

AUTO PINS (INDIA) LIMITED

REGI: OFFICE, 2776 PYARELAL MOTOR MARKET KASHMERE GATE, DELHI-110006

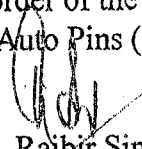
NOTICE

NOTICE is hereby given that the ANNUAL GENERAL MEETING of the members of the AUTO PINS (INDIA) LIMITED will be held at the Registered office of the company at **2776 PYARELAL MOTOR MARKET KASHMERE GATE, DELHI-110006**, on Thursday, 30th Day of September, 2010 at 10.00 A.M. to transact the following businesses :-

ORDINARY BUSINESS:-

1. To consider, receive and adopt the Audited Balance-Sheet of the Company as at 31st March, 2010 and the profit & loss account for the year ended on that date together with the Directors' report and Auditors' report thereon.
2. To appoint Mr. Subhash Jain, Director of the Company, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s Sanjay Rawal & co. Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board,
For Auto Pins (India) Ltd.


Rajbir Singh
(Managing Director)


Dated: 26th August, 2010
Place : New Delhi

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY. PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING.

2. The Share Transfer Books and Register of Members will remain closed from - Tuesday, the 28th September, 2010 to Thursday 30th September, 2010 (both days inclusive).
3. The Members/Proxies are requested to produce at the entrance, the attached admission slip duly completed and signed for admission to the meeting hall.
4. NO GIFTS WILL BE GIVEN AT THE ANNUAL GENERAL MEETING.

By order of the Board,
For Auto Pins (India) Ltd.


Rajbir Singh
(Managing Director)

Dated: 26th August, 2010
Place : New Delhi

AUTO PINS (INDIA) LIMITED

REGD. OFFICE, 2776 PYARELAL MOTOR MARKET KASHMERE GATE, DELHI-110006

DIRECTORS' REPORT

To,
The Members,

Your Directors have great pleasure in presenting the Annual Report together with the Audited Statement of Annual Accounts for the Year ended 31st March 2010.

FINANCIAL RESULTS

	Current Year	(Rs. in lacs) Previous Year
Sales & Other Income	1048.46	363.84
Profit before Depreciation	423.78	- 106.09
Depreciation	101.11	101.40
Profit Before Tax	312.67	(14.68)
Income Tax	00.00	.13
Profit After Tax	1461.16	(14.81)

PERFORMANCE

The over all performance for the 12 months was satisfactory as the Turnover of the company increased from Rs.36.38. Lac to Rs. 104.84 Lacs as compared to the previous year's turnover. The company has earned a loss during the year. However, your Directors are confident that the company will do better in future as the recessionary period of the Indian economy seems to be over and the company is trying its level best to improve its performance.

DIRECTORS

Mr. Subhash Jain, Director of the Company retires by rotation and being eligible offers himself for re-appointment.

EXPORTS

The company has not earned export income during the financial year.

DIVIDEND

As the company has not earned sufficient profit during the year, the company has set-off the previous loss against this; your Directors are not in the position to recommend any dividend for the year 2009-10.

AUDITORS

M/S Sanjay Rawal & Co., Chartered Accountants, the Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting. They are eligible for reappointment.

CORPORATE GOVERNANCE

In consonance with core values of the Company to enhance the wealth of shareholders with commitment to the customers, employees and society, your directors attach much significance to good corporate governance.

Pursuant to clause 49 of the said listing agreement, (a) Management discussion and analysis, (b) The report of the Directors on the practice prevalent on corporate governance in the Company and (c) Certificate from the Practicing Company Secretary on compliance of mandatory requirement of corporate governance are given as an annexure to this report.

