



OUR VISION

“To ignite aspirations of our people and transform a multi-location steel fabrication Company into an Engineering solution provider.”

COMPANY INFORMATION

COMPANY SECRETARY

Ms. Supriya Joshi

BANKERS

State Bank of India
Industrial Finance Branch,
Tara Chambers, Wakdevadi,
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

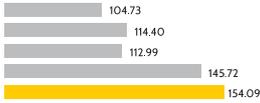
612, Veena Killedar Industrial Estate,
10/14, Pais Street,
Byculla (W), Mumbai - 400 011.

Forward-looking Statement

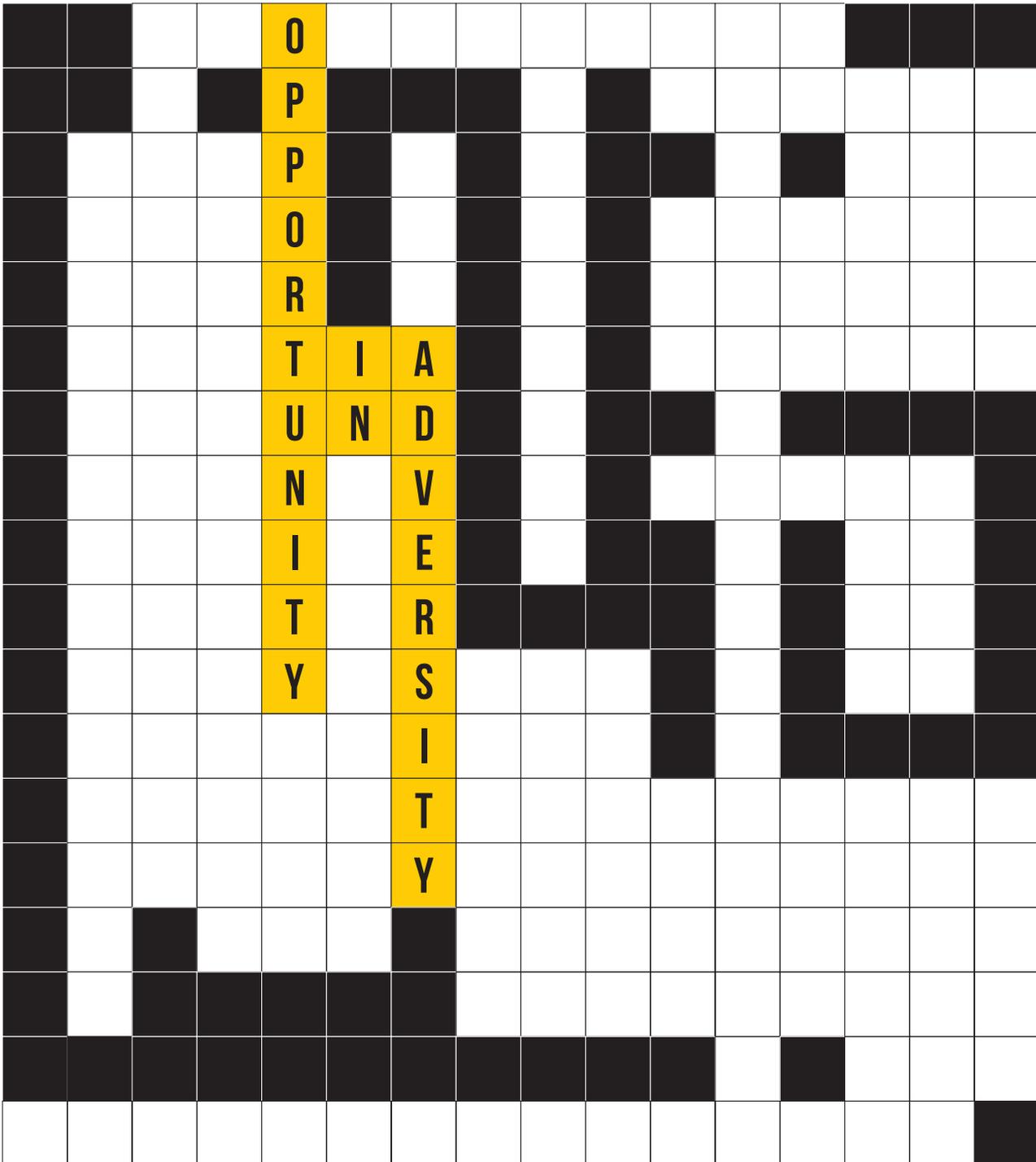
In this Annual Report, we have disclosed forward-looking information to enable investors to understand our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based 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.

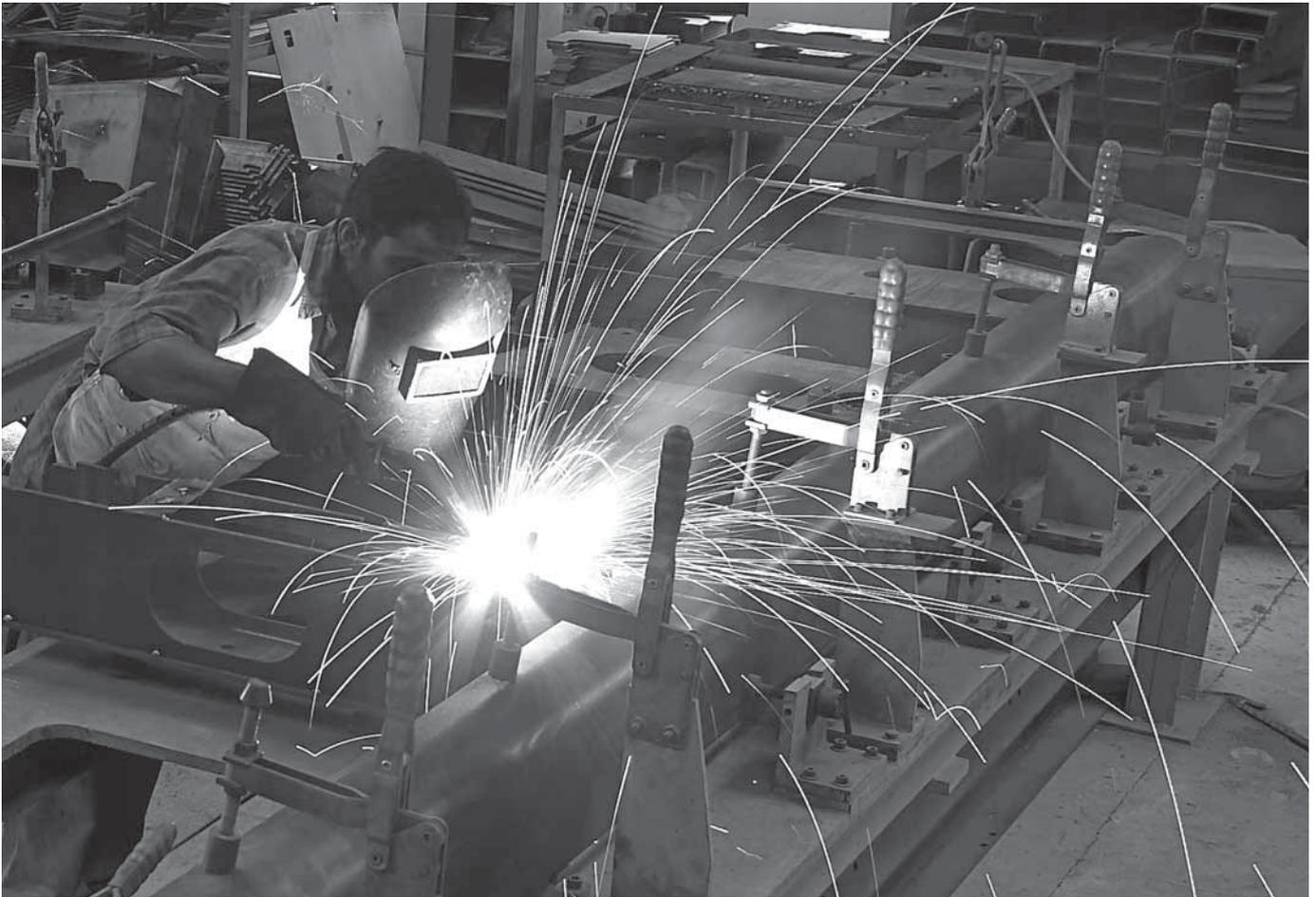
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Opportunity in Adversity



Opportunity in Adversity



After the bursting of confidence in 2009-10, the world economy again receded into a regressive phase last year. It was a dangerous period with uneven global economic activity, weakening confidence levels and growing downside risks.

The adverse macro-economic performance had a cascading effect on our performance at Rishi Laser. However, the adverse circumstances presented an opportunity to better ourselves. We revisited our core strategy and reengineered our skill sets to make ourselves more resilient against the crisis. Also, the difficult phase was a good time to attract valuable talent in an industry constantly facing a scarcity of such resources.

Most importantly, the situation also opened our minds to lateral expansion of our capabilities – during the year we moved from being high-end metal fabricators to EPC turnkey contractors. We also expanded our geographic horizons and entered the international markets by partnering our global customers in their international vendor development programme.

Performance Highlights

(₹ in crores)

	2008	2009	2010	2011	2012
PROFIT & LOSS ACCOUNT					
Revenue (Net)	104.73	114.40	112.99	145.72	154.09
Total Income	105.08	115.25	115.24	146.13	155.39
EBIDTA (Excluding Other Income)	18.93	14.56	14.92	21.57	17.48
Profit/(Loss) Before Tax (PBT)	7.15	(1.81)	1.98	6.14	0.64
Profit/(Loss) After Tax (PAT)	4.66	(1.55)	1.25	5.29	0.46
BALANCE SHEET					
Equity Capital	7.95	7.95	8.55	8.64	8.99
Reserves & Surplus	36.22	34.52	37.45	41.55	42.35
Networth	44.17	42.47	45.99	50.19	51.34
Loan Funds	68.03	80.17	57.77	52.22	59.82
Gross Block Including CWIP	98.50	115.34	98.29	100.83	107.26
RATIO ANALYSIS					
EBIDTA Margin (%) (Excluding Other Income)	18.08	12.73	13.20	14.80	11.34
PAT Margin (%)	4.45	-1.36	1.10	3.63	0.30
Debt-Equity Ratio (No. of times)	1.54	1.89	1.26	1.04	1.17
Total Assets Turnover (No. of times)	0.94	0.81	0.81	1.05	1.08
Fixed Assets Turnover (No. of times)	1.81	1.46	1.44	2.10	2.35
ROCE (%)	9.67	4.73	6.23	8.82	6.43
RATIOS-PER SHARE					
Earnings Per Share (₹)	6.60	(2.00)	1.60	6.15	0.51
Dividend Per Share (₹)	2.00	-	-	1.25	-
Book Value Per Share (₹)	55.56	53.42	53.81	58.09	57.11

Performance Highlights

Net Sales



(₹ in crores)

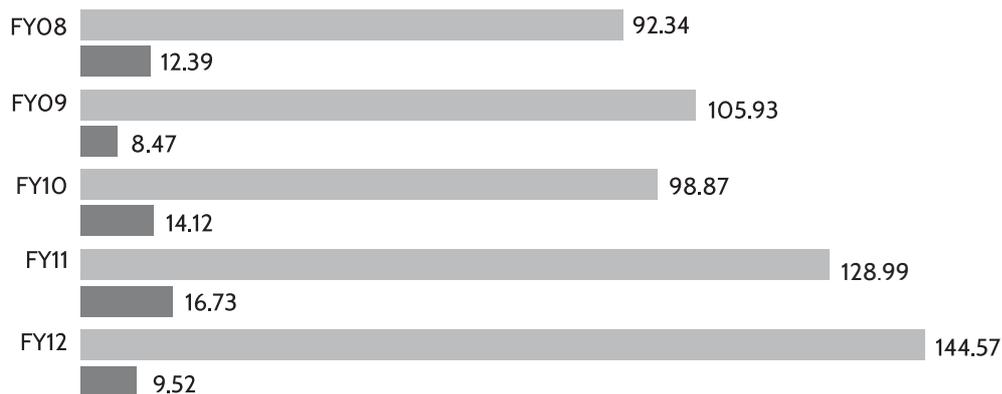
EBIDTA

(Excluding Other Income)



(₹ in crores)

Sales Mix

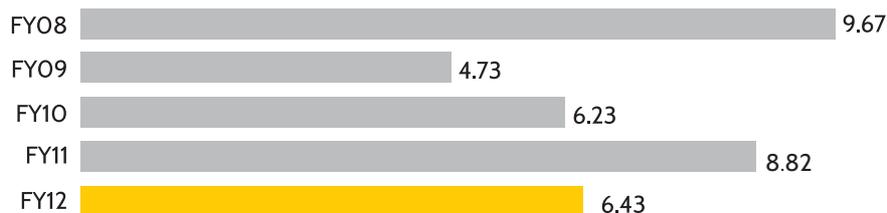


(₹ in crores)

■ With Material Sales

■ Job Work

Return on Capital Employed



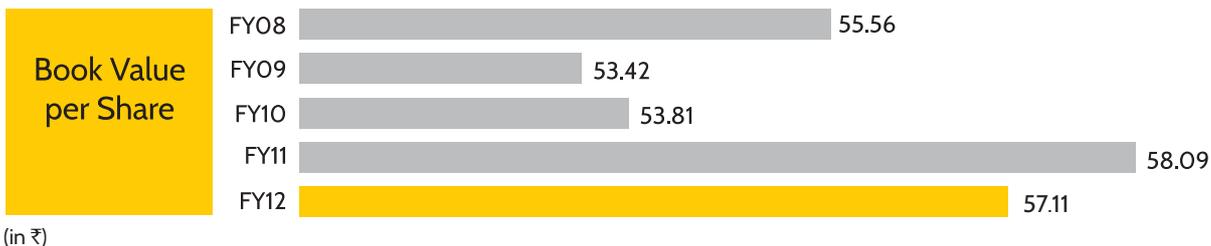
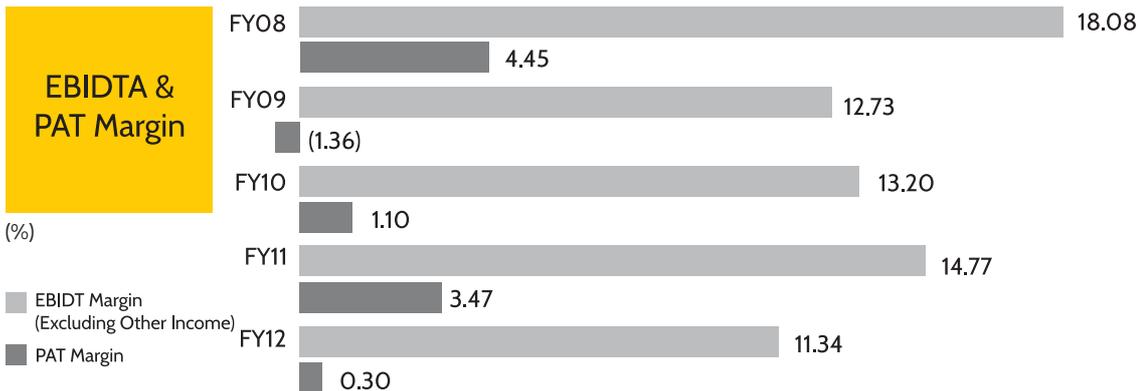
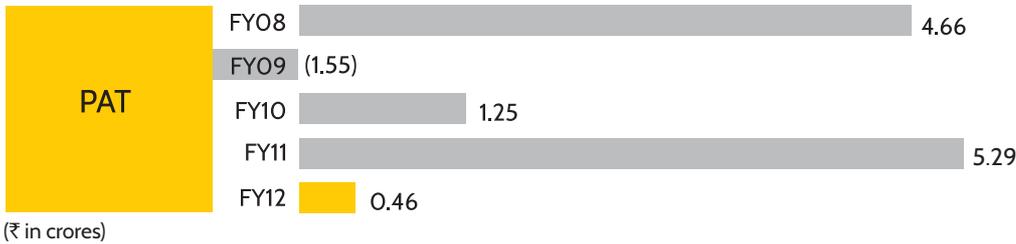
(%)

Fixed Assets Turnover



(No. of times)

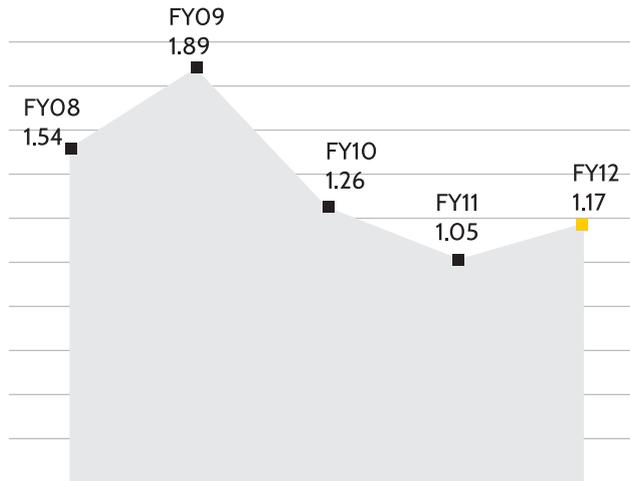
Performance Highlights



Performance Highlights

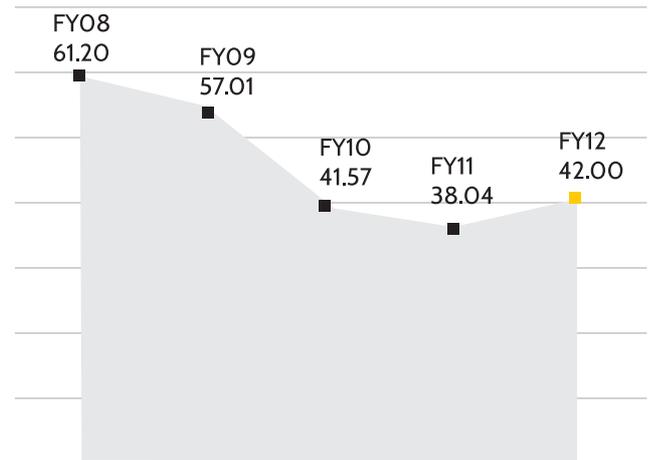
DEBT-EQUITY RATIO

in times

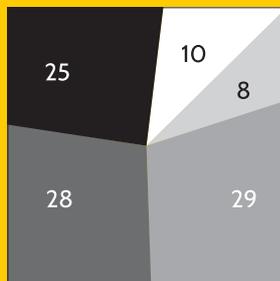


DEBT-ASSETS RATIO

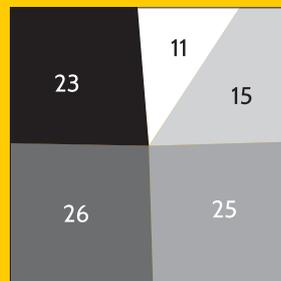
in %



CUSTOMER PROFILE (in %)



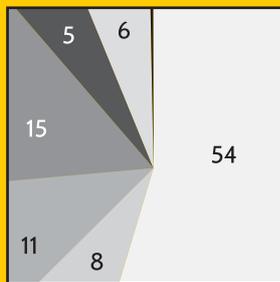
2011-12



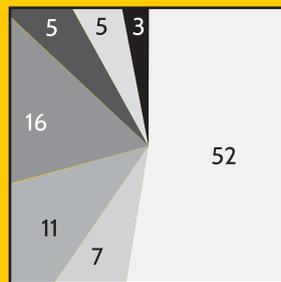
2010-11

- Power
- Rail Transportation
- Others
- Automotive
- Construction Equipment

DISTRIBUTION OF REVENUE (in %)



2011-12



2010-11

- Material
- Duties & Taxes
- Personnel Expenses
- Other Expenses
- Depreciation
- Interest
- Shareholders

Chairman's Message



OPPORTUNITY IN ADVERSITY:
*Even the most difficult
circumstances offer
prospects to succeed*

HARSHAD PATEL
Managing Director

Chairman's Message

An important landmark of the Olympics was the iconic Arcelor Mittal Orbit created by Anish Kapoor and Cecil Balmond. The structure displays the unique attribute of steel – the metal was the only option that provided the minimum thickness and maximum strength required for the coiled tower. This reinforces the contribution of the metal in the global infrastructure growth story. As one of India's leading specialized steel engineering companies, we perceive this development with a great sense of pride and are excited about the manifold opportunities that the future holds for us.

Much like the spiral structure, the world economy experienced sharp curves and unpredictable twists during the last year. The adverse condition of the markets affected businesses indiscriminately the world over, with many small and medium businesses hurting badly. The year was a test of sustainability and adaptability and I am proud to say that we emerged winners with a new focused growth strategy.

The last year was undoubtedly one of the most difficult times that we have endured since our existence. Our net profit margins declined significantly – by as much as 89.6%, even as the overall sales at the organization were more or less flat – growing by 5.7% during the year. The demand from our customers, which was a constant factor of worry, continued to be downcast as well.

A vertical-wise assessment of our performance shows that the Automotive segment continued to be the best performing vertical during the year, registering a growth of 15.6% over the last year. The Constructions Equipment vertical picked up in 2011-12, growing by 13.6% over

2010-11. However, both the Power and Rail Transportation segments registered a subdued performance. The Power segment reduced by 4.4% during the previous fiscal and the Rail Transportation fragment nosedived by as much as 46.6%.

However, even during tough times, we played the game by the rules; we adhered to high standards of corporate governance, followed prudent financial discipline and reinforced a more professional approach to our business. We did not take any shortcuts and were able to invest in Human resource during the downturn.

We do not expect the colossal mess created in the manufacturing sector, to be resolved soon. The demand from all the sectors catered by us is likely to be sluggish for the next two or three years.

Nevertheless, the circumstances of the last year compelled us to revisit our strategy and reconsider our focus areas. We also realized that we could not let our business be vulnerable to the macro-environment and dependent on a few customers. The time was right for us to re-strategize and re-engineer our capabilities with a greater focus on making our business sustainable and ensuring predictable business outcomes.

