



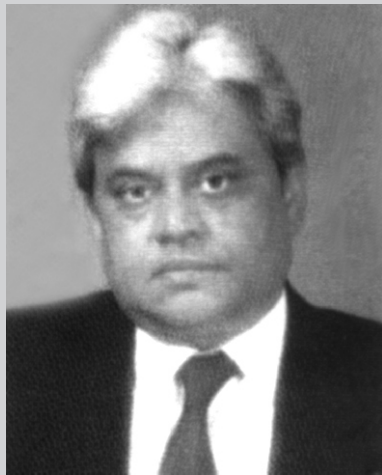
assuring ascent

UT LIMITED

45th Annual Report
2009-2010



INDIA'S LEADING MANUFACTURER OF HYDRAULIC CYLINDERS



(1933-2002)

A VISIONARY PAR EXCELLENCE

Late Mahendra Kumar Jhavar was a visionary. His innovative ideas and the ability to bring those ideas to reality, has left an enduring mark on the corporate landscape.

His personality matched his versatility. Though a tough taskmaster, he was warm and caring. While passionately committed to work, he believed that sincere honest hard work is the only key to success. A man of courage and conviction, he was a patient listener who appreciated constructive dissent. He set the most challenging goals, but never took shortcuts to the destination.

Simply put, he epitomized excellence in business and as a human being. Our constant endeavour is to follow such excellence.



UT LIMITED

Regd. Office : 14, Princep Street, Kolkata - 700 072

NOTICE TO MEMBERS

NOTICE is hereby given that the Forty Fifth Annual General Meeting of the Company will be held in 'Shripati Singhania Hall' at Rotary Sadan, 94/2, Chowringhee Road, Kolkata- 700 020 on Thursday, the 9th September, 2010 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account of the Company for the year ended 31st March, 2010 and Balance Sheet as at that date together with Reports of the Directors and the Auditors.
2. To appoint a Director in place of Mr. Harish Khaitan who retires by rotation and being eligible seeks re-appointment.
3. To re-appoint Messrs. Deloitte Haskins & Sells, Chartered Accountants having Registration No. 302009E as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General meeting and to fix their remuneration.

Registered Office:
14, Princep Street,
Kolkata- 700 072
Date: 24th May, 2010

By order of the Board

Sanjay Kumar Gupta
Company Secretary

Notes:

1. The Register of Members and Share Transfer Books of the Company shall remain closed from 2nd September, 2010 to 9th September, 2010, both days inclusive, for the purpose of the Annual General Meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a member of the Company. Proxies in order to be effective must be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting.
3. Members who hold shares in dematerialised form are requested to carry their Client ID and DP ID numbers for easy identification at the meeting.
4. Full details regarding the qualification, experience and other particulars of the Director retiring by rotation as per agenda item no. 2 is available in the Corporate Governance Report simultaneously circulated.

Members are requested to bring their copy of the Annual Report along with them in view of the prohibitive cost of paper and printing.

VICE CHAIRPERSON & MANAGING DIRECTOR

MRS. VANDANA KHAITAN

BANKERS

ALLAHABAD BANK
AXIS BANK LIMITED
BANK OF INDIA

DIRECTORS

MR. A. C. MUKHERJI
MR. HARISH KHAITAN
MR. SAMEER NANDWANI
MR. P. C. SHARMA (Allahabad Bank Nominee)
MR. VINAY SAH (LIC Representative)

AUDITORS

MESSRS. DELOITTE HASKINS & SELLS

REGISTERED OFFICE

14, PRINCEP STREET, KOLKATA - 700 072

COMPANY SECRETARY

MR. SANJAY KUMAR GUPTA

WORKS

BUDGE-BUDGE TRUNK ROAD, KOLKATA (WB)
HOSUR (TAMILNADU)

REGISTRAR AND SHARE TRANSFER AGENT

C. B. MANAGEMENT SERVICES (P) LTD.,
P-22, BONDEL ROAD, KOLKATA - 700 019

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Directors' Report To the Members

Your Directors have pleasure in submitting the Forty Fifth Annual Report on the Business and Operations of your Company together with the Audited Accounts for the year ended March 31, 2010.

FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31st March, 2010 were as follows:

	(Rs. in thousands)
Profit/(Loss) before Depreciation and taxation	3,38,15
Less : Depreciation	<u>2,44,97</u>
Profit/(Loss) before taxation	93,18
Taxation :	
– Deferred – Charge / (Release)	(6,49)
– Fringe Benefit Tax	<u>–</u>
Profit/(Loss) for the year after taxation	99,67
Loss brought forward from Previous Year	<u>(5,05,88)</u>
Profit/(Loss) carried forward	<u>(4,06,21)</u>

DIVIDEND

In the absence of adequate profit and to set-off loss of previous year, the Directors are unable to recommend any dividend for the year under report.

OPERATIONS

During the year under review, your Company achieved a net turnover of Rs. 77.76 Crores as against Rs. 78.64 Crores in the previous year, is lower by 1.13%. The Company has achieved profit before tax of Rs. 0.93 Crores as against loss of Rs. 10.30 Crores and net profit of Rs. 1.00 Crore as against loss of Rs. 10.92 Crores in the previous year.

Your Company has during the year undertaken measures to turnaround inter alia, reduction in manpower, manufacturing, selling and administrative expenses. Your Company has been able to reduce its interest cost by around 3%, the reduction was enabled by induction of Equity Capital and by negotiating with the Bankers. Moreover the product portfolio was rationalized to service better contributing products and with a focus on reducing the raw material costs.

Your Company has augmented the Share Capital by Rs. 1.74 Crores by issuing Equity Shares on a preferential basis to promoter and non-promoter during the year under review. As a result of which the Company has improved its Net Worth and utilized the funds for the smooth running of its business operations. Your Company has disposed off its idle assets during the year for the purpose of using these funds for the growth and development of the business and operations.

CHANGES IN CAPITAL STRUCTURE

The Company has allotted 864934 Equity Shares of Rs. 14.53 (including a premium of Rs. 4.53) per share to M/s. MBCV Holdings Ltd., an Overseas Corporate Body, Non-Promoter on preferential basis under Section-81(1A) of the

Companies Act, 1956 on 2nd March, 2010 after getting approval from the Shareholders at the Extra-Ordinary General Meeting held on 15th February, 2010 and In-principle approval from the Bombay Stock Exchange Limited vide its letter dated 3rd February, 2010. After the allotment of 864934 equity shares, the paid-up share of the Company increased from 7878553 to 8743486 and Exchange has granted the listing approval vide their letter dated 16th April, 2010 and trading approval w.e.f. May 20, 2010.

DIRECTORS

During the year under report, Mr. P. C. Sharma, Assistant General Manager of Allahabad Bank, Industrial Finance Branch, Kolkata-700 001 was appointed as a Nominee Director w.e.f. 29th October, 2009. Mr. Vinay Sah, Principal (ED), Life Insurance Corporation of India, was appointed as a Nominee Director in place of Mrs. Sindhubala Choudhury who had tendered her resignation from the Board with effect from 15th February, 2010. The Board records its deep appreciation of the valuable advice and counsel provided by Mrs. Choudhury during her tenure 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. Harish Khaitan, 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 Report.

PERSONNEL

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended is annexed with 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 annexed herewith.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors hereby state and confirm that:

- a) In the preparation of annual accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for the year under review;



- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) The Directors have prepared the annual accounts for the financial year ended 31st March, 2010 on a going concern basis.

CORPORATE GOVERNANCE

Your Company recognizes the importance of good Corporate Governance as step for building stakeholders' confidence, improving investor protection and enhancing long-term enterprise value. Your Company has been complying with the requirements of Clause 49 of the Listing Agreement with the Stock Exchange.

A separate report on Corporate Governance along with the certificate from M/s. Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company for its due compliance and a Management Discussion and Analysis Report are annexed hereto.

PUBLIC DEPOSITS

Your Company has not accepted or renewed any fixed deposits from the public during the year under review.

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants,

having Registration No. 302009E, retire as Auditors of the Company at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. As required under Section 224(1B) of the Companies Act, 1956, the Company has obtained a certificate from them to the effect that their re-appointment as Auditors, if made, would be in conformity within the limits prescribed in the said section.

Point No. 4(v) of Auditors' Report is self explanatory.

PERSONNEL/INDUSTRIAL RELATIONS

The Board of Directors expresses its appreciation for sincere efforts made by the employees of your Company at all levels during the year and their co-operation in maintaining cordial relations. Your Directors believe and affirm the importance of development of human resources, which is the single most important value driver in achieving growth of the business.

ACKNOWLEDGEMENT

Your Directors place on record their sincere gratitude for the valuable co-operation and support of customers, investors, suppliers, bankers, financial institutions, government authorities and employees during the year under review and look forward for their continued support.

For and on behalf of the Board

Kolkata

24th May, 2010

Vandana Khaitan

Vice Chairperson & Managing Director

ANNEXURE TO DIRECTORS' REPORT

A. Conservation of Energy

Energy conservation is an area of prime concern for the Company and all endeavours is made to ensure the effective and optimum utilization 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 5% approximate with existing tariff rate :

- To maintain p.f. from 0.93 to 0.98 Avg.
- To reduce maximum demand to maintain within 600 K.v.a.
- To increase DG set efficiency by 5% approximate.
- To reduce energy consumption of fabrication shop by 10%.

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 Excavator Cylinders (4-types) for 5.55 m³ bucket capacity and the Company is looking for substantial growth in this business segment. Also successfully developed Pneumatic Tipping Valve for Tipping Gear Application.

