



AVERY
ANNUAL REPORT 2009-10

BOARD OF DIRECTORS

MR. P.A. MASON
Chairman

MR. BASANT SANDOOJA
Managing Director

MR. PRATIP SEN GUPTA

MR. A.R. BARWOOD

**V.P. (COMMERCIAL) &
COMPANY SECRETARY**

MR. A. MATHUR

AUDITORS

DELOITTE HASKINS & SELLS
Building 10, Tower B
7th Floor, DLF Cyber City
Gurgaon - 122 002
Phone : 0124-6792000
Fax : 0124-6792012

REGISTRARS

CB MANAGEMENT SERVICES (P) LTD.
P-22, Bondel Road, Kolkata - 700 019
Phone : 033-40116700
Fax : 033-22870263
Email: rta@cbmsl.com

REGISTERED OFFICE

'AVERY HOUSE'
28/2 Waterloo Street, Kolkata - 700 069
Phone : 033-22488121-3
Fax : 033-22485675

HEAD OFFICE AND WORKS

Plot Nos. 50-59, Sector - 25,
Ballabgarh - 121 004 (Haryana)
Phone : 0129-4094400
Fax : 0129-2234091

C O N T E N T S

Report of the Directors	2
Annexure to the Directors' Report	4
Auditors' Report	5
Balance Sheet	8
Profit & Loss Account	9
Cash Flow Statement	10
Schedules to the Accounts	11
Balance Sheet Abstract and	30
Company's General Business Profile	
Salter India Limited	31

REPORT OF THE DIRECTORS

The Directors of Avery India Limited present their Report together with the Audited Accounts of the Company for the year ended 31st March 2010.

FINANCIAL PERFORMANCE

	(Rs. million)	
	For the year ended	
	31st March 2010	31st March 2009
The Net Profit for the year is	12	106
Provision for Taxation,		
Currant Tax	4	31
Deferred Tax Charge/(Credit), and	2	8
Provision for Fringe Benefit Tax is	—	2
Leaving a balance of Profit/(Loss) of	<u>6</u>	<u>65</u>

DIVIDEND

Your Directors do not recommend any dividend for the year ended 31st March 2010.

VOLUNTARY DELISTING

M/s AV Co 3 Limited, UK, one of the promoters of the Company, which held along with the other promoters, 78.28% of the equity capital, had proposed to acquire balance 21.72% of equity shares of the Company from public shareholders in accordance with the provisions of the SEBI (Delisting of Securities) Guidelines, 2003 and the listing agreement. Based on the requisition of M/s. AV Co 3 Limited, UK, (the Acquirer) an Extra-ordinary General Meeting was held on 4th June 2009, wherein the proposal of M/s. AV Co 3 Limited, UK of Voluntary Delisting of Equity shares of the Company from the Stock Exchanges was passed as special resolution by requisite majority.

The Acquirer published a Public Announcement on 19th June 2009 inviting bids from Public Shareholders to tender their shares pursuant to reverse book-building process as provided in the Delisting Guidelines. The Acquirer announced the acceptance of discovered price ("Exit Price") of Rs. 135/- per Share and acquired all Shares validly tendered in the Delisting Offer during the Bid Period at the Exit Price.

Pursuant to delisting offer, the shares of the company have been delisted from Bombay Stock Exchange with effect from September 15, 2009 and from The Calcutta Stock Exchange Association Limited with effect from 25th January 2010.

In terms of the SEBI (Delisting of Securities) Guidelines, 2003, the exit option by the acquirer AV Co 3 Ltd remained open at the rate of Rs. 135 /- per share, to the remaining public shareholders for a period of six months from the date of delisting i.e. up to 25th July 2010. Consequent to shares acquired under exit offer, Promoter shareholding has gone up to 91%.

OPERATIONAL PERFORMANCE

Your Company operates in two segments i.e. Weighing

Machines and Fuel Dispensing Pumps. During the year under report your Company sold 166 numbers of Fuel Dispensing Pumps worth Rs. 12 million as against negligible sales in previous year. However sales of weighing machines during the year were lower at Rs. 373 million as against Rs. 432 million in the previous year.