LISTING

The Company's Shares are listed on the Delhi Stock Exchange. The address of the Stock Exchange is:

BOMBAY STOCK EXCHANGE LIMITED

The Delhi Stock Exchange Association
3A & 4, Asaf Ali Road,
New Delhi - 110 002

PARTICULARS OF EMPLOYEE

The company does not have any employees to whom the Provisions of Section 217 (2A) of the Companies Act 1956 read with the companies (Particulars of Employee Rules 1975) apply.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

Particulars relating to Conservation of energy Research and Development, Technology, Absorption do not become applicable to the company, and details of Foreign Exchange earnings and outgo are as follows:

Foreign Exchange Earnings:	Rs. Nil
(In Indian Rupees)	

Foreign Exchange Outgo :	Rs. Nil
(In Indian Rupees)	

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- (i) The financial statement has been prepared in accordance with the accounting standard issued by the Institute of Chartered Accountants of India and also the requirements of the Companies act, 1956, to the extent applicable to the Company. There have been no material departures from prescribed accounting standard while preparing these financial statements;
- (ii) The Board of Directors has selected the accounting policies described in the notes to the accounts, which have been consistently applied, except where otherwise stated. The estimates and judgments relating to the financial statements have been made on a prudent basis, in order that the financial statements reflect in a true and fair manner, the state of affairs of the Company as at June 30, 2007 and the profit of the Company for the year ended on that date;
- (iii) The board of directors and management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for the safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual account has been prepared on the historical cost conventions, as a going concern and on the accrual basis.

DEPOSITS

During the year under review the company has not accepted any deposits.

APPRECIATION

Your Directors wish to place on record their deep appreciation for the continued co-operation and support given by financial institution, Bank, Customers and shareholders of the company. They also acknowledge their deep appreciation for the contribution made by the employees at all levels to the operations of the company.

Dated : 31st August, 2010
Place : New Delhi.

For and on behalf of the Board,
Auto Pins (India) Limited


(RABIR SINGH)
(MANAGING DIRECTOR)

SANJAY RAWAL AND CO.

CHARTERED ACCOUNTANTS

OFFICE: A-146, G.F. DAYANAND COLONY, LAJPAT NAGAR-IV, NEW DELHI-110024,
PH: 26421822, 26282518, Email: sanrawal@rediffmail.com

Auditor's Report to the Member of Auto Pins (India) Ltd.

1. We have audited the attached Balance Sheet of Auto Pins (India) Ltd. as at 31st March 2010 and also the Profit & Loss account and the cash flow statement for the year ended on that date annexed hereto.
These financial statements are responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books, **except as referred in (vi) below.**
 - iii) The Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, **except as referred in (vi) below.**
 - v) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by board of director, we report that none of the directors are disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;



vi) We report that:

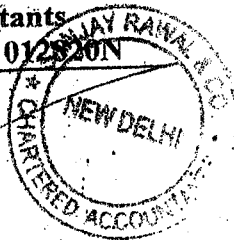
- a) Note No.4(a) regarding Non provision of leave salary and gratuity of employees and disclosure requirement as required by revised AS 15 (Employee Benefits) issued under the Companies Accounting Standard rules 2006, amount not ascertained by the management

vii) In our opinion and to the best of our information and according to the explanations given to us the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and **subject to our remark with their resultant impact (to the extent ascertainable) as given in paragraph VI above** give a true and fair view in conformity with the accounting principles generally accepted in India:

- b) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 c) In the case of Profit and Loss Account, of the **PROFIT** for the year ended on that date, and
 d) In the case of Cash flow statement, of the cash flows for the year ended on that date.

For Sanjay Rawal & Co.
 Chartered Accountants
 FIRM REGN NO. 012820N

(Sanjay Rawal)
 Partner
 M. NO. 088156
 Place: New Delhi
 Dated: 31.08.2010



Cont...3/-

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date,

(i) (a) The Company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets

(b) Assets have not been physically verified by the Management during the year.

(c) During the year, the company has not disposed off any substantial part of Fixed Assets.

(ii) a) The Inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physically verification of inventories followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book record were not material.

(iii) According to the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms and other parties covered in the register maintained under section 301, of the Companies Act, 1956.

Accordingly, the provisions of clause 4(iii) (b) (c) (d) (f) and (g) of the order are not applicable.

(ii) 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 for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

(iii) According to the information and explanations provided by the management, there were no transactions that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956. According, para v(b) of the Companies (Auditors' Report) Order, 2003 is not applicable.

