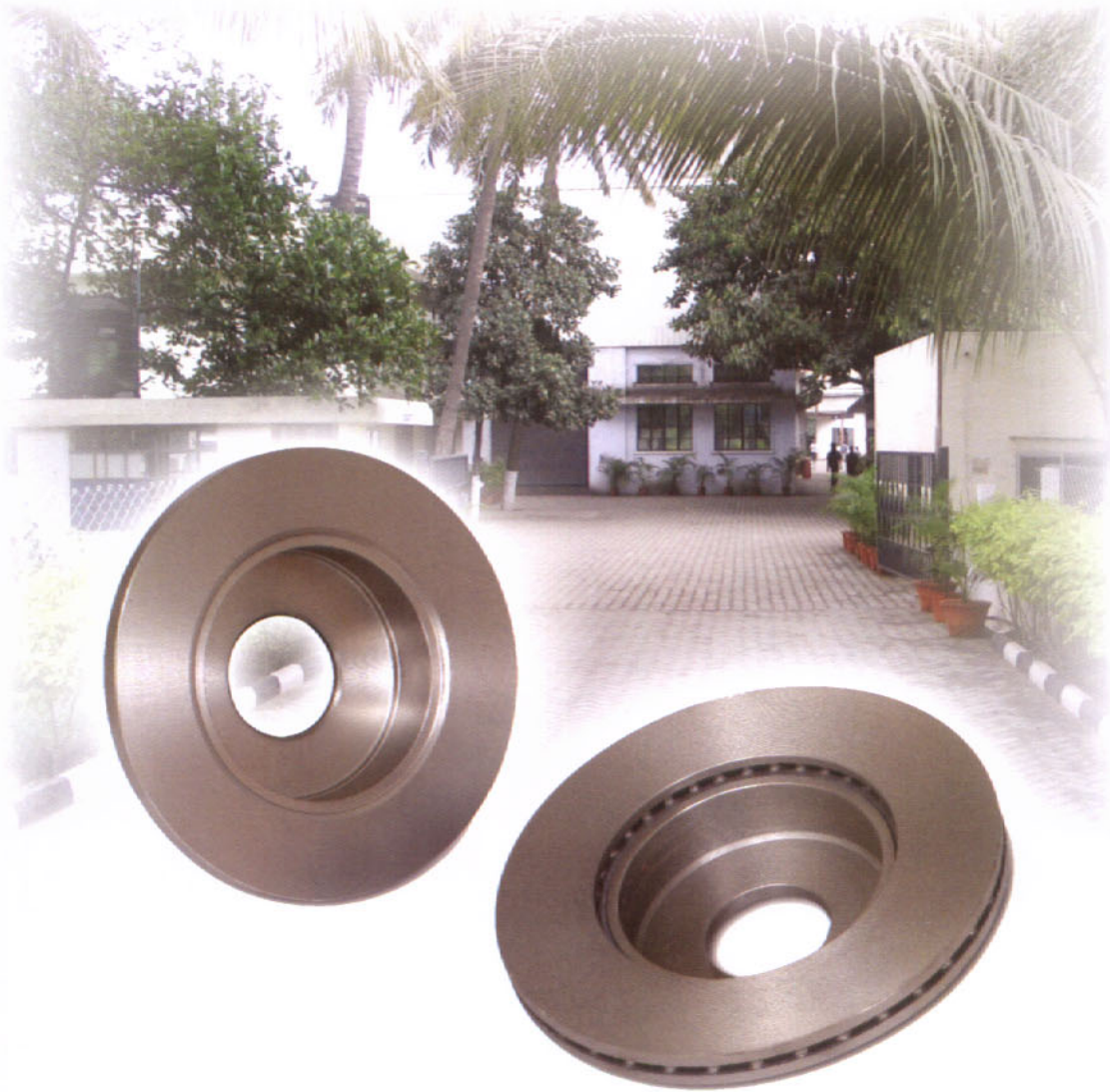
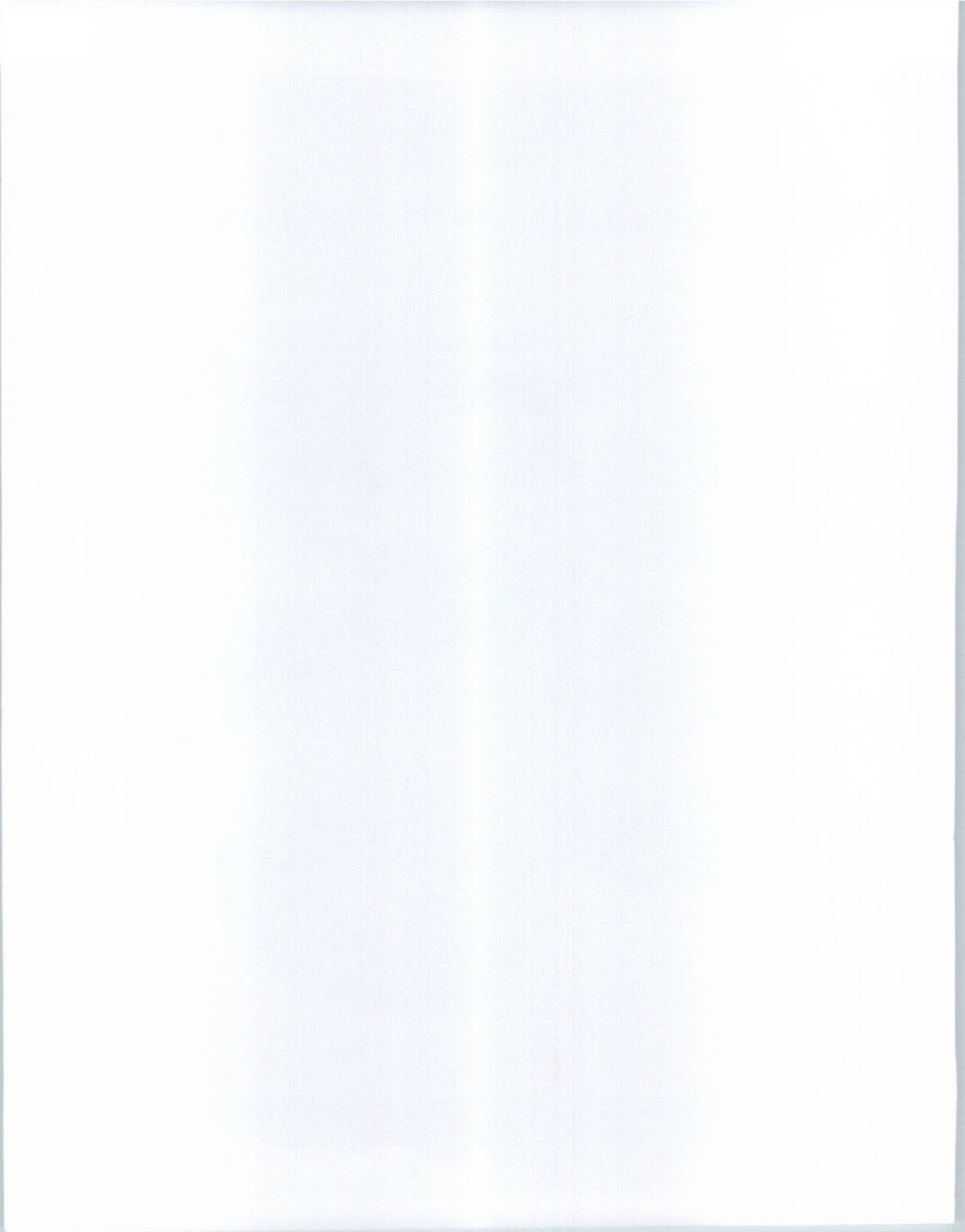