During the year your Company started manufacturing and exporting T302X type Load Cells to Avery Weigh-Tronix Group. A capital expenditure of about Rs. 2.8 million was incurred on Building and Rs. 12.65 million on Plant & Machinery for creating and upgrading infrastructure of Load Cells manufacturing division. Further more a sum of Rs. 5.3 millions was incurred on capital expenditure for upgrading computers. Load Cell manufacturing and export of Load Cells is potential area of growth for your Company.

Profit during the year under report remained under pressure due to raising cost of inputs. Profit before tax for 2009-10 was Rs. 12 million as against Rs. 106 million in the previous year. Profit was adversely impacted during 2009-10 due to out go of Rs. 20.5 million on Voluntary Retirement Scheme as against nil in previous year, Rs. 14.5 million of Depreciation against Rs. 11.3 million in previous year, Rates & Taxes of Rs. 20.56 million against Rs. 6 million in previous year. Investment in Load Cells manufacturing and expenditure on Voluntary Retirement will continue to benefit the Company in coming years.

SUBSIDIARY COMPANY

Salter India Ltd. (SIL), the wholly owned subsidiary of your Company which manufactures tubular spring balances and suspended spring dials scales, continued to perform well during the year. It has posted better results as compared to previous year. The net sales of SIL for the year 2009-10 have gone up to Rs. 134.99 million from Rs. 114.55 million in the previous year. The net pre-tax profit for the year was Rs. 32.26 million as against Rs. 20.81 million for the previous year.

DIRECTORS

Mr. Paul Andrew Mason was appointed as an Additional Director in the Board meeting held on 25th February 2010. Mr. Mason is Director Operations of Avery Weigh-Tronix U.K. Mr. Andrew Richard Barwood was appointed as an Additional Director in the Board meeting held on 30th June 2010. Mr. Barwood is Group Financial Controller of Avery Weigh-Tronix U.K. Presence of Mr. Mason and Mr. Barwood on the Board will go a long way in strengthening the bond with Avery Weigh-Tronix group UK. Mr. Pratip Sen Gupta was appointed as Managing Director in the Board meeting held on 26th March 2010. He resigned as Managing Director w.e.f. 19th August 2010 consequent to appointment of Mr. Basant Sandooja. Mr. Sen Gupta continues as a Director on the Board of the Company.

Mr. Basant Sandooja was appointed as an Additional Director and as Managing Director in the Board meeting held on 19th August 2010. Mr. Sandooja has over three decades of

managerial techno commercial experience having worked in senior positions with several internationally renowned companies. The Company will be immensely benefited from vast & varied experience of Mr. Sandooja.

Mr. Jairaj Singh, Mr. Vijay Mathur, Mr. R P Singh, Mr. Amit Luthra and Mr. A D Caffyn resigned from the Board during the year under report. Your Directors take this opportunity to place on record their deep appreciation for the valuable guidance and unstinted support given by them during their association with the Company.

Mr. Pratip Sen Gupta retires from the Board of Directors by rotation in accordance with the provisions of the Articles of Association of the Company and is eligible for reappointment.

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, retire at forthcoming Annual General Meeting and have indicated their willingness to be reappointed as Statutory Auditors. Observations made in the Auditors' Report read with Notes to the Financial Statements are self explanatory and therefore, do not call for any further comments under Sec. 217 (3) of the Companies Act, 1956.

AUDIT COMMITTEE

The Audit Committee comprises Mr. Andrew Richard Barwood, Chairman of the Committee, Mr. Paul Mason, Mr. Pratip Sen Gupta, and Mr. Basant Kumar Sandooja members of the Committee. Mr. Pawan Kumar Arora, Chief Financial Officer who is in-charge of finance function and Mr. Vijay Agarwal, Partner M/s. Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company are invitees to the Meeting. The Company Secretary acts as the Secretary of the Audit Committee. The Terms of Reference of this Committee are wide enough covering the matters specified in Company Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards issued by the Institute of Chartered Accountants of India have been followed;
- (ii) accounting policies are applied consistently; judgments

and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2010 and the profit of the Company for that year;

- (iii) 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,

- (iv) annual accounts are prepared on going concern basis.

