

DIRECTORS' REPORT

To Members :

The Directors hereby present their 57th Annual Report together with the audited accounts for the year ended 31st March, 2011 :-

1. FINANCIAL RESULTS :

The Financial results are as under:		(Amount in Rs.)
Profit for the year		1,87,65,640
Less : Provision for taxation		<u>42,56,970</u>
Profit after Tax		1,45,08,670
Less :		
- Dividend including Tax	49,36,002	
- Transfer to General Reserve	<u>17,00,000</u>	<u>66,36,002</u>
Balance carried forward to Profit & Loss A/c.		<u>78,72,668</u>

2. OPERATIONS :

The Sales of your Company are lower at Rs. 9,601 lacs as against Rs. 10,055 lacs last year. The profit before tax of your Company is also lower at Rs. 188 lacs as against Rs. 875 lacs last year.

The profit of your Company is lower mainly due to less dividend income on investments by Rs. 560 lacs in comparison with last year. Besides this, the operational profits as well as sales of your Company are also lower due to depressed market conditions in the Tractor business, lower margins due to change in various incentive schemes by our Principals and higher interest burden on borrowings.

Other Businesses, on the whole, have done well during the year.

3. INVESTMENT :

During the year, the Company made further investment of Rs. 4.99 crore in purchase of 46,149 nos. Equity Shares of The Saraswati Industrial Syndicate Limited.

4. DIVIDEND :

The Directors are pleased to recommend a dividend of Rs. 20/- per share.

5. DIRECTORS :

Mr. Manmohan Singh and Mr. Ranjit Puri, Directors of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

6. AUDITORS :

M/s. K.C. Malhotra & Company, Chartered Accountants, New Delhi, Auditors of the Company, will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

7. PARTICULARS OF DISCLOSURES UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956:

The particulars relating to conservation of energy and technology absorption are not applicable since the Company is mainly engaged in trading activity.

There is no foreign exchange earnings and outgo.

8. PARTICULARS OF EMPLOYEES :

The Company has not paid any remuneration attracting the provision of Companies (Particulars of Employees) Rules, 1975 read with Section 217 (2A) of the Companies Act, 1956 and hence no information is required to be appended in this regard.

9. FIXED DEPOSITS :

As on 31.03.2011, 5 (Five) Fixed Deposit Receipts amounting to Rs. 68,000/- matured and remained unclaimed during the year under report.

10. DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956 :

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956 ('the Act') and based on the representations received from the operating management, your Directors hereby confirm that :-

- i) in the preparation of the Annual Accounts for 2010-11, the applicable accounting standards had been followed and there are no material departures,
- ii) they have selected such accounting policies with the concurrence of the Statutory Auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year,
- iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- iv) they have prepared the annual accounts on a going concern basis.

11. ACKNOWLEDGEMENTS :

The Directors place on record their appreciation for the hard work and services rendered by the staff and workmen during the year under report.

By Order of the Board

DATED : 26.05.2011
Place : NOIDA (U.P.)

sd/-
(ADITYA PURI)
DIRECTOR

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the attached Balance Sheet of The Yamuna Syndicate Limited, Yamuna Nagar as at 31st March, 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto in which are incorporated the accounts of the branches not visited by us but checked by us, and the cash flow statement for the year ended on that date, which have been signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our 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. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'order') issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956 of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we report a statement on the matters specified in paragraphs '4' and '5' of the order.

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - b) The Management has certified that it has conducted a physical verification of the fixed assets at reasonable intervals, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies have been noticed on such verification.
 - c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of Inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company has maintained proper records of Inventory. The discrepancies noticed on physical verification of inventory as compared to the book records, which in our opinion, were not material and have been properly dealt within the books of account.
3. a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses (iii) (b) to (iii) (d) of paragraph 4 of the order are not applicable to the Company for the current year.
 - b) (i) The Company has taken unsecured loans of Rs. 3,96,14,000/- in the form of fixed deposits from six parties including from two Directors, the rate of interest, terms and conditions of which are not prima-facie, prejudicial to the interest of the Company. The maximum amount outstanding during the year and the year-end balance of such loan are Rs. 3,96,14,000/- and Rs. 3,96,14,000/- respectively. There are no other loans, secured or unsecured, from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. There are no overdue amounts at the year end.
 - (ii) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.

4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Further, on the basis of our examination of the books of account and according to the information and explanations given to us, we have not come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.
5. a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts and arrangements required to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA or other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. As informed to us, No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal on the Company in respect of the aforesaid deposits.
7. In our opinion, the Company has an Internal Audit System commensurate with its size and nature of its business.
8. Maintenance of cost records has not been prescribed to the Company by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
9. a) In our opinion and according to the information and explanations given to us, according to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it have been generally regularly deposited during the year 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 they became payable.
b) According to the information and explanations given to us and as per records of the Company, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess, which have not been deposited on account of any dispute.
10. The Company has no accumulated losses as at 31st March, 2011 and it has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.
11. According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayment of dues to our financial Institution or bank.
12. According to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. According to the information and explanations given to us, the Company is not dealing in shares, securities, debentures and other investments and hence the related reporting requirement of the order are not applicable.

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial Institutions during the year.
16. In our opinion and according to the information and explanations given to us, the term loans raised by the company have been applied for the purpose for which the said loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the Company has not issued any debentures.
20. According to the information and explanations given to us, the Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the company carried out in accordance with the generally accepted accounting principles in India, we have found from the internal audit report that an employee of the company has misappropriated funds and stocks to the tune of Rs. 2,11,172/-. The employee has left the services of the company without giving any intimation and criminal proceedings are in progress. However, the company has also lodged insurance claim. Apart from this we have neither come across any instance of fraud on or by the company, noticed and reported during the year, nor have been informed of such case by the management.

