



VICE CHAIRPERSON & MANAGING DIRECTOR

MRS. VANDANA KHAITAN

BANKERS

ALLAHABAD BANK

AXIS BANK

BANK OF INDIA

DIRECTORS

MR. A. C. MUKHERJI

MR. HARISH KHAITAN

MR. SAMEER NANDWANI

MRS. SINDHUBALA CHOUDHURY

(LIC Representative)

AUDITORS

MESSRS. PRICE WATERHOUSE

REGISTERED OFFICE

14, PRINCEP STREET

KOLKATA - 700 072

COMPANY SECRETARY

MR. SANJAY KUMAR GUPTA

WORKS

BUDGE BUDGE TRUNK ROAD,

KOLKATA, WEST BENGAL

HOSUR, TAMILNADU

REGISTRAR AND SHARE TRANSFER AGENT

C. B. MANAGEMENT SERVICES (P) LTD.,

P-22, BONDEL ROAD,

KOLKATA - 700 019

Contents	Page(s)
Directors' Report	2 - 5
Corporate Governance Report	6 - 17
Auditors' Report	18 - 21
Balance Sheet	22
Profit and Loss Account	23
Schedules to the Accounts	24 - 42
Balance Sheet Abstract	43
Cash Flow Statement	44



Directors' Report to the Members

Your Directors hereby present the Forty Fourth Annual Report on the Business and Operations of your Company together with the Audited Accounts for the year ended March 31, 2009.

FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31st March, 2009 were as follows:

	(Rs. in thousands)
Profit/(Loss) before Depreciation and taxation	(8,27,45)
Less : Depreciation	<u>2,03,03</u>
Profit/(Loss) before Taxation	(10,30,48)
Taxation :	
- Current for the year	-
- Deferred - Charge / (Release)	43,86
- Fringe Benefit Tax	<u>17,50</u>
Profit/(Loss) for the year after taxation	(10,91,84)
Transfer from General Reserve	<u>5,85,96</u>
Profit/ (Loss) carried forward	<u>(5,05,88)</u>

DIVIDEND

In view of losses during the year, the Directors regret their inability to recommend any dividend.

OPERATIONS

The Operations were severely impacted by the global recession and economic slowdown with consequential impact on the Indian economy. The slowdown has been the severest on the Automotive and Engineering sector. From high input prices to a crash in demand has resulted in the reduction in Sales of your Company, consequent to which your Company has suffered a Loss.

Your Company has taken effective steps of reducing costs and overheads by implementing rationalizing of expenses and restructuring of loans.

The performance review, outlook and strategy have been spelt out in depth in the Management Discussion and Analysis Report, which forms part of this Directors' Report

CHANGES IN CAPITAL STRUCTURE

I. Allotment of Equity Shares on Preferential Basis

The Company has allotted 14,05,000 Equity Shares of Rs. 12.38 each (including a premium of Rs. 2.38 each) to Promoter & Non-Promoter (i.e. Angel Investor) on preferential basis under Section-81(1A) of the Companies Act, 1956 on 30th March, 2009 after getting approval from the Shareholders at the Extra-Ordinary General Meeting held on 9th March, 2009 and In-principle approval from the Bombay Stock Exchange Limited vide its letter dated 26th March, 2009.

After the allotment of 14,05,000 equity shares, the paid-up share of the Company increased from 6083553 to 7488552. Thereafter, the Company applied for listing for the aforesaid shares to Bombay Stock Exchange Ltd. and Exchange has granted the listing approval w.e.f. 20th May, 2009.

II. Allotment of Share Warrants on Preferential Basis

The Company has allotted 8,00,000 Share Warrants of Rs. 12.38 each (including a premium of Rs. 2.38 each) to

Promoter on preferential basis under Section-81(1A) of the Companies Act, 1956 on 30th March, 2009 after getting approval from the Shareholders at the Extra-Ordinary General Meeting held on 9th March, 2009 and In-principle approval from the Bombay Stock Exchange Limited vide its letter dated 26th March, 2009.

Out of 8,00,000 Share Warrants, 3,90,000 Share Warrants were converted into Equity Shares at a price of Rs. 12.38 each (including a premium of Rs. 2.38 each) at a ratio of one equity share for each share warrant on 29th May, 2009. Hence, the paid-up share of the Company again increased from 7488553 to 7878552. Thereafter, the Company applied for listing for the aforesaid shares to Bombay Stock Exchange Ltd.

DIRECTORS

During the year under report, Mr. Sameer Nandwani was appointed as an Additional Director w.e.f. 12th September, 2008. In accordance with Section 260 of the Companies Act, 1956, he hold office only upto the date of the forthcoming Annual General Meeting. The Company has received notices in terms of Section 257(1) alongwith the requisite deposits from members for Mr. Nandwani, proposing his appointment as Director of the Company.

Mr. Himanshu Ajmera stepped down from the Board with effect from 12th September, 2008 during the year. The Board records its deep appreciation of the valuable advice and counsel provided by Mr. Ajmera to the Board.

In accordance with the Section 256 of the Companies Act, 1956 read with Article 95 and 96 of the Articles of Association of the Company, Mr. A. C. Mukherji, Director will retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The information on the particulars of Director seeking re-appointment as required under Clause 49 of the Listing Agreement is given under Corporate Governance portion of this report.

PERSONNEL

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is set out in an Annexure to this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required in terms of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the enclosed annexure.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of annual accounts for the financial year ended 31st March, 2009, the applicable accounting standards were followed and that no material departures were made from the same;
- the Directors selected such accounting policies and practices and adopted them consistently and made judgments and estimates that were 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 year under review and of the profit of the Company for the year ending on that date;



- c) the Directors took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the Directors have prepared the annual accounts for the financial year ending 31st March, 2009 on a going concern basis.

CORPORATE GOVERNANCE

Your Company took adequate steps to ensure that all mandatory provisions of Corporate Governance, as provided under the amended Clause 49 of the Listing Agreement with the Stock Exchange, were complied with. The Company recognises that transparency, disclosure, financial controls and accountability are the pillars of any good system of corporate governance.

A separate report on Corporate Governance along with the certificate from a Practising Company Secretary for its due compliance and a Management Discussion and Analysis Report are annexed hereto.

PUBLIC DEPOSITS

The Company has not accepted or renewed any public deposits, as defined under Section 58A of the Companies Act, 1956 during the year.

AUDITORS

M/s. Price Waterhouse, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting of the Company and have expressed their desire not to offer themselves for re-appointment under the Companies Act, 1956. The Company has received a special notice from a shareholder of the Company, in terms of the provisions of the Companies Act, 1956, signifying his intention to propose the appointment of M/s. Deloitte Haskins & Sells as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of next Annual General Meeting. In view of the above and based on the recommendation of the Audit Committee, your Directors propose M/s. Deloitte Haskins

& Sells, Chartered Accountants, for appointment as the Statutory Auditors of the Company at the ensuing Annual General Meeting. M/s. Deloitte Haskins & Sells are eligible and offer themselves for appointment as Statutory Auditors.

The Company has received a certificate from M/s. Deloitte Haskins & Sells to the effect that their appointment, if made, would be within the limits specified under Section 224(1B) of the Companies, Act, 1956, and that they are not disqualified for such appointment within the meaning of Section 226 of the said Act.

Auditors' comments regarding cash loss has been provided under the heading 'Discussion on Financial Performance with respect to Operational Performance' of Management Discussion and Analysis Report.

PERSONNEL/INDUSTRIAL RELATIONS

During the year under review, Industrial Relations at all units of the Company continued to be cordial and peaceful. Your Directors also wish to place on record their sincere appreciation of the dedicated service put in by the employees of all units of the Company during the year.

ACKNOWLEDGEMENT

Your Directors wish to thank all its valued customers, investors, suppliers, bankers, financial institutions, regulatory and government authorities for their Wholehearted support and look forward to continuation of the relationship in the coming years. Your Directors also wish to place on record their deep sense of appreciation for the committed services of executives, staff and workers of the Company and look forward to their continued support in the future.

For and on behalf of the Board

Kolkata
20th July, 2009

Vandana Khaitan
Vice Chairperson & Managing Director

ANNEXURE TO DIRECTORS' REPORT

A. Conservation of Energy

Your Company is always concerned about the conservation of energy. The energy conservation is regularly monitored and suggestion schemes are evaluated and implemented towards reduction in the consumption.

The following steps have been taken to reduce the electricity-billing amount by 10% approximate of total bill amount.

- To maintain p.f. from 0.88 to 0.98 Avg.
- To reduce maximum demand to maintain within 600 Kva
- To increase DG set efficiency by 10% approximate

B. Technology Absorption

R&D department of your Company is continually engaged in developing and improving products and its quality as per international standard. Your company already successfully developed Front End Hydraulic Tipping Kits for 16 ton and 25 ton tipper business segment and the company is looking for substantial growth in this business segment.

Following are some major products which your company design / developed during fiscal year 2008-2009.

- * Design and development of special type double acting hydraulic cylinder for sub-sea application (Barge).
- * Development of Hydraulic Cylinders for Dump Truck Model HD 465.
- * Design & development of Double Acting Hydraulic Cylinder for scaffolding application.
- * Development of Hydraulic Cylinders for Dump Truck Model HD 785.

For the current fiscal following products are under process of designing / development:

- * Development of Double Acting Hydraulic Cylinders for BE 1250 Excavator.
- * Development of Double Acting Telescopic Cylinder for Rough Terrain Mobile Hydraulic Crane application as an import substitute.
- * Design & development of Double Acting Hydraulic Cylinder for Transfer Device Lifting, Walking Beam Lifting for Steel Mill application.
- * Design & development of Pneumatic Tipping Valve for Front End Tipping System.
- * Development of Gear Pump for Tipping Gear System.

Expenditure on R & D

	Rs.
a) Capital	Nil
b) Recurring	Nil
c) Total	Nil
d) Total R & D expenditure as percentage of total turnover	Nil

C. Foreign Exchange Earnings and Outgo

During the year under review, the Company earned Rs. 261.92 lacs in foreign exchange while the outgo in foreign exchange was Rs. 736.76 lacs.

For and on behalf of the Board

Kolkata
20th July, 2009

Vandana Khaitan
Vice Chairperson & Managing Director



Management Discussion and Analysis Report

Industry Structure and Developments/Opportunities and Threats/Risks and Concerns

2008-09 has been a tumultuous year for the global economy where from a world wide uncontrollable inflationary spiral, a diametrically opposite worst ever slowdown is being witnessed. Commodity prices have moved from being at an all time high to severe lows essentially led by crude oil. The second half of 2008-09 has seen severe financial distress. Large sections of Indian industry-especially the manufacturing sectors have gone under severe stress.

The government has been quick to respond with various fiscal stimulus measures, viz. cut in cenvat rates across the board, increased investment in infrastructure projects, and targeted support for key sectors like construction.

The Indian economy is some what better placed to withstand the shock of the global financial impact being driven by domestic consumption, strong banking system, robust savings and demand from the huge and rising middle class population.

Infrastructure, mining and construction have all been provided stimulus by the Reserve Bank of India and the Government to stimulate demand. These are the key markets where the services of the products of your Company are primarily required i.e. Mobile Hydraulics and Industrial applications and within Mobile Hydraulics by Heavy Earthmoving Equipment and Truck Hydraulics. Demand for infrastructure and construction equipment is set to increase.

Government accorded approval to 37 infrastructure projects worth Rs.70,000 crore from August, 2008 to January, 2009 alone. India Infrastructure Finance Company Ltd. (IIFCL) to refinance upto 60 per cent of commercial bank loans for PPP projects involving total investment of Rs.1,00,000 crore in infrastructure over the next eighteen months.

While this will directly benefit engineering and construction companies, it will also buoy the demand outlook for the equipment industry.

Your company has completed the modernization and quality upgradation of its Plants by replacing and adding new machines. This modernization has enabled the Company to meet the quality and delivery aspirations of its customers, which are very stringent.

Your company has been approached by leading global manufactures in construction equipment for sourcing Hydraulic Cylinders. Your company has received orders for Proto Cylinders to develop and are in an advanced stage of testing and approval.

Segment – wise or Product – wise Performance

The segment- wise performance of the Company during the year under review has been disclosed in the Note 16 of Schedule 18 to the Annual Audited Accounts.

Internal Control Systems and their Adequacy

The Company has developed a self – reliant internal control system commensurate with the size and nature of business.

The objective for such systems is to ensure that all transactions are properly recorded and authorized. The internal control system is also supplemented by documentary policies and procedures. The periodic internal audit process ensures the internal control system operates properly. The scope of internal audit activity is broadly guided by the annual audit plan developed on the basis of feedback from process owner to cover all areas of potential risks. All significant audit observations and follow up actions thereon relating to internal control system are reported to the Audit Committee. The Audit Committee's observations are acted upon by the Management.

In order to augment and support the systems the Company has implemented an Enterprise Resource Planning system which ensures the above objectives by having built-in checks and controls while improving the information flow and providing key inputs for a quick and informed decision making.

Discussion on Financial Performance with respect to Operational Performance

During the year under consideration the gross turnover of your Company has decreased by 24.90% as compared to the previous year. The prime reason for such decrease was due to economic slowdown globally. This has resulted in your company operating at below break-even level leading to Cash Loss during the year. The Company, as a measure of prudence has not recognized the deferred tax asset and taken a charge of Rs.43.86 Lacs. Had the Company not taken a charge, the loss would have been lower to that extent. The Company carries significant un-absorbed depreciation and carry forward losses which if taken as an asset would have lowered the Loss considerably. As a measure of further prudence the Company has written-off bad debts to the extent of Rs.65.13 Lacs considering that some of the customers may not be able to meet their liabilities due to your Company. Significant reduction in the overhead expenses has been made, the principle being relocating the operations of your Company's Lift Division to the Budge Budge plant. Besides, all expenses have been reviewed and controls implemented further to reduce the cost to the maximum. The impact of these initiatives shall be visible in the ensuing financial year.