ENERGY & FOREIGN EXCHANGE

The particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are annexed.

PARTICULARS OF EMPLOYEES

The Particulars of Employees in accordance with Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, are annexed.

APPRECIATION

Your Directors wish to place on record their appreciation for the commitment and dedication shown by the employees at all the areas of operation of the Company. Various HR initiatives are taken to align the HR policies to the growing requirements of the business. The Industrial Relations remained cordial during the year. As on 31st March 2010 your company had 510 employees.

Your Directors wish to place on record their appreciation for the continued cooperation and whole-hearted support given by the Company's Customers, Shareholders, Suppliers, Bankers, State & Central Government as well as ITW and Avery Weigh-Tronix groups, the Promoters of your Company.

By Order of the Board

Basant Sandooja Pratip Sen Gupta
Managing Director Director

Place : Gurgaon

Date : 8th October, 2010



ANNEXURE TO THE BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

Information in accordance with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the period ended 31st March 2010.

A. CONSERVATION OF ENERGY :

- a) Measures taken to conserve energy.
 - Manufacturing process of the Company is not very energy intensive. However all efforts are made for optimum energy consumption and conservation of energy. Some of the steps taken by the Company are Efficient utilization of Central Air-conditioning Plant, Compressors, E.O.T. Cranes, Welding machines etc. Regular maintenance of Generator Sets, Sub Station equipment, Transformer, P.F. Capacitor Banks and Switching over to low consumption Fluorescent Tubes.
 - The Company has not envisaged any major investment proposal.
- b) Additional investment and proposals, if any, being Implemented for reduction of consumption of energy.
- c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
 - The steps enumerated above are expected to result in saving of energy and consequent reduction in manufacturing cost.

B. TECHNOLOGY ABSORPTION :

Research & Development

1. Specific areas in which R&D carried out by the Company.
 - R&D efforts are focused towards improvement in various products of the Company and to cater to the ever changing requirements of the customers.
2. Benefits derived as a result of the above R&D.
 - R & D benefits the company by keeping abreast with the changing market needs with technology enhancement as well as helps in Import substitution. R & D helps in reduction in cost and enables more effective utilization of manpower.
 - Improvements in weighbridge design and augmenting existing range of the products are planned for future action.
3. Future plan of Action
4. Expenditure on R&D
 - a) Capital
 - Rs. 1.28 million
 - b) Recurring
 - Rs. 11.58 million
 - c) Total
 - Rs. 12.86 million
 - d) Total R&D Expenditure as a percentage of total turnover
 - 2%
5. Technology Absorption, Adaptation & Innovation :
 - 1) Efforts in brief made towards Technology absorption, adaptation and innovation.
 - Technical information regarding new developments in weighing and sensor technology is regularly exchanged between our collaborator's Technical Department and us.
 - 2) Benefits derived as a result of the above efforts.
 - Improved productivity and quality improvement.
 - 3) Imported Technology
 - a) Technology Imported
 - Consolidation of technology previously imported from Avery Weigh-Tronix U.K.
 - b) Year of Import
 - 2000-2010
 - c) Has Technology been Fully absorbed.
 - Technology has been fully absorbed as per Technology Transfer Agreement.
 - d) If not fully absorbed, areas where this has not taken place and reasons thereof and future plan of Action.
 - Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

1. Activities relating to Exports
 - Export of Load Cells is the main export activity. During 2009-10, the Company exported 1666 Load Cells to Avery Weigh-Tronix U. K. Besides above, the Company has also exported 19 Platform scales to Africa, Singapore, Kenya & Ireland and 2 Road Weighbridges to Ghana and Uganda during the year 2009-10.
2. Total Foreign Exchange used : Rs. 45.6 million
earned : Rs. 21.5 million

Place : Gurgaon
Date : 8th October, 2010

Basant Sandooja
Managing Director

By Order of the Board
Pratip Sen Gupta
Director

ANNEXURE TO THE BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2010

Name	Designation of the Employee	Remuneration Received ** Rs.	Qualification and Experience of the Employee	Date of Commencement of Employment	Age	Details of Previous Employment	Period of Previous Employment
Mr. Jairaj Singh	Managing Director / Executive Director	5,126,069	B.A. (Hon's) Economics 38 Years	1st January, 2001	60	Vice President, Indian Aluminum Company Ltd.	1972 to Dec., 2000

- Notes:
1. Appointment is contractual.
 2. Mr. Jairaj Singh is not related to any other Director.
 3. ** Remuneration received includes value of perquisites.