Following are some major products which your Company designed/developed during fiscal year 2009-2010 :

- * Development of Double Acting Hydraulic Cylinders (4-types) for 5.55 m³ bucket capacity 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 (3-types) for Transfer Device Lifting, Walking Beam Lifting for Steel Mill application.
- * Design & development of Pneumatic Tipping Valve for Front End Tipping System.

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

- * Development of 2 Stage Double Acting Hoist Cylinders for - UNIT RIG.
- * Development of Double Acting Steering Cylinder for - UNIT RIG.
- * Design & development of D/A Hydraulic Cylinder for - AWP Lift.
- * Design & development of D/A Hydraulic Cylinder for Rough Terrain Mobile Hydraulic Crane model of 60 ton and 45 ton.
- * Development of Power take off (P.T.O.) for Truck Hydraulics.
- * Design & development of Front End Ram for 40 ton capacity Truck Hydraulics.
- * Design & development of Front Cover Ram for 16 ton capacity Truck Hydraulics.

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. 11.95 lacs in foreign exchange while the outgo in foreign exchange was Rs. 879.43 lacs.

For and on behalf of the Board

Kolkata

24th May, 2010

Vandana Khaitan

Vice Chairperson & Managing Director



Management Discussion And Analysis Report

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

Your Company is engaged in the manufacture of hydraulic cylinders which are the vertebra of all hydraulic equipment in mobile earthmoving machinery used for material handling purpose, speciality applications in steel plants, cement plants and defence applications.

The Infrastructure, Mining and Construction businesses have been at the core of the Governments policies for economic growth and development. The public spending has been provided for roads, bridges and civil construction. This has been aided by a renewed focus on mining. Growth is witnessed in this sector both in the public and private space.

The above has a direct co-relation as they 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.

The Company has a number of projects and customers in its pipeline. These products are in the various stages of approval and validation. Your Company expects a healthy growth during the current year owing to the above developments.

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.

Your Company has also added intellectual and trained manpower in the service team to augment the current production capacity and envisages matching growth continuously to explore all possible opportunities and meet the aforesaid demand.

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 17 of Schedule 18 to the Annual Audited Accounts.

Internal Control Systems and their Adequacy

Your Company maintains an adequate and effective internal control system commensurate with its size and complexity. The objective for such systems is to ensure that all transactions are properly recorded and authorized. We believe that these internal control systems provide, among other things, a reasonable assurance that transactions are executed with management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of your Company are adequately safeguarded against misuse or loss. The Audit Committee on a regularly basis reviews with the management, internal and statutory auditors, the adequacy of internal control system prevailing within the organization and addresses any significant findings arising out of internal audit. The Audit Committee's observations are acted upon by the Management.

Your Company has implemented an Enterprise Resource Planning (ERP) 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 in order to augment and support the systems. The effectiveness of ERP system shall be monitored on a continuous basis.

Discussion on Financial Performance with respect to Operational Performance

During the year under consideration the net turnover of your Company has decreased by 1.13% as compared to the previous year. Your Company had set-off loss to the extent of Rs. 99.67 lacs in the current year out of brought forward loss of Rs. 505.88 lacs in the preceding year. As a measure of further prudence the Company has written-off bad debts to the extent of Rs.89.98 lacs considering that some of the customers may not be able to meet their liabilities due to your Company. The Company had reduced its overhead expenses by 9.27%. During the year under consideration, the Company has disposed off its idle assets in order to strengthen financial positions.

The Company has augmented the Share Capital by allotting Equity Shares on a preferential basis to M/s. MBCV Holdings Ltd., non-promoter (Overseas Corporate Body) to reduce the interest cost and improve the Net Worth of the Company.

Developments in Human Resources/ Industrial Relations Front

Over the years your Company has taken several initiatives to attract and retain best talent. Being in the engineering industry, the Company places foremost thrust on the continuous upgradation of human resources. Best human resource practices and continuous work environment



ensures high motivational levels of the employees. The Company continues to structuring training programme to improve skills of engineering personnel. New recruitments at various levels are being made to increase collective output and help achieve higher productivity.

The total number of people employed as on 31st March, 2010 was 438.

Quality Statement

Your Company is dedicated to supplying high quality hydraulic cylinders which meets the requirement of our customer in a manner consistent in ethical performance. As a fables hydraulic cylinder manufacturer, your Company ensures consistently high standard of quality product, cost effectiveness and customer satisfaction. The Company's quality goal is to supply defect free product to customer. The performance related to this goal is reviewed internally. Improvement in production system is being made by waste reduction, higher productivity and consistent quality. In order to render effective service to customer, service network is being expanded through dealer network. The Company achieved ISO 9000-2008 version of quality system in the year 2009.

Future Outlook

Your Company is closely associated with Infrastructure Development, Irrigation, Road Construction, Cement &

Mining sectors and economic projections with these sectors likely to be befitted in the projected scenario. Your Company is poised to be a one-stop shop of Hydraulics Solutions to Earthmoving and Tipping Industry. Your Company in India has been strengthened by addition of human capital in the form of service network and service representation. Your Company is continuing to keep the commitment to provide state of the art technology in critical manufacturing areas, processes and systems. Your Company has an integrated network of all plants with the help of Enterprise Resource Planning programme. It is a step towards capturing of all activities online to deliver better results and prompt response to customers for your Company's high-end standing in the market.

Cautionary Statement

The forward-looking statements and views expressed in the Management Discussion and Analysis Report are based on certain assumptions. Actual results may differ materially from those stated therein due to several factors. Prime factors that may make a difference to the Company's performance include market conditions affecting demand/supply and price conditions in the domestic and overseas markets, input costs, interest costs, Government regulations and policies, economic developments, natural calamities etc. over which the Company does not have any direct control. The uncertainties as mentioned above need to be kept in view in assessing the prospect of the Company's projection on the future.



Report on Corporate Governance

(A) Corporate Governance Philosophy

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good Governance practices stems from the culture and mindset of the organization. As shareholders across the globe evince keen interest in the practices and performance of the Companies. Corporate Governance has emerged on the center stage. UT Ltd. is committed to good governance practices that create long term sustainable shareholder value. The policies and their effective implementation underpin the commitment of the Company to uphold highest principles of Corporate Governance consistent with the Company's goal to enhance shareholder value. The Company recognizes that Corporate Governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance. The Company has taken proactive measures to periodically review and revise the corporate governance practices incorporating appropriate checks and balances at various level of management.

(B) Board of Directors

(a) **Composition of the Board of Directors and other details as on 31st March, 2010 are as under:**

Sl. No.	Name of Director(s)	Executive/ Non-Executive/ Independent	No. of other		
			Directorships**	Committee(s) Position held #	
				As Chairman	As Member
1.	Mrs. Vandana Khaitan (Vice Chairperson and Managing Director) - Promoter	Executive	1	None	None
2.	Mr. A.C. Mukherji	Non-Executive and Independent	7	5	4
3.	Mr. Harish Khaitan - Promoter	Non-Executive and Non-Independent	1	None	None
4.	Mr. Sameer Nandwani	Non- Executive and Independent	None	None	None
5.	Mr. P. C. Sharma -Nominee-Allahabad Bank (appointed w.e.f. 29 th October, 2009)	Non- Executive and Independent	None	None	None
6.	Mr. Vinay Sah -Nominee-LIC (appointed w.e.f. 15 th February, 2010)	Non- Executive and Independent	1	None	2

** 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. P. C. Sharma, Assistant General Manager of Allahabad Bank, Industrial Finance Branch, Kolkata, was appointed as Nominee Director by the Board with effect from 29th October, 2009.

Mrs. Sindhubala Choudhury ceased to be the Nominee Director of Life Insurance Corporation by resignation with effect from 15th February, 2010.

Mr. Vinay Sah, a representative of Life Insurance Corporation of India, was appointed as the Nominee Director by the Board with effect from 15th February, 2010.

(c) Meetings held during the financial year 2009 - 2010 and attendance of Directors:

During the year under review 10 (ten) Board Meetings were held on 29th May, 2009; 29th June, 2009; 20th July, 2009; 27th July, 2009; 14th August, 2009; 12th September, 2009; 29th October, 2009; 18th January, 2010; 31st January, 2010 and 15th February, 2010.

The attendance of each Director at the Board Meetings during the year and at the last Annual General Meeting held on 12th September, 2009 was as follows:

Sl. No.	Name of Director	No. of Board Meetings attended	Attendance at last AGM held on 12 th September, 2009
1.	Mrs. Vandana Khaitan (Vice Chairperson & Managing Director)	7	Present
2.	Mr. Harish Khaitan	6	Not Present
3.	Mr. A.C. Mukherji	10	Present
4.	Mrs. Sindhubala Choudhury (resigned w.e.f. 15.02.2010)	6	Present
5.	Mr. Sameer Nandwani	7	Present
6.	Mr. P. C. Sharma (appointed w.e.f. 29 th October, 2009)	1	N.A.
7.	Mr. Vinay Sah (appointed w.e.f. 15 th February, 2010)	Nil	N.A.

(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:

1. It shall have authority to investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred to it by the board and for this purpose, shall have full access to information contained in the records of the Company and external professional advice, if any.
2. To seek information from any employee and obtain outside legal or professional advice.
3. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
4. Reviewing with the management the annual financial statements before submission to the Board, internal and external auditors and the adequacy of the internal control systems.
5. Reviewing the Company's financial and risk management policies and compliance with internal control systems.
6. Safeguarding of assets and adequacy of provisions for all liabilities.
7. Reviewing with the management about the funds raised through issue of shares and warrants etc.
8. 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 31.03.2010 comprising three Independent Non-Executive Directors and one Non-Independent Non-Executive Director and they do have requisite financial and management expertise in the commercial fields.

