



Sakthi Auto Ancillary Private Limited

Registered Office & Factory

Idigarai Road
N.G.G.O.Colony
Coimbatore – 641 022

Board of Directors

Sri S. JEEVANANTHAM

Managing Director

Sri S. MOHANRAJ

Joint Managing Director

Sri S. SUBRAMANIAM

Sri S. BASKAR

Sri P. SANKARARAJA PANDIAN

Sri H. KANNAN

Bankers

Indian Overseas Bank

Ganapathy
Coimbatore – 641 006

Auditors

Sri V.Chandra Mouli B.Sc. FCA.,

Chartered Accountant

339 Variety Hall Road

Coimbatore – 641 001



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NOTICE TO SHAREHOLDERS

Notice is hereby given that the 14th Annual General Meeting of the Company will be held at its Registered Office at Idigarai Road, N.G.G.O. Colony, Coimbatore - 641 022, on Thursday, the 19th September 2013 at 11.00 A.M. to transact the following business:

1. To consider and adopt the audited Balance Sheet as at 31st March 2013, Statement of Profit and Loss for the year ended on that date and the Director's Report and the Auditor's Report thereon.
2. To appoint a Director in the place of Sri H. Kannan, who retires by rotation and is eligible for reappointment.
3. To appoint Sri V. Chandra Mouli, Chartered Accountant, as Auditor of the Company for holding office upto the conclusion of the next Annual General Meeting and to fix his remuneration.

SPECIAL BUSINESS

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

RESOLVED that pursuant to Sections 198, 269, 309, 310 and 316 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, approval be and is hereby accorded for increase of remuneration of Sri S. Jeevanantham, Managing Director of the Company from 1st February 2013 as detailed below :

I. Salary

Rs. 90,000/- (Rupees Ninety thousand only) per month

II. Perquisites

- a) Contribution to Provident Fund to the extent not taxable under the Income Tax Act, 1961.
- b) Gratuity at the rate of half a month salary for each completed year of service, and
- c) Encashment of leave at the end of the tenure as per the Rules of the Company.

The above salary and perquisites be paid as minimum remuneration even in the event of loss or inadequacy of profits in any year.



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

RESOLVED that pursuant to Sections 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, approval be and is hereby accorded for increase in remuneration of Sri S. Mohanraj , Joint Managing Director of the Company 1st February 2013 as detailed below :

I. Salary

Rs. 90,000/- (Rupees Ninety thousand only) per month

II. Perquisites

- a) Contribution to Provident Fund to the extent not taxable under the Income Tax Act ,1961.
- b) Gratuity at the rate of half a month salary for each completed year of service, and
- c) Encashment of leave at the end of the tenure as per the Rules of the Company.

The above salary and perquisites be paid as minimum remuneration even in the event of loss or inadequacy of profits in any year.

By order of the Board

**Coimbatore
23.05.2013**

**(S. Jeevanantham)
Managing Director**

NOTE: A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy. A proxy need not be a member of the Company.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE
COMPANIES ACT ,1956**

Item No. 4

Sri S. Jeevanantham has been in charge of the management of the Company as a Managing Director since 2006. At the Annual General Meeting held on 18.8.2011, the members had reappointed Sri S Jeevanatham as Managing Director of the Company for five years from 6.6.2011. Considering his vast experience and additional responsibilities due to capacity increase, it is proposed to increase the remuneration of Sri S. Jeevanantham, Managing Director of the Company with effect from 1.2.2013. The Board of directors at their meeting held on 30.01.2013 have recommended for increase in his remuneration, subject to the approval of the members of the Company. The directors recommend the resolution as set out in the notice for the approval of the members.

Sri S Subramanaiam, Sri S Mohan Raj and the appointee are relatives as defined in Section 6 of the Act and that they are concerned or interested in the resolutions.

Item No. 5

Sri S Mohan Raj has been discharging his responsibility as a Joint Managing Director of the Company since 2006. At the Annual General Meeting held on 18.8.2011, the members had reappointed Sri S. Mohanraj as Joint Managing Director of the Company for five years from 6.6.2011. Considering his vast experience and additional responsibilities due to capacity increase, it is proposed to increase the remuneration of Sri S. Mohan Raj, Joint Managing Director of the Company with effect from 1.2.2013. The Board of directors at their meeting held on 30.01.2013 have recommended for increase in his remuneration, subject to the approval of the members of the Company. The directors recommend the resolution as set out in the notice for the approval of the members.

Sri S. Subramanaiam, Sri S. Jeevanantham and the appointee are relatives as defined in Section 6 of the Act and that they are concerned or interested in the resolutions.

By order of the Board

**Coimbatore
23.05.2013**

**(S. Jeevanantham)
Managing Director**



REPORT OF THE DIRECTORS

To the Members

Your Directors present their 14th Annual Report together with the audited financial statements of the Company for the year ended 31st March 2013.

FINANCIAL RESULTS FOR THE YEAR ENDED 31st MARCH 2013		(Rs.in lakhs)
Profit before finance cost and depreciation & amortization expense		763.85
Less : Finance Cost	397.29	
Depreciation & amortization expense	182.10	579.39
Profit before tax		184.46
Less : Income tax Expenses:		
Deferred tax	32.51	
Income Tax	25.88	58.39
Profit after tax		126.07
Add : Surplus brought forward from previous year		670.51
Less : Transfer to Preference shares redemption reserve		19.00
Closing Balance		777.58

OPERATIONS

During the year under review, your Company has achieved an increase of about 6% in gross turnover. However the Profit has come down mainly on account of increase in the cost of metal scrap, the key raw material in the foundry. The market for auto components is good and your company is maintaining consistency in quality and is taking all possible efforts to further improve the performance of the Company.

Though the prices of certain raw materials are highly fluctuating, the Company's efforts to curtail cost have yielded the desired results.

Your Directors are optimistic that the Company would achieve a satisfactory working result in the current year.

**AUDITORS**

Sri V. Chandramouli, Statutory Auditor of the Company, retire at the conclusion of the ensuing Annual General Meeting and is eligible for reappointment. The Company has obtained certificate in writing from Sri V. Chandramouli to the effect that his appointment if made, will be within the limit prescribed under section 224 (1B) of the Companies Act, 1956.

DIRECTORS

Sri H. Kannan, Director, retires by rotation on the date of the ensuing Annual General Meeting and is eligible for reappointment.

FIXED DEPOSIT

The Company has not accepted fixed deposit during the year and at the end of the financial year, there is no unclaimed deposits.

CONSERVATION OF ENERGY

- a) Energy Conservation measures taken :
Installed load end compensation to Dust Collector, Sand mixer and Compressors for power saving.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :
No additional investment is envisaged.
- c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :
There will be considerable savings of power.

Particulars regarding research and development, technology absorption and foreign exchange earnings and outgo have been provided in Annexure 1 to the Report.