The Company has augmented the Share Capital by allotting Equity Shares and Share Warrants on a preferential basis to the promoter and non-promoter to reduce the interest cost and improve the Net Worth of the Company. During the year, the Company has reorganized its borrowings, consequent to the losses and the stress in meeting the repayments commitments. The Company has, with the support of its bankers, taken a longer repayment plan as also augmented its working capital.

Developments in Human Resources/ Industrial Relations Front

In a buoyant talent market, the Company has successfully managed to attract, retain and nurture talent of high quality and has witnessed significant prospects from the human resource and industrial relations perspective. The Company's human resources and management systems and processes are



designed to create a responsive, customer – centric, market – focused culture and enhance organizational vitality. As always, the emphasis has been on defining performance parameters more accurately and monitoring the same through continuous performance monitoring systems. It is your Company's belief that the competence and commitment of its people are the key drivers of competitive advantage. The collaborative spirit of partnership across all sections of employees has resulted in significant enhancement of quality and productivity.

The total number of people employed during the year ended 31st March, 2009 was 453.

Quality Statement

Quality control, its awareness, assurance and commitments are the prime focus of your company's culture. Your company has taken a number of quality projects to bring the company in line with global customer's expectation. Your company maintains a high standard of quality by ensuring that the customer's needs and expectations are always met. This philosophy is pervasive at every stage of manufacturing and services because your company thinks customers are not only external but internal as well.

Your company is backed by the most extensive Service Network in the fluid power industry in India. Your company's own service engineers and company trained dealer's service engineers are always available for customer's care and satisfaction.

Your company has also strengthened the manpower and their quality in QC & QA segment for continuous improvement, R&D based on the feedback from user's end.

Future Outlook

The strength of the Fluid Power industry is derived from investments made in infrastructure, construction and manufacturing industries. We expect with the impetus provided by the stimulus package for the Indian economy through investments in infrastructure and construction, will translate into aggressive business activity and growth in these sectors. The largest segment in the Fluid Power industry being mobile hydraulics, your Company shall be in a position to exploit the emerging opportunity gainfully and profitably considering the expertise and experience covering the last four decades.

Cautionary Statement

Statements in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates, etc. are forward – looking and involve risks and uncertainties. Actual results may differ materially from those expressed or implied, due to several factors. These include economic conditions affecting demand/supply, price in the domestic and overseas markets, Government regulations and policies, political developments, natural calamities etc. over which the Company does not have any direct control. This Report should be read in conjunction with the financial statements included herein and notes thereat.



Report on Corporate Governance

(A) Corporate Governance Philosophy

The Company's Corporate Governance policies are essentially aimed at ensuring transparency in all dealings and hence seeks to focus on enhancement of long term shareholder value without compromising on integrity, procedures and processes and regulatory compliances. Your Company has continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies and prudent business plans, thereby ensuring that the Company pursues policies and procedures to satisfy its legal and ethical responsibilities. Your Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationships between itself and its stakeholders.

(B) Board of Directors

(a) Composition of the Board of Directors and other details as on 31st March, 2009 are as under :

SI No.	Name of Director(s)	Executive/ Non-Executive/ Independent	No. of other		
			Directorships**	Committees Position held #	
				As Chairman	As Member
1.	Mrs. Vandana Khaitan (Vice Chairperson & Managing Director) - Promoter	Executive	1	None	None
2.	Mr. A. C. Mukherji	Non-Executive & Independent	7	4	4
3.	Mrs. Sindhubala Choudhury - Nominee - LIC	Non-Executive & Independent	None	None	None
4.	Mr. Harish Khaitan - Promoter	Non-Executive & Non-Independent	1	None	None
5.	Mr. Sameer Nandwani	Non-Executive & Independent	None	None	None

** Excluding Directorships of Indian Private Limited Companies, Foreign Companies, Companies u/s. 25 of the Companies Act, 1956 and Alternate Directorships.

Audit and Shareholders'/Investors' Grievance Committees in Indian Public Limited Companies are only considered.

(b) Changes in the composition of the Board of Directors since last Annual General Meeting:

- Mr. Himanshu Ajmera ceased to be Director of the Company by resignation with effect from 12th September, 2009.
- Mr. Sameer Nandwani was appointed as an Additional Director by the Board with effect from 12th September, 2009.

(c) Meetings held during the financial year 2008 – 2009 and attendance of Directors :

During the year under review 7(seven) Board Meetings were held on 30th June, 2008; 15th July, 2008; 31st July, 2008; 11th September, 2008; 30th October, 2008; 30th January, 2009; 9th February, 2009.

The attendance of each Director at the Board Meetings during the year and at the last Annual General Meeting held on 11th September, 2008 was as follows:

SI No.	Name of Director	No. of Board Meetings attended	Attendance at last AGM held on 11 th September, 2008
1.	Mrs. Vandana Khaitan (Vice Chairperson & Managing Director)	7	Present
2.	Mr. Harish Khaitan	6	Not Present
3.	Mr. A. C. Mukherji	7	Present
4.	Mrs. Sindhubala Choudhury	7	Present
5.	Mr. Himanshu Ajmera (resigned w.e.f. 12.09.2008)	1	Not Present
6.	Mr. Sameer Nandwani *	2	N. A.



* Appointed by the Board subsequent to the Annual General Meeting held on 11th September, 2008.

(C) Committees of the Board

(1) Audit Committee

(a) Broad Terms of Reference

The Audit Committee had been constituted as per Section 292A of the Companies Act, 1956 and the guidelines laid down under Clause 49 of the Listing Agreement

The terms of reference include:

- Reviewing the financial reporting process;
- Discussions and Analysis of Financial Conditions and Results of Operations periodically and annually;
- Reviewing efficiency, effectiveness of operations and adequacy of internal control system and its weakness;
- Safeguarding of assets and adequacy of provisions for all liabilities;
- Reviewing with the management about the funds raised through preferential issue; and
- Discussions with Statutory Auditors before Audit commences the nature & scope of audit with area of concern.

(b) Composition of the Committee

The Audit Committee as on 31.03.2009 comprising three Independent Non-executive Directors and one Dependant Non-executive Director and they do have requisite financial and management expertise in the commercial fields.

Audit Committee of the Company as on 31.03.2009 comprised of :-

- | | | |
|---------------------------------|---|--------------------------------------|
| (i) Mr. A.C.Mukherji (Chairman) | : | Independent Non – Executive Director |
| (ii) Mrs. Sindhubala Choudhury | : | Independent Non – Executive Director |
| (iii) Mr. Sameer Nandwani | : | Independent Non – Executive Director |
| (iv) Mr. Harish Khaitan | : | Dependent Non-Executive Director |

The Company Secretary is acting as the Secretary to the Audit Committee.

The Vice Chairperson and Managing Director, CFO & other Finance Heads, Statutory Auditors and Internal Auditors are invited to attend and participate at the meetings of the Committee.

(c) Meetings and Attendance

During the year 6 (six) meetings of the Audit Committee were held on 24th May, 2008; 30th June, 2008; 15th July, 2008; 31st July, 2008; 30th October, 2008 and 30th January, 2009.

The Annual Audited Accounts for the year ended 31st March, 2009 was discussed and reviewed by the Audit Committee in its meeting held on 29th June, 2009 and 20th July,2009 and the same was recommended to the Board of Directors for its approval.

The Annual Accounts for the last financial year ended 31st March, 2008 were discussed and reviewed in the Audit Committee Meeting held on 30th June, 2008 and subsequently on 15th July, 2008 in which the Statutory Auditors were invited and attended.

Attendance at Audit Committee Meetings during the financial year was as under:

Sl. No.	Name of Director	Position held	No. of Meetings attended
1.	Mr. A. C. Mukherji*	Chairman	6
2.	Mr. Harish Khaitan	Member	6
3.	Mr. Himanshu Amjera#	Member	1
4.	Mrs. Sindhubala Choudhury	Member	6
5.	Mr. Sameer Nandwani**	Member	1

* Mr. A.C.Mukherji, Chairman of the Audit Committee, attended the last Annual General Meeting held on 11th September, 2008 and replied to the queries related to Accounts to the satisfaction of the shareholders.

Ceased to be Member of the Committee w.e.f. 12.09.2008

** Appointed as a Member of the Committee w.e.f. 30.10.2008



(2) Remuneration Committee

(a) Broad Terms of Reference

The broad terms of reference of the Remuneration Committee is to ensure that the remuneration practices of the Company for its executive directors are competitive based on their potentiality and performances and are within the limit set out in Sections 309 & 198 and Schedule XIII of the Companies Act, 1956.

(b) Composition of the Committee

Remuneration Committee of the Company as on 31.03.2009 comprised of: -

- (i) Mr. A.C.Mukherji (Chairman) : Independent Non – Executive Director
(ii) Mrs. Sindhubala Choudhury : Independent Non – Executive Director
(iii) Mr. Sameer Nandwani : Independent Non – Executive Director

(c) Meetings and Attendance

During the year under review 1 (one) meeting of the Remuneration Committee was held on 30th June, 2008.

The attendance was as follows:

Sl. No.	Name of Director	No. of Meetings attended
1.	Mr. A. C. Mukherji	1
2.	Mr. Himanshu Ajmera*	1
3.	Mrs. Sindhubala Choudhury	1
4.	Mr. Sameer Nandwani@	Nil

*Ceased to be a Member of the Committee w.e.f. 12.09.2008.

@Appointed a Member of the Committee w.e.f. 30.10.2008.

(d) Remuneration Policy

The remuneration policy is based mainly on the performance of the Company as a whole and the achievements, performances, potentiality and track records of each manager(s) and competitiveness of the business as well. This is also in consonance with the prevailing industrial practice.

The Company benefited immensely by the appointment and vast professional expertise of its Non-executive Directors on the Board. Suitably remuneration, as sitting fees, is being paid to them for attending each of the meetings of the Board and Committees. Besides those sitting fees, the Non – Executive Directors of the Company are not getting any other remuneration or commission from the Company.

The Company does not currently have a stock option plan for its Directors or employees.

(e) Remuneration paid to Directors for the financial year 2008 –09 :

Name	Salary	Contribution to Provident and other Funds	Perquisites	Commission	Sitting Fees	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Mrs. Vandana Khaitan #	12,48,000	1,90,022	18,01,078	-	-	32,39,100
Mr. A. C. Mukherji	-	-	-	-	75,000	75,000
Mrs. Sindhubala Choudhury	-	-	-	-	75,000	75,000
Mr. Harish Khaitan**	-	-	-	-	60,000	60,000
Mr. Himanshu Ajmera*	-	-	-	-	12,000	12,000
Mr. Sameer Nandwani ^	-	-	-	-	19,000	19,000

Re-appointed as the Vice Chairperson & Managing Director of the Company for a period of three years w.e.f 01/05/2008 obtaining the requisite approvals from the Shareholders and the Central Government.

* Ceased to be a Director with effect from 12th September, 2008.



** Mr. Harish Khaitan, Non- Executive Director of the Company, holds 37,817 Equity Shares which represents 0.50% of the paid up share capital of the Company.

^ Mr. Sameer Nandwani appointed as an Additional Director of the Company w.e.f.12th September, 2008.

(3) Shareholders'/ Investors' Grievance Committee

(a) Broad Terms of Reference

The Shareholders'/ Investors' Grievance Committee looks into the clarification/ redressing shareholders' and investors' queries/ complaints viz. non – receipt of shares, non – receipt of Balance Sheet, non – receipt of dividends etc. and approve transfer/transmission, issue of duplicate certificates, sub-division etc. and to do all such acts, deeds and things as may be required necessary in connection therewith.

(b) Composition

The Committee as on 31.03.2009 comprised of:-

(i) Mrs. Sindhubala Choudhury, Chairperson

(ii) Mrs. Vandana Khaitan, Member

Mr. Sanjay Kumar Gupta, Company Secretary is the 'Compliance Officer' of the Company.

(c) Meetings and Attendance

During the year under review, the Committee met 4 (four) times on 30th June, 2008; 31st July, 2008; 30th October, 2008 and 30th January, 2009.

The attendance at the above meetings was as under:

Sl. No.	Name of Director	No. of Meetings attended
1.	Mrs. Sindhubala Choudhury	4
2.	Mrs. Vandana Khaitan	4

The status of investors' queries/ complaints is as follows:

No. of investor queries/ complaints received during the year ended 31st March, 2009	No. of investor grievances pending at the end of the year	No. of pending share transfers as on 31st March, 2009
4	Nil	Nil

(4) Finance & Accounts Committee

(a) Broad Terms of Reference

The Finance & Accounts Committee was constituted to review, consider and approve the quarterly Limited Review Report of the Unaudited Financial Results of the Company in compliance with the amended Clause 41 of the Listing Agreement with the Stock Exchange.

(b) Composition

The members of the Committee are as follows:

(i) Mrs. Vandana Khaitan

(ii) Mr. A.C.Mukherji

(iii) Mr. Sameer Nandwani *

* Appointed as a Member of the Committee in place of Mr. Himanshu Ajmera w.e.f. 30.10.2008.

(c) Meetings and Attendance

During the financial year 2008-09 the Finance & Accounts Committee met 4 (four) times i.e. on 30th August, 2008 (adjourned), 6th September, 2008, 30th November, 2008 and 28th February, 2009.

