropriately. The present term of Managing Director expired on 31.3.2011. The Board of Directors in their Meeting held on 30.5.2011 re-appointed him as Managing Director for a further period of three years. At present he is the only Managerial person looking after the operations of the Company. Mr. Harshad Patel is a qualified Chartered and Cost Accountant. He has over 24 years experience in Business and Industry.

Rishi Laser Ltd. is engaged in the business of manufacture of sheet metal components. The Company has manufacturing units at Pune, Bhosari, Nashik, Baroda, Bengaluru, Kundli Indore and Ahmedabad. During the last three years the Company's turnover increased from ₹ 105 crores to ₹ 146 crores. The profit increased from (₹ 155) Lakhs to ₹ 527 lakhs.

The responsibility of Mr. Harshad Patel has gone up manifold and will increase further in future, as the Company is planning further expansion. The terms and conditions of his re-appointment are set out in the Agreement to be entered into between the Company and the Managing Director. The draft Agreement contains *inter alia*, the following terms and conditions

1.	Period	Three years with effect from 1 st April, 2011.
2.	Remuneration Salary per month	Not exceeding ₹ 5,00,000/-
	Commission	Not exceeding 1% of Net profits
	Perquisites	Perquisites will be limited to an amount equal to salary
	Housing	House Rent Allowance up to 50% of salary or rent up to 50% of Salary will be paid to the Managing Director
	Expenses on Gas Electricity, Water and Furnishing	Not exceeding 10% of salary (valued as per Income Tax Rules)
	Leave	One month for every eleven months of service. Leave accumulated and not availed can be encashed at the end of each year or at the end of tenure
	Medical Reimbursement	Reimbursement of expenses incurred for Self and family.
	Leave travel concession	Plane fare for self and family once in a year to any Place within the country
	Personal Accident Insurance	Personal Accident Insurance for an amount, the Annual premium of which does not exceed ₹ 10,000/-
	Provident Fund	 a) Company's contribution towards PF – not exceeding 12% of salary b) Company's contribution towards Superannuation fund as per the rules of the Company.
	Gratuity	One months' salary for each completed year of service
	Car	Free use of Company maintained car with chauffeur
	Telephone	Free Mobile phone and basic telephone facility at home
	Performance Bonus	The Managing Director will be entitled to performance Bonus based on his performance to be decided by the Board but not exceeding an amount equal to salary

Rishi Laser Ltd. Notice

Family means the Spouse, the dependent children and dependent parents of the Managerial person.

Contribution towards PF, Gratuity and Superanuation fund will not be included in the Computation of ceiling on perquisites to the extent these either singly or taken together are not taxable under the Income Tax Act.

- 3. The Special Resolution contained in Item No. 5 of the Notice seeks to approve the re-appointment of Managing Director on remuneration and terms set out in the draft of the proposed Agreement between the Company and the Managing Director, a copy of which will be available for inspection at the registered office of the Company on any working day up to the date of Annual General Meeting between 11 a.m. and 1 p.m. excluding Saturdays, Sundays and Holidays.
- 4. The above shall be treated as abstract of the draft Agreement between the Company and the Managing Director pursuant to Section 302 of the Companies Act, 1956.
- 5. In case of absence or inadequacy of profits in any financial year, the remuneration stated above subject to limits of Schedule XIII will be paid as Minimum Remuneration to the Managing Director.

The Board recommends his re-appointment. No Director other than Mr. Harshad Patel is interested in the Resolution.

Registered Office: -612, Veena Killedar Industrial Estate, 10-14, Pais Street, Byculla (W), Mumbai - 400 011. Dated: 30th May, 2011 By Order of the Board For Rishi Laser Ltd.

Supriya Joshi Company Secretary

Rishi Laser Ltd. Directors' Report

Directors have great pleasure in presenting the Annual Report and Audited Accounts for F.Y. 2010-11	
FINANCIAL RESULTS	

					(₹ in crores)
Sr.	Particulars	Standa	lone	Consoli	dated
No.	Faiticulais	2010-11	2009-10	2010-11	2009-10
(i)	Gross Revenue	155.09	121.27	191.52	137.77
(ii)	Net Revenue (excluding excise duty)	145.61	112.99	178.05	127.83
(iii)	Profit before interest, depreciation and Tax (excluding other income)	21.50	14.92	26.05	17.34
(iv)	Interest	8.01	9.10	9.85	10.24
(v)	Depreciation	7.93	6.10	9.25	6.65
(vi)	Тах	0.84	0.72	1.65	0.83
(vii)	Profit after Tax	5.05	1.25	5.52	0.15

DIVIDEND

In view of the improved financial performance during the year under review, the Directors recommend a dividend of ₹ 1.25/- per Equity Share of ₹ 10 each.

OPERATING RESULTS

The standalone gross turnover for the year at ₹ 155.09 crores were in line with projections and registered an increase of 28% over the previous year. The off take from our primary markets was very slow in the first two quarters and only picked up significantly in the last quarter.

Earnings before interest, depreciation and tax (excluding extraordinary items and other income) climbed up by 44% to ₹ 21.50 crores compared to ₹ 14.92 crores in previous year. Improvement in margin and repayment of sizable term debt during the year resulted in higher Return on capital Employed (ROCE) of 8.65% as against 6.23% in the previous year. Our balance sheet has become stronger with gross Debt to Equity ratio coming down to 1.05 times compared to 1.26 times in the previous year. The debt Asset ratio during the year improved significantly to 38.04% from 41.57% in the previous year.

The overall results are satisfactory in view of the tough conditions in the first two quarters. If market conditions remain stable then we should be able to maintain the growth momentum. The Ahmedabad plant was established and has stabilized. We expect good growth from this plant.

EXPANSION

In view of the uncertain market conditions and prohibitive interest costs, the Company has deferred its plan to set up a machining shop for machining parts for the Power generation sector. This will be reviewed in September 2011 for further action.

The Company will be expanding its cutting capacity at various locations by adding new generation of Plasma cutting machines at various locations. This will complement our Laser cutting facilities and we will be able to offer the appropriate technology to the customers at appropriate price.

The Company does not have manufacturing facility in Eastern India and looking at the potential this region offers we are exploring the possibility of setting up a plant in eastern India.

FINANCE

During the year the Company allotted 91,800 Equity Shares of ₹ 10/- each at a premium of ₹ 10/- per share under ESOP to employees of the Company. The total amount received from the employees amounted to ₹ 18,36,000/-.

CURRENT YEAR

The current year has begun on an optimistic note and we expect to see a 15% growth in the first quarter. Some of our customers are expanding and this may result in additional business from the third quarter onwards.

MARKETS

The four main verticals namely Construction Equipment, Automotive, Rail Transportation and Power (Transmission and Distribution) cumulatively contributed 75% of the total revenue amounting to ₹ 109.48 crores.

Robust demand of commercial vehicles resulted in increased sales to automotive verticals to ₹ 37.30 crores or 25.62% of net sales compared to ₹ 24.48 crores or 21.66% in the previous year.

Revenue from Rail Transportation vertical has gone up from ₹ 11.37 crores in previous year to ₹ 21.80 crores representing an increase of 91.73%.

Rishi Laser Ltd. Directors' Report

Construction equipment vertical contributed ₹ 33.50 crores as against ₹ 32.70 crores in the previous year. Sales from this vertical as a percentage of net revenue declined from 28.94% in the previous year to 23.01% in the current year though it remained flat in absolute terms.

Revenue from Power (transmission and distribution) vertical has been disappointing during the year as it recorded a negative growth of 9.92% from ₹ 18.74 crores in previous year to ₹ 16.88 crores during the current year.

Our Rail transportation business is expected to see a sharp drop in this year as further orders are expected only in the third quarter of this year. The shortfall from this sector should get covered from the Construction equipment sector which is expected to see robust demand. The delays in execution of infrastructure projects along with high interest rates will affect demand and is worrying.

INSURANCE

All the properties of the Company have been adequately insured against fire, riot, earthquake and various other risks.

FIXED DEPOSITS

During the year under report, the Company has not accepted deposits from public.

DIRECTORS

Mr. Jayesh K. Sheth retires by rotation and being eligible offer himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors hereby Report:

- A) That in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any.
- B) That the directors have selected such Accounting Policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company as at 31st March, 2011 and of Profit and Loss Account for the year ended 31st March, 2011.
- C) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- D) That the Directors have prepared the Accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

During the year under report, no employees have drawn remuneration in excess of the limits laid down under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) (Amendment) Rules, 2011.

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

The information is set out in Annexure – A.

EMPLOYEES STOCK OPTION PLAN

During the year Company allotted 91,800 Equity Shares under the Stock Option Scheme. The information required to be disclosed under SEBI (ESOS & ESPS) Guidelines is given in Annexure B to the Directors' Report.

AUDITORS

M/s. Alladi Krishnan & Kumar, Chartered Accountants, Statutory Auditors of the Company retire and offer themselves for re-appointment.

The Company has obtained the requisite certificate required under Section 224 of the Companies Act, 1956 to the effect that their re-appointment, if made, will be in conformity with the limits specified in the said section.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation of the sustained and dedicated efforts put in by all the employees collectively and concertedly as a Team.

The Directors would also like to thank the shareholders, customers, dealers, suppliers, bankers, Government and all the other business associates for the continuous support given by them to the Company and their confidence in its management.

Place : Mumbai Date : 30th May, 2011 On behalf of Board of Directors Harshad B. Patel Chairman

ANNEXURE - A TO THE DIRECTORS' REPORT

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

A) CONSERVATION OF ENERGY

The Company has implemented energy conservation measurers at all plants and offices.

The Form 'A' prescribed under the rules is not applicable to the Company since the Company does not fall in the industries, specified in Schedule to the Rules.

B) TECHNOLOGY ABSORPTION

FORM B

The Company is not carrying out any R & D Operations but is assisting its customers in prototyping and developing import substitute items.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

The Company has not imported any Technology.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The earning in foreign exchange amounts to ₹ 1,005.15 lakhs. Expenditure in foreign currency on account of travelling ₹ 18.34 lakhs, on account of import of components and spares ₹ 67.68 lakhs and on account of import of Capital Goods ₹ 158.16 lakhs.

ANNEXURE - B TO THE DIRECTORS' REPORT

The information required to be disclosed under the SEBI (ESOS & ESPS) Guidelines.

			ESC	DP 2006	
a	Opt	ions granted	800	0000	
b	The	Pricing Formula	20/	- per option	
С	Opt	ions Vested	800	0000	
d	Opt	ions exercised	1,9	5,700	
е	The	total number of shares arising as a result of exercise of option	1,9	5,700	
f	Opt	ions lapsed and reallotted	Nil		
g	Vari	ations of terms of options	1. 2.	Price per option revised from ₹ 30/- to ₹ 20/- on 20.10.2009. Employees can exercise the option within one year from vesting or over a period three years from vesting.	
h	Mor	ney realized by exercise of options	44,	74,600/-	
i	Tota	al number of options in force	604300		
j	Em	ployee-wise details of options granted to:			
	(i)	Senior Managerial Personnel			
		Mr. Ganesh Agrawal	500	000	
		Mr. Vinod Sharma	500	000	
		Mr. M.K. Pandya	440	000	
		Mr. Abhay Thosar	392	200	
		Mr. Rajendra Manmadkar	240	000	
	(ii)	Any other employees who receives a grant in any one year of option amounting to 5% or more of options granted during that year	Nil		

Rishi Laser Ltd. Annexure to the Directors' Report

	 (iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant 	Nil
k	Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	6.11
I	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	NA
М	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or is less than the market price of the stock o the grant date	63.70 and 116.06
Ν	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	
	(i) risk-free interest rate	8%
	(ii) expected life	1 Year
	(iii) expected volatility	60%
	(iv) expected dividends	20%
	(v) the price of the underlying share in the market at the time of option grant	90.20

STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company has always attached a lot of importance to corporate governance. It believes in promoting corporate fairness, transparency and accountability.

The Company recognizes its responsibility towards its stakeholders including shareholders, employees, the government and lenders and follows high standards of professionalism, honesty and integrity. The Company believes in monitoring its performance regularly and with utmost transparency so as to enable the optimum utilisation of its resources.

The Company has fully complied with the requirements of Corporate Governance under the revised Clause 49 of the listing agreement.

BOARD OF DIRECTORS (as on 31.03.2011):

As on the date of Balance Sheet; the Board of Directors of the Company consisted of Five Directors.

Out of the Five Directors, one is Promoter, one is Non-Independent and three are Independent. The Company has complied with the requirement of having atleast half of the Board comprising of Independent Directors as the Chairman of the Board is an Executive Director.

There is no Nominee Director on the Board of the Company.

No Director of the Company is either member of more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director and necessary disclosures to this effect has been received by the Company from all the Directors.

During the year, in all Five Board Meetings were held i.e. on 11th May, 2010; 21st June, 2010; 29th July, 2010; 11th November, 2010 and 14th February, 2011. The time gap between any two meetings was not more than 4 months.

The details of Directors and their attendance record at Board Meetings held during the year, at last Annual General Meeting and number of other directorships and chairmanships/memberships of committees is given below:

Name	Category	Other Director-ships in Public Cos.	Committee Memberships/ Chairmanships # (incl. RLL)	Attendance at Board Meetings	Attendance at AGM	Share holding of Non- Executive Directors
Mr. H.B. Patel	Promoter/ Executive	1	2	5	Yes	—
Mr. J.K. Sheth	Non-Promoter/ Non-Independent	Nil	_	5	Yes	362755
Mr. V.S. Shah	Non-Promoter/ Independent	Nil	1	2	Yes	14000
Mr. V.D. Goray	Non-Promoter/ Independent	Nil	2	5	Yes	22810
Mr. D.C. Mehta	Non-Promoter/ Independent	Nil	2	2	No	15000

While considering the memberships/chairmanships only Audit Committee and Shareholders and Investor Grievance Committee are considered.

CODE OF CONDUCT:

The Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company, which has been posted on the website of the Company www.rishilaser.com.

All Board members and senior management personnel have affirmed compliance with the code for the year ended on March 31, 2011. Declaration to this effect signed by the Managing Director of the Company for the year ended on March 31, 2011 has been included elsewhere in this report.

COMMITTEES:

Audit Committee

As required by Section 292(A) of the Companies Act, 1956 and provisions of Clause 49 of the Listing Agreement, the Company has a qualified Audit Committee comprising of three Directors out of which two-third are independent directors. Mr. Dinesh Mehta, having sound financial background and financial expertise is a Chairman of the Committee with the other members being Mr. Harshad Patel and Mr. Vasant D. Goray.

The committee met on 10.05.2010 to review unaudited financial results for the quarter ended 31.03.2010; on 21.06.2010 to review the Annual Accounts for the year ended 31.03.2010; on 28.07.2010 to review unaudited financial results for the quarter ended 30.06.2010; on 11.11.2010 to review the half yearly results and on 12.02.2011 to review the nine month's Financial results.

The main functions of the Audit Committee were:

- a) Reviewing Financial Statements before submission to the Board.
- b) Reviewing internal control system and recommending improvement.
- c) Recommending appointment of Statutory Auditors and fixing Audit fees.
- d) Discussing with statutory Auditors the scope of Audit, conducting post audit discussions to ascertain area of concern.

While reviewing the financial statements the committee focused on:

- 1. Changes in accounting policies and reasons thereon.
- 2. Compliance with accounting standards.
- 3. Compliance with listing and other regulations.
- 4. Related party transactions.

The Meetings were attended by all the Members of the Committee.

Remuneration Committee:

The Committee consists of three Directors, Mr. Vandan Shah and Mr. Vasant D. Goray and Mr. Dinesh Mehta.