Sakthi Auto Ancillary Private Limited



ANNUAL REPORT 2011





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 12th Annual General Meeting of the Company will be held at its Registered Office at Idigarai Road, N.G.G.O. Colony, Coimbatore –641022, on Thursday, the 18th August 2011 at 11.00 A.M. to transact the following business:

1. To consider and adopt the audited Profit & Loss Account for the year ended 31st March 2011 and audited Balance Sheet as at that date and the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in the place of Sri.S.Baskar, 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 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 reappointment of Sri S.Jeevanantham as Managing Director of the Company for a period 5 years from 6th June 2011 and for payment of the following remuneration and perquisites:

- I. Salary
Rs. 60,000/- (Rupees Sixty thousand only) per month
- II. Perquisites
 - a) Contribution to Provident Funds to the extent not taxable under the Income Tax Act.
 - b) Gratuity at the rate of half a month salary for each completed year of service.
 - c) Encashment of leave at the end of tenure as per the Rules of the Company.

The above salary and perquisites will 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 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 reappointment of Sri S. Mohanraj as Joint Managing Director of the Company for a period 5 years from 6th June 2011 and for payment of the following remuneration and perquisites:

I. Salary

Rs. 50,000/- (Rupees Fifty thousand only) per month

II. Perquisites

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

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

By order of the Board

Coimbatore

23.05.2011

(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.

Sakthi Auto Ancillary Private Limited

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

Item Nos. 4 to 5

Mr.S.Jeevanantham and Mr.S.Mohanraj are the Managing Director and Joint Managing Director of the Company respectively and the tenure of their office expires on 05.06.2011. Considering their contribution in the development of the Company, the Board of Directors of the Company has re-appointed Mr.S.Jeevanantham as Managing Director and Mr.S.Mohanraj as Joint Managing Director for a further period of five years from 6th June 2011, subject to the approval of the members of the Company. Necessary resolutions setting out the terms of their reappointments are given in the Notice for approval of the members.

Mr.S.Jeevanantham and Mr.S.Mohanraj are related to each other and are deemed to be concerned or interested in the resolutions as they relate to their appointments and payment of remuneration.

Sri.S.Subramaniam, Director is interested as their relative.

By order of the Board

Coimbatore

(S. Jeevanantham)

23.05.2011

Managing Director



REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31.03.2011

To the Members

Yours Directors present their 12th Annual report together with the audited financial accounts of the Company for the year ended 31st March 2011.

FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2011

		(Rs.in lakhs)
Profit before interest and depreciation		664.02
Less : Interest Charges	316.03	
Depreciation on fixed Assets / Amortisation	<u>166.27</u>	<u>482.30</u>
Profit before tax		181.72
Less : Provision for Deferred tax		45.59
Profit after tax		<u>136.13</u>
Add : Surplus brought forward from previous year		408.08
Less : Transfer to Preference shares redemption reserve		<u>19.00</u>
Balance surplus carried over to Balance Sheet		<u>525.21</u>

OPERATIONS

During the year under review, your Company has achieved a gross turnover of Rs.8498.26 lakhs for the year ended 31.03.2011 consisting of fifteen months. There is a gradual increase in the production and the market for the casting, particularly for the auto components, is good. Your Company is maintaining consistency in quality and taking all possible efforts to contain cost. Your Directors are optimistic that the Company would achieve a better working result in the current year.

AUDITORS

Sri.V.Chandra Mouli, Statutory Auditor of the Company, retires at the conclusion of the ensuing Annual General Meeting and is eligible for reappointment.

DIRECTORS

Sri. S. Baskar, Director, retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

The term of office of Sri.S.Jeevanantham as Managing Director and Sri.S.Mohanraj as Joint Managing Director expires on 5th June 2011. The Board of Director of the Company has reappointed them as Managing Director and Joint Managing Director respectively for a further period of 5 years from 6th June 2011, subject to the approval of the members in the General Meeting.

Sakthi Auto Ancillary Private Limited

CONSERVATION OF ENERGY

- a) Energy Conservation measures taken
Installed two Automatic Power Factor Controller.
- 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.
Considerable power saving achieved.

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.

SECRETARIAL REPORT

A copy of the certificate from Mr.R.Dhanasekaran, 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.
- d) That the annual accounts for the year ended 31st March 2011 had been prepared on a going concern basis.

ACKNOWLEDGEMENT

Your Directors wish to place on records 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
23.05.2011

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



**ANNEXURE 1 TO THE DIRECTORS REPORT FOR
THE FINANCIAL YEAR ENDED 31ST MARCH 2011**

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 }
 - c) Total } Nil
 - d) 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 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 therefor 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.154.83 Lakhs. Efforts are being taken to increase the export volume.