Audit Committee of the Company as on 31.03.2010 comprised of:-

- | | | |
|---------------------------------|---|--|
| (i) Mr. A.C.Mukherji (Chairman) | : | Independent Non-Executive Director |
| (ii) Mr. Vinay Sah # | : | Independent Non-Executive Director |
| (iii) Mr. Sameer Nandwani | : | Independent Non-Executive Director |
| (iv) Mr. Harish Khaitan | : | Non-Independent Non-Executive Director |

Mr. Vinay Sah was appointed as a Member of the Audit Committee w.e.f. 15.02.2010.

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 29th May, 2009; 29th June, 2009; 20th July, 2009; 27th July, 2009; 29th October, 2009 and 31st January, 2010.

The Annual Audited Accounts for the year ended 31st March, 2010 was discussed and reviewed by the Audit Committee at its meeting held on 24th May, 2010 and the same was recommended to the Board of Directors for its approval.

The Annual Accounts for the last financial year ended 31st March, 2009 were discussed and reviewed in the Audit Committee Meeting held on 29th June, 2009 and subsequently on 20th July, 2009 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	4
3.	Mrs. Sindhubala Choudhury **	Member	3
4.	Mr. Sameer Nandwani	Member	5
5.	Mr. Vinay Sah	Member	Nil

* Mr. A.C.Mukherji, Chairman of the Audit Committee, attended the last Annual General Meeting held on 12th September, 2009 and replied to the queries related to Accounts to the satisfaction of the shareholders.

** Ceased to be Member of the Committee w.e.f. 15.02.2010



(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 31.03.2010 comprised of: -

- | | | |
|---------------------------------|---|------------------------------------|
| (i) Mr. A.C.Mukherji (Chairman) | : | Independent Non-Executive Director |
| (ii) Mr. Sameer Nandwani | : | Independent Non-Executive Director |
| (iii) Mr. Viany Sah # | : | Independent Non-Executive Director |

#Mr. Vinay Sah was appointed as a Member of the Committee w.e.f. 15.02.2010.

(c) Meetings and Attendance

During the year under review no meeting of the Remuneration Committee was held.

(d) Remuneration Policy

The remuneration policy is directed towards rewarding performance based on review of achievements and it is in consonance with the prevailing industry practice.

As for the Non-Executive Directors, their appointments on the Board are for the benefit of the Company due to their vast professional expertise in their individual capacity. The Company suitably remunerates them by paying sitting fees for attending the meetings of the Board and Committees. Besides 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 2009-10:

Name	Salary	Contribution to Provident and other Funds	Perquisites	Commission	Sitting Fees	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Mrs. Vandana Khaitan	13,99,000	2,35,380	13,38,132	–	–	29,72, 512
Mr. A. C. Mukherji	–	–	–	–	90,000	90,000
Mrs. Sindhubala Choudhury * (Note 1)	–	–	–	–	49,000	49,000
Mr. Harish Khaitan **	–	–	–	–	50,000	50,000
Mr. Sameer Nandwani	–	–	–	–	70,000	70,000
Mr. P.C. Sharma *** (Note 2)	–	–	–	–	5,000	5,000
Mr. Vinay Sah ^ (Note 1)	–	–	–	–	–	–

* Ceased to be a Director with effect from 15th February, 2010.

** Mr. Harish Khaitan, Non-Executive Director of the Company, holds 40,867 Equity Shares which represents 0.47% of the paid up share capital of the Company.

*** Appointed as a Nominee Director on behalf of Allahabad Bank w.e.f. 29th October, 2009.

^ Appointed as a Nominee Director on behalf of LIC w.e.f. 15th February, 2010.

Note 1: Payable to LIC as per terms of nomination.

Note 2: Payable to Allahabad Bank as per terms of nomination.

(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 31.03.2010 comprised of:-

- (i) Mr. Vinay Sah (Chairman)#
- (ii) Mrs. Vandana Khaitan, Member

Mr. Vinay Sah was appointed as a Member of the Committee w.e.f. 15.02.2010.

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 3 (three) times on 29th June, 2009; 29th October, 2009 and 31st January, 2010.

The attendance at the above meetings was as under:

Sl. No.	Name of Director	No. of Meetings attended
1.	Mrs. Sindhubala Choudhury *	2
2.	Mrs. Vandana Khaitan	3
3.	Mr. Vinay Sah **	Nil

* Ceased to be Chairperson of the Committee w.e.f. 15.02.2010.

** Appointed as a Chairman of the Committee w.e.f. 15.02.2010.

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

No. of investor queries/ complaints received during the year ended 31 st March, 2010	No. of investor grievances pending at the end of the year	No. of pending share transfers as on 31 st March, 2010
5	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

(c) Meetings and Attendance

During the financial year 2009-10 the Finance & Accounts Committee met 3 (three) times on 28th August, 2009; 30th November, 2009 and 26th February, 2010.

The attendance of the members was as under:

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

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 to deal with the Equity Shares and Convertible Share Warrants allotted and issued on preferential basis to the Promoter(s) and Non-Promoter(s) and listing thereof and to do all such acts, deeds and things as it might in its absolute discretion deemed necessary.

(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 2 (two) times on 29th May, 2009 and 2nd March, 2010 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	2
2.	Mr. Sameer Nandwani	2

(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
2008-2009	Shripati Singhanian Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700 020	Saturday 12 th September, 2009	11.00 A.M. (IST)
2007-2008	Shripati Singhanian Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700 020	Thursday 11 th September, 2008	11.00 A.M. (IST)
2006-2007	Shripati Singhanian Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700 020	Thursday 6 th September, 2007	11.00 A.M. (IST)

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

Date of Meeting	Subject Matter of Resolution
AGM dated 12 th September, 2009	Issue of Equity Shares to Non-Promoter u/s. 81(1A) of the Companies Act, 1956 on Preferential basis. *
AGM dated 11 th September, 2008	Re-appointment of and fixation of remuneration of Vice Chairperson & Managing Director.
AGM dated 6 th September, 2007	Appointment of and fixation of remuneration of Whole-Time Director.

* The proposed issue of equity shares on preferential basis to Non-Promoter was withdrawn due to non-availability of PAN within the prescribed time.

(c) Special Resolutions passed in previous EGM:

Date of Meeting	Subject Matter of Resolution
EGM dated 15 th February, 2010	Issue of Equity Shares to Non-Promoter 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(l) (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 compliances with the provisions of this Code of Conduct as on 31st March, 2010 and a declaration to this effect signed by the Vice Chairperson & Managing Director & CEO forms 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(l) (D) of the amended Listing Agreement with the Stock Exchange and adopted by the Board at its meeting held on 27th October, 2005. On the basis of confirmation received from all Members and Senior Management Personnel, I hereby declare that all the Members of the Board and Senior Management Personnel of the Company have affirmed their compliances with the said Code of Conduct for the year ended 31st March, 2010.

For and on behalf of the Board

Place: Kolkata
Date: 31st March, 2010

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 did they voted on such matters.

Suitable disclosure with regard to related parties as per the requirement of Accounting Standard (AS 18) notified under the Companies Act, 1956 have been made available and set out in point 18 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 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.

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	Thursday, 9th September, 2010 at 11.00 A.M.
Venue	Shripati Singhania Hall Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020
Agenda	1. Adoption of Audited Accounts, Directors' and Auditors' Reports. 2. Re-appointment of Director retiring by rotation. 3. Re-appointment of Auditors by ordinary resolution.

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

Director retiring by Rotation

Mr. Harish Khaitan

Mr. Harish Khaitan, 53 studied in St. Xavier's School, Calcutta, stood 42nd in Higher Secondary Examination and passed Bachelor of Commerce with Distinction in the year 1976 from the Calcutta University. He is the Chairman and Managing Director of ATI Limited since 1991. In this position, he acquired experience and expertise in the fields of Finance, HRD, Marketing, Purchase and Customer Satisfaction.

He had served as the President of Andaman Wood based Industries Association and Vice President of the Federation of Indian Plywood & Panel Industry, New Delhi. He was also the Chapter Chairman and Membership Chairman of the Calcutta Chapter of Young Presidents' Organization (YPO), a Worldwide Organization working to fulfill its mission for "Better Presidents through Education and Idea Exchange."

He is the Director of the following other Companies:

1. ATI Ltd.
2. UT Bondioli & Pavesi Hydraulics Pvt. Ltd.
3. Sparkle Spirits Pvt. Ltd.

He is not holding any Committee Membership/Chairmanship in any Public Limited Company.

(c) Financial Calendar and Publication of Results

The Company follows 1st April to 31st March as its financial year and will publish quarterly and annual financial results within the prescribed time as per the amended Listing Agreement with the Stock Exchange. Publication of results will be as under:

First quarter ended June 30, 2010	August, 2010
Second quarter and half-year ended September 30, 2010	November, 2010
Third quarter and nine months ended December 31, 2010	February, 2011
Annual Accounts for Financial Year 2010 - 2011	May, 2011

(d) Book Closure

Date of closure of the Company's Register of Members and Share Transfer Books.	Thursday, 2nd September, 2010 to Thursday, 9th September, 2010 (both days inclusive)
--	--

(e) Dividend

The Board has not recommended any dividend for the year ended 31st March, 2010.

