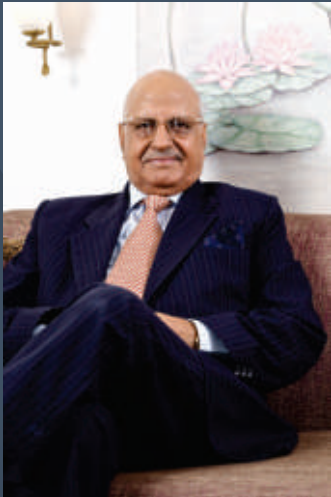




Lighting up lives with care

Annual Report 2010

From the Chairman's Desk



Dear Shareholders,

Warm greetings to you all.

We entered the challenging year of 2009 with some uncertainties, given the tough economic conditions. Despite all odds, we have successfully faced the challenges of the business environment marked by financial and economic volatility as we continued to rely on our proven strategic strength and principles, adhered to our fundamentals and the Company was able to successfully overcome the grip of recession.

I am pleased to share with you that the company has got a good opportunity for growth in high-tech Energy Efficient Lighting Products by divesting its Switchgear Division at a good price to M/s Legrand France SA. Legrand is a major global player in the field of electrical and digital building infrastructures and has the capacity, standing and reputation to grow the business to the next level and beyond. The divestment is subject to statutory and regulatory approvals.

The Business Transfer Agreement (BTA) has been entered into with M/s Legrand France SA on July 22, 2010. The funds expected to be received by the company are proposed to be invested to pursue opportunities for growth in the areas of advance lighting systems (including the most efficient lighting sources – LEDs), new innovative products for energy management and conservation etc. Besides the Company will continue to operate its other existing businesses in the areas of lighting and wires & cables.

The Board of Directors of your Company plans to recommend a Special Dividend out of the proceeds of the sale of the Switchgear Division.

Looking forward to successful growth in 2010 – 2011 and onwards. We would continue to consolidate & build even higher standards of performance through creative innovation. We aim to grow faster to scale new heights and to set new mile stones in the future.

I would like to take this opportunity to thank our great bankers, associate Government departments, our great colleagues and valued shareholders for their resolute support to the company's growth plans. I look forward to your continued patronage and support.

With kind and cordial regards,

VP Mahendru
Chairman cum Managing Director

Board of Directors

V. P. Mahendru	Chairman-cum-Managing Director
R. C. Bansal	Non-Executive Director
Dr. Sai Ramachandran	Non-Executive Director
A. K. Ghosh	Non-Executive Director
P. K. Ranade	Joint Managing Director
Vinay Mahendru	Executive Director

Rakesh Dhody	Assistant Vice President(Legal) & Company Secretary
K.B. Satija	Assistant Vice President (Corporate Finance)

Auditors

J. C. Bhalla & Co.
Noida

Bankers

State Bank of Patiala
State Bank of India
Standard Chartered Bank

Corporate Office

B 88, Sector - 83
Noida - 201305, (U.P)

Registered Office

51 Kms., G. T Karnal Road,
Murthal, Distt. Sonapat,
Haryana - 131027

Works:

Switchgear

- 51 Kms. G.T Karnal Road, Murthal, Distt. Sonapat, Haryana -131 027
- B-200, Phase -II, Noida, Distt. Gautam Budh Nagar, U.P - 201 305
- Plot No. 2, Sector 2, SIDCUL, Haridwar, Uttarakhand - 249402

Lighting

- Plot No. 10, Sector 4, SIDCUL, Haridwar, Uttarakhand - 249402 ,

Wires & Cables

- Plot No. 2 (Block A), Sector 2, SIDCUL, Haridwar, Uttarakhand - 249402

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Behind a safe, secure home
there's Indo Asian



NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of **INDO ASIAN FUSEGEAR LIMITED** will be held on Thursday, the 9th day of September, 2010 at 9.00 A.M. at 51 Kms., G. T. Karnal Road, Murthal, Distt. Sonapat, Haryana - 131027, to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and Profit and Loss Account of the Company for the year ended on that date along with the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri R.C . Bansal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. Sai Ramachandran, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

By order of the Board of Directors

Place: Noida

Dated : 11th August, 2010.

(RAKESH DHODY)

AV P (LEGAL) & COMPANY SECRETARY

IMPORTANT NOTES:

- (i) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (ii) Members/ Proxies should fill in the Attendance Slip for attending the meeting.
- (iii) The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, the 6th September, 2010 to Thursday, the 9th September, 2010 (both days inclusive), for the purpose of Annual General Meeting.
- (iv) Members are requested to bring their copy of Annual Report to the meeting. Members desirous of seeking information on Annual Accounts 2010 are requested to send their queries to the Company Secretary at least 15 days before the time fixed for the meeting so that the required information can be kept ready at the meeting.
- (v) Members who hold shares in dematerialized form are required to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- (vi) Members are requested to notify any change in their addresses, specifying the full address in block letters with Pin Code of the Post Office to the Company's R & T Agent i. e. Alankit Assignments Ltd. in all correspondence with the Company, members are requested to quote their account/ folio numbers.
- (vii) Members desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 109A of the Company Act, 1956, are requested to submit the prescribed Form 2B for this purpose to the Company.