With these objectives in mind, we developed a three-pronged strategy. We focussed on

- **Broadening our engineering capabilities and moving towards a EPC contractor model**

We brought about a logical expansion in our capabilities – from being enablers we focused on becoming end-to-end solution providers. This

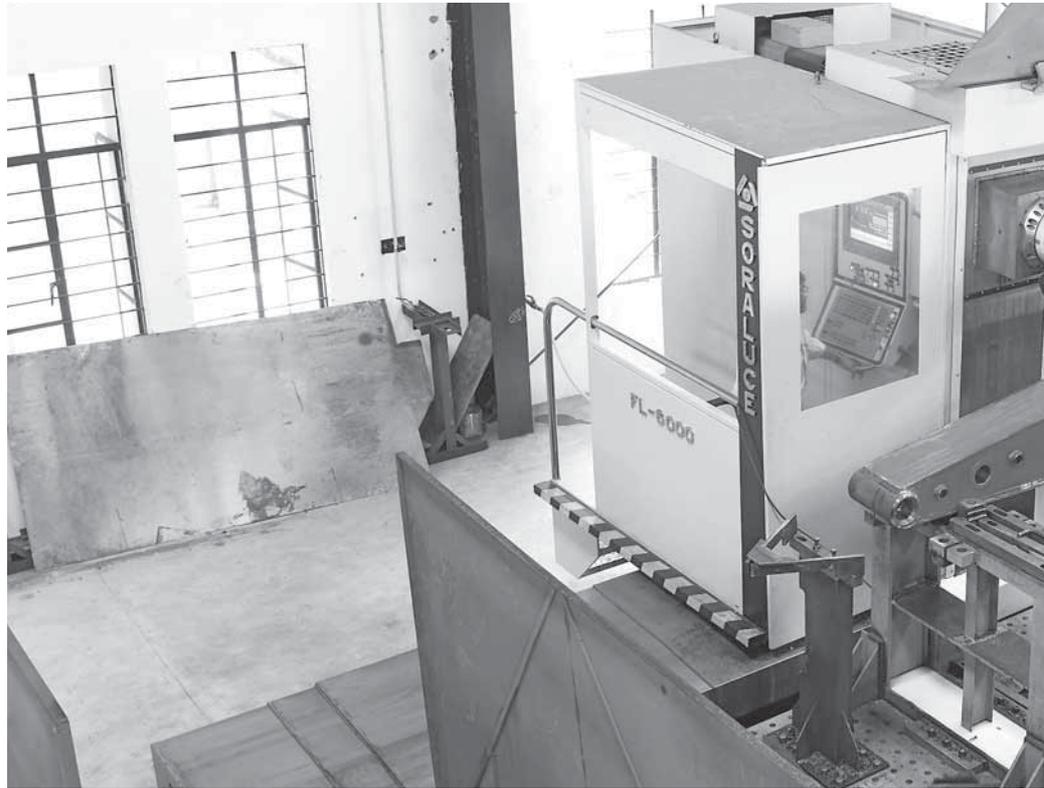
denoted a lateral extension of our proficiencies as we tuned our expertise to become EPC contractors from being just high-end engineering fabricators. Towards this end, we executed initial projects successfully during the last year and are now geared to pitch for larger EPC contracts during the forthcoming years.

- **Business de-risking through geographic and customer diversification**

We expanded our geographic horizons and entered international markets by partnering our global customers in their international vendor development program. We are in an advanced stage with the world's leading construction equipment manufacturer for whom we are already a vendor in India, to become a supplier for its global requirements. In addition, we focused on expanding our footprint within the country and sought to de-risk the business by not overly depending on select customers, sectors or geographies.

- **Strategic human resource skill set reengineering and a solutions-led customer focus**

We constantly compete for good resources in an industry facing a dearth of professional manpower. Given the context, we turned adversity into an opportunity by retaining and retraining talent to prepare ourselves for the upturn. It was also important for us to strategically expand our talent given the expanded focus of our business. In addition, we also trained our team to inculcate a more solutions-led stance suitable for the EPC industry.



We expanded our geographic horizons and entered international markets by partnering our global customers in their international vendor development program.

The 12th Five Year Plan envisages a substantial increase in the country's spending on infrastructure. If even 70% of this is achieved we should have very good business. However we cannot depend on these plans as the ground reality is very different. It will take a longtime for the momentum in infrastructure spending to come back.

In such circumstances, I envisage a conservative growth in the Sales during the next two years. However with the change in customer mix and the type of work we undertake our profitability will improve. I expect our new strategy to bear results over the next 24 months. The Company has created world-class engineering infrastructure at very low capital cost. Also the engineering skills-

developed over these years are being strengthened with investments in training and skill upgradation. This is bound to give results soon.

I would like to thank all our shareholders for their continuous support in this difficult time. I have a special word of appreciation for our employees who have retained their belief in our abilities and believed in our vision during the tough times. I also offer my gratitude to all our partners, including financial institutions, for their unflinching support to all endeavors at all times.

I would also like to take this opportunity to assure all our stakeholders about our commitment to the vision of transforming the Company into an engineering giant that inspires innovation and ignites aspirations.

Chairman's Message



Over the years, our business has captivated the inherent characteristics of steel – malleability, strength and the ability to survive. Undoubtedly, the experiences of the last year have taught us to be stronger. But most importantly, they have brought us closer to our vision by reinforcing our belief in our abilities.

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

Sincerely Yours,

HARSHAD PATEL
Managing Director



The 12th Five Year Plan envisages a substantial increase in the country's spending on infrastructure. If even 70% of this is achieved we should have very good business.

Management Discussion and Analysis



Sustainability

Sustainability is the capacity to endure without giving way or yielding, the ability to keep up or keep going, as an action or process. It is the long-term maintenance of responsibility, which has environmental, economic, and social dimensions, and encompasses the concept of stewardship, the responsible management of resource use.

GLOBAL AND MACRO OVERVIEW

The global economy witnessed volatility during the past year amidst an uneven macro-environment. According to data released by the International Monetary Fund (IMF), the Gross World Product (GWP) grew by 3.6% during 2011 – a slowdown from the 5% growth achieved in 2010. The decline was a consolidated result of several factors – the sovereign debt crisis, banks deleveraging, fiscal consolidation in response to market pressures and a general loss of confidence among investors. The European debt crisis undeniably remained a dominant factor and a source of instability in asset and currency markets around the world.

India, too, was adversely affected. Although the year started on a note of confidence, with impressive growth in exports and high levels of foreign exchange inflows, the country was unable to sustain the high levels of development it achieved in the 2010 fiscal. The economy lost its growth momentum due to global headwinds, sluggish policy making, stagflation (slow growth combined with untamed inflation) and high interest rates. These factors discouraged fresh investments leading to a fall in the Index of Industrial Production

(IIP), which declined to 2.8% from 8.2% in 2010-11. Consequently, the economy waned with a GDP of 6.5% in 2011-12 compared to 8.4% in 2010-11.

The fiscal was among the most difficult years during the recent past for the Indian infrastructure industry in particular. Along with the economic slowdown globally, India faced one of the worst policy and socio-political crisis with judiciary and regulating agencies reversing almost all policy decisions of the Government; because of this infrastructure projects suffered majorly. The Indian growth story was affected by multiple factors such as policy paralysis, corruption issues, raw material sourcing and financial woes owing to increased borrowing rates and the depreciating Indian rupee.

The previous fiscal thus reinforced the significance of sustainability – a factor that is gaining increasing prominence in a volatile business environment. Sustainability-brought about by prudent financial management, efficient manufacturing practices, high standards of corporate governance and a professional approach to business – was the key to survival. While

profit targets of organizations were lowered globally, several small and medium sized businesses could not endure the difficult phase. However, global leaders and robust businesses survived the economic pain owing to their inherent sustainability.

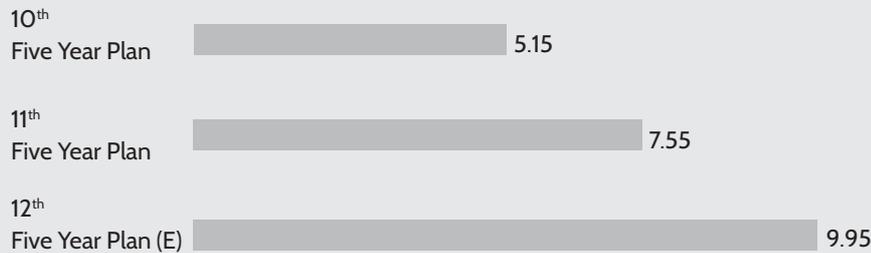
The under-performance of the economy coupled with the challenges facing the infrastructure sector in particular had its effect on Rishi Laser's performance. In spite of macro-economic challenges, we experienced topline growth, albeit not as per our projections and the Company was able to deliver profits even in such difficult times. At the same, the year made us to rethink our strategy to develop a more de-risked, high value and integrated engineering approach to business. The underlying idea was to reinforce the factor of sustainability in the Company and to insulate us during times of macro-economic downturns and reduce our dependence on a few customers. In addition, we utilized the opportunity presented by the adverse circumstances to strengthen ourselves for the upturn. The worst is behind us and at Rishi Laser, we are ready to tide over the difficult current slowdown and deliver in the long-run.

			<p><i>We adopted a three-pronged strategy to enhance the effectiveness and efficiency levels in our business conduct. Our focus was on:</i></p> <ul style="list-style-type: none"> - <i>Broadening our engineering capabilities and moving towards an EPC model</i> - <i>Business de-risking through geographic and customer diversification</i> - <i>Strategic human resource skill-set reengineering for a solutions-led customer focus</i>
	BUSINESS DE-RISKING		
BROADENING OUR CAPABILITIES		HUMAN RESOURCE	





SPENDING ON INFRASTRUCTURE AS A % OF GDP



Source: Planning Commission

Our significant engineering capabilities enable us to deliver sophisticated, best-in-class engineering products and solutions. This competency enabled us to consolidate our position from being a high-end steel fabricator company to becoming an EPC-led turnkey contractor focused on onsite project delivery. In addition, we avoided low-end topline led projects since the approach did not fit with our long-term strategy. Instead, we focused on qualitative measures and built a significant knowledge and experience repository through initial pilot projects that will help us bid for larger EPC contracts in the future.

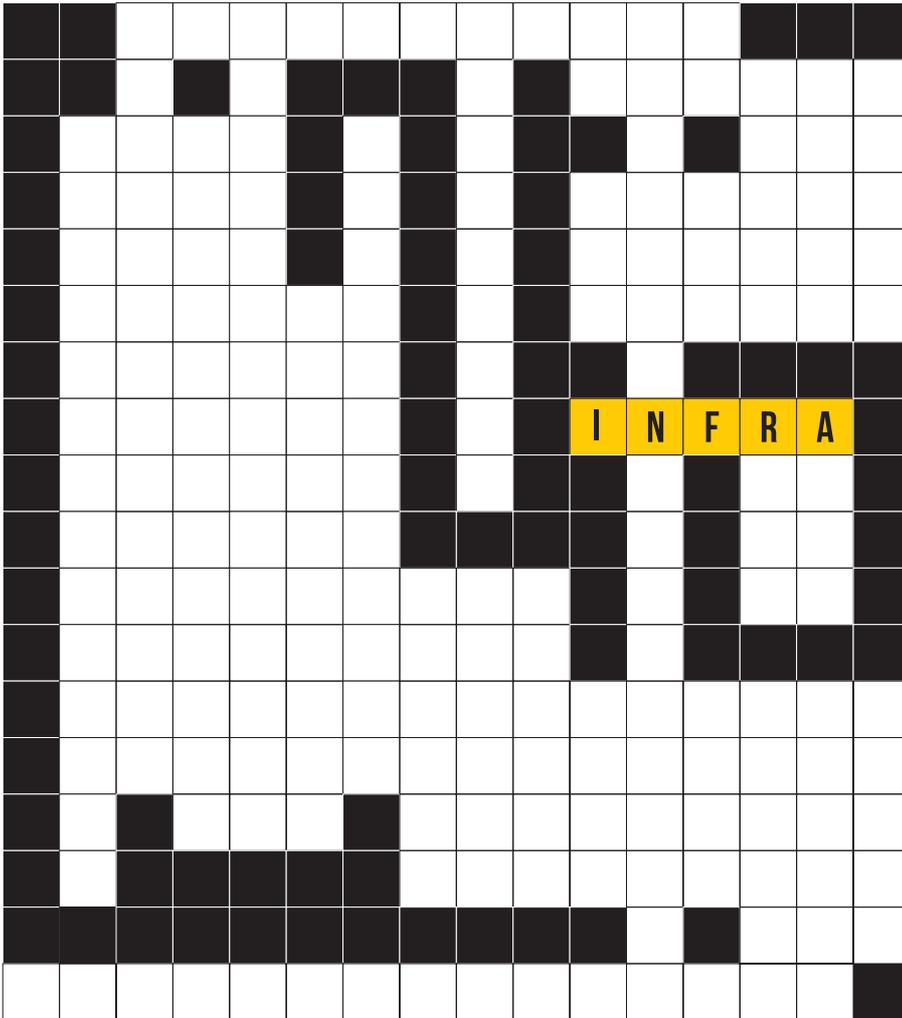
Another key development during the year was with Rishi Laser focusing on the international markets along with the domestic sector. We are entering the international markets by becoming global suppliers to multinational OEMs as part of the international vendor development program for these customers; most of these OEMs have a presence in India and we are their preferred vendors. This strategy exposes us to global best practices and enables us to develop a revenue stream by 'riding' on our customers' global network, significantly lowering marketing, regulatory and business development costs, and de-risking our global foray. Over a period, we plan to develop international customers independently.

During 2012-13, the Indian economy is expected to achieve growth at 6%.

India's budget for 2012-13, reiterated a commitment to spend ₹ 50 trillion (USD 920 billion) on infrastructure development during its 2012-17 Five-year plan. Roughly half this investment expected to come from the private sector and also the Government announced a series of measures to facilitate this investment. The Planning Commission has projected that investment in infrastructure would almost double at USD 1,025 billion in the 12th Five Year Plan (2012-17), compared to USD 514 billion in the 11th Five Year Plan. These developments in the infrastructure sector indicate a robust expansion opportunity for the steel processing sector.

At Rishi Laser, we are equipped to leverage the opportunities presented by the sector. Although the previous fiscal was challenging, it reaffirmed our faith in our capabilities and stimulated us to fortify our strengths through resilience and advanced engineering expertise. During the year, we focused on capacity and infrastructure building and continued talent acquisition and nurturing at various levels of the organization. Furthermore, our lateral movement - from being standalone metal fabricators to EPC contractors responsible for commissioning - has broadened the opportunity horizon for us. All these factors make us competent to translate the enormous opportunities into enterprise.

The Planning Commission has projected that investment in infrastructure would almost double at USD 1,025 billion in the 12th Five Year Plan (2012-17).



Infrastructure

Infrastructure refers to the goods and services considered essential for proper function of the economy. Usually requiring substantial investment, infrastructure is a set of interconnected structural elements that provide the framework to support an entire structure of development and is an important parameter for evaluating a country or region's development.

CAPITAL GOODS INDUSTRY & OPERATING ENVIRONMENT



The Indian Capital Goods Industry is the core of manufacturing, contributing to about 12% to the overall activity and constituting about 15% of the national GDP. The sector is strategic for the development of domestic capabilities and essential from a national self-reliance and security perspective. With the Government setting a goal of achieving 9% GDP growth during the 12th Five Year Plan, the manufacturing sector should grow at least by 11-13% per annum over the next five years.

The 12th Five Year Plan proposes to increase the production growth rate of the Capital Goods sector to 16.8%. It further aims to harness sectoral growth and enhance its value addition to the economy by:

1. Converting the import content to domestic production

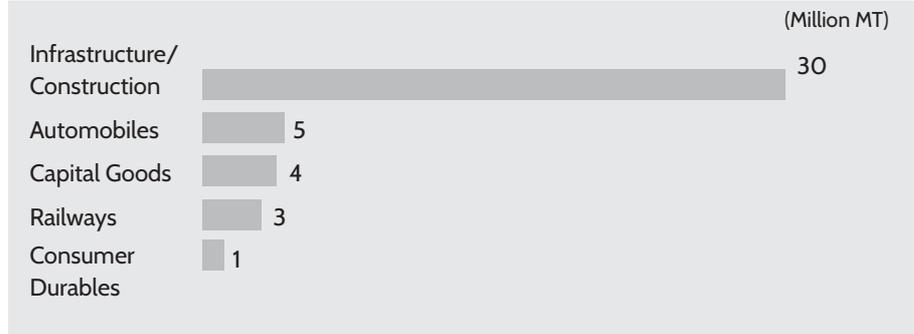
2. Increasing technology content and development

3. Creating facilitation mechanisms

These steps will help the industry compete at a global level, reduce overseas dependence in the strategic sectors and increase 'depth' in manufacturing. Evidently, the proposed steps will prove to be very positive for Rishi Laser in the coming years and we are indeed excited by the opportunities in the offing.

Most of our customers are spread across the infrastructure, automobiles, railways and power segments. It is a matter of great pride that along with our customers we are building tomorrow's India. Our efforts in developing superior engineering abilities and quality consciousness have made us the preferred vendor among our customers,

SECTORWISE INCREMENTAL STEEL DEMAND BY 2012



Source: Organisation for Economic Co-operation & Development (OECD)

The preferred vendor among our customers, include renowned organizations like L&T Komatsu, Caterpillar, Volvo, AMW, TATA Group, Bombardier Transportation etc. Our customers acknowledge our advanced offerings and have immense confidence in our abilities.

which include renowned organizations like L&T Komatsu, Caterpillar, Volvo, AMW, TATA Group, Bombardier Transportation etc. Our customers acknowledge our advanced offerings and have immense confidence in our abilities. In fact, we have plant-in-plant set-ups at various customer sites and are first-hand partners in their growth.

Nonetheless, the capital goods sector, has been bearing the brunt of the global slowdown and sluggish domestic industrial growth for the past few quarters. The pressure on this sector is attributed primarily due to the deferment of large capital investment plans since 2010-11.

According to industry estimates, the country's steel consumption grew by only 5.5% in 2011-12 to around 70 million tonnes due to subdued demand from capital goods sectors and construction.

Notwithstanding future potential, we realized it is important to protect and ensure our growth in the increasingly challenging economic environment. We have invested our efforts during the last fiscal in developing a prudent de-risking strategy that will insulate us from the conditions plaguing the macro environment. Further, we expanded our proposition - from being enablers to implementers, to leverage the huge opportunities offered by the infrastructure segment.

VERTICALS

The four segments of the manufacturing sector, viz. automotive, construction equipment, power and rail transport form the pillars of our business. Collectively, these contribute nearly 71% of the overall revenues at Rishi Laser. In the on-going 12th Five Year Plan, the Indian Government plans to invest heavily in the infrastructure sector, with a bulk of the investments directed towards the construction of roads, power sector and rural & urban infrastructure. With the prospects for the sector improving rapidly, our investments and expertise in this sector are bound to yield results in the coming years.



Our sustained efforts and investments in R & D have enabled us to become among the few steel fabricator companies offering automated, high-end technology to our customers.

The automotive segment contributed around 28%, or ₹ 43 crores, to our standalone revenues during the last fiscal. The segment witnessed a growth of 16% over the last year owing to continued demand from the industry, especially heavy commercial vehicle manufacturers.

During the year, our sustained efforts and investments in R & D have enabled us to become among the few steel fabricator companies offering automated, high-end technology to our customers. Large corporations like Tata Motors and Asia Motor Works rely on our specialized engineering execution skills, making us a preferred vendor for their specific high-end needs.

According to a report by the Centre for Monitoring Indian Economy (CMIE), the Indian automotive sector is expected to expand by 9.6% in 2012-13. Commercial vehicle production is expected to grow at a healthy rate of 8.5% and medium and heavy commercial vehicle production is predicted to grow by 2.4% during this period. The report also predicts that production of passenger vehicles and two-

wheelers may grow by 9.7%. However, the multi-utility vehicle segment is expected to grow faster at 19.7% during the year.

At Rishi Laser, we supply paint booths and conveyors to automotive paint shops. We are also engaged in the fabrication of components and assemblies for commercial vehicles. Some of our products increase the load-bearing ability of commercial vehicles and are manufactured using high-end precision-welding robots. The bulk of activities under this division are executed at our Pune unit.

Owing to the huge potential of the segment and the revenue opportunity, we invested further and expanded our abilities across the country. Couple of major automotive giants are about to start production from their facilities in Gujarat. Our new plant in Gujarat deals with the automotive segment. Given the bright prospects of the sector, we are confident of strong growth during the current year. However, higher material and interest rates may pose a challenge and keep growth rates in the sector under check.



CONSTRUCTION EQUIPMENT

The Construction Equipment business is directly linked to the infrastructure sector. India's infrastructure development holds great potential in the near future with the Government planning to give a leg-up to urban and rural infrastructure, road construction and the power segment. Naturally, the demand for construction equipment is likely to increase from all related quarters.

In 2011-12, the Construction Equipment segment continued to contribute significantly to our business, garnering revenues worth ₹ 38 crores. This translated into about 25% of the standalone revenues for Rishi Laser. Our Bengaluru facility provides high-end precision engineering products to L&T Komatsu as well as to infrastructure giants like Caterpillar, Volvo and Terex.

Last Fiscal saw enhanced customer confidence in our high-end precision engineering and manufacturing abilities, which translated into increased business requirements. Consequently, the segment witnessed an increment in revenues by 14% over 2010-11. We anticipate continued progress during the current year

given the colossal infrastructure demands of the country. According to industry estimates, the demand for construction equipment will increase to USD 4.1 billion by 2014, growing at a robust CAGR of 17.9%.

An important fragment of this vertical, where we anticipate immense business potential, is the Road Construction sector. The Ministry of Road Transport and Highways has set a target of covering a length of 8,800 km under NHDP during the current year. The allocation by the Ministry was enhanced by 14% to ₹ 25,360 crores (USD 4.60) billion for the year.

These translate into great opportunities for Rishi Laser during the coming years. We are eager to leverage these opportunities through our dedicated subsidiary Rishi Consfab Private Ltd. in which we hold 74% stake. Moreover, global leaders like Caterpillar are evaluating us for vendor partnership at the international level. This gives us an opportunity to expand our horizon beyond regional boundaries and make an impact on a larger platform.



Global leaders like Caterpillar are evaluating us for vendor partnership at the international level. This gives us an opportunity to expand our horizon beyond regional boundaries.



We are specialists in switchgear manufacture, SS Tanks, switchgear parts and laminations.

India's Power sector is poised for great development owing to the country's fast growing economy and dynamic demographics. According to a recent report, India will add nearly 45,000 megawatt (MW) to its total installed capacity by 2013-14. The country is among the top performing clean energy economies in the 21st century, registering the fifth highest five-year rate of investment growth and eighth highest in installed renewable energy capacity.

However, the Indian power sector is saddled with various problems including theft, wastage and poor performance of power plants - problems mostly faced during the distribution and transmission phases of power supply. Increasing generation capacity without fixing these inefficiencies will not enhance the power capabilities of the country; in fact it will only add to its woes. Clearly, India's power sector should change from a generation-led growth to a delivery/distribution-led alternative. Project delay on account of procedural setbacks, grid stability and quality issues, are challenges that could put plans at risk and need to be dealt with at the policy and regulatory

level. The industry, on its part, needs to expand its capacity and meet the increasing demand.

At Rishi Laser, we are present in transmission and distribution segment of the power value chain. The consolidation on the transmission and distribution side affected our business during the last year. Consequently, the sector garnered revenues worth ₹ 16.14 crores, contributing about 10.4% to the overall revenues at the organization.

We cater to this segment through our facilities at Nashik in Maharashtra and Savli in Gujarat. Alstom is our major client in the power generation space, while companies like Areva T & D, ABB, CG Lucy and Schneider are our customers in the T & D segment. We are specialists in switchgear manufacture, SS Tanks, switchgear parts and laminations.

During the last year, we expanded our horizon to become EPC-turnkey contractors. We have also delivered projects in this new capacity during the last year and are now geared up to execute larger projects.



RAIL TRANSPORTATION



We are currently a preferred supplier to Bombardier, BEML and Alstom for various projects. We are certified by global organisation TUV for SS welding for Railway coaches.

Management Discussion and Analysis



As predicted, the railways segment witnessed a period of consolidation during the last year. The slowdown had a direct brunt on the sector's performance at Rishi Laser, with the vertical garnering revenues worth ₹ 11.64 crores during the year. This was a huge decline from its performance during the 2010-11 fiscal when the segment recorded its highest growth.

