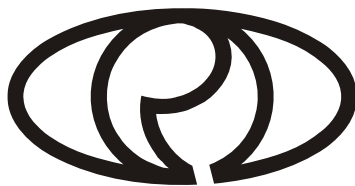


Rasandik Engineering Industries India Limited

**28TH
ANNUAL REPORT
2011 - 2012**



RASANDIK
Passion For Excellence
www.rasandik.com

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr. Gorav Arora

AUDITORS

M/s. Awatar & Co., Chartered Accountants
 1203, Rohit House, 3, Tolstoy Marg
 New Delhi - 110 001

BANKERS

Oriental Bank of Commerce
 Allahabad Bank

REGISTERED OFFICE

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

CORPORATE OFFICE

C-4 & 5, First Floor
 C - Block Market, Vasant Vihar
 New Delhi - 110 057

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NOTICE

To the Shareholders

Notice is hereby given that the 28th Annual General Meeting of the Shareholders of the Company will be held on Saturday, the 29th September, 2012 at 10 a.m. at Conference Hall, Saras Tourist Complex, Damdama, Sohna, Haryana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shyam S. Sethi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

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

“**RESOLVED THAT** M/s. Awatar & Co. Chartered Accountants, be and is hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as will be fixed by the Board of Directors.”

SPECIAL BUSINESS**4. TO CONSIDER THE APPOINTMENT OF DIRECTOR**

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

“**RESOLVED THAT** Mr. M S Ramaprasad, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 on 14th November 2011, and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the company liable to retire by rotation.”

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

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

“**RESOLVED THAT** pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956 read with Director’s Relative (Office or Place of Profit) Rules, 2003 (including any statutory modification or re-enactment thereof), consent of the Company be and is hereby accorded to the appointment of Ms. Sonali Kapoor, relative of Directors of the Company to hold an office or place of profit in the Company as Vice President of the Company on a gross monthly remuneration of Rs. 200,000/- with effect from 20th August 2012 and with authority to the Board of Directors to sanction at its discretion such promotion and /or increase in remuneration not exceeding gross monthly remuneration of Rs. 250,000/-, in due course, as the Board of Directors may deem fit and proper.”

By Order of the Board

For Rasandik Engineering Industries India Limited

Place : New Delhi

Date : 14.08.2012

Gorav Arora

Company Secretary

Registered Office:

14, Roj-ka-Meo Industrial Area,
Sohna, Gurgaon, Haryana-122103

NOTES:

1. The relevant details as stipulated under Clause 49 of the Listing Agreements with Stock Exchanges, of persons seeking re-appointment as a Director are provided in the Report on Corporate Governance forming part of the Annual Report.
2. **A member entitled to attend and vote at the above meeting is entitled to appoint a Proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. The proxy form must be lodged with the Company at its Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**
3. Members are requested to bring the enclosed Attendance Slip along with their copies of Annual Report for attending Meeting.
4. Members who hold shares in dematerialised form are requested to write down their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 24.09.2012 to 29.09.2012 (both days inclusive).



6. Members holding shares in electronic mode are requested to intimate any change of address, bank details, etc, to their respective Depository Participants (DPs) and those holding shares in physical mode are requested to intimate the above details quoting their Folio Number(s) to the Company's Registrar - Link Intime India Pvt. Ltd.
7. Members who have not yet claimed / encashed their dividend warrants for the Financial Year 2004-05, 2005-06, 2006-07 and 2007-08 are requested to lodge their request with the company at its Corporate Office at C - 4 & 5, C-Block Market, Vasant Vihar, New Delhi-110057 for revalidation of the Dividend warrants.

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividends which remain unclaimed for a period of 7 years from the date of transfer of the same to the Company's unpaid dividend account will be transferred to the Investor Education and Protection Fund of the Central Government. The following are the details of the Dividends paid by the Company by the shareholders:

Further the Company shall not in a position to entertain the claims of the Shareholders for the unclaimed dividends which have been transferred to the credit of IEP Fund.

Financial Year ended	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Last date for transfer to IEPF
31.03.2005	19.08.2005	18.08.2012	17.09.2012
31.03.2006	25.08.2006	24.08.2013	23.09.2013
31.03.2007	07.09.2007	06.09.2014	05.09.2014
31.03.2008	12.09.2008	11.09.2015	10.09.2015

8. Individual Shareholders holding shares singly or jointly in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit the details to the Company / RTA in the prescribed Form 2B for this purpose.
9. All documents referred to in the accompanying notice, are open for inspection at the registered office of the Company on all working days, between 11 a.m. and 1 p.m. upto the date of meeting.

By Order of the Board
For Rasandik Engineering Industries India Limited

Place : New Delhi
Date : 14.08.2012

Gorav Arora
Company Secretary

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO- 4****TO CONSIDER THE APPOINTMENT OF DIRECTOR**

The Board of Directors of the Company (the Board), under Section 260 of the Companies Act, 1956 (the Act) and Article 82 (b) of the Articles of Association of the Company, appointed Mr. M S Ramaprasad as an Additional Director of the company with effect from 14th November 2011.

In terms of Section 260 of the Act, Mr. M S Ramaprasad holds office upto the date of this Annual General Meeting.

The Company has received a notice in writing from a member along with a deposit of rupees five hundred, proposing the candidature of Mr. M S Ramaprasad for the office of Directors of the Company under Section 257 of the Companies Act, 1956.

Mr. M S Ramaprasad is not disqualified from being appointed as Director under Section 274(1)(g) of the Act and has complied with the requirement of obtaining the Director Identification Number in terms of Section 266A of the Act.

A brief resume of Mr. M S Ramaprasad, nature of his expertise in specific functional areas and names of Companies in which he holds directorships are provided forming part of the Annual Report.

The brief detail of the above director is as under:

Mr. M S Ramaprasad, B. Sc., LLB, appointed as an Additional Director on the board is an Industrialist by profession with an experience of over 30 years. He is the proprietor of Saraswathi Rice & Oil Mills, Nanjangud, Karnataka. He is founder member of the Nanjangud Industries Association and is president for the 4 years. He has vast experience in Industrial management and possesses thorough knowledge of Factory Act, labour laws

and industry related safety regulations.

The Board of Director recommends for your approval the appointment of Mr. M S Ramaprasad as Director of the Company, liable to retire by rotation.

Except Mr. M S Ramaprasad, no Director of the Company is, in any way, concerned or interested in this resolution.

ITEM NO- 5**TO APPROVE THE APPOINTMENT AND PAYMENT OF REMUNERATION OF MS. SONALI KAPOOR, RELATIVE OF DIRECTORS AS VICE PRESIDENT OF THE COMPANY**

Ms. Sonali Kapoor is appointed to hold the office of Profit as Vice President in the company w.e.f. August 20, 2012.

Ms. Sonali Kapoor has done Master of Science in Computational Finance (MSCF) and is Bachelor of Science in Electrical and Computer Engineering from Carnegie Mellon University, USA. She is having experience of more than 5 Years and having exposure in the field of Foreign Exchange Sales and Structuring, Debt Capital Markets, Credit Structuring, Interest Rate Derivatives etc. Prior to this assignment, she has worked with DEUTSCHE BANK, UBS INVESTMENT BANK and BNP PARIBAS.

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

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

The Board of Directors recommends the resolution set out in item no. 5 of the accompanying notice for the approval of the Members.

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

Name	Dr. Shyam S. Sethi
Date of Birth	15 th June' 1939
Date of Appointment	08/06/2002
Educational Qualification	Post graduation in production engineering from IIT Kharagpur
Expertise in specific functional area	Dr. Shyam S. Sethi, is an independent non-executive Director board. He is a Mechanical engineering graduate with post graduation in production engineering from IIT Kharagpur. He brings with him around thirty years of experience with an MNC Kelvinator. He was Executive Vice President at Kelvinator at later part of his tenure thereat. Currently he works as a Consultant at Whirlpool Corporation, Aptech Limited and Tropicana Telecom.
List of other Companies in which Directorship held	Ample Leasing Pvt. Ltd. Dev Shri Tech Pvt. Ltd.
Chairman / Member of the Committees of Board of Directors of Other Companies	None
No of Shares Held in the Company	Nil

Name	Mr. M S Ramaprasad
Date of Birth	18th May' 1949
Date of Appointment	14/11/2011
Educational Qualification	B Sc., LLB
Expertise in specific functional area	Mr. M S Ramaprasad aged 62 years; a Director on the board is an industrialist by profession. He is the proprietor of Saraswathi Rice & Oil Mills, Nanjangud, Karnataka. He is founder member of the Nanjangud Industries Association and is president for the last 4 years. He has vast experience in Industrial management and possesses thorough knowledge of Factory Act, labour laws & industry related safety regulations.
List of other Companies in which Directorship held	None
Chairman / Member of the Committees of Board of Directors of Other Companies	None
No of Shares Held in the Company	Nil

By Order of the Board
For Rasandik Engineering Industries India Limited

Place : New Delhi
 Date : 14.08.2012

Gorav Arora
 Company Secretary

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting the 28th Annual Report of your Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2012.

FINANCIAL RESULTS (Rs in millions)

PARTICULARS	2011-12	2010-11
Total Income (Gross)	2502.41	2981.24
Profit Before Finance Cost, Depreciation and Taxation	162.19	308.34
Finance Cost	160.10	141.83
Depreciation	127.28	124.79
Profit Before Tax	(125.19)	41.72
LESS:		
Tax expense	13.40	21.22
Profit/Loss After Tax (Loss)	(138.59)	20.50
ADD:		
Balance in Profit and Loss Account	221.85	201.35
Amount Available for Appropriation	83.26	221.85

OPERATING RESULTS

During the year under review, the overall performance of the Company showed downward movement as compared to the previous year. The total revenue (gross) of the company for the year ended 31st March, 2012 was Rs. 2502.41 millions as compared to Rs. 2981.24 millions in the previous year. The profit before depreciation, finance cost, taxation is decreased to Rs. 162.19 millions from Rs. 308.34 millions in the previous year. The net loss after depreciation and finance cost is Rs. 125.19 millions for the current financial year as compared to profit of Rs. 41.72 millions in the previous year. The loss after tax is Rs. 138.59 millions in comparison to profit of Rs.20.50 millions in previous year.

DIVIDEND

In view of the loss incurred by the Company and considering the funding requirements of the underlying businesses, your directors do not recommend any dividend.

PROSPECTS FOR THE CURRENT YEAR

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

FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBS):

The USD 10 Millions 3% Foreign Currency Convertible Bonds issue of the Company was matured on 8 April 2009 and is due for payment.

HUMAN RESOURCES

The human resource profile of your Company is an optimal mix of industry experience and fresh blood from engineering and business institutions. During the year under review, your company had taken several steps in further reinforcing a performance driven working environment that encourages innovation.

CORPORATE GOVERNANCE

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms the part of the Annual Report.

A Certificate from the Auditors of the Company, M/s. Awatar & Co, Chartered Accountant confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed Management Discussion and Analysis Report, pursuant to Clause 49 of the Listing Agreement is annexed hereto, forming part of this report.

LISTING

The shares of your Company continued to be listed at Mumbai Stock Exchanges. The listing fee has already been paid for the Financial Year 2012-13. The application for Voluntary delisting application is still pending at the Calcutta Stock Exchange. Further annual custody fee has been paid to NSDL and CDSL.

CASH FLOW STATEMENT

As required by Clause 32 of the Listing Agreement with Stock Exchanges, a Cash Flow Statement is annexed.

DIRECTORS

As per the provisions of the Companies Act, 1956, Mr. Shyam S Sethi, Director is liable to retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offers himself for re-appointment.

Mr. A. R. Halasyam has resigned from Directorship w.e.f. 07.11.2011

Mr. M S Ramaprasad was appointed on 14.11.2011 as Additional Director to hold the office upto the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of the Director.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 as amended, your Directors state that:

- a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed with proper explanations relating to material departures, if any;
- b) The accounting policies adopted in preparation of the annual accounts have been applied consistently and reasonable and prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2011-12 and of the profit for the period ended March 31, 2012;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a 'going concern' basis.

AUDITORS

The Statutory Auditors of the Company, M/s Awatar & Co., Chartered Accountants, New Delhi, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from public during the year.

INSURANCE

All the properties of the Company including Buildings, Plant and Machinery and Stocks have been adequately insured.

PARTICULARS OF EMPLOYEES

Information as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, regarding particulars of employees are set out in the Annexure A to this report.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

The particulars relating to energy conservation, technology absorption, foreign exchange earning and outgo, as required to be disclosed under Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, forming part of the Directors' Report is enclosed as per Annexure B to this report.