The attendance of the members was as under :

Sl. No.	Name of Director	No. of Meetings attended
1.	Mrs. Vandana Khaitan	3
2.	Mr. A. C. Mukherji	4
3.	Mr. Himanshu Ajmera	Nil
4.	Mr. Sameer Nandwani	1

CFO and other Finance Head are being invited to attend the meetings of the Committee.



(5) Share Allotment Committee

(a) Broad Terms of Reference

The Share Allotment Committee was constituted on 9th February, 2009 in consonance with the allotment and issue of Equity Shares and Convertible Share Warrants to the Promoter(s) and Angel Investor on a preferential basis.

(b) Composition

The members of the Committee are as follows:

- (i) Mr. A.C.Mukherji
- (ii) Mr. Sameer Nandwani

(c) Meetings and Attendance

Share Allotment Committee met once i.e. on 30th March, 2009 during the year.

The attendance of the members was as under:

Sl. No.	Name of Director	No. of Meetings attended
1.	Mr. A. C. Mukherji	1
2.	Mr. Sameer Nandwani	1

(D) Annual General Meeting

(a) Location and time where last three Annual General Meetings (AGMs) were held are as under:

For the year	Venue	Day and date	Time
2007-2008	Shripati Singhanian Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700020	Thursday 11th September, 2008	11.00 A.M. (IST)
2006-2007	Shripati Singhanian Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700020	Thursday 6th September, 2007	11.00 A.M. (IST)
2005-2006	Shripati Singhanian Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700020	Monday 4th September, 2006	11.00 A.M. (IST)

(b) Special Resolutions passed in previous three AGMs:-

Date of Meeting	Subject Matter of Resolution
AGM dated 11th September, 2008	Re-appointment of and fixation of remuneration of Vice Chairperson & Managing Director
AGM dated 6th September, 2007	Appointment of and fixation of remuneration of Whole Time Director
AGM dated 4th September, 2006	Nil

(c) Special Resolutions passed in previous EGM:

Date of Meeting	Subject Matter of Resolution
EGM dated 9th March, 2009	<ul style="list-style-type: none"> a. Alteration of Articles of Association subject to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956 for Issue of Share Warrants on Preferential Basis. b. Issue of Equity Shares and Share Warrants to the Promoter(s) and Non- Promoter (Angel Investor) U/s. 81(1A) of the Companies Act, 1956 on Preferential Basis.

(d) Special Resolution through Postal Ballot :

During the year under review the Company had not passed any Special Resolution through postal ballot and no Special Resolution is being proposed through Postal Ballot at the forthcoming Annual General Meeting.



(E) Code of Conduct

The Company had adopted a comprehensive Code of Conduct as per the provisions of Clause 49 (I) (D) of the Listing Agreement for all its Directors and Senior Management Personnel and a copy of the said Code has been put on the website at www.utl-india.com of the Company.

All members of the Board and Senior Management Personnel have affirmed their compliance with the provisions of this Code of Conduct as on 31st March, 2009 and the declarations to this effect signed by the Vice Chairperson & Managing Director & CEO form part of this report.

"This is to certify that the Company had laid down a Code of Conduct for the members of its Board of Directors and the Senior Management Personnel in accordance with Clause 49(I) (D) of the amended Listing Agreement with the Stock Exchange adopted by the Board of Directors at their meeting held on 27th October, 2005 and on the basis of confirmation received from all members of the Board and Senior Management Personnel, I hereby declare that all the members of the Board and Senior Management Personnel of the Company have affirmed their compliance with the said Code of Conduct for the year ended 31st March, 2009."

For and on behalf of the Board

Place : Kolkata
Date : 20th July, 2009

Vandana Khaitan
Vice Chairperson & Managing Director
& Chief Executive Officer

(F) Disclosures

(a) Disclosures on materially significant related party transactions

The Company has not entered into any significant transaction of a material nature with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board, and the Interested Directors neither participated in the discussion nor they voted on such matters.

Suitable disclosure with regard to related parties, as per the requirement of Accounting Standard (AS 18) of the Institute of Chartered Accountants of India has been made available and set out in point 17 of Schedule 18 of this Annual Audited Accounts.

(b) Disclosure with regard to pecuniary relationship or transactions

There was no pecuniary transaction that have potential conflict with the interest of the Company at large in regard to the Non – Executive Directors vis – a – vis the Company.

(c) Details of Non – Compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange, SEBI or any statutory authorities on any matter related to capital markets

No penalties or strictures have been imposed during the last three years by the Stock Exchange, SEBI or any other Statutory Authorities on matters relating to capital markets.

(d) Compliance with the Non – mandatory requirements of Clause 49 of the Listing Agreement

The Company has adopted non – mandatory requirements as per Clause 49 of the Listing Agreement with the Stock Exchange and constituted the Remuneration Committee which is provided in this report under the heading "Remuneration Committee".

(G) Means of Communication

The Company are regularly submits its Annual, Half yearly and Quarterly results to the Stock Exchange immediately after these are considered and taken on record as per requirement of the Listing Agreement. These are published in 'The Financial Express' (English) and 'Dainik Statesman' (Vernacular) newspapers. These results are also made available on the Company's website at www.utl-india.com.

As per requirements of Clause 51 of the Listing Agreement, the quarterly results, shareholding pattern, Annual Report etc. of the Company are also posted on SEBI's website at www.sebidifair.nic.in.

No formal presentation has been made to Institutional Investors or Analysts during the year.

(H) Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of this Annual Report and reported under the heading 'Directors' Report to The Members'.

(I) General Shareholder Information

(a) Annual General Meeting



Day, date and time	Saturday, 12th September, 2009 at 11.00 A.M.
Venue	Shripati Singhania Hall Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020
Agenda	a. Adoption of Audited Accounts, Directors' and Auditors' Reports b. Re-appointment of Director retiring by rotation. c. Appointment of Auditors by ordinary resolution in place of retiring Auditors. d. Appointment of Director. e. Issue of Equity Shares to Non-Promoter U/s. 81(1A) of the Companies Act, 1956 on Preferential basis.

(b) The profile of Director retiring by rotation and offer himself for re-appointment

• **Director(s) retiring by Rotation**

• **Mr. A. C. Mukherji**

Mr. A. C. Mukherji, aged about 84 years is a M.A. (1st Class) and Fellow, Insurance Institute of India (F.I.I.). He had attended Senior Management Course at the Administrative Staff Collage of India, Hyderabad. He has several decades of wide experience and expertise in Management, Financial Control, Investments, Marketing and HRD. He had attended various International Conferences, Seminars and Workshop all over the world. He is associated with the following Companies in the capacity of Director and also holds the Committee Chairmanship/ Membership as required to be formed under the Listing Agreement.

Directorship and Committee Membership/Chairmanship held in other Companies are:

Sl. No.	Directorships held in Companies	Committee Positions held
1.	Kirloskar Pneumatic Co. Ltd.	Chairman, Audit Committee
2.	Digjam Industries Ltd.	Chairman, Audit Committee & Member, Shareholders' Grievance Committee
3.	Sahara India Life Insurance Co. Ltd.	Chairman, Audit Committee
4.	VXL Technologies Ltd.	Member, Audit Committee
5.	Asiatic Oxygen Ltd.	Member, Audit Committee
6.	NPR Finance Ltd.	Member, Audit Committee
7.	Ludlow Jute & Specialities Ltd.	Chairman, Audit Committee

• **Appointment of Director(s)**

• **Mr. Sameer Nandwani**

Mr. Sameer Nandwani, aged about 43, is a B Sc (Hons) Graduate from the University of Manchester, UK and he worked with two leading Accountancy Firms there in UK from 1986 to 1993. He headed the Mergers & Acquisitions Depts. in Investment Banking Firm during the period from 1994 to 1996 and associated with the organisations involved in Plantations, Tea heading the Corporate and Finances Depts. during 1996-2002. He set up his own Management Consultancy Company in 2002 for Foreign Clients on entry into India. Also advising Indian clients in the field of procedures for raising international funds, identifying of Partners for both Indian & Foreign Clients, preparation of Project Reports and Feasibility Studies for them covering Engineering, Retailing, Trading, Tea etc.

Mr. Nandwani is the Director of the following Companies:

1. Moondakotee Tea Company Pvt. Ltd.
2. Bhumya Pvt. Ltd.
3. Weft Waft Consultancy Solutions Pvt. Ltd
4. Sports Hub Pvt. Ltd

(c) Financial Calendar and Publication of Results

The Company follows 1st April to 31st March as its financial year. Publication of results will be as under:

First quarter ended June 30, 2009	July, 2009
Second quarter and half year ended September 30, 2009	October, 2009
Third quarter and nine months ended December 31, 2009	January, 2010
Annual Accounts for Financial Year 2009-2010	June, 2010

(d) Book Closure

Date of closure of the Company's Register of Members and Share Transfer books.	Saturday, 5th September, 2009 to Saturday, 12th September, 2009 (both days inclusive)
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(e) Dividend

The Board has not recommended any dividend for the year ended 31st March, 2009 in view of the losses incurred by the Company.

(f) Listing on Stock Exchange

The Company's equity shares are listed on the Stock Exchange located at :	Address of the Stock Exchange
Mumbai	Bombay Stock Exchange Limited P. J. Towers Dalal Street, Mumbai - 400 001
Stock Code of the Company	BSE 526879
ISIN No. for the Company's equity in Demat form	INE 487C01017
Depositories Connectivity	NSDL and CDSL

Annual Listing Fee for the year 2009-2010 has been paid by the Company to the Stock Exchange within scheduled date and the annual custodian fees to both NSDL and CDSL have also been paid in time.

(g) Market Price Data

The high and low price of the Company's shares traded monthwise with volumes and vis-à-vis of BSE Sensex for the year 2008-2009 are as follows:

Month	BSE High (Rs.)	BSE Low (Rs.)	BSE Sensex at the close	BSE Volume (Nos.)
April, 2008	36.00	24.00	17287.31	88470
May, 2008	31.75	23.95	16415.57	95995
June, 2008	26.45	17.75	13461.60	146106
July, 2008	18.95	14.00	14355.75	111148
August, 2008	23.00	16.00	14564.53	61089
September, 2008	19.25	14.15	12860.43	38697
October, 2008	15.85	8.29	9788.06	38409
November, 2008	11.86	8.40	9092.72	35434
December, 2008	12.95	9.06	9647.31	56682
January, 2009	11.30	7.50	9424.24	9915
February, 2009	8.78	7.24	8891.61	23948
March, 2009	8.38	6.10	9708.50	43309

(h) Shareholding Pattern

Equity Shares of Rs.10/- each

Sl. No.	Shareholders	As on 31st March, 2009		As on 31st March, 2008		Variation	
		No. of shares	%	No. of shares	%	No. of shares	%
1.	Promoters and their relatives	24,39,523	32.58	20,84,492	34.27	3,55,031	14.55
2.	Foreign Promoters - Telehoist Ltd. U. K.	7,40,000	9.88	7,40,000	12.16	-	(2.28)
3.	Mutual Funds and UTI	-	-	-	-	-	-
4.	Banks, FIs, Insurance Cos., Central/State Govt. Institutions/Non-Government Institutions	8,80,546	11.76	8,80,546	14.47	-	(2.71)
5.	Private Corporate Bodies	18,90,512	25.25	7,92,994	13.04	10,97,518	58.05
6.	Indian Public	15,05,245	20.10	15,28,591	25.13	(23,346)	(1.53)
7.	NRIs/OCBs/FIIs	18,279	0.24	17,929	0.29	350	1.91
8.	Any other	14,447	0.19	39,000	0.64	(24,553)	(62.96)
	Total	74,88,552	100.00	60,83,552	100.00		



(i) **Distribution of Shareholding as on 31st March, 2009**

No. of Equity shares held	No. of shareholders holding shares in		No. of shares held		% of equity capital held in	
	Physical Form	Demat Form	Physical Form	Demat Form	Physical Form	Demat Form
1 - 1,000	572	2036	80777	529422	1.08	7.07
1,001 - 5,000	21	198	38878	435924	0.52	5.82
5,001 - 10,000	1	25	6000	197072	0.08	2.63
10,001 - 50,000	1	19	21600	355292	0.29	4.74
50,001 - 1,00,000	1	6	54864	419092	0.73	5.60
1,00,001 - 10,00,000	4	9	1663968	2565663	22.22	34.26
10,00,001 and above	1	-	1120000	-	14.96	-
TOTAL	601	2293	2986087	4502465	39.88	60.12
TOTAL	2894		7488552		100	

(j) **Registrar and Transfer Agent**

The Company has entrusted its entire works in relation to the equity shares for both physical and electronic modes and jobs related to Depositories viz. NSDL and CDSL to its Registrar and Share Transfer Agent (RTA) M/s. C. B. Management Services (P) Limited of P-22, Bondel Road, Kolkata – 700 019 having SEBI Registration No. INR000003324.

(k) **Share Transfer System**

The equity shares received physically for transfer, transmission, dematerialization etc. are processed by the Registrar and Share Transfer Agent and attended fortnightly by Mrs. Vandana Khaitan, Vice Chairperson & Mg. Director and Mr. Sanjay Kumar Gupta, Company Secretary as per authority delegated to them and placed before Shareholders' /Investors' Grievance Committee for its noting and ratification.

(l) **Listing of Equity Shares on Stock Exchange**

The Company has received the necessary approvals from the Bombay Stock Exchange Limited for listing of 14,05,000 Equity Shares of Rs.10/- each at a premium of Rs.2.38 per share bearing distinctive numbers from 6083553 to 7488552 w.e.f. 20th May, 2009 allotted to Promoter(s) and Non-Promoter i.e. Angel Investor on preferential basis.