Domestically, the opportunity in the Rail Transportation segment lies in the various Metro projects running across the country. We are currently a preferred supplier to Bombardier, BEML and Alstom for various projects. We are certified by global organisation TUV for SS welding for Railway coaches. This along with our past experience and also additional certifications will enable us to meet the increased demand in the future.

Mass Rapid Transit System (MRTS) is expected to encompass a major portion of total planned investments in coming years. During the 12th Plan period, private sector spending is expected in MRTS systems in cities such as Mumbai, Bengaluru, Hyderabad and Kolkata.

According to India Infrastructure Research, investments of over ₹ 161,200 crores are planned for rail-based mass transit projects by 2021. This includes investment for implementation of monorail systems in Delhi and Bengaluru and light rail system in Kolkata. Going ahead we expect our abilities and resourcefulness to drive growth in this vertical.

Thus giving priority to MRTS in urban transport planning for upcoming cities will help in building energy and environmental sustainability.

Financial Performance (on a Standalone basis)



Growth in revenues is mainly attributable to increased sales to Automotive sector which increased by ₹ 5.83 crores to ₹ 43.13 crores in FY11-12 compared to ₹ 37.30 crores in FY10-11.

REVENUES:

Gross revenue from operations for the year 2011-12 at ₹ 168.16 crores grew by 8.34% over 2010-11.

Growth in revenues is mainly attributable to increased sales to Automotive sector which increased by ₹ 5.83 crores to ₹ 43.13 crores in FY11-12 compared to ₹ 37.30 crores in FY10-11. Revenue from this vertical constituted 27.99% of overall sales, registering a growth of 2.37% over previous year. Sales growth in Automotive sector has come from Light Commercial Vehicle Manufacturers.

Construction equipment vertical continued to be one of the major verticals contributing ₹ 38.04 crores translating to 24.69% of total net revenues in FY11-12 compared to ₹ 33.50 crores or 23.01% in the previous year. Growth in this sector was due to increased pull from two of our major customers.

Power vertical contributed ₹ 16.14 crores in FY11-12 compared to ₹ 16.88 crores in FY10-11. This vertical registered a degrowth of 4.38% 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.

Sales from others vertical registered an astounding growth of 24.91% compared to previous year from ₹ 36.13 crores in FY10-11 to ₹ 45.13 crores in FY11-12. Revenue from this vertical increased by 4.48% from 24.81% in FY10-11 to 29.29% in FY11-12. This growth has come mainly from Project for Paint Shop for Car Manufacturers and sale of Agriculture Implements.

Revenue from **Job Work** sales for the year at ₹ 9.52 crores has shown sharp decline

by 43.10% from ₹ 16.73 crores in FY10-11 majorly because of conversion of job work sales to Material Sales from Bombardier Transportation. Job work receipts as a percentage of net sales for year also declined by 530 bps to 6.18% from 11.49 % in FY10-11.

EXPENDITURE:

Raw material consumption for the current year increased by 13.36% to ₹ 92.26 crores from ₹ 81.39 crores in FY10-11 due to proportionate increase in sales with material. Raw material cost as a percentage of sales with material remained flat at around 63%.

Personnel Cost for FY11-12 at ₹ 19.28 crores has increased by ₹ 1.77 crores in absolute terms as well as a percentage of net revenue by 50 bps to 12.51% from 12.01% in FY10-11. The increase in personnel cost is due to normal yearly increments and retention of talents keeping in view expected growth-in business volumes.

Financial Expenses for the year under review amounted to ₹ 9.88 crores as against ₹ 8.01 crores in FY10-11. This increase was mainly due to hefty increase in rate of interest during the year.

EARNINGS:

Earnings before Interest, Depreciation and Tax (excluding extraordinary items and other income) declined to ₹ 18.78 crores in FY11-12 from ₹ 21.98 crores in FY10-11. Decrease in EBITDA is mainly due to change in sales mix and higher personnel cost.

Profit before Tax of the Company for the year under review at ₹ 0.64 crores declined by ₹ 5.49 crores from ₹ 6.14 crores in FY10-11. Decrease in Profit before tax is due to higher finance cost and decrease in EBITDA.

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 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.

Profit after Tax declined to ₹ 0.46 crores as compared to ₹ 5.29 crores in FY10-11.

Return on Capital Employed for the current year decreased to 6.43% compared to 8.82% in FY10-11. Decline in return on capital employed was on account of lower EBITDA.

LIQUIDITY & LEVERAGE:

Cash accruals from the operations were lower by ₹ 15.97 crores as compared to the previous year mainly due to lower profitability and higher net current assets.

Gross Working Capital at ₹ 66.19 crores in FY11-12 was higher by ₹ 1.57 crores compared to ₹ 64.62 crores in FY10-11 due to higher receivables. Net customer receivables at the end of FY11-12 stood at ₹ 36.98 crores, representing 87 days of sales. Concentrated efforts are being made to improve the same.

Net working capital (Excluding current maturities of long term debt) for FY11-12 at ₹ 10.30 crores increased by ₹ 5.29 crores compared to FY10-11 mainly due to increase in debtors and lower trade payables.

Gross Debt-equity ratio declined slightly to 1.17 times in FY11-12 from 1.04 times in FY10- 11. Gross debt (Including Current Maturities of long term debts) increased to ₹ 59.82 crores as at 31st March, 2012 as compared to ₹ 52.22 crores as at 31st March, 2011. Ratio declined due to new short-term Corporate-loan taken during the year.

The Debt-asset ratio of the Company increased in FY11-12 to 41.93% from 37.77% in FY10-11. It increased due to fresh corporate loan borrowed during the financial year under review.

VALUE CREATION

Net worth of the Company increased by ₹ 1.15 crores to ₹ 51.34 crores as at 31st March, 2012 from ₹ 50.19 crores as at 31st March, 2011. Increase in net worth was on account of addition of fresh equities during FY11-12 by way of allotment of 3,53,300 equity shares of ₹ 10/- each under ESOP 2006 to employees at a premium of ₹ 10/- per share.

Book Value per Share marginally decreased to ₹ 57.11 as at 31st March, 2012 from ₹ 58.09 as at 31st March, 2011 due to lower profitability and addition in equity.

OPPORTUNITIES AND RISKS

Opportunities:

Large Infrastructure spending:

In the recent past infrastructure growth has been slower than anticipated and missed the target of 11th Plan by a big margin. Global Environment is still an area of concern although conditions are expected to improve in second half of FY12-13. Inflation is showing downward trend and expectation are there that RBI may cut policy interest rates by 75-100 basis points in the course of FY12-13. Foreign Currency Inflows are also expected to increase from now onwards. This with other measures like CRR cut is expected to reduce the borrowing Cost. We are of the view that this will lead to 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 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

Financial Performance

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 five times during FY11-12 resulting in increase in repo and reverse repo rates by 125 bps to 8.5% and 7.5%. 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

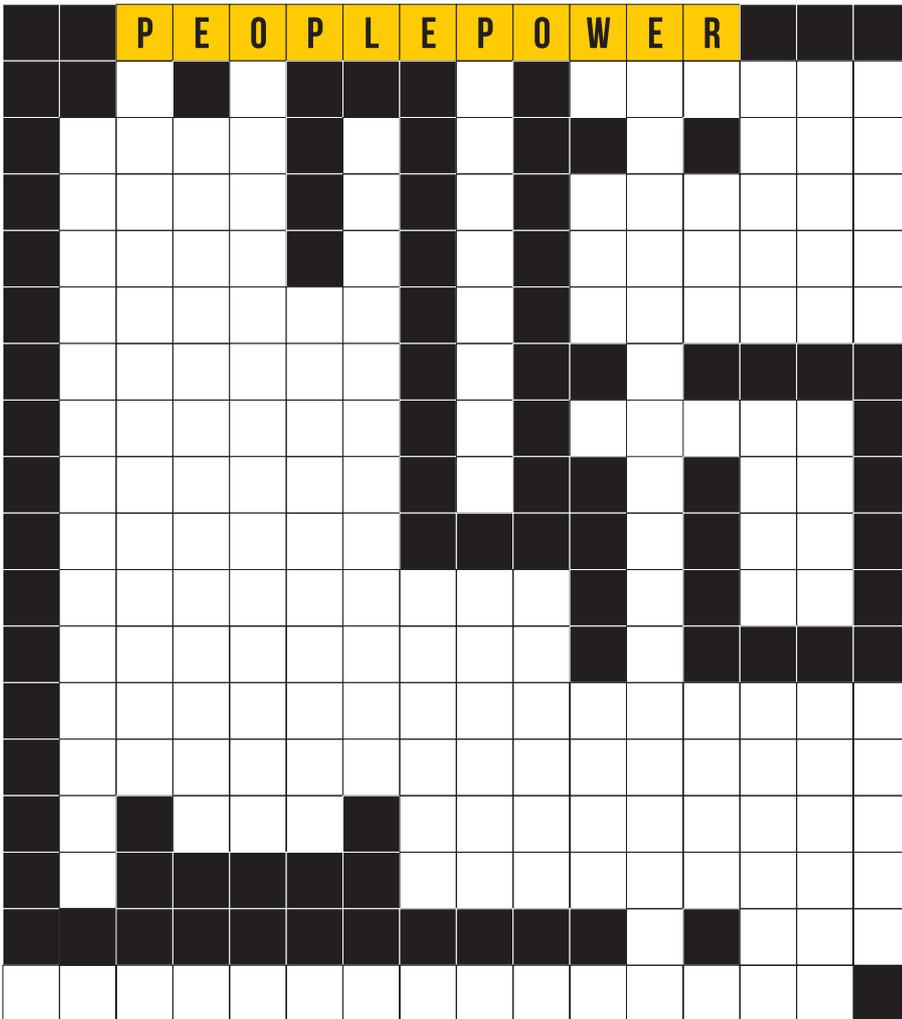
The Company has adequate systems of internal control and procedures covering all financial and operating functions commensurate with the size and nature of operations. The Company believes that a strong internal control framework is one of the important pillars of Corporate Governance. Continuous efforts 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 unauthorized use or losses. The audit committee looks into all aspects of internal and advises 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



People Power

The ability of individuals, whether acting alone or collectively, to be a force for change.

Human Resources



At Rishi Laser, we are continuously evolving our engineering proficiencies to offer best-in-class solutions to our customers and are truly focused towards rendering a responsible performance for all our stakeholders. Our people are our partners in progress and employee empowerment has been essential in driving our organization's growth to the next level. Our leadership team has been an important enabler in this journey, aligning the aspirations of our employees with those of the organization and driving them together in a singular direction.

Although our business performance during the last year was not as expected, we are positive about the tremendous opportunities the future holds in store. In an industry persistently facing dearth of real talent, we did not neglect the opportunity that the adverse macro-environment presented; we used the opportunity to attract talent for the future. We added to our manpower during the course of the year. Indeed, strategic human resource expansion was a major area of focus during the year.

Our HR efforts were also directed to align with other de-risking strategies one of which was to expand from being metal fabricators to EPC-led turnkey contractors. During the previous fiscal, we not only developed our business competencies to this effect but also employed personnel for the purpose. We are now better prepared

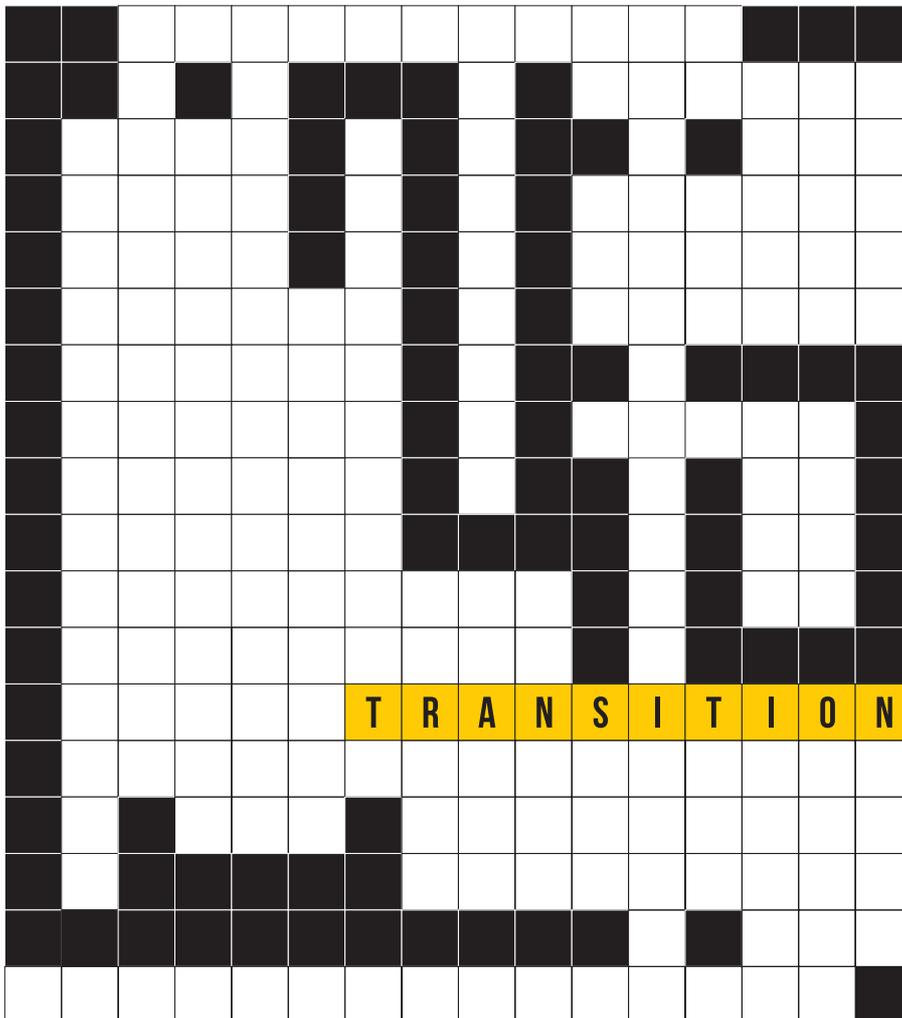
to leverage the opportunities offered to us in our new capacity.

In addition, the Corporate HR department has undertaken various HR initiatives to inspire and motivate employees to deliver a competent and commendable performance. Furthermore, the initiatives undertaken during the previous fiscal, viz. decentralization and a flatter organizational structure, paid off, resulting in improved employee performance and a display of higher levels of motivation and responsibility among employees.

Our new role as EPC contractors demands a shift in our mind-set to a solutions-driven stance. Our training was therefore directed towards meeting this objective. Our evolution - from enablers to implementers - mandates a continuous deepening of our proficiencies and abilities. Our people are an important factor to our future identity and indeed the torchbearers of our advancement. Building a strong talent pool and a robust leadership pipeline is imperative as we gear up to engage in greater and challenging business responsibilities.

Our HR efforts were also directed to align with other de-risking strategies one of which was to expand from being metal fabricators to EPC-led turnkey contractors.

Corporate Social Responsibility



Transition: The process or a period of changing from one state or condition to another

Transition refers to the movement, passage, or change from one position, state, stage, subject, concept, etc. to another. In the social context, transition may refer to a pragmatic change in the socio-economic structure or to the notion of socio-cultural evolution.

Corporate Social Responsibility



As India prepares for the future, creating an employable population remains one of its biggest challenges. For a country that has the world's second largest population, the situation is quite appalling. We believe that the nation's aspirations can only fructify when it aligns its human resources with its economic aspirations by focusing on the employability of the youth. The problem needs to be addressed at various levels – right from the educational curriculum to inculcating professional attributes during the early stages of professional training and employment. At Rishi Laser, we attempt to fill the void in the manufacturing industry through various social initiatives.

Our CSR philosophy is akin to the famous proverb which goes 'give a man a fish and you feed him for a day, show him how to catch fish and you feed him for a lifetime'. Our CSR initiatives are largely directed towards enabling the youth to be gainfully employed. We provide freshers with a training platform that makes them job-ready. We endeavour to do this through dedicated training programmes at certain sites to enable young people gain skill-sets and professional know-how to function at a higher level.

We have also set up a chain of vocational institutes that impart technical training to

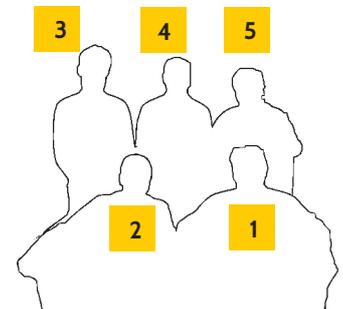
students using state-of-the-art simulator-based training, at nominal rates. These programmes bring the training as close to real life requirements as possible. In addition, they are closely coordinated with the requirements as identified by the various industry forums and organizations and hence enable superior employment opportunities. The Company has started rainwater harvesting initiative at one location. We intend to spread this to all of our locations and become a water positive Company by the year 2014.

Our pilot welding training facility at Vadodara got a huge response and hence we will be setting up many more institutes in the near future. We are also actively involved with the Institute of Precision Fabrication Technology at Pune, which provides courses related to the steel fabrication industry ranging from computer-aided design drafting to press brake operations.

In addition, we contribute financially to rural education development by assisting a school in Pune district. Moreover, our employees actively participate in our CSR activities by contributing time, efforts and money to the educational trust managed by the organization.

Our CSR philosophy is akin to the famous proverb which goes 'give a man a fish and you feed him for a day, show him how to catch fish and you feed him for a lifetime'.

Board of Directors

**1 MR. HARSHAD PATEL**

Mr. Harshad Patel has been on the Board of the Company since its inception. Mr. Patel is a qualified Chartered Accountant and Cost Accountant. He is 55 years old and has over 25 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 the 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.

2 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 55 years old and has over 28 years' experience in business.

3 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 52 years old and has over 26 years' experience, mostly in the engineering sector. He is an Independent Director of the Company.

4 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 32 years of experience in accounts, audits and finance. He currently heads Centennial Fabrics Ltd., a leading Technical Textiles firm in India. He is an Independent Director of the Company.

5 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 62 years old and has over 25 years' experience in Company Law and legal matters. He is an Independent Director of the Company.

Senior Management



MR. VINOD SHARMA

Head Operations, Northern Region

Mr. Vinod Sharma has been with Rishi Laser since June 2006 and currently heads the Northern region operations. He has 23 years of deep domain experience in manufacturing industry operations. Mr. Sharma holds a degree in Mechanical Engineering from the 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 32 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 32 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.

Senior Management

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 28 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 heads the Finance and Accounts function. He has 20 years of rich and diverse accounting and financial experience both in India and abroad. Mr. Agrawal is a qualified Chartered Accountant 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 12 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 a PG Diploma in Training and Development from ISTD, New Delhi.



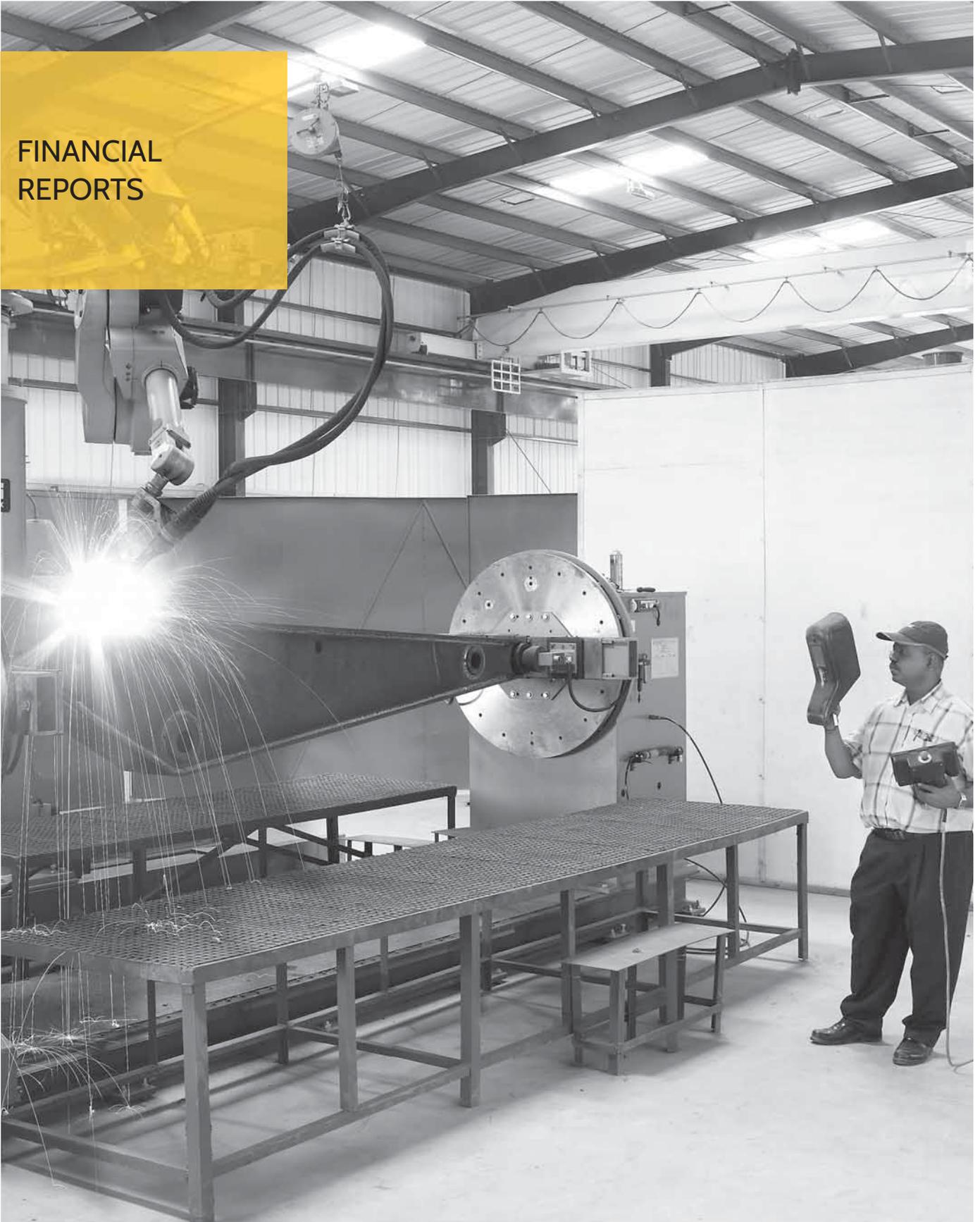
MR. NAVIN DASHORA

Head, Supply Chain

Mr. Navin Dashora has been with the Company since July 2006 and currently heads the supply chain management function. He has 23 years of in-depth experience in commercial functions across different industries. Mr. Dashora is a qualified Chartered Accountant from ICAI, Delhi.