(Rs. In lakhs)

2. Total foreign exchange used and earned :

Foreign exchange earned during the year	154.83
---	--------

Outgo:

1. Subscription and Membership		Nil
2. Import of		
a. Capital goods	11.97	
b. Raw materials	Nil	
c. Spares and Repairs	11.42	23.39
3. Foreign Travel		Nil
4. Royalty		Nil
Total		<u>23.39</u>

Coimbatore
23.05.2011

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



AUDITOR'S REPORT TO THE MEMBERS

I have audited the attached Balance Sheet of **SAKTHI AUTO ANCILLARY PRIVATE LIMITED, IDIGARAI ROAD, N.G.G.O. COLONY, COIMBATORE - 641 022** as at **31st MARCH, 2011** and also the Profit & Loss Account for the 15 months period ended 31.03.2011 annexed thereto and Cash Flow Statement for the 15 months period ended 31.03.2011. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, I enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to my comments in the annexure referred to in paragraph 1 above, I report that :
 - i) 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.
 - ii) In my opinion, proper books of accounts as required by law have been kept by the Company so far as appears from my examination of those Books.
 - iii) The Profit & Loss Account, Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of Account.
 - iv) In my opinion the Profit & Loss Account, Balance Sheet and Cash Flow Statement dealt with by this report comply with the accounting standards referred in sub section (3C) of section 211 of the Companies Act, 1956.

Sakthi Auto Ancillary Private Limited

- v) On the basis of written representations received from the directors and taken on record by the Board of Directors, I further report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- vi) In my opinion and to the best of my information and according to the explanations given to us, the said accounts read together with the significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) In so far as it relates to Balance Sheet, of the State of affairs of the company as at **31st March, 2011**;
- (b) In so far as it relates to Profit & Loss Account, of the " **PROFIT** " for the 15 months period ended 31.03.2011; and
- (c) In so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the 15 months period ended 31.03.2011.

Place : Coimbatore

(V. Chandramouli)

Date : 23.05.2011

Chartered Accountant

M. No. 21453



ANNEXURE TO AUDITOR'S REPORT

As required by the Companies (Auditor's Report) Order, 2003 and according to the information and explanations given to me during the course of the audit and on the basis of such checks as were considered appropriate, we report that:

01. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) The fixed assets were physically verified by the Management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
c) The Company has not disposed off substantial part of fixed assets during the year.
02. a) The inventories have been physically verified by the management at regular intervals during the year.
b) The procedures followed by the management for physical verification of inventory are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) In my opinion the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification of inventory as compared to the book records.
03. a) The Company has not taken any loans secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
b) The Company has granted unsecured loan to Holding Company. The terms and conditions of such loan are not prejudicial to the interest of the company. The repayment obligations are being met by the Holding Company regularly.
04. In my opinion the Company has an adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods. During the course of my audit I have not observed major weaknesses in internal controls.
05. (a) To the best of my knowledge and belief, and according to the information and explanations given to me, I am of the opinion that the transactions that need to be entered in to the register in pursuance of section 301 of the Companies Act, 1956 have been so entered.

Sakthi Auto Ancillary Private Limited

- (b) In my opinion and according to the information and explanations, such transactions have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.
06. The Company has not accepted any deposits under the provisions of sections 58A of the Companies Act, 1956 and the rules framed there under.
 07. In my opinion the Company has an adequate Internal Audit System commensurate with the size and nature of business.
 08. The Central Government has not prescribed the maintenance of cost records by the Company under Section 209 (1) (d) of the Companies Act, 1956 for any of its products.
 09. According to the records of the Company, undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Customs Duty, Excise Duty, Cess and other statutory dues, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at **31st March, 2011** 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 **31st March, 2011**. The Company did not incur any cash loss during the previous year ended 31.12.2009 and for the 15 months period ended **31st March, 2011**.
 11. The Company has not defaulted in repayment of dues to financial institution, bank or debenture holders.
 12. The Company has not granted any loans and advances on the basis of securities in the nature of shares, debentures or other securities.
 13. The Company does not come under the provisions of any Special Statute applicable to Chit Fund, Nidhi / Mutual Benefit Fund / Society.
 14. The Company does not deal or trade in shares, securities, debentures or other securities.
 15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
 16. The Company has applied the term loans for the purpose for which the loans were obtained.



17. The Company has not used short-term funds for long-term investment and vice versa.
18. During the year, the Company has not made any preferential allotment of shares to companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not made any public issue during the year.
21. On the basis of examination of books of account, and information and explanation given to us, no fraud, on or by the Company, has been noticed or reported during the year.

Place : Coimbatore

Date : 23.05.2011

(V. Chandramouli)

Chartered Accountant

M. No. 21453

Sakthi Auto Ancillary Private Limited

FORM

[See Rule 3 of The Companies (Compliance Certificate) Rules, 2001]

COMPLIANCE CERTIFICATE

To

The Members,
Sakthi Auto Ancillary Private Limited
Idigarai Road, N G G O Colony,
Coimbatore - 641022

CIN : U29199TZ1998PTC008320

Authorized Capital : Rs. 4,75,00,000

Paid-Up Capital : Rs. 3,59,12,900

Financial Year ended : 31.03.2011

I have examined the registers, records, books and papers of the **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 on 31st March, 2011 (01.01.2010 to 31.03.2011). In my opinion and to the best of my information and according to the examinations carried out by me 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 registers as stated in Annexure 'A' to this certificate as per the provisions and the rules made thereunder and all entries thereon have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies.
3. The company being private limited company has the minimum prescribed paid-up capital and its maximum number of members during the said financial year was 3 (Three) excluding its present and past employees and the company during the year under scrutiny:
 - (i) has not invited public to subscribe for its shares or debentures and
 - (ii) has not invited or accepted any deposits.
4. The Board of Directors duly met 8(Eight) times respectively on 17.03.2010, 15.06.2010, 08.09.2010, 29.10.2010, 24.11.2010, 06.01.2011, 18.02.2011 and 11.03.2011 in respect of which meetings



proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose.

5. The company was not required to close its Register of Members during the financial year
6. The Annual General Meeting for the financial year ended 31.12.2009 was held on 26.04.2010 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the minutes book maintained for the purpose.
7. No Extra Ordinary General Meeting of the company was held during the financial year.
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. Except the provisions relating to approval of the Regional Director, the Company has complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The company has made necessary entries in the register maintained under Section 301 of the Act
11. As there were no instances during the financial year, 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 :
 - a. was not required to deliver any share certificates as there was no allotment / transfer / transmission of equity shares during the financial year.
 - b. was not required to deposit any amount in a separate bank account as no dividend was declared during the financial year.
 - c. was not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - d. has no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued thereon which have remained unclaimed or unpaid for a period of seven years, hence the question of transfer of the same to Investor Education and Protection Fund does not arise.
 - e. has generally complied with the requirements of section 217 of the Act.