By order of the Board of Directors

Place: Noida

Dated : 11th August, 2010.

(RAKESH DHODY)

AV P (LEGAL) & COMPANY SECRETARY

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE, FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE RE-APPOINTED.

At this Annual General Meeting Sh. R. C. Bansal and Dr. Sai Ramachandran, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

Brief background and functional expertise of the Directors proposed for re-appointment are furnished below along with details of Companies in which they are Directors and the Committees of which they are members:

- a. Sh. R. C. Bansal has been director of the Company since 24th June, 2005. He is a Chartered Accountant since 1962 with specialization in Finance and Management.

Other Directorships	Board Position held	Committee Memberships held
Name of the Company		Name of the Company
(i) Citicap Housing Development Ltd.	Director	NIL
(ii) Citicap Channels Ltd.	Director	
(iii) Citicap Print Media Pvt. Ltd.	Director	

- b. Dr. Sai Ramachandran has been director of the Company since 24th June, 2005. He holds M.Sc Degree in Chemistry from Madras University, M.B.A in Marketing from University of Minnesota, U.S.A and Ph.D from M.D. University, Rohtak.

He has been conferred with many prestigious awards like Marketing Man of the year 1996, Indira Gandhi Priyadarshini Award 1991, Kohinoor Ratna Award, Gem of India Award, Udyog Shree Award etc.

Other Directorships	Board Position held	Committee Memberships held
Name of the Company:		Name of the Company:
(i) Pearl Polymers Ltd.	Director	(I) Pearl Polymers Ltd. -Audit Committee

By order of the Board of Directors

Place: Noida
Dated : 11th August, 2010.

(RAKESH DHODY)
AV P (LEGAL) & COMPANY SECRETARY

Directors' Report

To the Members,

We are pleased to present the 21st Annual Report together with Audited Accounts of your company for the year ended 31st March, 2010.

Financial Performance

Particulars	(Rs./Cr.)	
	For the year ended 31st March 2010	2009
Sales & Other Income	246.19	271.17
Operating Profit (EBITDA)	23.84	30.05
Financial Charges	17.92	16.08
Depreciation	7.00	6.61
Profit before Tax	3.92	7.36
Provision for Taxes	1.07	1.73
Profit after Tax	2.85	5.63
Add: Profit brought forward from previous year	5.94	13.81
Profit available for appropriation	8.79	19.44
Arrears of Preference Dividend Paid and Income tax thereon	-	-
Transferred to General Reserve	5.50	13.50
Retained Profit carried forward to the next year	3.29	5.94

Your Company achieved a turnover and other income of Rs. 246.19 Cr. for the year ended March 31, 2010 as against Rs. 271.17 Cr. in the previous financial year.

Dividend

In view of the need to conserve resources for faster growth, your Directors do not recommend Dividend on equity share capital as well as preference share capital of the Company for the year ended 31st March, 2010.

Directors

Sh. R. C. Bansal and Dr. Sai Ramachandran, Directors of the Company are retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Directors' Responsibility Statements

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

- i. That in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for the year under review;
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared the Annual Account for the Financial Year ended 31st March, 2010, on a going concern basis.

6 Annual Report 2010

Auditors

M/s. J.C. Bhalla & Co., Chartered Accountants, Auditors of your Company will retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have confirmed that their re-appointment if made, shall be within the limits of Section 224 (1) (B) of the Companies Act, 1956.

Auditor's Report

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

Report on Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, a report on the Corporate Governance for the year under review along with Auditors' Certificate regarding Compliance of Corporate Governance is given in the Annexure A & B and forms part of this Report.

Particulars of Employees

The information as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, forms a part of this report as per provision of Section 219(1)(b)(iv) of the companies Act, 1956, the report is being sent to all the shareholders of the company excluding the aforesaid information. Any shareholder interested in obtaining the particulars may obtain it by writing to the Company Secretary.

Conservation of Energy, Technology Absorption, Foreign Exchange Earning & Outgo

Information required under Section 217(1)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1998, as amended from time to time, is given in Annexure-C and forms part of Directors' Report.

Listing of Shares

The Equity share of the Company continue to be listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Ltd. (NSE).

Fixed Deposits

Your Company has no unclaimed / unpaid or overdue deposit, during the year under review.

Management's Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of the Annual Report.

Appreciation

Your Directors deeply appreciate the valuable co-operation, continued support and guidance extended by the Company's Bankers, Financial Institutions, Government Agencies, Collaborators, Stockists, Dealers, Business Associates, and also the contribution of all employees to the Company.

Your company would like to take this opportunity to express sincere thanks to its valued clients and customers for their continued patronage. The Directors wishes to thanks its investors, bankers, rating agencies and stock exchanges for their support. Finally the Directors wish to express their gratitude to the Members for their trust and support.