Further to our comments referred to above, we report that we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from examination of those books. The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account. In our opinion, the Balance Sheet and the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956. On the basis of written representations received from the directors as on 31st March, 2011, and taken on record by the Board of Directors, we 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. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Companies Act, 1956 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 31st March, 2011;
- b) In the case of the Profit and Loss Account, 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.

For K.C. MALHOTRA & CO.
Chartered Accountants
(Firm Regn. No. 000057N)

sd/-

(Ramesh Malhotra)

Partner

Membership No.013624

Place: New Delhi
Dated: 26.05.2011

**Balance Sheet as at 31st March, 2011**

	Schedule Reference	Figures in Rupees		
		31.03.2011		31.03.2010
Sources of Funds :				
Shareholders Funds :				
Share Capital	(A)	2,11,64,800	2,11,64,800	
Reserves and Surplus	(B)	<u>23,15,88,327</u>	<u>22,20,15,659</u>	24,31,80,459
Loan Funds	(C)	<u>26,18,73,832</u>		<u>18,56,52,981</u>
		<u>51,46,26,959</u>		<u>42,88,33,440</u>
Application of Funds :				
Fixed Assets :				
Gross Block	(D)	1,35,29,775	1,39,97,323	
Less : Depreciation Fund		<u>79,09,039</u>	<u>83,88,494</u>	
Net Block		<u>56,20,736</u>	<u>56,08,829</u>	
Capital work in progress		<u>8,90,084</u>	-	56,08,829
Investments (at cost)	(E)	25,93,07,790		20,93,99,508
Current Assets, Loans and Advances :				
Current Assets :				
Stores and Stocks	(F)	13,57,48,786	10,17,80,208	
Sundry Debtors	(G)	7,60,45,985	7,58,78,975	
Cash and Bank Balances	(H)	87,06,588	72,51,487	
Other Current Assets	(I)	10,454	3,609	
Loans and Advances	(J)	<u>6,39,07,093</u>	<u>6,61,50,548</u>	
		<u>28,44,18,906</u>	<u>25,10,64,827</u>	
Less: Current Liabilities and Provisions	(K)	<u>3,56,04,267</u>	<u>3,64,43,179</u>	
Net Current Assets		24,88,14,639		21,46,21,648
Deferred tax Liability (Net) (Refer. Note 6-Schedule L)		(6,290)		(7,96,545)
		<u>51,46,26,959</u>		<u>42,88,33,440</u>

Statement on Significant Accounting Policies and Notes to the Accounts (L)

sd/-
Ashish Kumar
Company Secretary

sd/-
H.R. Vij
General Manager
(H.O.)

sd/-
R.N. Wakhloo
Chief Executive

sd/-
Aditya Puri
Director

sd/-
Vinod K. Nagpal
Director

In terms of our report of even date
For K. C. Malhotra & Co.
Chartered Accountants
(Firm Regn. No. 000057N)

Place : New Delhi
Dated : 26.05.2011

sd/-
Ramesh Malhotra
Partner
Membership No. 013624

Profit and Loss Account for the year ended 31st March, 2011

	Schedule Reference	Figures in Rupees		
			31.03.2011	31.03.2010
Income :				
Sales		96,00,60,696	1,00,55,36,511	
Other Income	(I)	2,61,66,224	7,52,92,961	
Closing Stock		<u>13,57,15,726</u>	<u>10,17,51,994</u>	1,18,25,81,466
Expenditure :				
Opening Stock		10,17,51,994	8,37,32,335	
Purchases		93,64,72,324	95,33,04,519	
Employees' Remuneration	(II)	2,69,90,502	2,52,19,822	
Other Expenses	(III)	3,67,97,881	3,19,18,081	
Depreciation		<u>11,64,305</u>	<u>9,16,827</u>	<u>1,09,50,91,584</u>
Profit before Taxation		<u>1,10,31,77,006</u>	<u>1,87,65,640</u>	<u>8,74,89,882</u>
Provision for Taxation:				
Current tax		58,00,000	1,02,00,000	
Deferred tax		(7,90,255)	2,53,597	
Taxation adjustment of previous year		<u>(7,52,775)</u>	<u>42,56,970</u>	<u>99,68,504</u>
Profit after taxation		<u>1,45,08,670</u>	<u>(4,85,093)</u>	<u>7,75,21,378</u>
Balance of Profit from Previous Year		<u>16,70,80,033</u>	<u>10,51,87,182</u>	<u>10,51,87,182</u>
Profit available for Appropriation		<u>18,15,88,703</u>	<u>16,70,80,033</u>	<u>18,27,08,560</u>
Dividend - Proposed Final		42,32,960	63,49,440	
Corporate Dividend Tax		7,03,042	10,79,087	
General Reserve		<u>17,00,000</u>	<u>82,00,000</u>	<u>1,56,28,527</u>
Balance being Surplus Carried to Balance Sheet		<u>17,49,52,701</u>	<u>16,70,80,033</u>	<u>16,70,80,033</u>
Earnings Per Share (Rs.) - Basic & Diluted (face value Rs.100/- each) - Refer Note 10 - Schedule 'L'.			69	366

Statement on Significant Accounting Policies and Notes to the Accounts (L)

sd/-
Ashish Kumar
Company Secretary

sd/-
H.R. Vij
General Manager
(H.O.)

sd/-
R.N. Wakhloo
Chief Executive

sd/-
Aditya Puri
Director

sd/-
Vinod K. Nagpal
Director

In terms of our report of even date
For K.C. Malhotra & Co.
Chartered Accountants
(Firm Regn. No. 000057N)

Place : New Delhi
Dated : 26.05.2011

sd/-
Ramesh Malhotra
Partner
Membership No. 013624



Figures in Rupees

Schedule 'A' - Share Capital :		31.03.2011	31.03.2010
Authorised :			
3,00,000	Equity Shares of Rs.100/- each	3,00,00,000	3,00,00,000
		3,00,00,000	3,00,00,000
Issued :			
2,13,856	Equity Shares of Rs.100/- each	2,13,85,600	2,13,85,600
		2,13,85,600	2,13,85,600
Subscribed :			
2,11,648	Equity Shares of Rs.100/- each		
	Fully Paid Up	2,11,64,800	2,11,64,800
		2,11,64,800	2,11,64,800