FINANCIAL
REPORTS



Notice

Notice

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of Rishi Laser Limited will be held on Thursday, 27th day of September, 2012 at 3.00 p.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, 2012 and the Statement of Profit and Loss 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. Vasant D. Goray who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

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

Resolved That the Employees Stock Option Scheme approved by the Members in the Annual General Meeting held on 25th September, 2007 be and is hereby amended/varied to the extent stated below

- A) In Para 7.1.2 the figure 8,00,000 shall be substituted by 15,00,000.
- B) In Para 7.1.3 the last sentence shall be substituted by the following :
However, maximum number of options allocable to an employee shall not exceed 1% of the total issued capital of the Company in any one year and 5% in aggregate.
- C) Para 7.1.4 shall be substituted by the following:
The maximum number of options that can be issued under ESOP to any one Independent Director shall not exceed 4,00,000 options in any one financial year and in the aggregate.
- D) In Para 7.6.2 second para under Schedule B shall be substituted by the following:
The employee has the right to choose the vesting options as per Schedule A or B either in part or in full.

Resolved Further that the Board of Directors Or the Compensation Committee be and are hereby authorized to grant options to the employees of Subsidiary of the Company.

Resolved Further that the Board of Directors or the Compensation Committee be and are hereby authorized to grant options to any employee(s) or Independent Director(s) in excess of 1% of the Paid-up Equity Share Capital of the Company.

Resolved Further That Mr. Vasant D. Goray, Director of the Company be and is hereby authorized to do all acts, deeds, matters and things which are necessary to give effect to the above resolution.

By Order of the Board
For Rishi Laser Ltd.

Registered Office:

612, Veena Killedar Industrial estate,
10-14, Pais Street, Byculla (W), Mumbai 400 011.
Dated: 29th May, 2012

Supriya Joshi
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.
- b) Register of members and share transfer books of the Company will remain closed from 21st September, 2012 to 27th September, 2012 (both days inclusive).
- c) Re-appointment of Directors retiring by rotation:

Mr. Vasant D. 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 Institute of Company Secretaries of India. He has over 25 years experience in Company Law and legal matters. He will be an Independent Director. He holds 47,810 equity shares in the Company. Except Mr. Vasant D. Goray, no Director is interested in the Resolution.

Notice (Contd.)

ANNEXURE

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

ITEM NO. 4

The Company has in place ESOP scheme for its employees and Independent Directors. The Scheme is being amended to provide for increase in the maximum options that can be granted under the ESOP Scheme from 8,00,000 to 15,00,000. The options allocable to an employee is being increased from 50,000 to options not exceeding 1% of Paid up Capital of the Company in any one year and not exceeding 5% in the aggregate. The options allocable to an Independent Director is being increased from 75,000 to 4,00,000 in any year and in the aggregate. Employee also has the right to choose the options as per schedule A or B either in full or in part as per his ability.

The Directors feel that in order to attract talented employees and to retain existing employees it is essential to provide incentives to them. Offering shares under ESOP is an attractive option. Approval of the Members is also being sought for issue of Options to employees of Subsidiary of the Company and for grant of options in excess of 1% of the Paid-up Equity Share Capital of the Company.

Independent Directors may be deemed to be interested to the extent of options that may be granted to them.

Registered Office:

612, Veena Killedar Industrial estate,
10-14, Pais Street, Byculla (W), Mumbai 400 011.
Dated: 29th May, 2012

By Order of the Board
For Rishi Laser Ltd.

Supriya Joshi
Company Secretary

Directors' Report

Directors present herewith the Annual Report and Audited Accounts for FY11-12.

FINANCIAL RESULTS

(₹ in crores)

Sr. No.	Particulars	Standalone		Consolidated	
		2011-12	2010-11	2011-12	2010-11
i.	Gross Revenue	168.16	155.22	201.84	191.52
ii.	Net Revenue (excluding excise duty)	154.09	145.72	184.50	178.05
iii.	Profit before interest, depreciation and Tax	18.78	21.98	22.07	26.43
iv.	Interest	9.88	8.01	11.72	9.85
v.	Depreciation	8.26	7.93	9.65	9.25
vi.	Tax	0.19	0.84	0.29	1.65
vii.	Profit after Tax	0.46	5.29	0.42	5.54

DIVIDEND

In order to conserve resources, the Directors decided not to recommend dividend for the year.

OPERATING RESULTS

The standalone gross turnover for the year at ₹ 168.16 crores were lower than the projections and registered marginal increase over the previous year. The off take from our primary markets was very slow during the second half of the year under report.

Earnings before interest, depreciation and tax were lower at ₹ 18.78 crores as compared to ₹ 21.98 crores in the previous year.

The overall results are not very satisfactory, even though the business environment was not conducive for business growth.

The markets remained very volatile with sudden drop in demand. The Company could not replace the Railway metro business after the completion of the previous project. We have bid as a supplier for future projects.

EXPANSION

The Company acquired machines for setting up machine shop to cater to power sector. However, the expected business could not be generated due to sluggish market conditions. Cutting capacity was increased by adding Hi focus plasma cutting machines. This was necessitated because of change in job mix which required cutting of higher thickness steel.

FINANCE

During the year the Company allotted 3,53,300 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 ₹ 70,66,000/-

CURRENT YEAR

Sales in the first two months of the current year at ₹ 22.98 crores are lower than ₹ 29.61 crores achieved in the same period in the previous year. This is a continuation of the trend seen in the second half of the previous year. The Company had added many new Customers and once the business from new Customers reaches a reasonable volume the growth will come back.

The business environment continues to be extremely challenging. It has become very difficult to predict the customers requirements of regular products.

We are taking up more projects related business which provides better visibility of business as projects go on for a period of 3-6 months. Also this balances & hedges the risk of volatile business conditions in the Automotive & Earth moving Industry.

The impact of the introduction of new customers and projects based business will be seen in the second half of the current year. This should also result in improvement of margins.

MARKETS

The four main verticals namely Construction Equipment, Automotive, Rail Transportation and Power (Transmission and Distribution) cumulatively contributed 71% of the total revenue amounting to ₹ 108.95 crores.

Improved demand of commercial vehicles resulted in increased sales to automotive verticals to ₹ 43.13 crores or 27.99% of net sales compared to ₹ 37.30 crores or 25.62% of net sales in the previous year.

Revenue from Rail Transportation vertical has gone down from ₹ 21.80 crores in the previous year to ₹ 11.64 crores representing a decrease of 46.60 %.

Construction equipment vertical contributed ₹ 38.04 crores as against ₹ 33.50 crores in the previous year. Sales from this vertical as a percentage of net revenue increased from 23.01% in the previous year to 24.69% in the current year.

Revenue from Power (transmission and distribution) vertical has been marginally lower at ₹ 16.14 crores as compared to ₹ 16.87 crores in the previous year. The decline in business is to the tune of 4.32 %.

INSURANCE

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

Directors' Report (Contd.)

FIXED DEPOSITS

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

DIRECTORS

Mr. Vasant D. Goray retires by rotation and being eligible offer himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- 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 judgment and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company as at 31st March, 2012 and of Profit of the Company for the year ended on that date;
- C) That the Directors have taken the 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 of the Company 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 3,53,300 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 (1B) 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 and they are not disqualified for reappointment within the meaning of section 226 of the said Act.

ACKNOWLEDGMENT

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, suppliers, bankers and all the other business associates for the continuous support given by them to the Company and their confidence in its management.

On behalf of Board of Directors

Place : Mumbai
Date : 29th May, 2012

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 measures 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, ADAPTION AND INNOVATION

The Company has not imported any Technology.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The earning in foreign exchange amounts to ₹ 0.55 crores. Expenditure in foreign currency on account of travelling and training etc. is ₹ 0.07 crores, on account of import of components & spares is ₹ 0.55 crores, on account of Raw Material is ₹ 1.97 crores and on account of import of Capital Goods ₹ 3.41 crores.

Directors' Report

ANNEXURE -B TO THE DIRECTORS' REPORT

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

	ESOP 2006
a) Options granted	800000
b) The pricing formula	₹ 20/- per option
c) Options vested	800000
d) Options exercised	5,49,000
e) The total number of shares arising as a result of exercise of option	5,49,000
f) Options lapsed and reallocated	NIL
g) Variations of terms of options	<ol style="list-style-type: none"> 1. Price per option revised from ₹ 30/- to ₹ 20/- on 20th October, 2009. 2. Employees can exercise the option within one year from vesting or over a period three years from vesting.
h) Money realized by exercise of options	1,15,40,600/-
i) Total number of options in force	2,51,000
j) Employee-wise details of options granted to:	
(i) Senior managerial Personnel	
Mr. Ganesh Agrawal	50,000
Mr. Vinod Sharma	50,000
Mr. M. K. Pandya	44,000
Mr. Abhay Thosar	39,200
Mr. Rajendra Manmadkar	24,000
(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
(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'	₹ 0.51
l) 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
m) 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 on the grant date	₹ 31.37 and ₹ 116.06
n) 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	8.25%
(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

Corporate Governance Report

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 utilization 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 31st March, 2012):

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 director and three are independent directors. The Company has complied with the requirement of having at least 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 Four Board Meetings were held i.e. on 30th May, 2011; 1st August 2011; 10th November, 2011 and 13th February, 2012. 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 Directorships in Public Companies.	Committee Memberships/ Chairmanships # (incl. RLL)	Attendance At Board Meetings	Attendance at last AGM	Share holding of Non-Executive Directors
Mr. H.B. Patel	Promoter/ Executive	1	2	4	Yes	-
Mr. J.K. Sheth	Non-Promoter/ Non Independent	Nil	-	4	Yes	3,62,755
Mr. V.S. Shah	Non-Promoter/ Independent	Nil	1	1	No	20,000
Mr. V.D. Goray	Non-Promoter/ Independent	Nil	2	4	Yes	47,810
Mr. D.C. Mehta	Non-Promoter/ Independent	Nil	2	2	No	19,500

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 31st March, 2012. Declaration to this effect signed by the Managing Director of the Company for the year ended on 31st March, 2012 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 B. Patel and Mr. Vasant D. Goray.

The committee met on 30th May, 2011 to review Annual Accounts for the year ended 31st March, 2011; on 28th July, 2011 to review unaudited financial results for the quarter ended 30th June, 2011; on 10th November, 2011 to review the half yearly results and on 11th February, 2012 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.

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

Remuneration received by the Executive Director for the year 2011-12:

Mr. Harshad B. Patel - ₹ 44.90 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.

Finance Committee:

The Company has a Finance Committee comprising of three Directors viz. Mr. Harshad B. 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 2nd April, 2011, 4th May, 2011, 5th October, 2011, 17th October, 2011 and on 19th December, 2011 to consider finance proposals and to avail loan facilities.

Corporate Governance Report (Contd.)

SUBSIDIARY COMPANY:

Your Company has one Subsidiary Rishi Consfab Pvt. Ltd. The Subsidiary manufactures Components only for L&T Komatsu Ltd. During the year the Subsidiary reported a loss of ₹ 4.53 lakhs.

GENERAL MEETINGS:

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

- 17th AGM - Wednesday at 3.00 p.m. on 23rd September, 2009 at IMC, 2nd floor, Killachand Conference Room, Churchgate, Mumbai 400 020.
- 18th AGM - Thursday at 11.30 a.m. on 30th September, 2010 at IMC, 2nd floor, Killachand Conference Room, Churchgate, Mumbai 400 020.
- 19th AGM - Tuesday at 11.30 a.m. on 27th September, 2011 at IMC, 2nd floor, Killachand Conference Room, Churchgate, Mumbai 400 020.
- 20th AGM- Thursday at 3.00 p.m. on 27th September, 2012 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 17th and 18th Annual General Meetings no Special Resolutions were passed.
2. In the 19th Annual General Meeting of the Company held on 27th September, 2011 following Special Resolution was passed:
 - i) For re-appointment of Mr. Harshad B. Patel as Managing Director of the Company for a period of three years w.e.f. 1st April, 2011.

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.

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 31st March, 2012.

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 issued 3,53,300 Equity shares of ₹ 10/-each @ ₹ 20/- per share under ESOP.

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.

Corporate Governance Report

GENERAL SHAREHOLDER INFORMATION:**20th Annual General Meeting:**Date : 27th September, 2012

Time : 3.00 p.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

30th June, 2012 45 days from end of quarter30th September, 2012 45 days from end of quarter31st December, 2012 45 days from end of quarter31st March, 2013 45 days from end of quarter or 60 days from the end of quarter, in case of Audited Results**Book Closure Date:**21st September, 2012 to 27th September, 2012 (both days inclusive).**Listing on Stock Exchange:**

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

Stock Code:

Physical Segment 526861

CDSL/NSDL ISIN NO INE988D01012

Stock Market Data for the year 2011-12:

Month	Rsihi Laser Limited		BSE Sensex	
	High	Low	High	Low
April 11	58.55	50.00	19811.14	18976.19
May 11	52.95	46.70	19253.87	17786.13
June 11	53.55	44.60	18873.39	17314.38
July 11	50.25	45.05	19131.70	18131.86
August 11	44.85	34.65	18440.07	15765.53
September 11	39.80	34.25	17211.80	15801.01
October 11	39.65	35.35	17908.13	15745.43
November 11	38.60	28.35	17702.26	15478.69
December 11	31.45	26.60	17003.71	15135.86
January 12	32.80	26.65	17258.97	15358.02
February 12	34.40	28.65	18523.78	17061.55
March 12	29.70	24.55	18040.69	16920.61

Corporate Governance Report (Contd.)

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. 42270400/ 28596060/ 28594060 Fax No. 28590942

Share Transfer System:

The Company's equity shares are compulsorily traded on in dematerialized 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 dematerialization 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, 2012; 80,41,925 Equity Shares representing 89.43 % of the total paid-up capital of the Company are held in dematerialized form.

Shareholding Pattern as at 31st March, 2012

Category	No. of Shares Held	% to paid-up capital
Promoters	1787494	19.88
Bodies Corporate	756066	8.41
Non-Resident Indians	1027827	11.43
Public	5421213	60.28
Total	8992600	100.00

Distribution of Shareholding:

No. of Shares	No. of Shareholders	% of Total	No. of Shares	% of Total
0-500	4393	74.95	791702	8.80
501-1000	671	11.45	559401	6.22
1001-2000	304	5.19	475895	5.29
2001-3000	132	2.25	339881	3.78
3001-4000	85	1.45	308961	3.44
4001-5000	65	1.11	311212	3.46
5001-10000	117	2.00	899437	10.00
10001 and above	94	1.60	5306111	59.01
	5861	100.00	8992600	100.00

Outstanding GDRs/ADRs/Warrants:

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

Corporate Governance Report

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, Bommasandra 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, Naroda Industrial Estate, Ahmedabad - 382 330
Rajkot	C - 409, Lodhika Industrial Estate, Village - Lhirasara, Ta - Lodhika, District - Rajkot

Address for Correspondence:

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

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, 2012.

By Order of the Board

Date : 29th May, 2012
Place : Mumbai

Harshad B. Patel
Managing Director

Auditors' Certificate

The Shareholders of,
Rishi Laser Ltd,
Mumbai 400011

We have reviewed the records and documents concerning implementation of corporate governance procedure set by the Company during the financial year ended 31st March, 2012 and furnished 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 : 29th May, 2012

Auditors' Report

We have audited the attached Balance Sheet of Rishi Laser Limited as at 31st March, 2012, and also the Statement of Profit and Loss 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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, 2012 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 Statement of Profit and Loss, 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 State of Affairs of the Company as on 31st March, 2012.
 - ii. In the case of Statement of Profit and Loss, 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

Date : 29th May, 2012

Place : Mumbai

Annexure to Auditors' Report

(Referred to in paragraph 3 of the Auditor's Report to the members of Rishi Laser Limited for the year ended 31st March, 2012.)

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 Section 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.
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.

Annexure to Auditors' Report

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)

Ajit S. Datar
(Partner)

Membership No. 036274

Date : 29th May, 2012
Place : Mumbai

Balance Sheet as at 31st March, 2012

(₹ in Lakhs)

Particulars	Notes	31.03.2012	31.03.2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	899.26	863.93
Reserves and Surplus	4	4,234.73	4,155.05
		5,133.99	5,018.98
Non-current Liabilities			
Long-term Borrowings	5	2,057.55	1,939.00
Deferred tax Liabilities (net)	6	373.90	390.62
Long-term provisions	7	66.29	53.34
		2,497.74	2,382.96
Current Liabilities			
Short-term Borrowings	8	2,841.78	2,417.96
Trade Payables	9	2,267.98	3,044.90
Other Current Liabilities	10	1,425.89	1,099.99
Short-term Provisions	11	135.95	263.17
		6,671.60	6,826.02
TOTAL		14,303.33	14,227.96
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	12	6,429.70	6,649.21
Intangible Assets	12	30.79	24.04
Capital Work-in-Progress		82.06	8.31
Intangible assets under development		13.64	-
		6,556.19	6,681.56
Non-current Investments	13	887.55	897.55
Long-term Loans and Advances	14	240.78	186.69
Current Assets			
Inventories	15	2,230.47	2,495.47
Trade Receivables	16	3,697.42	3,213.95
Cash and cash equivalents	17	316.74	377.62
Short-term Loans and Advances	18	374.18	375.12
		6,618.81	6,462.16
TOTAL		14,303.33	14,227.96
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of financial statements.

As per our report of even date

For Alladi Krishnan & Kumar
Chartered Accountants

Ajit S. Datar
Partner
Membership No. 036274

Place : Mumbai
Date : 29th May, 2012

For Rishi Laser Limited

Chairman
Harshad B. Patel

Company Secretary
Supriya Joshi

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

Balance Sheet & Statement of Profit and Loss

Statement of Profit and Loss for the year ended 31st March, 2012

(₹ in Lakhs)

Particulars	Notes	31.03.2012	31.03.2011
REVENUE			
Revenue from Operations (gross)	19	16,815.94	15,521.72
Less: Excise Duty	19	1,406.79	949.96
Revenue from Operations (net)		15,409.15	14,571.76
Other Income	20	130.20	41.02
Total Revenue (i)		15,539.35	14,612.78
EXPENSES			
Cost of Materials Consumed	21	9,037.84	8,647.88
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	187.80	(509.10)
Employee Benefits Expenses	23	1,927.76	1,751.18
Other Expenses	24	2,507.71	2,525.13
Total Expenses (ii)		13,661.11	12,415.09
Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortization (EBITDA) (i - ii)		1,878.24	2,197.70
Finance Costs	25	988.10	801.13
Depreciation and Amortization Expenses		825.78	793.05
Extraordinary Items		-	(15.00)
Tax on extra ordinary items		-	4.98
Profit/(Loss) before tax		64.36	613.54
Tax Expenses			
Current Tax		35.22	120.29
Deferred Tax		(16.69)	(35.73)
Profit for the year		45.83	528.98
Earnings per share (Face value of ₹ 10/- each):			
Basic		0.51	6.15
Diluted		0.51	6.11
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of financial statements.

As per our report of even date

For Alladi Krishnan & Kumar
Chartered Accountants

Ajit S. Datar
Partner
Membership No. 036274

Place : Mumbai
Date : 29th May, 2012

For Rishi Laser Limited

Chairman
Harshad B. Patel

Company Secretary
Supriya Joshi

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

Cash Flow Statement for the year ended 31st March, 2012

	(₹ in Lakhs)	
	31.03.2012	31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	64.36	589.09
Non-cash adjustment to reconcile profit before tax to net cash flow		
Depreciation	825.78	793.05
Interest Paid	988.10	801.13
Interest Received	(36.56)	(10.46)
Capital Reserve	(1.41)	(1.41)
Rent Received	(2.40)	(9.90)
(Profit)/loss on sale of assets	(69.62)	(0.23)
Loss on sale of investment	2.19	-
Dividend	(0.08)	-
Extraordinary Item	5.81	15.00
Previous Year Adjustment	-	(0.70)
Operating profit before working capital changes	1,776.17	2,175.57
Movements in working capitals:		
Decrease/(Increase) in Inventories	265.00	(662.68)
Decrease/(Increase) in Trade Receivable	(483.47)	(769.95)
Decrease/(Increase) in Long-term Loans and Advances	(54.09)	295.67
Decrease/(Increase) in Short-term Loans and Advances	0.94	61.37
(Decrease)/Increase in Trade Payable	(776.92)	758.96
(Decrease)/Increase in Other Current Liabilities	325.80	848.47
(Decrease)/Increase in Short-term Provisions	(5.29)	(1.90)
(Decrease)/Increase in Long-term Provisions	12.95	-
(Decrease)/Increase in Pre-operative Expenses	-	3.43
Cash Generated from Operation	1,061.09	2,708.94
Less: Income Tax Paid	(32.56)	(83.96)
Net Cash Flow from/(used) in Operating Activities (A)	1,028.53	2,624.98
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,003.88)	(328.94)
Sale of Fixed Assets	373.11	61.71
Sale/Purchase of Investment	7.81	(40.00)
Interest Received	36.56	10.46
Dividend Received	0.08	-
Rent Received	2.40	9.90
Net Cash Flow from/(used) in Investing Activities (B)	(583.92)	(286.87)

Cash Flow Statement for the year ended 31st March, 2012

	(₹ in Lakhs)	
	31.03.2012	31.03.2011
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	35.33	9.18
Share Premium	35.33	9.18
Share issue Expense	(0.07)	(0.28)
Dividend paid on equity shares	(112.41)	-
Tax on equity dividend paid	(17.94)	-
Proceed from long-term borrowings (net of repayment)	118.55	(1,538.48)
Proceed from short-term borrowings (net of repayment)	423.82	199.28
Interest paid	(988.10)	(801.13)
Net Cash Flow from/(used) in financial activities (C)	(505.49)	(2,122.25)
Net Increase in Cash and Cash Equivalents (A+B+C)	(60.88)	215.86
Opening Balance	377.62	161.76
Closing Balance	316.74	377.62

As per our report of even date

For Alladi Krishnan & Kumar

Chartered Accountants

Ajit S. Datar

Partner

Membership No. 036274

Place : Mumbai

Date : 29th May, 2012**For Rishi Laser Limited****Chairman**

Harshad B. Patel

Company Secretary

Supriya Joshi

Directors

Vasant D. Goray

Jayesh K. Sheth

Vandan Shah

Dinesh Mehta

Notes to Financial Statements for the year ended 31st March, 2012

1. CORPORATE INFORMATION

Rishi Laser Limited is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on one stock exchange in India. The Company is engaged in manufacturing of Fabricated Sheet Metal Components.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

a) Change in accounting policies

Presentation and disclosure of financial statements

During the year ended 31st March, 2012 the revised schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The Company has reclassified the previous year's figures in accordance with the requirements applicable in the current year.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainties about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period.

c) Tangible 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 capitalized also include applicable borrowing cost.

d) Depreciation on tangible fixed assets

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.

e) Intangible assets

Intangible assets are stated at cost of acquisition (net of recoverable taxes) less accumulated amortization/depletion. All costs, including finance cost till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

f) Borrowing cost

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessary takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g) Impairment of assets

An asset is treated as impaired when carrying cost of asset exceed its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been change in estimate of recoverable amount.

h) 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.

i) 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 Realizable Value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

j) Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the dispatch of goods.

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Dividend income

Dividend income is recognized when the Company's right to receive dividend is estimated by the reporting date.

k) Employee benefits

(i) Short-term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the related service is rendered.