The Remuneration Committee recommends the remuneration payable to Executive Director and also to senior executives.

The Remuneration Committee met on 29.05.2011 to decide the remuneration payable to Mr. Harshad Patel from 01.04.2011 to 31.03.2014. The Committee approved the following remuneration:

Salary — ₹ 3,00,000/- to Not Exceeding ₹ 5,00,000/- per month

HRA — up to 50% Salary

Commission - upto 1% Salary

Performance Bonus - not exceeding amount equal to salary.

He will also be entitled to perquisites such as PF, Gratuity, LTA, Medical, Leave encashment, Telephone and Car.

Non-Executive Directors are paid ₹ 2,500/- per Board Meeting attended.

Remuneration received by the Executive Director for the year 2010-11:

Mr. Harshad Patel - ₹ 47.03 lakhs

Shareholders/ Investors Grievance Committee:

The Committee consists of three Directors Mr. Vandan Shah, Mr. Vasant D. Goray and Mr. Dinesh Mehta.

The Committee has been constituted to look into Redressal of Shareholders Complaints and correspondence with SEBI and the Stock Exchange.

There are no complaints pending with the Company.

Compensation Committee:

The Company has a Compensation Committee of Directors comprising of three Directors viz. Mr. Jayesh K. Sheth, Mr. Vasant D. Goray and Mr. Vandan Shah for implementation of Employee Stock Option Scheme-2006.

During the year, the Committee met on 26.08.2010 to consider and approve allotment of 91,800 Equity Shares of ₹ 10/- each at a price of ₹ 20/- per share to the employees and Independent Directors of the Company under ESOP Scheme.

Finance Committee:

The Company has a Finance Committee comprising of three Directors viz. Mr. Harshad Patel, Mr. Vasant D. Goray and Mr. Jayesh K. Sheth for looking after the matters pertaining to expansion and finance of the Company.

During the year, the Committee met on 24.07.2010, 08.09.2010 and on 01.02.2011 to consider finance proposals and to avail loan facilities.

SUBSIDIARY COMPANY:

Your Company has one subsidiary Rishi Consfab Pvt. Ltd. The Subsidiary manufacturers Components only for L&T Komatsu Ltd. During the year the subsidiary earned a profit of ₹ 90.83 lakhs.

GENERAL MEETINGS:

Day, Time and Venue of Last Three Annual General Meetings:

16th AGM - Tuesday at 11.30 a.m. on 16.09.2008 at IMC, 2nd floor, Killachand Conference Room, Churchgate, Mumbai 400 020.

17th AGM - Wednesday at 3.00 p.m. on 23.09.2009 at IMC, 2nd floor, Killachand Conference Room, Churchgate, Mumbai 400 020.

18th AGM - Thursday at 11.30 a.m. on 30.09.2010 at IMC, 2nd floor, Killachand Conference Room, Churchgate, Mumbai 400 020.

19th AGM - Tuesday at 11.30 a.m. on 27.09.2011 at IMC, 2nd floor, Killachand Conference Room, Churchgate, Mumbai 400 020.

Special Resolutions:

During the three previous Annual General meetings following Special Resolutions were passed:

- 1. In the 16th Annual General Meeting of the Company held on 16.09.2008 following Special Resolutions were passed:
 - i) For re-appointment of Mr. Harshad Patel as Managing Director of the Company for a period of three years w.e.f. 1st April, 2008.
 - ii) For amendment in the Articles of Association of the Company pursuant to the provisions of Section 31 of the Companies Act, 1956.
- 2. In the 17th and 18th Annual General Meetings no Special Resolutions were passed.

Postal Ballot:

During the year under Report, no Resolution was passed by Postal Ballot.

DISCLOSURES:

During the year under review, besides the transactions mentioned elsewhere in the Annual Report, (Related party transactions) there are no transactions of material nature with the Promoters, the Directors or the Management, their Subsidiaries or Relatives etc. that had any potential conflict with the interest of the Company at large.

There were no cases of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or by any statutory authority, on any matter relating to Capital Market.

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

annual Report 2010-11

The Managing Director and the Finance Officer have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31.03.2011.

A Certificate from the Auditors of the Company regarding compliance of the Corporate Governance Clause 49 of the Listing Agreement is annexed herewith.

During the year the Company raised ₹ 18,36,000 by the issue of 91,800 equity shares of ₹ 10 each at a premium of ₹ 10/- per share under ESOP to employees.

The statement of uses/application of funds by major category certified by the Statutory Auditors were disclosed at the relative Audit Committee meetings. There was no use/application of funds for purpose other than those stated in the relative notice of issue of shares.

A Management Discussion and Analysis report forming part of this Directors' report is attached herewith.

MEANS OF COMMUNICATION:

The Company has been publishing the Unaudited Quarterly and Audited Annual results in Free Press Journal and Navshakti.

The Company has been displaying the Quarterly and Half Yearly Results on the website of the Company viz. www.rishilaser.com.

The Company has not made any presentations to institutional investors or to the analysts.

GENERAL SHAREHOLDER INFORMATION:

19th Annual General Meeting:

Date: 27.09.2011 Time: 11.30 a.m. Venue: IMC, 2nd floor, Killachand Conference Room, Churchgate, Mumbai 400 020.

Financial Year:

The financial year of the Company is from 1st April, to 31st March, each year.

Financial Calendar:

Publication of Unaudited Results	
Quarter Ending	
30 th June, 2011	45 days from end of quarter
30 th September, 2011	45 days from end of quarter
31 st December, 2011	45 days from end of quarter
31 st March, 2011	45 days from end of quarter or 60 days from the end of quarter, in case of Audited Results

Book Closure Date:

21.09.2011 to 27.09.2011 (both days inclusive).

Listing on Stock Exchange:

The shares of the Company are listed on the Mumbai Stock Exchange.

Stock Code:

Physical Segment	526861
CDSL/NSDL ISIN NO	INE988D01012

Stock Market Data for the year 2010-11:

			BSE SENSEX		
Month	High	Low	High	Low	
April 10	62.95	54.30	18047.86	17276.80	
May 10	58.85	46.95	17536.86	15960.15	
June 10	52.45	47.45	17919.62	16318.39	
July 10	62.90	50.30	18237.56	17395.58	
August 10	72.50	61.25	18475.27	17819.99	
September 10	81.85	67.75	20267.98	18027.12	
October 10	86.30	76.50	20854.55	19768.96	
November 10	82.65	67.20	21108.64	18954.82	
December 10	71.45	61.95	20552.03	19074.57	
January 11	70.15	55.70	20664.80	18038.48	
February 11	57.20	45.45	18690.97	17295.62	
March 11	51.50	45.95	19575.16	17792.17	

Compliance Officer:

Ms. Supriya Joshi, Company Secretary is the Compliance Officer of the Company.

Registrar and Transfer Agents (for Physical as well as for Electronic Transfers):

Adroit Corporate Services Private Limited

19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Mumbai 400 059

Phone No: 28596060/ 28594060 Fax No: 28590942

Share Transfer System:

The Company's equity shares are compulsorily traded on in dematerialised form as per the SEBI guidelines.

Physical shares transfers are registered and returned within a period of 15 days from the date of receipt if the documents are correct and valid in all respects.

Pursuant to Clause 47 (c) of the listing Agreement, certificates on half yearly basis have been issued by a company secretary in practice for due compliance of share transfer formalities by the Company. Certificates have also been received from a company secretary in practice for timely dematerialisation of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

As on 31st March, 2011; 76,53,360 Equity Shares representing 88.59% of the total paid-up capital of the Company are held in dematerialised form.

Shareholding Pattern as at March 31, 2011

Category	No. of Shares Held	% to paid up capital	
Promoters	1784694	20.66	
Bodies Corporate	874119	10.12	
Non-Resident Indians	1060888	12.28	
Public	4919599	56.94	
Total	8639300	100.00	

No. of Shares	No. of Shareholders	% of Total	No. of Shares	% of Total
0-500	4561	76.46	809992	9.38
501-1000	661	11.08	551999	6.39
1001-2000	279	4.68	435444	5.04
2001-3000	125	2.09	325513	3.77
3001-4000	75	1.26	274969	3.18
4001-5000	71	1.19	340634	3.94
5001-10000	100	1.68	774429	8.96
10001 and above	93	1.56	5126320	59.34
	5965	100	8639300	100

Distribution of Shareholding:

Outstanding GDRs/ ADRs/ Warrants:

The Company has not issued any GDRs/ ADRs/ Warrants during the year.

Plant Locations:

Pune	Unit - I Gat No. 1236/1+2+3
	Unit - II Gat No. 218/219
	Unit - III Gat No. 229
	Alandi Markal Road, Village Markal, Tal. Khed, Pune - 412 105
Bengaluru	Plot No.145-146, 4 th Phase, Bommadandra Ind. Area, Bengaluru - 560 099
Vadodara	Plot No. A/2 –620, GIDC Estate, Makarpura, Vadodara - 390 010
Savli	Plot No.578 To 587, GIDC SAVLI, Savli - 391 770
Bhosari	Plot No. 303, Sector-7, PCNDTA, Bhosari, Pune - 411 026
Nasik	Plot No. D/43, MIDC, Additional Ind. Area, Ambad, Nashik - 422 010
Sonepat	428, E.P.I.P. Hsidc Industrial Estate, Kundli, Dist. Sonepat - 131 001, State - Haryana
Pithampur	Plot No. 661,662,663 Sector-3, Near Indorama Ram Mandir, Pithampur, District Dhar (M. P.)
Ahmedabad	Plot No. 4-5, Noida Industrial Estate, Ahmedabad - 382 330

Address for Correspondence:

The Compliance Officer, Rishi Laser Ltd., 612, Veena Killedar Industrial Estate, 10-14, Pais Street, Byculla (W), Mumbai - 400 011.

Rishi Laser Ltd. Declaration of the Managing Director

This is to certify that the Company has laid down Code of Conduct for all Board members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company.

Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended 31st March, 2011.

By Order of the Board

Place : Mumbai Date : 30th May, 2011 Harshad B. Patel Managing Director

Auditors' Certificate

The Shareholders of, Rishi Laser Ltd., Mumbai 400 011

We have reviewed the records and documents concerning implementation of corporate governance procedure set by the Company during the financial year ended 31st March, 2011 and furnish to us for our review.

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

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for review and the information and explanations given to us by the Company.

Based on such a review, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the listing Agreement entered into with the Stock Exchange.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

For ALLADI KRISHNAN & KUMAR Chartered Accountants

Ajit S. Datar Partner Membership No. 036274

Place : Mumbai Dated : 30th May, 2011

Rishi Laser Ltd. Auditors' Report

We have audited the attached Balance Sheet of Rishi Laser Ltd. as at 31st March, 2011, and also the Profit and Loss Account and the Cash Flow Statement of the Company 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 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 disclosure 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 of our opinion.

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

Further to our comments in the Annexure referred to in paragraph 3 above, we state that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement referred to in this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of Companies Act, 1956.
- e) On the basis of the written representation received from the Directors, and taken on record by Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and as per the information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In the case of Balance Sheet, of the sate of affairs of the Company as on 31st March, 2011.
 - (ii) In the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For ALLADI KRISHNAN & KUMAR Chartered Accountants

Ajit S. Datar Partner Membership No. 036274

Place : Mumbai Dated : 30th May, 2011 (Referred to in paragraph 3 of the Auditor's Report to the members of Rishi Laser Ltd. for the year ended 31st March, 2011.)

- 1. [a] The Company has maintained proper records showing full particulars including quantitative details and location of the Fixed Assets.
 - [b] There is a regular program of physical verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.
 - [c] The Company has not disposed off substantial part of fixed assets during the year.
- 2. [a] Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - [b] The procedures of physical verification of stocks followed by the management are adequate in relation to the size of the Company and the nature of its business.
 - [c] The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt in the books of account.
- 3. According to the information and explanations given to us the Company has not taken/granted unsecured loans, from/to companies, firms or other listed in the register maintained under Section 301 of the Companies Act, 1956.
- 4. 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 purchase of stores, raw material including components, packing materials, plant and machinery, equipment and other assets and with regard to sale of goods. There is no major weakness in the internal control procedures.
- 5. In our opinion, and according to the information and explanations given to us, there were no transactions in pursuance of contracts or arrangements that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- 6. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance & Deposits) Rules, 1975 with regard to the deposits accepted from the shareholders, friends, relatives of Directors' and business associates.
- 7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8. The Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the Company.
- 9. [a] The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
 - [b] There are no disputed statutory dues pending at any forums.
- 10. Company does not have accumulated losses at the end of the financial year and has not incurred losses in the current year.
- 11. According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of dues to the financial institutions.

Rishi Laser Ltd. Annexure to Auditors' Report

- 12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13. As the Company is not a chit fund, nidhi, mutual benefit fund or society the provisions of Clause 4 [xiii] of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
- 14. As the Company is not dealing or trading in shares, securities, debentures and other investments, the provision of Clause 4 [xiv] of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
- 15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- 16. In our opinion, the term loan have been applied for the purpose for which they were raised.
- 17. According to the information and explanations received, the Company has not applied short-term borrowings for long-term use and vice versa.
- 18. During the year the Company has not made any preferential allotment of shares to the parties and the Companies covered in the register maintained under Section 301 of the Companies Act ,1956. Accordingly Clause 4 (xviii) of Companies (Auditors Report) Order, 2003 is not applicable.
- 19. The Company has not issued any debentures during the year.
- 20. The Company has not raised any money by way of public issue during the year.
- 21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For ALLADI KRISHNAN & KUMAR Chartered Accountants

Place : Mumbai Dated : 30th May, 2011 **Ajit S. Datar** Partner Membership No. 036274

Rishi Laser Ltd. Balance Sheet as at 31st March, 2011

				(₹ in Lakh
Particulars	Schedule		31.03.2011	31.03.2010
SOURCES OF FUNDS				
(1) Shareholder's Funds				
a) Share Capital	1	863.93		854.75
b) Reserves and Surplus	2	4,155.05		3,744.52
			5,018.98	4,599.27
(2) Loan Funds				
a) Secured Loans	3	4,376.57		5,041.37
b) Unsecured Loans	4	874.58		735.14
	-		5,251.15	5,776.51
(3) Deferred Tax Liability (Net)			390.62	426.35
OTAL			10,660.75	10,802.13
I. APPLICATION OF FUNDS				
(1) Fixed Assets				
a) Gross Block	5	10,075.07		9,812.05
b) Less: Accumulated Depreciation		3,401.79		2,621.41
c) Net Block	_	6,673.28		7,190.64
Capital Work-in-Progress	-	8.31		16.52
			6,681.59	7,207.16
(2) Investments	6		897.55	857.55
(3) Current Assets, Loans and Advances				
a) Inventories	7	2,495.48		1,832.79
b) Sundry Debtors	8	3,172.24		2,444.00
c) Cash and Bank Balances	9	377.62		161.76
d) Loans and Advances	10	561.81		918.84
		6,607.15		5,357.39
Less: Current Liabilities and Provisions				
a) Current Liabilities	11	3,353.64		2,603.64
b) Provisions	12	171.90		19.76
	_	3,525.54		2,623.40
let Current Assets			3,081.61	2,733.99
Aiscellaneous Expenditure	13		_	3.43
to the extent not written/off or adjusted)				
OTAL			10,660.75	10,802.13

Notes to Accounts

22

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date For **Alladi Krishnan & Kumar** Chartered Accountants

Ajit S. Datar

Partner Membership No. 036274 Place : Mumbai Date : 30th May, 2011 For Rishi Laser Ltd.