QUALITY SYSTEM

Your Company has been certified as an ISO/TS 16949-2002 version Quality System Company by AIB Vincotte Inter Belgium and also an ISO 14001 - Environment Management System Company by British International Standard (BIS).

AUDITORS' REPORT

The observations made in the Auditors Report are self-explanatory and therefore do not call for any further comment under Section 217 (3) of the Companies Act, 1956.

TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, The declared dividends which remain unclaimed for a period of 7 years have been transferred by the company to the Investor Education and Protection Fund of the Central Government pursuant to section 205C of the said Act.

ACKNOWLEDGEMENTS

Your Directors would like to thank the employees, shareholders, customers, suppliers and bankers for their continued support and for their continued support and confidence in the management.

Your Company is grateful for the co-operation and continued support extended by Maruti Suzuki Motors Ltd, Tata Motors Ltd, New Holland Tractors, Honda Sael, Fiat India, General Motors, Mahindra, Renault, Swaraj Mazda, Honda Motorcycles & Scooters, Ashok Leyland, Force Motors and all other Customers. Your Directors look forward to receive their continued confidence, support and encouragement.

For and on Behalf of the Board

Place : New Delhi
Date : 30.05.2012

(S. C. KAPOOR)
CHAIRMAN

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-A

INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 & FORMING PART OF DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2012.

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

None

ANNEXURE-B

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2012.

A. CONSERVATION OF ENERGY

Your Company is not an industry listed in Schedule to Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988. It has given top priority to energy consumption by putting continuous efforts towards optimization of operating and processing parameters, up-gradation of plant equipments, ensuring that scarce energy resources are utilized in the most efficient manner etc. It has been continuously thriving to optimize energy consumption levels by selecting energy efficient and environment friendly technologies for its plants.

(i) Statement of Power & Fuel Consumption

SI No.	Particulars	2011-12	2010-11
a.	Purchased of Electricity		
	Units Purchased	7,148,148	8,564,413
	Total Amount (Rs.)	40,034,171	45,923,898
	Average rate / unit (Rs.)	5.60	5.36
b.	Own Generation of Electricity		
	DG Set Generated Units	1,938,112	2,899,437
	Total Amount (Rs.)	26,325,153	35,577,943
	Average rate / unit (Rs.)	13.58	12.27

(ii) Energy Conservation Measures taken

Your company has given utmost importance to the Energy conservation by adopting the most modern technology and has implemented many Energy conservation measures through small group activities and suggestion schemes. It is taking various steps for optimizing operations in use of power and energy and also reduction in energy consumption. These are as follows:

- To reduce electrical energy consumption by enhancing use of natural light.
- To conserve energy by reducing compressed air consumption.
- To conserve energy by using energy efficient Welding Guns.

In addition to the above, constant energy monitoring is being done in various sections of the plant for which energy meters have been installed in each Press Machines as well as in various Shops. Statistical analysis will be carried out and energy consumption and reduction plans will be worked out.

(iii) Additional investment and proposal, if any, being implemented for reduction of energy

NIL

(iv) Impact of measures of (i) & (ii) above for reduction of energy consumption and consequent impact on the cost of production of goods

NIL

B. RESEARCH AND DEVELOPMENT & TECHNOLOGY ABSORPTION

The Company's Research and Development (R&D) activities include up-gradation of technology and cost reduction by Value Engineering. As there is no separate R&D Department, the amount incurred on R&D is difficult to estimate. Your company believes in employing the most modern technologies to derive the best possible results.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

Your company continues to maintain its focus on and avail of export opportunities based on economic considerations. Strong initiatives have been taken to interact with a variety of overseas customers with the focus on identification of new customers and procuring contracts from them.

The company is continuing with its vigorous efforts to increase its exports by broadening its customer profile, concentrating on formulation sales, exploring possibilities of entering into new and expanding markets etc.

a. Activities relating to export:

The company has identified products and potential customers for Export. The Company have number of export orders in hand and the product development is under process.

b. Foreign Exchange Earnings:**(In Rs)**

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
F.O.B. Value of Exports	4,39,85,624	18,887,397

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

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Raw Material & Component (CIF Value of Imports)	3,73,79,770	81,521,414
Store & Spares (CIF Value of Imports)	13,54,780	1,193,599
Plant & Machinery	18,55,35,000	14,506,575
Traveling	11,54,122	2,155,115
Professional Charges	37,09,457	669,192
Others	–	453,262

ANNEXURE - C

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2011-12

(As required under Clause 49 of the Listing Agreements entered with Stock Exchange)

1. Company's philosophy on Code of Governance

We believe that Corporate Governance is a voluntary and self discipline code which means not only ensuring compliance with regulatory requirements but also being responsive to our stakeholders needs. Focus of the Company has always been to ensure continuing value creation for each of its stakeholders and above all to achieve business excellence with the goal of long-term sustainable development.

2. BOARD OF DIRECTORS

The present strength of Directors on the Board is five of which two are independent and non-executive, two are non-independent and non-executive and one is non-independent and executive who is responsible for the management of Company's business.

The Board Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman may bring up any matter for the consideration of the Board. All major issues included in the Agenda are backed by comprehensive information being circulated in advance of each meeting of the Board to enable the Board to take informed decisions.

Meetings and Attendance:

During the year Four (4) Board meetings were held on 02.06.2011, 12.08.2011, 14.11.2011 and 14.02.2012. The maximum time gap between any two consecutive meetings was not more than four months. The Composition of Board of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting and other directorships and chairmanships/memberships of the Committees of each Director held in various companies, as at 31st March, 2012, is given below:

Name	Designation	Promoter/ Independent Director	Meetings attended	Directorships in other companies (Indian)	Attendance in last AGM	Share- holding (Nos.)
Mr. S. C. Kapoor	Chairman	Non- Independent	4	0	Yes	809,447
Mr. Rajiv Kapoor**	Managing Director	Promoter	4	0	Yes	146,900
Mrs. Deepika Kapoor	Director	Promoter	4	0	No	34,300
Dr. Shyam S. Sethi	Director	Independent	4	0	No	Nil
Mr. A. R. Halasyam ***	Director	Independent	1	0	No	23,000
Mr. M. S. Ramaprasad****	Director	Independent	1	0	No	Nil

* Excludes Directorships in Private Limited Companies

** Mr. Rajiv Kapoor is related to Mr. S. C. Kapoor, Chairman and Mrs. Deepika Kapoor, Director

*** Mr. A. R. Halasyam resigned from Directorship w.e.f. 07.11.2011

**** Mr. M. S. Ramaprasad joined as an Additional Director w.e.f. 14.11.2011

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49) across all Companies in which he/she is a Director. The necessary disclosures in this regard have been made by all the Directors.

Directors with Material Pecuniary or Business Relationship with the Company

Disclosures to be made to the Board by the Directors of the company relating to all material, financial and commercial transactions in which they have personal interest, which may have a potential conflict with the interest of the Company at large. None of the Directors has any pecuniary relationship or transaction with the company.

Code of Conduct: The Board of Directors has laid down Code of Conduct for all Board members and all employees in management grade of the Company. The Code of Conduct is posted on the website of the Company.

A declaration signed by the Chief Executive Officer is attached and forms part of the Annual Report of the Company.

COMMITTEES OF THE BOARD

The Board of Directors has constituted three Committees of the Board - Audit Committee, Investor Grievance Committee and Share Transfer Committee. The terms of reference of the Board Committees are determined by the Board from time to time. The role and composition of these Committees, including the number of meetings held and the related attendance is as follows:

3. AUDIT COMMITTEE

- (i) The role & term of reference of the audit committee are in conformity with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges.
- (ii) The terms of reference of the Audit Committee of the Company are broadly as under:
 - Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - Recommending to the Board, the appointment, re-appointment and if required, replacement or removal of the statutory auditor and the fixation of audit fees and also approval for payment for any other services.
 - Reviewing, the financial statements and draft audit report, including quarterly/ financial statements before submission to the Board for approved.
 - Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - ◆ Matters required to be included in the Director's Responsibility Statements to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - ◆ Changes, if any, in accounting policies and practices and reason for the same;
 - ◆ Major accounting entries involving estimates based on the exercise of judgment by management;
 - ◆ Qualifications in the draft audit report;
 - ◆ Significant adjustments in made in the financial statement arising out of audit findings;
 - ◆ The going concern assumptions;
 - ◆ Compliance with Accounting Standard;
 - ◆ Compliance with listing and other legal requirements relating to financial statements;
 - ◆ Any related party transactions as per Accounting Standard 18.
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - Reviewing the Company's financial and risk management policies.
 - Disclosure of contingent liabilities.
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - Discussion with internal auditors any significant findings and follow up there on.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - To look into the reasons for substantial defaults in payment to the shareholders (in case of non payment of declared dividends) and creditors, if any.
 - Reviewing functioning of the Company's Whistle Blower Mechanism. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.



- (iii) In its meeting, the Audit Committee considered audit reports covering operational, financial and other business areas and the quarterly results of the Company. The Audit Committee meetings are usually held at Corporate Office of the Company and are attended by members, Chief Financial Officer, representatives of Statutory Auditors and representatives of Internal Auditors. The Operational Heads are invited to the meetings, as required. The Company Secretary is the Secretary to the Committee. The Audit Committee (AC) comprises of three Non-Executive Directors, with a majority of them being Independent Directors.
- (iv) Four Audit Committee meetings were held during the year. The dates on which the said meetings were held are as follows: 02.06.2011, 12.08.2011, 14.11.2011 and 14.02.2012. The necessary quorum was present at all the meetings.
- (v) The Composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Sl. No.	Name of the Directors	Designation	No. of Meetings Attended
1	Dr. Shyam S. Sethi	Member	4
2	Mr. S. C. Kapoor	Member	4
3	Mr. A. R. Halasyam*	Member	1
4	Mr. M. S. Ramaprasad*	Member	1

* Mr. A. R. Halasyam resigned from Directorship w.e.f. 07.11.2011

** Mr. M. S. Ramaprasad joined as an Additional Director w.e.f. 14.11.2011

4. SHAREHOLDER'S GRIEVANCE COMMITTEE

Composition: The Shareholders Grievance Committee consists of three Non-Executive Directors, with a majority of them being Independent Directors. The Chairman of the Committee is a Non-Executive Independent Director and the Company Secretary is the Secretary to the Committee.

Terms of Reference: The functioning and terms of reference of the committee are to oversee various matters relating to redressal of shareholders grievances like:

- Delay in Transfer/Transmission of shares
- Review of shares dematerialized and all other related matters
- Monitoring expeditious redressal of investors grievance
- Non-receipt of Annual Report and Dividend
- All other matters related to shares

Besides the Committee oversees the Shareholders Grievance, formulates redressal mechanism and recommends measures to improve the level of service to Shareholders.

Meetings & Attendance: Four Shareholders Grievance Committee meetings were held during the year. The dates on which the said meetings were held are as follows: 02.06.2011, 12.08.2011, 14.11.2011 and 14.02.2012. The necessary quorum was present at all the meetings.

Attendance:

Sl. No.	Name of the Directors	Designation	No. of Meetings Attended
1	Dr. Shyam S. Sethi	Member	4
2	Mr. S. C. Kapoor	Member	4
3	Mr. A. R. Halasyam*	Member	1
4	Mr. M. S. Ramaprasad*	Member	1

* Mr. A. R. Halasyam resigned from Directorship w.e.f. 07.11.2011

** Mr. M. S. Ramaprasad joined as an Additional Director w.e.f. 14.11.2011

Compliance Officer:

The company has appointed Mr. Gorav Arora, Company Secretary of the company, as the Compliance Officer of the company. The contact address is as follows:

Mr. Gorav Arora, Compliance Officer & Company Secretary
C-4 & 5, C-Block Market, Vasant Vihar, New Delhi -110057
email: cs@rasandik.com

Shareholders can also contact

Mr. Pradeep C. Nayak, Asst. Company Secretary
C-4 & 5, C-Block Market, Vasant Vihar, New Delhi -110057
email: acs@rasandik.com

SHAREHOLDERS' QUERIES / COMPLAINTS

The Company ensures that Shareholder's grievances are minimal and the same are redressed promptly to their satisfaction. The status of queries/complaints received, resolved and pending during 1st April, 2011 to 31st March, 2012 is as follows:

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

Pursuant to SEBI Circular, the Company has created an email ID exclusively for redressal of investors' grievances. The investors can post their grievance on cs@rasandik.com and acs@rasandik.com.