(ii) Post employment and other long-term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the Statement of Profit and Loss.

l) Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets & 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 recognized as income or expense in the year in which they arise.

m) Retirement and other employee benefits

The Company has booked gratuity and leave encashment as per actuarial valuation as on 31st March, 2012 as per AS 15(Revised).

n) 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 originates in one period and are capable of reversal in one or more subsequent period(s). The rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing difference only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

o) Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Provision, Contingent Assets and Contingent liabilities

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

q) Cash and cash equivalents

Cash and cash equivalent for the purpose of cash flow statement comprise cash at bank and in hand.

r) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the companies Act, 1956, the Company has elected to present earning before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement the Company does not include depreciation and amortization expense, finance cost and tax expenses.

Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
3. SHARE CAPITAL		
Authorised Shares		
1,50,00,000 (P.Y.: 1,50,00,000) Equity shares of ₹ 10/- each	1,500.00	1,500.00
Issued, Subscribed and fully Paid-up shares		
89,92,600 (P.Y. 86,39,300) Equity Shares of ₹ 10/- each fully paid-up	899.26	863.93
Total Issued, Subscribed and fully Paid-up Share Capital	899.26	863.93

24,85,000 shares out of the issued, subscribed and paid-up share capital were allotted as preferential shares in the last five years.

5,49,000 shares out of the issued, subscribed and paid up share capital were allotted under ESOP in the last five years.

a) Reconciliation of the number of equity shares and amount outstanding at the end of the reporting period:

Particular	As at 31.03.2012		As at 31.03.2011	
	No. in Lakhs	₹ In Lakhs	No. in Lakhs	₹ In Lakhs
At the beginning of the period	86.39	863.93	85.47	854.75
Shares issued on exercise of ESOP	3.53	35.33	0.92	9.18
Outstanding at the end of the period	89.92	899.26	86.39	863.93

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shares held by each shareholder holding more than 5% shares:

Name of the Shareholder	As at 31.03.2012		As at 31.03.2011	
	Number in Lakhs	% of holding in the class	Number in Lakhs	% of holding in the class
Equity shares of ₹ 10 each fully paid				
Nikhil Jaysinh Merchant	7.80	8.67%	7.80	9.03%
Archway Holdings Limited	6.70	7.45%	6.70	7.76%
Rishi Techtex Limited	4.71	5.24%	4.68	5.42%

d) Shares reserved for issuance under Stock Option Plans of the Company:

The Company has reserved issuance of 2,51,000 shares (P.Y. 6,04,300) equity shares of ₹ 10 each for offering to eligible employees of the Company under ESOP. During the year the Company has granted 3,53,300 (P.Y. 91,800) Options to the eligible employees at ₹ 20 (P.Y. ₹ 20) per option.

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
4. RESERVES AND SURPLUS		
(a) Capital Reserve:		
Opening balance	9.76	11.17
Less: Transferred to deferred income	1.41	1.41
	8.35	9.76
(b) Security Premium Account:		
Opening balance	2,702.69	2,693.79
Add: Premium on shares issued during the year	35.33	9.18
	2,738.02	2,702.97
Less: Writing off shares issue expenses	0.07	0.28
Closing balance	2,737.95	2,702.69
(c) General Reserve:		
Opening balance	746.40	671.40
Add: Transferred from surplus in Statement of Profit and Loss	-	75.00
Closing balance	746.40	746.40
(d) Surplus/(Deficit) in Statement of Profit and loss:		
Opening balance	696.20	368.16
Add: Profit/(Loss) for the year	45.83	528.97
	742.03	897.13
Less: Appropriations		
Proposed final equity dividend	-	107.99
Tax on dividend distribution	-	17.94
General Reserve	-	75.00
Net surplus in the Statement of Profit and Loss	742.03	696.20
Total	4,234.73	4,155.05

(₹ in Lakhs)

	Non-current portion		Current portion	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
5. LONG-TERM BORROWING				
a) Term Loan From Bank				
Secured	1,281.83	1,226.10	841.39	655.96
b) Deferred payment Liabilities				
Unsecured	362.09	405.46	43.37	51.76
c) Loans and Advances from related parties				
Unsecured	64.04	106.84	42.80	45.51
d) Loans and Advances from Others				
Secured	31.78	38.84	7.06	37.68
Unsecured	317.80	161.75	148.21	74.05
Total	2,057.55	1,939.00	1,082.83	864.97

Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

(₹ in Lakhs)

Details of Term Loan from Banks:

Repayment Terms	Outstanding Amount as on 31.03.12	Rate of interest
I) Loan from State Bank of India		
Monthly installment of ₹ 22.30 lakhs from April-12 to March -13, ₹ 33.33 lakhs from April-13 to March-14 and ₹ 66.67 lakhs from April-14 to August-14.	1,012.97	15.25%
Repayable in April-12	40.65	15.25%
Monthly installment of ₹ 13.75 lakhs from April-12 to July-12	47.51	15.25%
Monthly installment of ₹ 10.42 lakhs each from April-12 to August-13	169.22	15.25%
Above Indian Rupee term loans are secured by mortgage over Company's specific Land and Building and hypothecation of specific Plant and Machinery at Pune, Bengaluru and Vadodara plants and personal guarantee of Managing Director of the Company.		
II) Loan from Canara Bank		
Monthly installment of ₹ 14.17 lakhs each from April-12 to March-15	510.00	15.25%
Above Indian Rupee term loan is secured by mortgage over Company's specific Land and Building and hypothecation of specific Plant and Machinery and other fixed assets at Kundli and Pithampur plants and personal guarantee of Managing Director of the Company.		
III) Loan from Axis Bank		
Monthly installment of ₹ 11.67 lakhs from April-12 to December-13	229.92	15.25%
Above Indian Rupee term loan is secured by mortgage over Company's Land and Building and other fixed assets at Savli Plants and personal guarantee of Managing Director of the Company.		
IV) Loan from Kotak Mahindra Bank		
₹ 34.81 lacs is payable in FY12-13, ₹ 34.50 lakhs is payable in FY13-14 and ₹ 12.35 lakhs is payable in FY14-15.	82.51	15.75%
The Indian Rupee loan is secured by mortgage over Company's Land at Doddaballapur (Bengaluru) and personal guarantee of Managing director of the Company and his spouse.		
V) Loan from Gujarat Industrial Development Corporation		
Quarterly payment of ₹ 1.76 lakhs is payable from April-12 to September-17.	38.84	13.50%
This loan is secured by Plot No. 733 & 735 at GIDC Savli, Savli, Vadodara.		
VI) Term loan for vehicles are secured against hypothecation of vehicles.		
VII) Deferred Sales Tax is interest free loan which is repayable as under:		

Year	Amount (₹ in Lakhs)
2012-13	43.37
2013-14	56.58
2014-15	73.42
2015-16	72.89
2016-17	61.93
2017-18	53.79
2018-19	34.75
2019-20	8.72
Total	405.45

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
6. DEFERRED TAX LIABILITIES (NET)		
Opening balance	390.62	426.35
Deferred tax liability		
Provision for compensated absences, gratuity and other employee benefits	8.43	-
Deferred tax assets		
On difference between tax depreciation and depreciation charged for the financial reporting	25.12	35.73
Total	373.90	390.62
7. LONG-TERM PROVISIONS		
Provision for employee benefits:		
i) Provision for gratuity (Note: 26)	47.97	32.89
ii) Leave encashment (Note: 26)	18.32	20.45
Total	66.29	53.34
8. SHORT-TERM BORROWINGS		
Loans repayable on demand – From banks	2,841.78	2,417.96
Total	2,841.78	2,417.96
Working Capital loans from banks are secured against exclusive hypothecation charge on present and future stocks i.e Raw Materials, Stock-in-process, Finished goods, Stores and Spares and Book Debts of the Company.		
9. TRADE PAYABLES		
Trade payables including acceptances*	2,267.98	3,044.90
Total	2,267.98	3,044.90
*Trade payable includes Payable to subsidiaries of ₹ 34.25 lakhs (P.Y. ₹ 4.36 lakhs) and payable to associates of ₹ 0.09 lakhs (P.Y. ₹ Nil)		
10. OTHER CURRENT LIABILITIES		
Current maturities of long-term debt	1,082.83	864.97
Advance from customers	87.74	67.01
Interest free deposits from customers	45.75	29.20
Other liabilities	166.18	138.81
Creditors for capital expenditure	43.40	-
Total	1,425.89	1,099.99

Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
11. SHORT-TERM PROVISIONS		
a) Provision for employee benefits:		
i) Provision for bonus	44.95	38.68
ii) Provision for leave encashment (Note: 26)	6.10	-
iii) Employer contribution to PF	4.83	4.29
iv) Employer contribution to ESIC	1.55	1.37
	57.43	44.34
b) Provision - Others:		
i) Provision for tax (net of advance tax and TDS)		
Provision for tax	193.84	182.23
Less: Advance tax payment	65.00	55.00
TDS Receivable	78.87	80.36
	49.97	46.87
ii) Provision for FBT	-	5.91
Less: Advance tax payment	-	6.81
	-	(0.90)
iii) Proposed Dividend	-	107.99
iv) Tax on Proposed Dividend	-	17.94
v) Others	28.55	46.93
Total	135.95	263.17

Notes to Financial Statements for the year ended 31st March, 2012

Description	Gross Block				Depreciation/Amortization			Net Block		
	Balance as at 1 st April, 2011	Additions	Disposals	Balance as at 31 st March, 2012	Balance as at 1 st April, 2011	For the year	Deduction / Adjustments	Balance as at 31 st March, 2012	Balance as at 31 st March, 2011	
12. FIXED ASSETS										
1. Tangible Assets										
Freehold Land	341.07	-	-	341.07	-	-	-	-	341.07	341.07
Leasehold Land	355.38	1.08	-	356.46	-	-	-	-	356.46	355.38
Factory Building	1,660.64	8.59	-	1,669.23	272.54	54.18	-	326.72	1,342.51	1,388.10
Plant and Machinery	6,725.08	604.29	154.62	7,174.75	2,770.48	676.06	48.68	3,402.11	3,772.64	3,954.60
Electrical Installation	281.04	4.03	-	285.07	110.65	25.67	-	136.32	148.75	170.39
Tools and Dies	258.72	52.97	20.95	290.74	61.60	25.34	2.21	84.73	206.01	197.12
Furniture	130.97	6.36	-	137.33	35.50	11.18	-	46.68	90.65	95.47
Fixtures	11.16	-	-	11.16	2.51	0.71	-	3.22	7.94	8.65
Office Equipments	48.66	12.67	-	61.33	13.08	3.46	-	16.54	44.79	35.58
Computers	112.74	13.37	-	126.11	80.46	12.72	-	93.18	32.93	32.28
Vehicles	106.28	25.84	11.66	120.46	35.71	9.56	10.76	34.51	85.95	70.57
Sub-total	10031.74	729.2	187.23	10,573.71	3,382.53	818.88	61.65	4,144.01	6,429.70	6,649.21
2. Intangible Assets										
Software	43.34	13.64	-	56.98	19.30	6.89	-	26.19	30.79	24.04
Sub-total	43.34	13.64	-	56.98	19.30	6.89	-	26.19	30.79	24.04
Grand Total	10,075.08	742.84	187.23	10,630.69	3,401.83	825.77	61.65	4,170.20	6,460.49	6,673.25
Previous year	9,812.05	335.90	72.88	10,075.08	2,621.41	793.07	16.92	3,401.79	6,673.25	-

Out of the addition in Plant and Machinery of ₹ 604.29 lakhs, ₹ 1.34 lakhs is attributable to borrowing cost capitalized.

Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

	(₹ in Lakhs)	
	As at 31.03.2012	As at 31.03.2011
13. NON-CURRENT INVESTMENTS		
Non-trade investments (valued at cost unless stated otherwise)		
Investment in equity instruments: (unquoted)		
4,980 (P.Y. 4,980) Equity Shares of ₹ 10/- each fully paid-up in Lotus Fabrication Pvt. Ltd	0.50	0.50
27,000 (P.Y. 27,000) Equity Shares of ₹ 10/- each fully paid-up in Centennial Finance Ltd.	2.70	2.70
25 (P.Y. 25) Equity Shares of ₹ 100/- each fully paid-up in Cosmos Co-op. Bank Ltd.	0.03	0.03
4,00,000 (P.Y. 4,00,000) Equity Shares of ₹ 10 each fully paid in Centennial Fabrics Ltd.	40.00	40.00
Investment in equity instruments of Subsidiary Company: (unquoted)		
76,96,000 (P.Y. 76,96,000) Equity Shares of ₹ 10/- each fully paid-up in Rishi Consfab Pvt. Ltd.	769.60	769.60
Investment in equity instruments of Associate Company: (unquoted)		
4,900 (P.Y. 4,900) Equity Shares of ₹ 10/- each fully paid-up in Rishi Technical Services Pvt. Ltd. - Unquoted	0.49	0.49
Investment in Mutual Fund: (quoted)		
Nil (P.Y. 25,463) units of UTI Infrastructure Fund	-	10.00
Investment in equity instruments of Associate Company: (quoted)		
201347 (P.Y. 2,01,347) Equity Shares of ₹ 10 each in Rishi Techtex Ltd. [Market Value: ₹ 11.28 lakhs (P.Y. ₹ 25.25 lakhs)]	74.23	74.23
Total	887.55	897.55
14. LONG-TERM LOANS AND ADVANCES		
Security Deposits:		
Unsecured, considered good	240.78	186.69
Total	240.78	186.69
15. INVENTORIES		
a) Raw Materials (valued at cost on Weighted Average)	784.60	870.75
b) Work-in-Progress (Valued at Cost representing materials, Labour and apportioned overheads)	1,327.06	1,514.87
c) Stores and Spares (valued at cost on Weighted Average)	118.81	109.85
Total	2,230.47	2,495.47
16. TRADE RECEIVABLES		
(Unsecured and considered good)		
Over six months	897.36	889.84
Others*	2,800.06	2,324.11
Total	3,697.42	3,213.95
*Other trade receivables includes receivables from subsidiaries of ₹ 44.29 lakhs (P.Y. ₹ 57.03 lakhs) and receivables from associates of ₹ 3.11 lakhs (P.Y. ₹ 6.92 lakhs).		

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
17. CASH AND CASH EQUIVALENTS		
a) Cash in hand	7.46	6.21
b) Balances with banks		
In current accounts	3.28	126.68
In margin and deposit money accounts	306.00	244.73
Total	316.74	377.62
18. SHORT-TERM LOANS AND ADVANCES		
a) Loans and Advances to related parties		
Unsecured, considered good (Refer Note : 27)	26.77	26.45
b) Prepaid Expenses	52.88	15.91
c) Balances with Government authorities		
Unsecured, considered good		
i) CENVAT credit	92.42	159.97
ii) VAT credit	0.45	3.07
iii) Service Tax credit	89.78	85.91
iv) Balance with custom, excise etc.	10.17	10.62
	192.82	259.57
d) Others		
Unsecured, considered good		
Advance recoverable in cash or kind or for value to be received	74.16	61.80
Others	27.55	11.39
	101.71	73.19
Total	374.18	375.12
19. REVENUE FROM OPERATIONS		
Sale of products	16,801.37	15,509.49
Sale of services	14.57	12.23
	16,815.94	15,521.72
Less: Excise duty/Service tax recovered	1,406.79	949.96
Total	15,409.15	14,571.76

Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

	(₹ in Lakhs)	
	As at 31.03.2012	As at 31.03.2011
20. OTHER INCOME		
Interest income on:		
Bank Deposits	30.56	9.20
Others	6.00	1.26
	36.56	10.46
Dividend income on:		
Long-term investments-Non-trade	0.08	0.00
Others:		
Profit on sale of assets	69.72	0.23
Net profit/(loss) on foreign currency transactions and translation (other than considered as finance cost)	14.19	18.78
Others	9.65	11.55
	93.56	30.56
Total	130.20	41.02
21. COST OF MATERIAL CONSUMED		
Opening Stock	870.75	623.41
Add: Purchases	8,951.69	8,895.22
	9,822.44	9,518.63
Less: Closing Stock	784.60	870.75
Cost of material consumed	9,037.84	8,647.88
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year:		
Work-in-Progress	1,327.07	1,514.87
Inventories at the beginning of the year:		
Work-in-Progress	1,514.87	1,005.77
Net (increase)/decrease	187.80	(509.10)
23. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	1,790.04	1,636.03
Contribution to Provident Fund	48.39	43.81
Gratuity Expenses (Note: 26)	15.08	7.33
Other post Employment funds	24.44	23.16
Workmen and staff welfare expenses	49.81	40.85
Total	1,927.76	1,751.18

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
24. OTHER EXPENSES		
Consumable stores and spare parts	534.56	631.82
Power and Fuel	495.42	496.03
Rent including lease rentals	117.80	125.61
Repairs and Maintenance - Plant and Machinery	137.85	166.70
Repairs and Maintenance - Building	17.73	20.66
Repairs and Maintenance - Others	34.60	26.45
Insurance	7.60	5.79
Rates and Taxes	13.29	13.39
Directors' sitting fees	0.33	0.35
Communication	27.12	26.18
Travelling and Conveyance	98.99	90.57
Printing and Stationery	23.50	21.40
Donations and Contributions	2.13	1.22
Legal and Professional	102.92	98.50
Payments to auditors (Refer Note below)	5.61	5.37
Factory Expenses	15.21	19.27
Gas cylinder Rent	13.49	10.92
Processing Charges	569.28	518.19
Advertisement Expenses	1.83	3.04
Security Charges	64.27	50.08
Training Expenses	9.93	8.73
Selling and Distribution Expenses	163.01	170.94
Net loss on sale of investments	2.19	0.00
Prior period items	9.87	(14.41)
Miscellaneous Expenses	39.18	28.33
Total	2,507.71	2,525.13
Note: Payments to auditors comprises:		
As auditors - Statutory Audit	2.00	2.00
As auditors - Tax Audit	1.50	1.50
Certification and consultancy charges	1.50	1.50
Reimbursement of Expenses	0.61	0.37
Total	5.61	5.37
25. FINANCE COST		
Interest	883.14	725.94
Other borrowing cost	104.96	75.19
Total	988.10	801.13

Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

(₹ in Lakhs)

	Leave Encashment		Gratuity	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
26. A. GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLAN				
Current service cost	9.18	8.00	14.05	19.33
Interest Cost	1.64	1.44	4.43	3.64
Actual return on plan assets	0.00	0.00	1.89	1.85
Actuarial losses/(gains)	4.21	(0.92)	(1.52)	(13.79)
Total expenses recognized in the Statement of Profit and loss	15.03	8.52	15.07	7.33
26. B. NET ASSETS/LIABILITY RECOGNIZED IN THE BALANCE SHEET				
Present value of defined benefit obligation	24.42	20.45	68.83	55.40
Fair value of plan assets	Nil	Nil	20.27	22.03
Unfunded liability	24.42	20.45	48.56	33.38
Unrecognized past service costs	Nil	Nil	Nil	Nil
Unfunded liability recognized in the Balance Sheet	24.42	20.45	48.56	33.38
26. C. CHANGE IN DEFINED BENEFIT OBLIGATION DURING THE YEAR				
Present value of PBO at beginning of the year	20.45	19.26	55.40	48.51
Current service cost	9.18	8.00	14.05	19.33
Interest Cost	1.64	1.44	4.43	3.64
Benefits Paid	11.06	7.33	3.53	2.28
Actuarial (gains)/losses	4.21	(0.91)	(1.52)	(13.79)
Present value of PBO at the end of the year	24.42	20.46	68.83	55.41
26. D. CHANGE IN PLAN ASSETS				
Fair value of plan assets at the beginning of the year	Nil	Nil	20.79	21.57
Actual return on plan assets	N.A.	N.A.	1.89	1.85
Employer's Contribution	N.A.	N.A.	Nil	Nil
Benefits paid during the period	N.A.	N.A.	3.53	2.28
Fair value of plan assets at year end	Nil	Nil	20.27	22.03
26. E. ACTUARIAL ASSUMPTION				
Discount Rate	8% p.a.	7.5% p.a.	8% p.a.	7.5% p.a.
Expected return on plan assets	N.A.	N.A.	9.07% p.a.	8.57% p.a.
Salary Escalation	5% p.a.	5% p.a.	5% p.a.	5% p.a.
Mortality Tables	LIC (1994-96) ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate

1. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
2. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Notes to Financial Statements for the year ended 31st March, 2012**27. RELATED PARTY DISCLOSURE****Details of related parties:**

Description of relationship	Names of related parties
Subsidiary	Rishi Consfab Pvt. Ltd.
Related parties where common control exists	Rishi Techtex Ltd. Rishi Technical Services Pvt. Ltd.
Key Management Personnel (KMP)	- Mr. Harshad B. Patel - Mr. Jayesh K. Sheth - Mr. Vandan Shah - Mr. Dinesh Mehta - Mr. Vasant D. Goray

(₹ in Lakhs)

	Associate	Subsidiary	KMP	Total
Purchase of goods				
- Rishi Consfab Pvt. Ltd.	-	43.53	-	43.53
	-	(35.38)	-	(35.38)
- Rishi Techtex Ltd.	0.09	-	-	0.09
	(0.10)	-	-	(0.10)
Sale of goods				
- Rishi Consfab Pvt. Ltd.	-	333.94	-	333.94
	-	(394.87)	-	(394.87)
- Rishi Techtex Ltd.	34.60	-	-	34.60
	(0.43)	-	-	(0.43)
Services provided				
- Rishi Consfab Pvt. Ltd.	-	13.11	-	13.11
	-	(11.89)	-	(11.89)
Sale of fixed assets				
- Rishi Consfab Pvt. Ltd.	-	4.69	-	4.69
	-	(46.08)	-	(46.08)
- Rishi Techtex Ltd.	0.13	-	-	0.13
	-	-	-	-
Professional Fees paid				
- Rishi Technical Services Pvt. Ltd.	8.55	-	-	8.55
	(8.19)	-	-	(8.19)
Interest paid				
- Harshad B. Patel	-	-	19.67	19.67
	-	-	(27.22)	(27.22)
Rent received				
- Rishi Techtex Ltd.	2.40	-	-	2.40
	(2.40)	-	-	(2.40)
Rent paid				
- Harshad B. Patel	-	-	3.36	3.36
	-	-	(2.88)	(2.88)

Notes to Financial Statements for the year ended 31st March, 2012 (Contd.)

(₹ in Lakhs)

	Associate	Subsidiary	KMP	Total
REMUNERATION, COMMISSION AND SITTING FEES				
- Mr. Harshad B. Patel	-	-	44.90	44.90
	-	-	(47.03)	(47.03)
- Mr. Jayesh K. Sheth	-	-	0.13	0.13
	-	-	(0.13)	(0.13)
- Mr. Vandan Shah	-	-	0.03	0.03
	-	-	(0.05)	(0.05)
- Mr. Dinesh Mehta	-	-	0.05	0.05
	-	-	(0.05)	(0.05)
- Mr. Vasant D. Goray	-	-	0.13	0.13
	-	-	(0.13)	(0.13)
BALANCES OUTSTANDING AT THE END OF THE YEAR				
Investments				
- Rishi Consfab Pvt. Ltd.	-	769.60	-	769.60
	-	(769.60)	-	(769.60)
- Rishi Technical Services Pvt. Ltd.	0.49	-	-	0.49
	(0.49)	-	-	(0.49)
- Rishi Techtex Ltd.	74.23	-	-	74.23
	(74.23)	-	-	(74.23)
Trade Receivables				
- Rishi Consfab Pvt. Ltd.	-	44.29	-	44.29
	-	(57.03)	-	(57.03)
- Rishi Techtex Ltd.	3.11	-	-	3.11
	(6.92)	-	-	(6.92)
Loans and Advances				
- Rishi Technical Services Pvt. Ltd.	26.77	-	-	26.77
	(26.45)	-	-	(26.45)
Trade Payables				
- Rishi Consfab Pvt. Ltd.	-	34.25	-	34.25
	-	(4.36)	-	(4.36)
- Rishi Techtex Ltd.	0.09	-	-	0.09
	-	-	-	-
Borrowings				
- Rishi Consfab Pvt. Ltd.	-	27.98	-	27.98
	-	(1.82)	-	(1.82)

Note: Figures in bracket relates to the previous year.