(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 2010-2011 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 2009-2010 are as follows:

Month	BSE High (Rs.)	BSE Low (Rs.)	BSE Sensex at the close	BSE Volume (Nos.)
April, 2009	8.92	6.42	11403.25	27210
May, 2009	10.47	7.18	14625.25	24231
June, 2009	18.06	10.99	14493.84	123994
July, 2009	15.30	11.60	15670.31	21736
August, 2009	13.98	10.65	15666.64	44890
September, 2009	15.00	12.68	17126.84	26692
October, 2009	16.13	11.92	15896.28	26736
November, 2009	13.23	11.06	16926.22	55357
December, 2009	14.60	11.17	17464.81	42898
January, 2010	18.95	12.47	16357.96	140478
February, 2010	17.99	12.12	16429.55	204538
March, 2010	17.95	14.75	17527.77	166948

(h) Shareholding Pattern

Equity Shares of Rs.10/- each

Sl. No.	Shareholders	As on 31st March, 2010		As on 31st March, 2009		Variation	
		No. of shares	%	No. of shares	%	No. of shares	%
1.	Promoters and their relatives	28,09,823	32.14	24,39,523	32.58	3,70,300	(0.44)
2.	Foreign Promoters – Telehoist Ltd. U.K.	7,40,000	8.46	7,40,000	9.88	—	(1.42)
3.	Mutual Funds and UTI	—	—	—	—	—	—
4.	Banks, FIs, Insurance Cos., Central/State Govt. Institutions/Non-Government Institutions	8,80,546	10.07	8,80,546	11.76	-	(1.69)
5.	Private Corporate Bodies	18,14,613	20.75	18,90,512	25.25	(75,899)	(4.50)
6.	Indian Public	15,86,626	18.15	15,05,245	20.10	81,381	(1.95)
7.	NRIs/OCBs/FIIs	8,83,363	10.10	18,279	0.24	8,65,084	9.86
8.	Any Other	28,515	0.33	14,447	0.19	14,068	0.14
	Total	87,43,486	100.00	74,88,552	100.00	12,54,934	--

(i) Distribution of Shareholding as on 31st March, 2010

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	569	1904	80084	497847	0.92	5.69
1,001- 5,000	20	192	37398	429497	0.43	4.91
5,001- 10,000	1	23	6000	174821	0.07	2.00
10,001- 50,000	1	21	21600	449157	0.25	5.14
50,001- 1, 00,000	1	5	54864	336623	0.63	3.85
1, 00,001- 10, 00,000	4	9	2243902	3291693	25.66	37.65
10, 00,001 and above	-	1	-	1120000	-	12.81
TOTAL	596	2155	2443848	6299638	27.95	72.05
TOTAL		2751		8743486		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 had received the listing approval from the Bombay Stock Exchange Limited for 390000 Equity Shares of Rs. 10/- each at a premium of Rs. 2.38 per share bearing distinctive numbers from 7488553 to 7878552 on 21st August, 2009 allotted to Mrs. Vandana Khaitan on 29th May, 2009 upon conversion of 390000 Share Warrants.

The Company had allotted 864934 Equity Shares of Rs. 10/- each at a premium of Rs. 4.53 per share bearing distinctive numbers from 7878553 to 8743486 to M/s. MBCV Holdings Ltd., (OCB) non-promoter on 2nd March, 2010 on preferential basis and received the approvals for listing and trading of the same vide their letter dated April 16, 2010 and notice dated May 19, 2010 respectively from the Bombay Stock Exchange Ltd.

(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, 2010 out of total 8743486 equity shares, 6299638 equity shares representing 72.05% 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/F/H 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*	30 th March, 2009	000002	390001	800000

* 410000 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 9153486, subject to 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

Kolkata
24th May, 2010

Vandana Khaitan
Vice Chairperson & Managing Director

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT

The Members of UT Limited

We have examined the compliance of conditions of Corporate Governance by UT Limited for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 302009E)

A. Bhattacharya

Place: Kolkata
Dated: 24th May, 2010

Partner
Membership No. 054110



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 ended 31st March, 2010 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: 24th May, 2010

**AUDITORS' REPORT
TO THE MEMBERS OF
UT LIMITED**

1. We have audited the attached Balance Sheet of **UT LIMITED** ("the Company") as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. 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 the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the 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 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to 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 it 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 are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give, *subject to Note 11(c) on Schedule 18 to the accounts regarding remuneration of the Vice Chairperson and Managing Director to the extent of Rs. 27,37 thousands awaiting approval of the Central Government*, a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2010 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.302009E)

A. Bhattacharya
Partner
(Membership No. 054110)

Kolkata, 24th May, 2010



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

 - (a) The Company has taken loans aggregating Rs. 8,000 thousands from two parties during the year. At the year-end, the outstanding balance of such loans taken aggregated Rs. Nil and the maximum amount involved during the year was Rs. 8,000 thousands (number of parties Two).
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
 - (c) The payments of principal amounts and interest in respect of such loans are regular/as per stipulations.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year or in any earlier year.

- (vii) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any products of the Company.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with appropriate authorities and has not been regular in depositing undisputed dues of Income Tax, Sales Tax and Service Tax with appropriate authorities.
- (b) The undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable are as follows:
Central Sales Tax - Rs. 3,592 thousands
Various Local Sales Tax - Rs. 1,995 thousands
Value Added Tax - Rs. 153 thousands
- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2010 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in '000)
The Central Sales Tax Act, 1956	Sales Tax	Additional Commissioner of Sales Tax	2006-07	4,511
The Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner of Sales Tax	2005-06	243
The Central Sales Tax Act, 1956	Sales Tax	Additional Commissioner of Sales Tax	2004-05	1,337
The Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner of Commercial Tax	2003-04	3,258
The West Bengal Sales Tax Act, 1994	Sales Tax	Additional Commissioner of Sales Tax	2004-05	191
The West Bengal Sales Tax Act, 1994	Sales Tax	Deputy Commissioner of Commercial Tax	2003-04	415
The Central Excise Act, 1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal	January 2005 to December 2007	874
The Central Excise Act, 1944	Excise Duty	Commissioner (Appeals)	January 2008 to September 2008	147
The Central Excise Act, 1944	Excise Duty	Appeal is being filed before Commissioner (Appeals)	1994 to 1997	2,897
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Act (Appeals)	1999-2000	951
The Tamil Nadu General Sales Tax Act, 1959	Sales Tax	Sales Tax Appellate Tribunal	1998-99	687
The Tamil Nadu General Sales Tax Act, 1959	Sales Tax	Sales Tax Appellate Tribunal	2000-01	358

- (x) The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth and the Company has not incurred cash losses in the financial year but in the immediately preceding financial year it had incurred cash losses.



- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions (debenture holders not applicable) except as indicated below:

Name of the Bank / Financial Institutions	Amount of Default (Rs. in '000)	Period of Default (in days)	Name of the Bank / Financial Institutions	Amount of Default (Rs. in '000)	Period of Default (in days)
ICICI Bank Limited	212	23		2,175	55
	212	17		1,475	63
	212	18		975	96
	212	16		2,175	65
HDFC Bank Limited	2,105	7		2,175	34
State Industrial and Investment Corporation of Maharashtra Limited	4,892	186		2,175	6
	4,492	186	Interest on loan from State Industrial and Investment Corporation of Maharashtra Limited	11	424
	1,192	189		2	424
	1,292	181		5	416
	1,184	183		2	416
	784	186		1	416
	2,694	158		3	416
	2,366	150		30	375
	1,090	131		28	367
	4,116	95		4	236
	4,006	184		14	236
	8,208	91		167	147
	8,097	121		399	238
	6,000	171		130	117
	5,000	176		161	67
	4,000	184		14	62
	2,000	184		13	54
	6,000	204		621	204
	6,000	198		586	198
	7,400	150		533	150
	1,861	116		98	116
	9,136	107		442	107

- (xii) In our opinion, the Company has not granted 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 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, the term loans have been applied for the purposes for which they were obtained.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the Company does not have any outstanding debentures.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

Kolkata, 24th May, 2010

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.302009E)
A. Bhattacharya
Partner
(Membership No. 054110)



Balance Sheet as at 31st March, 2010

(Rupees in Thousands)

	Schedule Reference	As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	5	8,74,35	7,48,86
Equity Warrants (Note 15 on Schedule 18)		50,76	80,72
Reserves and Surplus	6	3,12,02	2,64,11
		12,37,13	10,93,69
Loan Funds			
Secured Loans	7	48,07,08	41,85,16
Unsecured Loans	8	4,29,56	5,97,29
		52,36,64	47,82,45
Deferred Tax Liability (Net) [Note 20 on Schedule 18]		75,68	82,17
Total		65,49,45	59,58,31
APPLICATION OF FUNDS			
Fixed Assets	9		
Gross Block		44,19,73	43,78,80
Less : Depreciation		23,95,35	22,14,96
Net Block		20,24,38	21,63,84
Capital Work -in-progress (at cost)		1,71,01	1,50,34
		21,95,39	23,14,18
Investments	10	47,32	47,32
Current Assets, Loans and Advances			
Inventories	11	36,68,45	42,24,20
Sundry Debtors	12	31,95,44	21,44,23
Cash and Bank Balances	13	2,58,04	1,42,23
Other Current Assets	14	91,94	1,29,13
Loans and Advances	15	1,83,19	4,92,25
		73,97,06	71,32,04
Less:			
Current Liabilities and Provisions			
Liabilities	16	34,42,56	39,79,00
Provisions	17	53,97	62,11
		34,96,53	40,41,11
Net Current Assets		39,00,53	30,90,93
Profit and Loss Account		4,06,21	5,05,88
Total		65,49,45	59,58,31
Notes on Accounts	18		

In terms of our report attached.