The Company had also issued and allotted 8, 00,000 Share Warrants of Rs.10/- each at a premium of Rs.2.38 per share warrant to Mrs. Vandana Khaitan, Promoter, on 30th March, 2009 on preferential basis and converted 3, 90,000 Share Warrants into one Equity Share at a ratio of one equity share for each share warrant at a price at Rs. 12.38 each (including a premium of Rs. 2.38 each) on 29th May, 2009. The paid up equity shares of the Company, thus enhanced from 7488553 to 7878552. The necessary application for listing of 3,90,000 Equity Shares is made and approval from the Bombay Stock Exchange Ltd. is awaited.

(m) **Dematerialization of Shares and Liquidity**

The equity shares of the Company are in compulsory demat segment and available in both the Depositories NSDL & CDSL. As on 31st March, 2009 out of total 74,88,552 equity shares, 45,02,465 equity shares representing 60.12 % are dematerialized.

(n) **Outstanding GDR/ADR/Warrants or any Convertible instruments, Conversion date and likely impact on equity are:**

Folio/DPID /CLID	Name/Address/ Joint Names/FH Name	Shares Warrant Allotted	Date of Allotment	Cert_No.	Dist. No. From	Dist. No. To
VK 0001	Vandana Khaitan 28A, Ashutosh Chowdhury Avenue, Kolkata - 700 019 F/H : Harish Khaitan	410000*	30th March, 2009	000002	390001	800000



* 4, 10,000 Share Warrants of Rs.12.38 each (including a premium of Rs.2.38 each) will be converted into equity shares at a ratio of one equity share for each share warrant within a period of 18 months from the date of allotment and thereby the paid up equity shares of the Company would be enhanced to 8288552 if there is no further issue of equity shares.

(o) Plant Locations

Company's plants are situated at:

1. Budge Budge Trunk Road, Kolkata, West Bengal;
2. Hosur, Tamil Nadu

(p) Address for Correspondence

Registered Office	Kolkata Plant	Registrar and Share Transfer Agent
14, Princep Street Kolkata - 700 072 Telephone No. (033) 2225 2596	Budge Budge Trunk Road Maheshtala, Chandannagar Kolkata - 700 141 Tel. No. (033) 2490 1842/ 2490 1629 Fax No. (033) 2490 1458	C. B. Management Services (P) Ltd. P - 22, Bondel Road Kolkata - 700 019 Tel. No. (033) 2280 6692/6693/6694 Fax No. (033) 2287 0263

For and on behalf of the Board of Directors

Kolkata
20th July, 2009

Vandana Khaitan
Vice Chairperson & Managing Director



CEO/CFO Certification

Pursuant to the Clause 49 (V) of the Listing Agreement with the Stock Exchange we hereby certify that-

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the Company and disclosed to the auditors and the Audit Committee that there is no deficiency in the design or operation of internal controls of the Company.
- (d) We have indicated to the auditors and the Audit Committee that there is no:
- (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year; and
 - (iii) instance of significant fraud nor any involvement of the management or employee having significant role in the internal control system of the Company.

(Vivek Sanghi)
Chief Financial Officer

(Vandana Khaitan)
*Vice Chairperson & Mg. Director
& Chief Executive Officer*

Place : Kolkata
Date : 20th July, 2009



To
The Members
UT LIMITED
14, Princep Street,
Kolkata-700072

CERTIFICATE ON CORPORATE GOVERNANCE

We have carried out an audit of the procedures followed by the Company to comply with the provisions of Corporate Governance pursuant to the Clause 49 of the Listing Agreement with the Stock Exchange, read with other applicable provisions of law, for the year ended 31st March, 2009.

On the basis of the records, documents and papers shown and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Company.

Corporate Governance is the responsibility of the Company and our confirmation is only towards implementation of Corporate Governance by the Company. Our confirmation is in no way related to future viability of the Company.

For ANJAN KUMAR ROY & CO.
Company Secretaries

ANJAN KUMAR ROY
FCS 5684
CP 4557
Proprietor

Date: 20th day of July, 2009



Auditors' Report To the members of, UT Limited

1. We have audited the attached Balance Sheet of UT Limited, as at 31st March, 2009, the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have 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.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order, 2004, 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 further report that :
 - i) (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
 - (b) The fixed assets of the Company are physically verified by the management according to phased programmes designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such programmes, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
 - ii) (a) Raw materials, loose tools, stores and spare parts of Tipping Gear Division at kolkata have been physically verified by the management subsequent to the year-end and other items of inventories (excluding stocks with third parties) of the Company have been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion the frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of the inventory records, in our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
 - iii) (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 Act .
 - (b) 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 Act other than unsecured loans of Rs.4,000 thousands from a Director of the Company during the year. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs.4,000 thousands and Rs. Nil respectively.
 - (c) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
 - (d) In respect of the aforesaid loans, the company is regular in repaying the principal amounts as stipulated but has not paid the interest thereon (year-end interest accrued and due is Rs.160 thousands).
 - iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have we been informed of continuing failure to correct major weaknesses in the aforesaid internal control system.
 - v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
 - (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year other than unsecured loans from a Director dealt with in Paragraphs 3 (iii) (b) to 3(iii)(d) above.
 - vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
 - vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
 - viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
 - ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is not generally regular in depositing undisputed statutory dues of provident fund, income-tax, sales tax, service tax, excise duty, cess and generally regular in respect of undisputed statutory dues including employees' state insurance, wealth tax, customs duty and other material statutory dues (investor education and protection fund not applicable). Arrear provident fund, service tax, fringe benefit tax and sales tax of Rs.222 thousands, Rs.425 thousands, Rs.788 thousands and Rs.2,034 thousands respectively are outstanding for a period of more than six months as on 31st March,2009.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty and cess as at 31stMarch, 2009 which have not been deposited on account of a dispute (there being no such cases with regard to wealth tax, service tax, custom duty and cess), are as follows –



Name of the Statute	Nature of the dues	Amount Rupees in thousands	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	13,525	Commissioner
Tamil Nadu, General Sales Tax Act, 1959	Sales Tax	1,045	Tribunal
West Bengal Sales Tax Act, 1994	Sales Tax	934	Additional Commissioner
Central Sales Tax Act, 1956	Sales Tax	4,980	Additional Commissioner
Central Excise Act, 1944	Excise Duty	874	Commissioner

- x) *The accumulated losses of the Company as at 31st March, 2009 are not less than fifty percent of the net worth of the Company. The Company has incurred cash losses in the financial year ended 31st March, 2009 and in the immediately preceding financial year.*
- xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank (debenture holder not applicable) other than certain delays in repayment of dues to banks and financial institutions during the year as set out in Annexure A to this Report.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvi) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- xvii) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short term basis which have been used for long term investment.
- xviii) The Company has made preferential allotment of shares to a Director covered in the register maintained under Section 301 of the Act during the year. In our opinion and according to the information and explanations given to us, the price at which such shares have been issued is not prejudicial to the interest of the Company.
- xix) The Company does not have any outstanding debentures.
- xx) The Company has not raised any money by public issue during the year.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
4. Further to our comments in paragraph 3 above, we report that:
- (i) 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;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
- (v) On the basis of written representations received from the directors as on 31st March, 2009, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- (vi) 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 Act 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 the affairs of the Company as at 31st March, 2009;
- (b) in the case of the Profit and Loss Account, its loss 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.

Kolkata,
20th July, 2009

(S.K.Deb)
Partner
Membership No. 13390
For and on behalf of
Price Waterhouse
Chartered Accountants



Annexure - A to Auditors' Report [referred to in Paragraph 3 (xi) of the Auditors' Report of even date to the members of UT Limited on the financial statements for the year ended on 31st March, 2009]

Default in repayment of dues to banks and financial institution -

Bank/ Financial Institution	Amount of default (Rs. in '000s)	Period of default (in days)	Bank/ Financial Institution	Amount of default (Rs. in '000s)	Period of default (in days)	Bank/ Financial Institution	Amount of default (Rs. in '000s)	Period of default (in days)
ICICI Bank Ltd.	10	13	Indusind Bank Ltd.	1,560	8	HDFC Bank Ltd.	1,898	27
	10	14		1,560	43		1,920	22
	10	15		1,560	19		2,398	19
	10	13		1,560	32		1,676	38
	10	11		1,863	33		2,053	41
	10	14		1,560	21		2,114	40
	40	13		1,560	30		1,814	11
	40	14		887	35		2,423	4
	40	15		443	35		2,475	10
	40	13		1,545	18		1,893	7
	40	11		1,545	17		2,118	18
	40	14		1,651	27		1,936	14
	212	20		1,545	20		2,104	12
	212	13		1,545	37		2,121	10
	212	12		1,545	34		2,273	7
	212	15		1,749	34		2,349	21
	212	15		1,749	34		2,038	17
Indusind Bank Ltd.	1,588	22		750	31		1,683	20
	1,156	26		330	31		2,217	17
	1,588	32		1,749	46		1,852	2
	1,588	18		1,749	89		1,868	9
	1,588	25		991	22		2,295	6
	1,588	22		330	39		3,580	16
	1,588	14		375	39		2,180	20
	1,156	17		1,749	76		2,114	20
	1,588	14		1,749	63		2,208	11
	1,588	17		1,749	84		1,957	19
	1,560	9		1,749	84		2,187	14
	1,560	15		374	63		1,500	6
	1,560	16		1,749	49		5,029	9
	1,560	12		1,749	42		2,106	14
	1,560	8		37	14		2,872	14
	1,560	2		66	13		1,573	32
	1,560	16	HDFC Bank Ltd.	2,047	20		2,019	27
	1,135	9		2,111	21		4,594	27
	1,863	12		2,050	22		1,159	69
	1,560	29		2,128	17		400	70
	1,560	12		2,180	12		539	83
	1,560	29		2,076	25		1,335	19
	1,560	25		1,819	25		1,972	84



Bank/ Financial Institution	Amount of default (Rs. in '000s)	Period of default (in days)
State Industrial and Investment Corporation of Maharashtra Limited	1,002	13
	753	21
	4,000	27
	1,164	37
	3,367	71
	199	124
	1,032	124
	1,469	124
	932	116
	380	116
	799	128
	287	177
	1,595	156
	350	156
	486	181
	2,693	132
	2,365	124
	4,116	88
	1,220	116
	5,700	118
	900	148
	500	152
	1,000	153
	4,116	154
	101	154
	823	177
	2,544	178
	931	181
	4,892	181
	1,292	173
Allahabad Bank	95	27
	340	55
	47	56
	487	25
	465	91
	6	60

Bank/ Financial Institution	Amount of default (Rs. in '000s)	Period of default (in days)
Allahabad Bank	491	153
	516	122
	495	92
	311	61
	295	31
	5,000	152
	5,000	121
	5,000	91
	5,000	153
	5,000	122
	5,000	92
	5,000	61
	51	2
	166	37
	34	6
	174	23
	15	27
	200	91
	49	60
	162	153
	220	122
	216	92
	202	61
	191	31
	86	2
	72	2
	200	56
	1,625	66
	1,825	90
	1,825	91
	1,825	91
	4	33
	120	2
	107	2
	38	33
	1,127	2
	1,011	2
Bank of India	1,667	149
	1,667	119
	1,667	89

Bank/ Financial Institution	Amount of default (Rs. in '000s)	Period of default (in days)
Bank of India	1,667	243
	1,667	212
	1,667	182
	1,667	151
	1,667	121
	1,667	90
	1,667	59
	1,663	31
	86	44
	154	64
	7	33
	229	118
	17	119
	234	89
	1	89
	2	58
	242	243
	258	212
	251	182
	194	151
	186	121
	196	90
	194	59
	175	31
	1,240	88
	181	62
	48	64
	90	33
	190	118
	262	88
	276	242
	291	211
	288	181
	282	150
	268	120
	280	89
	8	58
	220	59
	207	31

(S.K.Deb)
Partner

Membership No. 13390
For and on behalf of Price Waterhouse
Chartered Accountants

Kolkata,
20th July, 2009



Balance Sheet as at 31st March, 2009

(Rupees in Thousands)

	Schedule Reference	As at 31st March, 2009	As at 31st March, 2008
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	5	7,48,86	6,08,36
Equity Warrants (Note 15 on Schedule 18)		80,72	-
Reserves and Surplus	6	2,64,11	8,17,49
		1,093,69	14,25,85
Loan Funds			
Secured Loans	7	41,85,16	34,50,26
Unsecured Loans	8	5,97,29	7,18,41
		47,82,45	41,68,67
Deferred Tax Liability (Net) [Note 19 on Schedule 18]		82,17	38,31
Total		59,58,31	56,32,83
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	9	43,78,80	41,80,32
Less : Depreciation		22,14,96	22,07,87
Net Block		21,63,84	19,72,45
Capital Work -in-progress (at cost)		1,50,34	5,32,92
		23,14,18	25,05,37
Investments	10	47,32	47,32
Current Assets, Loans and Advances			
Inventories	11	42,24,20	44,76,28
Sundry Debtors	12	21,44,23	18,39,48
Cash and Bank Balances	13	1,42,23	33,36
Other Current Assets	14	1,29,13	1,31,74
Loans and Advances	15	4,92,25	3,70,67
		71,32,04	68,51,53
Less :			
Current Liabilities and Provisions			
Liabilities	16	39,79,00	37,20,96
Provisions	17	62,11	50,43
		40,41,11	37,71,39
Net Current Assets		30,90,93	30,80,14
Profit and Loss Account		5,05,88	-
Total		59,58,31	56,32,83
Notes on Accounts	18		

This is the Balance Sheet referred to in our report of even date.

Schedules referred to above form an integral part of the Balance Sheet.