	As at 31.03.2012	As at 31.03.2011
28. EARNING PER SHARE (EPS)		
i) Net profit after tax as per Statement of Profit and Loss attributable to equity shareholders (₹ in lakhs)	45.83	528.98
ii) Weighted average number of equity shares used as denominator for calculating EPS (Nos. in lakhs)	89.26	86.02
iii) Basic EPS (in ₹)	0.51	6.15
iv) Diluted EPS (in ₹)	0.51	6.11
v) Face value per equity share (in ₹)	10.00	10.00

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
29. EARNING IN FOREIGN EXCHANGE		
FOB value of exports	54.73	1,005.15
	54.73	1,005.15
30. EXPENDITURE IN FOREIGN CURRENCY		
Foreign tour – Staff	3.82	1.50
Foreign tour – Directors	2.53	5.95
Training Expenses	0.48	0.00
Sales Promotion	0.16	0.00
	6.99	7.45
31. VALUE OF IMPORTS CALCULATED ON CIF BASIS		
Capital Goods	340.53	169.05
Components and Spare parts	55.12	67.68
Raw Material	196.54	0.00
	592.19	236.73

(₹ in Lakhs)

	As at 31.03.2012 %	As at 31.03.2012 ₹	As at 31.03.2011 %	As at 31.03.2011 ₹
32. IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED				
Raw Material – Indigenous	97.83	8,841.30	100.00	8,647.88
Raw Material – Imported	2.17	196.54	0.00	0.00
	100.00	9,037.84	100.00	8,647.88
Spare & Components				
Indigenous	93.92	502.05	85.92	542.86
Imported	6.08	32.51	14.08	88.96
	100.00	534.56	100.00	631.82

33. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

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.

34. CONTINGENT LIABILITIES

- i) Guarantee given by banks on behalf of Company ₹ 52.77 lakhs.
- ii) Letter of credit ₹ 1,260.05 lakhs.

As per our report of even date

For Alladi Krishnan & Kumar

Chartered Accountants

Ajit S. Datar

Partner

Membership No. 036274

Place : Mumbai

Date : 29th May, 2012**For Rishi Laser Limited****Chairman**

Harshad B. Patel

Company Secretary

Supriya Joshi

Directors

Vasant D. Goray

Jayesh K. Sheth

Vandan Shah

Dinesh Mehta

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 of the profit or losses of the Subsidiary for the current period so far as it concerns the members of the Holding Company		Net aggregate of the profit or losses for previous financial years of the subsidiary so far as it concerns the members of the 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	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 st March, 2012	74%	76,96,000	₹ (3.35) lakhs	Nil	N. A.	N.A.

For Rishi Laser Ltd.

Chairman

Harshad B. Patel

Company Secretary

Supriya Joshi

Place : Mumbai

Date : 29th May, 2012

Directors

Vasant D. Goray

Jayesh K. Sheth

Vandan Shah

Dinesh Mehta

Statement pursuant to Section 212 & Auditor's Report on Consolidated Accounts

Auditor's Report on Consolidated Accounts

We have audited the attached Consolidated Balance Sheet of Rishi Laser Limited and its Subsidiary as at 31st March, 2012, and also the Consolidated Statement of Profit and Loss 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 State of affairs of the Company and its Subsidiary as on 31st March, 2012.
- ii. In the case of Consolidated Statement of Profit and Loss, 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)

Date : 29th May, 2012
Place : Mumbai

Ajit S. Datar
(Partner)
Membership No. 036274

Consolidated Balance Sheet as at 31st March, 2012

(₹ in Lakhs)

Particulars	Notes	31.03.2012	31.03.2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	899.26	863.93
Reserves and Surplus	4	4,141.14	4,064.81
		5,040.40	4,928.74
Minority Interest		298.33	299.51
Non-current Liabilities			
Long-term Borrowings	5	2,478.22	2,534.61
Deferred tax Liabilities (net)	6	436.83	444.47
Long-term Provisions	7	69.34	55.77
		2,984.39	3,034.85
Current Liabilities			
Short-term Borrowings	8	3,285.53	2,825.50
Trade Payables	9	2,432.45	3,398.66
Other current Liabilities	10	1,645.22	1,312.10
Short-term Provisions	11	144.16	277.45
		7,507.36	7,813.71
TOTAL		15,830.48	16,076.81
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	12	7,624.53	7,904.88
Intangible Assets	12	31.04	24.18
Capital Work-in-Progress		339.94	330.46
Intangible assets under development		13.64	-
		8,009.15	8,259.52
Non-current Investments	13	117.95	127.95
Long-term Loans and Advances	14	265.37	191.50
Current Assets			
Inventories	15	2,522.23	2,786.96
Trade Receivables	16	4,068.01	3,755.29
Cash and cash equivalents	17	318.56	379.39
Short-term Loans and Advances	18	529.21	576.20
		7,438.01	7,497.84
TOTAL		15,830.48	16,076.81
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For Alladi Krishnan & Kumar

Chartered Accountants

Ajit S. Datar

Partner

Membership No. 036274

Place : Mumbai

Date : 29th May, 2012

For Rishi Laser Limited

Chairman

Harshad B. Patel

Company Secretary

Supriya Joshi

Directors

Vasant D. Goray

Jayesh K. Sheth

Vandan Shah

Dinesh Mehta

Consolidated Balance Sheet & Consolidated Statement of Profit and Loss

Consolidated Statement of Profit and Loss for the year ended 31st March, 2012

(₹ in Lakhs)

Particulars	Notes	31.03.2012	31.03.2011
REVENUE			
Income			
Revenue from Operations (gross)	19	20,184.19	19,151.59
Less: Excise dDuty	19	1,734.32	1,346.40
Revenue from Operations (net)		18,449.87	17,805.19
Other Income	20	131.99	41.28
Total Revenue (i)		18,581.86	17,846.47
EXPENSES			
Cost of materials consumed	21	11,049.44	10,867.83
Changes in inventories of finished goods, work-in- progress and stock-in-trade	22	229.19	(543.20)
Employee Benefits Expenses	23	2,204.46	2,004.18
Other Expenses	24	2,891.46	2,874.38
Total Expenses (ii)		16,374.55	15,203.19
Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortization (EBITDA) (i - ii)		2,207.31	2,643.29
Finance Costs	25	1,171.84	984.80
Depreciation and Amortization Expenses		965.25	925.37
Extraordinary items		-	(15.00)
Tax on extraordinary items		-	4.98
Profit/(Loss) before tax		70.22	743.14
Tax expenses			
Current Tax		36.53	189.16
Deferred Tax		(7.61)	(23.84)
Profit for the year (before adjustment for minority interest)		41.30	577.82
Add/(Less): Minority interest		1.18	(23.96)
Profit for the year (after adjustment for minority interest)		42.48	553.86
Earnings per share (of ₹ 10/- each):			
Basic		0.48	6.44
Diluted		0.48	6.40
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For Alladi Krishnan & Kumar

Chartered Accountants

Ajit S. Datar

Partner

Membership No. 036274

Place : Mumbai

Date : 29th May, 2012

For Rishi Laser Limited

Chairman

Harshad B. Patel

Company Secretary

Supriya Joshi

Directors

Vasant D. Goray

Jayesh K. Sheth

Vandan Shah

Dinesh Mehta

Consolidated Cash Flow Statement for the year ended 31st March, 2012

(₹ in Lakhs)

	31.03.2012	31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	70.22	717.37
Non-cash adjustment to reconcile profit before tax to net cash flow		
Depreciation	965.25	925.37
Interest Paid	1,171.84	984.81
Interest Received	(38.28)	(10.66)
Capital Reserve	(1.41)	(1.41)
Rent Received	(2.40)	(9.90)
(Profit)/loss on sale of assets	(69.62)	(0.23)
Loss on sale of investment	2.19	-
Dividend	(0.08)	-
Extraordinary item	5.81	15.00
Previous Year Adjustment	1.42	1.83
Operating profit before working capital changes	2,104.94	2,622.18
Movements in working capitals:		
Decrease/(Increase) in Inventories	264.73	(692.03)
Decrease/(Increase) in Trade Receivable	(312.72)	(923.38)
Decrease/(Increase) in Long-term Loans and Advances	(73.87)	295.67
Decrease/(Increase) in Short-term Loans and Advances	46.99	122.89
(Decrease)/Increase in Trade Payable	(966.21)	752.07
(Decrease)/Increase in Other Current Liabilities	333.02	1,011.93
(Decrease)/Increase in Short-term Provisions	(4.04)	2.40
(Decrease)/Increase in Long-term Provisions	13.57	0.77
(Decrease)/Increase in Pre-operative Expenses	-	3.45
Cash Generated from Operation	1,406.41	3,195.95
Income Tax Paid	(42.62)	(116.56)
Net Cash Flow from/(used) in Operating Activities (A)	1,363.79	3,079.39
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,018.35)	(338.23)
Sale of Fixed Assets	373.11	62.53
Sale/purchase of Investment	7.81	(40.00)
Interest Received	38.28	10.66
Dividend Received	0.08	-
Rent Received	2.40	9.90
Net Cash Flow from/(used) in Investing Activities (B)	(596.67)	(295.14)

Consolidated Cash Flow Statement for the year ended 31st March, 2012

	(₹ in Lakhs)	
	31.03.2012	31.03.2011
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	35.33	9.18
Share Premium	35.33	9.18
Share issue Expense	(0.07)	(0.28)
Dividend paid on equity shares	(112.41)	-
Tax on equity dividend paid	(17.94)	-
Proceed from Long-term Borrowings (net of repayment)	(56.39)	(2,022.44)
Proceed from Short-term Borrowings (net of repayment)	460.03	405.27
Interest paid	(1,171.84)	(984.81)
Net Cash Flow from/(used) in Financial Activities (C)	(827.96)	(2,583.90)
Net Increase in Cash and Cash Equivalents (A+B+C)	(60.84)	200.35
Opening Balance	379.40	179.05
Closing Balance	318.56	379.40

As per our report of even date

For Alladi Krishnan & Kumar

Chartered Accountants

Ajit S. Datar

Partner

Membership No. 036274

Place : Mumbai

Date : 29th May, 2012**For Rishi Laser Limited****Chairman**

Harshad B. Patel

Company Secretary

Supriya Joshi

Directors

Vasant D. Goray

Jayesh K. Sheth

Vandan Shah

Dinesh Mehta

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

1. CORPORATE INFORMATION

Rishi Laser Limited is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on one stock exchange in India. The company is engaged in manufacturing of Fabricated Sheet Metal Components.

2. BASIS OF PREPARATION

The consolidated financial statements comprises of the financial statement of Rishi Laser Ltd and its Subsidiary. The consolidated financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these consolidated financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The Consolidated Financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

a) Change in accounting policies

Presentation and disclosure of Consolidated financial statements

During the year ended 31st March, 2012 the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its consolidated financial statements. The Company has reclassified the previous year's figures in accordance with the requirements applicable in the current year.

b) Principle 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 Limited ("the parent company") and its Subsidiary Rishi Consfab Pvt. Ltd.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its independent financial statements.

c) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainties about these assumptions and estimates could result in the outcomes requiring

a material adjustment to the carrying amounts of assets or liabilities in future period.

d) Tangible 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 capitalized also include applicable borrowing cost.

e) Depreciation on tangible fixed assets

- 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.

f) Intangible assets

Intangible assets are stated at cost of acquisition (net of recoverable taxes) less accumulated amortization/depletion. All costs, including finance cost till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

g) Borrowing cost

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessary takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

h) Impairment of assets

An asset is treated as impaired when carrying cost of asset exceed its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss is recognized in prior accounting period is reversed if there has been change in estimate of recoverable amount.

i) 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.

j) 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 Realizable Value.
Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the dispatch of goods.

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend income

Dividend income is recognized when the Company's right to receive dividend is estimated by the reporting date.

l) Employee benefits

- i) Short-term employee benefits are recognized as an expense in the Consolidated Statement of Profit and Loss of the year in which the related service is rendered.
- ii) Post employment and other long-term employee benefits are recognized as an expense in the Consolidated Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the Consolidated Statement of Profit and Loss.

m) Foreign currency 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 recognized as income or expenses in the year in which they arise.

n) Retirement and other employee benefits

The Company has booked gratuity and leave encashment as per actuarial valuation as on 31st March, 2012 as per AS 15 (Revised).

o) 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). The rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing difference only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

p) Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Provision, Contingent Assets and Contingent liabilities

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

r) Cash and cash equivalents

Cash and cash equivalent for the purpose of cash flow statement comprise cash at bank and in hand.

s) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earning before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Consolidated Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement the Company does not include depreciation and amortization expense, finance cost, and tax expenses.

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (Contd.)

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
3. SHARE CAPITAL		
Authorised Shares		
1,50,00,000 (P.Y. 1,50,00,000) Equity shares of ₹ 10/- each	1,500.00	1,500.00
Issued, Subscribed and fully Paid up shares		
89,92,600 (P.Y. 86,39,300) Equity Shares of ₹ 10/- each fully paid-up	899.26	863.93
Total Issued, Subscribed and fully Paid-up share capital	899.26	863.93

24,85,000 shares out of the issued, subscribed and paid-up share capital were allotted as preferential shares in the last five years.

5,49,000 shares out of the issued, subscribed and paid-up share capital were allotted under ESOP in the last five years.

a) Reconciliation of the number of equity shares and amount outstanding at the end of the reporting period:

Particular	As at 31.03.2012		As at 31.03.2011	
	No. in lakhs	₹ In lakhs	No. in lakhs	₹ In lakhs
At the beginning of the period	86.39	863.93	85.47	854.75
Shares issued on exercise of ESOP	3.53	35.33	0.92	9.18
Outstanding at the end of the period	89.92	899.26	86.39	863.93

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shares held by each shareholder holding more than 5% shares:

Name of the Shareholder	As at 31.03.2012		As at 31.03.2011	
	Number in lakhs	% of holding in the class	Number in lakhs	% of holding in the class
Equity shares of ₹ 10 each fully paid				
Nikhil Jaysinh Merchant	7.80	8.67%	7.80	9.03%
Archway Holdings Limited	6.70	7.45%	6.70	7.76%
Rishi Techtex Limited	4.71	5.24%	4.68	5.42%

d) Shares reserved for issuance under Stock Option Plans of the Company:

The Company has reserved issuance of 251,000 shares (P.Y. 604,300) equity shares of ₹ 10 each for offering to eligible employees of the Company under ESOP. During the year the Company has granted 353,300 (P.Y. 91,800) Options to the eligible employees at ₹ 20 (P.Y. ₹ 20) Per option.

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
4. RESERVES AND SURPLUS		
(a) Capital Reserve:		
Opening balance	9.76	11.17
Less: Transferred to deferred income	1.41	1.41
	8.35	9.76
(b) Security premium account:		
Opening balance	2,702.69	2,693.79
Add: Premium on shares issued during the year	35.33	9.18
	2,738.02	2,702.97
Less: Writing off shares issue expenses	0.07	0.28
Closing balance	2,737.95	2,702.69
(c) General Reserve:		
Opening balance	746.40	671.40
Add: Transferred from surplus in Statement of Profit and Loss	-	75.00
Closing balance	746.40	746.40
(d) Surplus/(Deficit) in Statement of Profit and loss:		
Opening balance	605.96	352.19
Add: Profit/(Loss) for the year	42.48	454.70
	648.44	806.89
Less: Appropriations		
Proposed final equity dividend	-	107.99
Tax on dividend distribution	-	17.94
General Reserve	-	75.00
Net surplus in the Statement of Profit and Loss	648.44	605.96
Total	4,141.14	4,064.81

	Non-current portion		Current portion	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
5. LONG-TERM BORROWING				
a) Term Loan From Bank Secured	1,678.31	1,821.71	1,041.49	857.23
b) Deferred payment Liabilities Unsecured	362.09	405.46	43.37	51.76
c) Loans and Advances from related parties Unsecured	64.04	106.84	42.80	45.51
d) Loans and Advances from Others Secured	31.78	38.84	7.06	37.68
Unsecured	341.99	161.75	161.07	74.05
Total	2,478.22	2,534.61	1,295.79	1,066.24

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (Contd.)

(₹ in Lakhs)

Details of Term Loan from Banks:

Repayment Terms	Outstanding Amount as on 31.03.12	Rate of interest
I) Loan from State Bank of India		
Monthly installment of ₹ 22.30 lakhs from April-12 to March-13, ₹ 33.33 lakhs from April-13 to March-14 and ₹ 66.67 lakhs from April-14 to August 14.	1,012.97	15.25%
Repayable in April-12	40.65	15.25%
Monthly installment of ₹ 13.75 lakhs from April-12 to July-12	47.51	15.25%
Monthly installment of ₹ 10.42 lakhs each from April-12 to August-13	169.22	15.25%
Above Indian Rupee term loans are secured by mortgage over Company's specific Land and Building and hypothecation of specific Plant and Machinery at Pune, Bengaluru and Vadodara Plants and personal guarantee of Managing Director of the Company.		
II) Loan from Canara Bank		
Monthly installment of ₹ 14.17 lakhs each from April-12 to March-15	510.00	15.25%
Monthly installment of ₹ 16.67 lakhs From April-12 to March-15 (Subsidiary Co.)	596.48	15.25%
Above Indian Rupee term loan is secured by mortgage over Company's specific Land and Building and hypothecation of specific Plant and Machinery and other fixed assets at Kundli and Pithampur plants and personal guarantee of Managing Director of the Company.		
The India Rupee Loan in case of Subsidiary Company is secured by an exclusive charge of entire fixed assets including land and building of Subsidiary Company at Doddaballapur and personal guarantee of Managing Director of the Subsidiary Company.		
III) Loan from Axis Bank		
Monthly installment of ₹ 11.67 lakhs from April-12 to December-13	229.92	15.25%
Above Indian Rupee term loan is secured by mortgage over Company's Land and Building and other fixed assets at Savli Plants and personal guarantee of Managing Director of the Company.		
IV) Loan from Kotak Mahindra Bank		
₹ 34.81 lakhs is payable in FY12-13, ₹ 34.50 lakhs is payable in FY13-14 and ₹ 12.35 lakhs is payable in FY14-15.	82.51	15.75%
The Indian Rupee loan is secured by mortgage over Company's Land at Doddaballapur (Bengaluru) and personal guarantee of Managing director of the Company and his spouse.		
V) Loan from Gujarat Industrial Development Corporation		
Quarterly payment of ₹ 1.76 lakhs is payable From April-12 to September-17.	38.84	13.50%
This loan is secured by Plot No. 733 & 735 at GIDC Savli, Savli, Vadodara.		
VI) Term Loan for vehicles of Rishi Laser Ltd. and its Subsidiary both are secured against hypothecation of vehicles.		

VIII) Deferred Sales Tax is interest free loan which is repayable as under:

Year	Amount (₹ in Lakhs)
2012-13	43.37
2013-14	56.58
2014-15	73.42
2015-16	72.89
2016-17	61.93
2017-18	53.79
2018-19	34.75
2019-20	8.72
Total	405.45

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
6. DEFERRED TAX LIABILITIES (NET)		
Opening balance	444.47	468.31
Deferred tax liability	18.56	12.76
Deferred tax assets	26.20	36.60
	436.83	444.47
7. LONG-TERM PROVISIONS		
Provision for employee benefits:		
i) Provision for gratuity (Note: 26)	49.98	34.36
ii) Leave encashment (Note: 26)	19.36	21.41
Total	69.34	55.77
8. SHORT-TERM BORROWINGS		
Loans repayable on demand – From banks		
Secured	3,285.53	2,825.50
Total	3,285.53	2,825.50
Notes:		
Working Capital loans from banks in case of Rishi Laser Ltd. and its Subsidiary Company are secured against exclusive hypothecation charge on present and future stocks i.e Raw Materials, Stock-in-process, Finished goods, Stores and Spares and Book Debts of the respective companies.		
9. TRADE PAYABLES		
Trade Payables including acceptances*	2,432.45	3,398.66
Total	2,432.45	3,398.66
*Trade payable includes Payable to associates of ₹ 0.09 lakhs (P.Y. ₹ Nil).		
10. OTHER CURRENT LIABILITIES		
Current maturities of Long-term Debt	1,295.79	1,066.24
Advance from Customers	91.30	67.23
Interest free deposits from Customers	45.75	29.20
Other Liabilities	168.99	149.43
Creditors for Capital Expenditure	43.40	-
Total	1,645.22	1,312.10

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (Contd.)

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
11. SHORT-TERM PROVISIONS		
a) Provision for employee benefits:		
i) Provision for bonus	47.89	41.57
ii) Provision for gratuity liability (Note: 26)	0.22	-
iii) Provision for leave encashment (Note: 26)	6.44	-
iv) Provision for other employee benefits		
Employer contribution to PF	5.12	4.50
Employer contribution to ESIC	1.69	1.48
	61.36	47.55
b) Provision - Others:		
i) Provision for tax (net of advance tax and TDS)		
Provision for tax	195.15	219.08
Less: Advance tax payment	68.00	86.29
TDS receivable	79.27	80.69
	47.88	52.10
ii) Provision for FBT	-	5.91
Less: Advance tax payment	-	6.81
	-	(0.90)
iii) Proposed Dividend	-	107.99
iv) Tax on Proposed Dividend	-	17.94
v) Others	34.92	52.77
	144.16	277.45

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

(₹ in Lakhs)

Description	Gross Block			Depreciation / Amortization			Net Block		
	Balance as at 1 st April, 2011	Additions	Disposals	Balance as at 31 st March, 2012	Balance as at 1 st April, 2011	For the year	Deduction / Adjustments	Balance as at 31 st March, 2012	Balance as at 31 st March, 2011
12. FIXED ASSETS									
1. Tangible Assets									
Freehold Land	378.90	-	-	378.90	-	-	-	-	378.90
Leasehold Land	355.38	1.08	-	356.46	-	-	-	-	355.38
Factory Building	2,044.99	8.59	-	2,053.58	304.11	59.14	-	363.25	1,740.88
Plant and Machinery	7,832.88	670.88	154.62	8,349.14	3,103.13	798.63	48.68	3,857.44	4,729.74
Electrical Installation	313.36	4.03	-	317.39	119.55	28.49	-	148.04	193.81
Tools and Dies	339.19	56.39	20.95	374.63	83.77	32.68	2.21	114.24	255.42
Furniture	130.98	7.21	-	138.19	35.50	11.42	-	46.92	95.48
Fixtures	11.16	-	-	11.16	2.51	0.71	-	3.22	8.65
Office Equipment	51.80	12.84	-	64.64	13.69	3.60	-	17.29	38.11
Computers	114.78	13.37	-	128.15	80.96	13.03	-	93.99	33.83
Vehicles	112.46	33.41	11.66	134.21	37.78	10.62	10.76	37.64	74.68
Sub-Total	11,685.88	807.8	187.23	12,306.45	3,781.00	958.32	61.65	4,682.03	7,904.88
2. Intangible Assets									
Software	43.41	13.78	-	57.19	19.37	6.90	-	26.27	24.04
Firewall	0.15	-	-	0.15	0.01	0.02	-	0.03	0.14
Sub-Total	43.56	13.78	-	57.34	19.38	6.92	-	26.30	24.18
Grand Total	11,729.44	821.58	187.23	12,363.79	3,800.38	965.24	61.65	4,708.33	7,929.06
Previous year	11,452.29	350.85	73.70	11,729.44	2,887.69	925.39	16.93	3,800.38	7,929.06

Out of the addition in Plant and Machinery of ₹ 670.88 lakhs, ₹ 1.34 lakhs is attributable to borrowing cost capitalized.