5. SHARE TRANSFER COMMITTEE

The Committee meets regularly to consider the allotment, transfer, transmission, split, issue of duplicate share certificates, etc. and take note of Demat Reports. Details of share transfers / transmissions etc. approved by the Committee are placed at the Board Meeting from time to time.

The Committee consists of two members. The Chairman of the Committee is a Non-Executive Director and the Company Secretary is the Secretary to the Committee.

6. GENERAL BODY MEETINGS

Year	Type	Date of Meeting	Venue of Meeting	Time	No. of Directors Present
2009-10	AGM	11.09.2009	Conference Hall, Saras Tourist Complex, Damdama, Sohna Haryana – 122103	10 a.m.	2
2010-11	AGM	03.09.2010	Conference Hall, Saras Tourist Complex, Damdama, Sohna Haryana – 122103	10 a.m.	2
2011-12	AGM	30.09.2011	Conference Hall, Saras Tourist Complex, Damdama, Sohna Haryana – 122103	10 a.m.	2

The shareholders passed all the resolutions set out in the respective notices. No Special Resolutions passed during 2009-10 and 2010-11. Special Resolutions of Re-appointment and Remuneration of Mr. Rajiv Kapoor, Managing Director was passed during 2011-12. There was no occasion to pass any Special Resolutions through Postal Ballot on any of the matters specified under Clause 35 of the listing agreement. No resolution is proposed through postal ballot this year.

7. REMUNERATION TO DIRECTORS

None of the Directors except the Managing Director of the Company is in receipt of any kind of remuneration. The non-executive directors are paid only sitting fees for attending the meetings. As the constitution of Remuneration Committee is a non-mandatory item under Clause 49 of the listing agreement, the Company has not yet formed the Remuneration Committee.

NON-EXECUTIVE DIRECTORS

Non-executive Directors are paid only sitting fees for attending meetings of the Board of Directors within the limits prescribed under the Companies Act, 1956. The details are as follows:

DETAILS OF SITTING FEES PAID TO THE NON EXECUTIVE DIRECTORS

Sr. No.	Name of the Director	No. of Meeting Attended	Sitting Fee Per Meeting (Rs.)	Sitting Fee Paid During 2011-12 (Rs.)
1	Mr. S. C. Kapoor	4	5000	20000
2	Mrs. Deepika Kapoor	4	5000	20000
3	Dr. Shyam S. Sethi	4	5000	20000
4	Mr. A. R. Halasyam	1	5000	5000
5	Mr. M. S. Ramaprasad	1	5000	5000

MANAGING DIRECTOR

No remuneration is paid to Mr. Rajiv Kapoor, Managing Director (re-appointed as Managing Director w.e.f. 01.10.2011 for a period of three years) during the financial year 2011-12.

8. DISCLOSURES

There were no transactions of material nature with the promoters, directors or the management or relatives, etc. that may have potential conflict with the interests of the Company. There are no instances of non-compliances nor have any penalties/strictures been imposed by any Stock Exchange or SEBI or any other statutory authority during the last three years on any matter related to capital market.

9. APPOINTMENT OF DIRECTORS

Dr. Shyam S. Sethi, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. A. R. Halasyam has resigned from Directorship w.e.f. 07.11.2011

Mr. M S Ramaprasad was appointed as Additional Director upto the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of the Director.

Brief Resume of Directors are as follows

Name:	Dr. Shyam S. Sethi
Date of Birth:	15th June' 1939
Date of Appointment:	08/06/2002
Educational Qualification:	Post graduation in production engineering from IIT Kharagpur
Expertise in specific functional area:	Dr. Shyam S. Sethi, is an independent non-executive Director on the board. He is a Mechanical engineering graduate with post graduation in production engineering from IIT Kharagpur. He brings with him around thirty years of experience with an MNC Kelvinator. He was Executive Vice President at Kelvinator at later part of his tenure thereat. Currently he works as an Consultants at Whirlpool Corporation, Aptech Limited and Tropicana Telecom.

Name:	Mr. M S Ramaprasad
Date of Birth:	18th May' 1949
Date of Appointment:	14/11/2012
Educational Qualification:	B.Sc., LL.B.
Expertise in specific functional area:	Mr M S Ramaprasad aged 62 years; a Director on the board is an industrialist by profession. He is the proprietor of Saraswathi Rice & Oil Mills, Nanjangud, Karnataka. He is founder member of the Nanjangud Industries Association and is president for the last 4 years. He has vast experience in Industrial management and possesses thorough knowledge of Factory Act, labour laws & industry related safety regulations.

10. MEANS OF COMMUNICATION

The Quarterly results of the Company were announced within a month of the end of each quarter of the financial year 2011-12 and the Audited Annual results of the financial year 2011-12 were announced on 30th May 2012; such results were published, inter alia, in the following newspapers 'The Financial Express' and 'Veer Arjun'.

Quarterly Disclosures	The results of the Company are Published in the newspapers.
Quarterly results and in which newspaper normally published in.	Results of the Company are normally Published in the Financial Express and Veer Arjun
Website	www.rasandik.com
Designated Exclusive Email ID	The Company has designated the following email id exclusively for investors servicing:cs@rasandik.com and acs@rasandik.com
Annual Report	Annual Report containing, inter alia, Directors Report, Auditors Report, Audited Annual Accounts and other important information is circulated to Members and others entitled thereto. The Management's Discussion and Analysis Report forms part of the Annual Report.

The Financial Statements, Corporate Governance Reports, Shareholding Pattern etc. have also been displayed on Website of the Company www.rasandik.com.

11. GENERAL SHAREHOLDER INFORMATION

Registered Office	: 14, Roz-Ka-Meo Industrial Area, Sohna, Distt. Gurgaon, Haryana-122103
Annual General Meeting Date & Time Venue	: Saturday, September 29, 2012 at 10.00 a.m. Conference Hall, Saras Tourist Complex, Damdama, Sohna, Haryana
Financial Calendar	: Tentative and subject to change
Financial Reporting	: Financial Year 2012-13 (April to March)
First Quarter Results	: Within 45 days from the end of quarter
Second Quarter Results	: Within 45 days from the end of quarter
Third Quarter Results	: Within 45 days from the end of quarter
Results for the Year ending 31st March, 2012	: Within 60 days from the end of financial year
Book Closure Date	: 24.09.2012 to 29.09.2012 (Both days inclusive)
Listing on Stock Exchanges	: At present the Equity Shares of the Company are listed at The Bombay Stock Exchange Ltd. (BSE), P.J. Towers, Dalal Street, Mumbai – 400 001. The Annual Listing fees as prescribed for the year 2012-13 has already been paid to BSE within the prescribed time and th annual custodian fee has been paid to NSDL and CDSL for the financial year 2012-13. The application for voluntary delisting of Equity Shares made to the Stock Exchange at Kolkata is pending.
Stock Code of BSE	: 522207
ISIN for NSDL & CDSL	: INE682D01011
ISIN for FCCB	: XS0245101075

12. SHAREHOLDER'S REFERENCE

Unclaimed Dividends of the Company for previous years: The dividends remaining unclaimed for 7 years from the date they become due for payment will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205A/205C of the Companies Act, 1956 after completion of above said period.

Unclaimed Dividend Amounts:

Financial Year	Dividend Identification No.	Rate of Dividend	Date of Declaration of Dividend	Unpaid Dividend as on 31.03.2012	Last date for claiming unpaid Dividend
2004-05	6 th	15%	19.08.2005	181,686.00	18.08.2012
2005-06	7 th	15%	25.08.2006	153,487.50	24.08.2013
2006-07	8 th	10%	07.09.2007	113,683.00	06.09.2014
2007-08	9 th	15%	12.09.2008	149,440.50	11.09.2015

Registrar & Transfer Agent:

The company has appointed Link Intime India Pvt. Ltd. as its RTA to carry on all work related to share registry (both physical and electronic). All the transfers received are processed by the Registrar and Transfer Agent is approved by the Share Transfer Committee of the Company constituted in this behalf.

Link Intime India Pvt. Ltd.

A-40, 2nd Floor, Naraina Industrial Area, Phase-II, New Delhi – 110 028
Phone: (011) 41410592-94, Fax : (011) 41410591

Share Transfer System:

Share transfers in physical form are generally registered within a fortnight from the date of receipt provided the documents are found to be in order. Share transfer Committee considers and approves the transfer proposal.

All requests for dematerialization of shares, which are found to be in order, are generally processed within twenty one days and the confirmation is given to the respective depositories i.e., National Security Depository Limited and Central Depository Services (India) Limited

MARKET PRICE INFORMATION

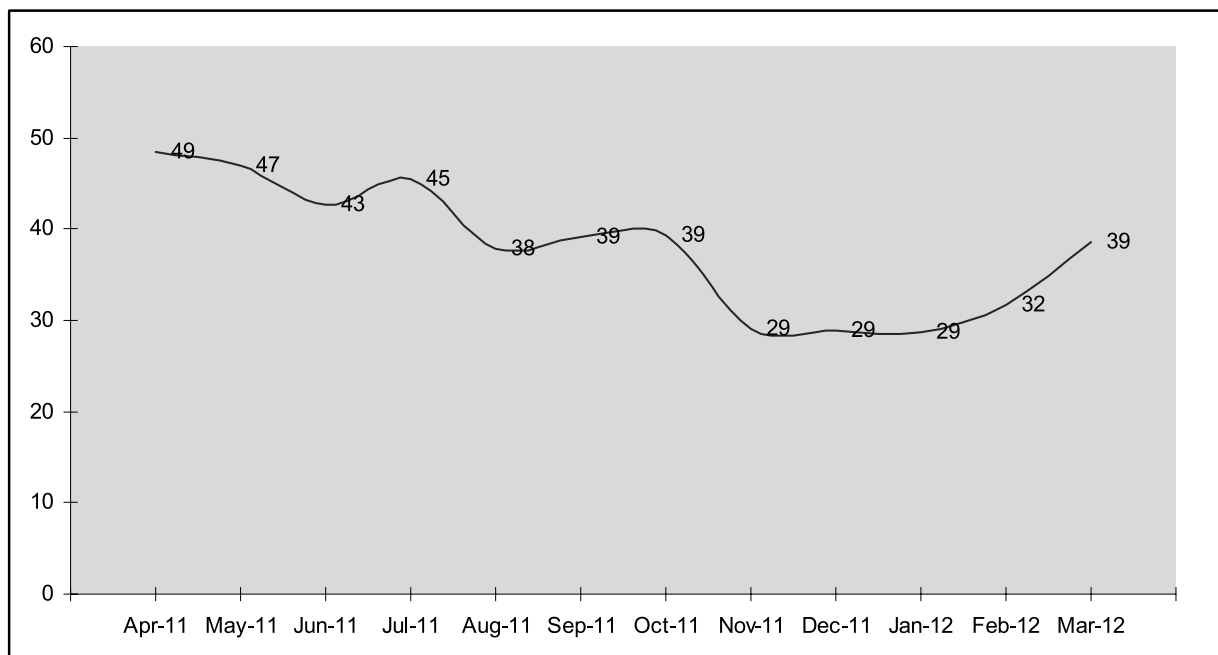
The monthly high and low quotation of equity shares at the Bombay Stock Exchange is listed below:

(Face Value Rs. 10/-)

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	* Spread (Rs.)	
								H-L	C-O
Apr-11	47	54	46	49	15,083	137	7,69,339	7.25	1.90
May-11	50	53	44	47	24,634	230	11,89,260	9.30	-3.20
Jun-11	46	55	43	43	39,297	348	18,13,593	12.40	-3.80
Jul-11	43	48	40	45	13,295	191	5,92,239	7.85	2.80
Aug-11	42	49	34	38	29,703	301	12,22,950	14.75	-4.35
Sep-11	37	47	36	39	18,781	170	7,61,773	11.05	1.70
Oct-11	39	42	35	39	10,169	107	4,03,087	6.55	0.05
Nov-11	38	42	29	29	8,155	110	2,92,821	12.60	-9.10
Dec-11	30	32	25	29	22,074	78	6,07,217	6.80	-1.30
Jan-12	27	34	26	29	23,155	161	6,82,561	7.70	1.30
Feb-12	29	38	29	32	14,796	138	5,07,444	9.00	2.50
Mar-12	33	42	33	39	35,523	157	13,90,708	8.65	5.35

(Source: www.bseindia.com)

SHARE PRICE MOVEMENT GRAPH ON MUMBAI STOCK EXCHANGE 2011-12



(Source: www.bseindia.com)

Shareholding:

Distribution of Shareholding as on March 31, 2012:

No. of Shares	No. of Shareholders	%	Holding in Nos		No. of Shareholders		Holding in Nos	
				%		%		%
As on 31.03.2012					As on 31.03.2011			
1-500	4414	91.52	552,892	11.70	4,586	91.08	171,838	3.64
501-1000	173	3.59	142,104	3.01	192	3.81	157,759	3.34
1001-2000	91	1.88	132,983	2.81	101	2.00	149,150	3.16
2001-3000	41	0.85	105,144	2.23	47	0.93	119,183	2.52
3001-4000	28	0.58	95,023	2.01	29	0.58	99,327	2.10
4001-5000	14	0.29	64,843	1.37	16	0.32	74,522	1.58
5001-10000	22	0.46	169,206	3.58	26	0.52	199,577	4.22
10001 & Above	40	0.83	3,462,805	73.29	38	0.76	3,345,360	70.80
Total	4823	100	4,725,000	100	5,035	100	4,725,000	100

Categories of Shareholders as on March 31, 2012:

Category	No. of Shares		Percentage	
	2011-12	2010-11	2011-12	2010-11
Promoters and Promoters Group	2,548,946	2,554,746	53.95	54.07
Mutual Funds	3,100	3,100	0.07	0.07
Private Corporate Bodies	379,182	388,819	8.03	8.23
Indian Public	1,697,755	1,670,644	35.93	34.09
NRIs	96,017	107,691	2.03	2.28
Total	4,725,000	4,725,000	100	100

Top ten shareholders as on March 31, 2012:

Category	Name	No. of shares	%
Promoter	Rajiv Kapoor	809,447	17.13
Promoter Group	Radhika Securities Pvt. Ltd.	651,459	13.79
Promoter Group	Ganesha Securities Pvt. Ltd.	616,740	13.05
Promoter Group	Kapoor & Budhwar Associates Pvt. Ltd.	197,200	4.17
Private Corporate Bodies	Sudha Commercial Company Limited	159,500	3.38
Promoter Group	S C Kapoor	146,900	3.11
Indian Public	S Sangeetha	118,330	2.50
Private Corporate Bodies	Mars Associates Private Limited	77,490	1.64
Promoter Group	Krishna Kumari Kapoor	67,000	1.42
Indian Public	Harsha Hitesh Javeri	60,001	1.27

Dematerialisation of Shares

As on 31st March, 2012, 88.59 % of the Company's total ordinary shares representing 4,186,078 nos of shares were in dematerialised forms, out of which, 63.41 % is held by NSDL and 25.18 % is held by CDSL. The Equity shares of the Company are actively traded in BSE.

Plant location: The Company has the following manufacturing & operation divisions:

Plant I	Tool Shop II	Plant III	Plant IV	Plant V
13,14 Roz-Ka-Meo Industrial Area, Sohna, District- Gurgaon, Haryana - 122103	1, Roz-Ka-Meo Indl Industrial Area Sohna, District- Gurgaon Haryana - 122103	A-1/2-2 & A-1/2-3 Surajpur Industrial Area, Site - B, Greater Noida Uttar Pradesh -201306	E-82 & 83, MIDC, Ranjangaon, Pune Maharashtra	Kanwarsika, Sohna District- Nuh, Haryana- 122103

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

The USD Ten Millions Foreign Currency Convertible Bonds (FCCBs) issue of the Company (details given below) was matured on 8 April 2009 and is due for payment.

Number of FCCBs issued & Face Value	10,000 No of FCCBs of US\$1,000 face Value Total value of the issue US\$ 10,000,000 (US\$ 10 million)
Tenor/ Period	7 April 2006 to 8 April 2009 (3 years 1 days)
Redemption Date	On or before 8 April 2009

At present, we are evaluating various means for making financial arrangement for the payment of the FCCB. We are also in close contact with our FCCB Investor and updating them on the present status on regular basis. We are also evaluating the various alternative options with our Bondholder for payment of the amount due on maturity of FCCBs.

13. SECRETARY'S RESPONSIBILITY STATEMENT

The Company Secretary confirms that the Company has:

- Maintained all Books of Accounts and Statutory registers required to be maintained under the Companies Act, 1956, and the rules made there under and as prescribed by SEBI.
- Filed all the forms and returns and furnished all necessary particulars in time to the Registrar of Companies, Reserve Bank of India and other authorities prescribed under various laws governing the functioning of the Company.
- Issued all notices required to be given for Board Meetings and AGM.
- Conducted the Board Meetings, Committee Meetings and Annual General Meeting in accordance with the Companies Act, 1956, SEBI Guidelines and Stock Exchange regulations as applicable.
- Complied with the requirements relating to the minutes of the proceeding of the meeting of the Board of Directors, Committee Meetings and General Body Meetings.
- Obtained necessary approvals of Directors, Shareholders, and other Authorities as per the statutory requirements.



- Not exceeded its borrowing powers.
- Complied with the requirements of the Listing Agreements entered into with Stock Exchanges.

14. NON-MANDATORY REQUIREMENTS

Audit Qualifications	During the year under review, there were no audit qualifications on the Company's financial statements.
Whistle Blower Policy	The Company has put in place a 'Whistle Blower Policy' for employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
Chairman of the Board	No separate office is maintained for Non-Executive Chairman. Only sitting fee is paid to the Chairman.
Remuneration Committee	The Company has not as yet set up a Remuneration Committee
Shareholder's Right	The Company's financial results are published in English and Hindi newspapers. Hence, same are not sent to Shareholders. The financial results are put on the Company's website.
Training of Board Members	All the members of the Board are well qualified senior industrialists/professionals actively engaged in their respective fields of specialization on a day to day basis. The Company will address the requirement of training of Board Members as and when considered necessary.

DECLARATION UNDER CLAUSE 49 I(D) OF THE LISTING AGREEMENT REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to certify that the Company has laid down Code of Conduct for all Board Members and senior Management of the Company and the copies of the same are uploaded on the website of the Company - www.rasandik.com.

Further certified that the Members of the Board of Directors and senior Management personnel have affirmed having complied with the Code applicable to them for the financial year ended 31st March 2012.

For Rasandik Engineering Industries India Ltd

Rajiv Kapoor
Managing Director

New Delhi, 30th May 2012

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Shareholders of,
Rasandik Engineering Industries India Ltd.

We have examined the compliance of conditions of Corporate Governance by Rasandik Engineering Industries India Limited, for the year ended on 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance(s) is pending for a period exceeding one month against the company as per records maintained by the Company.

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

for **AWATAR & CO.**
Chartered Accountants

(Brijendra Agrawal)
Partner

Membership No: 87787

Place : New Delhi
Date : 30th May 2012

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Scenario – An Overview

The country's automobile industry has marked impressive growth in the last fiscal. The overall Indian automobile industry grew by 12.12 per cent in 2011-12 by selling 17.3 million units, majorly driven by demand for two-wheelers and light trucks. Further, the sector witnessed sales growth of 12.46 per cent for the period between April 2011 and February 2012.

Currently, the auto components industry in India is around two-thirds the size of the OEM segment. Industry body SIAM expects overall automobile sales to grow by 10-12 per cent in 2012-13 on the back of supportive Government policies, launch of new models and intensifying enthusiasm for cars among Indian consumers.

India, a market with high potential for the automobiles sector, is expected to witness a three-fold increase in demand for automobiles by 2020. Secondly, all major global auto-makers are establishing their bases here due to highly positive business environment, favourable policies and government support.

Furthermore, Rothschild, a UK-based global financial advisory firm, forecasts that India would become the third largest auto industry by volumes by 2015. The growth is anticipated to be driven by increase in investments by auto makers that would expand the capacity from 4.8 million units in 2010 to 12 million in 2018. New launches, strengthening dealership networks, strategic alliances and predicted mergers and acquisitions (M&As) are expected to provide an impetus to the sector in the years to come.

India: A Vibrant Economy

Largest Democracy – 1.2 billion people, Growing Middle Class

4th largest GDP (PPP) and 10th largest GDP (Nominal, USD 1.8 trillion)

One of the fastest growing economies

- India's average GDP growth rate: 7.3% over past 10 years
- Expected to outpace China in the next decade

3rd Largest Investor base in the World

Robust Legal and Banking Infrastructure

Demographics Advantage – Youth driven economy

Suburbanization and Rural to Urban Migration–140 million by 2020; 700 million by 2050

2nd largest pool of Certified Professionals and highest number of Qualified Engineers in the world

Investment in Infrastructure

The Future Growth Drivers

- 60% in the working-age group (15 to 64 yrs)
- By 2015, 44 million household expected to join \$ 8,770-10,960 income band with 30% car penetration
- Highest no of engineers in the world
- Urbanization to increase up to 35% by 2025
- 140 million rural population estimated to move to urban areas by 2020
- Personal disposable income expected to increase annually at 8.5% till 2015
- Huge base of 720 million consumers across 627,000 villages
- Cheaper (declining interest rates) and easier finance Schemes
- Replacement of aging four wheelers
- Graduating from two wheelers to four wheelers

Challenges – Typical of a high Growth Emerging Market

- Raising Capital & Scaling Capacities
- Infrastructure Challenges
 - Roads
 - Ports
 - Power

- Inflation
- Availability of Skilled Manpower
- Managerial Depth across Tiers
- R&D Competence

India is fast becoming a favored investment destination for it's...

- Large and growing Domestic demand
- Product Development Capabilities
- High Quality Standards
- Export capabilities
- Availability of skilled manpower
- Respect for Intellectual Property
- Conversant with Global Automotive Standards
- Strong Entrepreneurship
- Flexibility in Small Batch production
- Growing IT capabilities

Government Initiatives:

The Government of India is in the process of forming a National Automotive Board (NAB) which would become a formal set-up to look into the issue of recall of vehicles and hence improve manufacturing standards. The prospective body, to oversee technical and safety aspects of vehicles, will have representatives from all the nodal ministries and automotive bodies such as the Automotive Research Association of India (ARAI).

The Government of Gujarat has always been on a high to promote its industrial space especially it's the automobile sector. In order to boost the State Government's efforts in this regard, Gujarat Government's Industrial Extension Bureau, along with Automotive Components Manufacturers Association, French Vehicles Equipment Industries (FIEV) and French auto-major Peugeot, organized a seminar and business meeting in 2011 wherein 60 French automobile component makers were briefed on opportunities to set up vendor park near Sanand (Gujarat's auto hub) in Ahmedabad district.

Similarly, the Government of Gujarat has also announced its plan to disburse 240 acres of land at Sanand to the All India Plastic Manufacturers Association (AIPMA) to set up a plastic park that could attract an investment of about Rs 5000 crore (US\$ 981.65 million). The Government's move marks its eye for detail as the measure has come in the light of the fact that a finished car would require about 150 kgs of plastic.

RISK AND CONCERNS

The key issue confronting the auto component industry in India is of building the economies of scale and another key development in the sector is raising raw material prices, which continue to put pressure on operating margins.

SWOT ANALYSIS

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

Weakness	Threats
<ul style="list-style-type: none"> • High interest rates • Very high fuel prices • Stagnating disposable income • Cyclical downturns in the automotive industry • Volatility in the prices of metals and other inputs could erode the industry's cost competitiveness • Intense competition from counterparts in other emerging economies may add pressure on margins of manufacturers • Low level of research and development capability • The rejection rate for Indian auto components is 2900 parts per million, which is more than 12 times the world level of 240 ppm • This fragmentation Indian auto components industry is preventing players to meet large volumes demand of global auto majors • Indian per capita incomes are still way below Asian peers 	<ul style="list-style-type: none"> • Trained man-power shortage in the TWB • Indian auto component industry faces direct threat from China and Thailand • Material of components has been changed by OEMs from sheet metal to plastic • Raising steel and other raw material prices • Cost Cutting is putting pressures component maker • Pricing pressure is an industry norm globally and the same trend is continued in India • The presence of a large counterfeit components market poses a significant threat • Shorter product life cycle • Rapidly changing technology • Looming inflation and sharp rise in input costs • Labour Unrest • Free Trade Agreements (FTAs) between India and other countries • Import of Chinese auto components into India has multiplied briskly over the last five years by virtue of their cheaper costs

OUTLOOK:

Ratings agency Fitch has maintained a stable outlook towards the Indian auto components industry for the year 2012. The industry is expected to perform well owing to OEM's robust demand for localized spares.

According to a report by ACMA, the Indian auto component industry would garner US\$ 113 billion of turnover by 2020-21, growing at a compounded annual growth rate (CAGR) of 11 per cent through 2011-21. Not only domestic demand, India is poised to scale new heights in terms of exports as well as the report estimates exports to be worth US\$ 29 billion by 2020-21, growing at a CAGR of 18.8 per cent through the forecast period.