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- (iv) During the year under review, the company has not accepted any deposits from public.
- (v) In our opinion, the company has an adequate inhouse internal Audit system..
- (vi) According to information and explanation given to us provision of section 209 (i) (d) of the Companies Act, 1956 with regard to maintenance of cost records do not apply to the company.
- (vii) (a) According to the records of the company, the company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund Employees' State Insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise duty, Cess and other statutory dues. Following Statutory dues were outstanding as at 31/03/2010 for a period of more than 6 months from the date they became payable.

a) Investor Education & Protection Fund Rs. 2,94,118.00

(b) According to the records of the company, except for disputed Sales Tax dues of Rs. 20,68,084.00 as referred to in Note No.1 being contested before Sales Tax Appellate authority, there are no dues of Income tax/Sales tax/Wealth tax/Service tax/Custom duty/Excise duty/cess Cess which have not been deposited on account of any dispute.
- (viii) The accumulated losses of the company exceed fifty percent of its net worth at the end of the financial year. The company has not incurred cash losses during the financial year and has also not incurred cash losses in immediately preceding financial year.
- (ix) Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that in view of approval of Rehabilitation/Revival proposal by Board for Industrial and Financial Reconstruction and settlement with Financial Institutions by paying the dues , the Company has not defaulted in repayment of dues to financial institutions and/or Banks

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- (x) According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xi) The provisions of special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Society are not applicable to the company.
- (xii) The nature of company's business/activities during the year does not include dealing in shares, securities, debentures or other investments; hence the requirement of offering comments on this clause is not applicable.
- (xiii) According to the information and explanation given to us, the company has not given guarantee for the loans taken by others from banks or financial institutions.
- (xiv) According to the information and explanation given to us no term Loan has been taken by the Company during the year.
- (xv) According to the information and explanation given to us and on an overall examination of the Balance Sheet of the company, we report that during the year no funds raised on short-term basis have been used for long term investment by the company.
- (xvi) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xvii) During the period covered by our audit report, the company has not issued any debentures requiring report under this clause.
- (xviii) The company has not raised any money by public issue during the year and hence the question of disclosure and verification of end use of such moneys does not arise.
- (xix) Based upon the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For Sanjay Rawal & Co.

Chartered Accountants

FIRM REGN NO. 01282019

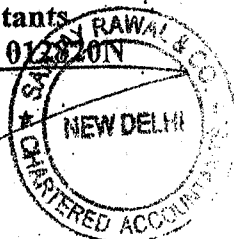
(Sanjay Rawal)

Partner

M. NO. 088156

Place: New Delhi

Date: 12.11.2019



AUTO PINS (INDIA) LIMITED
NEW DELHI
BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULE	As at 31 st March, 2010	As at 31 st March, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	5804620	58046200
Reserve and surplus	2	0	50475300
Advance Against Equity Share		43265950	26965956
LOAN FUNDS			
Secured Loans	3	127959440	144543526
TOTAL		177030010	280030982
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	235823772	234923240
Less: Depreciation		160405495	150294244
Net Block		75418277	84628996
INVESTMENTS			
	5	274500	274500
CURRENT ASSETS LOANS & ADVANCES			
Inventories	6	31817526	18864683
Sundry Debtors		8358801	9784216
Cash and Bank Balances		1512301	1024861
Loans and Advances		4128158	3674782
		45816786	33348542
LESS : CURRENT LIABILITIES & PROVISIONS			
Liabilities	7	54575320	94439664
Provisions for fringe benefit tax		0	33250
		54575320	94472914
NET CURRENT ASSETS		-8758534	-61124372
PROFIT & LOSS ACCOUNT			
(As per Annexed Account)		110095767	256251858
TOTAL		177030010	280030982

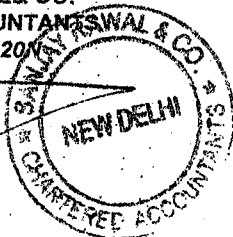
ACCOUNTING POLICIES & NOTES ON ACCOUNTS

13

Schedule 1 to 13 form an Integral Part of Accounts
As per our report of even date

FOR SANJAY RAWAL & CO.
CHARTERED ACCOUNTANTS
FIRM REGN NO. 012820

SANJAY RAWAL
PARTNER
M.NO. 088156



For and On behalf of the Board

SUBHASH JAIN
DIRECTOR

RAJBIR SINGH
MANAGING DIRECTOR

Date : 31-08-2010
Place : New Delhi

AUTO PINS (INDIA) LIMITED
NEW DELHI
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