On behalf of the Board of Directors

Place: Noida (U.P.)
Dated: 29th May, 2010

(V.P. Mahendru)
Chairman-cum-Managing Director

Management Discussion & Analysis

Electrical Industry and Growth

Our Government has taken many creative initiatives to enhance the power generation directly by itself as also through FDIs, thus creating a spurt in Power generation and consequent exponential demand for Power Transmission and Distribution equipment including wide range of Electrical Switchgear and Lighting Equipment, the core products of Indo Asian for the next few years.

Also the new fast developing consciousness for safety, conservation of power and energy efficiency has hastened the process of faster growth of demand for Indo Asian products, power distribution equipment and efficient lighting equipment including a wide range of MCBs, MCCBs, RCDs, Distribution Boards, CFLs, Wires & Cables and other allied equipment manufactured by your Company.

This thrust is expected to continue growing for the next few years.

The developed countries including many European countries and U.K have tremendous pressure of higher cost of production for Electrical Distribution Equipment in consequences of which they are now looking at India as an Important and potential source for meeting their needs of electrical distributon equipment, lighting equipment and Wires & Cables, Meters etc. and related products of high quality, world class performance and at globally competitive prices.

Every industry prospers on some supporting factors. In this regard, there are a few elements, ruling the growth of electrical and electronics industry.

Research & development plays a pivotal role in enhancing the productivity and supports the industry to grow by developing new & value added products. So investments in research and development has led the industry to a great height.

Electrical industrial growth depends on construction industry to a great extent. Growth in office construction market is also one of the prime driving forces, for profitable growth of the electrical industry worldwide.

BUSINESS PERFORMANCE

(Rs. in crores)

Particulars	Year ended	
	March 31, 2010	March 31, 2009
Sales & Other Income	246.19	271.17
Operating Profit (EBITDA)	23.84	30.05
Profit before Tax	3.92	7.36
Profit after Tax	2.85	5.63
Exports	41.62	69.32

Inspite of financial slow down/ recession, the Company has achieved a turnover of Rs. 246.15 crores for the finacial year ended the 31st March, 2010 against Rs. 271.17 crores in the previous year. The Company has reported a Net profit of Rs. 2.85 crores against Rs. 5.63 crores in the previous year.

Segment-wise performance.

Switchgear Division

The Switchgear Division recorded a turnover of Rs. 195.22 crores in the year financial 2009 -2010 as against the turnover of Rs. 213.33 Crores for the year 2008- 2009.

Lighting Division

The Lighting Division recorded a turnover of Rs. 10.62 Crores for the financial year ended 31st March 2010 as against Rs. 28.96 crores for the year ended 31st March 2009.

Cable and Wire Division

Cable & Wires Division recorded a turnover of Rs. 29.22 Crores as against Rs. 26.71 Crores for the financial year ended 31st March 2009.

Joint Ventures

- a. Indo Asian Simon Pvt. Limited the joint venture with Simon Holding (Spain) for the manufacture of home and building automation products at Haridwar has commenced the commercial production in the month of April, 2009.
- b. Saudi National Lamps & Electrical Company Limited. This Joint venture has been set up for the manufacture of Compact Fluorescent Lamps and High Intensity Discharge Lamps to cater to the Far East Markets has not yet commenced the commercial production.

Human Resource Development

The Company continues to constantly provide a platform for individual opportunities and growth of its people. The relationship with all the employees continues to be cordial and acknowledges the contribution of its employees and the spirit of commitment demonstrated by them in realising the company's vision. The company has started a number of new initiatives which will further enhance the ability to attract and retain high caliber employees.

Outlook

In order to meet the market challenges arising as a result of the economic slowdown and its impact on the electrical industry, your company has been following the philosophy of providing the highest quality products and services to its customers. It has been focusing on tight management of working capital, reducing and eliminating waste. All endeavors are made to maximise gains and reduce costs. Given the revival of the economy, specially the real estate and the power sectors, your company has taken various initiatives to increase its market share by strengthening its distributor network and exploring new distribution avenues.

Research and Development

Your company continues its efforts to integrate the R&D activities with the business needs of the company to offer safe, energy efficient, value added products and services to its customers.

Internal control systems and their adequacy

The Company has a proper and adequate system of internal control.

The company has an Audit Committee headed by a non- executive independent director, inter alia to oversee the Company's financial reporting process, disclosure of financial information, performance of statutory and internal auditors, functions, internal control systems, related party transactions etc as well as other areas requiring mandatory review as per clause 49 of the Listing agreement with the Stock Exchanges. The powers of the Audit Committee, inter-alia include seeking information from any employee, obtaining outside legal or other professional advice and investigating any activity of the Company with reference to the Committee's terms of reference.

Risks and Concerns

Domestic Electric Market has very intense competition particularly in the lighting segment. Presence of multinational companies is increasing and this is increasing the price pressure for all range of products. Your company has established itself as an innovative Company that offers products that efficiently manage electrical supply chain. Accordingly, your Company proposes to address these risks by continuous product development, focused efforts to reduce costs, increase market share and by diversifying existing customer base with the addition of new strategic customers and enhancing the existing relationships.

Cautionary Statement

The statements in this report, particularly which relate to Management Discussion and Analysis describing the Company's objectives, plans, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statement depending on the circumstances.