Chairman Harshad B. Patel

Company Secretary Supriya Joshi Directors Vasant D. Goray Jayesh K. Sheth Vandan Shah Dinesh Mehta

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Rishi Laser Ltd. Profit and Loss for the year ended 31st March, 2011

Deutieuleue	Calceler		01 00 0044	(₹ in Lakhs
Particulars	Schedule		31.03.2011	31.03.2010
Turnover (Gross)		1 005 15		00.00
Exports		1,005.15		36.26
Job Charges		1,672.81		1,411.59
Domestic		12,831.53		10,679.56
Total		15,509.49		12,127.41
Less: Excise Duty		948.82		828.20
Turnover (Net)			14,560.67	11,299.21
Other Income	14		33.33	224.99
Increase/(Decrease) in Stock	15		509.10	(0.02)
Total			15,103.10	11,524.18
EXPENDITURE				
Material Consumed/Sold	16		8,647.88	6,226.89
Manufacturing Expenses	17		1,842.93	1,408.83
Personnel Cost	18		1,751.18	1,532.15
Administrative and Other Expenses	19		506.90	497.74
Selling and Distribution Expenses	20		170.94	141.53
Financial Expenses	21		801.13	909.90
Depreciation			793.05	609.63
Total			14,514.01	11,326.67
PROFIT/(LOSS) BEFORE TAX			589.09	197.51
Less: Provision For Tax				
Current Tax			120.28	43.32
Deferred Tax			(35.73)	29.37
Profit/(Loss) After Tax & Before Extra Ordinary Items & Prior Period Item	S		504.54	124.82
Less: Extraordinary Item			(15.00)	(20.00)
Less: Prior Period Items			(14.41)	1.72
Less: Tax on Extra Ordinary Items			4.98	6.74
Net Profit/(Loss)			528.97	136.36
Add: Balance brought forward from previous year			368.16	231.80
Profit available for appropriation			897.13	368.16
Appropriations:				500.10
Proposed Dividend			107.99	
Tax on Dividend Distributed			17.94	-
General Reserve			75.00	-
Surplus Carried to Balance Sheet			696.20	368.16
Earnings per share - Basic (Face Value of ₹ 10/- each)			6.15	1.60
Earnings per share - Diluted (Face Value of ₹ 10/- each)			6.11	1.60

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Accounts. As per our report of even date For Alladi Krishnan & Kumar For Rishi Laser Ltd. **Chartered Accountants** Ajit S. Datar Chairman Directors Harshad B. Patel Partner Vasant D. Goray Membership No. 036274 Jayesh K. Sheth Place : Mumbai **Company Secretary** Vandan Shah Supriya Joshi Dinesh Mehta Date : 30th May, 2011

Rishi Laser Ltd. Cash Flow Statement for the year ended 31st March, 2011

	(₹ in Lakhs)		
	31.03.2011	31.03.2010	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax and Extraordinary items	589.09	197.51	
Add:			
1. Depreciation	793.05	609.63	
2. Interest Paid	801.13	909.90	
3. Interest Received	(10.46)	(8.03)	
4. Capital Reserve	(1.41)	(1.41)	
5. Rent Received	(9.90)	(10.92)	
6. (Profit)/Loss on Sale of Assets	(0.23)	(203.97)	
7. Extra Ordinary Items	15.00	20.00	
8. Previous year adjustment	(0.70)	(1.72)	
	2,175.57	1,510.99	
Adjustments for :			
Decrease/(Increase) in Inventories	(662.69)	(266.33)	
Decrease/(Increase) in Trade Receivables	(728.24)	(185.91)	
Decrease/(Increase) in Loans and Advances	357.03	184.51	
(Decrease)/Increase in Trade Payable	750.00	881.87	
Decrease/(Increase) in Pre-operative expenses	3.43	(0.43)	
(Increase)/Decrease in Working Capital	(280.47)	613.71	
Cash Generated from Operation	1,895.10	2,124.70	
Less:			
Income Tax Paid	(83.96)	(20.91)	
(A) Net Cash Flow from Operating Activities	1,811.14	2,103.79	
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(129.20)	(135.96)	
Capital Work-in-Progress	(199.74)	_	
Sale of Fixed Assets	61.71	1,711.59	
Sale/(Purchase) of Investment	(40.00)	(768.60)	
Interest Received	10.46	8.03	
Rent Received	9.90	10.92	
(B) Net Cash Flow from Investing Activities	(286.87)	825.98	

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Rishi Laser Ltd. Cash Flow Statement for the year ended 31st March, 2011

		(₹ in Lakhs)
	31.03.2011	31.03.2010
C. CASH FLOW FROM FINANCING		
Share Capital	9.18	59.78
Increase/(Decrease) in working capital loan	199.28	(800.61)
Share Premium	9.18	158.78
Share Warrant Application Money	-	-
Share Issue Expenses	(0.28)	(0.98)
Secured Loans		
Term Loans (Net of repayment)	(851.85)	(1,667.86)
Vehicle Loan (Net of repayment)	(12.23)	7.72
Unsecured Loans		
Deferral Sales Tax	(11.03)	(16.67)
Unsecured Loan	150.47	254.12
Interest Paid		
Bank	(512.49)	(465.61)
Term Loans	(288.64)	(444.29)
C. Net Cash Flow from Financing	(1,308.41)	(2,915.62)
Net Increase in Cash and Cash Equivalents (A + B + C)	215.86	14.15
Opening Balance	161.76	147.62
Closing Balance	377.62	161.76

As per our report of even date For **Alladi Krishnan & Kumar** Chartered Accountants

Ajit S. Datar Partner Membership No. 036274 Place : Mumbai Date : 30th May, 2011

For Rishi Laser Ltd.

Chairman Harshad B. Patel

Company Secretary Supriya Joshi Directors

Vasant D. Goray Jayesh K. Sheth Vandan Shah Dinesh Mehta

		(₹ in Lakł
SCHEDULE 1 : SHARE CAPITAL	31.03.2011	31.03.2010
Equity Share Capital		
Authorised	1 500 00	1 500 00
1,50,00,000 (P.Y. 1,50,00,000) Equity shares of ₹ 10/- each	1,500.00	1,500.00
Issued, Subscribed and Paid Up 86,39,300 (P.Y. 85,47,500) Equity Shares of ₹ 10/- each fully paid up	863.93	854.75
	863.93	854.75
SCHEDULE 2 : RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	11.17	12.58
Less: Transferred to Profit and Loss Account	1.41	1.41
	9.76	11.17
General Reserve		
As per last Balance Sheet	671.40	604.40
Add: Transferred from Share Application Money	-	67.00
Add: Transferred from Profit & Loss Account	75.00	-
	746.40	671.40
Share Premium		0.110
As per last Balance Sheet	2,693.79	2,535.99
Add: Received during the year	9.18	158.78
Lass: Chara issue evinences	2,702.97 0.28	2,694.77 0.98
Less: Share issue expenses		
Equity Share Warrant	2,702.69	2,693.79
Equity Share Warrant		67.00
Less: Application Money transferred to General Reserve	_	67.00
Profit and Loss Account	696.20	368.16
	4,155.05	3,744.52
SCHEDULE 3 : SECURED LOANS	,	
Term Loan - From Banks	1,859.26	2,641.90
(Secured by mortgage over company's specific Land and Building and Hypothecation of specific Plant and Machinery)	1,000.20	2,041.00
From Gujarat Industrial Development Corporation (Secured by Plot No.733 & 735 at Savli Industrial Estate)	76.53	145.74
Term Loan Vehicle (Against hypothecation of Vehicles)	22.82	35.05
Working Capital Loan - Banks (Against exclusive hypothecation charge on stocks i.e. Raw-materials, Stock-in-Process, Finished goods, Stores and Spares and Book Debts of Company)	2,417.96	2,218.68
	4,376.57	5,041.37
SCHEDULE 4 : UNSECURED LOANS		
Short Term Loans and Advances	265.01	80.35
Deferred Sales Tax Liabilities	457.22	468.25
Loan from Directors	152.35	186.54
	102.00	100.04

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		(₹ in Lakhs
SCHEDULE 6 : INVESTMENTS	31.03.2011	31.03.2010
Long Term (At Cost/Book Value)		
Non-Trade - Unquoted		
Lotus Fabrication Pvt. Ltd - Unquoted	0.50	0.50
[4,980 Equity Shares of ₹ 10/- each fully paid up]		
Centennial Finance Ltd Unquoted	2.70	2.70
[27,000 Equity Shares of ₹ 10/- each fully paid up]		
Cosmos Co - Op. Bank Ltd Unquoted	0.03	0.03
[25 Equity Shares of ₹ 100/- each fully paid up]		
Rishi Consfab Pvt. Ltd Unquoted	769.60	769.60
[76,96,000 Equity Shares of ₹ 10/- each fully paid up]		
Rishi Technical Services Pvt. Ltd Unquoted	0.49	0.49
[4,900 Equity Shares of ₹ 10/- each fully paid up]		
Centennial Fabrics Ltd Unquoted	40.00	
[4,00,000 Equity Shares of ₹ 10/- each fully paid up]		
Non-Trade - Quoted		
Rishi Techtex Ltd Quoted	74.23	74.23
[2,01,347 (P.Y. ₹ 2,01,347) Equity Shares fully paid up at cost]		
[Market Value ₹ 25.25 (P.Y. ₹ 15.12)]		
UTI INFRASTRUCTURE FUND - Growth - Quoted	10.00	10.00
[25,463 (P.Y. ₹ 1,00,000) Units]		
[Market Value ₹ 8.39 (P.Y. ₹ 9.20)]	897.55	857.55
1. Aggregate value of unquoted investments	813.32	773.32
2. Aggregate value of quoted investments	84.23	84.23
Total	897.55	857.55
SCHEDULE 7 : INVENTORIES		
(As verified, valued and certified by the Management)		
Raw Materials	870.75	623.41
Work-in-Progress	1,514.87	1,005.77
Stores and Spares	109.86	203.61
	2,495.48	1,832.79
SCHEDULE 8 : SUNDRY DEBTORS		
(Unsecured and considered good)		
Debts outstanding for a period exceeding six months	720.83	359.65
Other debts	2,451.41	2,084.35
	3,172.24	2,444.00
SCHEDULE 9 : CASH AND BANK BALANCES		
Cash in Hand	6.21	5.08
Balances with scheduled banks:	0.21	0.00
In Current Account	126.68	75.48
In Margin and Deposit Account	244.73	81.20
in Margin and Deposit Account	244.10	01.20

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		(₹ in Lakhs)
SCHEDULE 10 : LOANS AND ADVANCES	31.03.2011	31.03.2010
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind or for value to be received	66.73	60.59
Inter Corporate Deposits	-	335.54
Balances with customs, excise, etc.	293.93	333.64
Deposits - others	186.69	146.82
VAT Credit (Input) Receivable	3.07	2.79
Others	11.39	39.46
	561.81	918.84
SCHEDULE 11 : CURRENT LIABILITIES		
Sundry Creditors	3,044.90	2,285.94
Inter Corporate Deposits	-	37.94
Other Liabilities	308.74	279.76
	3,353.64	2,603.64
SCHEDULE 12 : PROVISIONS		
Provision for taxation (Net of advance tax payments)		
Provision for taxation	182.23	154.86
Less: Advance Tax Payment	55.00	55.00
TDS Receivable	80.36	79.20
Provision for Fringe Benefit Tax	5.91	5.91
Less: Advance Tax Payment	6.81	6.81
Proposed Dividend	107.99	-
Tax on Proposed Dividend	17.94	-
	171.90	19.76
SCHEDULE 13 : MISCELLANEOUS EXPENDITURE		
Deferred revenue Expenses	-	3.43
	-	3.43
SCHEDULE 14 : OTHER INCOME		
Interest [T.D.S. ₹ 0.83 (P.Y. ₹ 0.21)]	10.46	8.03
Others	22.87	216.96
	33.33	224.99
SCHEDULE 15 : INCREASE/(DECREASE) IN STOCK		
Closing Stock	1,514.87	1,005.77
Opening Stock	1,005.77	1,005.79
	509.10	(0.02)
	000110	(0.02)
SCHEDULE 16 : RAW MATERIALS CONSUMED	000.44	250.00
Opening Stock Add: Purchases	623.41 8,895.22	359.90 6,490.40
		· · · · · · · · · · · · · · · · · · ·
Total Less: Closing Stock	9,518.63 870.75	6,850.30 623.41
	8,647.88	6,226.89

		(₹ in Lakhs)
SCHEDULE 17 : MANUFACTURING EXPENSES	31.03.2011	31.03.2010
Consumable Stores and Spares (Indigenous)	542.86	346.36
Consumable Stores and Spares (Import)	88.96	74.24
Power and Fuel	496.03	460.28
Repairs and Maintenance - P & M	166.70	149.00
Factory Expenses	19.27	17.54
Processing Charges	518.19	349.10
Gas Cylinder Rent	10.92	12.31
	1,842.93	1,408.83
SCHEDULE 18 : PERSONNEL COST		
Salaries, wages and bonus	1,589.00	1,381.75
Contribution to provident fund	43.81	42.19
Gratuity Expenses	7.33	12.40
Other post Employment funds	23.16	17.03
Workmen and staff welfare expenses	40.85	36.42
Managerial Remuneration	47.03	42.36
	1,751.18	1,532.15
SCHEDULE 19 : ADMINISTRATIVE AND OTHER EXPENSES	,	,
Rent, Rates and Taxes	139.00	133.94
Legal and Professional Charges	98.50	76.44
Insurance Expenses	5.79	5.70
Repairs and Maintenance - Building	20.66	16.28
Repairs and Maintenance - Others	26.45	30.88
Communication Cost	26.43	29.99
	20.18	19.61
Printing and Stationery Expenses	36.66	27.57
Travelling Expenses		
Foreign Exchange (Gain)/Loss	(18.78)	(1.02)
Director's Sitting Fees	0.35	0.45
Other - Administrative Expenses Auditor Remuneration	145.32 5.37	152.00 5.90
	506.90	497.74
	500.50	77/114
SCHEDULE 20 : SELLING AND DISTRIBUTION EXPENSES	454.00	407.00
Distribution Expenses	151.22	127.83
Selling Expenses	19.72	13.70
	170.94	141.53
SCHEDULE 21 : FINANCIAL EXPENSES		
Interest on Term Loans	288.64	444.29
Interest on Working Capital Loans	295.16	307.02
Other Interest Bank Charges and Other Financial Charges	142.14 75.19	86.50 72.09
	801.13	909.90

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SCHEDULE : 22 : NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

1. Significant Accounting Policies

(i) Basis of Accounting

The financial statements are prepared under the historical cost convention in accordance with the applicable mandatory accounting standards and relevant provisions of the Companies Act, 1956.

(ii) Fixed Assets

Fixed Assets are stated at cost of acquisition (net of recoverable taxes and Government grants wherever availed) or construction or other amounts substituted for historical costs on revaluation less accumulated depreciation. Expenses Capitalised also include applicable borrowing Cost.

- (iii) Depreciation
 - a) Depreciation on fixed assets is provided on the Straight Line Method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.
 - b) All individual items of fixed assets, where the actual cost does not exceed ₹ 5,000 each have been written off entirely in the year of acquisition.
- (iv) Inventories
 - 1. Raw Material, Stores and Spares are valued at cost on Weighted Average.
 - 2. Work-in-Progress is Valued at Cost representing materials, Labour and apportioned overheads.
 - 3. Scrap is Valued at Net Realisable Value.
- (v) Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are restated at year end exchange rates. Exchange differences arising on the settlement of foreign currency monetary items or on reporting Company's foreign currency monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements, are recognised as income or expense in the year in which they arise.