Sakthi Auto Ancillary Private Limited

14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors, and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/Whole-time Director / Manager during the financial year.
16. The company has not appointed any sole selling agents during the financial year.
17. Except the approval from Regional Director under section 297 of the Act, the company was not required to obtain any approvals of the Central Government, Company Law Board, 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 thereunder.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year ending 31.03.2011.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company, being a private limited company, has not invited/accepted deposits from public within the meaning of Section 58A and rules framed thereunder during the financial year.
24. The amounts borrowed by the company from directors, members, public, financial institutions, banks and others during the financial year ended 31.03.2011 are within the borrowing limits of the company.
25. The company has made loan to a body corporate in compliance with the provisions of the Act, and has made necessary entries in the register kept for the purpose.
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 year under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.



29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its Articles of Association during the financial year.
31. According to the information provided to me there was / were no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The company has not received any amount as security from its employees during the financial year.
33. The company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under section 418 of the Companies Act, 1956.

Place : Coimbatore
Date : 19.05.2011

(CS. R. Dhanasekaran)
Company Secretary in Practice,
ACS 21145 / CP 7745

ANNEXURE - A

Name of the Company : Sakthi Auto Ancillary Private Limited
CIN : U29199TZ1998PTC008320
Financial Year ended : 31.03.2011
Registers as maintained by the Company

Sl. No.	Sections under the Companies Act, 1956	Name of the Register
1.	143	Register of Charges
2.	150	Register of Members
3.	163	Registers and Returns
4.	193	Minutes Books Board/General Meetings
5.	301	Register of contracts, companies and firms in which directors are interested
6.	303	Register of Directors
7.	307	Register of Directors' Shareholding

Sakthi Auto Ancillary Private Limited

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 31st March, 2011.

a) Forms and Returns filed with Registrar of Companies

Sl. No.	Form No./ Return	Filed Under Section	Description of the Form	SRN and date	Whether filed within prescribed time	If delay in filing whether requisite additional fee paid
1.	8	135	Registration of Modification of charge	B01223924 21.12.2010	No	Yes
2.	8	135	Registration of Modification of charge	B01248632 22.12.2010	No	Yes
3.	8	125	Registration of Creation of charge	B02143089 03.01.2011	No	Yes
4.	23AC and 23 ACA	220	Balance Sheet as at 31.12.2009 and Profit and Loss A/c for the Financial year ended 31.12.2009	P48569875 07.07.2010	No	Yes
5.	20B	159	Annual Return made upto 26.04.2010	P48569958 07.07.2010	No	Yes

b) Forms and Returns filed with Regional Director : Nil

c) Forms and Returns filed with Central Government or other authorities : Nil

Place : Coimbatore

Date : 19.05.2011

(CS. R. Dhanasekaran)

Company Secretary in Practice,

ACS 21145 / CP 7745



SAKTHI AUTO ANCILLARY PRIVATE LIMITED
Balance Sheet as at 31.03.2011

	Schedule No.	As at 31.03.2011	As at 31.12.2009
I SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	359.13	359.13
b) Reserves and Surplus	2	671.80	535.67
		<u>1030.93</u>	<u>894.80</u>
2. Deferred tax liability		188.04	142.45
3. Loan Funds			
(a) Secured Loans	3	1636.06	1608.56
(b) Unsecured Loans	4	295.43	192.35
		<u>1931.49</u>	<u>1800.91</u>
Total of 1 to 3		<u>3150.46</u>	<u>2838.16</u>
 II APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block		2789.37	2316.31
b) Less: Depreciation		<u>708.52</u>	<u>555.75</u>
		2080.85	1760.56
c) Add : Capital Work in Progress		<u>166.06</u>	<u>96.12</u>
Net Block	5	<u>2246.91</u>	<u>1856.68</u>
2. (I) Current assets, loans and advances			
a) Inventories	6	644.07	504.47
b) Sundry Debtors	7	1381.63	903.87
c) Cash and Bank Balances	8	54.06	24.91
d) Loans and Advances	9	<u>670.86</u>	<u>821.90</u>
		<u>2750.62</u>	<u>2255.15</u>
Less:			
(ii) Current Liabilities and Provisions	10	1847.07	1273.67
Net Current Assets (I) - (ii)		<u>903.55</u>	<u>981.48</u>
Total of 1 to 2		<u>3150.46</u>	<u>2838.16</u>

Schedules 1 to 10 and Notes in Schedules 19 and 20 form part of this Balance Sheet

As per my Report of even date

V.Chandramouli
Chartered Accountant
M. No. 21453

S.Jeevanantham
Managing Director

S.Mohanraj
Joint Managing Director

Coimbatore
23.05.2011

Sakthi Auto Ancillary Private Limited

SAKTHI AUTO ANCILLARY PRIVATE LIMITED Profit and Loss Account for the Period 01.01.2010 to 31.03.2011

	Schedule	Figures for the	
		Current Year ended 31.03.2011 (15 Months)	Previous year ended 31.12.2009 (12 Months)
(Rs. in Lakhs)			
I. INCOME			
Sales (net of returns)	11	8498.26	4,800.01
Less : Excise duty		<u>979.77</u>	<u>497.30</u>
		7518.49	4,302.71
Interest (TDS Rs.10.15 lakhs)		88.98	75.82
Other Income	12	11.15	3.61
Stock Adjustment	13	<u>88.24</u>	<u>31.24</u>
		<u>7706.86</u>	<u>4,413.38</u>
II. EXPENDITURE			
Steel Scrap, Pig Iron Consumed			
i) Opening Stock		214.44	135.36
ii) Purchases		<u>1453.30</u>	<u>948.95</u>
		1667.74	1,084.31
Less : Closing stock		<u>180.73</u>	<u>214.44</u>
		1487.01	869.87
Manufacturing Expenses	14	4803.02	2,661.53
Salaries, wages and other employees benefits	15	483.66	231.68
Interest and Finance Charges	16	316.03	255.97
Selling Expenses	17	155.53	97.96
Any other Expenses	18	113.62	70.62
Depreciation		<u>166.27</u>	<u>108.84</u>
		<u>7525.14</u>	<u>4,296.47</u>
III. PROFIT BEFORE TAX		181.72	116.91
Less : Provision for Income tax - Current	33.10		
Less : MAT Credit	33.10	-	-
Provision for Income tax - Deferred		45.59	20.18
PROFIT AFTER TAX		136.13	96.73
Balance surplus B/f from Previous year		408.08	330.35
Less : Transfer to Preference Shares Redemption Reserve		<u>19.00</u>	<u>19.00</u>
Balance surplus carried over to Balance sheet		<u>525.21</u>	<u>408.08</u>