PARTICULARS OF EMPLOYEES

The Company has no employee drawing remuneration attracting the provisions of Section 217 (2A) of the Companies Act, 1956.

COMPLIANCE CERTIFICATE

A copy of the certificate from Sri V. Raviganesh, Company Secretary in Practice, is attached pursuant to Section 383A of the Companies Act, 1956.



DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm:

- a) That in the preparation of the annual accounts, the applicable Accounting Standards have been followed ;
- b) That they have selected such accounting policies and applied them and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period ;
- c) That they 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 ; and
- d) That the annual accounts for the year ended 31st March 2013 have been prepared on a going concern basis.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the valuable assistance and co-operation extended by the Commercial Banks and Government authorities. They also wish to appreciate the dedicated services rendered by officers, staff and workers of the Company.

**Coimbatore
23.05.2013**

By order of the Board

**(S. Jeevanantham)
Managing Director and
Chairman of the Meeting**



ANNEXURE 1
REPORT OF THE DIRECTORS FOR
THE FINANCIAL YEAR ENDED 31ST MARCH 2013

RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which R & D carried out by the Company - No research activity has been undertaken at Present.
2. Benefits derived as a result of the above R&D - Not applicable
3. Future plan of action - Not applicable
4. Expenditure on Research and Development
 - a) Capital }
 - b) Recurring }
 - Total } Nil
 - c) Total R & D expenditure as a percentage of total turnover }

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts in brief, made towards technology absorption, adaptation and innovation - Nil
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc. - Not applicable
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished :
 - a] Technology imported - Not applicable
 - [b] Year of Import - Not applicable
 - [c] Has technology been fully absorbed? - Not applicable
 - [d] If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action - Not applicable



FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans :

The value of export made during the year is Rs. 405.64 Lakhs. The company is taking all possible steps to achieve better export in the future.

(Rs. In lakhs)

2. Total foreign exchange used and earned :

Foreign exchange earned during the year		405.64
Outgo :		
1. Subscription and Membership		Nil
2. Import :		
a. Capital goods	0.00	
b. Spares and Repairs	11.38	11.38
3. Foreign Travel		1.13
Total		12.51

By order of the Board

(S. Jeevanantham)
Managing Director and
Chairman of the Meeting

Coimbatore
23.05.2013



INDEPENDENT AUDITOR'S REPORT

To

The Members of Sakthi Auto Ancillary Private Limited

Report on the Financial Statements

1. I have audited the accompanying financial statements of Sakthi Auto Ancillary Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 "the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



Opinion

4. In my opinion and to the best of my information and according to the explanations given to me, the financial statements give the information required by the Act in the manner so required and give 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, 2013;
 - (b) in the case of the Statement of Profit and Loss, of the **profit** 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.

Report on Other Legal and Regulatory Requirements

5. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
6. As required by section 227(3) of the Act, I report that:
- a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - b. In my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
 - c. 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;
 - d. In my opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place : Coimbatore

Date : 23.05.2013

(V. Chandramouli)

Chartered Accountant

M. No. 21453



ANNEXURE TO AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 5 OF THE AUDITORS' REPORT TO THE SHAREHOLDERS OF **SAKTHI AUTO ANCILLARY PRIVATE LIMITED** ON THE ACCOUNTS FOR THE YEAR ENDED **31ST MARCH 2013**.

1. a) In my opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
b) The fixed assets of the company have been physically verified during the year by the Management. The frequency of which is reasonable according to the information and explanations given to me and no material discrepancies between the book records and the Physical verification have been noticed.
c) During the year, the Company has not disposed off any substantial / major part of the fixed assets.
2. a) The inventories of the company have been physically verified by the management during the year at reasonable intervals.
b) In my opinion and according to the explanations given to me, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
c) In my opinion and according to the explanations given to me, the Company has maintained proper records of inventory and the discrepancies between the physical inventory and the book records dealt with in the books of account were not material.
3. a) In my opinion, the rate of interest and terms and conditions on which loans have been obtained from companies, firms or parties, listed in the register maintained under section 301 of the Companies Act, under the same management are not prima facie prejudicial to the interest of the company.
b) According to the explanations given to me, the company has not granted any loans, during the year under audit to any other company, firm or parties, listed in the register maintained under section 301 of the Companies Act.
c) In respect of loans and advances, the company has not given any loans or advances in the nature of loan other than interest free advance.
4. In my opinion and according to the explanations given to me, there are adequate internal control procedures commensurate with the size of the company and nature of its business for purchase of inventory, fixed assets, and for sale of goods. To the best of my knowledge, there is no continuing failure to correct major weaknesses in internal control procedures.



5. a) In my opinion and according to the information and explanations given to me, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
b) In my opinion and according to the information and explanations given to me, the transactions for the purchase of goods, materials and services, sale of goods made in pursuance of contracts or arrangements referred to in section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000/- in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices for such goods/materials/services at the relevant time.
6. In my opinion and according to the explanations given to me, the company has not accepted deposit or loans from public and hence the provisions of Section 58-A of the Companies Act, 1956 and the Companies Acceptance of Deposits Rules, 1975 are not applicable.
7. In my opinion and according to the information and explanations given to me, the company has adequate internal audit system commensurate with the size of the company and nature of its business.
8. I have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records u/s. 209(1) (d) of the Companies Act, 1956 and I am of the opinion that prima facie prescribed accounts and records have been made and maintained. I have however not made a detailed evaluation of the record with a view to determine whether they are accurate or complete.
9. a) According to the information and explanation given to me, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess to the appropriate authorities.
b) According to the information and explanations given to me, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at **31st MARCH, 2013** for a period of more than six months from the date of becoming payable.
10. The company does not have accumulated losses as at the end of the year and the company has not incurred cash loss during the financial year covered by our audit and the immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, the Company has not defaulted in the repayment of dues to financial institutions and banks.



12. According to the information and explanations given to me, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In my opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society.
14. Based on the records examined by me and according to the information and explanations given to me, I am of the opinion that reporting about the maintenance of proper record of the transactions and contracts of dealing in shares and securities and holding the shares and securities in company's own name does not arise since the company is not dealing in and holding shares and securities.
15. In my opinion and according to the information and explanations given to me, the company has not given corporate guarantee for loans taken by others from banks or financial institutions.
16. In my opinion and according to the information and explanations given to me, term loans availed by the Company were, prima facie, applied by the company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.
17. In my opinion and according to the information and explanations given to me, and on an overall basis, we report that the short term funds raised by the company have, prima-facie, not been used during the year for long term investments [fixed assets etc.,] and vice versa
18. The company has not made preferential allotment of shares during the year
19. The company has not issued debentures during the year. Hence, reporting about the criteria of securities does not arise.
20. The company has not raised any money by public issue during the year.
21. In my opinion and according to the information and explanations given to me, no fraud on or by the Company has been noticed or reported during the course of my audit.