(vi) Retirement Benefits

Company has booked gratuity and leave encashment as per actuarial valuation as per Accounting Standard 15 (Revised).

(vii) Investments

Long-term investments are stated at cost, less any provision for permanent diminution in value. Current investments are stated at lower of cost and fair value.

(viii) Revenue Recognition

The Company recognises sales at the point of dispatch of goods to the customers.

(ix) Income Tax

Provision for tax for the year comprises current income tax determined to be payable in respect of taxable income and deferred tax, being the tax effect of timing difference, representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s).

2. Contingent Liabilities

- (i) Guarantees given by banks on behalf of company ₹ 73.26 lakhs.
- (ii) Letter of Credit ₹ 1340.25 lakhs.

Rishi Laser Ltd. Notes on Accounts

Additional Information pursuant to the provisions of paragraphs 3 & 4 of Part II Schedule VI to the Companies Act ,1956.

3.	Licensed, Installed and Production Capacity	31.0	3.2011	31.03	.2010
	Sheet Metals Components				
	Licensed capacity	Tons	56,430		48,430
	Installed capacity	Tons	53,430		45,430
	Production	Tons	22,103		19,050
4.	Quantitative Details	Tons	(₹ in Lakhs)	Tons	(₹ in Lakhs)
	(i) Sales				
	Sheet Metal Components	16,244	12,887.86	11,169	9,887.62
	Job Work	5,270	1,672.81	6,560	1,411.59
	(ii) Closing Stocks				
	Sheet Metals	1,100	758.59	1,195	532.29
	(iii) Raw Materials Consumed				
	Sheet Metals	16,834	6,790.29	12,490	4,629.62
	Others		1,857.59		1,597.27
			8,647.88		6,226.89
5.	Materials Consumed	%	(₹ in Lakhs)	%	(₹ in Lakhs)
	Indigenous	100.00	8,647.88	100.00	6,226.89
	-	100.00	8,647.88	100.00	6,226.89
	Spare and Components		·		-
	Indigenous	85.90	542.86	82.35	346.36
	Imported	14.08	88.96	17.65	74.24
		100.00	631.82	100.00	420.60
3 .	Remuneration to Auditors		(₹ in Lakhs)		(₹ in Lakhs)
	Statutory Audit Fees		2.00		2.00
	Tax Audit Fees		1.50		1.50
	Other Matters		1.87		2.40
			5.37		5.90
			(3 to 1 ald a)		
7.	F.O.B. Value of Exports		(₹ in Lakhs) 1,005.15		(₹ in Lakhs) 36.26
			1,000.10		50.20
3.	C.I.F. Value of Imports		(₹ in Lakhs)		(₹ in Lakhs)
	Capital Goods		158.16		74.39
	Spare and Components		67.68		68.74
			(₹ in Lakhs)		(₹ in Lakhs)

Rishi Laser Ltd. Notes on Accounts

		31.03.2011	31.03.2010
10. I	Managerial Remuneration	(₹in Lakhs)	(₹ in Lakhs)
5	Salaries	40.80	37.36
F	Perquisites	2.99	1.79
F	Provident Fund - Company Contribution	3.24	3.21
		47.03	42.36
11. [Deferred Tax (Assets)/Liabilities	(₹ in Lakhs)	(₹ in Lakhs)
[Depreciation	(27.87)	36.22
E	Bonus	(4.82)	(1.06)
(Gratuity	(2.43)	(4.21)
L	Leave Encashment	(0.61)	(1.59)

12. Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets relating to unabsorbed depreciation/business losses are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

- 13. Unclaimed Dividend Account is under reconciliation
- 14. Related Party Disclosure

(A) List of Related Parties with

- (a) Controlling Interest: Rishi Consfab Pvt. Ltd.
- (b) Other related parties where common control exit and with whom the Company had transaction during the year
 (1) Rishi Techtex Ltd. (Formerly known as Rishi Packers Limited)
 - (2) Rishi Technical Services Pvt. Ltd.
- (c) Directors
 - Mr. Harshad B. Patel
 - Mr. Jayesh K. Seth
 - Mr. Vandan Shah
 - Mr. Dinesh Mehta
 - Mr. Vasant D. Goray

(B) List of Transactions with Related Party

Key Management Associates Total Personnel 31.03.11 31.03.10 31.03.11 31.03.10 31.03.11 31.03.10 **Nature of Transaction** Loans/Advances/Deposits disbursed during the year - Rishi Techtex Ltd. 40.00 40.00 - Harshad B. Patel 37.50 50.71 37.50 50.71 - Rishi Technical Services Pvt. Ltd. 26.44 27.26 26.44 27.26 Total 26.44 67.26 37.50 50.71 63.94 117.97 Loans/Advances/Deposits repayment received during the year - Rishi Techtex Ltd. 27.59 38.00 27.59 38.00 - Harshad B. Patel 10.00 221.00 221.00 10.00 Total 27.59 38.00 10.00 221.00 37.59 259.00 Interest Received - Rishi Techtex Ltd. 0.83 1.30 0.83 1.30 _ 0.83 1.30 _ -0.83 1.30 Total

(₹ in Lakhs)

Rishi Laser Ltd.
Notes on Accounts

(₹ in Lakhs)

	Asso	ciates		agement onnel	То	tal
Nature of Transaction	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10
Interest Paid - Harshad B. Patel	-	-	27.22	16.24	27.22	16.24
Total	-		27.22	16.24	27.22	16.24
Sales - Rishi Techtex Ltd. - Rishi Consfab Pvt. Ltd.	0.43 394.87	- 306.56	-	-	0.43 394.87	- 306.56
Total	395.30	306.56	-	-	395.30	306.56
Purchases - Rishi Techtex Ltd. - Rishi Consfab Pvt. Ltd.	0.10 35.38	0.01 19.24	-	-	0.10 35.38	0.01 19.24
Total	35.48	19.25	-	-	35.48	19.25
Rent Received - Rishi Techtex Ltd. - Rishi Technical Services Pvt. Ltd.	2.40 0.36	2.40 0.36	-	-	2.40 0.36	2.40 0.36
Total	2.76	2.76	-	-	2.76	2.76
Professional Fees paid - Rishi Technical Services Pvt. Ltd.	8.19	9.15	-	-	8.19	9.15
Total	8.19	9.15	-	-	8.19	9.15
Rent Paid - Harshad B. Patel	-	-	2.88	2.40	2.88	2.40
Total	-	•	2.88	2.40	2.88	2.40
Other Income - Rishi Consfab Pvt. Ltd.	11.09	5.89	-	-	11.09	5.89
Total	11.09	5.89	-	-	11.09	5.89
Remuneration, Commission and Sitting Fees -Mr. Harshad B. Patel -Mr. Jayesh K. Seth	:	-	47.03 0.13	42.36 0.10	47.03 0.13	42.36 0.10
-Mr. Vandan Shah	-	-	0.05	0.08	0.05	0.08
-Mr. Dinesh Mehta -Mr. Vasant D. Gorey	-	-	0.05 0.13	0.10 0.18	0.05 0.13	0.10 0.18
Total	-	-	47.39	42.81	47.39	42.81

15. Pursuant to the Micro, Small and Medium Enterprise Development Act, 2006, the Company had asked for confirmation from its vendors regarding their status under the said Act. The Company is yet to receive verifiable confirmations from the vendors and hence the amounts unpaid as at the year end together with interest payable if any, under this Act have not been given.

16. During the year, Company raised amount of ₹ 18,36,000 /- by way of issue of 91,800 Equity Shares of ₹ 10 /- each at a premium of ₹ 10 /- each under ESOP.

17. Previous years figures have been regrouped/rearranged wherever necessary.

As per our report of even date For **Alladi Krishnan & Kumar** Chartered Accountants

Ajit S. Datar Partner Membership No. 036274 Place : Mumbai

Place : Mumbai Date : 30th May, 2011 For Rishi Laser Ltd.

Chairman Harshad B. Patel

Company Secretary Supriya Joshi Directors Vasant D. Goray Jayesh K. Sheth Vandan Shah Dinesh Mehta

Annual Report 2010-11

Rishi Laser Ltd. Balance Sheet Abstract and Company's General Profile

I)	Registration Details	
	Registration No.	66412
	Balance sheet Date	31.03.2011
	State Code	11
II)	Capital Raised during the Year (Amount in ₹ Thousand)	
	Public Issue	Nil
	Bonus Issue	Nil
	Right Issue	Nil
	Private Placement	Nil
III)	Position of Mobilisation and Development of Fund (Amount in ₹ Thousand)	
	Total Liabilities	1,066,075.00
	Source of Fund	
	Paid up Capital	86,393.00
	Secured Loans	437,657.00
	Reserves and Surplus	415,505.00
	Unsecured Loans	87,458.00
	Deferred Tax Liability	39,062.00
	Total Assets	1,066,075.00
	Application of Funds	
	Net Fixed Assets	668,159.00
	Net Current Assets	308,161.00
	Accumulated Losses	Nil
	Investments	89,755.00
	Miscellaneous Expenditure	Nil
IV)	Performance of Company (Amount in ₹ Thousand)	
	Turnover	1,550,949.00
	+Profit/(Loss) Before Tax	58,909.00
	Earning Per Share in ₹	6.15
	Total Expenditure	1,451,401.00
	+Profit/(Loss) After Tax	50,454.00
	Dividend Rate %	12.5
V)	General names of The Principal Products of Company	
-	Product Discription	The Company is engaged in the Manufacturing of Sheet Metal

The Company is engaged in the Manufacturing of Sheet Metal components, Machines.

For Rishi Laser Ltd.

Chairman Harshad B. Patel

Company Secretary Supriya Joshi Directors Vasant D. Goray Jayesh K. Sheth Vandan Shah Dinesh Mehta

Rishi Laser Ltd. Statement Pursuant to Section 212 of The Companies Act, 1956

Sr. No.	Name of Company	Financial Year Ended	Extent of interest of the Holding Company in the capital of subsidiary	No. of Shares held by Company directly or through its subsidiary	Net aggregate losses of the su the current per concerns the m Holding Compa	ubsidiary for od so far as it nembers of the	,	ious financial bsidiary so far as members of the
					not dealt with or provided for in the accounts of Holding Company	dealt with or provided for in the accounts of Holding Company	not dealt with or provided for in the accounts of Holding Company	dealt with or provided for in the accounts of Holding Company
1	Rishi Consfab Pvt. Ltd.	31.03.2011	74%	7,696,000	₹ 68.20 Lakhs	Nil	N. A.	N. A.

For Rishi Laser Ltd.

Chairman

Harshad B. Patel

Company Secretary

Supriya Joshi

Place : Mumbai Date : 30th May, 2011 Directors

Vasant D. Goray Jayesh K. Sheth Vandan Shah Dinesh Mehta

Rishi Laser Ltd. Auditors' Report on Consolidated Accounts

We have audited the attached Consolidated Balance Sheet of Rishi Laser Ltd. and its subsidiary as at 31st March, 2011, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Company 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 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 disclosure 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 of our opinion.

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, Consolidated Financial Statements, as notified by the Companies (Accounting Standards) Rules, 2006.

In our opinion and as per the information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of Consolidated Balance Sheet, of the consolidated sate of affairs of the Company and its subsidiary as on 31st March, 2011.
- (ii) In the case of Consolidated Profit and Loss Account, of the Consolidated Profit of the Company for the year ended on that date; and
- (iii) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **ALLADI KRISHNAN & KUMAR** Chartered Accountants

Place : Mumbai Dated : 30^h May, 2011 AJIT S. DATAR Partner Membership No. 036274

Rishi Laser Ltd. Consolidated Balance Sheet as at 31st March, 2011

				(₹ in Lakhs
Particulars	Schedule		31.03.2011	31.03.2010
. SOURCES OF FUNDS				
(1) Shareholder's Funds				
a) Share Capital	1	863.93		854.75
b) Reserves and Surplus	2	4,064.81		3,629.40
			4,928.74	4,484.15
(2) Loan Funds a) Secured Loans	2	5,580.99		6,240.03
b) Unsecured Loans	3 4	874.58		817.60
	т			
(3) Minority Interest			6,455.57 299.51	7,057.63 275.55
(4) Deferred Tax Liability (Net)			444.47	468.29
TOTAL			12,128.29	12,285.62
I. APPLICATION OF FUNDS			,	
(1) Fixed Assets				
a) Gross Block	5	11,729.44		11,452.29
b) Less: Accumulated Depreciation		3,800.38		2,887.69
c) Net Block		7,929.06		8,564.60
Capital Work-in-Progress		379.28		344.35
			8,308.34	8,908.95
(2) Investments	6		127.95	87.95
(3) Current Assets, Loans and Advances	5			
a) Inventories	7	2,786.97		2,094.93
b) Sundry Debtors	8	3,713.39		2,790.01
c) Cash and Bank Balances	9	379.39		179.05
d) Loans and Advances	10	718.88		1,186.25
		7,598.63		6,250.24
Less: Current Liabilities and Provisions				
a) Current Liabilities	11	3,729.50		2,977.45
b) Provisions	12	177.13		(12.48)
		3,906.63		2,964.97
Net Current Assets			3,692.00	3,285.27
Miscellaneous Expenditure to the extent not written/off or adjusted)	13		-	3.45
÷ ,			10 100 00	10 005 00
TOTAL			12,128.29	12,285.62

Notes to Accounts

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The schedules referred to above and notes to accounts form an integral part of the Balance Sheet. As per our report of even date For Alladi Krishnan & Kumar For Rishi Laser Ltd.

Chartered Accountants

Ajit S. Datar

Partner Membership No. 036274 Place : Mumbai Date : 30th May, 2011

Chairman Harshad B. Patel

Company Secretary Supriya Joshi

Directors Vasant D. Goray Jayesh K. Sheth Vandan Shah Dinesh Mehta

Rishi Laser Ltd. Consolidated Profit and Loss for the year ended 31st March, 2011

				(₹ in Lakhs)
Particulars	Schedule		31.03.2011	31.03.2010
INCOME				
Turnover (Gross)				
Exports		1,005.15		36.26
Job Charges		1,669.36		1,416.79
Domestic		16,477.08		12,323.46
Total		19,151.59		13,776.51
Less: Excise Duty		1,346.40		993.91
Turnover (Net)		-	17,805.19	12,782.60
Other Income	14		22.44	52.28
Increase/(Decrease) in Stock	15		543.20	137.80
Total		-	18,370.83	12,972.68
EXPENDITURE				
Material Consumed/Sold	16		10,867.83	7,290.20
Manufacturing Expenses	17		2,148.12	1,561.91
Personnel Cost	18		2,004.18	1,663.32
Administrative and Other Expenses	19		536.24	519.44
Selling and Distribution Expenses	20		186.92	152.03
Financial Expenses	21		984.80	1,023.59
Depreciation			925.37	664.72
Total		-	17,653.46	12,875.21
PROFIT/(LOSS) BEFORE TAX			717.37	97.47
Less: Provision For Tax				
Current Tax			189.16	11.29
Deferred Tax			(23.84)	71.33
Profit/(Loss) After Tax & Before Extra Ordinary Items & Prior Period Items	5		552.05	14.85
Less: Extra-ordinary Item			(15.00)	(20.00)
Less: Prior Period Items			(15.74)	1.72
Less: Tax on Extra Ordinary Items and Prior Period Items			4.98	6.74
Net Profit/(Loss)			577.81	26.39
Less: Minority Interest			23.96	5.15
Profit After Minority Interest			553.85	21.24
Add: Balance brought forward from previous year			253.04	231.80
Profit available for appropriation			806.89	253.04
Appropriations:				
Proposed Dividend			107.99	-
Tax on Dividend Distributed			17.94	-
General Reserve			75.00	-
Surplus Carried to Balance Sheet			605.96	253.04
Earnings per share - Basic (Face Value of ₹ 10/- each)			6.44	0.26
Earnings per share - Diluted (Face Value of ₹ 10/- each)			6.40	0.26

Notes to Accounts

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Accounts.