Schedules 11 to 18 and Notes in Schedules 19 and 20 form part of this Profit and Loss Account

As per my Report of even date

V.Chandramouli
Chartered Accountant
M. No. 21453

S.Jeevanantham
Managing Director

S.Mohanraj
Joint Managing Director

Coimbatore
23.05.2011



Sakthi Auto Ancillary Private Limited
Schedules forming part of the Accounts

	As at 31.03.2011	As at 31.12.2009
(Rs.In Lakhs)		
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
1,250,000 Equity Shares of Rs.10 each	125.00	125.00
3,500,000 Redeemable Non-cumulative Preference Shares of Rs.10 each	350.00	350.00
	<u>475.00</u>	<u>475.00</u>
Issued, subscribed and fully paid up		
1,035,860 Equity Shares of Rs.10 each	103.59	103.59
200,000 1% Redeemable Non-cumulative Preference Shares of Rs.10 each	20.00	20.00
2,355,430 10 % Redeemable Non-cumulative Preference Shares of Rs.10 each	235.54	235.54
	<u>359.13</u>	<u>359.13</u>
SCHEDULE 2 : RESERVES AND SURPLUS		
a) Preference Shares Redemption Reserve		
Balance as per last Balance Sheet	38.00	19.00
Add: Created during the year	19.00	19.00
	<u>57.00</u>	<u>38.00</u>
b) Share Premium Account	89.59	89.59
c) Surplus - Profit and Loss Account	525.21	408.08
	<u>671.80</u>	<u>535.67</u>
SCHEDULE 3 : SECURED LOANS		
LOANS AND ADVANCES:		
FROM BANKS		
(a) Term Loan	571.61	677.45
Interest accrued and due on the above	6.88	4.23
(b) Hypothecation Loans for working capital	1039.23	914.81
Interest accrued and due on the above	2.51	2.19
FROM OTHERS		
Hire Purchase loan	15.67	9.82
Interest accrued and due on the above	0.16	0.06
	<u>1,636.06</u>	<u>1,608.56</u>
SCHEDULE 4 : UNSECURED LOANS		
Other Loans and Advances		
From Others	295.43	192.35
TOTAL	<u>295.43</u>	<u>192.35</u>

Sakthi Auto Ancillary Private Limited

**SCHEDULE - 5
FIXED ASSETS**

(Rs. in Lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 01.01.2010	ADDITIONS	DELETIONS	AS ON 31.03.2011	UP TO 01.01.2010	FOR THE YEAR	WITH -DRAWN	AS ON 31.03.2011	31.03.2011	31.12.2009
1. LAND	21.88	5.30	-	27.18	-	-	-	-	27.18	21.88
2. BUILDINGS	338.44	37.95	-	376.39	54.46	14.69	-	69.15	307.24	283.98
3. PLANT AND MACHINERY	1722.51	387.16	23.00	2086.67	391.99	124.49	9.00	507.48	1579.19	1330.52
4. ELECTRICAL INSTALLATIONS	89.08	31.51	-	120.62	34.86	8.35	-	43.21	77.41	54.22
5. OFFICE EQUIPMENTS	65.72	7.47	-	73.19	45.58	8.90	-	54.48	18.71	20.14
6. FURNITURE AND FIXTURES	20.47	-	-	20.47	10.08	1.62	-	11.70	8.77	10.39
7. MOTOR VEHICLES	58.21	35.24	8.60	84.85	18.78	8.22	4.50	22.50	62.35	39.43
Total	2316.31	504.66	31.60	2789.37	555.75	166.27	13.50	708.52	2080.85	1760.56
Capital Work in Progress	96.12	304.17	234.23	166.06					166.06	96.12
Total for the year	2412.43	808.83	265.83	2955.43	555.75	166.27	13.50	708.52	2246.91	1856.68
Total for the previous year	2184.97	345.40	117.94	2412.43	448.05	108.84	1.14	555.75	1856.68	1736.92



	As at 31.03.2011	As at 31.12.2009
	(Rs. In Lakhs)	
SCHEDULE 6 : INVENTORIES		
Stores and spares & others	174.65	89.58
STOCK - IN - TRADE		
i) Finished Goods:		
Iron Castings	22.55	10.31
Industrial Valves	20.24	23.31
ii) Raw materials		
Pig Iron, Steel scrap, Borings etc.	180.73	214.44
iii) Stock in process:-		
Iron Castings in Process	199.34	131.38
Industrial valves in Process	46.56	35.45
	<u>644.07</u>	<u>504.47</u>
SCHEDULE 7 : SUNDRY DEBTORS		
Unsecured - considered good:		
i) Debts outstanding for a period exceeding six months		
	18.60	17.68
ii) Other debts		
(a) Due from Holding Company	884.15	266.57
(b) Others	478.88	619.63
	<u>1381.63</u>	<u>903.87</u>
SCHEDULE 8 : CASH AND BANK BALANCES		
Cash on Hand	2.66	2.28
Bank Balances		
Balances with Scheduled Banks		
On Current Accounts	12.28	6.51
On Deposit Account	39.12	16.12
	<u>54.06</u>	<u>24.91</u>
SCHEDULE 9 : LOANS AND ADVANCES		
(Unsecured - Considered good - recoverable in cash or kind)		
Advance to - Holding Company	69.48	463.54
Advance for Purchase & Others	253.55	118.33
Advance for Capital Expenditure	56.14	18.90
Income tax and Tax Deducted at Source	141.42	69.92
Deposits with Central Excise, Electricity Department etc.	150.27	151.21
	<u>670.86</u>	<u>821.90</u>
SCHEDULE 10 : CURRENT LIABILITIES AND PROVISIONS		
a. Current Liabilities		
Sundry Creditors		
Due to Micro, Small and Medium Enterprises (Refer Note No. 13 in Schedule 19)		
Liabilities for purchase, expenses & others (Other than Micro, Small and Medium Enterprises)	1706.87	1165.21
Liability for Capital Expenses	117.83	82.17