Note :

The above Shares include shares allotted without payment received in cash as under :-

- Bonus Shares by capitalisation of Reserves 1,99,88,400/-
- Under Scheme of Arrangement with Punjab Textile Mills Ltd. 8,61,300/-

Schedule 'B' - Reserves and Surplus :

	31.03.2010	Additions	Deductions	31.03.2011
Capital :				
Capital Reserve	2,02,400	-	-	2,02,400
* Capital Redemption (a)	79,800	-	-	79,800
Revenue :				
* General Reserve (b)	5,46,53,426	17,00,000 (c)	-	5,63,53,426
Profit and Loss Account Balance	16,70,80,033	17,49,52,701	16,70,80,033 (d)	17,49,52,701
	<u>22,20,15,659</u>	<u>17,66,52,701</u>	<u>16,70,80,033</u>	<u>23,15,88,327</u>
Previous Year Total	15,19,22,808	17,52,80,033	10,51,87,182	22,20,15,659

* Includes (a) Rs. 11,300/- and (b) Rs. 12,486/- on account of consideration to be met under Scheme of Arrangement with Punjab Textile Mills Ltd.

(c) transfer from Profit and Loss Account.

(d) transfer to Profit and Loss Account.

Schedule 'C' - Loan Funds :

	31.03.2011	31.03.2010
Secured :		
From Banks:		
Cash Credit Accounts (Secured by Hypothecation of Stocks and Book Debts of the Company on Pari-Passu basis with Punjab National Bank and State Bank of Patiala.)	12,03,65,829	9,27,36,981
Term loan From a Bank (Secured by exclusive charge on the Fixed assets including equitable mortgage on the immovable properties and second charge on the current assets of the Company)	2,25,00,003	3,00,00,000
	<u>14,28,65,832</u>	<u>12,27,36,981</u>
Unsecured :		
* Fixed Deposits	11,90,08,000	6,29,16,000
	<u>26,18,73,832</u>	<u>18,56,52,981</u>
* Includes from a Director	1,84,05,000	75,00,000



Schedule 'D'

FIXED ASSETS

Figures in Rupees

Particulars	COST				DEPRECIATION				WRITTEN DOWN VALUE	
	As per last Balance Sheet	Additions during the year	Deductions during the year	As at 31st March, 2011	As per last Balance Sheet	Additions during the year	Deductions during the year	As at 31st March, 2011	31.03.2011	31.03.2010
Land	1,43,676	-	-	1,43,676	-	-	-	-	1,43,676	1,43,676
Building on Freehold and Leasehold Land	44,19,082	6,856	17,448	44,08,490	20,00,176	1,23,368	16,332	21,07,212	23,01,278	24,18,906
Plant and Machinery	15,99,939	5,72,196	3,45,298	18,26,837	10,79,325	1,84,665	3,29,006	9,34,984	8,91,853	5,20,614
Furniture, Fixtures and Equipments	45,31,676	6,27,840	13,00,155	38,59,361	40,04,906	3,36,284	12,84,455	30,56,735	8,02,626	5,26,770
Vehicles	33,02,950	2,500	14,039	32,91,411	13,04,087	5,19,988	13,967	18,10,108	14,81,303	19,98,863
TOTAL	1,39,97,323	12,09,392	16,76,940	1,35,29,775	83,88,494	11,64,305	16,43,760	79,09,039	56,20,736	56,08,829
Capital Work in Progress									8,90,084	-
TOTAL	1,39,97,323	12,09,392	16,76,940	1,35,29,775	83,88,494	11,64,305	16,43,760	79,09,039	65,10,820	56,08,829
Previous Year	1,29,66,024	20,97,207	10,65,908	1,39,97,323	84,26,323	9,16,827	9,54,656	83,88,494	56,08,829	

Figures in Rupees

Schedule 'E' - Investments at Cost :	31.03.2011	31.03.2010
(Long term, unless otherwise stated) (Other than Trade)		
31,62,242/-(previous year 31,16,093) fully paid Equity Shares of Rs. 10/- each including 21,67,500 bonus shares of Rs. 10/- each of The Saraswati Industrial Syndicate Limited (quoted)	25,93,07,790	20,93,99,508
	<u>25,93,07,790</u>	<u>20,93,99,508</u>
Aggregate book value of investments : Quoted (Market value Rs.2,70,37,16,910 /-; previous year Rs.3,87,87,56,762/-)	25,93,07,790	20,93,99,508
	<u>25,93,07,790</u>	<u>20,93,99,508</u>
Schedule 'F' - Stores and Stocks :		
As per inventories, valued and certified by the Management :		
Stock-in-hand (at lower of cost or market value)	13,57,15,726	10,17,51,994
*Stores at cost	33,060	28,214
	<u>13,57,48,786</u>	<u>10,17,80,208</u>
*Including in Transit	474	-
Schedule 'G' - Sundry Debtors (Unsecured) :		
Considered good :		
Debts outstanding for more than six months	77,39,990	53,44,345
Other debts	<u>6,83,05,995</u>	<u>7,05,34,630</u>
	<u>7,60,45,985</u>	<u>7,58,78,975</u>
Schedule 'H' - Cash and Bank Balances :		
Cash & Cheques in hand	57,90,647	45,11,435
With Scheduled Banks in :		
Current Accounts	16,59,941	17,49,052
Fixed Deposits (including Rs. 60,500/- (Previous Year Rs. 60,500/-) pledged in favour of State Consumer Disputes Redressal Forum, Haryana)	12,56,000	9,91,000
	<u>87,06,588</u>	<u>72,51,487</u>
Schedule 'I' - Other Current Assets :		
Interest accrued on Deposits	10,454	3,609
	<u>10,454</u>	<u>3,609</u>