PRODUCT ANALYSIS & REVIEW

Your company caters to the following Product Sectors:

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and that transaction are authorized, recorded and reported correctly.

The Company has established the internal control system by standardising and documenting policies and procedures for all the major processes and associated key controls, for credible reporting of the financial and operating results.

OPERATING RESULTS AND PROFITS

Strong economic growth, low interest rates and continued focus on several measures undertaken by the Company like new product introductions, cost cutting and quality and process improvements have all resulted in the Company achieving a satisfactory performance.

Finance Charges: The Finance Costs were Rs. 160.10 millions in the year 2011-12 as against Rs. 141.83 millions in the year 2010-11.

Depreciation: Depreciation was at Rs. 127.28 millions in comparison to Rs. 124.79 millions in previous year.

Tax: Tax Expenses for current year is Rs. 13.40 millions as compared to Rs. 21.22 millions (including deferred tax) in the previous year.

Net Profit: Net loss after tax for the year 2011-12 is increased to Rs.138.61 millions as compared to profit of Rs.20.50 millions in the previous year.

PERSONNEL

Industrial Relations at all the plants remained cordial and peaceful throughout the year. The focus of the previous year was continuous organizational development and various training programmes introduced for skill up-gradation. The Company's focus during the year has been to improve productivity and information sharing.

CAUTIONARY STATEMENT

Statements in this Management Discussion & Analysis that describe the Company's objectives, expectations and predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors could make a difference to the Company's operations include raw material availability and price, demand and pricing by the Company's major customers, change in the Government regulations, tax regimes, economic development and other incidental factors.

AUDITORS' REPORT**TO THE SHAREHOLDERS OF
RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED**

1. We have audited the attached Balance Sheet of **RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED** ("the Company") as at 31st March, 2012 and also the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed hereto. 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.
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 the 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) Amended Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 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 purpose 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;
 - (iii) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors except Mr. M S Ramaprasad, is qualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Note No. 31 regarding non-payment of Foreign Currency Convertible Bonds on their maturity and non provision of interest thereon (Rs. 1,53,00,000/-) and Note No.43 regarding non-ascertainment and charging of losses due to relocation of assets from Singur in West Bengal to Sanand in Gujarat and apportionment of pre-operative expenses thereon and their consequential effect on Profit, Assets and Liabilities and read together with the significant accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (b) in the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Sd/-
BRIJENDRA AGRAWAL
Partner
Membership No. : 087787

Place : New Delhi
Date : May 30, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets. Additions and deletions made during the year as per Company's practice will be entered in the said records during the current year (i.e. 2012-13).
- (b) According to the information and explanations given to us, the fixed assets were physically verified by the management in accordance with the program of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. As per the information given to us by the management, no material discrepancies as compared to book records were noticed in respect of fixed assets verified.
- (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off any substantial part of its fixed assets during the year and as such has not affected the going concern status of the Company.
- (ii) (a) The management has conducted physical verification of stock of inventories at the end of the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of Inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (b), (c) and (d) of clause 4(iii) of the Order are not applicable to the Company.
- (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (f) and (g) of clause 4(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing major weakness in such internal controls.
- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts and arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section: and
- (b) Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from public during the year. Therefore, the provisions of clause 4(vi) of the Order are not applicable to the Company.
- (vii) *The Company has an internal audit system, the scope and coverage of which in our opinion, is required to be enlarged to be commensurate with the size and nature of its business.*
- (viii) According to the information and explanations given to us, the Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the products manufactured by the Company. We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the Company pursuant to aforesaid section and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records.
- (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Excise Duty, Service Tax, Cess and other statutory dues. We have been informed that there is no liability towards Investor Education and Protection Fund.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Excise Duty, Service Tax and Cess were in arrears, as at March 31, 2012 for a period of more than six months from the date they became payable. However, Rs. 6,33,556/-

(excluding interest) on account of tax deducted at source and Rs. 2,07,45,617/- on account of Sales Tax are outstanding for more than six months as at March 31, 2012.

- (c) According to the information and explanations given to us, details of dues of Income Tax and Sales Tax which have not been deposited on account of any dispute are given below:-

Particulars	Period to which the amount related	Forum where the dispute is pending	Amount (Rs. in Crore)
Income Tax	AY 2009-10	Commissioner of Income Tax-Appeals	0.28
Income Tax	AY 2007-08	Income Tax Appellate Tribunal.	0.13

- (x) The company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holder. *However, the Foreign Currency Convertible Bonds aggregating to US\$ 10 Million (Rs. 45.79 crores at issue) that matured for repayment on 8th April, 2009 and the interest accruing thereon have not been repaid by the Company.*
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from the banks or financial institutions. Therefore, provisions of clause 4(xv) of the Order are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- (xvii) Based on the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement as at 31st March, 2012 of the Company, in our opinion, funds raised on short term basis to the extent of Rs 17.82 Cr have been used during the year for long-term investments viz Fixed Assets and repayment of long term borrowings.
- (xviii) According to the information and explanations given to us, during the period covered by our audit report, 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.
- (xix) According to the information and explanations given to us, the Company has not issued debentures during the year. *However, 10,000 3% Foreign Currency Convertible Bonds (FCCBs) of US\$ 1,000 each aggregating to US\$ 10 million (Rs. 45.79 crores at issue) matured for repayment on 8th April, 2009 and are outstanding.*
- (xx) During the year covered by our audit report, the Company has not raised any money by way of public issue.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

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

Sd/-
BRIJENDRA AGRAWAL
Partner
Membership No. : 087787

Place : New Delhi
Date : May 30, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31st March, 2012 (Rs.)		As at 31st March, 2011 (Rs.)	
I EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	2	47,250,000		47,250,000	
(b) Reserves and Surplus	3	170,580,349		309,195,137	
(c) Money received against share warrants		-	217,830,349	-	356,445,137
(2) Share Application Money Pending Allotment					
(3) Non Current Liabilities					
(a) Long- Term Borrowings	4	374,276,867		506,779,582	
(b) Deferred Tax Liabilities (Net)	5	176,101,067		162,699,267	
(c) Other Long -Term Liabilities	6	186,090,318		132,829,900	
(d) Long Term Provisions	7	16,109,385	752,577,637	14,371,002	816,679,751
(4) Current Liabilities					
(a) Short -Term Borrowings	8	473,457,187		307,093,789	
(b) Trade Paybles		462,817,903		417,844,989	
(c) Other Current Liabilities	9	919,449,685		831,203,466	
(d) Short-Term Provisions	10	8,322,612	1,864,047,387	9,739,743	1,565,881,987
Total			2,834,455,373		2,739,006,875
II ASSETS					
(1) Non- current Assets					
(a) Fixed Assets	11				
(i) Tangible Assets		1,696,230,467		1,546,489,268	
(ii) Intangible Assets		-		-	
(iii) Capital work- in- progress		356,655,413		319,055,952	
(iv) Intangible assets under development		-		-	
(b) Non- current investments	12	-		-	
(c) Deferred Tax Assets (Net)		-		-	
(d) Long term loans and advances	13	45,997,226		73,255,011	
(e) Other non current assets	14	1,149,127	2,100,032,233	656,221	1,939,456,452
(2) Current Assets					
(a) Current investments	15	-		-	
(b) Inventories	16	353,040,542		317,627,209	
(c) Trade Receivables	17	245,690,224		263,238,348	
(d) Cash and cash equivalents	18	39,804,495		89,487,195	
(e) Short term loans and advances	19	75,834,680		105,814,271	
(f) Other current assets	20	20,053,199	734,423,140	23,383,400	799,550,423
Total			2,834,455,373		2,739,006,875
Significant Accounting Policies	1				
Note to Accounts	2 to 44				

Schedules referred to above form an integral part of the Accounts.

As per our report of even date.

for and on behalf of the Board

for **A W A T A R & C O.**

Chartered Accountants

S C KAPOOR
Chairman**RAJIV KAPOOR**
Managing Director**DEEPIKA KAPOOR**
Director**BRIJENDRA AGRAWAL**

Partner

M.No.87787

Place : New Delhi

Date : 30 May 2012

SHYAM S. SETHI
Director**M S RAMAPRASAD**
Director**GORAV ARORA**
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	Year Ended	Year Ended
		31st March, 2012 (Rs.)	31st March, 2011 (Rs.)
I Revenue from Operations (Gross)	21	2,502,412,048	2,981,240,860
Less: Excise Duty		283,915,247	303,485,211
Revenue from Operations (Net)		2,218,496,801	2,677,755,649
II Other Income	22	7,071,315	18,509,364
III Total Revenue (I + II)		2,225,568,116	2,696,265,013
IV EXPENSES			
Cost of Materials Consumed	23	1,546,815,242	1,745,443,315
Purchases of trade goods		-	-
Changes in inventories of finished goods, trade goods and work in progress		(13,685,858)	38,903,427
Manufacturing and Operating Expenses	24	205,994,323	252,667,790
Employee benefit expenses	25	189,096,465	202,022,121
Other expenses	27	135,159,006	148,889,392
Total Expenses		2,063,379,178	2,387,926,045
Profit before finance cost, depreciation and tax (EBITDA)		162,188,938	308,338,968
Finance costs	26	160,104,180	141,827,340
Profit before depreciation and tax (PBDT)		2,084,758	166,511,628
Depreciation and amortisation expense	11	127,277,746	124,790,759
Profit before and tax (PBT)		(125,192,988)	41,720,869
V Profit before exceptional and extraordinary items and tax (I-II)		(125,192,988)	41,720,869
VI Exceptional items		-	-
VII Profit / (loss) before extraordinary items and tax (V - VI)		(125,192,988)	41,720,869
VIII Extraordinary items		-	-
IX Profit / (loss) before tax (VII - VIII)		(125,192,988)	41,720,869
X Tax expense :			
(1) Current tax		-	8,694,500
(2) Deferred tax		13,401,800	12,524,700
(3) Wealth tax		20,000	-
XI Profit / (loss) for the period from continuing operations (V - VI)		(138,614,788)	20,501,669
XII Profit / (loss) from discontinued operations		-	-
XIII Tax expense of discontinued operations		-	-
XIV Profit / (loss) from discontinued operations (after tax) (VIII - IX)		-	-
XV Profit / (loss) for the period		(138,614,788)	20,501,669
XVI Earning per equity share			
(1) Basic		(29.34)	4.34
(2) Diluted		(29.34)	4.34
Significant Accounting Policies	1		
Note to Accounts	2 to 44		

Schedules referred to above form an integral part of the Accounts.

As per our report of even date.

for and on behalf of the Board

for **A W A T A R & C O.**

Chartered Accountants

S C KAPOOR
Chairman

RAJIV KAPOOR
Managing Director

DEEPIKA KAPOOR
Director

BRIJENDRA AGRAWAL

Partner

M.No.87787

Place : New Delhi

Date : 30 May 2012

SHYAM S. SETHI
Director

M S RAMAPRASAD
Director

GORAV ARORA
Company Secretary

CASH FLOW STATEMENT FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED AS AT 31ST MARCH, 2012

(Amount in Rupees)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	(125,192,988)	43,571,721
Adjustments for:		
Depreciation	127,277,746	124,790,759
(Profit) /Loss on sale of assets	22,705	4,200
(Profit) /Loss on sale of investment	-	(11,935,200)
Interest Income	(5,266,582)	(4,578,205)
Excess Liabilities and Unclaimed Balances written back	(107,368)	(339,262)
Interest and Finance Charges	160,104,180	169,771,818
Deferred Revenue Expenditure (Net)	1,779,273	1,604,069
Exchange Fluctuation	7,592,424	263,963
Amount Written off	-	9,551
Others	16,660,174	1,604,601
Provision for doubtful debts	1,570,133	1,203,860
	309,632,685	282,400,155
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	184,439,697	325,971,876
Adjustments for:		
Trade and other receivables	84,148,221	30,802,656
Inventories	(35,413,333)	58,032,438
Trade payables and other liabilities	158,934,391	(75,205,772)
	207,669,279	13,629,322
Cash generated from operations	392,108,976	339,601,198
Direct Taxes paid	(9,874,832)	(9,598,334)
	382,234,144	330,002,864
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	382,234,144	330,002,864
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	382,234,144	330,002,864
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments	-	31,827,200
Purchase of Fixed Assets	(263,094,533)	(129,901,960)
Proceed from sales of fixed Assets	1,953,272	543,744
Interest received	5,266,582	2,173,876
	(255,874,678)	(95,357,140)
NET CASH USED IN INVESTING ACTIVITIES (B)	(255,874,678)	(95,357,140)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Convertible Equity Warrants	-	-
Proceeds from Long Term Borrowings	-	111,842,000
Repayment of Long Term Borrowings	(174,126,865)	(155,949,085)
Interest & Finance Charges paid	(160,104,180)	(164,159,988)
Repayment of Deferred Credits against leasehold land	-	(382,055)
Borrowings/(Repayment) from/to Bank	125,233,615	30,096,005
Sales Tax and other loans (Net of repayments)	32,955,265	(11,223,405)
Dividend Paid	-	-
	(176,042,165)	(189,776,528)
NET CASH USED IN FINANCING ACTIVITY (C)	(176,042,165)	(189,776,528)
Net Increase in cash and cash equivalents (A+B+C)	(49,682,700)	44,869,196
CASH & CASH EQUIVALENTS AS AT :		
Opening Balance 01.04.2011	89,487,195	44,617,999
Closing Balance 31.03.2012	39,804,495	89,487,195

Notes:

- Above statement has been prepared in indirect method.
- Cash and cash equivalents consists of cash on hand and balance with banks
- Trade and other receivables include other current assets and loans and advances.
- Additions to Fixed Assets are stated inclusive of movements of capital work-in -progress in between beginning and end of the year and treated as part of Investing Activities.
- Previous Year's figures have been regrouped/rearranged wherever necessary.