Kolkata,
20th July, 2009

(S. K. Deb)
Partner
Membership No. 13390
For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

S. K. GUPTA
Secretary

VANDANA KHAITAN
Vice-Chairperson & Managing Director

A. C. MUKHERJI
Director



Profit and Loss Account for the year 31st March, 2009

(Rupees in Thousands)

	Schedule Reference	2008-2009	2007-2008
INCOME			
Turnover (Gross)		85,91,48	114,39,38
Less : Excise Duty		7,26,92	10,51,90
Turnover (Net)		78,64,56	103,87,48
Income from Other Sources	1	1,06,19	79,81
		79,70,75	104,67,29
EXPENDITURE			
Purchase of General Merchandise		15,85,75	29,81,86
Raw Materials Consumed	2	41,63,91	47,76,09
(Increase)/Decrease in Finished Products and Work-in-Progress	3	(1,95,76)	19,33
Manufacturing, Selling and Administrative Expenses	4	25,14,58	25,36,34
Depreciation		2,03,89	2,06,52
Less : Transferred from			
Fixed Assets			
Revaluation Reserve		86	1,95
Interest and Discounting Charges (Note 12 on Schedule 18)		7,29,72	6,63,81
		90,01,23	111,82,00
Loss for the year before Taxation		(10,30,48)	(7,14,71)
Taxation -			
Current		-	-
Deferred - Charge / (Release)		43,86	(14)
Fringe Benefit Tax		17,50	14,00
Loss after Taxation		(10,91,84)	(7,28,57)
Profit brought forward from previous year		-	5,17,97
Transfer from General Reserve		5,85,96	2,10,60
Balance carried to Balance Sheet		(5,05,88)	-
Basic Loss per Share (Note 18 on Schedule 18)		(17.92)	(11.98)
Diluted Loss per Share (Note 18 on Schedule 18)		(17.92)	(11.98)

Notes on Accounts

18

This is the Profit and Loss Account referred to in our report of even date.

Schedules referred to above form an integral part of the Profit and Loss Account

Kolkata,
20th July, 2009

(S. K. Deb)
Partner
Membership No. 13390
For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

S. K. GUPTA
Secretary

VANDANA KHAITAN
Vice-Chairperson & Managing Director

A. C. MUKHERJI
Director



Schedules to the Accounts

(Rupees in Thousands)

	2008-2009	2007-2008
1. INCOME FROM OTHER SOURCES		
Interest on Deposits and Loans (Gross)		
(Tax deducted at source Rs. 41; 2007-2008 Rs. 33)	2,97	2,65
Discount	3,83	1,16
Income from Long Term Investments-Other than Trade		
- Dividend	7,10	7,10
Rent	2,34	2,90
Bad Debts Recovery	-	14
Liabilities no longer required written back	27,43	34,12
Provision for Doubtful debts/advances/ deposits written back	56,90	6,88
Foreign Exchange Gain -(net)	-	24,79
Miscellaneous Receipts	5,62	7
	<u>1,06,19</u>	<u>79,81</u>
2. RAW MATERIALS CONSUMED		
Opening Stock	24,70,07	34,76,99
Add: Purchases (including processing charges Rs.3,36,59; 2007-2008 Rs.3,20,53)	37,27,67	37,69,17
	<u>61,97,74</u>	<u>72,46,16</u>
Deduct : Closing Stock	20,33,83	24,70,07
	<u>41,63,91</u>	<u>47,76,09</u>
3. (INCREASE) / DECREASE IN FINISHED PRODUCTS AND WORK-IN-PROGRESS		
Opening Stock		
Finished Products	74,31	1,51,43
Work-in-Progress (including Contract Work-in-Progress)	18,00,59	17,42,80
General Merchandise	-	-
	<u>18,74,90</u>	<u>18,94,23</u>
Deduct: Closing Stock		
Finished Products	93,84	74,31
Work-in-Progress (including Contract Work-in-Progress)	16,75,78	18,00,59
General Merchandise	3,01,04	-
	<u>20,70,66</u>	<u>18,74,90</u>
	<u>(1,95,76)</u>	<u>19,33</u>
4. MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES		
Salaries, Wages and Bonus	8,82,06	8,63,20
Contribution to Provident and Other Funds	89,67	76,18
Workmen and Staff Welfare Expenses	1,57,99	1,56,93
Consumption of Stores and Spare Parts (including Loose Tools)	2,69,85	2,72,12
Power and Fuel	1,39,33	1,43,39
Rent	53,59	87,89
Rates and Taxes	7,14	6,28
Insurance	8,12	12,21
Loss on Disposal of Fixed Assets (Net)	1,02	1,78

(Contd.)



Schedules to the Accounts

(Rupees in Thousands)

	2008-2009	2007-2008
4. MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES (Contd.)		
Repairs and Maintenance :		
Buildings	32,01	30,14
Plant and Machinery	73,77	64,63
Others	12,58	14,18
Selling Commission	10,78	1,65,32
Dealers' Discount	28,19	38,50
Travelling Expenses	1,08,89	1,20,09
Foreign Exchange Loss - (net)	32,14	-
Bad Debts/Advances/Deposits Written Off	65,13	18,25
Provision for Doubtful Debts/ Advances/ Deposits	84,18	29,06
Legal and Professional Expenses	1,00,12	63,72
Conveyance Expenses	70,33	80,72
Bank Charges	59,73	50,13
Telephone, Telex and Postage	37,67	41,06
Freight, Transport and Delivery	93,59	92,21
Printing and Stationery	10,93	14,57
Excise Duty on Stocks etc. (Net) - (Credit) /Charge	3,50	(2,56)
Directors' Meeting Fees	2,41	1,82
Other Expenses	79,86	94,52
	<u>25,14,58</u>	<u>25,36,34</u>
5. CAPITAL	As at 31st March, 2009	As at 31st March, 2008
Authorised :		
1,47,50,000 Equity Shares of Rs. 10/- each	14,75,00	14,75,00
10,25,000 Redeemable Cumulative Preference Shares of Rs. 100/- each (At a fixed Preferential Dividend at such rate as may be determined by the Board at the time of issue)	10,25,00	10,25,00
	<u>25,00,00</u>	<u>25,00,00</u>
Issued, Subscribed and Paid Up :		
13,500 Equity Shares of Rs. 10/- each fully paid issued pursuant to a contract without payment being received in cash	1,35	1,35
39,79,781 Equity Shares of Rs. 10/- each fully paid in cash (including 14,05,000 Equity Shares of Rs.10/-each allotted as fully paid by way of Preferential Issue during the year)	3,97,98	2,57,48
34,09,859 Equity Shares of Rs. 10/- each allotted as fully paid by way of Bonus Shares by capitalisation of General Reserve, Share Premium Account and Capital Reserve Account	3,40,99	3,40,99
85,412 Equity Shares of Rs. 10/- each allotted as fully paid at par pursuant to a scheme of amalgamation	8,54	8,54
	<u>7,48,86</u>	<u>6,08,36</u>



Schedules to the Accounts

(Rupees in Thousands)

		As at 31st March, 2009	As at 31st March, 2008
6. RESERVES AND SURPLUS			
Capital Reserve	58,36		58,36
Fixed Assets Revaluation Reserve			
As per Last Account	1,28,36		1,30,31
Less:			
Transferred to Profit and Loss Account	<u>86</u>	1,27,50	<u>1,95</u> 1,28,36
Capital Redemption Reserve		8,00	8,00
Share Premium			
As per Last Account	36,81		36,81
Add : On allotment of 14,05,000 shares at premium of Rs.2.38 per share	<u>33,44</u>	70,25	<u>-</u> 36,81
General Reserve			
As per Last Account	5,85,96		8,10,24
Less:			
Adjustment arising from restatement of certain Defined Benefit Obligation relating to Employee Benefits	<u>-</u>		<u>13,68</u>
	5,85,96		7,96,56
Transfer to Profit and Loss Account	<u>5,85,96</u>	-	<u>2,10,60</u> 5,85,96
		<u>2,64,11</u>	<u>8,17,49</u>

7. SECURED LOANS

Overdrafts/Cash Credit from Banks

16,99,30

22,32,57

Overdrafts from Banks to the extent of Rs. Nil (2007-08 - Rs. 22,32,57) is secured by hypothecation of entire stocks, book debts and all other current assets of the Company, both present and future and second charge over the movable/immovable fixed assets of the Company and also guaranteed by a Director of the Company.

Overdrafts/Cash Credit from Banks to the extent of Rs.7,23,50 is secured by hypothecation of entire stocks, book debts and all other current assets of the Company, both present and future and second charge over the movable/immovable fixed assets of the Company and pledge of 71,991 shares and 69,678 shares by a Director and a Company respectively and also guaranteed by a Director and a Company.

Overdrafts/Cash Credit from Banks to the extent of Rs.8,19,39 is secured by hypothecation of current assets of the Company, both present and future and second charge over the movable/immovable fixed assets of the Company with other banks and pledge of 169,700 shares and 40,979 shares by 2 companies respectively and also guaranteed by 2 Directors and 2 companies.

Overdrafts/Cash Credit from Banks to the extent of Rs. 1,56,41 secured by hypothecation of entire stocks, book debts and all other current assets of the Company, both present and future and second charge over fixed assets of the Company with other banks and equitable mortgage of a flat in Mumbai belonging to a Company and pledge of 101,799 shares by a Director and pledge of 8,600 shares by another Director and also guaranteed by 2 Directors and a Company.

Term Loans from Banks [including short term loans from Bank Rs. Nil (2007-2008 -Rs.6,50,00)]

(Contd.)



Schedules to the Accounts

(Rupees in Thousands)

	As at 31st March, 2009	As at 31st March, 2008
ICICI Bank Limited	1,23,49	1,30,71
Secured by mortgage of immovable property at Chatterjee International Centre, Kolkata.		
Bank of India	5,29,68	4,23,20

2008-09 : To the extent of Rs. 1,98,38 secured by first charge created on fixed assets (including charge to be created on immovable fixed assets) of the Company's Units at Budge Budge, Putkhali & Hosur, both present and future ranking pari-passu with other banks and second charge on current assets with other banks and equitable mortgage of a flat in Mumbai belonging to a company and pledge of 101,799 shares by a Director and pledge of 8,600 shares by another Director and also guaranteed by 2 Directors and a Company.

To the extent of Rs. 3,31,30 secured by hypothecation of movable machinery of the Company, both present and future, first charge to be created on current assets of the Company, both present and future ranking pari passu with other banks and second pari passu charge to be created on fixed assets (other than movable machinery for which charge has been created) of the Company and equitable mortgage of a flat in Mumbai belonging to a Company and pledge of 101,799 shares by a Director and pledge of 8,600 shares by another Director and also guaranteed by 2 Directors and a Company.

2007-08 : To the extent of Rs. 2,23,20 secured by first charge, ranking pari passu, on tangible movable fixed assets of the Company's units at Budge-Budge, Putkhali and Hosur, both present and future and second pari passu charge on entire stocks, book debts and other current assets of the Company.

To the extent of Rs. 2,00,00 secured by charge on Company's current assets created out of the loan in addition, certain Directors have pledged their shares in the Company and also given guarantees.

Allahabad Bank	15,43,51	6,50,76
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2008-09 : To the extent of Rs. 1,27,75 secured by hypothecation charge on plant and machinery pertaining to Lift Division and guaranteed by 2 Companies and 2 Directors. Second charge created on immovable and movable fixed assets of the Company's unit at Budge Budge, Putkhali and Hosur both present and future ranking pari passu with other banks is to be created as first charge.

To the extent of Rs. 14,15,76 secured by hypothecation of current assets of the Company, both present and future ranking pari passu with other banks and pari passu second charge over the movable/immovable fixed assets of the Company with other banks and pledge of 169,700 shares and 40,979 shares by 2 Companies respectively and also guaranteed by 2 Directors and 2 Companies.

2007-08 : To the extent of Rs. 2,00,76 secured by first charge on movable and immovable fixed assets of the Company's unit at Budge Budge, Putkhali and Hosur, both present and future and hypothecation charge on Plant and Machinery pertaining to Lift Division at Sahibabad.

(Contd.)



Schedules to the Accounts

(Rupees in Thousands)

**As at 31st
March, 2009**

**As at 31st
March, 2008**

To the extent of Rs. 4,50,00 secured by charge on Company's current assets created out of the loan and second pari passu charge on immovable and movable fixed assets of the Company's unit at Budge Budge, Putkhali and Hosur, both present and future. In addition, the above loan is also guaranteed by a Director of the Company and two bodies corporate.

Interest accrued and due on term loans from banks	20,94	13,02
Term loan from others		
Secured by first charge on certain machineries of the Company	2,63,20	-
Interest accrued and due thereon	5,04	-
	<u>41,85,16</u>	<u>34,50,26</u>

8. UNSECURED LOANS

Term Loans for purchase of vehicles/equipment-

From Banks	1,27	6,93
From Others (Note 1 below)	87,30	5,07,13
Interest accrued and due on above Term Loans from Others	2,53	-

Inter Corporate Deposit	25,00	1,46,00
Interest accrued and due thereon	6,67	-

Interest accrued and due on loan from Directors	1,60	-
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Short Term Loans

From Banks	21,05	49,34
From State Industrial and Investment Corporation of Maharashtra Limited	4,29,64	-
From others	9,00	-
Interest accrued and due on above short term loan from others	81	-

Bank Overdraft(Book Overdraft)	12,42	9,01
	<u>5,97,29</u>	<u>7,18,41</u>

Notes: 1. Includes dues (Principal amount) under Hire Purchase arrangements Rs. 67,56 (2007-2008 - Rs. 4,98,88) referred to in Note 20 (b) on Schedule 18.