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (Contd.)

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
13. NON-CURRENT INVESTMENTS		
Non-trade investments (valued at cost unless stated otherwise)		
Investment in equity instruments: (unquoted)		
4,980 (P.Y. 4,980) Equity Shares of ₹ 10/- each fully paid-up in Lotus Fabrication Pvt. Ltd	0.50	0.50
27,000 (P.Y. 27,000) Equity Shares of ₹ 10/- each fully paid-up in Centennial Finance Ltd.	2.70	2.70
25 (P.Y. 25) Equity Shares of ₹ 100/- each fully paid-up in Cosmos Co-op. Bank Ltd.	0.03	0.03
4,00,000 (P.Y. 4,00,000) Equity Shares of ₹ 10/- each fully paid in Centennial Fabrics Ltd.	40.00	40.00
Investment in equity instruments of Associate Company: (unquoted)		
4,900 (P.Y. 4,900) Equity Shares of ₹ 10/- each fully paid-up in Rishi Technical Services Pvt. Ltd. - Unquoted	0.49	0.49
Investment in Mutual Fund: (quoted)		
Nil (P.Y. 25,463) units of UTI Infrastructure Fund	-	10.00
Investment in equity instruments of Associate Company: (quoted)		
2,01,347 (P.Y. 2,01,347) Equity Shares of ₹ 10 each in Rishi Techtex Ltd. [Market Value: ₹ 11.28 lakhs (P.Y. ₹ 25.25 lakhs)]	74.23	74.23
Total	117.95	127.95
14. LONG-TERM LOANS AND ADVANCES		
Security deposits:		
Unsecured, considered good	265.37	191.50
Total	265.37	191.50
15. INVENTORIES		
a) Raw Materials (valued at cost on Weighted Average)	926.33	972.89
b) Work-in-Progress (Valued at Cost representing materials, Labour and apportioned overheads)	1,457.59	1,686.79
c) Stores and Spares (valued at cost on Weighted Average)	138.31	127.28
Total	2,522.23	2,786.96
16. TRADE RECEIVABLES		
(Unsecured and considered good)		
Over six months	897.59	890.41
Others*	3,170.42	2,864.88
Total	4,068.01	3,755.29
*Other trade receivables includes receivables from Associates of ₹ 3.11 lakhs (P.Y. ₹ 6.92 lakhs).		

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

(₹ in lakhs)

	As at 31.03.2012	As at 31.03.2011
17. CASH AND CASH EQUIVALENTS		
a) Cash in hand	7.65	6.30
b) Balances with banks		
In current accounts	4.91	128.36
In margin and deposit money accounts	306.00	244.73
Total	318.56	379.39
18. SHORT-TERM LOANS AND ADVANCES		
a) Loans and advances to related parties		
Unsecured, considered good	30.94	29.10
b) Prepaid expenses	54.39	16.77
c) Balances with Government authorities		
Unsecured, considered good		
i) CENVAT credit	94.57	205.98
ii) VAT credit	87.42	91.98
iii) Service Tax credit	89.78	90.47
iv) Balance with custom, excise etc.	11.92	11.04
	283.69	399.47
d) Others - Unsecured Considered good		
i) Advance recoverable in cash or kind or for value to be received	132.64	119.47
ii) Others	27.55	11.39
	160.19	130.86
Total	529.21	576.20
19. REVENUE FROM OPERATIONS		
Sale of products	20,184.19	19,151.59
Less: Excise duty/Service tax recovered	1,734.32	1,346.40
Total	18,449.87	17,805.19

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (Contd.)

	(₹ in lakhs)	
	As at 31.03.2012	As at 31.03.2011
20. OTHER INCOME		
Interest Income on:		
Bank Deposits	30.56	9.20
Others	7.72	1.46
	38.28	10.66
Dividend Income on:		
Long-term Investments-Non-trade	0.08	0.00
Others:		
Profit on sale of assets	69.72	0.23
Net profit/(loss) on foreign currency transactions and translation	14.26	18.84
Others	9.65	11.55
	93.63	30.62
Total	131.99	41.28
21. COST OF MATERIAL CONSUMED		
Opening Stock	972.89	733.49
Add: Purchases	11,002.88	11,107.23
	11,975.77	11,840.72
Less: Closing Stock	926.33	972.89
Cost of material consumed	11,049.44	10,867.83
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year:		
Work-in-Progress	1,457.60	1,686.79
Inventories at the beginning of the year:		
Work-in-Progress	1,686.79	1,143.59
Net (increase) / decrease	229.19	(543.20)
23. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	2,054.18	1,878.92
Contribution to Provident Fund	51.19	46.11
Gratuity Expenses (Note : 26)	15.84	7.79
Other post Employment funds	26.45	24.73
Workmen and staff welfare Expenses	56.80	46.63
Total	2,204.46	2,004.18

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

(₹ in lakhs)

	As at 31.03.2012	As at 31.03.2011
24. OTHER EXPENSES		
Consumable stores and spare parts	720.67	800.61
Power and Fuel	542.64	544.27
Rent including lease rentals	118.52	126.36
Repairs and Maintenance - Plant and Machinery	165.99	194.28
Repairs and Maintenance - Building	17.73	20.66
Repairs and Maintenance - Others	36.78	29.43
Insurance	8.12	6.24
Rates and Taxes	15.54	19.44
Directors' sitting fees	0.33	0.35
Communication	28.57	28.33
Travelling and Conveyance	103.56	94.61
Printing and Stationery	26.19	23.50
Donations and Contributions	2.14	1.23
Legal and Professional	104.35	99.08
Payments to auditors (Refer Note below)	8.32	8.16
Factory Expenses	17.20	22.68
Gas cylinder rent	17.51	14.94
Processing Charges	631.61	571.34
Advertisement Expenses	1.83	3.04
Security Charges	71.90	55.81
Training Expenses	20.44	8.73
Selling and Distribution Expense	179.34	186.92
Net loss on sale of investment	2.19	0.00
Prior period items	10.91	(15.74)
Miscellaneous Expenses	39.08	30.11
Total	2,891.46	2,874.38
Note: Payment to the auditors comprises:		
As Auditors - Statutory Audit	4.00	4.00
As Auditors - Tax Audit	2.00	2.00
Certification and consultancy charges	1.50	1.50
Reimbursement of Expenses	0.82	0.66
Total	8.32	8.16
25. FINANCE COST		
Interest	1,063.88	906.31
Other borrowing cost	107.96	78.49
Total	1,171.84	984.80

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (Contd.)

(₹ in Lakhs)

	Leave Encashment		Gratuity	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
26. A. GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLAN				
Current service cost	9.69	8.39	14.81	19.90
Interest Cost	1.72	1.49	4.55	3.72
Actual return on plan assets	0.00	0.00	1.89	1.85
Actuarial losses/(gains)	4.07	(0.95)	(1.63)	(13.98)
Total expenses recognized in the Statement of Profit and loss	15.48	8.93	15.84	7.79
26. B. NET ASSETS/LIABILITY RECOGNIZED IN THE BALANCE SHEET				
Present value of defined benefit obligation	25.80	21.41	71.06	56.87
Fair value of plan assets	Nil	Nil	20.27	22.03
Unfunded liability	25.80	21.41	50.79	34.85
Unrecognized past service costs	Nil	Nil	Nil	Nil
Unfunded liability recognized in the Balance Sheet	25.80	21.41	50.79	34.85
26. C. CHANGE IN DEFINED BENEFIT OBLIGATION DURING THE YEAR				
Present value of PBO at beginning of the year	21.41	19.91	56.87	49.52
Current service cost	9.69	8.39	14.81	19.90
Interest Cost	1.72	1.49	4.55	3.72
Benefits paid	11.08	7.44	3.53	2.28
Actuarial (gains)/losses	4.07	(0.94)	(1.63)	(13.98)
Present value of PBO at the end of the year	25.81	21.41	71.07	56.88
26. D. CHANGE IN PLAN ASSETS				
Fair value of plan assets at the beginning of the year	Nil	Nil	20.79	21.57
Actual return on plan assets	N.A.	N.A.	1.89	1.85
Employer's Contribution	N.A.	N.A.	Nil	Nil
Benefits paid during the period	N.A.	N.A.	3.53	2.28
Fair value of plan assets at year end	Nil	Nil	20.27	22.03
26. E. ACTUARIAL ASSUMPTION				
Discount Rate	8% p.a.	7.5% p.a.	8% p.a.	7.5% p.a.
Expected return on plan assets	N.A.	N.A.	9.07% p.a.	8.57% p.a.
Salary Escalation	5% p.a.	5% p.a.	5% p.a.	5% p.a.
Mortality Tables	LIC (1994-96) ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate

1. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
2. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Notes to Consolidated Financial Statements for the year ended 31st March, 2012**27. RELATED PARTY DISCLOSURE****Details of related parties:**

Description of relationship	Names of related parties
Related parties where common control exists	Rishi Techtex Ltd. Rishi Technical Services Pvt. Ltd.
Key Management Personnel (KMP)	- Mr. Harshad B. Patel - Mr. Jayesh K. Sheth - Mr. Vandan Shah - Mr. Dinesh Mehta - Mr. Vasant D. Goray

(₹ in Lakhs)

	Associate	KMP	Total
Purchase of goods			
- Rishi Techtex Ltd.	0.09	-	0.09
	(0.10)	-	(0.10)
Sale of goods			
- Rishi Techtex Ltd.	34.60	-	34.60
	(0.43)	-	(0.43)
Sale of fixed assets			
- Rishi Techtex Ltd.	0.13	-	0.13
	-	-	-
Professional Fees paid			
- Rishi Technical Services Pvt. Ltd.	8.55	-	8.55
	(8.19)	-	(8.19)
Interest paid			
- Harshad B. Patel	-	19.67	19.67
	-	(27.22)	(27.22)
Rent received			
-Rishi Techtex Ltd.	2.40	-	2.40
	(2.40)	-	(2.40)
Rent paid			
- Harshad B. Patel	-	3.36	3.36
	-	(2.88)	(2.88)
Remuneration, commission and sitting fees			
- Mr. Harshad B. Patel	-	44.90	44.90
	-	(47.03)	(47.03)
- Mr. Jayesh K. Sheth	-	0.13	0.13
	-	(0.13)	(0.13)
- Mr. Vandan Shah	-	0.03	0.03
	-	(0.05)	(0.05)
- Mr. Dinesh Mehta	-	0.05	0.05
	-	(0.05)	(0.05)
- Mr. Vasant D. Goray	-	0.13	0.13
	-	(0.13)	(0.13)

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (Contd.)

(₹ in Lakhs)

	Associate	KMP	Total
Balances outstanding at the end of the year:			
Investments			
- Rishi Technical Services Pvt. Ltd.	0.49	-	0.49
	(0.49)	-	(0.49)
- Rishi Techtex Ltd.	74.23	-	74.23
	(74.23)	-	(74.23)
Trade receivables			
- Rishi Techtex Ltd.	3.11	-	3.11
	(6.92)	-	(6.92)
Loans and advances			
- Rishi Technical Services Pvt. Ltd.	26.76	-	26.76
	(26.44)	-	(26.44)
Trade payables			
- Rishi Techtex Ltd.	0.09	-	0.09
	-	-	-

Note: Figures in bracket relates to the previous year

	As at 31.03.2012	As at 31.03.2011
28. EARNING PER SHARE (EPS)		
i) Net profit after tax and after adjusting minority interest as per Statement of Profit and Loss attributable to equity shareholders (₹ in lakhs)	42.48	553.86
ii) Weighted average number of equity shares used as denominator for calculating EPS (No. in lakhs)	89.26	86.02
iii) Basic EPS (In ₹)	0.48	6.44
iv) Diluted EPS (In ₹)	0.48	6.40
v) Face value per equity share (In ₹)	10.00	10.00
29. CONTINGENT LIABILITIES		
i) Guarantee given by banks on behalf of Company ₹ 52.77 lakhs.		
ii) Letter of credit ₹ 1,260.05 lakhs.		

As per our report of even date

For Alladi Krishnan & Kumar

Chartered Accountants

Ajit S. Datar

Partner

Membership No. 036274

Place : Mumbai

Date : 29th May, 2012**For Rishi Laser Limited****Chairman**

Harshad B. Patel

Company Secretary

Supriya Joshi

Directors

Vasant D. Goray

Jayesh K. Sheth

Vandan Shah

Dinesh Mehta

Rishi Consfab Private Limited Standalone Financial Statements



RISHI CONSFAB
PRIVATE LIMITED
STANDALONE
FINANCIAL
STATEMENTS



DIRECTORS' REPORT

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, 2012.

FINANCIAL RESULTS:

	(₹ Lakhs)	
	2012	2011
Turnover (Net)	3,431.40	3,674.76
Profit before Interest, Dep. & Tax	329.07	445.59
Interest	183.74	183.68
Depreciation	139.47	132.32
Profit before Tax	5.86	129.59
Provision for Tax	10.39	37.45
Profit/(Loss) After Tax	(4.53)	92.14

OPERATING RESULTS:

During the year, your Company achieved sales of ₹ 3,431.40 lakhs as compared to sales of ₹ 3,674.76 lakhs in the previous year. The operations resulted into a loss of ₹ 4.53 lakhs against the profits of ₹ 92.14 lakhs in the previous year.

CURRENT YEAR:

Your Company has budgeted sales turnover of ₹ 48 crores for the current Year. 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:

Mr. K. P. Ananthgopal retires by rotation and being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company as at 31st March, 2012 and Loss of the Company for the year ended on that date;
- 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 of the Company 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.

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) (Amendment) Rules, 2011.

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, ADAPTION 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 (1B) 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 and they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

For and on behalf of the Board

Date : 17th April, 2012
Place : Mumbai

Harshad B. Patel
Chairman

Compliance Certificate **Rishi Consfab Private Ltd.**

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 thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on 31st March, 2012. 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 thereunder 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 is the Subsidiary of a Public 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 17th May, 2011, 26th July, 2011, 8th November, 2011, and 1st February, 2012 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, 2011 was held on 22nd September, 2011 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advance any loan to its directors or persons or firms or companies referred to under Section 295 of the Act.
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.
 - a. There was no Allotment/ transfer/ transmission of shares/ 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. The Company was not required to transfer any amount in unpaid dividend account.
 - e. The Company has duly complied with the requirements of Section 217 of the Act.

Compliance Certificate - Rishi Consfab Private Ltd.

14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancies during the financial year.
15. The Company has not appointed any Managing Director, Whole-time Director/Manager during the financial year.
16. The Company has not made any appointment of sole selling agents during the financial year.
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 Section 299 (3) of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year ended 31st March, 2012.
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 amount borrowed by the Company from bank/financial institutions during the financial year ending 31.03.2012 is within the borrowing limits of the Company.
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.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. 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 during the financial year, for the offences under the Act as stated by the management and information/explanations given by its officers to me.
32. The Company has not received any security deposit from employees during the year.
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 April, 2012

Shweta R. Parwani
Company Secretary
C.P. No. 3585

Compliance Certificate (Contd.) **Rishi Consfab Private Ltd.**

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 & Books of Account 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, 2012.

1. Annual Return u/s 159 for AGM held on 22nd September, 2011 Filed Form 20 B vide SRN No. P7149873 dated 1/10/2011.
2. Balance Sheet as on 31st March, 2011 u/s 220 filed Form 23ACXBRL and Form 23ACA XBRL Vide SRN No. P82790163 dated 14/12/2011.
3. Compliance Certificate u/s 383A filed Form 66 Vide SRN No. P71305437 dated 30/09/2011.
4. Form 8 u/s 125 for creation of Charge in favour of Electronica Finance Limited Filed SRN No. B10017317dated 15/04/2011.
5. Form 8 u/s 125 Modification of Charge in favour of Canara Bank Filed SRN No. B33886011 dated 07/03/2012.

Auditors' Report **Rishi Consfab Private Ltd.**

We have audited the attached Balance Sheet of Rishi Consfab Private Limited as at 31st March, 2012, and also the Statement of Profit and Loss 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, 2012 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 Statement of Profit and Loss 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 State of Affairs of the Company as on 31st March, 2012.
 - (ii) In the case of Statement of Profit and Loss, of the Loss 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

Date : 17th April, 2012

Place : Mumbai

Annexure to Auditors' Report **Rishi Consfab Private Ltd.**

(Referred to in paragraph 3 of the Auditor's Report to the members of Rishi Consfab Private Limited for the year ended 31st March, 2012)

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 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.
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.

Annexure to Auditors' Report - Rishi Consfab Private Ltd.

16. The Company has taken new term loan during the year from Electronica Finance Limited. The loan is applied for the purpose for which it was obtained.
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

Date : 17th April, 2012
Place : Mumbai

Balance Sheet as at 31st March, 2012 **Rishi Consfab Private Ltd.**

(₹ in Lakhs)

Particulars	Notes	31.03.2012	31.03.2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,040.00	1,040.00
Reserves and Surplus	4	107.42	111.95
		1,147.42	1,151.95
Non-current Liabilities			
Long-term Borrowings	5	420.67	595.61
Deferred tax Liabilities (net)	6	62.93	53.85
Long-term Provisions	7	3.05	2.43
		486.65	651.89
Current Liabilities			
Short-term Borrowings	8	443.75	407.54
Trade Payables	9	270.99	410.92
Other current Liabilities	10	219.33	212.11
Short-term Provisions	11	8.21	14.28
		942.28	1044.85
TOTAL		2,576.35	2848.69
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	12	1,367.91	1,428.75
Intangible Assets	12	0.25	0.14
Capital Work-in-Progress		257.88	322.15
		1,626.04	1,751.04
Long-term Loans and Advances	13	52.57	2.99
Current Assets			
Current Investments			
Inventories	14	291.76	291.49
Trade Receivables	15	449.13	600.32
Cash and cash equivalents	16	1.82	1.77
Short-term Loans and Advances	17	155.03	201.08
		897.74	1,094.66
TOTAL		2,576.35	2848.69
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of financial statements.

As per our report of even date

For Alladi Krishnan & Kumar

Chartered Accountants

Ajit S. Datar

Partner

Membership No. 036274

Place : Mumbai

Date : 17th April, 2012

For Rishi Consfab Private Limited

Chairman

Harshad B. Patel

Directors

Vasant D. Goray

Ganesh P. Agrawal

Dr. M. Pushpangadan

K. P. Ananthagopal

Balance Sheet & Statement of Profit and Loss - Rishi Consfab Private Ltd.

Statement of Profit and Loss for the year ended 31st March, 2012

Rishi Consfab Private Ltd.

₹ in Lakhs)

Particulars	Notes	31.03.2012	31.03.2011
CONTINUING OPERATIONS			
INCOME			
Revenue from Operations (gross)	18	3,817.96	4,072.34
Less: Excise Duty	18	386.56	397.58
Revenue from Operations (net)		3,431.40	3,674.76
Other Income	19	1.79	0.26
Total Revenue (i)		3,433.19	3,675.02
EXPENSES			
Cost of materials consumed	20	2,371.73	2,637.22
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	41.39	(34.10)
Employee benefits expense	22	276.70	253.00
Other Expenses	23	414.30	373.31
Total Expenses (ii)		3,104.12	3,229.43
Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortization (EBITDA) (i - ii)		329.07	445.59
Finance Costs	24	183.74	183.68
Depreciation and Amortization Expense		139.47	132.32
Profit/(Loss) before tax		5.86	129.59
Tax expenses			
Current Tax		1.31	25.56
Deferred Tax		9.08	11.89
Profit for the year		(4.53)	92.14
Earnings per share (Face value of ₹ 10/- each):			
Basic		(0.04)	0.89
Diluted		(0.04)	0.89
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of financial statements.

As per our report of even date

For Alladi Krishnan & Kumar

Chartered Accountants

Ajit S. Datar

Partner

Membership No. 036274

Place : Mumbai

Date : 17th April, 2012

For Rishi Consfab Private Limited

Chairman

Harshad B. Patel

Directors

Vasant D. Goray

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K. P. Ananthgopal

Cash Flow Statement for the year ended 31st March, 2012 **Rishi Consfab Private Ltd.**

(₹ in Lakhs)

	31.03.2012	31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	5.86	128.28
Non-cash adjustment to reconcile profit before tax to net cash flow		
Depreciation	139.47	132.32
Interest Paid	183.74	183.68
Interest Received	(1.72)	(0.20)
Previous Year Adjustment	1.42	2.53
Operating profit before working capital changes	328.77	446.61
Movements in working capitals:		
Decrease/(Increase) in Inventories	(0.27)	(29.35)
Decrease/(Increase) in Trade Receivable	151.19	(254.34)
Decrease/(Increase) in Long-term Loans and Advances	(49.58)	-
Decrease/(Increase) in Short-term Loans and Advances	46.05	61.52
(Decrease)/Increase in Trade Payable	(139.93)	51.31
(Decrease)/Increase in Other current Liabilities	7.22	206.17
(Decrease)/Increase in Short-term Provisions	1.25	4.30
(Decrease)/Increase in Long-term Provisions	0.62	0.77
Decrease/(Increase) in Pre-operative Expenses	-	0.02
Cash Generated from Operation	345.32	487.01
Income Tax Paid	(10.06)	(32.60)
Net Cash Flow from/(used) in Operating Activities (A)	335.26	454.41
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(14.47)	(9.29)
Sale of Fixed Assets	-	0.82
Interest Received	1.72	0.20
Net Cash Flow from/(used) in Investing Activities (B)	(12.75)	(8.27)

Cash Flow Statement for the year ended 31st March, 2012 - Rishi Consfab Private Ltd.