Place : Gurgaon
Date : 8th October, 2010

Basant Sandooja
Managing Director

By Order of the Board
Pratip Sen Gupta
Director

AUDITORS' REPORT**TO THE MEMBERS OF AVERY INDIA LIMITED**

1. We have audited the attached Balance Sheet of **AVERY INDIA LIMITED** ("the Company") as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
- (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on 31st March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No.015125N)

Vijay Agarwal
Partner

Place : Gurgaon
Date : 8th October, 2010

Membership No.: 094468

ANNEXURE TO THE AUDITORS' REPORT

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

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were 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 has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (a) The Company had granted loan aggregating Rs. 10,000,000 to a company covered in the register maintained under section 301 of the Companies Act, 1956. At year-end, the outstanding balance of such loan aggregated Rs. 10,221,918 and the maximum amount involved during the year was Rs. 10,289,727 including interest accrued thereon.
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the Company.
 - (c) The receipts of principal amounts and interest have been regular/ as per stipulations.

- (d) There is no overdue amount in respect of the loan referred to in para (iii)(a) above.

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.

- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
- (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except in respect of

certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.

- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.
- (vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) We are informed that the maintenance of cost records have not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed dues in respect of income tax, service tax, wealth tax, customs duty, and cess, which have not been deposited. The following are the particulars of sales tax and excise duty dues not deposited/ deposited under protest by the Company on account of disputes as at March 31, 2010

Name of statute	Nature of dues	Amount involved (Rs.)	Period to which amount relates	Amount paid under protest (Rs.)	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	1,593,128	1993-94	-	Customs, Excise and Gold (Control) Appellate Tribunal, Kolkata
Central Excise Act, 1944	Excise Duty	830,142	1991-94	-	Commissioner of Central Excise (Appeals), Kolkata
		854,551	1996-97	-	Assistant Commissioner of Central Excise (Appeals), Kolkata
Bihar Finance Act, 1981	Sales Tax	960,756	1991-2000	135,229	Assistant Commissioner of Sales Tax, Ranchi
Delhi Sales Tax Act, 1975	Sales Tax	35,000	1992-93	-	Sales Tax Appellate Tribunal, New Delhi
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	534,750	1995-96	-	Madras High Court
Central Sales Tax Act, 1956 (Kerala)	Central Sales Tax	113,403	2002-03	-	Deputy Commissioner Special Circle 1
Kerala Value Added Tax, 2005	Sales Tax	246,917	2006-07	-	Deputy Commissioner Special Circle 1
Central Sales Tax Act, 1956 (Haryana)	Central Sales Tax	1,800,179	2003-04	1,800,179	Joint Excise and Taxation Commissioner

Name of statute	Nature of dues	Amount involved (Rs.)	Period to which amount relates	Amount paid under protest (Rs.)	Forum where dispute is pending
Punjab General Sales Tax Act	Sales Tax	328,789	1999-2000	–	Excise and Taxation Officer, Amritsar
Haryana Value Added Tax Act, 2003	Sales Tax	6,225,508	2004-05	2,774,254	Joint Excise and Taxation Commissioner (Appeals), Faridabad
West Bengal Value Added Tax Act, 2003	Sales Tax	1,566,699	2005-06	–	Deputy Commissioner, Directorate of Commercial Taxes, West Bengal
Central Sales Tax Act, 1956 (Haryana)	Central Sales Tax	4,891,684	2005-06	–	Joint Excise and Taxation Commissioner (Appeals), Faridabad
Central Sales Tax Act, 1956 (Haryana)	Central Sales Tax	6,684,038	2006-07	–	Joint Excise and Taxation Commissioner (Appeals), Faridabad