Sakthi Auto Ancillary Private Limited

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2011	As at 31.12.2009
	(Rs.in Lakhs)	
b. Provisions :		
Provision for Income tax	-	14.80
Provision for Employee Benefits	18.60	8.80
Provision for Provident Fund	3.77	2.69
	1847.07	1273.67

	year ended 31.03.2011 (15 Months)	Year ended 31.12.2009 (12 Months)
	(Rs.in lakhs)	

SCHEDULE - 11

SALES *

Iron castings	8144.88	4,607.30
Industrial valves	353.38	192.71
	8498.26	4,800.01

* Inclusive of Excise Duty

SCHEDULE - 12

OTHER INCOME

Miscellaneous Income	11.15	3.60
Profit on sale of fixed assets	-	0.01
	11.15	3.61

SCHEDULE - 13

STOCK ADJUSTMENT

(A) OPENING STOCK:

Finished Goods	33.62	36.92
Work in Progress	166.83	132.29
TOTAL (A)	200.45	169.21

(B) CLOSING STOCK:

Finished Goods	42.79	33.62
Work in Progress	245.90	166.83
TOTAL (B)	288.69	200.45
TOTAL (B) - (A)	88.24	31.24



SCHEDULES FORMING PART OF THE ACCOUNTS

	Figures for the	
	Current year ended 31.03.2011 (15 Months)	Current Year ended 31.12.2009 (12 Months)
	(Rs.in lakhs)	
SCHEDULE - 14		
MANUFACTURING EXPENSES		
Consumption of stores & spares	1637.29	868.02
Power and Fuel	1589.53	905.46
Fettling and Machining charges	1217.45	636.28
Rent	2.68	3.48
Lease Rent	60.55	59.20
Rates and Taxes	22.28	10.18
Insurance	1.29	1.67
Repairs and Maintenance		
Building	15.77	13.28
Machinery and Electrical	233.46	150.26
Vehicles	8.76	4.32
Others	13.96	9.38
	<u>4803.02</u>	<u>2661.53</u>
SCHEDULE - 15		
EMPLOYEE COSTS		
Salaries, Wages, Stipend and Bonus etc.,	395.49	193.09
Contribution to Provident and other Funds	36.22	17.94
Workmen and Staff Welfare Expenses	51.95	20.65
	<u>483.66</u>	<u>231.68</u>

Sakthi Auto Ancillary Private Limited

SCHEDULES FORMING PART OF THE ACCOUNTS

	Figures for the	
	Current year ended 31.03.2011 (15 Months)	Current Year ended 31.12.2009 (12 Months)
	(Rs.in lakhs)	
SCHEDULE - 16		
INTEREST AND FINANCE CHARGES		
Term Loans	108.52	94.30
Working Capital loans	153.27	125.21
Others	54.24	36.46
	316.03	255.97
SCHEDULE - 17		
SELLING EXPENSES		
Selling and Distribution expenses	2.32	3.79
Frieght and transport	153.21	94.17
	155.53	97.96
SCHEDULE - 18		
ANY OTHER EXPENSES		
Travelling expenses	17.36	12.57
Administrative and other expenses	43.22	20.60
Bank charges	5.09	2.25
Printing, Postage and Telephone	20.32	12.56
Legal and Professional Charges	7.04	6.16
Managerial remuneration	17.09	13.68
Auditors remuneration	3.50	2.80
TOTAL	113.62	70.62



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

Sakthi Auto Ancillary Private Limited

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 Profit and Loss Account.

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. DISCLOSURE PURSUANT TO AS – 28 ON IMPAIRMENT OF ASSETS

The company, during the year, has reviewed the 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



SCHEDULE - 19

NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH 2011.

1.
 - i) 2,00,000 1% Redeemable Non-Cumulative Preference shares of Rs.10/- each are to be redeemed at par at the end of 20th year from the date of issue, i.e., April 2019.
 - ii) 10,95,610 - 10% Redeemable Non-Cumulative Preference shares of Rs.10/- each are to be redeemed at par at the end of 20th year from the date of issue, i.e., February 2019.
 - iii) 12,59,820 10% Redeemable Non-Cumulative Preference shares of Rs.10/- each are to be redeemed at par at the end of the 20th year from the date of issue, i.e., September 2022.
2. The Loan availed from Indian Overseas Bank is secured by way of :-
 - i) Equitable mortgage of the Company's immovable properties and are primarily secured by exclusive charge on the plant & machinery, equipments and other fixed assets.
 - ii) Personal guarantee by the Managing Director and Joint Managing Director and corporate guarantee by the Holding Company.

The amount outstanding as on 31st March, 2011 is Rs.332.29 lakhs. (including Interest)
(Previous year - Rs. 395.28 Lakhs)
3. Working capital loan availed from Indian Overseas Bank is secured by way of :-
 - i) Exclusive charge on the entire current assets of the company.
 - ii) Personal guarantee by the Managing Director and Joint Managing Director and corporate guarantee by the Holding Company.

The aggregate amount outstanding as on 31st March , 2011 is Rs.839.23 (Including Interest).
(Previous year – Rs. 714.81 Lakhs)
4. The Term Loan and Over draft facility of Rs.300 lakhs and Rs.200 Lakhs respectively availed from Axis Bank Limited are secured by assets of the holding company.

The amount of term loan and Overdraft outstanding as on 31st March , 2011 is Rs. 246.20 Lakhs and 202.51 Lakhs respectively. (Previous year – Rs.286.40 Lakhs and Rs.202.19 Lakhs)
5. The amount outstanding under Hire Purchase loans aggregating to Rs. 15.83 Lakhs (including interest) (Previous year - Rs. 9.88 Lakhs) are secured by hypothecation of vehicles purchased out of the loans.
6. Unsecured loans from others include, Sale Bill factoring facility of Rs.100 lakhs availed from Canbank Factors Ltd and is secured by personal guarantee of the Managing Director and Joint managing director and corporate guarantee of the Holding Company.

