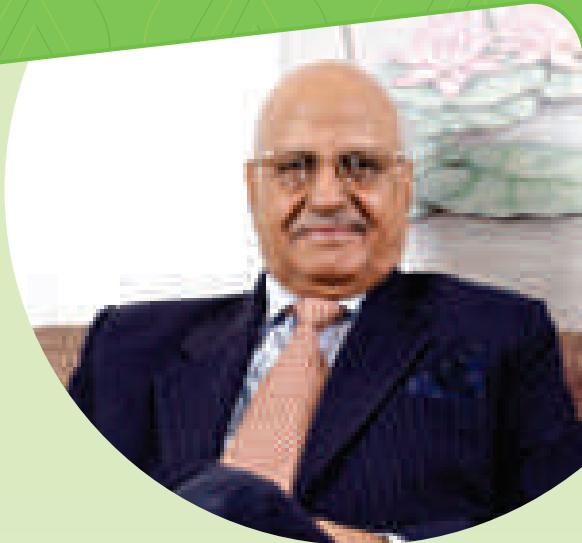




Energising Enriching Lives

Annual Report 2011



From the Chairman's Desk

Dear Shareholders,

Warm Greetings to you all.

Indo Asian is at the beginning of another exciting chapter in its history after sale of its Switchgear Business Undertaking. It is entering into a higher orbit of performance and growth with new opportunities and challenges. The Company not only continues to focus on its other existing businesses in the areas of lighting, wires & cables and energy meters but also plans to pursue new creative opportunities in the areas of advance lighting systems and new innovative products for energy conservation & management. The Company is intensely working on new innovative strategic plans for faster growth for which the surplus funds will be deployed.

The tremendous power appetite of the Country- whetted by economic growth, rising living standards and requirements of a huge population – translates into abundant growth opportunities for Indo Asian. Your Company is ready with strategies and targets both short-term and long term, to leverage its resources and strengths to exploit these growth opportunities.

Our strategies are aimed at continuous improvement in our products and processes through technological initiatives and upgradation, modernisation, adoption of best practices and global benchmarking.

Looking forward to consistent growth in 2011 - 12 and onwards. We will continue to consolidate and build ever higher standards of customer delight through creative innovations. We aim to grow faster to scale new heights and to set new milestones.

I am grateful to our Board of Directors for their unwavering support and guidance. I take this opportunity to thank all our stakeholders including our customers and shareholders, who have reposed trust and confidence in us and have always extended their consistent support. 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

K.B. Satija	Asstt. Vice President (Corporate Finance)
Kumar Indramani	Manager(Legal) & Company Secretary

Auditors

J. C. Bhalla & Co., Noida

Bankers

State Bank of Patiala
State Bank of India

Corporate Office

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

Registered Office

1048, Sector-14,
Sonapat, Haryana - 131001

Plants:

Lighting

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

Cable & Wires

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

Energy Meters

- B-62, Sector-83,
Noida - 201305, (U.P)

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NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of INDO ASIAN FUSEGEAR LIMITED will be held on Saturday, the 11th day of June, 2011 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, 2011 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 consider declaration and payment of arrears of Preference Dividend for the financial year ended 31st March, 2007 to 31st March, 2010 and payment of Preference Dividend for the financial year ended 31st March, 2011.
3. To confirm the payment of Special Interim Dividend on Equity Shares for the year ended the 31st March, 2011 as Final Dividend.
4. To appoint a Director in place of Shri A. K. Ghosh, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Vinay Mahendru, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

By order of the Board of Directors

Place : Noida

Dated : 12th May, 2011

(Kumar Indramani)

Manager (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 FORTY EIGHT 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 Tuesday, the 7th June, 2011 to Saturday, the 11th June, 2011 (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 2011 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 identification of attendance at the meeting.
- (vi) Members are requested to notify and 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., 2E/21 Alankit House, Jhandewalan Extension, New Delhi - 110055. 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.