Figures in Rupees

Schedule 'J' - Loans and Advances :	31.03.2011	31.03.2010
(Unsecured considered good unless otherwise specified)		
Advances recoverable in cash or in kind or for value to be received	5,93,09,368	6,36,63,917
Fringe Benefit Tax less provision	-	1,00,324
Advance Tax Less provision	24,33,272	-
Pre-paid expenses	3,38,145	2,79,450
Security Deposits	14,29,714	16,77,150
Other Loans (Secured)	3,96,594	4,29,707
	<u>6,39,07,093</u>	<u>6,61,50,548</u>

Schedule 'K' - Current Liabilities and Provisions :

Current Liabilities :		
Sundry Creditors (Refer Note 3 (ii) - Schedule ' L ')	62,46,092	53,23,249
Other Liabilities (including Employees' Security Rs.9,86,500/-; previous year Rs. 8,69,500/-)	2,25,90,710	2,14,55,663
Unpaid dividend *	5,86,850	6,40,420
Unpaid Matured Fixed Deposits *	68,000	77,000
Interest accrued and Due on above *	21,859	23,922
	<u>2,95,13,511</u>	<u>2,75,20,254</u>
Provisions for :		
Leave Encashment	11,54,754	11,21,806
Income tax less advance tax	-	3,72,592
Proposed Dividend	42,32,960	63,49,440
Dividend Tax on Proposed Dividend	7,03,042	10,79,087
	<u>3,56,04,267</u>	<u>3,64,43,179</u>

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

Schedule 'I' - Other Income :

Repair receipts	14,24,000	11,33,452
Scrap and waste sale	1,71,072	2,31,808
Commission earned (Gross-tax deducted at source Rs. 82,983/- previous year Rs. 71,337/-)	8,39,941	6,83,021
Miscellaneous receipts	1,96,15,033	1,34,81,713
Profit on sale of fixed assets (Net)	89,679	98,830
Dividend on non-trade investments - Long term	31,57,405	5,90,38,367
Interest on Fixed Deposits and others (Gross-tax deducted at source Rs.26,289/-; previous year Rs. 29,643/-)	2,34,618	2,55,444
Realisation/Write Back for Bad Debts Written Off	6,34,476	3,70,326
	<u>2,61,66,224</u>	<u>7,52,92,961</u>

Figures in Rupees

Schedule 'II' - Employees' Remuneration :	31.03.2011	31.03.2010
Salaries, Wages and Bonus	2,42,48,608	2,28,95,256
Contribution to Provident and Other Funds	17,14,995	15,47,200
Staff Welfare expenses	10,26,899	7,77,366
	<u>2,69,90,502</u>	<u>2,52,19,822</u>
 Schedule 'III' - Other Expenses :		
Stores consumed and charges	52,951	47,044
Transport and octroi	28,20,378	26,55,947
Demonstration expenses	34,891	46,230
Maintenance, Installation and service charges	11,65,539	16,65,347
Rent	28,97,578	26,50,738
Rates and taxes	1,44,554	1,82,757
Insurance	6,48,162	5,90,395
Electric Maintenance and charges	7,61,855	7,34,562
Repairs to :		
a) Machinery	95,081	81,836
b) Building	1,28,228	1,42,973
Commission and Brokerage	2,15,661	2,64,379
Rebate & Discount	16,088	1,51,019
General Expenses	61,25,009	57,54,366
Incentive to customers	84,976	5,00,649
Directors' fee	34,000	44,000
Directors' Remuneration	25,000	25,000
Interest paid (a)	2,13,03,862	1,48,83,376
Bad Debts	2,44,068	14,97,463
	<u>3,67,97,881</u>	<u>3,19,18,081</u>

(a) Includes interest on fixed deposits Rs.87,51,372/- Previous year Rs. 64,00,870/-).

Schedule 'L'**I. Significant Accounting Policies :**

- i) **Accounting Convention:**
The financial statements are prepared under the historical cost convention, on accrual basis of accounting to comply in all material respects, with the notified Accounting standards issued by Companies Accounting Standards Rule, 2006 and the relevant provisions of the companies Act, 1956. The accounting Policies have been consistently applied by the company and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting policies.
- ii) **Use of Estimates:**
The preparation of financial statements is in conformity with generally accepted accounting principles requiring management to make estimates and assumptions that may affect the reported amount of the assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.
- iii) **Fixed Assets and Depreciation:**
Fixed Assets are stated at cost less depreciation.
Depreciation on all Fixed Assets has been provided for the year on the written down value method at the rates specified in Schedule XIV to the Companies Act, 1956. An asset where the actual cost does not exceed Rs. 5,000/- is depreciated at the rate of 100%.
Capital Work In Progress represents expenditure incurred in respect of construction of canopy at Petrol Pump and Building at Machhiwara Branch, and are carried at cost. Cost includes construction cost & advances to contractors.
- iv) **Investments:**
Investments are long-term investments and valued at its acquisition cost.
Interest income is accounted for on accrual basis. Dividends are accounted for when the right to receive the payment is established.
- v) **Inventories:**
Inventories are valued "at cost", and "at cost or market value, whichever is lower" depending upon the nature of various inventories.
- vi) **Revenue recognition:**
Sales are recognised upon delivery of goods to customers. Profit/Loss on sale of Fixed Assets is recognised in the year of sale. Claims and incentives, etc. are accounted for as and when the amounts recoverable can be reasonably determined as being acceptable to the concerned authorities/parties.
- vii) **Proposed Dividend:**
Dividend proposed by the Board of Directors is provided for in the books of account pending approval at the Annual General Meeting.
- viii) **Employees Benefits:**
 - (a) The Liability for Gratuity & Leave encashment is made on the basis of Actuarial valuation, as at Balance Sheet date in conformity with the Accounting Standard-15. Actual gain or loss are recognized in the Profit & Loss Account.
 - (b) Contribution to Provident Fund and Superannuation is accounted for on accrual basis.
- ix) **Borrowing Costs:**
Borrowing Costs include interest, fees and other costs incurred in connection with borrowing of funds and are recognised as an expense in the period in which they are incurred.
- x) **Leases:**
Payments made under leases for land are charged to Profit & Loss Account under rent with reference to terms.
- xi) **Taxes on Income:**
Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.
- xii) **Intangible Assets:**
Intangible assets are recognised on the basis of recognition criteria as set out in Accounting Standards AS 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India.

xiii) Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

xiv) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are created when there is a present obligation as a result of a past event that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation. Contingent liabilities are not recognised but are disclosed in the notes to the accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

xv) Earnings Per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

xvi) Cash and Cash equivalents:

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and fixed deposits with banks.