As per our report of even date For **Alladi Krishnan & Kumar** Chartered Accountants

Ajit S. Datar Partner Membership No. 036274 Place : Mumbai Date : 30th May, 2011

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For Rishi Laser Ltd.

Chairman

Harshad B. Patel Va Ja Company Secretary Va Supriya Joshi Di

Directors Vasant D. Goray Jayesh K. Sheth Vandan Shah Dinesh Mehta

		(₹ in Lakhs)
	31.03.2011	31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	717.37	97.47
Add:		
1. Depreciation	925.37	664.72
2. Interest Paid	984.80	1,023.59
3. Interest Received	(10.65)	(8.42)
4. Capital Reserve	(1.41)	(1.41)
5. Rent Received	(9.90)	(10.92)
6. (Profit)/Loss on Sale of Assets	(0.23)	(30.87)
7. Extraordinary Items	15.00	(1.72)
8. Previous year adjustment	1.83	20.00
	2,622.18	1,752.44
Adjustments for :		
Decrease/(Increase) in Inventories	(692.04)	(528.47)
Decrease/(Increase) in Trade Receivables	(923.38)	(531.92)
Decrease/(Increase) in Loans and Advances	467.37	(65.55)
(Decrease)/Increase in Trade Payable	752.07	1,145.62
Decrease/(Increase) in Pre-operative expenses	3.45	(0.44)
(Increase)/Decrease in Working Capital	(392.53)	19.24
Cash Generated from Operation	2,229.65	1,771.68
Less:		
Income Tax Paid	(116.56)	(21.12)
(A) Net Cash Flow from Operating Activities	2,113.09	1,750.56
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(144.16)	(73.29)
Capital Work-in-Progress	(242.88)	(327.83)
Sale of Fixed Assets	62.53	156.78
Sale/(Purchase) of Investment	(40.00)	-
Interest Received	10.65	8.42
Rent Received	9.90	10.92
(B) Net Cash Flow from Investing Activities	(343.96)	(225.00)

Rishi Laser Ltd. Consolidated Cash Flow Statement for the year ended 31st March, 2011

		(₹ in Lakhs)
	31.03.2011	31.03.2010
C. CASH FLOW FROM FINANCING		
Share Capital	9.18	59.78
Increase/(Decrease) in working capital loan	405.26	(599.03)
Share Premium	9.18	158.78
Share Warrant Application Money	-	-
Share Issue Expenses	(0.28)	(0.98)
Minority Interest		270.40
Secured Loans		
Term Loans (Net of repayment)	(1,051.08)	(673.02)
Vehicle Loan (Net of repayment)	(13.23)	9.99
Unsecured Loans		
Deferral Sales Tax	(11.03)	(16.67)
Unsecured Loan	68.01	319.22
Interest Paid		
Bank	(569.96)	(505.24)
Term Loans	(414.84)	(518.35)
C. Net Cash Flow From Financing	(1,568.79)	(1,495.12)
Net Increase in Cash and Cash Equivalents (A + B + C)	200.34	30.44
Opening Balance	179.05	148.61
Closing Balance	379.39	179.05

As per our report of even date For **Alladi Krishnan & Kumar** Chartered Accountants

Ajit S. Datar Partner Membership No. 036274 Place : Mumbai Date : 30th May, 2011

For Rishi Laser Ltd.

Chairman Harshad B. Patel Company Secretary Supriya Joshi Directors Vasant D. Goray Jayesh K. Sheth Vandan Shah Dinesh Mehta

Rishi Laser Ltd. Schedules forming part of Consolidated Accounts

		(₹ in Lakhs)
SCHEDULE 1 : SHARE CAPITAL	31.03.2011	31.03.2010
Equity Share Capital		
Authorised	1 500 00	1 500 00
1,50,00,000 (P.Y. 1,50,00,000) Equity shares of ₹ 10/- each Issued, Subscribed and Paid Up	1,500.00	1,500.00
86,39,300 (P.Y. 85,47,500) Equity Shares of ₹ 10/- each fully paid up	863.93	854.75
	863.93	854.75
SCHEDULE 2 : RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	11.17	12.58
Less: Transferred to Profit and Loss Account	(1.41)	(1.41)
	9.76	11.17
General Reserve		
As per last Balance Sheet	671.40	604.40
Add: Transferred from Share Application Money	-	67.00
Add: Transferred from Profit and Loss Account	75.00	-
	746.40	671.40
Share Premium	2 602 70	2 525 00
As per last Balance Sheet Add: Received during the year	2,693.79 9.18	2,535.99 158.78
Add. Neceived during the year		
Less: Share issue expenses	2,702.97 0.28	2,694.77 0.98
Less. Share issue expenses	2,702.69	2,693.79
Equity Share Warrant	2,702.03	2,033.75
Equity Share Warrant	_	67.00
Less: Application Money transferred to General Reserve	-	67.00
	-	-
Profit and Loss Account	605.96	253.04
	4,064.81	3,629.40
SCHEDULE 3 : SECURED LOANS		
Term Loan - From Banks	2,654.87	3,636.74
(Secured by mortgage over company's specific Land and Building and Hypothecation of specific Plant and Machinery)		
From Gujarat Industrial Development Corporation	76.53	145.74
(Secured by Plot No.733 & 735 at Savli Industrial Estate)		
Term Loan Vehicle	24.09	37.32
(Against hypothecation of Vehicles)		
Working Capital Loan - Banks (Against exclusive hypothecation charge on stocks i.e. Raw-materials,	2,825.50	2,420.23
Stock-in-Process, Finished goods, Stores and Spares and Book Debts of Company)		
	5,580.99	6,240.03
SCHEDULE 4 : UNSECURED LOANS		,
Short Term Loans and Advances	265.01	162.81
Deferred Sales Tax Liabilities	457.22	468.25
Loan from Directors	152.35	186.54
	874.58	817.60

Particulars Balance as on a 10.3.2011 Deduce so on a 10.3.2011 Balance as on a 10.3.2011 Particulars as on a 10.3.2011 Balance as on a 10.3.2011 A on a 10.2.2011 A on a 10.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2.2			Gross Block	Block			Depreciation	iation		Net E	Net Block
378.90 $ 378.90$ $ -$		Balance as on 01.04.2010	Additions	Deduc- tions	Balance as on 31.03.2011	Op. Balance		On deductions	Balance as on 31.03.2011	As on 31.03.2011	As on 31.03.2010
11490 4039 11430 4039 11430 11430 11430 11430 11430 11430 11430 11430 11430 11430 11430 11430 11430 11430 11430 11140 11430 11140 111100 111100 111100 111100 111100 111100 111100 111100 111100 111100 111100 1111000 11111000 1111000 11110	Free Hold Land	378.90	,		378.90				,	378.90	378.90
2,001.65 43.34 2,044.90 245.79 58.33 3,04.11 1,740.80 1 7,705.97 190.42 63.51 7,832.88 2,343.14 768.27 12.51 3,103.13 4,729.75 1 310.22 3.14 313.36 90.69 28.87 19.55 193.81 1 310.22 3.14 24.68 313.36 90.69 28.87 19.55 193.81 314.51 24.68 310.22 313.36 7.59 330.04 19.56 95.48 113.75 17.23 21.69 7.51 7.51 83.77 255.42 113.75 17.23 17.23 7.91 0.70 7.91 83.76 113.75 17.53 17.53 7.91 0.70 2.51 85.64 113.76 17.73 11.91 2.51 0.70 2.51 85.60 114.64 11.64 11.61 2.59 9.75 1.00.34 7.66	Lease Hold Land	314.99	40.39	I	355.38	I	I	ı	ı	355.38	314.99
vi/105.01 190.42 63.51 7,832.88 2,343.14 766.27 11.515 3,103.15 4,729.75 ns 310.22 3.14 313.36 90.69 28.87 119.55 193.81 ns 310.22 3.14 313.36 53.73 90.69 28.87 193.81 314.51 24.68 339.19 53.73 30.04 83.77 255.42 113.75 17.23 217.29 339.19 27.59 7.91 85.74 255.42 113.75 17.23 21.50 7.91 27.91 27.91 25.51 25.54 1001 1.15 21.91 27.91 27.91 27.91 25.59 25.54 140.60 1.15 21.91 21.91 21.91 21.95 25.41 25.61 25.61 114.84 6.20 12.81 21.91 21.91 21.91 21.95 21.91 21.65	Factory Building	2,001.65	43.34	ı	2,044.99	245.79	58.33	I	304.11	1,740.88	1,755.86
NS 310.22 3.14 . 313.36 90.69 28.87 . 119.55 193.31 314.51 24.68 . 339.19 53.73 30.04 . 83.77 255.42 113.75 17.23 . 130.98 27.59 7.91 . 83.77 255.42 113.75 17.23 . 130.98 27.59 7.91 . 83.77 255.42 113.75 17.23 . 130.98 27.59 7.91 . 85.42 85.43 110.01 1.15 21.09 1.101 2.95 95.46 85.43 140.60 17.74 . 140.16 17.46 81.77 18.57 9.31.1 140.60 17.74 . 18.57 9.51 9.56 95.46 140.60 17.46 19.51 18.57 9.51 9.25 9.25 9.25 140.50 8.94 14.55 9.55 9.25 9.25 9.26	Plant and Machinery	7,705.97	190.42	63.51	7,832.88	2,343.14	768.27	12.51	3,103.13	4,729.75	5,362.83
314.5124.68.330.1953.7330.04.83.77255.42113.7517.23.130.9827.597.91.83.77255.4210.011.15.130.9827.597.91.83.778.6546.856.201.2551.8011.012.980.318.6546.856.201.2551.8011.012.980.318.65140.6017.741.85781.7718.5713.698.91140.8017.74518.9481.7718.5713.698.91140.808.94112.4632.169.724.1137.7874.08144.846.568.94112.4632.169.724.1137.7874.68144.8255.0873.0914.72.942.887.6995.5316.9373.9073.90144.8255.0873.0664.722.350.6964.722.87.698.64.607.90	Electrical Installations	310.22	3.14	ı	313.36	90.69	28.87	ı	119.55	193.81	219.53
113.7517.23.130.9827.597.91.35.5095.4810.011.15.11.161.810.70.36.518.6546.856.201.2551.8011.012.980.3113.698.65140.6017.74.158.3481.7718.57.10.03458.00140.6017.74.158.3481.7718.57.100.3458.00144.608.94112.4632.1637.764.1137.7874.68144.528.9373.7011.729.442.887.699.724.1137.7874.6814,452.29350.8573.7011,729.442,887.69925.3916.93390.367,920.6610,850.91982.30380.92380.9214,5229664.72123.322,887.698,564.60	Tools and Dies	314.51	24.68	ı	339.19	53.73	30.04	ı	83.77	255.42	260.78
10.011.1511.1611.1611.162.51.8011.810.702.518.6546.856.201.2551.8011.012.980.3113.6938.11140.6017.747.8381.7718.5718.57100.3458.00140.6017.7458.0432.1632.169.724.1137.7858.00114.846.568.94112.4632.169.724.1137.7874.6811,452350.8573.7011,729.442,887.69925.3916.9373.7074.6810,850.10982.30380.9214,922.94664.72123.322,887.698,564.60	Furniture	113.75	17.23	I	130.98	27.59	7.91	I	35.50	95.48	86.16
46.856.201.2551.8011.012.980.3113.6938.11140.6017.74-158.3481.7718.57-100.3458.00140.846.568.94112.4632.169.724.1137.7874.68114.846.568.94112.4632.169.724.1137.7874.68114.82350.8573.7011,729.442,887.69925.3916.933,90.387,929.0610,850.91982.30380.9211,452.292,350.69664.72123.322,887.698,564.60	Fixtures	10.01	1.15	ı	11.16	1.81	0.70	ı	2.51	8.65	8.20
140.60 17.74 - 158.34 81.77 18.57 - 100.34 58.00 114.84 6.56 8.94 112.46 32.16 9.72 4.11 37.78 74.68 11.452.29 350.85 73.70 11,729.44 2,887.69 925.39 16.93 3,800.38 7,929.06 ar 10,850.91 982.30 380.92 11,452.29 2,887.69 664.72 16.93 3,800.38 7,929.06	Office Equipments	46.85	6.20	1.25	51.80	11.01	2.98	0.31	13.69	38.11	35.84
114.84 6.56 8.94 112.46 32.16 9.72 4.11 37.78 74.68 11,452.29 350.85 73.70 11,729.44 2,887.69 925.39 16.93 3,800.38 7,929.06 ar 10,850.91 982.30 380.92 11,452.29 2,350.69 664.72 123.32 2,887.69 8,564.60	Computers	140.60	17.74	ı	158.34	81.77	18.57	I	100.34	58.00	58.83
11,452.29 350.85 73.70 11,729.44 2,887.69 925.39 16.93 3,800.38 7,929.06 ar 10,850.91 982.30 380.92 11,452.29 2,350.69 664.72 123.32 2,887.69 8,564.60	Vehicles	114.84	6.56	8.94	112.46	32.16	9.72	4.11	37.78	74.68	82.68
10,850.91 982.30 380.92 11,452.29 2,350.69 664.72 123.32 2,887.69	Grand Total	11,452.29	350.85	73.70	11,729.44	2,887.69	925.39	16.93	3,800.38	7,929.06	8,564.60
	Previous Year	10,850.91	982.30	380.92	11,452.29	2,350.69	664.72	123.32	2,887.69	8,564.60	

Rishi Laser Ltd. Schedules forming part of Consolidated Accounts

Annual Report 2010-11

Rishi Laser Ltd. Schedules forming part of Consolidated Accounts

		(₹ in Lakhs
SCHEDULE 6 : INVESTMENTS	31.03.2011	31.03.2010
Long Term (At Cost/Book Value)		
Non-Trade - Unquoted		
Lotus Fabrication Pvt. Ltd - Unquoted [4,980 Equity Shares of ₹ 10/- each fully paid up]	0.50	0.50
Centennial Finance Ltd Unquoted [27,000 Equity Shares of ₹ 10/- each fully paid up]	2.70	2.70
Cosmos Co-op. Bank Ltd Unquoted [25 Equity Shares of ₹ 100/- each fully paid up]	0.03	0.03
Rishi Technical Services Pvt. Ltd Unquoted [4,900 Equity Shares of ₹ 10/- each fully paid up]	0.49	0.49
Centennial Fabrics Ltd Unquoted [4,00,000 Equity Shares of ₹ 10/- each fully paid up]	40.00	-
Non Trade - Quoted		
Rishi Techtex Ltd Quoted [2,01,347 (P.Y. ₹ 2,01,347) Equity Shares fully paid up at cost] [Market Value ₹ 25.25 (P.Y. ₹ 15.12)]	74.23	74.23
UTI INFRASTRUCTURE FUND - Growth - Quoted [25,463 (P.Y. ₹ 1,00,000) Units]	10.00	10.00
[Market Value ₹ 8.39 (P.Y. ₹ 9.20)]	127.95	87.95
1. Aggregate value of unquoted investments	43.72	3.72
2. Aggregate value of quoted investments	84.23	84.23
Total	127.95	87.95
SCHEDULE 7 : INVENTORIES (As verified, valued and certified by the Management)		
Raw Materials	972.89	733.49
Work-in-Progress	1,686.80	1,143.59
Stores and Spares	127.28	217.85
	2,786.97	2,094.93
SCHEDULE 8 : SUNDRY DEBTORS (Unsecured and considered good)		
Debts outstanding for a period exceeding six months	721.77	362.14
Other debts	2,991.62	2,427.87
	3,713.39	2,790.01
SCHEDULE 9 : CASH AND BANK BALANCES		
Cash in Hand	6.30	5.30
Balances with scheduled banks:		
In Current Account	128.36	77.76
In Margin and Deposit Account	244.73	95.99
	379.39	179.05