- (viii) All shareholders are also requested to register their e mail addresses for sending future corporate communication i.e. Annual Report, Notices etc. by the company through e mail to comply with the requirement of Circular issued by the Ministry of Corporate Affairs, New Delhi (General Circular No. 17/2011 & 18/2011 Green initiatives in Corporate Governance).
- (ix) Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed as unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account is required to be transferred to "Investor Education and Protection Fund" IEPF of the Central Government. Special Interim Dividend declared by the Company during the financial year 2010-11 is still lying in the respective Unpaid Dividend Account of the Company. Members who have not yet encashed the said Dividend are requested to make their claim to the Corporate office of the Company at B 88, Sector 83, Noida- 201305. Kindly note that no claim shall lie against the Company after the unclaimed dividend is transferred to IEPF.

By order of the Board of Directors

Place : Noida

(Kumar Indramani)

Dated :12th May, 2011

Manager (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. A. K. Ghosh and Sh. Vinay Mahendru, 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. A.K.Ghosh has been Director of the Company since 24th June, 2005. He is a Chartered Accountant since 1962 with specialization in Finance and Management.

Sh. A.K.Ghosh does not hold any shares of the Company.

Sh. A.K.Ghosh is not related to any member of the Board of Directors or to any Management Personnel of the Company.

Other Directorships	Board Position held	Committee Memberships held
Name of the Company		
(I) Cico Technologies Ltd.	Director	None
(ii) Gardtools Private Limited	Director	

- b. Sh. Vinay Mahendru has been Director of the Company since 24th June, 2005. He is a Mechanical Engineer and holds a Master degree in Management from the University of Aston, Birmingham, U.K. He is an industrialist.

Sh. Vinay Mahendru holds 2,88,363 equity shares of Rs. 10/- each of the Company. Sh. Vinay Mahendru is the son of Sh. V. P. Mahendru, the Chairman cum Managing Director of the Company.

Other Directorships	Board Position held	Committee Memberships held
Name of the Company:		
(i) IAFL Cables Limited	Director	None
(ii) Advance Metering Technology Ltd.	Director	
(iii) Indo Nordex Lightings Private Limited	Director	
(iv) VPM Technologies Pvt. Ltd.	Director	

By order of the Board of Directors

Place : Noida

(Kumar Indramani)

Dated :12th May, 2011

Manager (Legal) & Company Secretary

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 22nd Annual Report and the audited accounts for the financial year ended March 31, 2011.

Financial Results

The financial performance of the Company for the financial year ended March 31, 2011 is as follows:

Financial Performance

Particulars	(Rs./Cr.)	
	2011	As on 31 st March 2010
Sales & Other Income	134.23	246.19
Operating Profit (EBITDA)	(39.43)	23.84
Financial Charges	7.31	17.92
Depreciation	5.26	7.00
Profit before Extra Ordinary Items	(52.00)	3.92
Extraordinary Item(Profit on Slump Sale of Switchgear Business)	395.13	0.00
Profit before Tax	343.13	0.00
Tax Expense	79.65	1.07
Profit after Tax	263.48	2.85
Add: Profit brought forward from previous year	3.29	5.94
Profit available for appropriation	266.77	8.79
Appropriation:		
i) Transfer to General Reserve	200.00	5.50
ii) Special Interim Dividend on Equity Shares	16.95	-
iii) Arrears of Preference Dividend	0.40	-
iv) Preference Dividend for current year	0.10	-
v) Corporate Tax on Dividend	2.89	-
vi) Balance carried to Balance sheet	46.42	-

Your Company achieved a turnover and other income of Rs.134.23 Cr. for the year ended March 31, 2011 as against Rs. 246.19 Cr. in the previous financial year.

TRANSFER OF BUSINESS

Pursuant to the decision in the meeting of the Board of Directors of the Company held on 22nd July, 2010 and the approval of the Shareholders of the Company through Postal Ballot, the Company has transferred the entire business of developing, manufacturing and selling Low Voltage Miniature Circuit Breakers, Residual Current Circuit Breakers, Air Circuit Breakers, Moulded Case Circuit Breakers, Distribution Boards, Fuses, Fuse Bases, Switches, Feeder Pillars, Contractors, Thermal Overload Relays("Switchgear Business"), which is a separate segment as per AS 17, Segment Reporting, to a wholly owned subsidiary of Legrand France SA by way of Slump Sale as defined under Section 2(42C) of the Income Tax Act, 1961 on a going concern basis w.e.f. 9th September, 2010 for a total value of Rs.530.00 Crores on a Cash and Debt free basis.