2. Unsecured Loans include Rs. 5,97,29 (2007-2008 Rs. 4,24,89) due within one year.



Schedules to the Accounts

(Rupees in Thousands)

**As at 31st
March, 2009**

**As at 31st
March, 2008**

9. FIXED ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Cost/ Valuation as at 31st March, 2008	Additions during the year	Sales/ Adjust- ments during the year	Cost/ Valuation as at 31st March, 2009 [Note (a) below] (Rs)	As at 31st March, 2008	For the year	On sales/ Adjust- ments during the year	As at 31st March, 2009	As at 31st March, 2009 [Note (a) below] (Rs)	As at 31st March, 2008
	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)
A. Tangible Assets										
Land-Freehold	1,15,89	-	-	1,15,89	-	-	-	-	1,15,89	1,15,89
Buildings	3,36,54	1,43	-	3,37,97	1,51,00	8,79	-	1,59,79	1,78,18	1,85,54
Plant and Machinery	33,17,36	4,08,86	1,99,12	35,27,10	17,86,58	1,73,12	1,85,74	17,73,96	17,53,14	15,30,78
Water Supply Plant	11,73	3,80	-	15,53	5,29	26	-	5,55	9,98	6,44
Furniture, Fixture and Office Appliances	2,93,89	2,62	10,24	2,86,27	2,14,69	14,45	9,15	2,19,99	66,28	79,20
Vehicles	81,93	-	8,87	73,06	29,80	6,48	1,91	34,37	38,69	52,13
	41,57,34	4,16,71	2,18,23	43,55,82	21,87,36	2,03,10	1,96,80	21,93,66	21,62,16	19,69,98
B. Intangible Assets										
Computer Software -acquired	22,98	-	-	22,98	20,51	79	-	21,30	1,68	2,47
									1,68	2,47
									21,63,84	19,72,45
Capital Work-in-Progress (at cost) [Notes (a) and (b) below]									1,50,34	5,32,92
	41,80,32	4,16,71	2,18,23	43,78,80	22,07,87	2,03,89	1,96,80	22,14,96	23,14,18	25,05,37
Previous Year	40,49,95	2,83,74	1,53,37	41,80,32	21,14,23	2,06,52	1,12,88	22,07,87	25,05,37	-

Notes :

(a) Above includes following items taken under Hire Purchase arrangements referred to in Note 20 (b) on Schedule 18 :

	Gross Block as at 31st March, 2009 (Rs.)	Gross Block as at 31st March, 2008 (Rs.)	Net Block as at 31st March, 2009 (Rs.)	Net Block as at 31st March, 2008 (Rs.)
Plant and Machinery	2,39,10	2,89,57	2,08,26	2,74,94
Vehicles	-	8,75	-	6,67
	2,39,10	2,98,32	2,08,26	2,81,61
Capital-in-Progress			-	4,21,35

(b) Capital Work-in-Progress includes :

- (i) Advances (Unsecured-considered good) Rs. 60,61 (2007-2008 Rs. 4,72,97) ; and
(ii) Acquired intangible asset-computer software which is under implementation Rs. 49,74 (2007-08-Rs. 47,67)

(Rupees in Thousands)

**As at 31st
March, 2009**

**As at 31st
March, 2008**

10. INVESTMENTS

(Long Term - at Cost - Unquoted)

Other than Trade

Moriroku UT India Private Limited

4,73,190 Equity Shares of Rs. 10/- each

47,32
47,32

47,32
47,32



Schedules to the Accounts

(Rupees in Thousands)

	As at 31st March, 2009	As at 31st March, 2008
11. INVENTORIES		
(At lower of cost and Net Realisable Value)		
Stores and Spare Parts	52,66	56,39
Loose Tools	67,05	72,22
Raw Materials	20,33,83	24,70,07
Goods-in-Transit (Raw Materials)	-	2,70
Finished Products	93,84	74,31
General Merchandise	3,01,04	-
Work-in-Progress (including Contract Work-in-Progress)	16,75,78	18,00,59
	<u>42,24,20</u>	<u>44,76,28</u>
12. SUNDRY DEBTORS		
Unsecured		
Debts outstanding for a period exceeding six months-		
Considered Good	3,73,49	4,21,62
Considered Doubtful	1,28,14	1,13,69
	<u>5,01,63</u>	<u>5,35,31</u>
Other Debts - Considered Good	17,70,74	14,17,86
	<u>22,72,37</u>	<u>19,53,17</u>
Less: Provision for Doubtful Debts	1,28,14	1,13,69
	<u>21,44,23</u>	<u>18,39,48</u>
13. CASH AND BANK BALANCES		
Cash Balance in hand	1,72	2,47
Balances with Scheduled Banks on :		
Current Accounts	39,99	28,69
Term Deposit Accounts		
[Pledged with Government Authorities		
Rs.10 (2007-2008 Rs. 20) and Rs. 1,00,42		
(2007-2008 Rs. 2,00) under lien against facilities]	1,00,52	2,20
	<u>1,42,23</u>	<u>33,36</u>
14. OTHER CURRENT ASSETS		
Unsecured		
Interest accrued on Deposits	1,79	15
6 Year National Savings Certificate		
(Pledged with Government Authorities)	10	10
Miscellaneous Deposits	1,42,90	1,34,32
	<u>1,44,79</u>	<u>1,34,57</u>
	<u>1,29,13</u>	<u>1,31,74</u>
Considered Doubtful	15,66	2,83
	<u>1,44,79</u>	<u>1,34,57</u>
Less : Provision for Doubtful Miscellaneous Deposits	15,66	2,83
	<u>1,29,13</u>	<u>1,31,74</u>



Schedules to the Accounts

(Rupees in Thousands)

	As at 31st March, 2009	As at 31st March, 2008
15. LOANS AND ADVANCES		
Unsecured		
Loan to Employees against Housing, Medical Expenses etc :	7,31	9,01
Balance with Custom Authorities	26,25	-
Balance with Excise Authorities	1,82,40	2,20,63
Advance recoverable in cash or in kind or for value to be received	2,60,74	1,30,34
Advance payment of Tax [net of provision for current taxation Rs.14,66,65 (31.03.08 : Rs.14,66,65)]	19,98	15,12
	<u>31st March, 2009</u>	<u>31st March, 2008</u>
Note :		
Considered Good	4,92,25	3,70,67
Considered Doubtful	4,43	4,43
	<u>4,96,68</u>	<u>3,75,10</u>
Less : Provision for Doubtful Advances	4,43	4,43
	<u>4,92,25</u>	<u>3,70,67</u>
16. CURRENT LIABILITIES		
Acceptances	-	3,76,04
Sundry Creditors (Note 1 below)	30,43,84	21,22,66
Sundry Advances from Customers	7,45,89	11,07,54
Other Liabilities (Note 2 below)	1,87,75	1,09,03
Interest accrued but not due on loans	1,52	5,69
	<u>39,79,00</u>	<u>37,20,96</u>
17. PROVISIONS		
Fringe Benefit Tax [net of advance tax of Rs. 51,65 (2007-08 Rs. 36,66)]	18,85	16,34
Provision for Employees' Leave Benefits	43,26	34,09
	<u>62,11</u>	<u>50,43</u>

Note 1 : There are no outstanding dues of Micro and Small Enterprises based on the information available with the Company.

Note 2 : Other Liabilities include Rs.95,00 being advance from a party against proposed sale of fixed assets.



Schedules to the Accounts

(Rupees in Thousands)

18. NOTES ON ACCOUNTS

1. Depreciation is charged in the Profit and Loss Account on the revalued amount of the assets, where applicable. The excess depreciation so charged in the Accounts over and above the depreciation calculated on original cost of assets as provided at the rates prescribed in Schedule XIV to the Companies Act, 1956 on straight line method for the year ended 31st March, 2009 amounts to Rs.86 (2007-2008 Rs.1,95) and an amount equivalent to this excess charge has been transferred to Profit and Loss Account from Fixed Assets Revaluation Reserve.

	31st March, 2009	31st March, 2008
2. There are contingent liabilities in respect of --		
(a) Customers' bills discounted but remaining unpaid	-	4,72,35
(b) Claims against the Company not acknowledged as debts :		
(i) Income tax demands disputed in appeals before appropriate authorities	1,33,49	1,33,49
(ii) Sales Tax demands disputed in appeals before appropriate authorities	69,59	66,62
(iii) Excise Duty demands disputed in appeals before appropriate authorities	8,74	72,65
(iv) Land Development Charges demand disputed before appropriate authorities	45,02	45,02
(v) ESI Demands	3,79	6,53
(vi) Suits filed by Customers	49,65	47,71
(vii) Suits filed by ex- employee	-	1,31
(viii) Disputed matters related to electricity meter	3,01	5,04
(c) Bank Guarantees Outstanding	2,53,14	2,37,19
(d) Undertaking given to a bank on behalf of a company and related outstanding exposure	72,18	72,18
3. Estimated amount of commitments on Capital Accounts not provided for [net of Advances Rs.60,61 (31.03.08 - Rs.4,72,97)]	29,64	6,44,74
	2008-2009	2007-2008
4. Consumption of Stores and Spare parts included under other heads of accounts is as follows :		
(i) Repair and Maintenance :		
Plant and Machinery	5,43	8,06
(ii) Power and Fuel	7,44	14,00
5. Amount paid/payable to Auditors		
(a) Audit Fees	6,00	6,00
(b) For Other Matters (certificates etc.)	3,50	3,00
(c) Out of Pocket Expenses	53	44
	@ 10,03	@ 9,44

@ Exclusive of service tax of Rs. 42 (2007-2008 Rs.37) not routed through Profit and Loss Account.

(Contd.)



Schedules to the Accounts

(Rupees in Thousands)

	As at 31st March, 2009		As at 31st March, 2008
18. NOTES ON ACCOUNTS (Contd.)			
6. (a) Fixed Assets Installed at Company's Scientific Research Centre have been included in the following heads in Schedule 9 (At cost) *			
Plant and Machinery	6,44		6,44
Furniture, Fixture and Office Appliances	5,29		5,29
	<u>11,73</u>		<u>11,73</u>
	2008-2009		2007-2008
(b) Revenue expenditure incurred on account of Usha Telehoist Scientific Research Centre including Depreciation of Rs. Nil (2007-2008 Rs. 3) *	-		22,48
* Related application for renewal of recognition of inhouse Research & Development beyond 31st March, 2007 is pending with the Government of India.			
7. Expenditure in Foreign Currency on account of Travelling	5,25		8,12
8. Earning in Foreign Currency Export of goods calculated on F.O.B basis	2,61,92		81,63
9. Value of Imports calculated on C.I.F basis			
(i) Raw Materials	7,31,51		7,86,57
(ii) Capital Goods	-		55,33
10. Consumption of	%		%
(i) Raw Materials			
Imported	12,68,77	30.47	16,56,27 34.68
Indigenous	28,95,14	69.53	31,19,82 65.32
	<u>41,63,91</u>	<u>100.00</u>	<u>47,76,09</u> <u>100.00</u>
(ii) Stores and Spare Parts			
Imported	-	-	- -
Indigenous	2,82,72	100.00	2,94,18 100.00
	<u>2,82,72</u>	<u>100.00</u>	<u>2,94,18</u> <u>100.00</u>
11. Managerial remuneration paid/payable—			
(a) Managing Director and Wholetime Directors			
Salary	12,48		11,16
Contribution to Provident and Other Funds	1,90		1,62
Perquisites/Allowances	<u>18,01</u>	<u>32,39</u>	<u>11,80</u> 24,58
(ii) CEO and Wholetime Director			
Salary etc.	-		6,24
Contribution to Provident and Other Funds	-		75
Perquisites	-	-	<u>5,60</u> 12,59
(b) Other Directors			
Directors' Meeting Fees	2,41		1,82
	<u>34,80</u>		<u>38,99</u>

(Contd.)



Schedules to the Accounts

(Rupees in Thousands)

	2008-2009		2007-2008
18. NOTES ON ACCOUNTS (Contd.)			
12 Interest and discounting charges			
Interest on:			
On Fixed/Term Loans	2,30,25		1,80,46
On loan from Director	1,80		-
On Others	3,88,65		4,32,52
Discounting Charges	<u>1,09,02</u>		<u>50,83</u>
	<u>7,29,72</u>		<u>6,63,81</u>
13 Particulars regarding Capacity, Production, Turnover, Stocks etc.			
(a) Licensed/Registered Capacity per annum	Not Applicable		Not Applicable
	Nos.		Nos.
(b) Installed Capacity per annum (as certified by the management)			
Hydraulic Tipping Gears, Cylinders all taken together	31,075		31,075
Hydraulic Mobile Elevating Work Platform	40		40
Hydraulic and Pneumatic Equipment	15,000		15,000
Hydraulic/Traction Activated Passenger/ Goods Lift	300		300
	2008-2009		2007-2008
	Quantity	Value	Quantity
	in Nos.		in Nos.
(c) Actual Production			
* Hydraulic Tipping Gears, Cylinder all taken together	15,305		19,441
** Hydraulic and Pneumatic Equipment	2,906		878
Hydraulic / Traction Activated Passenger/Goods Lift	***46		***75
(d) Opening Stock			
(i) Manufactured Items -			
Hydraulic Tipping Gears, Cylinders all taken together	148	52,29	125
Hydraulic and Pneumatic Equipment	61	1,31	20
Components and Accessories		<u>20,71</u>	<u>1,08,10</u>
		<u>74,31</u>	<u>1,51,43</u>
Actual Production of:-			
* Hydraulic Tipping Gears, Cylinder all taken together includes Captive Consumption of 194 Nos. (2007-2008 - 16 Nos.)			
** Hydraulic and Pneumatic Equipment includes Captive Consumption of 2477 Nos. (2007-2008 - Nil)			
*** Including 28 Nos. (2007-2008 - 70 Nos.) in respect of which installation work is in progress under composite contracts			
(e) Purchase of General Merchandise			
M.S.Pipe, Tubes, Flats and Bars (2007-08 - Steel plates, Angles, Channels, Flats and Bars)	M. T. 3,971.183	15,85,75	M.T.14,130.279
			29,81,86
(f) Closing Stock			
Manufactured Items -			
Hydraulic Tipping Gears, Cylinders all taken together	107	22,01	148
Hydraulic and Pneumatic Equipment	23	1,60	61
Components and Accessories		<u>70,23</u>	<u>20,71</u>
		<u>93,84</u>	<u>74,31</u>
General Merchandise -			
M.S.Pipe, Tubes, Flats and Bars	M.T. 969.760	3,01,04	-

(Contd.)