Place : Coimbatore
Date : 23.05.2013

(V. Chandramouli)
Chartered Accountant
M. No. 21453



COMPLIANCE CERTIFICATE

FORM

[SEE RULE 3]

The Members,
Sakthi Auto Ancillary Private Limited
Coimbatore - 641 022

Corporate Identity Number	U29199TZ1998PTC008320
Authorized Share Capital	Rs. 4,75,00,000

I have examined the registers, records, books and papers of **Sakthi Auto Ancillary Private Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended **31st March, 2013** (Financial Year). In my opinion and to the best of my information and according to the examinations carried out by me / us and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year.

1. The company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The company being a Subsidiary of a public limited company, the comments are not required. The paid up capital and the minimum of members of the company did not fall below the statutory requirement
 - a. The company is subsidiary company of a public limited company which holds 51.83% and that all provisions wherever applicable is applicable to a public limited company is applicable to this company.
4. The Board of Directors duly met **5 (Five)** times on 29.05.12, 04.09.12, 22.10.12, 13.12.12 and 30.01.13



in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. No Circular resolution was passed during the year under review.

5. The company has not closed its Register of Members, and / or Debenture holders and hence the need for compliance under Section 154 does not arise.
6. The Annual General Meeting for the Financial year ended on **31st March, 2012** was held on **29th September 2012** after giving due notice to the members of the company and the resolutions passed were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting(s) was held during the financial year under review.
8. The company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The company has entered into contracts falling within the provisions of Sections 297 of the Act
10. The company has made necessary entries in the register maintained under section 301 of the Act during the financial year.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members, or Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13. The company has
 - i) Made no allotment of securities or shares during the financial year and the company has not entertained any transfer or transmission of its shares or securities during the financial year.
 - ii) Not declared any dividend during the financial year and that the deposit of the amount of dividend does not arise.
 - iii) Not required to post warrants to any member of the company, as no dividend was declared during the financial year.
 - iv) No amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a financial year of seven financial years to Investor Education and Protection Fund;
 - v) Duly complied with the requirements of section 217 of the Act.



14. The Board of Directors of the Company is duly constituted. There were re-appointment of directors, additional directors, alternate directors and directors to fill casual vacancies during the financial year. .
15. The company has not appointed any Managing Director / Whole time Director / Manager during the financial year under review. However the company has as Managing Director and a Joint Managing Director whose remuneration has been enhanced during the year under review.
16. The company has not appointed any sole selling agents during the financial year.
17. The Company was required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and /or such authorities prescribed under the various provisions of the act during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued shares/debentures / other securities during the year under review.
20. The company has not bought back shares during the year under review.
21. There was no redemption of preference shares/debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. The company has not invited or accepted any deposits from the public during the year under review and provisions of Section 58A and 58AA of the Companies Act are not applicable to this company.
24. The amount borrowed by the company from directors, members, public, institutions, banks and others during the financial year ended **31st March, 2013** are within the borrowing limits as approved by the shareholders.
25. The company has not made any loans or advances or provided securities to other bodies corporate in compliance with the provisions of the Act.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year under scrutiny after complying with the provisions of the Act.
27. The company has altered the provisions of the memorandum with respect to the objects of the company at the Annual General Meeting held on 29th September 2012.



28. The company has not altered the provisions of the memorandum with respect to the name of the company during the financial year under scrutiny and complied with the provisions of the Act.
29. The company has not altered provisions of Memorandum of Association relating to Capital Clause during the financial year under review.
30. The company has altered its articles of association at the Annual General Meeting held on 29th September 2012.
31. There were no prosecution initiated against or show cause notices received by the company for alleged offences under the Act and no fines and penalties or any other punishment imposed on the company.
32. The company has not received any amount as security from its employees during the financial year under review.
33. The company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated U/S 418 of the Act.

Place : Coimbatore

Date : 23.05.2013

V. Raviganesh M.Com., B.Ed., FCS, FICWA

Company Secretary in Practice

C.P. No. : 3719



Annexure A

Registers as maintained by the Company

1. Register of Members u/s 150
2. Register of Directors, Manager u/s 303
3. Register of Directors' share holding u/s 307
4. Register of Charges u/s 143
5. Share transfer register
6. Register of Investment
7. Register of Contracts u/s 301
8. Minutes Books as required u/s 193
 - a) Minutes Book – Board Meeting
 - b) Minutes Book – General Meeting

Annexure B

Forms and returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on **31st March, 2013** other than those forms and returns filed by the company but held by ROC, Coimbatore either pending for user clarification and pending resubmission and returns filed by the statutory auditors under Section 224(1A) of the Act

Sl. No.	Form No. / Return(s)	Filed under Section(s)	In respect of	Date of filing	Whether filed within prescribed period Yes / No	If delay in filing whether requisite additional fee paid Yes / No.
1	Form 61 dated 21.4.2012	621A	Petition to CLB u/s 621A	21.04.2012 (SRN B37379781)	Yes	Not Applicable
2	Form 21 dated 11.10.2012	621A	Registration of CLB order dated 03.10.2012	11.10.2012 (SRN B59343293)	Yes	Not Applicable
3	Form 23 dated 29.10.2012	192/17	Registration of a special resolution dated 29.09.2012	29.10.2012 (SRN B60739893)	Yes	Not Applicable



Sl. No.	Form No. / Return(s)	Filed under Section(s)	In respect of	Date of filing	Whether filed within prescribed period Yes / No	If delay in filing whether requisite additional fee paid Yes / No.
4	Compliance Certificate dated 29.05.2012 (Form 66)	383A	For the year ended 31.03.2012	29.10.2012 (SRN P93012680)	Yes	Not Applicable
5	Form 8 dated 02.11.2012	125	Creation of Charge on 15.10.2012	02.11.2012 (SRN B61027488)	Yes	Not Applicable
6	Form 8 dated 07.11.2012	125	Creation of Charge on 03.11.2012	07.11.2012 (SRN B61395752)	Yes	Not Applicable
7	Schedule V (Form 20B)	159	Annual Return made up to (AGM on 29.09.2012)	28.11.2012 (SRN Q03147808)	Yes	Not Applicable
8	Balance sheet (Form 23AC and Form 23ACA) XBRL	220	Balance sheet as at 31.03.2013 (AGM on 29.09.2012)	11.12.2012 (SRN Q04215745)	Yes	Not Applicable
9	Form 23 dated 18.02.2013	192(4) (C)	Registration of Board resolution dt. 30.01.2013	18.02.2013 (SRN B68225671)	Yes	Not Applicable