II. Notes to the Accounts:
1) Contingent Liabilities:

- i) Surety given in favour of Customs Authorities Rs. Nil (Previous year Rs. 68.91 Lacs) on behalf of company: The Saraswati Industrial Syndicate Limited.
- ii) Surety given in favour of Sales Tax Authorities, Haryana Rs. NIL (Previous year Rs. One Lacs) on behalf of Company: ISGEC Exports Ltd.

2) The disclosures as required as per the revised AS 15 are as under:

Disclosures for Defined Benefit plans based on actuarial report as on 31st March 2011:

	Gratuity Fund (Funded Plan)		Leave Encashment (Unfunded Plan)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
i) Change in Defined Benefit obligation:				
Present value of obligation as at 1 st April, 2010	24,38,910	24,74,966	11,21,806	11,71,935
Current service Cost	1,86,091	1,74,172	3,56,190	3,52,124
Interest Cost	2,01,984	1,88,900	83,439	87,130
Benefits paid	(1,25,251)	(5,05,237)	(2,80,335)	(2,93,743)
Actuarial Loss/ (Gain)	(38,534)	1,06,109	(1,26,346)	(1,95,640)
Present value of obligation as at 31 st March, 2011	26,63,200	24,38,910	11,54,754	11,21,806
ii) Change in fair value of plan assets:				
Present fair value of plan assets as at 1 st April 2010	29,10,925	25,54,202	-	-
Expected return on plan assets	2,75,046	2,37,612	-	-
Actuarial Loss/(Gain)	(12,518)	(52,753)	-	-
Contributions	3,53,718	3,90,442	-	-
Benefits paid	(1,63,626)	(2,18,578)	(2,80,335)	(2,93,743)
Fair value of plan assets as at 31 st March, 2011	33,63,545	29,10,925	-	-
iii) Amount recognised in the Balance Sheet:				
Present value of obligation as at 31 st March, 2011	26,63,200	24,38,910	11,54,754	11,21,806
Fair value of plan assets as at year end	33,63,545	29,10,925	-	-
Unrecognized actuarial Loss/(Gain)	-	-	-	-
Net Assets/(Liability) recognized as at 31 st March, 2011	7,00,345	4,72,015	(11,54,754)	(11,21,806)
iv) Expenses recognised in the Profit and Loss Account:				
Current Service cost	1,86,091	1,74,172	3,56,190	3,52,124
Past service cost	-	-	-	-
Interest Cost	2,01,984	1,88,900	83,439	87,130
Expected return on Plan assets	(2,75,046)	(2,37,612)	-	-
Net actuarial Loss/(Gain) recognized in the current year	(26,016)	1,58,862	(1,26,346)	(1,95,640)
Total Expense	87,013	2,84,322	3,13,283	2,43,614
v) Detail of Plan assets: Funded with Life Insurance Corporation of India (LIC)*	-	-	-	-
vi) Principal actuarial assumptions used:				
Discount Rate	10.00%	10.00%	10.00 %	10.00 %
Expected rate of return on plan assets	9.15%	9.00%	0.00 %	0.00 %
Expected rate of future salary increase	5.50%	5.50%	5.50 %	5.50 %

*The Plan assets are maintained with Life Insurance Corporation of India Gratuity scheme. The details of investments maintained by Life Insurance Corporation are not made available to the Company and have therefore not been disclosed.

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors on long term basis. The above information is certified by the actuary.

3) i) Other Liabilities include Directors' remuneration payable Rs. 25,000/- (Previous year Rs. 25,000/-).

ii) Micro, Small and Medium Enterprises:

The company has not received any intimation from suppliers regarding their status under the micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amount unpaid as at the year end together with interest paid and or payable as required under the said Act have not been given.

4) Previous year's figures have been re-cast/re-grouped wherever necessary to make it comparable with those of the current year's figures.

5) As per amendment made in Clause 5A of the Listing Agreement, two reminders were sent to the Shareholders whose shares remain unclaimed. The third reminder shall be sent in due course. In case no response is received from such shareholders after sending three reminders, then their unclaimed shares shall be transferred to a "Unclaimed Suspense Account".

6) The break-up of net Deferred tax Asset/(liability) as at 31st March, 2011 is as follows:

Element of Deferred tax	As on 01.04.2010	Credit / (Charge) During the year	As on 31.03.2011
Depreciation	1,40,181	1,36,621	3,560
Other			
Timing Differences	(9,36,726)	(9,26,876)	(9,850)
Net Deferred tax liability	(7,96,545)	(7,90,255)	(6,290)

The tax impact for the above purpose has been arrived at by using the applicable tax rate.

7) Auditors remuneration Included in General Expenses:

	31.03.2011	31.03.2010
(i) Audit Fee	1,20,000	1,00,000
(ii) Company Law Matters	1,600	8,450
(iii) Other Services (Certification & Tax Audit etc.)	16,750	71,450
(iv) Reimbursement of expenses	7,280	6,760

8) Segment information for the year ended 31st March, 2011:

(i) Information about Primary Business Segments:

(Amount in Rs.)