PARTICULARS	SCHEDULE	Year ended	Year ended
		31 st March, 2010	31 st March, 2009
INCOME			
Sales		43508145	22721632
Balance Written Back #		61328932	0
Other Income		8940	13662854
TOTAL (A)	8	104846017	36384486
EXPENDITURE			
Cost of goods sold	9	35995175	22149755
Management & Admin. Expenses	10	3220871	2967190
Financial Expenses	11	492638	1077792
Director Remuneration		600000	300000
Selling and Distribution Expenses	12	2342128	961492
Balance Written Off #		8623621	255868
Asset Written Off		21122	0
Bad Debt Written Off		12172231	0
Depreciation		10111251	10140922
TOTAL (B)		73679037	37863019
PROFIT/(LOSS)) BEFORE TAX (A-B)		31266980	-1468533
Add: Provision for Doubtful Debt Written Back		12172231	0
Add: Security Premium Written off #		50475300	0
Add: Reduction of Share Capital #		52241580	0
Less: Provision for Fringe Benefit Tax		0	12946
Profit (Loss) After Tax		146156091	-1481479
Add: Balance brought forward		-256251858	-254770379
Balance Carreid Forward to Balance Sheet		-110095767	-256251858
Basic/Diluted Earning Per share		251.79	-0.26

REFER NOTE NO. 9 SCHEDULE 13

ACCOUNTING POLICIES & NOTES ON ACCOUNTS

13

Schedule 1 to 13 form an Integral Part of Accounts

As per our report of even date

FOR SANJAY RAWAL & CO.
 CHARTERED ACCOUNTANTS
 FIRM REGN NO. 012820N

SANJAY RAWAL
 PARTNER
 M.NO. 088156

Date : 31-08-2010
 Place : New Delhi

For and On behalf of the Board

SUBHASH JAIN
 DIRECTOR

RAJBIR SINGH
 MANAGING DIRECTOR

**AUTO PINS (INDIA) LIMITED
NEW DELHI**

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	As at 31 st March, 2010	As at 31 st March, 2009
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SCHEDULES 1: CAPITAL

AUTHORISED

6500000 Equity shares of Rs. 10/- each

65000000

65000000

ISSUED & SUBSCRIBED & PAID UP

580462 Equity shares of Rs. 10/- each fully paid up #

5804620

58046200

(Pr.Yr. 5804620 Equity Shares of Rs 10/- each' fully paid up)

REFER NOTE NO. 9 SCHEDULE 13

TOTAL

65000000

65000000

SCHEDULE 2: RESERVES AND SURPLUS

Share Premium Account

Balance as per last Balance Sheet #

50475300

50475300

Less: Transferred to Profit & Loss Account

50475300

REFER NOTE NO. 9 SCHEDULE 13

TOTAL

0

50475300

SCHEDULE 3: SECURED LOANS

(I) Haryana State Industrial Develop Corpn.

Machinery Term Loan

12500000

11801086

(Exclusive charge against hypothecation of Machinery and personal guarantee of Managing Director of the Company.)

(II) Analysis Securities Pvt. Ltd

113923379

128223379

(Charge against immovable assets of the Company)

(III) Others

(Against Hypothecation of specific Immovable/movable assets and personal guarantee of Managing Director of the company

a. Machinery term loan(s)

1536061

4519061

TOTAL

127959440

144543526

SCHEDULE 5: INVESTMENTS

QUOTED-LONG TERM

-400 Equity shares of Rs. 10/- each

fully paid up in Canara bank

24500

24500

(Market value .100000 approx)

-12000 Equity shares of Rs. 35/- each

partly paid up in Haryana Financial

Corpn (Market value .N.A.)

250000

250000

TOTAL

274500

274500



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DEPRECIATION

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**AUTO PINS (INDIA) LIMITED
NEW DELHI**

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010 Contd.