Consequent upon the Slump Sale of the Switchgear Business, the current year financial results include the performance of the Switchgear Business Segment upto 8th September, 2010. Accordingly the operating results for the year ended 31st March, 2011 are not comparable with those for the preceding year.

DIVIDEND**(1) DIVIDEND ON EQUITY SHARES**

The Board of Directors at their meeting held on 11th October,2010 had declared and paid a Special Interim Dividend of Rs. 10/- (100%) per share. The total amount of Interim dividend for the year ended 31st March, 2011 is Rs.16.95 Cr.

In order to conserve the available funds for further growth and expansion of the Company's business, the Board of Directors do not recommend any further dividend for the year under review and hence the interim dividend of 100% per equity share paid during the year shall be considered as the final dividend.

(2) DIVIDEND ON PREFERENCE SHARES

The Board of Directors at their meeting held on 11th October, 2010 had approved the payment of arrears of dividend on 1,000,000 10% Cumulative Redeemable Preference Share of Rs. 10/- each held by the foreign collaborators for the Financial year 2007 to 2010.

Further the Board of Directors at their meeting held on 17th March, 2011 had approved the payment of Dividend to 1,000,000 10% Cumulative Redeemable Preference Share of Rs. 10/- each for the Financial year 2010-2011.

The Tax on Dividend works out Rs. 2.89 Cr. which has since been paid.

REDEMPTION OF PREFERENCE SHARES

The Board of Directors at their meeting held on 17th March, 2011 had approved the redemption of 1,000,000 10% Cumulative Redeemable Preference Shares of Rs. 10/- at par amounting to Rs. 10,000,000/- (Rupees One Crore only) which were allotted to Heinrich Kopp, GmbH of Germany. The effect of redemption of Preference shares has been given in the Annual Accounts of the Company for the current year.

DIRECTORS

In accordance with the Articles of Association of the Company, Shri A. K. Ghosh and Shri Vinay Mahendru, Directors are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The information required to be furnished under Clause 49 of the Listing Agreement is given in the Notice of the Twenty Second Annual General Meeting.

There are no other changes in the Composition of the Board of Directors of the Company.

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, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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 Accounts for the Financial Year ended 31st March, 2011, on a going concern basis.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements, the audited Consolidated Financial Statements are annexed to and forming part of this Report.

AUDITORS AND AUDITORS' REPORT

M/s. J.C. Bhalla & Co., Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from them, to the effect that their reappointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956 and they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

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 are given in the Annexure-A and B and form part of this Report.

PARTICULARS OF EMPLOYEES

Provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time are not applicable to the Company, since no employee of the Company was in receipt of the remuneration in excess of the limits as specified in the said rules.

PERSONNEL

Personnel relations with all employees and workers remained cordial and harmonious throughout the year. Your Directors wish to place on record their sincere appreciation for the devoted services of all the employees and workers of the Company.

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.

SUBSIDIARY COMPANY:

During the financial year 2010-11, IAFL Cables Ltd.(formerly Indo Asian Cables Ltd.) has become a wholly owned subsidiary of the Company. The Annual Accounts of the said Company are annexed to and forming part of this Report.

Statement pursuant to Section 212 of the Companies Act, 1956 relating to the Subsidiary Company is annexed to and forming part of this Report. The detailed copy of Annual Report of the subsidiary company will be made available to the shareholders on request and will also be kept for inspection by any shareholder at the Registered/Corporate Office of the your company.

LISTING OF SHARES

The Equity shares 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

During the year, the Company has re-paid all the fixed deposits. The Company has no unclaimed / unpaid deposit.

MANAGEMENT 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.

ACKNOWLEDGEMENT

Your Directors express their appreciation for the support and co-operation received from the financial Institutions, Banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staffs and workers of the Company.