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

For Deloitte Haskins & Sells
Chartered Accountants

VANDANA KHAITAN
Vice-Chairperson & Managing Director

Kolkata,
24th May, 2010

A. Bhattacharya
Partner

S. K. GUPTA
Company Secretary

A. C. MUKHERJI
Director

Profit and Loss Account for the year 31st March, 2010

(Rupees in Thousands)

	Schedule Reference	2009-2010	2008-2009
INCOME			
Turnover (Gross)		83,50,92	85,91,48
Less: Excise Duty		5,75,12	7,26,92
Turnover (Net)		77,75,80	78,64,56
Income from Other Sources	1	4,05,48	1,06,19
		81,81,28	79,70,75
EXPENDITURE			
Purchase of General Merchandise		7,96,97	15,85,75
Raw Materials Consumed	2	42,07,59	41,63,91
(Increase)/Decrease in Finished Products and Work-in-Progress	3	(1,52,45)	(1,95,76)
Manufacturing, Selling and Administrative Expenses	4	22,81,52	25,14,58
Depreciation		2,45,51	2,03,89
Less: Transferred from Fixed Assets			
Revaluation Reserve		54	86
Interest and Discounting Charges (Note 12 on Schedule 18)		7,09,50	7,29,72
		80,88,10	90,01,23
Profit/(Loss) for the year before Taxation		93,18	(10,30,48)
Taxation –			
Deferred - Charge/(Release)		(6,49)	43,86
Fringe Benefit Tax		—	17,50
Profit/(Loss) after Taxation		99,67	(10,91,84)
Profit/(Loss) brought forward from previous year		(5,05,88)	—
Transfer from General Reserve		—	5,85,96
Balance carried to Balance Sheet		(4,06,21)	(5,05,88)
Basic Earnings/ (Loss) per Share (Note 19 on Schedule 18)		1.26	(17.92)
Diluted Earnings / (Loss) per Share (Note 19 on Schedule 18)		1.25	(17.92)
Notes on Accounts	18		

In terms of our report attached.

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

For Deloitte Haskins & Sells
Chartered Accountants

VANDANA KHAITAN
Vice-Chairperson & Managing Director

Kolkata,
24th May, 2010

A. Bhattacharya
Partner

S. K. GUPTA
Company Secretary

A. C. MUKHERJI
Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	(Rupees in Thousands)	
	2009-2010	2008-2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before non-recurring items and taxation	93,18	(10,30,48)
Adjustments for:		
Depreciation	2,44,97	2,03,03
Foreign Exchange Loss (Net)	(8,41)	9,38
Provisions	20,23	84,18
Interest Income	—	(1,62)
Dividend Received	—	7,10
Loss on Disposal of Fixed Assets	(3,03,70)	1,02
Liabilities no longer required written back	(38,64)	(27,43)
Provision for doubtful debts/advances written back	(27,35)	(56,90)
Interest Expenses	6,61,31	6,20,70
Bad Debts and Advances Written Off	89,97	65,13
Operating profit before working capital changes	<u>7,31,56</u>	<u>(1,40,09)</u>
Adjustments for:		
Trade and other receivables	(7,83,46)	(5,09,33)
Inventories	5,55,75	2,52,08
Trade payables	(4,76,31)	1,94,30
Net Cash generated from / (used in) operations	<u>27,54</u>	<u>(2,03,04)</u>
Direct taxes (paid)/refund-net (including tax deducted at source and fringe benefit tax)	(17,49)	(19,85)
NET CASH FROM OPERATING ACTIVITIES	<u>10,05</u>	<u>(2,22,89)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,48,84)	(34,13)
Sale of Fixed Assets (including advance received)	3,25,81	20,41
Advance received against proposed sale of fixed assets	—	95,00
Dividend received	—	7,10
NET CASH USED IN INVESTING ACTIVITIES	<u>1,76,97</u>	<u>88,38</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Allotment of Equity Shares by way of preferential issue (including Share Premium Rs. 39,18)	1,25,68	1,73,94
Proceeds received against issue of Equity Warrants	18,32	80,72
Proceeds from Borrowings		
Long Term	7,87,17	17,81,32
Short Term	2,49,97	26,67,44
Repayment of Borrowings		
Long Term	(2,52,98)	(3,01,60)
Short Term	(6,59,66)	(30,28,09)
Net (decrease)/increase in overdraft/cash credit facility	3,31,31	(5,33,27)
Interest paid	(6,71,02)	(5,97,08)
NET CASH USED IN FINANCING ACTIVITIES	<u>(71,21)</u>	<u>2,43,38</u>
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	<u>1,15,81</u>	<u>1,08,87</u>
OPENING CASH AND CASH EQUIVALENTS	<u>1,42,23</u>	<u>33,36</u>
CLOSING CASH AND CASH EQUIVALENTS	<u>2,58,04</u>	<u>1,42,23</u>

- Notes: a) 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.
b) Cash and cash equivalents comprise :-

	As at 31st March, 2010	As at 31st March, 2009
Cash Balance in hand	78,32	1,72
Balances with scheduled Banks on :		
Current Accounts	41,52	39,99
Term Deposit Accounts [pledged with Government Authorities Rs.Nil (2008-2009 Rs.10) and Rs.1,38,20 (2008-2009 Rs.1,00,42) under lien against facilities]	<u>1,38,20</u>	<u>1,00,52</u>
	<u>2,58,04</u>	<u>1,42,23</u>

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

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Place : Kolkata
Date : 24th May, 2010

A. Bhattacharya
Partner

S. K. GUPTA
Company Secretary

A. C. MUKHERJI
Director

VANDANA KHAITAN
Vice-Chairperson & Managing Director

Schedules to the Accounts

	(Rupees in Thousands)	
	2009-2010	2008-2009
1. INCOME FROM OTHER SOURCES		
Interest on Deposits and Loans (Gross) (Tax deducted at source Rs. 1,06 ; 2008-2009 Rs. 41)	11,39	2,97
Discount	1,09	3,83
Income from Long Term Investments - Other than Trade		
– Dividend	—	7,10
Rent	57	2,34
Bad Debts Recovery	37	—
Liabilities no longer required written back	38,64	27,43
Provision for Doubtful debts/advances/deposits written back	27,35	56,90
Profit on Sale of Fixed Assets (net) [includes Capital Profit Rs. 2,83,03 (2008-09 Nil)]	3,03,70	—
Foreign Exchange Gain - (net)	22,24	—
Miscellaneous Receipts	13	5,62
	<u>4,05,48</u>	<u>1,06,19</u>
2. RAW MATERIALS CONSUMED		
Opening Stock	20,33,83	24,70,07
Add: Purchases (including processing charges Rs.2,43,62 ; 2008-2009 Rs.3,36,59)	<u>35,00,07</u>	<u>37,27,67</u>
	55,33,90	61,97,74
Deduct: Closing Stock	<u>13,26,31</u>	<u>20,33,83</u>
	<u>42,07,59</u>	<u>41,63,91</u>
3. (INCREASE)/DECREASE IN FINISHED PRODUCTS AND WORK-IN-PROGRESS		
Opening 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>
Deduct: Closing Stock		
Finished Products	55,34	93,84
Work-in-Progress (including Contract Work-in-Progress)	21,67,77	16,75,78
General Merchandise	—	3,01,04
	<u>22,23,11</u>	<u>20,70,66</u>
	<u>(1,52,45)</u>	<u>(1,95,76)</u>



Schedules to the Accounts

	(Rupees in Thousands)	
	2009-2010	2008-2009
4. MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES		
Salaries, Wages and Bonus	8,37,33	8,82,06
Contribution to Provident and Other Funds	61,92	89,67
Workmen and Staff Welfare Expenses	1,59,63	1,57,99
Consumption of Stores and Spare Parts (including Loose Tools)	2,60,28	2,69,85
Power and Fuel	1,30,19	1,39,33
Rent	25,40	53,59
Rates and Taxes	4,89	7,14
Insurance	6,34	8,12
Loss on Disposal of Fixed Assets (Net)	—	1,02
Repairs and Maintenance :		
Buildings	29,42	32,01
Plant and Machinery	72,03	73,77
Others	9,53	12,58
Selling Commission	68	10,78
Dealers' Discount	24,89	28,19
Travelling Expenses	98,37	1,08,89
Foreign Exchange Loss - (net)	—	32,14
Bad Debts/Advances/Deposits Written Off	89,98	65,13
Provision for Doubtful Debts/ Advances/ Deposits	20,23	84,18
Legal and Professional Expenses	99,26	1,00,12
Conveyance Expenses	65,52	70,33
Bank Charges	58,66	59,73
Telephone, Telex and Postage	29,12	37,67
Freight, Transport and Delivery	1,09,26	93,59
Printing and Stationery	8,49	10,93
Excise Duty on Stocks etc. (Net) - (Credit) /Charge	(1,22)	3,50
Directors' Meeting Fees	2,64	2,41
Other Expenses	78,68	79,86
	<u>22,81,52</u>	<u>25,14,58</u>
	As at 31st March, 2010	As at 31st March, 2009
5. CAPITAL		
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
52,34,715 (31.03.09 - 39,79,781) Equity Shares of Rs. 10/- each fully paid in cash (including 12,54,934 Equity Shares of Rs.10/-each allotted as fully paid by way of Preferential Issue during the year)	5,23,47	3,97,98
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>8,74,35</u>	<u>7,48,86</u>

Schedules to the Accounts

(Rupees in Thousands)

	As at 31st March, 2010		As at 31st March, 2009
6. RESERVES AND SURPLUS			
Capital Reserve	58,36		58,36
Fixed Assets Revaluation Reserve			
As per Last Account	1,27,50		1,28,36
Less: Transferred to Profit and Loss Account	<u>54</u>	1,26,96	<u>86</u> 1,27,50
Capital Redemption Reserve		8,00	8,00
Share Premium			
As per Last Account	70,25		36,81
Add : On allotment of shares (Note 16 on Schedule 18)	<u>48,45</u>	1,18,70	<u>33,44</u> 70,25
General Reserve			
As per Last Account	—		5,85,96
Transfer to Profit and Loss Account	—	—	<u>5,85,96</u> —
	<u>3,12,02</u>		<u><u>2,64,11</u></u>

7. SECURED LOANS

Overdrafts/Cash Credit from Banks	20,30,62		16,99,30
--	-----------------	--	----------

Overdrafts/Cash Credit from Banks to the extent of Rs. 6,08,49 (2008-09 - 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 71,991shares and 69,678 shares by a Director and a Body Corporate respectively and also guaranteed by two Directors and a Body Corporate.