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6) 6)

Rishi Laser Ltd. Schedules forming part of Consolidated Accounts

		(₹ in Lakhs
SCHEDULE 10 : LOANS AND ADVANCES	31.03.2011	31.03.2010
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind or for value to be received	80.67	61.55
Inter Corporate Deposits	-	335.54
Balances with customs, excise, etc.	343.34	453.84
Deposits - others	191.50	151.63
VAT Credit (Input) Receivable	91.98	144.23
Others	11.39	39.46
	718.88	1,186.25
SCHEDULE 11 : CURRENT LIABILITIES		
Sundry Creditors	3,398.66	2,647.40
Inter Corporate Deposits	-	37.94
Other Liabilities	330.84	292.11
	3,729.50	2,977.45
SCHEDULE 12 : PROVISIONS		
Provision for taxation (Net of advance tax payments)		
Provision for taxation	219.08	122.83
Less: Advance Tax Payment	86.29	55.00
TDS Receivable	80.69	79.41
Provision for Fringe Benefit Tax	5.91	5.91
Less: Advance Tax Payment	6.81	6.81
Proposed Dividend	107.99	
Tax on Proposed Dividend	17.94	-
	177.13	(12.48)
SCHEDULE 13 : MISCELLANEOUS EXPENDITURE		
Deferred revenue Expenses	-	3.45
	-	3.45
SCHEDULE 14 : OTHER INCOME		
Interest [T.D.S. ₹ 0.83 (P.Y. ₹ 0.21)]	10.65	8.42
Others	11.79	43.86
	22.44	52.28
SCHEDULE 15 : INCREASE/(DECREASE) IN STOCK Closing Stock	1,686.79	1,143.59
Opening Stock	1,000.79	1,005.79
	543.20	137.80
	545.20	137.00
SCHEDULE 16 : RAW MATERIALS CONSUMED		
Opening Stock	733.49	359.90
Add: Purchases	11,107.23	7,663.79
Total	11,840.72	8,023.69
Less: Closing Stock	972.89	733.49
	10,867.83	7,290.20

Rishi Laser Ltd. Schedules forming part of Consolidated Accounts

		(₹ in Lakh
SCHEDULE 17 : MANUFACTURING EXPENSES	31.03.2011	31.03.2010
Consumable Stores and Spares (Indigenous)	711.51	425.71
Consumable Stores and Spares (Import)	89.10	74.24
Power and Fuel	544.27	485.43
Repairs and Maintenance - P & M	194.28	163.75
Factory Expenses	22.68	19.47
Processing Charges	571.34	379.18
Gas Cylinder Rent	14.94	14.13
	2,148.12	1,561.91
SCHEDULE 18 : PERSONNEL COST		
Salaries, wages and bonus	1,831.89	1,507.08
Contribution to provident fund	46.11	43.66
Gratuity Expenses	7.79	12.92
Other post Employment funds	24.73	17.63
Workmen and staff welfare expenses	46.63	39.67
Managerial Remuneration	47.03	42.36
	2,004.18	1,663.32
SCHEDULE 19 : ADMINISTRATIVE AND OTHER EXPENSES		
Rent, Rates and Taxes	145.80	143.19
Legal and Professional Charges	99.08	76.90
Insurance Expenses	6.24	6.08
Repairs and Maintenance - Building	20.66	16.28
Repairs and Maintenance - Others	29.43	31.54
Communication Cost	28.33	30.97
Printing and Stationery Expenses	23.50	20.96
Travelling Expenses	37.39	28.23
Foreign Exchange (Gain)/Loss	(18.84)	(1.02)
Director's Sitting Fees	0.35	0.45
Other - Administrative Expenses	156.14	157.46
Auditor Remuneration	8.16	8.40
	536.24	519.44
SCHEDULE 20 : SELLING AND DISTRIBUTION EXPENSES		
Distribution Expenses	167.20	138.33
	197.20	138.33
Selling Expenses		
	186.92	152.03
SCHEDULE 21 : FINANCIAL EXPENSES		
Interest on Term Loans	414.84	518.35
Interest on Working Capital Loans	326.52	321.60
Other Interest Bank Charges and Other Financial Charges	164.95 78.49	106.70 76.94
Dank Charges and Other Einandial Charges		
	984.80	1,023.59

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SCHEDULE 22 : NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

1. Significant Accounting Policies

(i) Basis of Accounting

The financial statements are prepared under the historical cost convention in accordance with the applicable mandatory accounting standards and relevant provisions of the Companies Act, 1956.

(ii) Principal of Consolidation

The Consolidation of accounts is prepared in accordance with the requirement of Accounting Standard 21 (AS 21)" Consolidated Financial Statements". The Consolidated financial statement include the financial statements of Rishi Laser Ltd. ('the parent company") and its subsidiary Rishi Consfab P. Ltd.

(iii) Fixed Assets

Fixed Assets are stated at cost of acquisition (net of recoverable taxes & Government grants wherever availed) or construction or other amounts substituted for historical costs on revaluation less accumulated depreciation. Expenses capitalised also include applicable borrowing cost.

- (iv) Depreciation
 - a) Depreciation on fixed assets is provided on the Straight Line Method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.
 - b) All individual items of fixed assets, where the actual cost does not exceed ₹ 5,000 each have been written off entirely in the year of acquisition.
- (v) Inventories
 - 1) Raw Material, Stores and Spares are valued at cost on Weighted Average.
 - 2) Work-in-Progress is Valued at Cost representing materials, Labour and apportioned overheads.
 - 3) Scrap is Valued at Net Realisable Value.
- (vi) Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are restated at year end exchange rates. Exchange differences arising on the settlement of foreign currency monetary items or on reporting Company's foreign currency monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements, are recognised as income or expense in the year in which they arise.

(vii) Retirement Benefits

Company has booked gratuity and leave encashment as per actuarial valuation as per Accounting Standard 15 (Revised).

(viii) Investments

Long-term investments are stated at cost, less any provision for permanent diminution in value. Current investments are stated at lower of cost and fair value.

(ix) Revenue Recognition

The Company recognises sales at the point of dispatch of goods to the customers.

(x) Income Tax

Provision for tax for the year comprises current income tax determined to be payable in respect of taxable income and deferred tax, being the tax effect of timing difference, representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s).

2. Contingent Liabilities

- (i) Guarantees given by banks on behalf of company ₹ 73.26 lakhs.
- (ii) Letter of Credit ₹ 1340.25 lakhs.

(₹ in Lakhs)

(₹ in Lakhs)

			(< In Lakns
3.	Managerial Remuneration	31.03.2011	31.03.2010
	Salaries	40.80	37.36
	Perquisites	2.99	1.79
	Provident Fund - Company Contribution	3.24	3.21
		47.03	42.36
1.	Deferred Tax (Assets)/Liabilities		
	Depreciation	(15.98)	36.22
	Bonus	(4.82)	(1.06)
	Gratuity	(2.43)	(4.21)
	Leave Encashment	(0.61)	(1.59)

5. Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets relating to unabsorbed depreciation/business losses are reconginsed and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred.

- 6. Unclaimed Dividend Account is under reconciliation
- 7. Related Party Disclosure

(A) List of Related Parties with

- (a) Related parties where common control exit and with whom the Company had transaction during the year
 - (1) Rishi Techtex Ltd. (Formerly known as Rishi Packers Limited)
 - (2) Rishi Technical Services Pvt. Ltd.
- (b) Directors
 - Mr. Harshad B. Patel
 - Mr. Jayesh K. Seth
 - Mr. Vandan Shah
 - Mr. Dinesh Mehta
 - Mr. Vasant D. Goray

(B) List of Transactions with Related Party

					(
	Asso	Associates Key Manage Personne		-	t Total		
Nature of Transaction	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	
Loans/Advances/Deposits disbursed during the year							
- Rishi Techtex Ltd.	-	40.00	-	-	-	40.00	
- Harshad B. Patel	-	-	37.50	50.71	37.50	50.71	
- Rishi Technical Services Pvt. Ltd.	26.44	27.26	-	-	26.44	27.26	
Total	26.44	67.26	37.50	50.71	63.94	117.97	
Loans/Advances/Deposits repayment received during the year							
- Rishi Techtex Ltd.	27.59	38.00	-	-	27.59	38.00	
- Harshad B. Patel	-	-	10.00	221.00	10.00	221.00	
Total	27.59	38.00	10.00	221.00	37.59	259.00	
Interest Received							
- Rishi Techtex Ltd.	0.83	1.30	-	-	0.83	1.30	
Total	0.83	1.30	-	-	0.83	1.30	

Rishi Laser Ltd. Notes to the Accounts

					(₹ in Lakhs)
	Asso	ciates	Key Man Perse	agement onnel	Total	
Nature of Transaction	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10
Interest Paid						
- Harshad B. Patel	-	-	27.22	16.24	27.22	16.24
Total	-	-	27.22	16.24	27.22	16.24
Sales						
- Rishi Techtex Ltd.	0.43	-	-	-	0.43	-
Total	0.43	-	-	-	0.43	-
Purchases						
- Rishi Techtex Ltd.	0.10	0.01	-	-	0.10	0.01
Total	0.10	0.01	-	-	0.10	0.01
Rent Received						
- Rishi Techtex Ltd.	2.40	2.40	-	-	2.40	2.40
- Rishi Technical Services Pvt. Ltd.	0.36	0.36	-	-	0.36	0.36
Total	2.76	2.76	-	-	2.76	2.76
Professional Fees paid						
- Rishi Technical Services Pvt. Ltd.	8.19	9.15	-	-	8.19	9.15
Total	8.19	9.15	-	-	8.19	9.15
Rent Paid						
- Harshad B. Patel	-	-	2.88	2.40	2.88	2.40
Total	-	-	2.88	2.40	2.88	2.40
Remuneration, Commission and Sitting Fees						
-Mr. Harshad B. Patel	-	-	47.03	42.36	47.03	42.36
-Mr. Jayesh K. Seth	-	-	0.13	0.10	0.13	0.10
-Mr. Vandan Shah	-	-	0.05	0.08	0.05	0.08
-Mr. Dinesh Mehta	-	-	0.05	0.10	0.05	0.10
-Mr. Vasant D. Gorey	-	-	0.13	0.18	0.13	0.18
Total	-	-	47.39	42.81	47.39	42.81

8. Pursuant to the Micro, Small and Medium Enterprise Development Act, 2006, the Company had asked for confirmation from its vendors regarding their status under the said Act. The Company is yet to receive verifiable confirmations from the vendors and hence the amounts unpaid as at the year end together with interest payable if any, under this Act have not been given.

9. During the year, Company raised amount of ₹ 18,36,000/- by way of issue of 91,800 Equity Shares of ₹ 10/- each at a premium of ₹ 10/- each under ESOP.

10. Previous years figures have been regrouped/rearranged wherever necessary.

As per our report of even date For **Alladi Krishnan & Kumar** Chartered Accountants

Ajit S. Datar Partner Membership No. 036274 Place : Mumbai Date : 30th May, 2011 For Rishi Laser Ltd.

Chairman Harshad B. Patel

Company Secretary Supriya Joshi Directors Vasant D. Goray Jayesh K. Sheth Vandan Shah Dinesh Mehta

The Members,

Rishi Consfab Private Limited

Your Directors have pleasure in presenting their Annual Report along with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS:

		(₹ in Lakhs)
	2010-11	2009-10
Turnover (Net)	3,674.76	1,809.19
Profit before Interest, Depreciation and Tax	444.27	242.06
Interest	183.67	113.69
Depreciation	132.32	55.09
Profit before Tax	128.28	73.28
Provision for Tax	37.45	53.28
Profit after Tax	90.83	20.00

OPERATING RESULTS:

During the first full year of operation your Company achieved sales of ₹ 3674.76 lakhs and Profits of ₹ 90.83 lakhs. The Net Profit is at a lower side (2.47% of sales) and needs to improve to provide reasonable return on investment.

CURRENT YEAR:

Your Company has budgeted sales turnover of ₹ 50/- crores for the current Year. With the increase in demand for construction equipment, the Company expects L&T Komatsu Ltd. (the sole customer of the Company) to book good orders from its customers which in turn will improve Company's prospects in the current year.

DIRECTORS:

Dr. M. Pushpangadan retires by rotation and being eligible, offers himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT:

Your Directors hereby Report:

- a) that in the preparation of annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures; if any;
- b) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2011;
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have prepared the annual accounts on a going concern basis.

COMPLIANCE CERTIFICATE:

The Compliance Certificate issued by a Practising Company Secretary is enclosed.

FIXED DEPOSITS:

During the period under Report the Company has not accepted Fixed Deposits from Public.

Rishi Consfab Pvt. Ltd. Directors' Report

INSURANCE:

All the properties of the Company have been adequately insured against fire, riot, earthquake and various other risks.

PARTICULARS OF EMPLOYEES:

During the period under report there were no appointments of employees drawing remuneration in excess of limits laid down under Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975.

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

A) CONSERVATION OF ENERGY:

The Company has implemented energy conservation measures at its plant at Bengaluru.

The Company is operating latest Laser Cutting Machines which consumes less electricity in its operations as compared to similar machines of earlier generation. The Form 'A' prescribed under the rules is not applicable to the Company since the Company does not fall in the industries, specified in Schedule to the Rules.

B) TECHNOLOGY ABSORPTION:

FORM B

The Company is not carrying out any R & D Operations but is assisting its customers in prototyping and developing import substitute items.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

The Company has not imported any Technology.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

There has been no earning and outgo of foreign exchange during the year.

AUDITORS:

M/s. Alladi Krishnan & Kumar, Chartered Accountants, Statutory Auditors of the Company retire and offer themselves for re-appointment. The Company has obtained the requisite certificate required under Section 224 of the Companies Act, 1956, to the effect that their re-appointment, if made, will be in conformity with the limits specified in the said section.

For and on behalf of the Board

Date : 17th May, 2011 Place : Mumbai Harshad B. Patel Chairman Co.CIN. No. U28112MH2008PTC178448 Authorised Capital: ₹ 11,00,00,000/-Paid Up Capital: ₹ 10,40,00,000/-

The Members of RISHI CONSFAB PRIVATE LIMITED MUMBAI

I have examined the registers, records, books and papers of **RISHI CONSFAB PRIVATE LIMITED** ("the Company") as required to be maintained under the Companies Act, 1956, ("the Act") and the rules made there-under and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on 31st March, 2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

- 1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there-under and all entries therein have been duly recorded.
- 2. The Company has filed forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities.
- 3. The Company being a Private Limited Company has the minimum prescribed paid-up capital and its maximum number of members, during the said financial year was Two (2) excluding its present and past employees and the Company during the year under scrutiny:
 - a) has not invited public to subscribe for its shares or debentures; and
 - b) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
- 4. The Board of Directors duly met Four times respectively on 16th April, 2010; 12th August, 2010; 28th October, 2010 and 28th January, 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
- 5. The Company was not required to close its Register of Members or Debenture holders during the financial year.
- 6. The annual general meeting for the financial year ended on 31st March, 2010 was held on 30th June, 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- 7. No Extra-Ordinary General Meetings during the financial year.
- 8. The Company being a private limited company, Section 295 of the Companies Act, 1956 is not applicable.
- 9. As informed, the Company has not entered into any contracts falling within the purview of Section 297 of the Act.
- 10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.
- 11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
- 12. The Company has not issued any duplicate share certificates during the financial year.
- 13. The Company has:
 - a) There was no Allotment of shares or any kind of securities during the financial year.
 - b) The Company has not deposited the amount of dividend in a separate Bank Account as no dividend was declared.
 - c) The Company was not required to post dividend warrants as no dividend was declared.
 - d) With regards to transfer of amounts remained unclaimed or unpaid for a period of seven years towards unpaid dividend account, outstanding application money due for refund, matured deposits, matured debentures and the interest accrued thereon to investors to be transferred to the Investor Education and Protection Funds the provisions are not applicable to this Company.
 - e) Duly complied with the requirements of Section 217 of the Act.