Revenue	31.03.2011			31.03.2010		
	External	Inter Segment	Total	External	Inter Segment	Total
Vehicles	64,56,10,602	-	64,56,10,602	72,80,94,071	-	72,80,94,071
Petrol Pump	21,43,83,834	-	21,43,83,834	18,62,74,816	-	18,62,74,816
Other Businesses	12,19,96,065	-	12,19,96,065	10,71,20,569	-	10,71,20,569
Unallocated	(2,02,24,848)	-	(2,02,24,848)	(1,45,81,727)	-	(1,45,81,727)
Total Revenue	96,17,65,653	-	96,17,65,653	1,00,69,07,729	-	1,00,69,07,729

Result:	(Amount in Rs.)	
Segment Result:	31.03.2011	31.03.2010
Vehicles	3,01,91,653	4,03,53,166
Petrol Pump	32,04,177	30,12,700
Other Businesses	1,20,57,316	82,75,118
Unallocated	-	-
Segment Result	4,54,53,146	5,16,40,984
Unallocated expenditure net of unallocated income	(87,75,667)	(85,61,537)
Interest expenses	(2,13,03,862)	(1,48,83,376)
Interest income	2,34,618	2,55,444
Dividend income	31,57,405	5,90,38,367
Profit before taxation	1,87,65,640	8,74,89,882
Provision for taxation:		
Current Tax	58,00,000	1,02,00,000
Deferred Tax	(7,90,255)	2,53,597
Taxation adjustment of previous year	(7,52,775)	(4,85,093)
Profit after taxation	1,45,08,670	7,75,21,378

Other information:	(Amount in Rs.)					
	Year	Vehicles	Petrol Pump	Other Businesses	Unallocated	Total
Segment Assets	2010-11	22,66,66,646	30,43,412	4,20,77,960	27,84,39,648	55,02,27,666
	2009-10	18,10,65,974	36,58,134	3,05,32,940	24,98,79,390	46,51,36,438
Segment Liabilities	2010-11	24,01,58,334	(3,84,342)	3,90,98,641	1,86,01,906	29,74,74,539
	2009-10	17,81,21,336	8,00,134	2,73,02,560	1,57,31,949	22,19,55,979
Capital Expenditure	2010-11	3,70,613	28,193	1,19,208	6,91,378	12,09,392
	2009-10	4,18,151	5,12,088	10,90,157	76,811	20,97,207
Depreciation	2010-11	4,09,310	59,830	3,44,218	3,50,947	11,64,305
	2009-10	4,39,932	41,105	1,42,070	2,93,720	9,16,827

(ii) Information about Secondary Business Segments: (Amount in Rs.)

	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
	Revenue by geographical market		Carrying amount of Segment Assets		Additions to Fixed Assets	
India	96,17,65,653	1,00,69,07,729	55,02,27,666	46,51,36,438	12,09,392	20,97,207
Outside India	-	-	-	-	-	-
Total	96,17,65,653	1,00,69,07,729	55,02,27,666	46,51,36,438	12,09,392	20,97,207

(iii) (a) The Company has considered business segment as the primary segment for disclosure.

The products included in each of the reported domestic business segments are as follows:

1. Vehicles - comprising of Tractors, Power Tillers & their spare parts and Bajaj Tempo vehicles and their Spare Parts, Motor Cycle parts, Accessories, Lubricants, Agricultural Implements, Tyres & Tubes, U.P.S. and Batteries.
2. Petrol Pump - comprising of Motor Spirit/HSD and Lubricants.
3. Others - primarily comprising of Fertilizers, Pesticides, Seeds, Electrical goods, etc.

Segments have been identified by the management and reported taking into account, the nature of products and services, the differing risks and returns, the organisation structure and the internal financing reporting systems.

- (b) Segment revenue in each of the above domestic business segments primarily include sales, repair receipts and commission earned, etc.

Segment Revenue comprises of :		(Amount in Rs.)
	31.03.2011	31.03.2010
Sales	96,00,60,696	1,00,55,36,511
Other Income excluding Interest (net) & Dividend Income	<u>17,04,957</u>	<u>13,71,218</u>
Total	<u>96,17,65,653</u>	<u>1,00,69,07,729</u>

- (c) The segment revenue in the geographical segments considered for disclosure are as follows:
Revenue within India includes sales to customers located within India and earnings in India.
- (d) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

9) Related Party Disclosures:

Related party disclosures, as required by AS-18 "Related Party Disclosures", are given below :

A) Relationship:

(i) Shareholders in the Company :

Mr. Ranjit Puri, Chairman and Mr. Aditya Puri, Director and their relatives hold 73.23% (Previous year 73.23%) Equity Shares in the Company.
(No Transactions have taken place during the year).

(ii) Other related parties :

- a) The Saraswati Industrial Syndicate Limited in which the Company holds 42.91% (previous year 42.28%) Equity Shares.
- b) Entities over which Mr. Ranjit Puri, Chairman and Mr. Aditya Puri, Director can exercise significant influence:
- i) ISGEC Covema Limited. #
 - ii) ISGEC Exports Limited. #
 - iii) Saraswati Sugar Mills Limited. #
 - iv) ISGEC Engineering & Projects Limited. #
- # Subsidiaries of The Saraswati Industrial Syndicate Limited.