Overdrafts/Cash Credit from Banks to the extent of Rs.11,73,92 (2008-09 - Rs.8,19,38) 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 two Bodies Corporate respectively and also guaranteed by two Directors and two Bodies Corporate.

Overdrafts/Cash Credit from Banks to the extent of Rs.2,48,20 (2008-09 - 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 Body Corporate and pledge of 101,799 and 8,600 shares by two Directors and also guaranteed by two Directors and a Body Corporate.

(Contd.)



Schedules to the Accounts

	(Rupees in Thousands)	
	As at 31st March, 2010	As at 31st March, 2009
Term Loans form Banks		
ICICI Bank Limited	1,15,15	1,23,49
Secured by mortgage of immovable property at Chatterjee International Centre, Kolkata.		
Bank of India	5,29,68	5,29,68
To the extent of Rs.1,98,38 (2008 - 09 - Rs. 1,98,38) secured by first Charge created on movable/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 Body Corporate and pledge of 101,799 and 8,600 shares by two Directors and also guaranteed by two Directors and a Body Corporate.		
To the extent of Rs.3,31,30 (2008 - 09 - Rs. 3,31,30) secured by pari passu first charge on movable/immovable fixed assets of the Company, both present and future, and further charge to be created on current assets of the Company, both present and future and equitable mortgage of a flat in Mumbai belonging to a Body Corporate and pledge of 101,799 and 8,600 shares by two Directors and also guaranteed by two Directors and a Body Corporate.		
Allahabad Bank	15,43,01	15,43,51
To the extent of Rs.1,27,25 (2008 - 09 - Rs. 1,27,75) secured by exclusive charge on plant and machinery pertaining to Lift Division at Budge-Budge and guaranteed by two Bodies Corporate and two Directors. First 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 and second charge on current assets with other banks.		
To the extent of Rs.14,15,76 (2008 - 09 - Rs. 14,15,76) secured by pari passu first charge on movable/immovable fixed assets of the Company, both present and future, pari passu first charge created on current assets of the Company, both present and future with other banks and pledge of 169,700 and 40,979 shares by two Bodies Corporate respectively and also guaranteed by two Directors and two Bodies Corporate.		
Axis Bank Limited	4,50,00	—
Secured by pari passu first charge on movable/immovable fixed assets of the Company's unit at Budge Budge, Putkhali and Hosur, both present and future (except for plant & machinery of Lift Division at Budge Budge under exclusive charge of Allahabad Bank) and second charge on current assets with other banks. In addition, the above loan is also guaranteed by a Body Corporate and two Directors.		
Interest Accrued and due thereon	28,55	20,94
Term loan from others		
Secured by first charge on certain machineries of the Company	1,06,89	2,63,20
Interest Accrued and due thereon	3,18	5,04
	<u>48,07,08</u>	<u>41,85,16</u>



Schedules to the Accounts

(Rupees in Thousands)

	As at 31st March, 2010	As at 31st March, 2009
8. UNSECURED LOANS		
Term Loans for purchase of vehicles/equipment-		
From Banks	5,41	1,27
From Others (Note 1 below)	19,97	87,30
Interest accrued and due on above Term Loans from Others	43	2,53
Inter Corporate Deposit	75,00	25,00
Interest accrued and due thereon	4,07	6,67
Interest accrued and due on loan from Directors	—	1,60
Short Term Loans		
From Banks	—	21,05
From State Industrial and Investment Corporation of Maharashtra Limited	3,12,52	4,29,64
From others	—	9,00
Interest accrued and due on above short term loan from others	12,16	81
Bank Overdraft (Book Overdraft)	—	12,42
	4,29,56	5,97,29

Notes: 1. Includes dues (Principal amount) under Hire Purchase arrangements Rs. 19,97 (2008-2009 - Rs. 67,56) referred to in Note 21 (b) on Schedule 18.

2. Unsecured Loans include Rs. 4,05,02 (2008-2009 Rs. 5,97,29) due within one year.

9. FIXED ASSETS

	GROSS BLOCK			Cost/ Valuation as at 31st March, 2009	As at 31st March, 2009	DEPRECIATION		NET BLOCK	
	Additions during the year	Sales/ Adjust- ments during the year	Cost/ Valuation as at 31st March, 2010 [Note (a) below]			For the year	On sales/ Adjust- ments during the year	As at 31st March, 2010	As at 31st March, 2009
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Land - Freehold	1,15,89	—	3,54	1,12,35	—	—	—	1,12,35	1,15,89
Buildings	3,37,97	4,43	32,26	3,10,14	1,59,79	8,45	27,51	1,40,73	1,69,41
Plant and Machinery	35,27,10	1,00,03	28,02	35,99,11	17,73,96	2,16,75	24,63	19,66,08	16,33,03
Water Supply Plant	15,53	—	1,39	14,14	5,55	31	1,35	4,51	9,63
Furniture, Fixture and Office Appliances	2,86,27	3,64	2,19	2,87,72	2,19,99	12,55	1,46	2,31,08	56,64
Vehicles	73,06	20,07	19,84	73,29	34,37	6,67	10,17	30,87	42,42
	43,55,82	1,28,17	87,24	43,96,75	21,93,66	2,44,73	65,12	23,73,27	20,23,48
Intangible Assets									
Computer Software -acquired	22,98	—	—	22,98	21,30	78	—	22,08	90
									1,68
Capital Work-in-Progress (at cost)[Note (b) below]									21,63,84
									1,71,01
	43,78,80	1,28,17	87,24	44,19,73	22,14,96	2,45,51	65,12	23,95,35	21,95,39
Previous Year	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

Notes:

(a) Above includes following items taken under Hire Purchase arrangements referred to in Note 21 (b) on Schedule 18 :

	Gross Block as at 31st March, 2010 (Rs.)	Gross Block as at 31st March, 2009 (Rs.)	Net Block as at 31st March, 2010 (Rs.)	Net Block as at 31st March, 2009 (Rs.)
Plant and Machinery	2,39,10	2,39,10	1,90,37	2,08,26
Vehicles	8,79	—	8,14	—
	2,47,89	2,39,10	1,98,51	2,08,26

(b) Capital Work-in-Progress includes :

- (i) Advances (Unsecured-considered good) Rs. 1,03,90 (2008-2009 Rs. 60,61) ; and
(ii) Acquired intangible asset-computer software which is under implementation Rs. 56,79 (2008-09-Rs. 49,74)



Schedules to the Accounts

	(Rupees in Thousands)	
	As at 31st March, 2010	As at 31st March, 2009
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
	<u>47,32</u>	<u>47,32</u>
11. INVENTORIES		
(At lower of cost and Net Realisable Value)		
Stores and Spare Parts	50,50	52,66
Loose Tools	68,53	67,05
Raw Materials	13,22,78	20,33,83
Goods-in-Transit (Raw Materials)	3,53	-
Finished Products	55,34	93,84
General Merchandise	-	3,01,04
Work-in-Progress (including Contract Work-in-Progress)	21,67,77	16,75,78
	<u>36,68,45</u>	<u>42,24,20</u>
12. SUNDRY DEBTORS		
Unsecured		
Debts outstanding for a period exceeding six months-		
Considered Good	5,49,49	3,73,49
Considered Doubtful	1,01,01	1,28,14
	<u>6,50,50</u>	<u>5,01,63</u>
Other Debts - Considered Good	26,45,95	17,70,74
	<u>32,96,45</u>	<u>22,72,37</u>
Less: Provision for Doubtful Debts	1,01,01	1,28,14
	<u>31,95,44</u>	<u>21,44,23</u>
13. CASH AND BANK BALANCES		
Cash Balance in hand		
[includes cheques in hand Rs. 73,00 (2008-09 Nil)]	78,32	1,72
Balances with Scheduled Banks on :		
Current Accounts	41,52	39,99
Term Deposit Accounts		
[Pledged with Government Authorities		
Rs. Nil (2008-2009 Rs. 10) and Rs. 1,38,20		
(2008-2009 Rs. 1,00,42) under lien against facilities]	1,38,20	1,00,52
	<u>2,58,04</u>	<u>1,42,23</u>