**SCHEDULE 6: CURRENT ASSETS, LOANS & ADVANCES
INVENTORIES (AS TAKEN VALUED CERTIFIED BY MANAGEMENT)
(At lower of cost and net realisable value)**

Finished Goods	2075187	1275308
Raw material	6309990	4965908
Work in Progress	21530061	11624554
Stores and Spares	1902288	998913
TOTAL	31817526	18864683

SUNDRY DEBTORS (UNSECURED)

Debts outstanding for a period exceeding six months		
Considered Good	3341417	7955720
Considered Doubtful	0	12172231
	<u>3341417</u>	<u>20127951</u>
Less: Provision for Doubtful Debt	0	12172231
	3341417	7955720
Other Debts-considered good	5017384	1828496
TOTAL	8358801	9784216

CASH AND BANK BALANCES

Cash in hand	493159	419860
<u>Balance with scheduled Bank on:</u>		
Current Accounts	863017	605001
(in unconfirmed accounts-Ref. Note No.22)		
Fixed Deposit Accounts including accrued interest	156125	0
TOTAL	1512301	1024861

LOANS AND ADVANCES

(unsecured, considered good unless otherwise stated)

Advances recoverable in cash or in kind or for value to be received	3514087	2424174
Advance FBT paid	0	25018
Earnest Money Deposit	20000	10000
Security Deposits to others	594071	1196767
Advance income tax/wealth tax(net)	0	18823
TOTAL	4128158	3674782

**SCHEDULE 7: CURRENT LIABILITIES AND PROVISIONS
CURRENT LIABILITIES**

Due to Directors	1025817	4100278
Sundry Creditors	14026954	68800878
Other Liabilities	35794310	19120435
Advance from Customers	3728239	2418073
TOTAL	54575320	94439664

PROVISION

Provision for Fringe Benefit Tax

0	33250
<u>0</u>	<u>33250</u>



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**AUTO PINS (INDIA) LIMITED
NEW DELHI**

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

PARTICULARS	Year ended 31 st March, 2010	Year ended 31 st March, 2009
SCHEDULE 8: OTHER INCOME		
Interest Accrued	6125	10701
Miscellaneous Receipts	2815	2805
Balance written Back	0	13649348
TOTAL	8940	13662854
SCHEDULE 9: COST OF GOODS SOLD		
Opening stock of finished/semi/ finished goods	12899862	5537845
Add: Raw material consumed		
Opening Stock	4965908	4792965
Purchase (Net)	34514823	20784729
Less: Closing Stock	6309990	4965908
	33170741	20611786
Manufacturing Expenses		
Wages and Amenities to workers	2139994	2298618
Technical Staff salary etc	457320	410231
Consumable stores consumed	1587720	614797
Oil & Lubricants consumed	5636107	3175398
Power and fuel consumed	2405353	1398173
Machinery repair/maintenance	1303326	1002769
	13529820	8899986
Less: Closing Stock of finished/ semi finished goods	23605248	12899862
TOTAL	35995175	22149755
SCHEDULE 10: MANAGEMENT & ADMINISTRATIVE EXPENSES		
Salaries and Amenities to staff	1625379	1140802
Rent, Rates & Taxes	328781	698537
Postage, Telegram and Telephone	264530	207461
Printing and Stationery	338653	45290
Travelling, conveyance and vehicle Maint	142610	100129
Legal exp. and filing fee	445891	662325
Auditors' Remuneration		
-Audit fee	49635	50562
Sales Tax Paid on Assessment	25000	60420
Miscellaneous expenses	392	1664
TOTAL	3220871	2967190
SCHEDULE 11: FINANCIAL EXPENSES		
Bank charges	352638	85554
Bank Interest	0	24910
Finance Charges	140000	967328
TOTAL	492638	1077792
SCHEDULE 12: SELLING AND DISTRIBUTION EXPENSES		
Packing and forwarding	78983	1320
Commission on sales	193158	48146
Advertisement & Exhibition exps	598215	51000
Rebate and Discount (Net)	1471772	861026
TOTAL	2342128	961492