Rishi Consfab Pvt. Ltd. Compliance Certificate

- 14. The Board of Directors of the Company is duly constituted. The appointment of additional directors, alternate directors and directors to fill casual vacancies has been duly made.
- 15. The Company being a private limited company, provisions of Section 269 of the Act with regard to appointment of Managing Director, Whole-time Director/Manager are not applicable.
- 16. The Company has not made any appointment of sole selling agents and hence compliance of the provisions of the Act is not applicable.
- 17. As informed, the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
- 18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there-under.
- 19. The Company has not issued and allotted Equity shares during the financial year.
- 20. The Company has not bought back any shares during the financial year ended 31st March, 2011.
- 21. There was no redemption of preference shares or debentures during the financial year.
- 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
- 23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
- 24. The Company, being a private company, the borrowings made during the financial year do not attract provisions of Section 293 (1) (d).
- 25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies and hence compliance with the provisions of the Act does not apply.
- 26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny and hence compliance with the provisions of the Act does not apply.
- 27. The Company has not altered the provisions of the memorandum with respect to objects of the Company during the year under scrutiny and hence compliance with the provisions of the Act does not apply.
- 28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny and hence compliance with the provisions of the Act does not apply.
- 29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny and have complied with the provisions of the Act in this respect.
- 30. The Company has altered its Articles of Association during the year under scrutiny and have complied with the provisions of the Act in this respect.
- 31. As informed, there were no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and there were no fines and penalties or any other punishment imposed on the Company for violation of any of the provisions of the Act.
- 32. The Company has not received any security deposit from employees during the year under certification and hence provisions of Section 417 (1) of the Act does not apply.
- 33. As informed, the Company has deposited employees and employer's contribution to Provident Fund with Prescribed authorities pursuant to Section 418 of the Act.

Signature

Place : Mumbai Date : 17th May, 2011 SHWETA R. PARWANI Company Secretary C.P. No. 3585

ANNEXURE A

Registers as maintained by the Company

- 1. Register of Members u/s 150
- 2. Register of Share Transfer u/s 108
- 3. Register of Directors, Managing Directors etc. u/s 303
- 4. Register of Directors' Share holding u/s 307
- 5. Minutes Book of Meetings of Board of Directors and General Body Meeting u/s 193
- 6. Register and Books of Accounts u/s 209
- 7. Register of Charges u/s 143

ANNEXURE B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March, 2011.

- 1. Annual Return u/s 159 for AGM held on 30th June, 2010 Filed Form 20 B vide SRN No. P49799638 dated 19/08/2010.
- 2. Balance Sheet as on 31st March, 2010 u/s 220 filed Form 23AC Vide SRN No. P49032212 dated 27/07/2010.
- 3. Compliance Certificate filed Form 66 Vide SRN No. P49027469 dated 27/07/2010.
- 4. Form 23B Filed vide SRN No. S02868248 dated 26/07/2010.
- 5. Form 23 u/s 192 Amendment to Articles of Association Filed vide SRN No. A90036104 dated 27/07/2010.
- 6. Form 32 u/s 303 for change in designation of Two Directors File vide SRN No. A89956205 dated 26/07/2010.
- 7. Form 8 u/s 125 Modification of Charge Filed SRN No. A92116821 dated 23/08/2010.
- 8. Form 8 u/s 125 Modification of Charge Filed SRN No. A92117159 dated 23/08/2010.

Rishi Consfab Pvt. Ltd. Auditors' Report

We have audited the attached Balance Sheet of Rishi Consfab Private Limited as at 31st March, 2011, and also the Profit and Loss Account and the Cash Flow Statement of the Company 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 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 disclosure 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 of our opinion.

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

Further we state that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet referred to in this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of Companies Act, 1956.
- e) On the basis of the written representation received from the Directors and taken on record by Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and as per the information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In the case of Balance Sheet, of the sate of affairs of the Company as on 31st March, 2011.
 - (ii) In the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For ALLADI KRISHNAN & KUMAR Chartered Accountants

Place : Mumbai Dated : 17th May, 2011 AJIT S. DATAR Partner Membership No. 036274

Rishi Consfab Pvt. Ltd. Annexure to Auditors' Report

(Referred to in paragraph 3 of the Auditor's Report to the members of Rishi Consfab Private Limited for the year ended 31st March, 2011)

- 1. [a] The Company has maintained proper records showing full particulars, including quantitative details and location of the Fixed Assets.
 - [b] There is a regular program of physical verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.
 - [c] The Company has not disposed off substantial part of fixed assets during the year.
- 2. [a] Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - [b] The procedures of physical verification of stocks followed by the management are adequate in relation to the size of the Company and the nature of its business.
 - [c] The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt in the books of account.
- 3. [a] According to the information and explanations given to us the Company has not taken/granted unsecured loans, from/to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- 4. 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 purchase of stores, raw material including components, packing materials, plant and machinery, equipment and other assets and with regard to sale of goods. There is no major weakness in the internal control procedures.
- 5. In our opinion, and according to the information and explanations given to us, there were no transactions in pursuance of contracts or arrangements that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- 6. The Company has not accepted any deposits from public during the year.
- 7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8. The Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the Company.
- 9. [a] The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
 - [b] There are no disputed statutory dues pending at any forums.
- 10. Company has neither accumulated losses nor has it incurred cash losses in the financial year under report and in the preceding immediate year.
- 11. According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of dues to the financial institutions.
- 12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

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Rishi Consfab Pvt. Ltd. Annexure to Auditors' Report

- 13. As the Company is not a chit fund, nidhi, mutual benefit fund or society the provisions of Clause 4 [xiii] of the Companies (Auditors Report] Order, 2003 is not applicable to the Company.
- 14. As the Company is not dealing or trading in shares, securities, debentures and other investments, the provision of Clause 4[xiv] of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
- 15. The Company has not given any guarantee for loans taken by others.
- 16. The Company has not taken any new term loan during the year.
- 17. According to the information and explanations received, the Company has not applied short-term borrowings for long-term use and vice versa.
- 18. During the year the Company has not made preferential allotment of shares.
- 19. The Company has not issued any debentures during the year.
- 20. The Company has not raised any money by way of public issue during the year.
- 21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For ALLADI KRISHNAN & KUMAR Chartered Accountants

AJIT S. DATAR Partner Membership No. 036274

Place : Mumbai Dated : 17th May, 2011

Rishi Consfab Pvt. Ltd. Balance Sheet as at 31st March, 2011

						(₹ in Lakhs)
Partic	ulars	5	Schedule		31.03.2011	31.03.2010
I. S(OUR	CES OF FUNDS				
(1)) Sh	nareholder's Funds				
	a)	Share Capital	1	1,040.00		1,040.00
	b)	Reserves and Surplus	2	111.97		19.81
					1,151.97	1,059.81
(2)) Lo	oan Funds				
	a)	Secured Loans	3	1,204.42		1,198.66
	b)	Unsecured Loans	4	-		82.46
					1,204.42	1,281.12
(3)) De	eferred Tax Liability (Net)			53.85	41.96
ΤΟΤΑΙ	-				2,410.24	2,382.89
II. AI	PPL	ICATION OF FUNDS				
(1)) Fix	xed Assets				
	a)	Gross Block	5	1,616.27		1,602.14
	b)	Less: Accumulated Depreciation		187.39		55.09
	c)	Net Block		1,428.88		1,547.05
		Capital Work-in-Progress		370.97		327.83
					1,799.85	1,874.88
(2)) Cι	urrent Assets, Loans and Advances				
	a)	Inventories	6	291.49		262.14
	b)	Sundry Debtors	7	600.13		346.01
	c)	Cash and Bank Balances	8	1.77		17.29
	d)	Loans and Advances	9	157.07		267.41
				1,050.46		892.85
Less:	Curr	rent Liabilities and Provisions				
a)	Cι	urrent Liabilities	10	434.84		373.78
b)	Pr	ovisions	11	5.23		11.08
				440.07		384.86
Net Cu	ırrer	nt Assets			610.39	507.99
		eous Expenditure	12			0.02
(to the	exte	ent not written/off or adjusted)	12			0.02
ΤΟΤΑΙ	-				2,410.24	2,382.89

Notes to Accounts

21

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date For Alladi Krishnan & Kumar

Chartered Accountants

Ajit S. Datar

Partner Membership No. 036274 Place : Mumbai Date : 17th May, 2011

For Rishi Consfab Private Limited

Chairman Harshad B. Patel **Directors** Vasant D. Goray Ganesh P. Agrawal Dr. M. Pushpangadan K. P. Ananthagopal

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Rishi Consfab Pvt. Ltd. Profit and Loss for the year ended 31st March, 2011

Particulars	Schedule		31.03.2011	31.03.2010
INCOME				
Turnover (Gross)				
Job Charges		8.80		5.20
Domestic		4,063.54		1,969.70
Total		4,072.34		1,974.90
Less: Excise Duty		397.58		165.71
Turnover (Net)	-		3,674.76	1,809.19
Other Income	13		0.20	0.39
Increase/(Decrease) in Stock	14		34.10	137.82
Total	-		3,709.06	1,947.40
EXPENDITURE				
Material Consumed/Sold	15		2,637.22	1,380.89
Manufacturing Expenses	16		318.16	161.30
Personnel Cost	17		253.00	131.17
Administrative and Other Expenses	18		40.43	21.70
Selling and Distribution Expenses	19		15.98	10.50
Financial Expenses	20		183.67	113.69
Depreciation			132.32	55.09
Total			3,580.78	1,874.34
PROFIT/(LOSS) BEFORE TAX			128.28	73.06
Less: Provision For Tax				
Current Tax			25.56	11.29
Deferred Tax			11.89	41.96
Profit/(Loss) After Tax & Before Extra Ordinary Items & Prior Period Item	าร		90.83	19.81
Add: Prior Period Items			1.33	-
Net Profit/(Loss)			92.16	19.81
Add: Balance brought forward from previous year			19.81	-
Profit available for appropriation			111.97	19.81
Appropriations: General Reserve			-	
Surplus Carried to Balance Sheet			111.97	19.81
Earnings per share - Basic (Face Value of ₹ 10 each)			0.89	0.32
Earnings per share - Diluted (Face Value of ₹ 10 each)			0.89	0.32
Notes to Accounts	21			

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Accounts.

As per our report of even date For **Alladi Krishnan & Kumar** Chartered Accountants

Ajit S. Datar Partner Membership No. 036274 Place : Mumbai Date : 17th May, 2011

For Rishi Consfab Private Limited

Chairman Harshad B. Patel

Directors Vasant D. Goray Ganesh P. Agrawal Dr. M. Pushpangadan K. P. Ananthagopal

	31.03.2011	31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	128.28	73.06
Add:		
1. Depreciation	132.32	55.09
2. Interest Paid	183.67	113.69
3. Interest Received	(0.19)	(0.39)
4. Previous year adjustment	2.53	-
	446.61	241.45
Adjustments for:		
Decrease/(Increase) in Inventories	(29.35)	(262.14)
Decrease/(Increase) in Trade Receivables	(254.12)	(346.01)
Decrease/(Increase) in Loans and Advances	110.34	(267.41)
(Decrease)/Increase in Trade Payable	61.06	373.78
Decrease/(Increase) in Pre-operative expenses	0.02	-
(Increase)/Decrease in Working Capital	(112.05)	(501.79)
Cash Generated from Operation	334.56	(260.34)
Less:		
Income Tax Paid	(32.60)	(0.21)
(A) Net Cash Flow from Operating Activities	301.96	(260.55)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(14.96)	(1,602.14)
Capital Work-in-Progress	(43.14)	(327.83)
Sale of Fixed Assets	0.82	-
Interest Received	0.19	0.39
(B) Net Cash Flow from Investing Activities	(57.09)	(1,929.58)

(₹ in Lakhs)

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Rishi Consfab Pvt. Ltd. Cash Flow Statement for the year ended 31st March, 2011

		(₹ in Lakhs)
	31.03.2011	31.03.2010
C. CASH FLOW FROM FINANCING		
Share Capital	-	1,039.00
Increase/(Decrease) in working capital loan	205.98	201.55
Secured Loans		
Term Loans (Net of repayment)	(199.23)	994.84
Vehicle Loan (Net of repayment)	(1.00)	2.27
Unsecured Loans		
Unsecured Loan	(82.46)	82.46
Interest Paid		
Bank	(57.47)	(39.63)
Term Loans	(126.20)	(74.06)
C. Net Cash Flow From Financing	(260.38)	2,206.43
Net Increase in Cash and Cash Equivalents (A + B + C)	(15.51)	16.30
Opening Balance	17.29	0.99
Closing Balance	1.78	17.29

As per our report of even date For **Alladi Krishnan & Kumar** Chartered Accountants

Ajit S. Datar Partner Membership No. 036274 Place : Mumbai

Date : 17th May, 2011

For Rishi Consfab Private Limited

Chairman Harshad B. Patel

Directors Vasant D. Goray Ganesh P. Agrawal Dr. M. Pushpangadan K. P. Ananthagopal

(₹ in Lakhs)

SCHEDULE 1 : SHARE CAPITAL	31.03.2011	31.03.2010
Equity Share Capital		
Authorised		
1,10,00,000 (P.Y. 1,10,00,000) Equity shares of ₹ 10/- each	1,100.00	1,100.00
Issued, Subscribed and Paid Up		
1,04,00,000 (P.Y. 1,04,00,000) Equity Shares of ₹ 10/- each fully paid up	1,040.00	1,040.00
	1,040.00	1,040.00
SCHEDULE 2 : RESERVES AND SURPLUS		
Profit and Loss Account	111.97	19.81
	111.97	19.81
SCHEDULE 3 : SECURED LOANS		
Term Loan - From Banks (Secured by mortgage over company's specific Land and Building and Hypothecation of specific Plant and Machinery)	795.61	994.84
Term Loan Vehicle (Against hypothecation of Vehicles)	1.27	2.27
Working Capital Loan - Banks (Against exclusive hypothecation charge on stocks i.e. Raw-materials, Stock-in-Process, Finished goods, Stores and Spares and Book Debts of Company)	407.54	201.55
	1,204.42	1,198.66
SCHEDULE 4 : UNSECURED LOANS		
Short Term Loans and Advances	-	82.46
	-	82.46