Schedules referred to above form an integral part of the Accounts.

As per our report of even date.

for and on behalf of the Board

for **A W A T A R & C O.**

Chartered Accountants

S C KAPOOR
Chairman

RAJIV KAPOOR
Managing Director

DEEPIKA KAPOOR
Director

BRIJENDRA AGRAWAL

Partner
M.No.87787

Place : New Delhi
Date : 30 May 2012

SHYAM S. SETHI
Director

M S RAMAPRASAD
Director

GORAV ARORA
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements are prepared under the historical cost convention, on accrual basis and in accordance with the generally accepted accounting principles and applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

2) FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost of acquisition or construction, which comprises of purchase price (net of Modvat / Cenvat /rebate and discounts, wherever applicable) and any directly attributable cost of bringing the asset to its working condition for the intended use. Expenditure during construction period including borrowing cost, wherever applicable, is allocated on the direct cost of the relevant assets on a pro-rata basis.

Depreciation on fixed assets has been provided as under:

- a) Depreciation on fixed assets is provided on Straight Line Method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 as amended except in the case of following assets for which depreciation has been provided at higher rates based on the useful life as determined by Management :

Additions to Communication Equipments (w.e.f. 01.04.2001)	20%
Machinery acquired after expiry of lease term	20%
Utilities	20%
- b) Depreciation on assets added /sold during the year is provided on pro rata basis with reference to the date of addition/disposal of the respective assets.
- c) Depreciation on incremental cost arising on account of premium on forward contract of foreign currency liabilities for acquisition of fixed assets has been provided as aforesaid over the residual life of the respective assets.
- d) Individual assets costing Rs. 5,000/- or less are depreciated in full.
- e) Leasehold land is amortized equally over unexpired period of lease from the date it is put to use.

3) INVENTORIES

- a) Raw materials, components, stores & spares are valued at cost on First in First out (FIFO) basis or net realizable value which ever is lower. The cost is arrived at after deducting the cenvat credit.
- b) Finished goods and work in process are valued at lower of cost or net realizable value. Cost is arrived at by absorption costing method. Finished goods and work in process includes cost of conversion incurred in bringing the inventories to its present location and condition.
- c) Scrap is valued at net realizable value.
- d) Goods in transit are valued at cost.

4) RECOGNITION OF INCOME AND EXPENDITURE

- a) Sales are recognized, net of returns, on dispatch of goods to customers and are recorded gross of excise duty and net of sales tax and discounts.
- b) Insurance claims made by the company are accounted for at the time of their acceptance.
- c) Product warranty claims are charged to the Profit & Loss account as and when claimed by the customers on actual basis.
- d) Liability on account of customs duty on imported material in transit is accounted in the year in which the goods are cleared from the customs.
- e) Individual prior period items up to Rs. 20,000/- are treated as income/expenditure for the current year.

5) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date.

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

Pursuant to the notification of the Companies (Accounting Standards) Amendment Rules 2006 on 31 March 2009, this amended Accounting Standard 11 on the Effects of changes arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset.

6) EMPLOYEE BENEFITS

Employee benefits have been recognized in accordance with revised AS-15. Accordingly,

- i) Long term compensated absences are provided for based on actuarial valuation at the end of each financial year.
- ii) Provident Fund is a defined contribution scheme and the same is administered through Regional Employees Provident Fund Organisation. Contribution to the said Organisation paid/ payable during the year is recognised in the Profit and Loss account. The shortfall, if any, between the return guaranteed by the Fund and actual earnings of the Fund is provided for by the holding company and contributed to the Fund.
- iii) Gratuity liability is a defined benefit obligation unfunded and is fully provided for on the basis of actuarial valuation made at the end of each financial year. The actuarial valuation is made on Projected Unit Credit (PUC) method.
- iv) Actuarial gains/losses are immediately recognised and are not deferred.

7) BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised/ charged to revenue in accordance with the Accounting Standard-16 issued by the Institute of Chartered Accountants of India. Other Borrowing Costs are charged to Profit and Loss Statement.

8) TAXES ON INCOME

- a) Provision for current tax is made in accordance with and at the rates specified under the Income Tax Act, 1961, as amended. Tax expenses are accounted in the same period to which the revenue and expenses relate.
- b) Provision for deferred tax is made in accordance with Accounting Standard 22-'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India. The deferred tax charge or credit is recognized, using current tax rates, for timing differences between book and tax profits that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only when there is virtual certainty of realization of such assets in future. Such assets are reviewed at each balance sheet date to reassess realization.

9) REDEMPTION PREMIUM ON FOREIGN CURRENCY CONVERTIBLE BONDS

Premium payable on redemption of FCCB as per terms of issue is provided fully in the year of issue.

10) IMPAIRMENT OF ASSETS

An Asset is treated as impaired when its carrying cost exceeds its recoverable amount on the reporting date. An impairment loss is charged to the Profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior periods is reversed if there has been a change in the estimate of recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

11) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

12) PROPOSED DIVIDEND:

Dividend on Share Capital, if proposed by the Directors, is provided in the books.

13) CASH & CASH EQUIVALENTS

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

14) USE OF ESTIMATES

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

15) Cash Flow Statement

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

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

2. SHARE CAPITAL

	As at 31st March, 2012		As at 31st March, 2011	
	Number	Rs.	Number	Rs.
a Authorised				
Equity Shares of Rs.10/- each	10,000,000	100,000,000	10,000,000	100,000,000
b Issued, subscribed and fully paid				
Equity Shares of Rs.10/- each	4,725,000	47,250,000	4,725,000	47,250,000
Total	4,725,000	47,250,000	4,725,000	47,250,000

2.1 Reconciliation of the number of equity shares
Equity Shares.

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

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

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Number	Percentage	Number	Percentage
Rajiv Kapoor	809,447	17.13%	809,447	17.13%
Radhika Securities Pvt. Ltd.	651,459	13.78%	651,459	13.78%
Ganesh Securities Pvt. Ltd.	616,740	13.05%	616,740	13.05%
Total	2,077,646	43.96%	2,077,646	43.96%

2.3 The Company has one class of equity shares having a par value of Rs 10 Per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The Dividend is proposed by Board of Directors and is subject to the approval of shareholders in the ensuring Annual General Meeting. In the event of liquidation of the company, the holder of equity share will be entitled to receive remaining assets of the company. The distribution shall be in proportion to the number of equity shares held by shareholder.

Notes on Financial Statements (Contd....)

3. RESERVES AND SURPLUS

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
a Capital Reserves		
Opening balance	4,254,440	4,254,440
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	4,254,440	4,254,440
b General Reserve		
Opening balance	75,587,847	75,587,847
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	75,587,847	75,587,847
c Securities Premium Reserve		
Opening balance	7,500,000	7,500,000
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	7,500,000	7,500,000
d Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	221,852,850	201,351,185
Add: Additions during the year	(138,614,788)	20,501,665
Less: Utilised / transferred during the year	-	-
Closing balance	83,238,062	221,852,850
Total	170,580,349	309,195,137

4. LONG-TERM BORROWINGS

	As at 31st March, 2012 Rs.		As at 31st March, 2011 Rs.	
Secured				
a Bonds / Debentures (with interest rate)				
b Term loans				
- from banks.	297,356,411		391,250,233	
- from other parties	-	297,356,411	-	391,250,233
c Long term maturities of finance lease obligations				
Total Secured Loans		297,356,411		391,250,233
Unsecured				
a Bonds / Debentures (with interest rate)				
b Term loans				
- from banks				
- from other parties	52,921,592	52,921,592	83,338,376	83,338,376
c Deferred payment liabilities.		23,998,864		32,190,973
d Public Deposits.	-		-	
e Loans and advances from related parties.	-		-	
f Long term maturities of finance lease obligations	-		-	
g Other loans and advances (specify nature).	-		-	
Total Unsecured Loans		76,920,456		115,529,349
Grand Total -Long Term Borrowings		374,276,867		506,779,582

Notes on Financial Statements (Contd....)

- 4.1 a) Corporate Loan of Rs 7.50 Cr taken from Bank during 2011 is payable in 35 monthly installments of Rs 0.214 Cr from April, 2011 and carries interest rate @ 14.50% to 16.25%.
 b) Term Loan of Rs 7.06 Cr taken from Bank during 2008 to 2010 is payable in 48 monthly installments of Rs 0.147 Cr from October, 2010 and carries interest rate @ 13.50% to 16.25%.
 c) Term Loan of Rs 36.00 Cr taken from Bank during the period April 2007 to 2009 is payable in 84 monthly installments of Rs 0.43 Cr from October, 2010 and carries interest rate @ 13.50% to 16.25%.
 The loans are secured by first Charge on the unencumbered fixed assets including immovable property of the company. Further the Loan has been guaranteed by personal guarantee of two Promoter Directors of the Company
- 4.2 Interest free Trade Tax Loan is secured by way of Second Charge on the Fixed Assets including Plant & Machinery situated at A-1/2-2 and 2-3, Site B, Surajpur Industrial Area, Distt Gautambudh Nagar, Uttar Pradesh. The Deferred Sales Tax due to be paid are as below: on 31-5-2012-Rs 0.82 Cr, on 31-5-2013-Rs 1.24Cr, on 31-5-2014 - Rs 1.15 Cr.
- 4.3 Term Loan of Rs 11.53 Cr from Non Banking Financial Institution was taken in January, 2010, payable in 48 monthly installments of Rs 0.24 Cr commencing from January, 2011 and carries interest @ 12.25% to 15.25%. The loan is secured by second charge on Plant & Machinery and other assets(Excluding Land & Building) at Plot No 13-14 Roj Ka Meo, Sohna, Gurgaon, Haryana.
- 4.4 The company has taken Vehicles Loan from various banks during period 2010 to 2012. These carries interest rate @ 10% to 12% per annum. The loan are secured against hypothecation of Vehicles purchased. These Loans are taken for maximum three years and falls due for repayment in 2012-13, 2013-14, 2014-15.

5. DEFERRED TAX LIABILITIES- NET

	As at 31st March, 2011 Rs.	For the year Rs.	As at 31st March, 2012 Rs.
Deferred Tax Liability :			
Depreciation	169,115,267	14,240,600	183,355,867
Less: Deferred Tax Assets			
Other timing differences	(6,416,000)	(838,800)	(7,254,800)
Net Deferred Tax Liability	162,699,267	13,401,800	176,101,067

(Decrease)/Accretion in Deferred Tax Liability

Deferred Tax Liability provided during the year

6. OTHER LONG TERM LIABILITIES

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
a Trade payables	-	-
b Advance from Customers	94,431,303	103,503,740
c Security Retained	1,823,684	1,795,039
d Others	89,835,331	27,531,121
Total	186,090,318	132,829,900

7. LONG-TERM PROVISIONS

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
a Provision for employee benefits.	16,109,385	14,371,002
b Others (specify nature).	-	-
Total	16,109,385	14,371,002

Notes on Financial Statements (Contd....)

8. SHORT-TERM BORROWINGS

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Secured		
a Working Capital Loans	400,727,404	275,493,789
b Term loans		
– from banks.	–	–
– from other parties	–	–
Total	400,727,404	275,493,789
Unsecured		
a Term loans		
– from banks.	–	–
– from other parties	72,729,783	31,600,000
b Security Deposit from Dealers and Others	–	–
c SalesTax Deferred	–	–
Total	72,729,783	31,600,000
Grand Total	473,457,187	307,093,789

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

Notes on Financial Statements (Contd....)