Sanjay Rawal

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

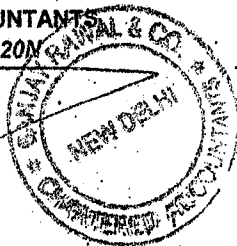
	CURRENT YEAR	PREVIOUS YEAR
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax and extraordinary items	31266980	-1468533
Adjustment for		
Depreciation	10132373	10140922
Finance Charges	492638	1077792
Operating Profit Before Working Capital Changes	41891991	9750181
Adjustment for		
Trade & other Receivable	972039	732671
Inventories	-12952843	-8252756
Trade Payable	-39897594	-2734597
Cash generated from operations	-9986407	-504501
Direct Taxes	0	-12946
Finance Charges	-492638	-1077792
Cash Flow before extraordinary items	-10479045	-1595239
Extra ordinary items	12172231	0
Net Cash from operating activities	1693186	-1595239
B CASH FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-921654	-71300
Share application money	16299994	11200956
Net Cash from Investing activities	15378340	11129656
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds from Borrowing	0	0
Net Cash used Financing activities	-16584086	-10407721
Net Increase in Cash & Cash Equivalents	487440	-873304
Cash & Cash Equivalents		
(Opening Balance)	1024861	1898165
Cash & Cash Equivalents		
(Closing Balance)	1512301	1024861

Note : Figures in (-) represent outflows.

as per our report of even date
FOR SANJAY RAWAL & CO.
CHARTERED ACCOUNTANTS
FIRM REGN NO. 012820N

SANJAY RAWAL
 PARTNER
 M.NO. 088156

Place: New Delhi
 Date: 31-08-2010



For and On behalf of the Board

SUBHASH JAIN
 DIRECTOR

RAJBIR SINGH
 MANAGING DIRECTOR

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(A) ACCOUNTING POLICIES:

1. **Recognition of Income & Expenditure**
The accounts of the Company are prepared on the Historical Cost Convention using accrual method of accounting.
2. **FIXED ASSETS:-**
Fixed assets are recorded at cost of acquisition inclusive of related expenses there on towards putting the assets into use.
3. **INVESTMENTS:-**
Investments are stated at cost.
4. **DEPRECIATION:-**
 - a) The company follows the Straight Line Method of depreciation (SLM) in the case of Plant & Machinery and written down value method of depreciation (WDV) in all other remaining assets.
 - b) Machinery depreciation is provided on pro-rata basis.
5. **INVENTORIES:-**
Raw material, Stores and Packing Materials are valued at lower of cost or net realizable value. Semi Finished and finished goods are valued at lower of cost or estimated net realizable value.
6. **RETIREMENT BENEFIT:-**
The company has no provision in the books of account regarding accrued leave salary and Gratuity. However this been taken on the time of payment to employee's at the time of retirement or otherwise.
7. **IMPAIRMENT OF ASSETS:-**
Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price or its value in use. Value in use is the present value of estimated future cash flow expected to arise from the continuing use of an assets and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable willing parties, less the cost of the disposal.
8. **CONTINGENT LIABILITIES:-**
Unprovided contingent liabilities are disclosed in the accounts by way of notes giving nature and quantum of such liabilities.

(B) NOTES ON ACCOUNTS:

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
	Rs.	Rs.
1 Contingent Liabilities		
a) i) For Excise/ESI/PF Matter	14,07,751.00	14,07,751.00
ii) Income Tax Matter	5,50,000.00	5,50,000.00
iii) Sales Tax Matter	20,68,084.00	20,68,084.00
b) Miscellaneous Matters(Gratuity)	15,00,000.00	15,00,000.00
c) Other Matters in Dispute	3805200.00	3805200.00
2. Managing Director's Remuneration:		
Salary	6,00,000.00	300000.00
Perquisites	NIL	NIL
Contribution to Provident Fund	9360.00	9,360.00

Note: Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 has not been given as commission by way of percentage of profit has not been paid for the year to any of the directors.



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Balances grouped under Sundry Debtors, Advance from Customers, Sundry Creditors and Loans and Advances, Other Liabilities are subject to reconciliation and confirmation.