(iii) Directors and their relatives:

Directors	Relatives	Relation
Mr. Ranjit Puri, Chairman	Mrs. Nina Puri	Wife
Mr. Aditya Puri	Mrs. Tanu Priya Puri	Wife
Mr. Manmohan Singh	-	-
Mr. Vinod K. Nagpal	Mr. Pardeep Nagpal	Brother
Mr. D.D. Sharma	Mrs. Andleep Sharma	Wife

B) The following transactions were carried out with the related party in the ordinary course of business:

(i) Details relating to party referred to in item (A) (ii) (a) above:		(Amount in Rs.)
	31.03.2011	31.03.2010
a. Sale of finished goods and service charges	1,24,68,181	94,15,300
b. Dividend income	31,57,405	5,90,38,367
c. Payment of Staff deputed	18,24,049	16,49,068
d. Payment of guest house charges, and professional fee	44,827	44,848
e. Lease rent & House tax for land & building	36,153	97,875
*f. Outstanding payable/(receivable) by the Company (Net)	(6,73,582)	(3,35,940)
g. Surety given in favour of Customs Authorities by the Company	-	68,91,000
h. Dividend receivable	31,57,405	2,80,44,837

	31.03.2011	31.03.2010
		(Amount in Rs.)
(ii) Details relating to party referred to in item (A) (ii) (b-ii) above:		
a. Surety given in favour of Sales Tax authorities by the Company	-	1,00,000
(iii) Details relating to party referred to in item (A) (ii) (b-iii) above:		
a. Commission earned	8,29,811	6,76,745
b. Sale of finished goods and service charges	3,05,00,133	2,67,91,945
c. Interest Receipt	12,000	12,000
*d. Outstanding payable/(receivable) by the Company (Net)	(22,35,629)	(42,25,118)
*Transactions with the above parties are accounted in the respective current accounts.		
(iv) Details relating to persons related to the item (A) (iii) above:		
a. Remuneration/Board Meeting Fees	59,000	69,000
b. Interest expenses on deposits taken	10,76,808	8,26,698
c. Outstanding fixed deposits payable	3,96,14,000	75,09,000
10) Earnings per share:		
Profit for the year after taxation (Rs.)	1,45,08,670	7,75,21,378
Weighted average number of equity shares outstanding (Nos.)	2,11,648	2,11,648
Basic and diluted earnings per share in rupees	69	366
(face value - Rs. 100/- per share)		
11) Advances recoverable in cash or in kind or for value to be received – (Refer Schedule 'J') includes amount due from ex-employees aggregating to Rs. 5,96,081/- (including due from an employee, on account of misappropriation of funds & stocks to the tune of Rs. 2,11,172/-, who has left the services of the company without giving any intimation and criminal proceedings are in progress. However the company has also lodged insurance claim).		
12) Directors' Remuneration:		
Directors' Fee	34,000	44,000
Directors' Commission	25,000	25,000
Total	<u>59,000</u>	<u>69,000</u>
Computation of Net Profit as per Section 198 read with Section 309(5) and Section 349 of the Companies Act, 1956:		
Profit for the year before tax	1,87,65,640	8,74,89,882
Less : Profit on Sale of Fixed assets as per accounts (Net)	89,679	98,830
: Realization/Write back for Bad Debts Written Off	<u>6,34,476</u>	<u>7,24,155</u>
	1,80,41,485	<u>3,70,326</u>
		8,70,20,726
Add : Profit on Sale of Fixed assets (Net) as per Section 349	89,679	98,830
: Provision for leave encashment	32,948	(50,129)
	<u>1,81,64,112</u>	<u>8,70,69,427</u>
Add : Directors' Remuneration	59,000	69,000
	<u>1,82,23,112</u>	<u>8,71,38,427</u>
Commission at 1% of the above Net Profit	1,82,231	8,71,384
Restricted to a maximum of:	25,000	25,000



13. Particulars in respect of stock, purchases and sales :

	Unit	Opening Stock		Purchases		Sales		Closing stock	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Tractors	Nos.	147 (129)	6,19,79,500 (5,30,89,857)	1347 (1531)	57,23,37,181 (63,24,21,619)	1290 (1513)	57,71,40,360 (67,28,83,098)	204 (147)	9,14,65,236 (6,19,79,500)
VST Tillers	Nos.	- (3)	- (3,10,500)	- (-)	- (-)	- (3)	- (3,63,000)	- (-)	- (-)
Grabbers	Nos.	- (-)	- (-)	4 (4)	15,57,216 (16,01,553)	4 (4)	17,12,112 (17,46,152)	- (-)	- (-)
Fertilizers	(a)	96.32 (316.29)	1,21,715 (1,85,131)	7.60 (557.5)	2,03,216 (6,24,960)	101.59 (777.47)	2,06,967 (6,97,550)	2.33 (96)	1,22,294 (1,21,715)
Pesticides	Qlis.	- (-)	8,48,593 (13,35,181)	- (-)	2,08,86,919 (1,61,11,686)	- (-)	2,24,19,132 (1,79,34,001)	- (-)	10,10,217 (8,48,593)
Seeds	Qlis.	- (-)	- (-)	5.60 (2)	1,06,730 (25,568)	5.60 (2)	1,26,475 (29,240)	- (-)	- (-)
Motor Spirit/HSD	Ltrs.	24541.8 (32272.3)	8,47,276 (9,29,223)	6180000 (6168096.3)	20,98,39,188 (18,15,00,793)	6169089.7 (6175826.8)	21,39,32,809 (18,57,82,813)	34452.1 (24541.8)	13,16,054 (8,47,276)
Lubricants	(a)	- (-)	1,64,09,903 (1,02,33,791)	- (-)	6,12,66,534 (5,94,76,384)	- (-)	6,71,32,021 (5,94,57,970)	- (-)	1,82,75,897 (1,64,09,903)
Spare parts, Accessories and Agricultural Implements	(a)	- (-)	1,29,50,368 (1,09,10,201)	- (-)	1,89,94,196 (1,58,04,991)	- (-)	1,97,97,913 (1,73,89,639)	- (-)	1,52,95,949 (1,29,50,368)
Electrical Goods	(a)	- (-)	32,23,412 (30,10,717)	- (-)	1,38,50,604 (1,18,10,684)	- (-)	1,57,87,784 (1,31,98,935)	- (-)	36,31,204 (32,23,412)
Tyres & Tubes	Nos.	3 (1)	5,075 (1,300)	- (2)	292 (3,500)	1 (-)	1,503 (-)	2 (3)	2,750 (5,075)
Batteries	Nos.	2026 (1360)	50,12,152 (33,36,911)	23707 (21454)	3,74,30,248 (3,39,22,781)	23650 (20788)	4,14,49,620 (3,60,16,956)	2083 (2026)	45,96,125 (50,12,152)
UPS	Nos.	- (6)	- (35,523)	- (-)	- (-)	- (6)	- (37,157)	- (-)	- (-)
Gen. Set	Nos.	1 (1)	3,54,000 (3,54,000)	- (-)	- (-)	1 (-)	3,54,000 (-)	- (1)	- (3,54,000)
TOTAL			10,17,51,994 (8,37,32,335)		93,64,72,324 (95,33,04,519)		96,00,60,696 (1,00,55,36,511)		13,57,15,726 (10,17,51,994)

(a) : Quantity not easily ascertainable.