- (x) The Company does not have accumulated losses at the end of the financial year March 31, 2010. Further, the Company has not incurred cash losses during the financial year ended March 31, 2010 and in the immediately preceding financial year ended March 31, 2009.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not taken any loans from banks or financial institutions and has not issued any debentures.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances during the year on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund/ nidhi/mutual benefit fund/society to which the provisions of any special statute as specified under paragraph 4(xiii) of the order are applicable.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee during the year for loans taken by others from banks and financial institutions
- (xvi) The Company has not obtained any term loan during the year.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 015125N)

Vijay Agarwal
Partner

Place : Gurgaon
Date : 8th October, 2010

Membership No.: 094468

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	As at March 31, 2010		As at March 31, 2009	
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS					
Shareholders' funds					
Share capital	A	98,323,020		98,323,020	
Reserves and surplus	B	456,768,816	555,091,836	450,560,564	548,883,584
	TOTAL		<u>555,091,836</u>		<u>548,883,584</u>
II. APPLICATION OF FUNDS					
Fixed assets	C				
Gross block		197,078,979		181,310,178	
Less : Accumulated depreciation		130,852,258		124,277,343	
Net block		66,226,721		57,032,835	
Capital work in progress (including capital advances)		40,165	66,266,886	-	57,032,835
Investments	D		35,606,250		45,962,250
Deferred tax assets (Refer to note 14 of Schedule N)	E		12,924,128		15,161,014
Current assets, loans and advances	F				
Inventories		71,749,611		99,708,413	
Sundry debtors		63,544,516		69,389,217	
Cash and bank balances		376,991,714		322,000,817	
Other current assets		11,153,587		15,122,659	
Loans and advances		84,977,163		56,864,669	
		608,416,591		563,085,775	
Less : Current liabilities and provisions	G				
Current liabilities		149,941,649		114,264,287	
Provisions		18,180,370		18,094,003	
		168,122,019		132,358,290	
Net current assets			440,294,572		430,727,485
	TOTAL		<u>555,091,836</u>		<u>548,883,584</u>
Significant accounting policies and notes to the accounts	N				
Schedules referred to above form an integral part of the financial statements					

As per our report attached

For Deloitte Haskins & Sells
Chartered AccountantsVIJAY AGARWAL
Partner
Membership No : 094468Place : Gurgaon
Date : 8th October, 2010

For and on behalf of the Board of Directors

BASANT SANDOOJA
Managing DirectorPRATIP SEN GUPTA
DirectorALOK MATHUR
V.P. (Commercial) & Company Secretary

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

	Schedule	Year ended March 31, 2010		Year ended March 31, 2009	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Sales and services	H	679,309,979		740,061,563	
Less: Excise duty		36,943,179		63,435,142	
		642,366,800		676,626,421	
Other income	I	38,641,259		50,599,647	
		681,008,059		727,226,068	
EXPENDITURE					
Materials and manufacturing expenses	J	329,571,640		335,901,526	
Employees' remuneration and benefits	K	180,686,441		153,071,260	
Administrative and other expenses	L	142,803,452		119,452,306	
Interest and finance charges	M	1,106,856		1,749,274	
Depreciation	C	14,512,532		11,312,257	
		668,680,921		621,486,623	
Profit before tax		12,327,138		105,739,445	
Provision for tax					
Current tax		3,882,000		31,000,000	
Deferred tax charge (includes Rs. 1,152,129 relating to earlier year)	E	2,236,886	6,118,886	8,136,312	39,136,312
Provision for fringe benefit tax			-		2,013,786
Profit after tax		6,208,252		64,589,347	
Balance brought forward		143,841,362		79,252,015	
Balance carried to balance sheet		150,049,614		143,841,362	
Basic and diluted earnings per share (Refer to note 10 of Schedule N)		0.63		6.57	
Significant accounting policies and notes to the accounts	N				
Schedules referred to above form an integral part of the financial statements					

As per our report attached to the Balance sheet

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants**BASANT SANDOOJA**
Managing Director**PRATIP SEN GUPTA**
Director**VIJAY AGARWAL**
Partner
Membership No : 094468**ALOK MATHUR**
V.P. (Commercial) & Company SecretaryPlace : Gurgaon
Date : 8th October, 2010