- 4 a) No Provision has been made for leave salary and gratuity of employee (amount unascertained)
- b) No provision has been made for Income tax for the current year in view of current year loss & brought forward Losses and Depreciation.
5. In the opinion of the Board of Directors, the aggregate value of current Assets, Loans and Advance on realization in ordinary course of business will not be less than the amount at which these are stated in the Balance Sheet.
6. The Stocks have been taken as per inventories taken valued and certified by the management of the company.
7. As suppliers covered under the interest on Delayed Payment to "Micro, Small, and Medium Enterprises Development Act, 2006" are yet to be identified, liability towards interest remained as unpaid to such small scale and/ or ancillary industrial undertakings as on 31.03.2010 is unascertainable.
8. Sundry Debtors/Creditor/Advances/Liabilities Balance are written off/back as approved by the management.
9. The net worth of the company had become negative. The company had made a reference to Board For Industrial and Financial Reconstruction: The BIFR had declared that the Company had become a Sick Industrial Company as on 31-12-2003. Canara Bank was appointed as Operating agency to conduct techno economic viability study and prepare revival scheme if feasible. Revival/Rehabilitation Scheme has now been approved by BIFR vide order dated 26.07.2010 and 01.04.2009 has been taken as cut off date. In terms of Revival/Rehabilitation Scheme the management has carried out restructuring of Balance Sheet as on 01.04.2009 as under
 - a) Equity Share Capital has been reduced by 90% from Rs 580.46 lakhs to Rs 58.04 lakhs. (Irrespective of Provisions of section 100-103 of The Companies Act 1956 but subject to approval in forthcoming Annual General Meeting by Special Resolution). The fresh Induction of Share Capital by promoters has been done irrespective of requirement of following the provisions of section 81(1A), 295, 372A of the Companies Act 1956
 - b) Share Premium Account of Rs. 504.75 has been written off against debit Balance of Profit & Loss Account.
 - c) Term Loan from HSIDC to be settled at Rs 125.00 lakh as against book figure of Rs 118.01 lakhs. And other loans to be settled at Rs. 27.11 as against Book Figure of Rs 45.19 Lakhs.
 - d) Sundry Creditors to be reduced by 80% from Book Figure of Rs 688.01 to Rs. 137.60 Lakhs, out of which Rs 87.60 lakhs as deferred creditors to be paid over 4 years. Amount Due to directors to be reduced by 80% from Book Figure of Rs 41.00 to Rs. 8.20 Lakhs
 - e) Sundry Debtors to be reduced by 50% from Book Figure of Rs 97.84 lakhs to Rs 48.92 lakhs. Loans and Advances to be reduced by 50% from Book Figure of Rs 36.75 lakhs to Rs 18.37 lakhs
10. The secured loans from Canara bank amounting to Rs. 1282.23 lakhs had been assigned in favour of Analysis Securities Pvt Ltd, along with security given to Canara Bank, for meeting fund required for One Time Settlement with Canara Bank. The company was liable to pay Rs. 1282.23 lakhs to Analysis Securities Pvt Ltd, irrespective of the settled amount with Canara Bank. Since then, OTS has been arrived with Canara bank. As per rehabilitation scheme approved by Board For Industrial and Financial Reconstruction, Analysis Securities Pvt Ltd is to be repaid Rs 375.00 lakhs in full and final settlement of their claim as under
 - a) Equity Share at par i.e. Rs 10.00 for an amount of Rs. 143.00 lakhs
 - b) Balance amount of Rs 232.00 lakhs to be repaid over a period of four years starting 1.10.2010 along with interest @ 5% p.a

However Analysis Securities Pvt Ltd has agreed to waive off the remainder amount of Rs. 907.00 lakhs (Rs 1282.00 lakhs - Rs 375.00 Lakhs) only when Rs. 375.00 lakhs is paid to it in full as per BIFR order.

11. Earning Per Share:

	Current Year	Previous Year
a) Net Profit / (Loss)	(146156091)	(1481479)
b) Number of equity shares of Rs. 10 each outstanding during the year (No. of Shares)	580462	5804620
c) Basic / Diluted Earning Per Share (Rs.)	251.79	(0.26)

12. Impairment of Assets: - In pursuance of Accounting Standard 28- Impairment of assets issued by the Institute of chartered Accountants of India, the company has not reviewed it's carrying cost of assets with value in use (determined based on future earnings) / net selling price (determined based on estimation). The management intends to carry out in near future detailed exercise involving expert opinion to determine any loss to be accounted for impairment of assets. As such in the current financial year impairment loss has not been accounted for. However, in the opinion of management no provision for loss of impairment of asset shall be required to be made.

13. The Company has only one reportable business segment and geographical segment and hence no further disclosure is required under Accounting Standard - 17 on Segment Reporting.