BALANCE SHEET AS AT 31.03.2013

			(Rs.in Lakhs)
	Note No.	As at 31.03.2013	As at 31.03.2012
I EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	1	359.13	359.13
(b) Reserves and Surplus	2	962.17	836.10
		<u>1321.30</u>	<u>1195.23</u>
2. NON-CURRENT LIABILITIES			
(a) Long term borrowings	3	586.37	726.58
(b) Deferred tax liabilities (net)		280.06	247.54
(c) Other long term liabilities	4	781.10	605.94
(d) Long term provisions	5	23.16	17.71
		<u>1670.69</u>	<u>1597.77</u>
3. CURRENT LIABILITIES			
(a) Short term borrowings	6	1624.94	1391.77
(b) Trade payables		884.93	666.34
(c) Other current liabilities	7	893.18	700.36
(d) Short term provisions	8	40.55	51.48
		<u>3443.60</u>	<u>2809.95</u>
TOTAL (1 to 3)		<u>6435.59</u>	<u>5602.95</u>
II ASSETS			
1. NON-CURRENT ASSETS			
(a) Fixed Assets			
i) Tangible assets	9	2648.02	2503.44
ii) Capital work in progress		101.62	110.70
		<u>2749.64</u>	<u>2614.14</u>
(b) Long term loans and advances	10	285.84	259.26
		<u>3035.48</u>	<u>2873.40</u>
2. CURRENT ASSETS			
(a) Inventories	11	746.42	745.65
(b) Trade receivables	12	1159.08	587.51
(c) Cash and cash equivalents	13	75.38	88.04
(d) Short term loans and advances	14	1419.23	1308.35
		<u>3400.11</u>	<u>2729.55</u>
TOTAL (1 and 2)		<u>6435.59</u>	<u>5602.95</u>

The Notes from part of these financial statements.

As per my report annexed

V.Chandramouli
Chartered Accountant
M. No. 21453

S.Jeevanantham
Managing Director

S.Mohanraj
Joint Managing Director

Coimbatore
23.05.2013



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2013

	Note No.	Year ended 31.03.2013	(Rs.in Lakhs) Year ended 31.03.2012
I Revenue from Operations (Gross)		8463.02	8013.35
Less : Excise Duty		1113.03	888.25
Revenue from Operations (Net)	15	7349.99	7125.10
II Other Income	16	133.29	78.54
III Total Revenue (I+II)		7483.28	7203.64
IV Expenses :			
Cost of material consumed	17	1891.36	1381.64
Changes in inventories of finished goods, work in progress	18	(108.64)	47.84
Employee Benefits expense	19	567.54	568.40
Finance costs	20	397.29	344.78
Depreciation and amortization expense		182.10	166.71
Other expenses	21	4369.17	4470.47
Total expenses		7298.82	6979.84
V Profit before exceptional and extraordinary items and tax (III - IV)		184.46	223.80
VI Exceptional Items		0.00	0.00
VII Profit before extraordinary items and tax (V-VI)		184.46	223.80
VIII Extraordinary Items		0.00	0.00
IX Profit before Tax (VII - VIII)		184.46	223.80
X Tax expense :			
1. Current Tax		37.08	44.77
MAT Credit Entitlement		(11.21)	(44.77)
2. Deferred tax		32.51	59.50
XI Profit for the period from continuing operations (IX - X)		126.08	164.30
XII Earnings per equity share of Rs.10/- each :			
a) Basic		12.17	15.86
b) Diluted		12.17	15.86

The Notes from part of these financial statements.

As per my report annexed

V.Chandramouli
Chartered Accountant
M. No. 21453

S.Jeevanantham
Managing Director

S.Mohanraj
Joint Managing Director

Coimbatore
23.05.2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

(Rs. in Lakhs)

Particulars	2012 - 13		2011 - 12	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax as per Statement of Profit and Loss		184.46		223.80
Adjustments for :				
Depreciation & amortization expense	182.10		166.71	
Interest Income	(81.31)		(76.83)	
Finance Costs	400.61		348.42	
Miscellaneous Income	(57.68)	443.72	(5.26)	433.04
Operating Profit before Working Capital Changes		628.18		656.85
Adjustments for :				
Trade and Other Receivables	(571.57)		(90.03)	
Inventories	(0.77)		(101.57)	
Loans and Advances	(168.22)		7.90	
Trade and other payables	581.09	(159.47)	106.25	(77.45)
Cash Generated from Operations		468.71		579.40
Finance Costs		(400.61)		(348.42)
Income Tax Paid		4.89		(20.50)
Prior year Income		-		-
Income Tax at Earlier Year		-		-
Net Cash from operating Activities		72.99		210.48
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(317.60)		(536.55)	
Interest Received & Other Income	138.99		82.08	
Sale of Fixed Assets	-		2.61	
Net Cash used in investing Activities		(178.61)		(451.86)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Bank Borrowing		92.96		275.35
Interest Paid		-		-
Net Cash used in Financing Activities		92.96		275.35
Net Increase in Cash or Cash Equivalents		(12.66)		33.98
Cash and Cash Equivalents (Opening Balance)		88.04		54.06
Cash and Cash Equivalents (Closing Balance)		75.38		88.04

As per my report annexed

V.Chandramouli
Chartered Accountant
M. No. 21453

S.Jeevanantham
Managing Director

S.Mohanraj
Joint Managing Director

Coimbatore
23.05.2013



NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)		
	As at 31.03.2013	As at 31.03.2012
NOTE No.1		
SHARE CAPITAL		
Authorised		
12,50,000 Equity Shares of Rs.10 each (12,50,000)	125.00	125.00
35,00,000 Redeemable Non-cumulative Preference Shares of Rs.10 each (35,00,000)	350.00	350.00
TOTAL	475.00	475.00
Issued, Subscribed and Paid up		
10,35,860 Equity Shares of Rs.10 each fully paid up (10,35,860)	103.59	103.59
2,00,000 1% Redeemable Non-cumulative Preference Shares of Rs.10 each (2,00,000) fully paid up	20.00	20.00
23,55,430 10 % Redeemable Non-cumulative Preference Shares of Rs.10 each (23,55,430) fully paid up	235.54	235.54
TOTAL	359.13	359.13
Reconciliation of Number of Shares		
Equity Shares	No. of Shares	No.of Shares
Equity Shares at the beginning of the year	1,035,860	1,035,860
Equity Shares at the end of the year	1,035,860	1,035,860
1% Redeemable Non-Cumulative Preference Shares		
Shares at the beginning of the year	200,000	200,000
Shares at the end of the year	200,000	200,000
10% Redeemable Non-Cumulative Preference Shares		
Shares at the beginning of the year	2,355,430	2,355,430
Shares at the end of the year	2,355,430	2,355,430



Rights, Preference and Restrictions of each class of shares

The Company has following three class of shares :

(i) Equity

The Company has only one class of Equity shares having face value of Rs. 10/- each. Each shareholder is eligible for one vote per share. Dividend is payable when it is recommended by the Board of Directors and approved by the Members at the Annual General Meeting. In the event of liquidation, the equity shareholders will get the remaining assets after payment of all the preferential amounts.