9. OTHER CURRENT LIABILITIES

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
a Current maturities of long-term debt	134,156,840	183,955,508
b Current maturities of finance lease obligations	-	-
c Interest accrued but not due on borrowings	5,493,459	248,200
d Interest accrued and due on borrowings	3,905,933	5,635,380
e Income received in advance	-	-
f Unpaid/unclaimed dividends	598,283	796,969
g Application money received for allotment of securities (with full details) and due for refund and interest accrued thereon	-	-
h Unpaid matured deposits and interest accrued thereon	-	-
i Unpaid matured debentures and interest accrued thereon	510,000,000	446,500,000
j Security Deposits	3,983,274	143,989
k Sales Tax Payable	28,194,168	29,822,092
l Excise Duty & Service Tax Payable	3,277,026	3,596,969
m TDS Payable	1,818,060	4,536,804
n PF & ESI Payable	1,047,475	1,286,085
o Advance from Customers	15,743,295	26,560,470
p Expenses payables	211,231,872	128,121,000
Total	919,449,685	831,203,466

10. SHORT TERM PROVISIONS

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
a Provision for employee benefits.	550,789	475,790
b Provision for dividends (including dividend tax)	-	-
c Provision for income tax	3,783,953	9,263,953
d Others provisions	3,987,870	-
Total	8,322,612	9,739,743

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

NOTE – 11
FIXED ASSETS

(Amount in Rs.)

Description	GROSS CARRYING BLOCK			ACCUMULATED DEPRECIATION			ACCUMULATED IMPAIRMENT			NET CARRYING BLOCK	
	As At 31st March, 2011	Additional Adjustment during the year	Deductions during the year	As At 31st March 2011	Provided during the year	Deductions during the year	As At 31st March 2011	Reversed during the year	Provided during the year	As At 31st March, 2011	As At 31st March, 2012
i. Tangible Assets:											
(a) Land:											
- Owned	23,701,828			2,642,157	422,118					23,701,828	23,701,828
- Leased	70,024,263						3,064,275			67,382,106	66,569,988
(b) Buildings (Owned)											
- Factory	278,475,813	38,675,989		56,791,192	9,829,149		66,620,341			21,684,621	250,531,461
- Administrative	7,102,010			1,249,576	115,763		1,365,339			5,852,464	5,736,671
(c) Plant and Equipment (Owned)	1,468,447,531	236,422,038	838,624	424,442,030	79,055,111	63,308	503,433,633			1,044,005,501	1,200,597,112
(d) Dies, Jigs & Fixture (Owned)	325,631,341			194,493,995	25,678,742		220,172,737			131,137,346	105,458,604
(e) Furniture and Fixtures (Owned)	16,275,804	962,679		5,708,415	938,223		6,646,638			10,567,389	10,591,845
(f) Vehicles (Owned)	23,413,634	2,085,054	2,571,603	9,578,764	2,084,363	578,890	11,084,237			13,834,870	11,842,848
(g) Office equipment (Owned)	7,376,013	481,981		1,742,632	349,150		2,091,782			5,633,381	5,766,212
(h) Computers & Other Peripherals (Owned)	32,309,619	1,027,906	39,270	24,945,155	2,946,105	8,270	27,892,990			7,364,464	5,415,265
(i) Utilities (Owned)	45,946,432	168,587		30,621,103	5,865,283		36,486,386			15,325,329	9,628,633
Depreciation Capitalized during the year					(6,261)						
Total Current Year	2,288,704,288	279,824,234	3,449,497	752,215,019	127,277,746	650,468	878,848,558			1,546,489,269	1,696,230,467
ii. Capital work-in-progress	304,987,292	56,284,526	18,507,285							304,987,292	342,764,553
v. Pre-operative Expenditure	14,068,690	5,508	183,308							14,068,690	13,890,860
TOTAL	319,055,932	56,290,034	18,690,573							319,055,932	356,655,413
v. Intangible assets under Development											
TOTAL											
Previous Year	2,150,853,872	152,317,784	4,567,369	631,443,985	124,790,759	4,019,725	752,215,020			1,546,489,268	

Notes on Financial Statements (Contd....)

12. NON-CURRENT INVESTMENTS

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Trade investments and other investments	-	-
Total	-	-

13. LONG TERM LOANS & ADVANCES

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Secured / Unsecured, Considered good / doubtful		
a Capital Advances;	24,569,841	48,431,938
b Security Deposits;	8,442,309	8,889,623
c Loans and advances to related parties (giving details thereof);	-	-
d Other loans and advances (specify nature).	-	-
Inter Corporate Loans	-	2,827,224
Loan to Staff Agst. Vehicles-Secured	237,431	394,543
Advance for tool Purchase	1,637,925	2,879,459
Advance to Others	10,141,037	7,922,199
Advance to Staff	968,683	264,761
Advance Recoverable in cash or in kind	-	1,645,264
Total	45,997,226	73,255,011

14. OTHER NON CURRENT ASSETS

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Deferred Revenue Expenditure	1,149,127	656,221
Total	1,149,127	656,221

15. CURRENT INVESTMENTS

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
	-	-
Total	-	-

Notes on Financial Statements (Contd....)

16. INVENTORIES

	As at 31st March, 2012		As at 31st March, 2011	
	Rs.	Rs.	Rs.	Rs.
a Raw materials	176,157,710		148,345,088	
Raw materials In transit	1,596,472	177,754,182	5,770,940	154,116,028
b Work-in-progress		95,416,878		87,526,682
c Finished goods	40,399,156		34,603,493	
Finished Goods In transit	-	40,399,156	-	34,603,493
d Stock-in-trade (in respect of goods acquired for trading)		9,339,164		9,699,495
e Stores and spares		29,299,064		31,130,404
f Loose tools		-		-
g Packing Material		832,098		551,107
Total		353,040,542		317,627,209

17. TRADE RECEIVABLES

	As at 31st March, 2012		As at 31st March, 2011	
	Rs.	Rs.	Rs.	Rs.
Secured / Unsecured, Considered good / doubtful				
a Trade Receivable outstanding more than six months from the date they become due for payment:		38,265,205		32,182,712
b Trade Receivables (Others)		207,425,019		231,055,636
c Debts Considered doubtful		2,116,605		2,116,605
Less: Provision for doubtful debts		(2,116,605)		(2,116,605)
Total		245,690,224		263,238,348

18. CASH & CASH EQUIVALENTS

	As at 31st March, 2012		As at 31st March, 2011	
	Rs.	Rs.	Rs.	Rs.
a Balances with banks :				
i) Earmarked bank balances				
ii) Unpaid dividend bank account		598,297		796,971
iii) Money raised in public issue kept in schedule bank account pending allotment				
iv) Monies kept in escrow account for payment of buyback consideration		2,910	601,207	2,547
b Bank balances held as margin money or as security against :				
i) Borrowings				
ii) Guarantees		2,480,000		
iii) Letters of Credit		34,714,000		84,700,000
iv) Other commitments		-	37,194,000	84,700,000
c Other bank balances:				
i) In Current Accounts		1,349,994		3,240,209
		1,349,994		3,240,209
d Cheques, drafts on hand;		-		-
e Cash on hand;		329,754		747,468
f Others (specify nature).		329,540		-
Total		39,804,495		89,487,195

18.1 Margin Money against letter of credit and Bank Guarantee is kept in the form of Bank Fixed Deposit (FDs) discharged in favour of Bank . It includes Fixed Deposits, totalling Rs 3,71,94,000 (Previous Year- Rs 145,00,000) the maturity of which is more than 12 months.

Notes on Financial Statements (Contd....)

19. SHORT TERM LOANS & ADVANCES

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Secured / Unsecured, Considered good / doubtful		
a Others (specify nature) :		
i) Security Deposit with various authorities (including Deposit with Govt.Authorities)	3,150,000	3,000,000
ii) Advance Payment of Tax	19,432,423	15,444,994
iii) Advance to Suppliers	35,765,330	37,329,063
iv) Advance to Employees	440,428	47,812
v) Interest Accrued on FDR with Bank	467,336	5,242
vi) Balance with Excise Authorities	8,333,333	36,687,507
vii) Advance Recoverable in cash or in kind	8,245,830	13,299,653
Total	75,834,680	105,814,271

20. OTHER CURRENT ASSETS

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
i) Interest accrued and due on Investments/loans and advances	13,192,600	14,702,523
ii) Deferred Revenue Expenditure	1,247,097	1,604,068
iii) Cenvat Adjustable	5,613,502	7,076,809
Total	20,053,199	23,383,400

21. REVENUE FROM OPERATIONS

	As at 31st March, 2012 Rs.		As at 31st March, 2011 Rs.	
a Sale of products:				
Domestic Sales-Sheet Metal	2,224,584,043		2,696,686,384	
Domestic Sales-Tools & Dies	12,000,000		53,573,400	
Domestic Sales- 3 Wheeler Auto	68,664,756		58,046,780	
Domestic Sales-Stock in trade	-		-	
Export Sales-Sheet Metal	43,227,927		18,887,397	
Export Sales-3 Wheeler Auto	757,697	2,349,234,423	2,827,193,961	
b Sale of services:				
Job Work -Sheet Metal	14,097,852		10,387,201	
Job Work -Tools & Dies	-	14,097,852	-	10,387,201
c Other operating revenues:				
Scrape Sales	136,588,564		143,172,927	
Income from testing charges	545,000		527,500	
Net gain on foreign exchange fluctuation	946,209		(40,729)	
Others (specify nature).	1,000,000	139,079,773	143,659,698	
Total		2,502,412,048		2,981,240,860

Notes on Financial Statements (Contd....)

22. OTHER INCOME

	As at		As at	
	31st March, 2012		31st March, 2011	
	Rs.	Rs.	Rs.	Rs.
a Interest Income :				
from Banks	4,650,590		2,869,458	
on Loans to bodies Corporates	258,966		1,685,100	
from others	357,026	5,266,582	114,827	4,669,385
b Dividend Income (Subsidiary / Long term / Current)		-		-
c Net gain / loss on sale of investments (Current / Long Term)		-		11,935,200
d Profit on sale of fixed assets		224,684		156,337
e Foreign Exchange Fluctuation-Gain		27,510		15,618
f Other non-operating income (net of expenses directly attributable to such income).		1,552,539		1,732,824
Total		7,071,315		18,509,364

23. COST OF MATERIAL CONSUMED

	As at		As at	
	31st March, 2012		31st March, 2011	
	Rs.	Rs.	Rs.	Rs.
a Raw Material Consumed				
i) Sheet Metals:				
Opening Stock	147,274,174		126,131,630	
Add: Purchase	1,558,061,477		1,747,604,207	
Less: Closing Stock	(175,141,843)	1,530,193,808	(147,274,175)	1,726,461,662
ii) Others				
Opening Stock	1,070,913		1,348,381	
Add: Purchase	16,566,389		18,704,185	
Less: Closing Stock	(1,015,868)	16,621,434	(1,070,913)	18,981,653
b Change in inventories of Finished Goods, WIP and Stock in Trade:				
Opening Stock of WIP	87,526,682		84,401,660	
Opening Stock of FG	34,603,494		76,631,942	
Opening Stock of Stock in Trade				
Less:				
Closing Stock of WIP	(95,416,878)		(87,526,682)	
Closing Stock of FG	(40,399,156)		(34,603,493)	
Closing Stock of Stock in Trade		(13,685,858)		38,903,427
Total		1,533,129,384		1,784,346,742

Notes on Financial Statements (Contd....)

24. MANUFACTURING & OPERATING EXPENSES

	As at 31st March, 2012		As at 31st March, 2011	
	Rs.	Rs.	Rs.	Rs.
a Power & Fuel		75,537,396		81,536,430
b Stores & Spares Consumed		78,325,286		119,700,579
c Processing Charges		12,498,168		16,523,085
d Repairs to :				
Plant & Machinery	16,360,051		17,420,106	
Building	5,452,669		2,268,064	
Others	16,184,061	37,996,781	9,251,706	28,939,876
e Excise Duty on Finished Goods Provision		406,997		3,613,247
f Warranty Claims, Line Rejections etc.		1,229,695		2,354,573
g Others		-		-
Total		205,994,323		252,667,790

25. EMPLOYEE BENEFIT EXPENSES

	As at 31st March, 2012		As at 31st March, 2011	
	Rs.	Rs.	Rs.	Rs.
a Salaries and wages,bonus,gratuity and allowances		178,001,388		185,267,835
b Contribution to PF,ESIC and other funds,		6,815,583		7,662,096
c Director's Remuneration		-		4,800,000
d Staff welfare expenses		4,279,494		4,292,190
Total		189,096,465		202,022,121

26. FINANCE COST

	As at 31st March, 2012		As at 31st March, 2011	
	Rs.	Rs.	Rs.	Rs.
a Interest expense		152,350,110		139,667,340
b Other borrowing costs		1,255,833		2,160,000
c Net gain/(loss) on foreign currency transactions and translation		6,498,237		-
Total		160,104,180		141,827,340

Notes on Financial Statements (Contd....)