14. The company does not have a Company Secretary as required under section 383-A of Companies Act, 1956.

15. Disclosures as per Accounting Standard 18 "Related Party disclosure" issued by the Institute of Chartered Accountants of India:-

A) **Managing Director's Remuneration:- Mr. S.Rajbir Singh**

	Current Year	Previous Year
Salary-	Rs. 6,00,000.00	Rs. 3,00,000.00
Contribution to Provident Fund-	Rs. 9,360.00	Rs. 9,360.00

B) Associates companies - NIL

C) Parties where control exists- NIL

16. In accordance with accounting standard 22 "Accounting for Taxes on Income" issued by the ICAI, deferred tax liabilities based on depreciation differences as on 31/03/2010 is adequately covered by deferred tax assets based on the benefits of unabsorbed depreciation, carried forward losses etc. that are available to the company as at 31/03/2010. And as such there is no impact of the same on these accounts. No further deferred tax assets has been recognized since there is no certainty of future taxable income to take benefit of Deferred tax assets.

17. **ADDITIONAL INFORMATION PURSUANT TO THE PROVISION OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956.**

i) Particulars of Capacity and Production

a) Licensed Capacity	Not Applicable	Not Applicable
b) Installed Capacity	Not determinable	Not determinable
c) Actual Production	Figures in Nos.	Figures in Nos.
- Leaf Spring and Assemblies	69534	22377
- Axles	NIL	NIL
- Crown Pinion	NIL	NIL

ii) Particulars of Stock and Sales

a) Leaf Spring and Assemblies

	Current Year		Previous Year	
	Qty	Amount Qty	Amount	
Opening Stock	1035	1186733	555	642040
Sales	68842	43253535	3289	22017515
Closing Stock	1727	1986612	1035	1186733

b) Axles

Opening Stock	16	10400	16	10400
Sales	0	0	0	0
Closing Stock	16	10400	16	10400

c) Crown Pinion/PIN

Opening Stock	113	78175	113	78175
Sales	0	0	0	0
Closing Stock	113	78175	113	78175

d) Others

Scrap Sales	N.A.	254610	N.A.	704117
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III Particulars of Raw Material Consumed

Description	Unit	Current Year		Previous Year	
		Qty	Amount	Qty	Amount
Steel Flats	M.T.	1052.86	33170741	583.34	20611786
TOTAL	M.T.	1052.86	33170741	583.34	20611786

18. C.I.F. VALUE OF IMPORTS
- Capital goods

Nil
(Nil)

19. EXPENDITURE IN FOREIGN CURRENCY

Exhibition Exp:Rs.100327.00
(Nil)

20. EARNING IN FOREIGN CURRENCY FOR EXPORTS

Export of goods Rs 2798678.00
(Nil)

21. Following assets whether from the dissolved firm or thereafter are yet to be transferred in the name of company.

	<u>Book Value(Rs)</u>
Land at Kanpur	3500

22. Following Bank Balances are subject to confirmation / reconciliation if any. However there is no transaction during the year in most of the cases.

<u>Current Accounts</u>	<u>Rupees</u>
Canara Bank – Jaipur	11342
Punjab & Sind Bank, Bombay	15328
Canara Bank – Dividend Account	403734
Canara Bank, Bombay	1470
Canara Bank, Pune	5718
Canara Bank, Ghaziabad	1098
Canara Bank, Delhi	12996
	451686

23. Secured / Unsecured loans are subject to confirmation from the concerned parties.

24. Previous year's figures have been given in brackets. Figures in para 17 above have been given by the management and relied upon by the auditors.

25. Previous year's figure have been re-grouped / re- arranged whenever necessary.

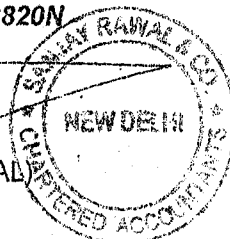
FOR & ON BEHALF OF THE BOARD

As per our report of even date
FOR SANJAY RAWAL & CO.
CHARTERED ACCOUNTANTS
FIRM REN NO. 012820N

(SUBHASH JAIN)
DIRECTOR

(RAJBIR SINGH)
MANAGING DIRECTOR

(SANJAY RAWAL)
PARTNER
M.NO. 088156



Place: New Delhi
Date: 31/08/2010