The amount outstanding as on 31st March , 2011 is Rs.100.41 Lakhs. (including Interest)
(Previous year - Rs. 116.20 Lakhs)

Sakthi Auto Ancillary Private Limited

(Rs in lakhs)

		Current Year ended 31.03.2011 (15 months)	Previous Year ended 31.12.2009 (12 months)
6	Estimated amount of contracts remaining to be executed on capital account and not provided for	9.72	0.00
7	Earning Per Share:		
	Profit after tax	136.13	96.73
	No of Equity Shares	1035860	1035860
	The nominal value per Equity Share (Rs)	10	10
	Earning Per Share (Rs.) (Annualised)	10.51	9.34
8	Particulars of remunerations and perquisites to Managerial personnel :		
	Salary	16.50	13.20
	P.F.Contribution	0.23	0.19
	Gratuity	0.36	0.29
	Total	<u>17.09</u>	<u>13.68</u>
9	Remuneration to Auditors:		
	As Auditors	1.25	1.00
	In other capacities:		
	i. Taxation	0.75	0.50
	ii. Tax audit work	0.75	0.50
	iii. Certification Work	-	-
	iv. Others	0.75	0.80
	Total	<u>3.50</u>	<u>2.80</u>



11 RELATED PARTY DISCLOSURE AS PER ACCOUNTING STANDARD (AS) – 18

a) List of related parties

1. Holding Company

Sakthi Auto Component Limited

Sakthi Sugars Limited

2. Key management personnel

S.Jeevanantham – Managing Director

S.Mohanraj – Joint Managing Director

3. Enterprises owned or significantly influenced by key management personnel or their relatives.

J S Auto Cast Foundry India Pvt Ltd

b) Transactions with related parties

	2011 (15 months)		31.12.2009 (12 months)	
	Transactions	Outstanding	Transactions	Outstanding
Sakthi Auto Component Limited		882.29		263.98
Purchase of Goods	331.73		655.93	
Sale of Materials	2645.72		1265.37	
Sakthi Sugars Limited		1.26		2.59
Purchase of Power	198.31		0.00	
Sale of Materials	7.25		8.17	
Interest Receipts	69.87			
J S Auto Cast Foundry India Pvt. Ltd.				
Purchase of Goods	5.73		26.70	
Sale of Materials	15.87		7.81	
Advance to Holding Company				
Sakthi Sugars Limited		69.48		463.54
Trade Payable				
JS Auto Cast Foundry India Pvt. Ltd.,		29.85		11.43
Key Managerial Personnel				
Managerial Remuneration	17.09		13.68	

Sakthi Auto Ancillary Private Limited

12 The holding company – Sakthi Auto Component Limited holds 5,36,920 equity shares of Rs.10 each, 2,00,000 1% Redeemable Non-cumulative preference shares of Rs.10 each and 23,55,430 10% Redeemable Non-cumulative preference shares of Rs.10 each.

13 Employee Benefits :

Gratuity and Provident Fund :

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

	(Rs.in lakhs)	
	31.03.2011 (15 Months)	31.12.2009 (12 Months)
Gratuity	4.66	3.45
Provident Fund	28.25	15.22
Employees State Insurance	8.54	3.18

Disclosures required under Revised Accounting Standard 15 are as follows:

Defined Plan: Gratuity as per actuarial Valuation as on 31.03.2011

I. PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]	31.03.2011	31.12.2009
Discount Rate	8.40%	7.90%
Salary escalation rate	6.50%	6.50%
Attrition rate	2.83%	3.00%
Expected rate of return on Plan Assets	9.00%	9.00%

II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) - RECONCILIATION OF OPENING AND CLOSING BALANCES:		
PVO as at the beginning of the period	23.14	39.96
Interest Cost	2.21	2.39
Current service cost	4.72	7.68
Past service cost - (non vested benefits)	-	-
Past service cost - (vested benefits)	2.87	-
Benefits paid	(1.51)	(0.26)
Actuarial loss/(gain) on obligation (balancing figure)	2.21	(26.62)
PVO as at the end of the period	33.65	23.14



III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:-

Fair value of plan assets as at the beginning of the period	14.34	10.01
Expected return on plan assets	1.53	1.05
Contributions	-	3.45
Benefits paid	(1.51)	(0.26)
Actuarial gain/(loss) on plan assets [balancing figure]	0.69	0.08
Fair value of plan assets as at the end of the period	15.04	14.34

IV. ACTUAL RETURN ON PLAN ASSETS

Expected return on plan assets	1.53	1.05
Actuarial gain (loss) on plan assets	0.69	0.08
Actual return on plan assets	2.21	1.13

V. ACTUARIAL GAIN / LOSS RECOGNIZED

Actuarial gain / (loss) for the period - Obligation	(2.21)	26.63
Actuarial gain / (loss) for the period- Plan Assets	0.69	0.08
Total (gain) / loss for the period	1.52	(26.71)
Actuarial (gain) / loss recognized in the period	1.52	(26.71)
Unrecognized actuarial (gain) / loss at the end of the year	-	-

VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES

Present value of the obligation	33.65	23.14
Fair value of plan assets	15.04	14.34
Difference	18.61	8.80
Unrecognised transitional liability	-	-
Unrecognised past service cost - non vested benefits	-	-
Liability recognized in the balance sheet	18.61	8.80

VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:

Current service cost	4.72	7.68
Interest Cost	2.21	2.39
Expected return on plan assets	(1.53)	(1.05)
Net actuarial (gain)/loss recognised in the year	1.52	(26.71)
Transitional Liability recognised in the year	-	-
Past service cost - non-vested benefits	-	-
Past service cost - vested benefits	2.87	-
Expenses recognized in the statement of profit and loss	9.80	(17.69)

Sakthi Auto Ancillary Private Limited

- 14 Amount incurred for lease rentals for buildings and machinery – Rs.60,55,184 /- (Previous year Rs 59,19,807/-)
- 15 The Company has not received information from creditors regarding their status under the Mirco, Small and Medium Enterprises Development Act, 2006 and hence, the disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.
- 16 Wherever necessary, figures for previous year have been regrouped or reclassified to confirm to this year's grouping or classification. The figures for the previous year relates to twelve months whereas the current year figures relates to Fifteen months.