Schedules to the Accounts

(Rupees in Thousands)

	2008-2009		2007-2008	
18. NOTES ON ACCOUNTS (Contd.)				
(g) Turnover (Net)				
(i) Manufactured Items -				
Hydraulic Tipping Gears, Cylinders all taken together	15,152	49,94,83	19,402	54,89,08
Hydraulic and Pneumatic Equipment	467	65,69	837	79,59
Hydraulic/Traction Activated Passenger/Goods Lift	@ 46	4,99,22	@ 75	6,50,79
Components and Accessories		8,67,05		9,94,16
Conversion Charges		-		42
Service Charges		1,10,96		1,46,83
Product Scrap		44,39		32,81
(ii) General Merchandise -				
M.S.Pipe, Tubes, Flats and Bars (2007-08 -				
Steel plates, Angles, Channels, Flats and Bars)	M.T.3,001.423	12,82,42	M.T.14,130.279	29,93,80
		<u>78,64,56</u>		<u>103,87,48</u>

@ Including 28 Nos. (2007-2008 - 70 Nos.) in respect of which installation work is in progress under composite contracts

	2008-2009			2007-2008		
	Unit	Quantity	Value	Unit	Quantity	Value
14. Raw Materials Consumed						
Plates, Angles, Channels, Flats and Bars	MT	711	4,26,74	MT	525	3,29,83
Steel Tubes	Mtr.	44,946	10,00,38	Mtr.	65,935	11,53,03
Ferrous Castings and Forgings	Nos.	7,36,273	10,85,30	Nos.	9,33,984	11,50,75
Non Ferrous Castings and Forgings	Nos.	8,470	21,56	Nos.	35,835	73,89
Synthetic Rubber Products	Nos.	15,70,022	4,98,90	Nos.	18,89,324	5,15,48
Bearings, Pumps and Valves	Nos.	47,037	4,83,03	Nos.	44,072	6,28,04
Electric Motors	Nos.	85	38,79	Nos.	153	49,01
Others (including Processing charges)			6,09,21			8,76,06
(Individual item does not exceed 10% of total consumption)			<u>41,63,91</u>			<u>47,76,09</u>

15 On 30th March, 2009, the Company allotted on preferential basis to Mrs. Vandana Khaitan (Promoter) 8,00,000 convertible share warrants at a price of Rs.12.38 per share (including premium of Rs.2.38 per share) and received Rs.80,72 till 31st March, 2009. The share warrants shall be convertible into equity shares of the Company (at the option of the share warrant holder) at any time within a period of 18 months from the date of allotment of the share warrants in one or more tranches and on such terms and conditions as the Board of Directors and the share warrant holder decide (3,90,000 warrants converted on 29th May, 2009). The shares on conversion shall be subject to lock in period of three years from the date of conversion.

(Contd.)



Schedules to the Accounts

(Rupees in Thousands)

18. NOTES ON ACCOUNTS (Contd.)

16. Segment information for the year ended 31st March, 2009 in accordance with Accounting Standard (AS) 17 on Segment Reporting prescribed under the Companies Act, 1956 (the 'Act')

(I) Primary Segment (Business)

a) Segment Revenues, Results and Other Information.

	Hydraulic Operated Systems and Equipment		Lifts		Total of Reportable Segments	
	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008
External Sales	72,31,54	95,96,70	6,33,02	7,90,78	78,64,56	103,87,48
Inter Segment Sales	9,71	3,73	-	-	9,71	3,73
Segment Revenues	72,41,25	96,00,43	6,33,02	7,90,78	78,74,27	103,91,21
Segment Results	31,50	97,32	(2,13,91)	(54,16)	(1,82,41)	43,16
Segment Assets	83,37,09	83,00,23	9,40,73	9,87,97	92,77,82	92,88,20
Segment Liabilities	34,82,84	32,51,02	4,93,46	4,52,05	39,76,30	37,03,07
Capital Expenditure	27,63	6,46,58	6,50	1,45	34,13	6,48,03
Depreciation	1,89,71	1,90,27	13,32	14,30	2,03,03	2,04,57
Non Cash Expenditure Other than Depreciation	73,30	23,58	85,39	23,73	1,58,69	47,31

Notes :

(i) Segment revenues are net of excise duty.

(ii) Inter-segment prices are normally negotiated amongst the Segments with reference to the cost, market prices and business risks, within and overall optimisation objective of the Company.

b) Reconciliation of Reportable Segments with the Financial Statements.

	Revenues		Results		Assets		Liabilities*	
	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008
Total of Reportable Segments	78,74,27	103,91,21	(1,82,41)	43,16	92,77,82	92,88,20	39,76,30	37,03,07
Corporate-Unallocable (Net)			(2,27,37)	(1,44,89)	2,15,72	1,16,02	64,81	68,32
Loan Funds							47,82,45	41,68,67
Net Deferred Tax Liability							82,17	38,31
Inter Segment Sales	(9,71)	(3,73)						
Interest			(6,20,70)	(6,12,98)				
Fringe benefit Tax			(17,50)	(14,00)				
Taxation-Deferred Tax			(43,86)	14				
As per Financial Statements	78,64,56	103,87,48	(10,91,84)	(7,28,57)	94,93,54	94,04,22	89,05,73	79,78,37

* Excluding Shareholders' Funds

Note :

The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

(Contd.)



Schedules to the Accounts

(Rupees in Thousands)

18. NOTES ON ACCOUNTS (Contd.)

17 Related Party Disclosures in keeping with AS-18 prescribed under the Act :

(I) Related Parties*

Name	Relationship
Mrs. Vandana Khaitan (Vice Chairperson and Managing Director)	Key Management Personnel (KMP)
Mr. Shuvendu Sekhar Mohanty (CEO and Wholetime Director) @ ATI Limited	Key Management Personnel (KMP)
UT Bondioli & Pavese Hydraulics Private Limited	An enterprise in which relative of a KMP exercises significant influence
Smt. Laxmi Devi Jhawar	An enterprise in which KMP exercises significant influence
Lakshmi Devi Jhawar Jankalyan Trust	Relative of KMP
	An enterprise in which KMP exercises significant influence

* As Certified by the Management.

@ Ceased to be a Director in 2007-08

(II) Particulars of transactions during the year ended 31st March, 2009

Nature of Transactions	An enterprise in which KMP exercises significant influence (Lakshmi Devi Jhawar Jankalyan Trust)	An enterprise in which KMP exercises significant influence (UT Bondioli & Pavese Hydraulics Private Limited)	An enterprise in which relative of a KMP exercise significant influence	Key Management Personnel	Relative of KMP
Purchase of Assets	(--)	(--)	(42)	(--)	(--)
Repairs and Maintenance	(--)	(--)	3,96 (3,96)	(--)	(--)
Service Charges (revenue)	(--)	(--)	(--)	(--)	29 (16)
Interest Expenses	(--)	(--)	(2,27)	1,80 (--)	(--)
Rent Paid	(--)	(--)	1,20 (1,20)	(--)	(--)
Director's Remmeration (Refer Note 11 above)	(--)	(--)	(--)	32,39 (37,17)	(--)
Inter Corporate Deposit Received	(--)	(--)	(1,08,00)	(--)	(--)
Inter Corporate Deposit Repaid	(--)	(--)	(1,08,00)	(--)	(--)
Advance given	75 (--)	20 (9,84)	1,26 (--)	(--)	(--)
Loan Received	(--)	(--)	(--)	40,00 (--)	(--)
Loan Repaid/adjusted against allotment of equity shares/warrants	(--)	(--)	(--)	40,00 (--)	(--)
Allotment of Equity Shares (including Share premium Rs 6,78)	(--)	(--)	(--)	35,28 (--)	(--)
Allotment of Share warrants (refer Note 15)	(--)	(--)	(--)	80,72 (--)	(--)
Balance Outstanding at year end :					
Loans and Advances	75 (--)	10,04 (9,84)	1,26 (--)	(--)	(--)
Equity Share Warrants	(--)	(--)	(--)	80,72 (--)	(--)
Undertaking given by the Company and the related outstanding exposure	(--)	(--)	72,18 (72,18)	(--)	(--)
Interest accrued and due on loan taken (Unsecured Loan)	(--)	(--)	(--)	1,60 (--)	(--)
Current Liabilities	(--)	(--)	(--)	10,36 (12,18)	5 (--)

(Contd.)



Schedules to the Accounts

(Rupees in Thousands)

18. NOTES ON ACCOUNTS (Contd.)

	Year ended 31st March, 2009	Year ended 31st March, 2008
--	--	--

18. Basic and Diluted Loss per share :

(i) Number of equity shares at the beginning of the year	60,83,552	60,83,552
(ii) Number of equity shares at the end of the year	74,88,552	60,83,552
(iii) Weighted average number of equity shares outstanding during the year	60,91,251 (a)	60,83,552
(iv) Nominal value of each equity share (Rs.)	10	10
(v) Loss after tax (Rupees in thousands)	(1,09,184)	(72,857)
(vi) Basic Loss per share (Rs.) [(v)*1000 / (iii)]	(17.92)	(11.98)
(vii) Weighted average number of equity shares for Diluted loss per share	60,92,230 (b)	60,83,552
(viii) Diluted Loss per share (Rs.) [(v)*1000 / (vii)]	(17.92)	(11.98)

(a) Weighted average number of equity shares outstanding during the year :

	No. of shares outstanding	Days	Weighted No. of shares
Opening as on 1st April, 2008	60,83,552	365	60,83,552
Allotment of Equity Shares on 30/03/2009	14,05,000	2	7,699
			60,91,251

(b) Weighted average number of equity shares for computing diluted loss per share is arrived at after considering 979 shares, being weighted average number of dilutive potential equity shares outstanding (taking into consideration fair value an issue price per share) during the year relating to the convertible equity warrants outstanding (referred to in note 15 above), with the weighted average number of equity shares outstanding during the year.

19. Deferred Tax Liability (Net)

	31st March, 2009		31st March, 2008	
	Deferred Tax Liability	Deferred Tax Assets	Deferred Tax Liability	Deferred Tax Assets
Timing differences on account of:				
Depreciation as per tax law and books	2,85,67	-	2,80,08	-
Disallowances allowable for tax purpose on payment	-	1,57,32	-	1,36,76
Unabsorbed Tax Depreciation / Loss [Note below]	-	-	-	82,51
Others	-	46,18	-	22,50@
	2,85,67	2,03,50	2,80,08	2,41,77
Net Deferred Tax Liability	82,17		38,31	

@ after considering tax effect of Rs. 7.04 relating to employee benefit obligation adjusted against General Reserve.

Note : On a prudent basis deferred tax asset on unabsorbed depreciation and carry forward losses has not been recognised. (31.03.08- Absorption expected based on future taxable income).

(Contd.)



Schedules to the Accounts

(Rupees in Thousands)

18. NOTES ON ACCOUNTS (Contd.)

20 (a) Operating Lease Commitments

The Company has entered into cancellable operating lease transactions for office space, employee's residential accommodations etc. Tenure of leases generally vary between one and three years. Terms of these leases include operating term for renewal, increase in rent for future periods, of cancellation etc. Related lease rentals aggregating Rs.21,46 (2007-2008 Rs.31,26) have been debited to Profit and Loss Account for the year (included in Rent-Schedule-4).

(b) Finance Lease (i. e. Hire Purchase Arrangements) Commitments

The Company has acquired certain fixed assets as indicated in Note (a) on Schedule 9 under finance lease. Related particulars are set out below :

Due	As at 31st March, 2009			As at 31st March, 2008		
	Total Minimum payments Outstanding	Interest not Due	Present value of outstanding minimum lease payments	Total Minimum payments outstanding	Interest not Due	Present value of outstanding minimum lease payments
Within one year	71,79	4,23	67,56	2,73,98	56,33	2,17,65
Later than one year and not later than five years	-	-	-	3,06,79	25,56	2,81,23
Total	<u>71,79</u>	<u>4,23</u>	<u>67,56</u>	<u>5,80,77</u>	<u>81,89</u>	<u>4,98,88</u>

21. Particulars relating to Construction Contracts (Lifts) :

	2008-2009	2007-2008
(a) Contract revenue recognised as revenue	4,99,22	6,50,79
(b) Other information relating to contract work-in-progress		
i) Aggregate amount of cost incurred and recognised profits (less recognised losses) up to the year-end	1,56,53	5,35,56
ii) Amount of advances received	28,56	32,15
iii) Gross amount due from customers for contract work as an asset	41,74	1,27,06

22. Employee Benefits

22.1 Post Employment Defined Contribution Plans

During the year an amount of Rs. 38,98 (Previous Year Rs. 36,70) has been recognised as expenditure towards Defined Contribution Plans of the Company.