Particulars		Gross Block	lock			Depreciation	iation		Net Block	lock
_	Balance as on 01.04.2010	Additions	Deduc- tions	Balance as on 31.03.2011	Op. Balance	For the year	On deduc- tions	Balance as on 31.03.2011	As on 31.03.2011	As on 31.03.2010
Free Hold Land	231.29			231.29	1			1	231.29	231.29
Lease Hold Land	ı	ı	I	ı	ı	ı	ı	ı	I	
Factory Building	146.00	2.38		148.38	2.83	4.94		7.77	140.61	143.17
Plant and Machinery	1,121.81	10.12	0.82	1,131.11	47.74	116.46	0.01	164.19	966.92	1,074.07
Electrical Installations	26.30	1.00	I	27.30	1.13	2.75		3.88	23.42	25.17
Tools and Dies	68.29	0.23	I	68.52	2.93	7.29		10.22	58.30	65.36
Furniture			I	ı	,		·	ı	ı	·
Fixtures		·	I	ı				ı	ı	ı
Office Equipments	2.50	0.30	ı	2.80	0.09	0.17		0.26	2.54	2.41
Computers	1.11	0.92	ı	2.03	0.09	0.25		0.34	1.69	1.02
Vehicles	4.84	·	ı	4.84	0.27	0.46		0.73	4.11	4.57
Grand Total	1,602.14	14.95	0.82	1,616.27	55.08	132.32	0.01	187.39	1,428.88	1,547.06
Previous Year		1,602.14		1,602.14		55.08		55.08	1,547.06	

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•••••• Rishi Laser Ltd. 103 💸

		(₹ in Lakhs
SCHEDULE 6 : INVENTORIES	31.03.2011	31.03.2010
(As verified, valued and certified by the Management)		
Raw Materials	102.14	110.08
Work-in-Progress	171.93	137.82
Stores and Spares	17.42	14.24
	291.49	262.14
SCHEDULE 7 : SUNDRY DEBTORS (Unsecured and considered good)		
Debts outstanding for a period exceeding six months	0.94	2.49
Other debts	599.19	343.52
	600.13	346.01
SCHEDULE 8 : CASH AND BANK BALANCES		
Cash in Hand	0.09	0.22
Balances with scheduled banks:		
In Current Account	1.68	2.28
In Margin and Deposit Account	-	14.79
	1.77	17.29
SCHEDULE 9 : LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated) Advances recoverable in cash or kind or for value to be received	13.94	0.96
Balances with customs, excise, etc.	49.41	120.20
Deposits - others	4.81	4.81
VAT Credit (Input) Receivable	88.91	141.44
Others		
	157.07	267.41
SCHEDULE 10 : CURRENT LIABILITIES		
Sundry Creditors	412.74	361.43
Other Liabilities	22.10	12.35
	434.84	373.78
SCHEDULE 11 : PROVISIONS		
Provision for taxation (Net of advance tax payments)		
Provision for taxation	36.85	11.29
Less: Advance Tax Payment	31.29	-
TDS Receivable	0.33	0.21
	5.23	11.08
	5.23	11.00
SCHEDULE 12 : MISCELLANEOUS EXPENDITURE		
Deferred revenue Expenses	-	0.02
	-	0.02
SCHEDULE 13 : OTHER INCOME		
Interest	0.19	0.39
Others	0.01	-
		0.20
	0.20	0.39

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SCHEDULE 14 : INCREASE/(DECREASE) IN STOCK Closing Stock	31.03.2011	
Closing Stock		31.03.2010
5	171.92	137.82
Opening Stock	137.82	-
	34.10	137.82
SCHEDULE 15 : RAW MATERIALS CONSUMED		
Opening Stock	110.08	-
Add: Purchases	2,629.28	1,490.97
Total	2,739.36	1,490.97
Less: Closing Stock	102.14	110.08
	2,637.22	1,380.89
SCHEDULE 16 : MANUFACTURING EXPENSES		
Consumable Stores and Spares (Indigenous)	169.37	83.04
Consumable Stores and Spares (Import)	0.14	-
Power and Fuel	48.24	25.15
Repairs and Maintenance - P & M	27.58	14.75
Factory Expenses	3.41	1.93
Processing Charges	65.40	34.61
Gas Cylinder Rent	4.02	1.82
	318.16	161.30
SCHEDULE 17 : PERSONNEL COST		
Salaries, wages and bonus	242.89	125.33
Contribution to provident fund	2.30	1.47
Gratuity Expenses	0.46	0.52
Other post Employment funds	1.58	0.60
Workmen and staff welfare expenses	5.78	3.25
	253.00	131.17
SCHEDULE 18 : ADMINISTRATIVE AND OTHER EXPENSES		
Rent, Rates and Taxes	6.80	9.25
Legal and Professional Charges	11.67	0.46
Insurance Expenses	0.45	0.38
Repairs and Maintenance - Others	2.99	0.66
Communication Cost	2.15	0.98
Printing and Stationery Expenses	2.10	1.35
Travelling Expenses	0.73	0.66
Foreign Exchange (Gain)/Loss	(0.06)	-
Other - Administrative Expenses	10.82	5.46
Auditor Remuneration	2.79	2.50
	40.43	21.70
SCHEDULE 19 : SELLING AND DISTRIBUTION EXPENSES		
Distribution Expenses	15.98	10.50
Selling Expenses		
	15.98	10.50
SCHEDULE 20 : FINANCIAL EXPENSES		
Interest on Term Loans	126.20	74.06
Interest on Working Capital Loans	31.36	14.58
Other Interest	22.81	20.20
Bank Charges and Other Financial Charges	3.30	4.85
	183.67	113.69

SCHEDULE 21 : NOTES TO THE ACCOUNTS

1. Significant Accounting Policies

(i) Basis of Accounting

The financial statements are prepared under the historical cost convention in accordance with the applicable mandatory accounting standards and relevant provisions of the Companies Act,1956.

(ii) Fixed Assets

Fixed Assets are stated at cost of acquisition (net of recoverable taxes and Government grants wherever availed) or construction or other amounts substituted for historical costs on revaluation less accumulated depreciation. Expenses capitalised also include applicable borrowing cost

- (iii) Depreciation
 - a) Depreciation on fixed assets is provided on the Straight Line Method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.
 - b) All individual items of fixed assets, where the actual cost does not exceed ₹ 5,000 each have been written off entirely in the year of acquisition.
- (iv) Inventories
 - 1. Raw Material, Stores and Spares are valued at cost on Weighted Average.
 - 2. Work-in-Progress is Valued at Cost representing materials, Labour and apportioned overheads.
 - 3. Scrap is Valued at Net Realisable Value.
- (v) Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are restated at year end exchange rates. Exchange differences arising on the settlement of foreign currency monetary items or on reporting Company's foreign currency monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements, are recognised as income or expense in the year in which they arise.

(vi) Retirement Benefits

Company has booked gratuity and leave encashment as per actuarial valuation as on 31.03.11 as per AS-15 (Revised) .

(vii) Investments

Long-term investments are stated at cost, less any provision for permanent diminution in value. Current investments are stated at lower of cost and fair value.

(vii) Revenue Recognition

The Company recognises sales at the point of dispatch of goods to the customers.

(viii) Income Tax

Provision for tax for the year comprises current income tax determined to be payable in respect of taxable income and deferred tax, being the tax effect of timing difference, representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s).

2. Contingent Liabilities

(i) There are no contingent liabilities as on 31.03.2011

Rishi Consfab Pvt. Ltd. Notes on Accounts

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Additional Information pursuant to the provisions of paragraphs 3 & 4 of Part II Schedule VI to the Companies Act, 1956.

3.	Licensed, Installed and Production Capacity	31.	31.03.2011 31.03.2010		3.2010
	Sheet Metals Components				
	Licensed capacity	Tons	4,000		-
	Installed capacity	Tons	3,900		-
	Production	Tons	3,878		-
4.	Quantitative Details	Tons	(₹ in Lakhs)	Tons	(₹ in Lakhs)
	(i) Sales				
	Sheet Metal Components	3,533.87	3,517.19	1,764.76	1,736.74
	Job Work	222.53	8.80	94.58	5.20
	(ii) Closing Stocks				
	Sheet Metals	137.43	56.81	157.58	63.08
	(iii) Raw Materials Consumed				
	Sheet Metals	3,655.62	1,434.00	1,978.41	803.86
	Others		1,203.21		577.03
			2,637.21		1,380.89
5.	Materials Consumed	%	(₹ in Lakhs)	%	(₹ in Lakhs)
	Indigenous	100.00	2,637.21	100.00	1,380.89
		100.00	2,637.21	100.00	1,380.89
	Spare and Components				
	Indigenous	99.92	169.37	100.00	83.04
	Imported	0.08	0.14	-	-
		100.00	169.51	100.00	83.04
6.	Remuneration to Auditors		(₹ in Lakhs)		(₹ in Lakhs)
	Statutory Audit Fees		2.00		2.00
	Tax Audit Fees		0.50		0.50
	Other Matters		0.29		0.00
			2.79		2.50
			(₹ in Lakhs)		(₹ in Lakhs)
7.	F.O.B. Value of Exports		-		-
8.	C.I.F. Value of Imports		(₹ in Lakhs)		(₹ in Lakhs)
	Capital Goods		-		
	Spare and Components		6.29		
			(₹ in Lakhs)		(₹ in Lakhs)
9.	Expenditure in Foreign Currency		-		
10	Deferred Tax (Assets)/Liabilities		(₹ in Lakhs)		(₹ in Lakhs)
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Rishi Consfab Pvt. Ltd. Notes on Accounts

11. In Accordance with the Accounting Standard (AS 22), the Company has made a provision of ₹ 11.89 Lacs on account of Deferred Tax for the year.

12. Related Party Disclosure

(A) List of Related Parties with

- (a) Controlling Interest:
- (b) Other related parties where common control exit and with whom the Company had transaction during the year
 - (1) L & T Komatsu Limited
 - (2) L & T Limited
 - (3) L & T Finance Limited
- (c) Directors
 - Mr. Harshad B. Patel
 - Mr. Vasant D. Goray
 - Mr. Ganesh P. Agrawal
 - Mr. K. P. Ananthagopal
 - Dr. M. Pushpangadan

(B) List of Transactions with Related Party

(₹ in Lakhs)

	Asso	ciates	Key Man Perso		То	tal
Nature of Transaction	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10
Loans/Advances/Deposits disbursed during the year						
- L & T Finance Ltd.	-	120.00	-	-	-	120.00
Total	-	120.00	-	-	-	120.00
Loans/Advances/Deposits repayment received during the year						
- L & T Finance Ltd.	82.45	37.54	-	-	82.45	37.54
Total	82.45	37.54	-	-	82.45	37.54
Interest Paid - L & T Finance Ltd.	26.48	6.53	-	-	26.48	6.53
Total	26.48	6.53	-	-	26.48	6.53
Sales						
- Rishi Laser Ltd.	35.38	19.24	-	-	35.38	19.24
- L & T Komatsu Ltd.	3,468.19	1,714.21	-	-	3,468.19	1,714.21
Total	3,503.57	1,733.45	-	-	3,503.57	1,733.45
Purchases						
- Rishi Laser Ltd.	394.36	306.56	-	-	394.36	306.56
- L & T Komatsu Ltd.	53.45	2.21	-	-	53.45	2.21
- L & T Ltd.	-	52.67	-	-	-	52.67
Total	447.81	361.44	-	-	447.81	361.44
Purchases Capital goods						
- Rishi Laser Ltd.	46.08	10.15	-	-	46.08	10.15
Total	46.08	10.15	-	-	46.08	10.15
Remuneration, Commission and Sitting Fees						
- Rishi Laser Ltd.	11.89	5.89	-	-	11.89	5.89
	-	-	0.60	-	0.60	-
	11.89	5.89	0.60	-	12.49	5.89

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Rishi Consfab Pvt. Ltd. Notes on Accounts

- **13.** Pursuant to the Micro, Small and Medium Enterprise Development Act, 2006, the Company had asked for confirmation from its vendors regarding their status under the said Act. The Company is yet to receive verifiable confirmations from the vendors and hence the amounts unpaid as at the year end together with interest payable if any, under this Act have not been given.
- 14. Rishi Laser Ltd. (Holding Company) holds 76% of total share capital of company as on 31.03.11.
- **15.** Previous years figures have been regrouped/rearranged wherever necessary.

As per our report of even date For **Alladi Krishnan & Kumar** Chartered Accountants

Ajit S. Datar Partner Membership No. 036274 Place : Mumbai Date : 17th May, 2011

For Rishi Consfab Private Limited

Chairman Harshad B. Patel **Directors** Vasant D. Goray Ganesh P. Agrawal Dr. M. Pushpangadan K. P. Ananthagopal

I)	Registration Details	
	Registration No.	U28112MH2008PTC178448
	Balance sheet Date	31.03.2011
	State Code	11
II)	Capital Raised during the Year (Amount in ₹ Thousand)	
	Public Issue	Nil
	Bonus Issue	Nil
	Right Issue	Nil
	Private Placement	Nil
III)	Position of Mobilisation and Development of Fund (Amount in ₹ Thou	usand)
	Total Liabilities	241,024.00
	Source of Fund	
	Paid up Capital	104,000.00
	Secured Loans	120,442.00
	Reserves and Surplus	11,197.00
	Unsecured Loans	-
	Deferred Tax Liability	5,385.00
	Total Assets	241,024.00
	Application of Funds	
	Net Fixed Assets	179,985.00
	Net Current Assets	61,039.00
	Accumulated Losses	Nil
	Investments	Nil
	Miscellaneous Expenditure	Nil
IV)	Performance of Company (Amount in ₹ Thousand)	
	Turnover	407,234.00
	+Profit/(Loss) Before Tax	12,828.00
	Earning Per Share in ₹	0.89
	Total Expenditure	370,906.00
	+Profit/(Loss) After Tax	9,083.00
	Dividend Rate %	Nil
V)	General names of The Principal Products of Company	
	Product Description	The Company is engaged in the Manufacturing of Sheet Metal components, Machines.

For Rishi Consfab Private Limited

Chairman Harshad B. Patel **Directors** Vasant D. Goray Ganesh P. Agrawal Dr. M. Pushpangadan K. P. Ananthagopal

Place : Mumbai Date : 17th May, 2011

Atte	ndance Slip
Rishi Laser Ltd.	
. Registered Office: 612, Veena Killedar Industrial Estate, 10-14 Pais Street, Byculla (W), Mumbai - 400	.1
Regd. Folio	oral Monting
	ierai weeting
To be handed over at the entrance of the meeting venue.	
Name of the attending member (in block letters)	
Name of Proxy (in block letter to be filled in by the proxy attending instead of the members).	
No. of Shares held.	
I hereby record my presence at the 19th Annual General Meeting at Killachand Conference Room, 2 nd Floor, Indi Chamber, Churchgate, Mumbai 400 020, on 27 th September, 2011 at 11.30 a.m.	an Merchants'
Member's / Pro	xy's Signature
Notes:	
 Interested joint shareholders may obtain attendance slip from the Registered Office of the Company. Shareholders/joint shareholders proxies are requested to bring the attendance slip with them. Duplicate slip will at the entrance of the venue. 	not be issued
	Proxy Form
Rishi Laser Ltd.	
Registered Office: 612, Veena Killedar Industrial Estate, 10-14 Pais Street, Byculla (W), Mumbai - 400 0	.1
Regd. Folio No.	
I/We	
of	
being a member/members of the above named Company hereby appoint	
failing him	
of	
as my/our proxy to attend vote for me/us on my behalf at the 19 th Annual General Meeting of the Company to be hele Conference Room, 2 nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai 400 020 on 27.09.2011 at 11.30 a. adjournment thereof.	
Signed:	Affine a
Dated:	Affix a Revenue
Note: Proxy Form must reach the Company's Registered Office not less than 48 hours before the meeting.	Stamp

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X

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

Pan India Reach

Sonepat
Ahmedabad
Indore
Savli
Vadodara
Indore
Nashik
Mumbai
Pune
Bhosari
Bengaluru



Reg. Office: 612, Veena Killedar Industrial Estate, 10/14 Pais Street, Byculla (W), Mumbai 400 011. Tel : +91 22 23075677 Fax: +91-22-2308 0022 Email: rlci.mumbai@rishilaser.com