Schedules to the Accounts

		(Rupees in Thousands)		As at 31st March, 2010	As at 31st March, 2009
14. OTHER CURRENT ASSETS					
Unsecured					
Interest accrued on Deposits			2,79	1,79	
6 Year National Savings Certificate (Pledged with Government Authorities)			—	10	
Rent Receivable			12	—	
Miscellaneous Deposits			1,24,70	1,42,90	
	31st March,	31st March,			
	2010	2009			
Note :					
Considered Good	91,94	1,29,13			
Considered Doubtful	35,67	15,66			
	<u>1,27,61</u>	<u>1,44,79</u>	<u>1,27,61</u>	<u>1,44,79</u>	
Less : Provision for Doubtful Miscellaneous Deposits			<u>35,67</u>	<u>15,66</u>	
			<u><u>91,94</u></u>	<u><u>1,29,13</u></u>	
15. LOANS AND ADVANCES					
Unsecured					
Loan to Employees against Housing, Medical Expenses etc.			8,03	7,31	
Balance with Custom Authorities			69	26,25	
Balance with Excise Authorities			46,04	1,82,40	
Advance recoverable in cash or in kind or for value to be received			1,07,61	2,60,74	
Advance payment of Tax [net of provision for current taxation Rs.14,66,65 (31.03.09 : Rs.14,66,65)]			25,25	19,98	
	31st March,	31st March,			
	2010	2009			
Note :					
Considered Good	1,83,19	4,92,25			
Considered Doubtful	4,43	4,43			
	<u>1,87,62</u>	<u>4,96,68</u>	<u>1,87,62</u>	<u>4,96,68</u>	
Less : Provision for Doubtful Advances			<u>4,43</u>	<u>4,43</u>	
			<u><u>1,83,19</u></u>	<u><u>4,92,25</u></u>	
16. LIABILITIES					
Acceptances			71,97	—	
Sundry creditors :					
(a) Total outstanding dues of micro enterprises and small enterprises			—	—	
(b) Total outstanding dues of creditors other than micro and small enterprises			24,84,69	30,43,84	
Sundry Advances from Customers			6,43,99	7,45,89	
Other Liabilities (Note 1 below)			2,40,59	1,87,75	
Interest accrued but not due on loans			1,32	1,52	
			<u>34,42,56</u>	<u>39,79,00</u>	
Note 1 : Other Liabilities include Rs.95,00 being advance from a party against proposed sale of fixed assets.					
17. PROVISIONS					
Fringe Benefit Tax (net of advance tax of Rs.63,87 (2008-09 Rs.51,65)			6,63	18,85	
Provision for Employees' Leave Benefits			47,34	43,26	
			<u>53,97</u>	<u>62,11</u>	



Schedules to the Accounts

18. NOTES ON ACCOUNTS

A Significant Accounting Policies

The financial statements are prepared to comply in all material aspects within all the applicable accounting principles in India, the applicable Accounting Standards notified under section 211(3C) of the Companies Act, 1956 and relevant provision of the Company Act, 1956.

- (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. 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) **INVESTMENTS**
Long term Investment are stated at cost less provision, if any for diminution which is other than temporary.
- (i) **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.
- (j) **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 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. Any assets resulting from this calculations is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.
 - (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.

(Contd.)

18. NOTES ON ACCOUNTS (Contd.)

(Rupees in Thousands)

(k) LEASES

For assets acquired under Operating Lease, rentals payable are charged to profit and loss account. Assets acquired under Finance Lease are capitalised at lower of the Fair value and present value of Minimum Lease Payments.

(l) 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.

(m) 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.

B 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, 2010 amounts to Rs.54 (2008-2009 Rs.86) and an amount equivalent to this excess charge has been transferred to Profit and Loss Account from Fixed Assets Revaluation Reserve.

	31st March, 2010	31st March, 2009
2. There are contingent liabilities in respect of —		
(a) Claims against the Company not acknowledged as debts :		
(i) Income tax demands disputed in appeals before appropriate authorities	9,81	1,33,49
(ii) Sales Tax demands disputed in appeals before appropriate authorities	99,54	69,59
(iii) Excise Duty demands disputed in appeals before appropriate authorities	39,19*	8,74
(iv) Land Development Charges demand disputed before appropriate authorities	45,02	45,02
(v) Employees' State Insurance Demands	10,60	3,79
(vi) Suits filed by Customers	30,21	49,65
(vii) Disputed matters related to electricity meter	3,01	3,01
(b) Bank Guarantees Outstanding	2,22,38	2,53,14
(c) Undertaking given to a bank on behalf of a company and related outstanding exposure	72,18	72,18
* includes Rs. 28,97 for which appeals are in the process of being filed.		
3. Estimated amount of commitments on Capital Accounts not provided for [net of Advances Rs.1,03,90 (31.03.09 - Rs. 60,61)]	1,98,80	29,64
	2009-2010	2008-2009
4. Consumption of Stores and Spare parts included under other heads of accounts is as follows :		
(i) Repair and Maintenance :		
Plant and Machinery	18,63	5,43
(ii) Power and Fuel	3,42	7,44
5. Amount paid/payable to Auditors		
(a) Audit Fees	7,50	6,00
(b) For Other Matters (certificates etc.)	3,95 *	3,50
(c) Out of Pocket Expenses	19 #	53
	@11.64	@10,03

* Includes Rs. 1,60 to erstwhile auditors

Paid to erstwhile auditors

@ Exclusive of service tax of Rs. 39 (2008-2009 Rs. 42) not routed through Profit and Loss Account.

(Contd.)



Schedules to the Accounts

		(Rupees in Thousands)			
		As at 31st March, 2010		As at 31st March, 2009	
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 10 (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>	
* 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	12,95		5,25	
		2009-2010		2008-2009	
8.	Earning in Foreign Currency				
	Export of goods calculated on F.O.B basis	11,95		2,61,92	
9.	Value of Imports calculated on C.I.F basis				
	(i) Raw Materials	8,54,78		7,31,51	
	(ii) Others (Spares etc.)	11,70		—	
10.	Consumption of				
	(i) Raw Materials	%		%	
	Imported	13,94,86	33.15	12,68,77	30.47
	Indigenous	28,12,73	66.85	28,95,14	69.53
		<u>42,07,59</u>	<u>100.00</u>	<u>41,63,91</u>	<u>100.00</u>
	(ii) Stores and Spare Parts				
	Imported	13,58	4.81	—	—
	Indigenous	2,68,75	95.19	2,82,72	100.00
		<u>2,82,33</u>	<u>100.00</u>	<u>2,82,72</u>	<u>100.00</u>
11.	Managerial remuneration paid/payable —				
	(a) Vice Chairperson & Managing Director				
	Salary	13,99		12,48	
	Contribution to Provident and Other Funds	2,35		1,90	
	Perquisites/Allowances	13,38	29,72	18,01	32,39
	(b) Other Directors				
	Directors' Meeting Fees	2,64		2,41	
		<u>32,36</u>		<u>34,80</u>	
	(c) Remuneration of Rs. 27,37 to the Vice-Chairperson & Managing Director await Central Governments approval.				
12.	Interest and discounting charges				
	Interest on :				
	On Fixed/Term Loans	3,69,46		2,30,25	
	On Loans from Director	29		1,80	
	On Others	2,91,55		3,88,65	
	Discounting Charges	48,20		1,09,02	
		<u>7,09,50</u>		<u>7,29,72</u>	

(Contd.)

Schedules to the Accounts

		(Rupees in Thousands)			
		2009-2010		2008-2009	
18. NOTES ON ACCOUNTS (Contd.)					
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	
		<u>2009-10</u>		<u>2008-09</u>	
		Quantity	Value	Quantity	Value
		in Nos.		in Nos.	
(c)	Actual Production				
	* Hydraulic Tipping Gears, Cylinder all taken together	11,412		15,305	
	** Hydraulic and Pneumatic Equipment	2,854		2,906	
	Hydraulic/Traction Activated Passenger/ Goods Lift	*** 42		*** 46	
(d)	Opening Stock				
	(i) Manufactured Items –				
	Hydraulic Tipping Gears, Cylinders all taken together	107	22,01	148	52,29
	Hydraulic and Pneumatic Equipment	23	1,60	61	1,31
	Components and Accessories		70,23		20,71
			<u>93,84</u>		<u>74,31</u>
	(ii) General Merchandise-				
	M.S.Pipes, Tubes, Flats and Bars	M.T. 969.760	3,01,04	—	—
Actual Production of :-					
	* Hydraulic Tipping Gears, Cylinder all taken together includes Captive Consumption of Nil (2008-2009 - 194 Nos.) and written off 37 Nos. (2008-2009- Nil).				
	** Hydraulic and Pneumatic Equipment includes Captive Consumption of 2705 Nos. (2008-2009 - 2477 Nos.)				
	*** Including 28 Nos. (2008-2009 - 28 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 (2008-09 - M.S.Pipe, Tubes, Flats and Bars)	M.T. 1,932.73	7,68,13	M.T. 3,971.183	15,85,75
	Wooden Fixtures	Lots	28,84	—	—
			<u>7,96,97</u>		<u>15,85,75</u>
(f)	Closing Stock				
	Manufactured Items -				
	Hydraulic Tipping Gears, Cylinders all taken together	51	9,45	107	22,01
	Hydraulic and Pneumatic Equipment	5	—	23	1,60
	Components and Accessories		45,89		70,23
			<u>55,34</u>		<u>93,84</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)

	2009-2010		2008-2009	
18. NOTES ON ACCOUNTS (Contd.)				
(g) Turnover (Net)				
(i) Manufactured Items -				
Hydraulic Tipping Gears, Cylinders all taken together	11,431	48,87,05	15,152	49,94,83
Hydraulic and Pneumatic Equipment	167	27,99	467	65,69
Hydraulic/Traction Activated Passenger/Goods Lift	@ 42	4,53,32	@ 46	4,99,22
Components and Accessories		11,28,83		8,67,05
Conversion Charges		2,55		—
Service Charges		1,09,15		1,10,96
Product Scrap		34,45		44,39
(ii) General Merchandise -				
M.S.Pipe, Tubes, Flats and Bars (2008-09 - M.S.Pipe, Tubes,,Flats and Bars)	M.T. 2,902.49	11,02,18	M.T. 3,001.423	12,82,42
Wooden Fixtures		Lots 30,28		—
		<u>77,75,80</u>		<u>78,64,56</u>

@ Including 28 Nos. (2008-2009 - 28 Nos.) in respect of which installation work is in progress under composite contracts

	2009-10			2008-09		
	Unit	Quantity	Value	Unit	Quantity	Value
14. Raw Materials Consumed						
Plates, Angles, Channels, Flats and Bars	MT	675	3,18,37	MT	711	4,26,74
Steel Tubes	Mtr.	55,417	14,96,26	Mtr.	44,946	10,00,38
Ferrous Castings and Forgings	Nos.	6,47,638	12,02,99	Nos.	7,36,273	10,85,30
Non Ferrous Castings and Forgings	Nos.	11,500	34,91	Nos.	8,470	21,56
Synthetic Rubber Products	Nos.	15,84,247	4,63,75	Nos.	15,70,022	4,98,90
Bearings, Pumps and Valves	Nos.	21,779	2,39,59	Nos.	47,037	4,83,03
Electric Motors	Nos.	74	25,87	Nos.	85	38,79
Others (including Processing charges)			4,25,85			6,09,21
(Individual item does not exceed 10% of total consumption)			<u>42,07,59</u>			<u>41,63,91</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 the entire consideration of Rs. 99,04 within 31st March,2010. 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.