27. OTHER EXPENSES

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
a Rent.	12,262,772	9,900,541
b Rates and taxes	3,770,709	2,920,304
c Insurance .	10,044,926	9,668,696
d Lease Rentals	829,280	421,851
e Transportation and Forwarding Charges	34,657,880	40,052,301
f Traveling & Conveyance	16,399,638	17,147,654
g Legal, Professional and Consultancy Charges	5,899,071	9,734,820
h Communication Expenses	2,810,943	2,994,795
i Sales Promotion Expenses-Auto	314,007	2,196,526
j Payment to Statutory Auditors:		
- as auditors	1,300,000	1,300,000
- for tax audit	300,000	300,000
- for taxation matters	300,000	300,000
- for certification & others	300,000	300,000
- reimbursement of expenses (out of pocket expenses)	3,600	3,040
k Loss on sale of fixed assets	330,014	160,537
l Provision for doubtful debts	1,570,133	1,203,860
m Amount Written off	-	
n Deferred Revenue Expenditure Written off	1,779,273	740,000
o Bank Charges	14,480,944	16,488,486
p Cash Discount	8,565,581	11,455,991
p Net gain/(loss) on foreign currency transactions and translation	42,130	736,925
q Expenses pertaining to Previous Year	-	1,850,856
r Miscellaneous expenses	19,198,105	19,012,209
Total	135,159,006	148,889,392

28) Contingent Liabilities not provided for : -

- a) Letters of credit opened by Bank – Rs 18,91,70,353/- (Previous Year Rs. 26,46,43,277/-)
- b) Bank guarantees given by the bank on behalf of Company - Rs. 1,29,85,000/- (Previous year - Rs. 5,85,000/-)
- c) Export obligation under EPCG License- Rs 88,62,135/- (Previous Year Rs. 1,12,23,060/-)
- d) Guarantees given by the Company on behalf of loan of employees- Rs.2,37,431 /- (Previous Year Rs. 5,02,123/-)

29) Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs 7,25,000 /- (Previous year – Rs. 13,78,66,050/-)

30) Unclaimed dividend of Rs. 5,98,297/- (Previous Year Rs. 7,96,969/-) shown under Current Liabilities does not include any amount due and outstanding to be credited to “Investor Education and Protection Fund”.

31) The Company has issued 10,000 3% Foreign Currency Convertible Bonds (FCCBs) of US\$ 1000 each aggregating to US\$ 10 Million (Rs.45.79 Crores at issue) on 07th Apr-2006. These Bonds have matured on 8th April, 2009 and are due for payment. In view of the expiry of contract with Bondholders and pending settlement with them, the interest on Bonds for the financial years 2009-10 2010-11 and 2011-12 has not been provided. However premium on redemption of Bonds for USD 861,000.00 equivalent to Rs 4,39,11,000.00 has been accounted for and included in Other Payable under Other Current Liabilities

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

Net Gains of Rs 904079/- (Previous Year Net Loss Rs.9,46,209/-) for the year on account of exchange difference related to Exports of Goods, Raw Material and Spares purchased, has been included in "Operating Income ". The Exchange Fluctuation on Borrowing has been separately disclosed in Note No 26 on Finance Cost.

The company has changed the policy for accounting the exchange differences arising on long term foreign currency monetary items in accordance with the Companies (Accounting Standards) Amendment Rules on AS 11 notified by Government of India on March, 31, 2009. Accordingly, the net loss arising from the effect of changes in foreign currency rates on foreign currency loans relating to acquisition of depreciable capital assets amounting to Rs 535.00 lacs has been added to the cost of Assets. The corresponding impact for previous year was Rs 43.86 lacs towards the reduction in the cost of Assets due to Net Gains arising from the effect of changes in foreign currency.

33) Foreign Currency Exposure:

		2011-12		2010-11	
Not Hedged					
i)	Receivables	USD	293868	USD	2,35,776
ii)	Payables	USD	11279076	USD	1,16,35,964
		CHF	2496830		-
Hedged -					
i)	Receivables	USD	NIL	USD	NIL
ii)	Payables	USD	2000000	USD	NIL

34) Related Party Disclosures

a) Related parties and their relationship

Key Management Personnel	Mr. Rajiv Kapoor, Managing Director
Associates	N.A.
Enterprises over which Key Managerial Personnel are able to exercise significant influence	N.A.

b) Transaction with Related parties-

Transactions	Key Management Personnel	Associates	Enterprises over which Key Managerial Personnel are able to exercise significant influence
Services Received	Nil	NIL	NIL

35) Disclosure pursuant to Accounting Standard-15 (Revised) "Employee Benefits"

Effective 1st April, 2007, the Company has adopted Accounting Standard 15 (Revised) "Employee Benefits" issued by ICAI. The Company has classified the various benefits provided to employee as under:-

- Long term compensated absences are provided for based on actuarial valuation at the end of each financial year.
- Provided Fund is a defined contribution scheme and the same is administered through contributions to Regional Provident Fund. Contribution to the said Fund paid/payable during the year is recognized in the Profit and Loss account
- Gratuity liability is defined benefit obligation and is fully provided for on the basis of actuarial valuation made at the end of each financial year. The actuarial valuation is made on the Projected Unit Credit method.
- Actuarial gains/losses are immediately recognized and are not deferred.

The following table setout the status of the non funded gratuity plan and on fund lon term compensated absences and the amount recognized in Company financial statement as at 31st March, 2012.

Change in Benefit Obligation	Gratuity Non-Funded (Rs.)	Compensated Absences Non-Funded (Rs.)
Liability at the beginning of the year 1st April'11	1,21,68,605	26,78,187
Interest cost	10,34,331	2,27,646
Current Service Cost	13,50,909	5,48,874
Benefit Paid	(4,56,479)	(3,59,229)
Actuarial (gain) / Loss on obligation	(5,34,079)	(86,299)
Liability at the end of the year	1,35,63,287	30,09,179
Changes in the Fair Value of Plan Assets		
a) Present Value of Plan Assets as at 1st April, 2011	-	-
b) Expected Return on Plan Assets	-	-
c) Actuarial (Gain)/Loss	-	-
d) Employers' Contributions	-	-
e) Benefits Paid	-	-
f) Present Value of Planned Assets as at 31st March, 2012	-	-
Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets		
a) Present Value of Defined Benefit Obligation as at 31st March, 2012	-	-
b) Fair Value of Plan Assets as at 31st March, 2012	-	-
c) Net Liability recognized in the Balance Sheet (as at 31st March,2012)	-	-
Expenses Recognized in the Profit and Loss Account		
a) Service Cost	13,50,909	5,48,874
b) Interest Cost	10,34,331	2,27,646
c) Expected Return on Plan Assets	-	-
d) Curtailment Cost/(Credit)	-	-
e) Settlement Cost/(Credit)	-	-
f) Net Actuarial (Gain)/Loss	(5,34,079)	(86,299)
g) Total Expenses recognized in the Profit and Loss A/c	18,51,161	6,90,221
Actuarial Assumptions		
Retirement age	58	58
Discount rate	8.50%	8.50
Mortality	LIC (1994-96) DULY MODIFIED	
Withdrawal rate	1% - 3%	1% - 3%
Salary escalation	-	-

36) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

The company has a system of obtaining periodical written confirmations from the suppliers to identify micro enterprises or small enterprises. Based on such identification company makes provision for unpaid statutory interest under Sec 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and disclosures required by Sec 22 of the said Act.

SL. No.	Particulars	Year ended March 31, 2012 (Rs.)	Year ended March 31, 2011 (Rs.)
1	Amount outstanding on account of – Principal amount – Interest Due	Nil Nil	28801 437
2	– Total Interest paid on all delayed payments		
	during the year under the provisions of the Act – Payment made to suppliers beyond the appointed day	437 28801	1858 NIL
3	Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act.	NIL	NIL
4	Interest accrued but not paid	NIL	437

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

37) Value of Imports on CIF basis in respect of

Particular	2011-12 (Rs.)	2010-11 (Rs.)
Raw Materials	3,73,79,770	8,15,21,414
Stores & Spares	13,54,780	11,93,599
Plant & Machinery	18,55,35,000	1,45,06,575
TOTAL	22,42,69,550	9,72,21,588

38) Expenditure in Foreign Currency

Particular	2011-12 (Rs.)	2010-11 (Rs.)
Travelling Expenses	11,54,122	21,55,115
Professional Charges	37,09,457	6,69,192
Others	—	4,53,262
TOTAL	48,63,579	32,77,569

39) Earnings in Foreign Currency.

Particular	2011-12 (Rs.)	2010-11 (Rs.)
F.O.B.Value of Exports	4,39,85,526	3,01,27,717
TOTAL	4,39,85,526	3,01,27,717

40) Value of Raw Material Consumed.

Particulars	2011-12		2010-11	
	Value (Rs.)	%	Value (Rs.)	%
Imported	4,28,63,739	2.77	20,80,48,464	11.92
Indigenous	1,50,43,45,882	97.23	1,53,74,60,770	88.08
TOTAL	1,54,68,19,645	100.00	1,74,55,09,234	100.00

41) Value of Stores & Spares Consumed

Particulars	2011-12		2010-11	
	Value (Rs.)	%	Value (Rs.)	%
Imported	14,10,442	1.80	19,11,011	1.72
Indigenous	7,69,35,688	98.20	10,93,87,116	98.28
TOTAL	7,83,46,130	100.00	11,12,98,127	100.00

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

43) Investment made in Singur Plant for Tata Motors Ltd (TML) for the small car project "Nano" has been treated as Capital Work in Progress. TML has abandoned the project in Singur due to various uncontrollable factors. Further, TML has relocated this project to new location in Sanand in Gujarat.

The company shall relocate the assets along with apportionment of pre-operative expenditure outstanding in accordance with the decision of the Board of Directors.

44) Figures of the previous year have been regrouped/recast wherever necessary so as to conform to the requirement of Revised Schedule-VI.

As per our report of even date.

for and on behalf of the Board

for **A W A T A R & C O.**

Chartered Accountants

BRIJENDRA AGRAWAL

Partner

M.No.87787

Place : New Delhi

Date : 30 May 2012

S C KAPOOR

Chairman

RAJIV KAPOOR

Managing Director

DEEPIKA KAPOOR

Director

SHYAM S. SETHI

Director

M S RAMAPRASAD

Director

GORAV ARORA

Company Secretary



RASANDIK
Passion For Excellence

RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED

Regd. Office: 14, Roj-Ka-Meo Industrial Area, Sohna, Distt. Gurgaon, Haryana 122103.

PROXY FORM

Folio No. / Shares held *DP ID..... *Client ID

.....

I / We resident of.....

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

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

failing him/her..... resident of as my / our proxy

to vote for me / us my/our behalf at the 28TH ANNUAL GENERAL MEETING of the Company at 10.00 a.m. on Saturday, the 29th day of September, 2012 or at any adjournment thereof.

Affix
Rs. 1/-
Revenue
Stamp

Date:.....

Signature of Member.....

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

CUT HEAR



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RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED

Regd. Office:- 14, Roj-Ka-Meo Industrial Area, Sohna, Distt. Gurgaon, Haryana 122103.

ATTENDANCE SLIP

Please fill and sign the Attendance Slip and hand it over at the entrance of the meeting hall.

Shares held:

Folio No.

*DP ID

*Client ID

Name and Address of Shareholders:

.....

.....

I hereby record my presence at the 28TH ANNUAL GENERAL MEETING of the Company held at Conference Hall, Saras Tourist Complex, Damdama, Sohna, Haryana at 10.00 a.m. on Saturday, the 29th day of September, 2012.

Signature of Shareholder \ Proxy

*Applicable for shareholders holding shares in electronic form



RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED

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

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

Dear Shareholder,

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

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

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

We look forward to receive your consent as above.

Yours faithfully,

For Rasandik Engineering Industries India Limited

Sd/-
Gorav Arora
Company Secretary

To
The Company Secretary,
Rasandik Engineering Industries India Limited
C-4 & 5, First Floor,C - Block Market Vasant Vihar,
New Delhi - 110 057

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

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

Date:

Signature of First Holder

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