22.2 Post Employment Defined Benefit Plans

A. Gratuity (Funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust Fund, managed by the Life Insurance Corporation of India (LIC) and another insurance company makes payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to the respective employee's eligible salary for fifteen days for each year of completed service subject to a maximum limit of Rs. 3,50. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 23(i) below, based upon which, the Company makes contributions to the Gratuity Fund.

The following Table sets forth the particulars in respect of the aforesaid Gratuity Fund of the Company for the year ended 31st March, 2009:

(Contd.)



Schedules to the Accounts

(Rupees in Thousands)

18. NOTES ON ACCOUNTS (Contd.)

Description	2008-09	2007-08
(a) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation		
Present Value of Obligation at the beginning of the year	1,69,79	1,47,66
Current Service Cost	11,84	11,07
Interest Cost	11,78	12,16
Actuarial Loss	18,00	8,08
(Benefits Paid)	(25,55)	(9,18)
Present Value of Obligation at the end of the year	<u>1,85,86</u>	<u>1,69,79</u>
(b) Reconciliation of Opening and Closing balances of the Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	41,62	40,89
Expected Return on Plan Assets	3,75	3,27
(Actuarial Loss)	(92)	(2)
Contributions	5,42	6,66
(Benefits Paid)	(25,55)	(9,18)
Fair Value of Plan Assets at the end of the year	<u>24,32</u>	<u>41,62</u>
(c) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets		
Present Value of Obligation at the end of the year	1,85,86	1,69,79
Fair Value of Plan Assets at the end of the year	24,32	41,62
Liabilities recognized in the Balance Sheet	<u>1,61,54</u>	<u>1,28,17</u>
(d) Expense recognised in the profit and Loss Account		
Current Service Cost	11,84	11,07
Interest Cost	11,78	12,16
(Expected Return on Plan Assets)	(3,75)	(3,27)
Actuarial Loss	18,92	8,10
Total Expense recognised *	<u>38,79</u>	<u>28,06</u>
* Recognised under the line item ' Contribution to Provident and Other Funds ' in Schedule 4.		
(e) Category of Plan Assets to total Fair Value of Plan Assets as at Balance Sheet date		
Fund with LIC	21,39	38,62
Others	2,93	3,00
Total	<u>24,32</u>	<u>41,62</u>
(f) Actual Return on Plan Assets	2,83	3,26
(g) Principal Actuarial Assumptions as at Balance Sheet date		
Discount Rate	7.50%	8.50%
Salary Escalation	5.00%	6.00%
Inflation Rate	5.00%	6.00%
Expected Return on Asset	9.00%	8.00%

(Contd.)



Schedules to the Accounts

(Rupees in Thousands)

18. NOTES ON ACCOUNTS (Contd.)

Notes:

- (i) The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors.
 - (ii) The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets, the Company's policy for Plan asset management and other relevant factors.
- B.** Certain employees of the Company receive benefits from provident fund, which is a defined benefit plan and administered by the Trust set up by the Company. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employees and the Company make monthly contributions at specified percentage of the employee's salary to such Provident Fund Trust. The Company has an obligation to fund any shortfall in return on plan assets over the interest rates prescribed by the authorities from time to time. In keeping with the guidance on implementing Accounting Standards (AS) 15 on Employee Benefits issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, a provident fund set up by the Company is treated as a defined benefit plan since the Company is obligated to meet interest shortfall, if any. However, as at year end, no shortfall remains unprovided for. The Actuary has expressed his inability to provide an actuarial valuation of the provident fund liability as at the year end in the absence of any guidance from the Actuarial Society of India. Accordingly, complete information required to be considered in this regard are not available and the same could not be disclosed. During the year, the Company has contributed Rs. 11,90 (Previous Year Rs. 10,56) to the said Provident Fund. [Included under line item " Contribution to Provident and Other Funds " on Schedule 4.].

23 Significant Accounting Policies

- (a) **FIXED ASSETS** (comprising both tangible and intangible items) are stated at cost of acquisition and subsequent improvement thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation. The cost of machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are allocated over the useful life of the related asset. Pre-operating expenses for major projects are also capitalised, where appropriate.
- (b) **DEPRECIATION** (including amortisation) on fixed assets including those utilised in **RESEARCH AND DEVELOPMENT (R&D)** activities, is provided on straight-line basis at rates which are in conformity with the requirement of the Companies Act, 1956 other than Computer Software which is amortised on straight line basis over its estimated useful life of five years.
- (c) **IMPAIRMENT LOSS** is recognised wherever the carrying amount of the fixed assets exceeds the recoverable amount i.e. the higher of the assets net selling price and value in use.
- (d) **REVENUE** is recognised on completion of sale of goods, rendering of services and / or use of the Company's resources by third parties. Revenue on Construction Contracts is recognised on Percentage of Completion Method with reference to stage of completion of contract activity. The stage of completion of a contract is determined as the proportion that contract costs incurred for work performed bear to the estimated total contract costs. However, provisions are made for the entire loss on a contract irrespective of the amount of work done.
- (e) **REVENUE** expenditure on Research and Development is expensed in the period it is incurred.
- (f) **BORROWING COST** attributable to the acquisition and construction of qualifying assets are added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognised as expense in the period in which these are incurred.
- (g) **INVENTORIES** are valued at cost or net realisable value whichever is lower. The costs are, in general, ascertained under weighted average system on the basis of rates per unit of measurement determined after recording receipts for individual items of inventories.
- (h) **TRANSACTION IN FOREIGN CURRENCY** are recorded at exchange rates prevailing on the date of transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the Balance Sheet date. Foreign currency non monetary items carried in terms of historical cost are reported using the exchange rate on the date of transactions. Exchange differences arising on settlement of transactions and / or restatements are dealt with in the Profit and Loss Account.
- (I) **EMPLOYEE BENEFITS :**
 - (i) **Short - term Employee Benefits :**
The undiscounted amount of short - term Employee Benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.
 - (ii) **Post Employment Benefit plans :**
Contributions under Defined Contribution plans payable in keeping with the related schemes are recognised as expense for the year.
For Defined Benefit plans, the cost of providing benefits is determined using the projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date . Actuarial gains and losses are recognised in full in the profit and loss Account for the period in which they occur , past service cost is recognised immediately to the

(Contd.)



Schedules to the Accounts

(Rupees in Thousands)

18. NOTES ON ACCOUNTS (Contd.)

extent that the benefits are already vested , and otherwise is amortised on a straight - line basis over the average period until the benefits become vested .The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost , and as reduced by the fair value of plan assets .

(iii) Other Long - term Employee Benefits (unfunded) :

The cost of providing long - term employee benefits is determined using projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Profit and Loss Account for the period in which they occur . Other long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

(j) CURRENT TAX is determined as the amount of tax payable in respect of taxable income for the period based on applicable tax rates and laws. 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 period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realisation. FRINGE BENEFIT TAX is accounted for based on the estimated value of fringe benefits for the period as per the related provisions of the Income-tax Act.

(k) PROVISION is recognised when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for CONTINGENT LIABILITY is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. No provision is recognised or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote.

24. Previous year's figures are regrouped/rearranged where necessary to make the same comparable with current year's figures.

Signatures to Schedules " 1 to 18 "

Kolkata,
20th July, 2009

S.K.GUPTA
Secretary

A.C.MUKHERJI
Director

VANDANA KHAITAN
Vice-Chairperson & Managing Director



(Rupees in Thousands)

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details:

Registration No. 26533 of 1965 State Code 21
Balance Sheet Date: 31st March, 2009

II. Capital Raised during the period

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement (Preferential Issue)	1,40,50

III. Position of Mobilisation and Deployment of Funds

Total Liabilities	99,99,42	Total Assets	99,99,42
Sources of Funds		Application of Funds	
Paid-up Capital	7,48,86	Net Fixed Assets	23,14,18
Equity Warrants	80,72	Current Assets	71,32,04
Reserve & Surplus	2,64,11	Investments	47,32
Secured Loans	41,85,16	Profit and Loss Account	5,05,88
Unsecured Loans	5,97,29		
Deferred Tax	82,17		
Current Liabilities	40,41,11		

IV. Performance of Company

Turnover	78,64,56	Profit / (Loss) after Tax	(10,91,84)
Other Income	1,06,19	Earnings per Share	(Rs. 17.92)
Total Expenditure	90,01,23	Dividend Rate %	Nil
Profit/ (Loss) before Tax	(10,30,48)		

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	84251901	Product Description	Hydraulic Tipping Gears
Item Code No. (ITC Code)	84121000	Product Description	Hydraulic Cylinders
Item Code No. (ITC Code)	84280000	Product Description	Hydraulic/Traction Activated Passenger/Goods Lift

Place : Kolkata,
Date : 20 July, 2009

S.K.GUPTA
Secretary

A.C.MUKHERJI
Director

VANDANA KHAITAN
Vice-Chairperson & Managing Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March,2009

	(Rupees in Thousands)	
	2008-2009	2007-2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(10,30,48)	(7,14,71)
Adjustments for:		
Depreciation	2,03,03	2,04,57
Foreign Exchange Loss (Net)	9,38	15,84
Provisions	84,18	37,69
Interest Income	(1,62)	(2,65)
Dividend Received	(7,10)	(7,10)
Loss on Disposal of Fixed Assets (Net)	1,02	1,78
Liabilities no longer required written back	(27,43)	(34,12)
Provision for doubtful debts/advances/deposits written back	(56,90)	(6,88)
Interest Expenses	6,20,70	6,12,98
Bad Debts/advances/deposits written off	65,13	18,25
Operating profit/(loss) before working capital changes	<u>(1,40,09)</u>	<u>1,25,65</u>
Adjustments for:		
Trade and other receivables	(5,09,33)	17,88
Inventories	2,52,08	10,42,44
Trade payables	1,94,30	(2,15,59)
Net cash generated from/(used in) operations	<u>(2,03,04)</u>	<u>9,70,38</u>
Direct taxes (paid) / refund -net (including tax deducted at source and fringe benefit tax)	<u>(19,85)</u>	<u>(29,26)</u>
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	<u>(2,22,89)</u>	<u>9,41,12</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(34,13)	(6,89,73)
Sale of Fixed Assets	20,41	38,70
Advance received against proposed sale of fixed assets	95,00	-
Proceeds received (part) against Assets held for disposal	-	10,50
Dividend received	7,10	7,10
Interest received	-	3,46
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	<u>88,38</u>	<u>(6,29,97)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Allotment of Equity Shares by way of preferential issue (including Share Premium Rs.33,44)	1,73,94	-
Advances received on Allotment of Equity Warrants	80,72	-
Proceeds from Borrowings		
Long Term	17,81,32	6,11,20
Short Term	26,67,44	12,09,35
Repayment of Borrowings		
Long Term	(3,01,60)	(2,96,71)
Short Term	(30,28,09)	(12,99,75)
Net (decrease)/increase in overdrafts/cash credit facility	(5,33,27)	84,96
Interest paid	(5,97,08)	(6,14,09)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	<u>2,43,38</u>	<u>(3,05,04)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>1,08,87</u>	<u>6,11</u>
OPENING CASH AND CASH EQUIVALENTS	<u>33,36</u>	<u>27,25</u>
CLOSING CASH AND CASH EQUIVALENTS	<u>1,42,23</u>	<u>33,36</u>

Notes:

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 on Cash Flow Statements issued under the Companies Act 1956.
- Year end balance of bank overdraft (book overdraft) as per Schedule 8 to accounts has been adjusted against respective heads under cash flow from operating activities.
- Cash and cash equivalents comprise :-

	As at 31st March, 2009	As at 31st March, 2008
Cash Balance in hand	1,72	2,47
Balances with Scheduled Banks on :		
Current Accounts	39,99	28,69
Term Deposit Accounts		
[Pledged with Government Authorities Rs.10 (2007-2008 Rs. 20) and Rs. 1,00,42 (2007-2008 Rs. 2,00) under lien against facilities]	<u>1,00,52</u>	<u>2,20</u>
	<u>1,42,23</u>	<u>33,36</u>

- Previous year's figures are regrouped / rearranged wherever necessary to make the same comparable with current year's figures.

This is the Cash Flow Statement referred to in our report of even date.

(S. K. Deb)
Partner

Membership No. 13390
For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Place : Kolkata,
Date : 20th July, 2009

S. K. GUPTA
Secretary

VANDANA KHAITAN
Vice-Chairperson & Managing Director

A. C. MUKHERJI
Director

**UT LIMITED**
Particulars of Employees

Statement as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming Part of the Directors' Report for the year ended 31st March, 2009

Name & Age (in years)	Designation	Remuneration Received (in Rs.)	Nature of Duties	Nature of Employment	Qualification & Experience	Date of Commencement of Employment	Last Employment Name of Company Position Held
1	2	3	4	5	6	7	8
Employed throughout or part of the year under review and was in receipt of remuneration aggregating Rs. 24,00,000/- or more per annum and not less than Rs. 2,00,000/- per month.							
Vandana Khaitan (51)	Vice Chairperson & Managing Director	32,39,100	Overall Management Control	Contractual	B. A. (Economics), (22)	01.05.2000	Nil
Shashiprakash L.S. (48)*	Vice President (Operation)	17,61,519	Overall Incharge of Operation	Permanent	BE, PG Dip. in Business Management, (25)	09.06.2008	Wipro Infrastructure Engg. (General Manager) (Manufacturing)

Note :

Remuneration comprises salary, allowances, medical reimbursement, leave travel assistance, monetary value of perquisites and the Company's contribution to provident and gratuity funds.

*Mr. Shashiprakash L.S. has resigned w.e.f. 25th February, 2009

Place : Kolkata
Date : 20th July, 2009

For and on behalf of the Board

VANDANA KHAITAN
Vice Chairperson & Managing Director