(ii) 2,00,000 1% Redeemable Non-Cumulative Preference Shares of Rs. 10/- each

The holders of this preference shares shall have right to vote on resolutions placed before the Company which directly affect their rights. Besides they get voting right as specified in Section 87(2) of the Companies Act 1956. The dividend is payable when recommended by the Board and approved by the members at the Annual General Meeting.

The above shares are Redeemable in April 2019.

(iii) 10,95,610 10% Redeemable Non-Cumulative Preference Shares of Rs. 10/- each

The holders of this preference shares shall have right to vote on resolutions placed before the Company which directly affect their rights. Besides they get voting as specified in Section 87(2) of the Companies Act 1956. The dividend is payable when recommended by the Board and approved by the members at the Annual General Meeting.

The above shares are Redeemable in February 2019.

(iv) 12,59,820 10% Redeemable Non-Cumulative Preference Shares of Rs. 10/- each

The holders of this preference shares shall have right to vote on resolutions placed before the Company which directly affect their rights. Besides they get voting right as specified in Section 87(2) of the Companies Act 1956. The dividend is payable when recommended by the Board and approved by the members at the Annual General Meeting.

The above shares are Redeemable in September 2022.

	As at 31.03.2013	As at 31.03.2012
Shares held by holding company	No. of Shares	No. of Shares
Sakthi Auto Component Limited		
(i) Equity Shares	536,920	536,920
(ii) 1% Redeemable Non-Cumulative Preference Shares	200,000	200,000
(iii) 10% Redeemable Non-Cumulative Preference Shares	2,355,430	2,355,430



NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2013	As at 31.03.2012
(NOTE No. 1 Contd.)		
D. List of shareholders holding more than 5%		
	No. of Shares	No. of Shares
Equity Shares		
(i) Sakthi Auto Component Limited (Holding Company)	536,920	536,920
(ii) S. Jeevanantham	437,200	437,200
(iii) S. Mohanraj	61,740	61,740
Preference Shares		
1% Redeemable Non - Cumulative		
Preference Shares of Rs. 10 each		
Sakthi Auto Component Limited (Holding Company)	200,000	200,000
10% Redeemable Non - Cumulative		
Preference Shares of Rs. 10 each		
Sakthi Auto Component Limited (Holding Company)	2,355,430	2,355,430
NOTE No. 2		
		(Rs. in Lakhs)
RESERVES AND SURPLUS		
a) Preference Shares Redemption Reserve		
Balance as per last Balance sheet	76.00	57.00
Add : Transfer from Surplus	19.00	19.00
	95.00	76.00
b) Securities Premium account		
Balance as per last Balance Sheet	89.59	89.59
	89.59	89.59
c) Surplus		
Balance as per last Balance Sheet	670.51	525.21
Add : Net Profit / (Loss) after tax	126.07	164.30
Less : Transfer to Preference shares redemption reserve	19.00	19.00
	777.58	670.51
TOTAL	962.17	836.10



NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2013	(Rs. in Lakhs) As at 31.03.2012
NOTE No. 3		
LONG TERM BORROWINGS		
a) Term Loans		
Secured Loans		
From Banks	19.04	113.07
	19.04	113.07
Unsecured Loans		
From Banks	127.07	285.58
From Other Parties	14.37	56.43
	141.44	342.01
	160.48	455.08
b) Loans and advances from related parties (For details, please refer note no. 27)	59.32	59.32
c) Long term maturities of finance lease obligations	366.56	212.18
TOTAL	586.37	726.58
NATURE OF SECURITY AND OTHER TERMS OF LONG TERM SECURED BORROWINGS :		
A. SECURED LOANS FROM BANKS		
Nature of Security	Terms of Repayment	
a. Term Loan amounting to Rs. Nil (Rs. 2.10 lakhs)	}	35 equal monthly installments beginning from October 2010.
b. Term Loan amounting to Rs. Nil (Rs. 9.75 lakhs)		
c. Term Loan amounting to Rs. 2.27 lakhs (Rs. 28.85 Lakhs)	}	43 equal monthly installments beginning from October 2010.
d. Term Loan amounting to Rs. 1.78 lakhs (Rs. 25.84 Lakhs)		
e. Term Loan amounting to Rs. 14.99 lakhs (Rs. 46.53 Lakhs)		48 equal monthly installments beginning from October 2010.
The above loans are secured by :		
Equitable mortgage of the Company's immovable properties and are primarily secured by exclusive charge on the plant & machinery, equipments and other fixed assets.		
Personal guarantee by the Managing Director and Joint Managing Director and corporate gurantee by the holding company.		



NOTES TO FINANCIAL STATEMENTS

(Note No. 3 contd.)

B. UNSECURED LOANS FROM BANKS :

Nature of Security	Terms of Repayment
1. Loan amounting to Rs. 118.00 lakhs (Rs. 221.38 Lakhs) is secured by one specific asset of the holding company.	84 equal monthly installments beginning from May 2009 after initial moratorium period of 5 months.
2. Loans amounting to Rs. 9.07 Lakhs (Rs. 28.72 Lakhs) is secured by demand promissory note.	36 equal monthly installments beginning from January 2012.
3. Loans amounting to Rs. Nil Lakhs (Rs. 4.22 Lakhs) is secured by demand promissory note.	36 equal monthly installments beginning from September 2009.
4. Loans amounting to Rs. Nil (Rs. 31.26 Lakhs) is secured by demand promissory note.	24 equal monthly installments beginning from January 2012.
5. Guarantees given by Directors / Others :	
a) Loan amounting to Rs. 118.00 lakhs (Rs. 221.38 lakhs) is guaranteed by the Chairman & Managing Director of the holding company.	
b) Loan amounting to Rs. 9.08 lakhs (Rs. 64.20 lakhs) is guaranteed by the Managing Director and Joint Managing Director.	

UNSECURED LOANS FROM OTHER PARTIES

1. Loans amounting to Rs. 13.47 Lakhs (Rs.38.12 lakhs)	36 equal monthly installments beginning from February 2012.
2. Loans amounting to Rs. 0.90 Lakhs (Rs.18.31 lakhs)	36 equal monthly installments beginning from May 2011.
3. Guarantees given by Directors :	
Loans amounting to Rs. 14.37 Lakhs (Rs. 56.43 lakhs) are guaranteed by the Managing Director and Joint Managing Director.	

C. FINANCE LEASE OBLIGATIONS

1. HP Vehicle loans amounting to Rs.1.64 Lakhs (Rs.13.64 Lakhs) are secured by hypothecation of vehicles so financed.	Repayable in 36 Monthly Installments.
2. HP Machinery loans amounting to Rs.119.52 Lakhs (Rs.198.54 Lakhs) are secured by hypothecation of machineries so financed.	Repayable in 48 Monthly Installments.
3. HP Machinery loan amounting to Rs.114.25 Lakhs (Nil) is secured by hypothecation of machineries so financed.	Repayable in 60 Monthly Installments.
4. HP Machinery loan amounting to Rs.131.15 Lakhs (Nil) is secured by hypothecation of machineries so financed.	Repayable in 84 Monthly Installments.
5. Guarantee given by Directors :	
Loans amounting to Rs. 366.56 lakhs (Rs. 212.18 lakhs) are guaranteed by the Managing Director and Joint Managing Director.	