	(₹ in Lakhs)	
	31.03.2012	31.03.2011
C. CASH FLOW FROM FINANCING		
Proceed from Long-term Borrowings (net of repayment)	(174.94)	(483.96)
Proceed from Short-term Borrowings (net of repayment)	36.21	205.99
Interest paid	(183.74)	(183.68)
Net Cash Flow from/(used) in Financial Activities (C)	(322.47)	(461.65)
Net Increase in Cash and Cash Equivalents (A+B+C)	0.04	(15.51)
Opening Balance	1.78	17.29
Closing Balance	1.82	1.78

As per our report of even date

For Alladi Krishnan & Kumar

Chartered Accountants

Ajit S. Datar

Partner

Membership No. 036274

Place : Mumbai

Date : 17th April, 2012**For Rishi Consfab Private Limited****Chairman**

Harshad B. Patel

Directors

Vasant D. Goray

Ganesh P. Agrawal

Dr. M. Pushpangadan

K. P. Ananthgopal

Notes to Financial Statements for the year ended 31st March, 2012 **Rishi Consfab Private Ltd.**

1. CORPORATE INFORMATION

Rishi Consfab Private Limited is a Private Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in manufacturing of Fabricated Sheet Metal Components.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

a) Change in accounting policies

Presentation and disclosure of financial statements

During the year ended 31st March, 2012 the revised schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The Company has reclassified the previous year's figures in accordance with the requirements applicable in the current year.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainties about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period.

c) Tangible 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 capitalized also include applicable borrowing cost.

d) Depreciation on tangible fixed assets

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.

e) Intangible assets

Intangible assets are stated at cost of acquisition (net of recoverable taxes) less accumulated amortization/depletion. All costs, including finance cost till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

f) Borrowing cost

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessary takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

h) 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.

i) 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 Realizable Value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

j) Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the dispatch of goods.

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

k) Foreign currency 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 recognized as income or expenses in the year in which they arise.

l) Retirement and other employee benefits

The liabilities of gratuity and leave encashment are not funded.

The Company has booked gratuity and leave encashment as per actuarial valuation as on 31st March, 2012 as per AS 15(Revised)

m) 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 originates in one period and are capable of reversal in one or more subsequent period(s). The rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing difference only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

n) Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period.

o) Contingent liabilities

There are no contingent liabilities as on 31st March, 2012

p) Cash and cash equivalents

Cash and cash equivalent for the purpose of cash flow statement comprise cash at bank and in hand.

q) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the companies Act, 1956, the Company has elected to present earning before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement the Company does not include depreciation and amortization expense, finance cost, and tax expenses.

Notes to Financial Statements for the year ended 31st March, 2012 (Contd.) **Rishi Consfab Private Ltd.**

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
3. SHARE CAPITAL		
Authorised Shares		
1,10,00,000 (P.Y. 1,10,00,000) Equity shares of ₹ 10/- each	1,100.00	1,100.00
Issued, Subscribed and fully Paid-up shares		
1,04,00,000 (P.Y. 1,04,00,000) Equity Shares of ₹ 10/- each fully paid-up	1,040.00	1,040.00
Total Issued, Subscribed and fully paid-up share capital	1,040.00	1,040.00

1,04,00,000 shares out of the issued, subscribed and paid-up share capital were allotted in the last five years.

a) **Reconciliation of the number of equity shares and amount outstanding at the end of the reporting period:**

Particular	As at 31.03.2012		As at 31.03.2011	
	Number in lakhs	₹ in lakhs	Number in lakhs	₹ in lakhs
At the beginning of the period	104.00	1,040.00	104.00	1,040.00
Issued during the period	-	-	-	-
Outstanding at the end of the period	104.00	1,040.00	104.00	1,040.00

b) **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

c) **Details of shares held by the Holding Company, the ultimate Holding Company, their Subsidiaries and Associates:**

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
Rishi Laser Limited, the Holding Company		
76,96,000 equity shares of ₹ 10 each fully paid	769.60	769.60

d) **Details of shares held by each shareholder holding more than 5% shares:**

Particular	As at 31.03.2012		As at 31.03.2011	
	Number in lakhs	% of holding in the class	Number in lakhs	% of holding in the class
Equity shares of ₹ 10 each fully paid				
Rishi Laser Limited, (Holding Company)	76.96	74.00%	76.96	74.00%
L&T Capital Limited, (Associate Company)	27.04	26.00%	27.04	26.00%

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
4. RESERVES AND SURPLUS		
Surplus/(Deficit) in Statement of Profit and Loss		
Opening balance	111.95	19.81
Add: Profit/(Loss) for the year	(4.53)	92.14
Net surplus in the Statement of Profit and Loss	107.42	111.95

Notes to Financial Statements for the year ended 31st March, 2012 - Rishi Consfab Private Ltd.

(₹ in Lakhs)

	Non-current portion		Current portion	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
5. LONG-TERM BORROWING				
Term loans				
From banks				
Secured	396.48	595.61	200.10	201.27
From other parties				
Unsecured	24.19	-	12.86	-
Total	420.67	595.61	212.96	201.27

Indian rupee loan from Canara bank carries interest at 15.25% p.a.

Above India Rupee Loan is secured by an exclusive charge of entire fixed assets including land and building of the Company at Doddaballapur and personal guarantee of Managing Director of the Company.

Term loan vehicle is secured against hypothecation of vehicles. This loan is repayable on demand and carries interest at 15%.

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
6. DEFERRED TAX LIABILITIES (NET)		
Opening balance of Net deferred tax liability	53.85	41.96
Deferred tax liability		
On difference between tax depreciation and depreciation charged for the financial reporting	10.13	12.76
Deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	1.05	0.87
Closing balance of net deferred tax liability	62.93	53.85

7. LONG-TERM PROVISIONS		
Provision for employee benefits:		
i) Provision for gratuity (Note: 25)	2.01	1.47
ii) Leave Encashment (Note: 25)	1.04	0.96
	3.05	2.43

8. SHORT-TERM BORROWINGS		
Loans repayable on demand from bank		
Secured	443.75	407.54
	443.75	407.54

Notes:

Working Capital loans from banks are secured against exclusive hypothecation charge on present and future stocks i.e. Raw Materials, Stock-in-process, Finished goods, Stores and Spares and Book Debts of the Company. This loan is repayable on demand and carries interest at 14.50%

Notes to Financial Statements for the year ended 31st March, 2012 (Contd.) **Rishi Consfab Private Ltd.**

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
9. TRADE PAYABLES		
Trade payables including acceptances	270.99	410.92
	270.99	410.92
*Trade payable includes Payable to Holding Company of ₹ 44.29 lakhs (P.Y. ₹ 57.03 lakhs) and payable to associates of ₹ 12.24 lakhs (P.Y. ₹ 27.85 lacs).		
10. OTHER CURRENT LIABILITIES		
Current maturities of Long-term Debt	212.96	201.27
Advance from Customers	3.56	0.22
Other Liabilities	2.81	10.62
	219.33	212.11
11. SHORT-TERM PROVISIONS		
a) Provision for Employee Benefits:		
i) Provision for Bonus	2.94	2.89
ii) Provision for Gratuity Liability (Note : 25)	0.22	-
iii) Provision for Leave Encashment (Note : 25)	0.34	-
iv) Employer Contribution to PF	0.29	0.21
v) Employer Contribution to ESIC	0.14	0.11
	3.93	3.21
b) Provision - Others:		
i) Provision for tax	1.31	36.85
Less: Advance tax payment	3.00	31.29
TDS Receivable	0.40	0.33
	(2.09)	5.23
ii) Outstanding Liabilities	4.31	5.84
iii) Others	2.06	-
	4.28	11.07
	8.21	14.28

Notes to Financial Statements for the year ended 31st March, 2012 - Rishi Consfab Private Ltd.

Description	Gross Block			Depreciation/Amortization			Net Block	
	Balance as at 1 st April, 2011	Additions	Disposals	Balance as at 31 st March, 2012	For the year	Deduction / Adjustments	Balance as at 31 st March, 2012	Balance as at 31 st March, 2011
12. FIXED ASSETS								
1. Tangible Assets								
Freehold Land	231.29	-	-	231.29	-	-	231.29	231.29
Factory Building	148.38	-	-	148.38	4.96	-	135.65	140.61
Plant and Machinery	1,131.12	66.59	-	1,197.71	122.57	-	910.95	966.93
Electrical Installation	27.30	-	-	27.30	2.82	-	20.60	23.42
Tools and Dies	68.52	3.42	-	71.94	7.34	-	54.38	58.30
Furniture	-	0.85	-	0.85	0.24	-	0.61	-
Fixtures	-	-	-	-	-	-	-	-
Office Equipment	2.80	0.17	-	2.97	0.14	-	2.57	2.54
Computers	1.88	-	-	1.88	0.31	-	1.24	1.55
Vehicles	4.84	7.57	-	12.41	1.06	-	10.62	4.11
Sub-Total	1,616.13	78.6	-	1,694.73	139.44	-	326.82	1,428.75
2. Intangible Assets								
Software	-	0.14	-	0.14	0.01	-	0.13	-
Firewall	0.15	-	-	0.15	0.02	-	0.11	0.14
Sub total	0.15	0.14	-	0.29	0.03	-	0.04	0.14
Grand Total	1,616.28	78.74	-	1,695.02	139.47	-	326.86	1,428.89
Previous year	1,602.14	14.95	0.82	1,616.28	132.32	0.01	187.39	1,428.89

(₹ in Lakhs)

Notes to Financial Statements for the year ended 31st March, 2012 (Contd.) **Rishi Consfab Private Ltd.**

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
13. LONG-TERM LOANS AND ADVANCES		
a) Security Deposits Unsecured, considered good	24.59	4.81
b) Loans and Advances to related parties Unsecured, considered good (Note: 26)	27.98	(1.82)
	52.57	2.99
14. INVENTORIES		
a) Raw Materials (valued at cost on Weighted Average)	141.73	102.14
b) Work-in-Progress (Valued at Cost representing materials, Labour and apportioned overheads)	130.53	171.92
c) Stores and Spares (valued at cost on Weighted Average)	19.50	17.43
	291.76	291.49
15. TRADE RECEIVABLES		
(Unsecured and considered good)		
Over six months	0.23	0.57
Others*	448.90	599.75
	449.13	600.32
*Trade Receivable includes receivable from Holding Company of ₹ 34.25 lakhs (P.Y. ₹ 4.36 lakhs) and receivable from associates of ₹ 391.98 lakhs (P.Y. ₹ 592.99 lakhs).		
16. CASH AND CASH EQUIVALENTS		
a) Cash on hand	0.19	0.09
b) Balances with Banks In Current Accounts	1.63	1.68
	1.82	1.77
17. SHORT-TERM LOANS AND ADVANCES		
a) Loans and Advances to related parties Unsecured, considered good	4.17	2.65
b) Prepaid Expenses	1.51	0.86
c) Balances with Government authorities Unsecured, considered good		
i) CENVAT credit	2.15	46.01
ii) VAT credit	86.97	88.91
iii) Service Tax credit	-	4.56
iv) Balance with custom, excise etc.	1.75	0.42
	90.87	139.90
d) Others - Unsecured, considered good Advance recoverable in cash or kind or for value to be received	58.48	57.67
	155.03	201.08

Notes to Financial Statements for the year ended 31st March, 2012 - Rishi Consfab Private Ltd.

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
18. REVENUE FROM OPERATIONS		
Sale of Products	3,817.96	4,072.34
Less: Excise duty	386.56	397.58
	3,431.40	3,674.76
19. OTHER INCOME		
i) Interest Income:		
Other Interest	1.72	0.20
ii) Others:		
Net profit/(loss) on foreign currency transactions and translation	0.07	0.06
	1.79	0.26
20. COST OF RAW MATERIAL AND COMPONENTS CONSUMED		
Opening Stock	102.14	110.08
Add: Purchases	2,411.32	2,629.28
	2,513.46	2,739.36
Less: Closing Stock	141.73	102.14
Cost of material consumed	2,371.73	2,637.22
21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year:		
Work-in-Progress	130.53	171.92
Inventories at the beginning of the year:		
Work-in-Progress	171.92	137.82
Net (increase)/decrease	41.39	(34.10)
22. EMPLOYEE BENEFIT EXPENSE		
Salaries, Wages and Bonus	264.14	242.89
Other post employment funds	2.01	1.57
Contributions to provident and other funds	2.80	2.30
Gratuity Expenses (Note: 25)	0.76	0.46
Workmen and Staff Welfare Expenses	6.99	5.78
	276.70	253.00

Notes to Financial Statements for the year ended 31st March, 2012 (Contd.) **Rishi Consfab Private Ltd.**

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
23. OTHER EXPENSES		
Consumption of Stores and Spares	186.92	169.51
Power and Fuel	47.22	48.24
Rent including lease rentals	0.72	0.75
Repairs and Maintenance - Machinery	28.14	27.58
Repairs and Maintenance - Others	2.18	2.98
Insurance	0.52	0.45
Rates and Taxes	2.25	6.05
Communication	1.45	2.15
Travelling and Conveyance	4.57	4.04
Printing and Stationery	2.69	2.10
Donations and Contributions	0.01	0.01
Legal and Professional	14.64	11.67
Payments to Auditors (Refer Note below)	2.71	2.79
Factory Expenses	1.99	3.41
Gas cylinder Rent	4.02	4.02
Processing Charges	78.16	65.40
Security Charges	7.63	5.73
Training Expenses	11.21	0.00
Selling and Distribution Expense	16.33	15.98
Prior period items	1.04	(1.33)
Miscellaneous Expenses	(0.10)	1.78
	414.30	373.31
Notes: Payment to the auditors comprises:		
As Auditors - Statutory Audit	2.00	2.00
As Auditors - Tax Audit	0.50	0.50
Reimbursement of Expenses	0.21	0.29
	2.71	2.79
24. FINANCE COST		
Interest	180.74	180.38
Bank charges and other financial expenses	3.00	3.30
	183.74	183.68

Notes to Financial Statements for the year ended 31st March, 2012 - Rishi Consfab Private Ltd.

(₹ in Lakhs)

	Leave Encashment		Gratuity	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
25. A. GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLAN				
Components of employer expense				
Current service cost	0.51	0.39	0.76	0.57
Interest Cost	0.08	0.05	0.12	0.08
Actuarial losses/(gains)	(0.14)	(0.03)	(0.11)	(0.19)
Total expense recognized in the Statement of Profit and loss	0.45	0.41	0.76	0.46
25. B. NET ASSETS/LIABILITY RECOGNIZED IN THE BALANCE SHEET				
Present value of defined benefit obligation	1.38	0.96	2.23	1.47
Fair value of plan assets	-	-	-	-
Unfunded liability	1.38	0.96	2.23	1.47
Unrecognized past service costs	0.00	0.00	0.00	-
Unfunded liability recognized in the Balance Sheet	1.38	0.96	2.23	1.47
25. C. CHANGE IN DEFINED BENEFIT OBLIGATION DURING THE YEAR				
Present value of DBO at beginning of the year	0.96	0.65	1.47	1.01
Current service cost	0.51	0.39	0.76	0.57
Interest Cost	0.08	0.05	0.12	0.08
Benefits paid	0.02	0.11	-	-
Actuarial (gains)/losses	(0.14)	(0.03)	(0.11)	(0.19)
Present value of DBO at the end of the year	1.38	0.96	2.23	1.47
25. D. CHANGE IN PLAN ASSETS				
Fair value of plan assets at the beginning of the year	Nil	Nil	Nil	Nil
Actual return on plan assets	N.A.	N.A.	N.A.	N.A.
Employer's Contribution	N.A.	N.A.	N.A.	N.A.
Benefits paid during the period	N.A.	N.A.	N.A.	N.A.
Fair value of plan assets at year end	Nil	Nil	Nil	Nil
25. E. ACTUARIAL ASSUMPTION				
Discount Rate	8% p.a.	7.5% p.a.	8% p.a.	7.5% p.a.
Expected return on plan assets	N.A.	N.A.	N.A.	N.A.
Salary Escalation	5% p.a.	5% p.a.	5% p.a.	5% p.a.
Mortality tables	LIC (1994-96) ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate

1. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
2. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Notes to Financial Statements for the year ended 31st March, 2012 (Contd.) **Rishi Consfab Private Ltd.****26. RELATED PARTY DISCLOSURE****Details of related parties:**

Description of relationship	Names of related parties
Holding Company	Rishi Laser Ltd.
Associates	L & T Finance Ltd. L & T Komatsu Ltd.

(₹ in Lakhs)

	Holding Company	Associates	KMP	Total
Purchase of goods	333.94	20.21	-	354.15
	(394.36)	(53.45)	-	(447.81)
Sale of goods	43.53	3,155.41	-	3,198.94
	(35.38)	(3,468.19)	-	(3,503.57)
Purchase of fixed assets	4.69	-	-	4.69
	(46.08)	-	-	(46.08)
Receiving of services	13.11	-	-	13.11
	(11.89)	-	-	(11.89)
Finance (including loans and equity contributions in cash or in kind)	-	-	-	-
	-	-	-	-
Interest paid	-	28.74	-	28.74
	-	(26.48)	-	(26.48)
Remuneration, rent, commission	-	-	0.72	0.72
	-	-	(0.60)	(0.60)
Loans/ advances/ deposits disbursed during the year	-	-	-	-
	-	-	-	-
Loans/ advance/ deposits				
Repayment during the year	-	-	-	-
	-	(82.45)	-	(82.45)
Balances outstanding at the end of the year				
Trade receivables	34.25	391.98	-	426.23
	(4.36)	(592.99)	-	(597.35)
Loans and advances	27.98	4.17	-	32.15
	(1.82)	(2.65)	-	(4.47)
Trade payables	44.29	12.24	-	56.53
	(57.03)	(27.85)	-	(84.88)

Note: Figures in bracket relates to the previous year.

Notes to Financial Statements for the year ended 31st March, 2012 - Rishi Consfab Private Ltd.

	As at 31.03.2012	As at 31.03.2011
27. EARNING PER SHARE (EPS)		
i) Net profit after tax as per Statement of profit and Loss attributable to equity shareholders (₹ in lakhs)	(4.53)	92.14
ii) Weighted average number of equity shares used as denominator for calculating EPS (No. in lakhs)	104.00	104.00
iii) Basic EPS (in ₹)	(0.04)	0.89
iv) Diluted EPS (in ₹)	(0.04)	0.89
v) Face value per equity share (in ₹)	10.00	10.00
28. VALUE OF IMPORTS CALCULATED ON CIF BASIS		
Components and Spare parts	6.87	6.29
	6.87	6.29

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2011
	%	₹	%	₹
29. IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED				
Raw material-Indigenous	100.00	2,371.73	100.00	2,637.21
	100.00	2,371.73	100.00	2,637.21
Spare and Components				
Indigenous	99.92	180.36	99.92	169.37
Imported	0.08	0.14	0.08	0.14
	100.00	180.50	100.00	169.51

30. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

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.

As per our report of even date

For Alladi Krishnan & Kumar

Chartered Accountants

Ajit S. Datar

Partner

Membership No. 036274

Place : Mumbai

Date : 17th April, 2012**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 Laser Ltd.

Attendance Slip

Registered Office: 612, Veena Killedar Industrial Estate, 10-14 Pais Street, Byculla (W), Mumbai - 400 011

Regd. Folio

20th Annual General Meeting

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 20th Annual General Meeting at Killachand Conference Room, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai 400 020, on 27th September, 2012 at 3.00 p.m.

Member's/Proxy'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 not be issued at the entrance of the venue.



Rishi Laser Ltd.

Proxy Form

Registered Office: 612, Veena Killedar Industrial Estate, 10-14 Pais Street, Byculla (W), Mumbai - 400 011

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/our behalf at the 20th Annual General Meeting of the Company to be held at Killachand Conference Room, 2nd Floor, Indian Merchants' Chamber, Churchgate, Mumbai 400 020 on 27th September, 2012 at 3.00 p.m.

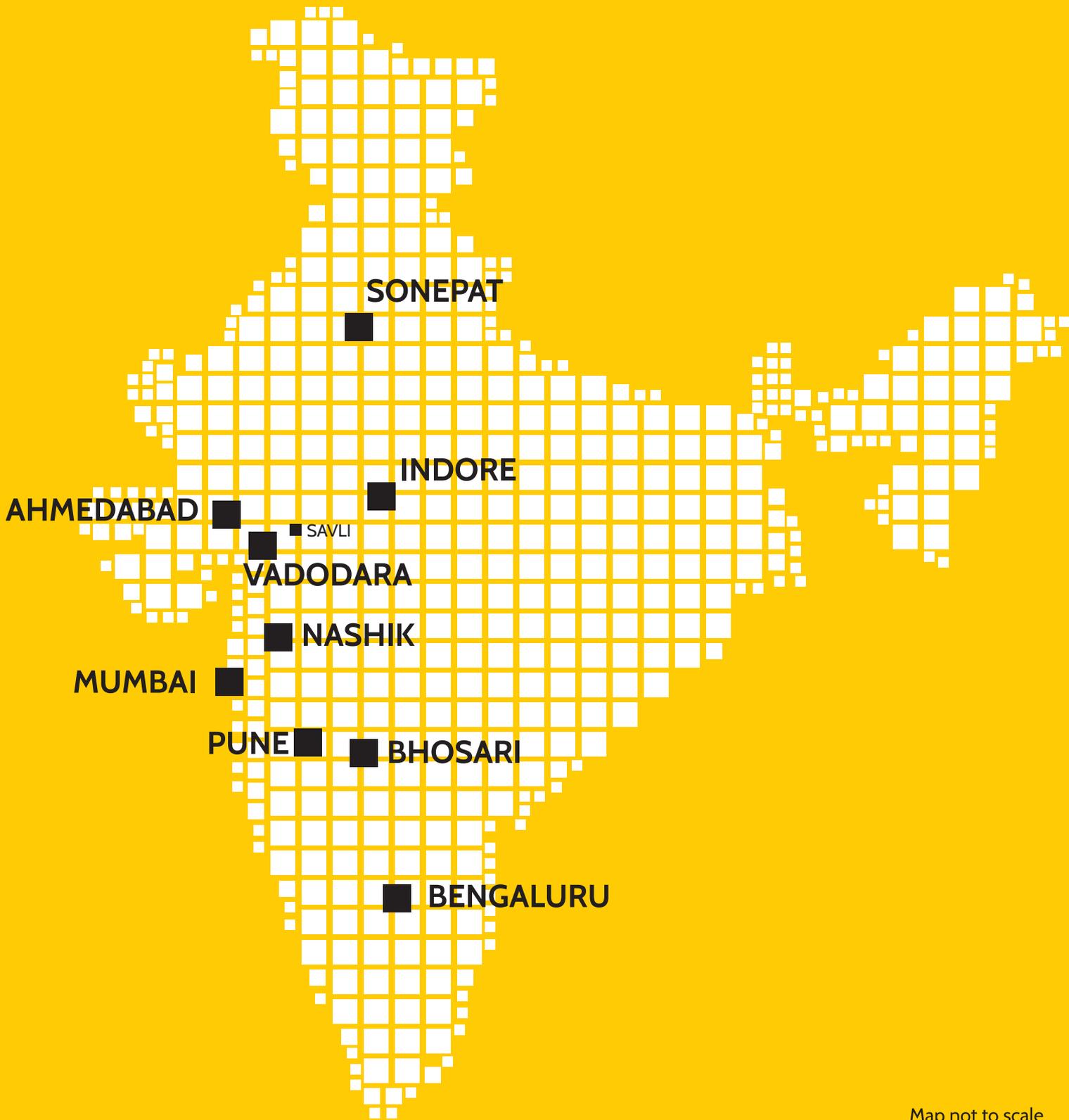
Signed: _____

Dated: _____

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

Affix a
Revenue
Stamp

Pan India Reach



Map not to scale



Rishi Laser Ltd.

REGISTERED OFFICE:

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

Tel : +91 22 23075677

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E-mail: rlci.mumbai@rishilaser.com

www.rishilaser.com