Note : Figures in brackets pertain to previous year.

**14. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. REGISTRATION DETAILS**

Registration No	01837	State Code	05
Balance Sheet Date	31.03.2011		

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs.)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs.)

Total Liabilities	51,46,26,959	Total Assets	51,46,26,959
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SOURCES OF FUNDS:

Paid up Capital	2,11,64,800	Reserves and Surplus	23,15,88,327
Secured Loans	14,28,65,832	Unsecured Loans	11,90,08,000

APPLICATION OF FUNDS:

Net Fixed Assets	65,10,820	Investments	25,93,07,790
* Net Current Assets	24,88,08,349	Miscellaneous Expenditure	NIL
Accumulated Losses	NIL		

* Including Net Deferred Tax Liability

IV. PERFORMANCE OF COMPANY (Amount in Rs.)

Turnover	98,62,26,920	Total Expenditure	96,74,61,280
Profit Before Tax	1,87,65,640	Profit After Tax	1,45,08,670
Earning per Share	69	Dividend Rate	Rs.20/- per share

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (As per monetary terms)

Item Code No (ITC Code)	Product Description
87013009	TRACTOR
27101980	LUBRICANTS
27101930	H.S.D.

Signatures to Schedules 'A' to 'K' of Balance Sheet and 'I' to 'III' of Profit and Loss Account and Schedule 'L' of Statement on Significant Accounting Policies and Notes to the Accounts.

sd/- Ashish Kumar Company Secretary	sd/- H.R. Vij General Manager (H.O.)	sd/- R.N. Wakhloo Chief Executive	sd/- Aditya Puri Director	sd/- Vinod K. Nagpal Director
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In terms of our report of even date

For K.C. Malhotra & Co.

Chartered Accountants

(Firm Regn. No. 000057N)

sd/-

Ramesh Malhotra

Partner

Membership No. 013624

Place : New Delhi
Dated : 26.05.2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Figures in Rupees

	31.03.2011	31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax	1,87,65,640	8,74,89,882
Adjustments for :		
Depreciation	11,64,305	9,16,827
Investment Income-Dividend received	(31,57,405)	(5,90,38,367)
(Profit)/Loss on sale of Fixed Assets - Net	(89,679)	(98,830)
Interest Income	(2,34,618)	(2,55,444)
Interest Expenses	2,13,03,862	1,48,83,376
Provision for Leave Encashment	32,948	(50,129)
Operating Profit Before Working Capital Changes	3,77,85,053	4,38,47,315
Adjustments for :		
(Increase)/Decrease in Inventories	(3,39,68,578)	(1,79,87,542)
(Increase)/Decrease in Debtors	(1,67,010)	(91,45,581)
(Increase)/Decrease in Other Current Assets	(6,845)	2,689
(Increase)/Decrease in Loans & Advances	45,76,403	(2,89,39,069)
Increase/(Decrease) in Creditors	20,46,827	(2,58,255)
Cash Generated From Operations	1,02,65,850	(1,24,80,443)
Interest Paid	(2,13,03,862)	(1,48,83,376)
Direct Taxes Paid/Refund received	(77,52,765)	(1,00,80,735)
Net Cash Flow From Operating Activities	(1,87,90,777)	(3,74,44,554)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Investment	(4,99,08,282)	(7,51,87,277)
Purchase of Fixed Assets	(20,99,476)	(17,23,947)
Sale of Fixed Assets	1,22,859	2,10,082
Interest Received	2,34,618	2,55,444
Dividend Received	31,57,405	5,90,38,367
Net Cash used in Investing Activities	(4,84,92,876)	(1,74,07,331)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Borrowings - From Banks	2,01,28,851	4,52,98,631
- Others	5,60,92,000	1,75,54,000
Dividend Paid	(74,82,097)	(73,69,434)
Net Cash Used in Financing Activities	6,87,38,754	5,54,83,197
NET INCREASE/(DECREASE) IN CASH & CASHEQUIVALENTS (A+B+C)	14,55,101	6,31,312

	Figures in Rupees	
	31.03.2011	31.03.2010
Cash and Cash equivalents as at 1st April, 2010 (Opening Balance) - Refer. Schedule 'H'	<u>72,51,487</u>	<u>66,20,175</u>
Cash and Cash equivalents as at 31st March, 2011 (Closing Balance) - Refer. Schedule 'H'	<u>87,06,588</u>	<u>72,51,487</u>

Notes :-

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 on Cash Flow Statements.
- 2) Previous year's figures have been regrouped wherever necessary to conform to the current year classification.

sd/-
Ashish Kumar
Company Secretary

sd/-
H.R. Vij
General Manager
(H.O.)

sd/-
R.N. Wakhloo
Chief Executive

sd/-
Aditya Puri
Director

sd/-
Vinod K. Nagpal
Director

In terms of our report of even date
For K.C. Malhotra & Co.
Chartered Accountants
(Firm Regn. No. 000057N)

Place : New Delhi
Dated : 26.05.2011

sd/-
Ramesh Malhotra
Partner
Membership No. 013624