NOTES TO FINANCIAL STATEMENTS

		(Rs. in Lakhs)	
		As at 31.03.2013	As at 31.03.2012
NOTE No. 4			
OTHER LONG TERM LIABILITIES			
Other Payables		781.10	605.94
TOTAL		781.10	605.94
NOTE No. 5			
LONG TERM PROVISIONS			
Provision for employee benefits		23.16	17.71
TOTAL		23.16	17.71
NOTE No. 6			
SHORT TERM BORROWINGS			
Loans repayable on Demand			
Secured Loans			
From Banks		916.34	815.42
From Other Parties		506.11	258.99
		1422.45	1074.41
Unsecured Loans			
From Banks		202.49	202.45
From Other Parties		0.00	114.91
		202.49	317.36
TOTAL		1624.94	1391.77
NATURE OF SECURITY FOR SHORT TERM SECURED BORROWINGS :			
(i) SECURED LOANS FROM BANKS			
1. Working capital facility of Rs. 778.74 Lakhs (Rs. 668.98 Lakhs)			
2. Letter of Credit facility of Rs. 137.60 Lakhs (Rs. 146.44 Lakhs)			
The above facilities are secured by :			
a) First charge by way of hypothecation of finished goods, raw materials, stock in process and stores and spares of the company.			
b) Equitable mortgage of the company's immovable properties and exclusive charge on the plant and machinery, equipments and other fixed assets.			
c) Personal guarantee by the Managing Director and Joint Managing Director and corporate guarantee by the Holding Company.			



NOTES TO FINANCIAL STATEMENTS

(Rs. in Lakhs)
As at **As at**
31.03.2013 **31.03.2012**

(ii) SECURED LOANS FROM OTHER PARTIES

Sale Bill factoring facility of Rs. 506.11 Lakhs (Rs. 258.99 Lakhs) is secured by :

- a) Assignment of supply bills discounted
- b) Second charge on all present and future current assets, stock in trade, book debts, outstandings, monies receivables, claims and bills which are now due and owing or which may at any time hereafter during the continuance of this security become due and owing to the company in course of its business by its Debtors.
- c) Personal guarantee by the Managing Director and Joint Managing Director of the Company and corporate company by the Holding Company.

(iii) UNSECURED LOAN FROM BANKS

Overdraft facility of Rs. 202.49 Lakhs (Rs. 202.45 Lakhs) availed is secured by one specific asset of a promoter company and personal guarantee of the Chairman & Managing Director of the Holding Company.

(iv) UNSECURED LOAN FROM OTHER PARTIES

Sale Bill factoring facility amounting to Nil (Rs. 114.91 Lakhs) is guaranteed by the Managing Director and Joint Managing Director and corporate guarantee of the Holding Company.

NOTE No. 7

OTHER CURRENT LIABILITIES

Current maturities of long term debts	203.18	103.32
Current maturities of finance lease obligations	138.14	103.19
Interest accrued and due on borrowings	9.39	6.48
Other Payables :		
Statutory remittance	126.68	119.01
Advance from customers	0.00	30.00
Other liabilities	415.79	338.36
TOTAL	893.18	700.36

NOTE No. 8

SHORT TERM PROVISIONS

Provision for employee benefits	3.47	6.71
Provision for Taxation	37.08	44.77
TOTAL	40.55	51.48

NOTES TO FINANCIAL STATEMENTS



NOTE No. 9

TANGIBLE ASSETS

(Rs. in Lakhs)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	AS ON 01.04.2012	ADDITIONS	OTHER ADJUST- MENTS	DISPOSALS	AS ON 31.03.2013	UPTO 31.03.2012	FOR THE YEAR	WITH -DRAWN	UPTO 31.03.2013	AS ON 31.03.2013	AS ON 31.03.2012
Land	27.18	-	-	-	27.18	-	-	-	-	27.18	27.18
Buildings	468.62	28.49	-	-	497.11	82.81	16.00	-	98.81	398.30	385.81
Plant and equipment	2543.35	274.10	-	-	2817.46	634.84	138.87	-	773.71	2043.75	1908.52
Furniture and fixtures	22.32	-	-	-	22.32	13.06	1.41	-	14.47	7.85	9.26
Vehicles	102.46	-	-	-	102.46	30.01	9.09	-	39.10	63.36	72.45
Office equipment	82.77	6.66	-	-	89.43	62.86	9.56	-	72.42	17.01	19.91
Electrical fittings	130.32	17.42	-	-	147.74	49.99	7.16	-	57.16	90.58	80.32
TOTAL	3377.01	326.68	-	-	3703.69	873.57	182.10	-	1055.67	2648.02	2503.44
Work in Progress	110.69	235.16	244.23	-	101.62	-	-	-	-	101.62	110.69
TOTAL FOR THE YEAR	3487.71	561.83	244.23	-	3805.31	873.57	182.10	-	1055.67	2749.64	2614.14
TOTAL FOR THE PREVIOUS YEAR	2955.43	668.47	131.92	4.27	3487.71	708.52	166.71	1.67	873.56	2614.15	2246.91



NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2013	(Rs. in Lakhs) As at 31.03.2012
NOTE No. 10		
LONG TERM LOANS & ADVANCES - Unsecured , considered good		
a) Security Deposits	229.86	200.14
b) MAT Credit Entitlement	55.98	44.77
c) Loans and advances to related parties (for details, please refer note no. 27)	0.00	14.35
TOTAL	285.84	259.26
NOTE No. 11		
INVENTORIES		
a) Raw Materials Steel Scrap, CI Borings, Pig Iron and Others	209.14	349.24
b) Stock in Process Iron Castings and Industrial Valves	247.98	207.48
c) Finished Goods Iron Castings and Industrial Valves	101.51	33.36
d) Stores and Spares Stores and Spares	187.79	155.57
TOTAL	746.42	745.65
For mode of valuation please refer SI.No.4 in Significant Accounting Policies.		
NOTE No. 12		
TRADE RECEIVABLES - Unsecured, considered good		
Trade Receivables outstanding for a period exceeding six months	20.65	18.11
Trade Receivables outstanding for a period less than six months	1138.44	569.40
TOTAL	1159.08	587.51



NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2013	(Rs. in Lakhs) As at 31.03.2012
NOTE No. 13		
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents :		
Balances with banks	25.73	39.01
Cash on Hand	5.72	7.55
Margin money with banks / security against borrowings	43.94	41.48
TOTAL	75.38	88.04
NOTE No. 14		
SHORT TERM LOANS & ADVANCES - Unsecured, Considered Good		
Loans and advances to related parties (for details, please refer note no. 27)	881.84	813.45
Other Loans and Advances :		
Deposits with Government authorities	51.76	32.99
Advance Income-Tax	131.16	161.92
Advance for purchases & others	354.47	299.99
TOTAL	1419.23	1308.35