On behalf of the Board of Directors

Place: Noida
Dated: 12th May, 2011

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

Management Discussion & Analysis Report

Industry Structure and Development and Future Outlook

Indo Asian Fusegear Limited has been one of the leading manufacturers of Switchgears, Lighting products, Wires & Cables and Energy Meters in India. The Switchgear Business was transferred to wholly owned subsidiary of Legrand France, S.A on a slump sale basis. Upto 8th September, 2010, the Company had operated these businesses, the results of which form part of this report.

The Government is giving continuous thrust on housing and infrastructure sector.

With general improvement in the power condition in urban as well as rural sectors, increase in spending on infrastructure development and increased emphasis on energy conservation, the demand for your Company's products including Energy Efficient Compact Fluorescent Lamps, LEDs, Wires & Cables and Energy Meters etc is growing fast.

Apart from this, Union Government's planned power generation initiatives which, inter- alia, include ambitious Schemes such as the Bachat Lamp Yojna(BLY) and Rajiv Gandhi Grameen Vidyutikaran Yojna(RGGVY) which aims to provide electrification to all towns and villages would trigger sizeable demand for your company's products. This will also ensure improvement in quality of power and its wider use even in far off villages.

Well defined strategies are being implemented in order to cater to the gradual increase in demand of these products and enhance our product share in market.

Your company continues to be committed towards making best of quality products at affordable prices through technology upgradation, value proposition, deep concern for customer satisfaction, at the same time ensuring human as well as environmental safety, thus enhance value addition for the investors and for the society as a whole. No doubt, we will establish our capabilities beyond the Indian borders and enable our clients enjoy the value of our products and services globally.

Consequent upon the Slump Sale of the Switchgear Business, the Company has got adequate funds available at its disposal, which it has planned to utilise for growth of its other businesses which have great future but hitherto could not be exploited to its full potential. The company has identified business opportunities which are futuristic in technology and have substantial growth prospects. The Company has accordingly constituted a Special Committee for the above objectives which after an indepth analysis and considerable planning has considered it prudent and appropriate that in the interest of all stakeholders for higher growth of the Company's business, the businesses of the Company should be restructured by way of merger and demerger through appropriate Scheme of Arrangement. The available funds would be deployed accordingly.

All these measures would help in increasing the sales and profitability of the Company.

In view of the above, the long term outlook of the Company remains positive.

Financial Performance

Financial performance of the Company for the year 2010-11 as compared to the previous year is furnished in detail in Directors' Report.

Segment-wise performance

Switchgear Division

The Switchgear Division recorded turnover of Rs. 84.13 Crores in the financial year 2010-11 i.e prior to sale of Switchgear Business to wholly owned subsidiary of Legrand France as on 8th September, 2010 against the turnover of Rs. 195.22 Crores for the year 2009 - 10.

Lighting Division

The Lighting Division recorded a turnover of Rs. 9.08 Crores for the financial year ended 31st March 2011 as against Rs. 10.62 Crores for the year ended 31st March 2010.

Cable and Wires Division

Cable & Wires Division recorded a turnover of Rs. 28.56 Crores for the financial year ended 31st March, 2011 as against Rs.29.22 Crores for the financial year ended 31st March 2010.

Human Resource Development

The Company continues to provide a platform for individual opportunities and for growth in knowledge and skills of its people. The relationship with all the employees continues to be cordial. The management 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 company's ability to attract and retain high caliber employees for faster growth of the Company's business.

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 proper and adequate system of internal controls commensurate with its size to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly.

The Company's internal control systems are further supplemented by an extensive programme of internal audit by an independent firm of Chartered Accountants and periodic review by management.

The internal control system is designed to ensure that all financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

Risks and Concerns

Domestic Electric Market has very intense competition particularly in the lighting segment. Presence of multinational companies is increasing marketing competition which has resulted in price pressure in the market for all range of products. Your company has accordingly established itself as an innovative Company with a lean and efficient marketing network which manages your Company's supply chain. Accordingly, your Company proposes to address these risks by continuous product development, focused efforts to reduce costs, increase market share by diversifying existing product range and customer base with the addition of new strategic customers and strengthening the existing relationships.

Cautionary Statement

The statements in this report, particularly which relate to Management Discussion and Analysis Report 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.