SCHEDULE – 20

ADDITIONAL INFORMATION PURSUANT TO PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956

ITEMS	LOCATION	UNITS	LICENSED CAPACITY		INSTALLED CAPACITY	
			31.03.2011	31.12.2009	31.12.2011	31.12.2009
Iron Castings	N.G.G.O. Colony Coimbatore	MT per annum	24000	24000	24000	24000
Iron Castings	Kadiraickenpalayam Coimbatore (Leased)	MT per annum	9000	9000	9000	9000
Industrial Valves	N.G.G.O. Colony Coimbatore	Nos per annum	120000	120000	120000	120000

**RAW MATERIALS, SPARES AND COMPONENTS CONSUMED**

(Rs. in Lakhs)

PARTICULARS	Current Year	Current Year
	ended 31.12.2011 (15 months)	ended 31.12.2009 (12 months)
1 Raw Materials Purchases:		
a) Imported	-	-
b) Indigenous	1453.30	948.95
2 Stores and Spares Purchases:		
a) Imported	11.42	13.86
b) Indigenous	1710.94	848.61
3 Raw Materials Consumption:		
a) Imported	-	-
	(0.00%)	(0.00%)
b) Indigenous	1487.01	869.87
	(100.00%)	(100.00%)
4 Stores and Spares Consumption:		
a) Imported	11.42	13.86
	(0.70%)	(1.60%)
b) Indigenous	1625.87	854.16
	(99.30%)	(98.40%)
5 Value of Imports on CIF Basis		
(a) Components and Spares parts	11.42	13.86
(b) Capital Goods	70.60	-
6 Earning in Foreign Exchange FOB Value of Exports	154.83	95.60
7 Expenditure in Foreign Currency		
Travelling Expenses	0.17	-
Components & Spares		
Capital Goods	11.97	-

Sakthi Auto Ancillary Private Limited

STATISTICAL PARTICULARS FOR THE YEAR ENDED 31.03.2011

Sl. No.	Products	Opening Stock	Production	Purchases	Consumption*	Value of Consumption (Rs.in Lakhs)	Sales / Transfer	Closing Stock
1.	RAW MATERIALS							
	Pig Iron, Steel Scrap, borings & Others (Tonnes)	539.142 (592.629)	- -	6620.511 (5062.997)	6652.151 (5116.484)	1349.79 (826.12)	- -	507.502 (539.142)
	Rubber Seat, S S Disc & Others (Nos)	22302 (29343)	-	85945 (100913)	96087 (107954)	137.22 (43.75)	-	12160 (22302)

*Consumption figure does not include 11951.175 MT of Raw materials received for conversion from Sakthi Auto Component Ltd and inner generation of Borings to the tune of 4986.180 MT.

2.	FINISHED PRODUCTS							
	Iron Castings (Tonnes)	271.698 (146.977)	19774.451 (12811.350)				19589.168 (12686.624)	456.981 (271.703)
	Industrial Valves (Nos)	1087 (347)	18343 (11994)				19133 (11254)	297 (1087)

(FIGURES IN BRACKET INDICATES PREVIOUS YEAR FIGURES)

Vide my Report of even date

V.Chandramouli
Chartered Accountant
M. No. 21453

S.Jeevanantham
Managing Director

S.Mohanraj
Joint Managing Director

Coimbatore.
23.05.2011

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details**Registration No. State code Balance Sheet Date **II. Capital raised during the year (Amount in Rs. Thousands)**

Public Issue	<input type="text" value="Nil"/>	Right Issue	<input type="text" value="Nil"/>
Bonus Issue	<input type="text" value="Nil"/>	Private Placement	<input type="text" value="Nil"/>

III. Position of Mobilisation and Deployment of Funds

(Amount in Rs. Thousands)

SOURCES OF FUNDS

Total Liabilities	<input type="text" value="315046"/>	Total Assets	<input type="text" value="315046"/>
Paid up Capital	<input type="text" value="35913"/>	Reserves & Surplus	<input type="text" value="67180"/>
Deferred Tax Liability	<input type="text" value="18804"/>	Secured Loans	<input type="text" value="163606"/>
Unsecured Loans	<input type="text" value="29543"/>		

APPLICATION OF FUNDS

Net Fixed Assets	<input type="text" value="224691"/>	Net Current Assets	<input type="text" value="90355"/>
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IV. Performance of the Company (Amount in Rs. Thousands)

Turnover	<input type="text" value="849826"/>	Total Expenditure	<input type="text" value="752514"/>
Profit before Tax	<input type="text" value="18172"/>	Profit after Tax	<input type="text" value="13613"/>
Earnings per Share	<input type="text" value="10.51"/>	Dividend Rate %	<input type="text" value="Nil"/>

V. Generic Names of Three Principal Products/ Service of the Company (as per Monetary Terms)

Item Code No. (ITC Code)	<input type="text" value="72015001 / 5009"/>
Product Description	<input type="text" value="Cast and Ductile Articles of Iron"/>
Item Code No. (ITC Code)	<input type="text" value="84099103"/>
Product Description	<input type="text" value="Industrial Valves"/>

Sakthi Auto Ancillary Private Limited

CASH FLOW STATEMENT

	Jan 10 to Mar 11 (15 months) (Rs in lakhs)	Jan 09 to Dec 09 (12 months) (Rs in lakhs)
A. Cash Flow from operating activities		
Profit before tax	181.72	116.91
Depreciation	166.27	108.84
Interest	321.12	258.22
Investment Income:		
Interest	(88.98)	(75.82)
Profit on sale of investments	-	-
Profit on sale of Assets	-	(0.01)
Miscellaneous Income	(11.15)	(3.60)
	387.26	287.63
Operating profit before working capital Changes	568.98	404.54
Adjustments for:-		
Inventories	(139.60)	(104.78)
Debtors	(477.76)	36.62
Loans and advances	222.54	(20.09)
Liabilities	573.40	188.61
	178.58	100.36
Cash generation from operations	747.56	504.90
Interest paid	(321.12)	(258.22)
Direct Taxes Paid	(71.50)	(18.73)
Net cash from operating activities	354.94	227.95
B. Cash Flow From Investment activities		
Purchase of fixed assets	(574.60)	(235.68)
Sale of fixed assets	18.10	3.51
Investment income	100.13	79.42
Sale/Profit on investment	(456.37)	(152.75)
C. Cash flow from Finance activities		
Net increase in borrowings	130.58	(76.81)
Net Increase in Cash & cash equivalents	29.15	(1.61)
Opening Balance - Cash & cash equivalents	24.91	26.52
Closing Balance - Cash & cash equivalents	54.06	24.91

Vide my Report of even date

V.Chandramouli
Chartered Accountant
M. No. 21453

S.Jeevanantham
Managing Director

S.Mohanraj
Joint Managing Director

Coimbatore.
23.05.2011