NOTES TO FINANCIAL STATEMENTS

	Year ended 31.03.2013	(Rs.in Lakhs) Year ended 31.03.2012
NOTE No. 15		
REVENUE FROM OPERATIONS		
(a) Sale of Products		
Manufactured Goods		
Iron castings	7942.52	7725.80
Industrial valves	514.80	283.76
	8457.32	8009.56
(b) Other operating revenues		
Exports Benefits	5.70	3.79
	8463.02	8013.35
Less : Excise Duty	1113.03	888.25
TOTAL	7349.99	7125.10
NOTE No. 16		
OTHER INCOME		
a) Interest Income	81.31	76.83
b) Development Costs Received	51.98	1.47
c) Other non operating Income		
(i) Sundry Balances Written Back	-	0.24
TOTAL	133.29	78.54
NOTE No. 17		
COST OF MATERIAL CONSUMED		
a) Opening Stock :		
Steel Scrap, Borings, Pig Iron & Others	349.24	180.73
b) Purchases :		
Steel Scrap, Borings, Pig Iron & Others	1751.26	1550.15
	2100.50	1730.88
c) Closing Stock :		
Steel Scrap, Borings, Pig Iron & Others	209.14	349.24
TOTAL (a+b-c)	1891.36	1381.64



NOTES TO FINANCIAL STATEMENTS

	Year ended 31.03.2013	(Rs.in Lakhs) Year ended 31.03.2012
NOTE No. 18		
CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS		
a) Opening Stock		
Finished Goods		
Iron Casting and Industrial Valves	33.37	42.79
Work in Progress		
Iron Casting and Industrial Valves	207.48	245.90
TOTAL (a)	240.85	288.69
b) Closing Stock		
Finished Goods		
Iron Casting and Industrial Valves	101.51	33.37
Work in Progress		
Iron Casting and Industrial Valves	247.98	207.48
TOTAL (b)	349.49	240.85
TOTAL (a-b)	(108.64)	47.84
NOTE No. 19		
EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	488.15	485.87
Contributions to Provident and other funds	37.81	39.82
Staff Welfare Expenses	41.58	42.70
TOTAL	567.54	568.40
NOTE No. 20		
FINANCE COSTS		
Interest Expense :		
On borrowings	397.63	335.74
Other borrowing costs	3.76	14.61
(Gain) / Loss on foreign currency transaction (net)	(4.10)	(5.56)
TOTAL	397.29	344.78



NOTES TO FINANCIAL STATEMENTS

	Year ended 31.03.2013	(Rs.in Lakhs) Year ended 31.03.2012
NOTE No. 21		
OTHER EXPENSES		
Manufacturing Expenses :		
Consumption of stores and spares	1563.36	1581.31
Power and fuel	1484.52	1313.23
Fettling and machining charges	759.83	912.47
Rent	1.70	1.76
Lease rent	42.25	45.53
Repairs to buildings	5.05	7.42
Repairs to machinery	216.65	300.63
Repairs to others	28.18	27.10
Insurance	5.81	2.64
Rates and Taxes, excluding taxes on Income	21.76	24.64
Selling and distribution expenses :		
Selling and distribution expenses	1.46	18.31
Freight & transport on finished goods	127.64	130.12
Other Administrative expenses :		
Travelling expenses	21.44	23.80
Printing, postage & telephone	15.98	18.00
Donation	0.38	0.24
Legal and professional charges	7.84	11.74
Administrative and other expenses	44.82	31.12
Bank charges	3.31	3.63
Payment to Auditor		
As Auditor	1.25	1.25
Taxation matters	0.75	0.75
Management services & others	1.50	1.10
Managerial remuneration	13.68	13.68
TOTAL	4369.17	4470.47



NOTES TO FINANCIAL STATEMENTS

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Rs. in Lakhs)

Particulars	Year ended 31 st March 2013	Year ended 31 st March 2012
22. Value of imports (including in-transit) calculated on C.I.F. basis :		
Stores and spares	11.68	9.06
Capital Goods	-	45.56

Particulars	Year ended 31 st March 2013	Year ended 31 st March 2012
23. Expenditure in Foreign currency on account of :		
Travelling Expenses	1.13	2.30

Particulars	Year ended 31 st March 2013		Year ended 31 st March 2012	
	Value	%	Value	%
24. Value of Raw Materials, Chemicals and Stores and Spares Consumed :				
Raw Materials and Chemicals :				
Imported	0.00	0.00	0.00	0.00
Indigenous	1891.36	100.00	1381.64	100.00
Total	1891.36	100.00	1381.64	100.00
Stores and Spares :				
Imported	11.68	0.75	9.06	0.57
Indigenous	1551.68	99.25	1572.25	99.43
Total	1563.36	100.00	1581.31	100.00

Particulars	Year ended 31 st March 2013	Year ended 31 st March 2012
25. Earnings in foreign currency : FOB value of exports	405.64	83.42



NOTES TO FINANCIAL STATEMENTS

26. Employee Benefits :

Gratuity and Provident Fund :

Gratuity, Provident Fund and Employees State Insurance are defined Contribution Plans. The expenses recognised in the Profit and Loss Account :

(Rs. in Lakhs)

Particulars	31.03.2013	31.03.2012
Gratuity	23.16	19.39
Provident Fund	29.13	26.95
Employees State Insurance	8.86	9.70

Disclosure report under Accounting Standard - 15 - Leave Salary

Type of Plan : Gratuity as per actuarial valuation as on 31.03.2013

(Rs. in Lakhs)

I Principal Actuarial Assumptions (Expressed as weighted average)	31.03.2013	31.03.2012
Discount Rate	8.05%	8.57 %
Salary escalation Rate	5.50%	5.50 %
Attrition Rate	2.00%	2.00 %
Expected rate of return on Plan Assets	8.05%	8.00 %

II Changes in The Present Value Of The Obligation (PVO) - Reconciliation of Opening and Closing Balances

PVO as at the beginning of the period	40.78	33.65
Interest Cost	3.28	2.87
Current Service Cost	7.22	6.84
Past Service cost (Non vested benefits)	-	-
Past Service cost (vested benefits)	-	-
Benefits paid	-	-0.34
Actuarial loss / (gain) on obligation (balancing figure)	-5.01	-2.24
PVO as at the end of the period	46.26	40.78

III Changes in The Fair Value Of The Plan Assets - Reconciliation of Opening and Closing Balances

Fair value of plan assets as at the beginning of the period	21.38	15.03
Expected return on plan assets	1.72	1.21
Contributions	-	4.00
Benefits paid	-	-0.34
Actuarial gain / (loss) on obligation (balancing figure)	-0.01	1.48
Fair value of plan assets as at the end of the period	23.09	21.38



NOTES TO FINANCIAL STATEMENTS

(Rs. in Lakhs)

Particulars	31.03.2013	31.03.2012
IV Actual Return On Plan Assets		
Expected return on plan assets	1.72	1.21
Actuarial gain / (loss) on plan assets	-0.01	1.48
Actual return on plan assets	1.71	2.69
V Actual Gain / Loss Recognized		
Actuarial gain / (loss) for the period - Obligation	-5.02	-2.24
Actuarial gain / (loss) for the period - Plan assets	0.01	-1.48
Total (gain) / Loss for the period	-5.01	-3.72
Actuarial (gain) / Loss recognized in the period	-5.01	-3.72
Unrecognised actuarial (gain) / Loss at the end of the year	-	-
VI Amounts Recognized In The Balance Sheet And Related Analyses		
Present value of the obligation	46.26	40.78
Fair value of plan assets	23.09	21.38
Difference	-23.16	-19.39
Unrecognised transitional liability	-	-
Unrecognised past service cost-non vested benefits	-	-
Liability recognised in the balance sheet	-23.16	-19.39
VII Expenses Recognised In The Statement Of Profit And Loss		
Current service cost	7.22	6.84
Interest Cost	3.28	2.87
Expected return on plan assets	-1.72	-1.21
Net actuarial (gain) / loss recognised in the year	-5.00	-3.71
Transitional Liability recognised in the year	-	-
Past service cost-non-vested benefits	-	-
Past service cost-vested benefits	-	-
Expenses recognised in the statement of profit and loss	3.77	4.78
VIII Movements In The Liability Recognised In The Balance Sheet		
Opening net liability	-19.39	-18.61
Expenses as above	-3.77	-4.78
Contribution paid	-	4.00
Closing net liability	-23.16	-19.39
IX Amount For The Current Period		
Present value of obligation	46.25	40.78
Plan Assets	23.09	21.38
Surplus (Deficit)	-23.16	-19.39
X Major Categories Of Plan Assets (as Percentage Of Total Plan Assets)	Nil	Nil



27. Related Parties Disclosure :

I. Related Parties :

a. Ultimate Holding Company

Sakthi Sugars Limited

b. Holding Company

Sakthi Auto Component Limited

c. Key Managerial Personnel (KMP)

Sri S. Jeevanantham - Managing Director

Sri S. Mohanraj - Joint Managing Director

d. Associate

J S Auto Cast Foundry India Pvt. Ltd.

Note : Information has been furnished with respect to individuals / entities with whom / which related party transactions had taken place during the year.

II. Related Parties Transactions

(Rs. in Lakhs)

Nature of Transactions	Holding Company	Ultimate Holding Company	Associate	Key Managerial personnel	Total
Purchase					
Purchase of Materials	60.66 (573.17)		140.17 (5.02)		200.83 (578.19)
Sales					
Sales of Materials	1214.71 (1896.07)	2.10 (0.72)	2.89 (13.98)		1219.70 (1910.77)
Rendering of Services					
Interest Receipts		62.38 (65.75)			62.38 (65.75)
Receiving of Services					
Purchase of Power		- (55.24)			- (55.24)
Managerial Remuneration					
Remuneration to Managing Director				7.44 (7.44)	7.44 (7.44)
Remuneration to Joint Managing Director				6.24 (6.24)	6.24 (6.24)
Balance outstanding at the end of the year					
Key Managerial Personnel (Payable)				1.03 (1.01)	1.03 (1.01)
Trade receivable					
Loans and Advances	667.03 (576.85)	214.81 (250.95)			881.84 (827.80)
Borrowing			59.32 (59.32)		59.32 (59.32)

Figures in brackets are that of the previous year



28. Earnings per Share :

Particulars	2012 - 13	2011 - 2012
Basic :		
a) Face value per share (Rs.)	10	10
b) Profit after Tax (Rs. in Lakhs)	126.07	164.29
c) The weighted average of Equity Shares	1035860	1035860
d) Earnings per Share - Basic (Rs.)	12.17	15.86
Diluted :		
a) The weighted average of Equity Shares	1035860	1035860
b) Earnings per Share - Diluted (Rs.)	12.17	15.86

29. Deferred Tax :

(Rs. in Lakhs)

Particulars	31.03.2013	31.03.2012
A. Deferred Tax Liability Arising out of depreciation of Fixed Assets (Net)	280.06	247.55

30. Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received information from vendors regarding their status under The Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosures relating to their outstanding amount and interest have not been made.

31. Disclosure pursuant to AS-28 on Impairment of Assets :

During the year, a review has been done for carrying value of the assets for finding out the impairment, if any. The review has not revealed any impairment of assets in terms of AS-28.

32. Amount incurred for lease rentals for buildings and machinery – Rs.42,25,351/- (Previous year Rs. 45,53,252/-)

Vide my Report of even date

V.Chandramouli
Chartered Accountant
M. No. 21453

S.Jeevanantham
Managing Director

S.Mohanraj
Joint Managing Director

Coimbatore
23.05.2013



SIGNIFICANT ACCOUNTING POLICIES

1. Accounting convention :

These financial statements have been prepared under the historical cost convention and on accrual basis of accounting and in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the Accounting Standards presented by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and in accordance with the provisions of the Companies Act, 1956 as adopted consistently by the company.

2. Fixed assets :

Fixed Assets are valued at cost net of CENVAT including all direct and indirect expenses relating thereto.

3. Depreciation :

Depreciation has been provided on all assets under Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

4. Inventories :

Inventories are valued at cost or the net realizable value whichever is lower increased by excise duty thereon wherever applicable. The cost is computed on weighted average basis. The cost for the finished goods and process stock is inclusive of cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

5. Employee / Retirement benefits :

- i. Provident fund : Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon, are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the Government administrated provident fund. The Company has no obligation beyond its contribution.
- ii. Gratuity : The Company accounts its Gratuity Liability for future gratuity benefits based on the actuarial valuation as at the balance sheet date using the "Projected Unit Credit method". Gratuity benefits are funded with Life Insurance Corporation of India. The actuarial gains or losses are recognized immediately in the Profit and loss account.



iii. Leave Encashment : Leave encashment is paid by the company on yearly basis to eligible employees.

6. Borrowing costs :

Borrowing costs are capitalized as part of qualifying assets when it possible that they result in future economic benefits. Other borrowing costs are expensed.

7. Leases :

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating lease and lease rentals thereon are charged to profit and loss account.

8. Transactions in Foreign Currency :

Foreign currency transactions are accounted at equivalent rupee values based on exchange rates prevailing on the date of transaction. The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization is transferred to Statement of Profit and Loss.

9. Deferred tax liability

In accordance with AS-22 the Deferred Tax Liability arising out of timing difference has been recognized by the company and accounted for.

10. Impairment of Assets :

Impairment, if any, is recognized in accordance with the Accounting Standard 28.