	2009-2010	2008-2009
16. Additions to the Share Premium Account during the year :		
On allotment of 14,05,000 Equity Shares at a premium of Rs. 2.38 per share	—	33,44
On allotment of 3,90,000 Equity Shares at a premium of Rs. 2.38 per share	9,28	—
On allotment of 8,64,934 Equity Shares at a premium of Rs. 4.53 per share	39,17	—
	<u>48,45</u>	<u>33,44</u>

(Contd.)

Schedules to the Accounts

(Rupees in Thousands)

18. NOTES ON ACCOUNTS (Contd.)

17. Segment information for the year ended 31st March, 2010 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	
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
External Sales	69,36,62	72,31,54	8,39,18	6,33,02	77,75,80	78,64,56
Inter Segment Sales	—	9,71	—	—	—	9,71
Segment Revenues	69,36,62	72,41,25	8,39,18	6,33,02	77,75,80	78,74,27
Segment Results	9,71,59	31,50	(44,30)	(2,13,91)	9,27,29	(1,82,41)
Segment Assets	84,70,05	83,37,09	9,14,37	9,40,73	93,84,42	92,77,82
Segment Liabilities	30,37,93	34,82,84	4,30,82	4,93,46	34,68,75	39,76,30
Capital Expenditure	1,48,18	27,63	66	6,50	1,48,84	34,13
Depreciation	2,31,85	1,89,71	13,12	13,32	2,44,97	2,03,03
Non-Cash Expenditure Other than Depreciation	70,74	73,30	39,47	85,39	1,10,21	1,58,69

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*	
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
Total of Reportable Segments	77,75,80	78,74,27	9,27,29	(1,82,41)	93,84,42	92,77,82	34,68,75	39,76,30
Corporate-Unallocable (Net)			(1,84,19)	(2,27,37)	2,55,35	2,15,72	27,78	64,81
Loan Funds							52,36,64	47,82,45
Net Deferred Tax Liability							75,68	82,17
Inter Segment Sales		(9,71)						
Interest (net of interest income)			(6,49,92)	(6,20,70)				
Taxation-For the year			—	—				
Taxation-For earlier year			—	—				
Fringe benefit Tax			—	(17,50)				
Taxation-Deferred Tax			6,49	(43,86)				
As per Financial Statements	77,75,80	78,64,56	99,67	(10,91,84)	96,39,77	94,93,54	88,08,85	89,05,73

* 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.)

18. 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)
ATI Ltd.	An enterprise in which relative of a KMP exercises significant influence
UT Bondioli & Pavese Hydraulics Private limited	An enterprise in which KMP exercises significant influence
Smt. Lakshmi Devi Jhawar	Relative of KMP
Lakshmi Devi Jhawar Jankalyan Trust	An enterprise in which KMP exercises significant influence

* As Certified by the Management.

(II) Particulars of transactions during the year ended 31st March, 2010

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 exercises significant influence	Key Management Personnel	Relative of KMP
Purchase of Goods	-	-	28,84	-	-
	(-)	(-)	(-)	(-)	(-)
Sale of Goods	-	-	30,28	-	-
	(-)	(-)	(-)	(-)	(-)
Repairs and Maintenance	-	-	1,92	-	-
	(-)	(-)	(3,96)	(-)	(-)
Service Charges (revenue)	-	-	-	-	17
	(-)	(-)	(-)	(-)	(29)
Interest Expenses	-	-	81	29	-
	(-)	(-)	(-)	(1,80)	(-)
Rent Paid	-	-	-	-	-
	(-)	(-)	(1,20)	(-)	(-)
Directors' Remuneration (Refer Note 11 above)	-	-	-	29,72	-
	(-)	(-)	(-)	(32,39)	(-)
Inter Corporate Deposit Received	-	-	70,00	-	-
	(-)	(-)	(-)	(-)	(-)
Inter Corporate Deposit Repaid	-	-	70,00	-	-
	(-)	(-)	(-)	(-)	(-)
Advance given	-	-	-	-	-
	(75)	(20)	(1,26)	(-)	(-)
Loan Received	-	-	-	10,00	-
	(-)	(-)	(-)	(40,00)	(-)
Loan Repaid/adjusted against allotment of equity shares/warrants	-	-	-	10,00	-
	(-)	(-)	(-)	(40,00)	(-)
Allotment of Equity Shares (including Share Premium Rs.9,28; 2008-09 Rs.6,78)	-	-	-	48,28	-
	(-)	(-)	(-)	(35,28)	(-)
Allotment of Share warrants (refer Note 15)	-	-	-	-	-
	(-)	(-)	(-)	(80,72)	(-)
Balance Outstanding at year end:					
Loans and Advances	-	-	1,26	-	-
	(75)	(10,04)	(1,26)	(-)	(-)
Equity Share Warrants	-	-	-	50,76	-
	(-)	(-)	(-)	(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)	(-)
Sundry Debtors	-	-	5,23	-	6
	(-)	(-)	(-)	(-)	(-)
Current Liabilities	-	-	-	3,83	-
	(-)	(-)	(-)	(10,36)	(5)

Previous year's figures are given in brackets

(Contd.)

Schedules to the Accounts

(Rupees in Thousands)

	Year Ended 31st March, 2010	Year Ended 31st March, 2009
18. NOTES ON ACCOUNTS (Contd.)		
19. Basic and Diluted Earnings per Share		
(i) Number of Equity Shares at the beginning of the year	74,88,552	60,83,552
(ii) Number of Equity Shares at the end of the year	87,43,486	74,88,552
(iii) Weighted average number of Equity Shares Outstanding during the year (a)	78,87,669	60,91,251
(iv) Nominal value of each Equity Share (Rs.)	10	10
(v) Profit / (Loss) after tax (Rupees in thousands)	99,67	(10,91,84)
(vi) Basic Earning / (Loss) per Share (Rs.) [(v)* 1000/ (iii)]	1.26	(17.92)
(vii) Weighted average number of equity shares for Diluted loss per share (b)	79,28,676	60,92,230
(viii) Diluted Earning / (Loss) per Share (Rs.) [(v)* 1000 / (vii)]	1.25	(17.92)
(a) Weighted average number of equity shares outstanding during the year :		

	No. of shares outstanding	Days	Weighted No. of Share
Opening as on 1st April,2009	74,88,552	365	74,88,552
Allotment of Equity Shares on 29/05/2009	3,90,000	307	3,28,027
Allotment of Equity Shares on 02/03/2010	8,64,934	30	71,090
Closing as on 31st March,2010	<u>87,43,486</u>		<u>78,87,669</u>

(b) Weighted average number of equity shares for computing diluted loss per share is arrived at after considering 41,007 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.

20. Deferred Tax Liability (Net)

	31st March, 2010		31st March, 2009	
	Deferred Tax Liability	Deferred Tax Assets	Deferred Tax Liability	Deferred Tax Assets
Timing differences on account of :				
Depreciation as per tax law and books	2,72,26	—	2,85,67	—
Disallowances allowable for tax purpose on payment	—	1,37,22	—	1,57,32
Unabsorbed Tax Depreciation / Loss [Note below]	—	59,36	—	—
Others	—	—	—	46,18
	<u>2,72,26</u>	<u>1,96,58</u>	<u>2,85,67</u>	<u>2,03,50</u>
Net Deferred Tax Liability	<u>75,68</u>		<u>82,17</u>	

Note: Absorption expected based on future taxable income. (31.03.09 - On a prudent basis deferred tax asset on unabsorbed depreciation and carry forward losses has not been recognised)

(Contd.)



Schedules to the Accounts

(Rupees in Thousands)

18. NOTES ON ACCOUNTS (Contd.)

21. (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.13,29 (2008-2009 Rs.21,46) 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, 2010			As at 31st March, 2009		
	Total Minimum payments outstanding (Rs.)	Interest not Due (Rs.)	Present value of outstanding minimum lease payments (Rs.)	Total Minimum payments outstanding (Rs.)	Interest not Due (Rs.)	Present value of outstanding minimum lease payments (Rs.)
Within one year	20,40	—	20,40	71,79	4,23	67,56
Later than one year and not later than five years	—	—	—	—	—	—
Total	20,40	—	20,40	71,79	4,23	67,56

22. Particulars relating to Construction Contracts (Lifts) :

2009-2010 2009-2008

a) Contract revenue recognised as revenue	4,53,32	4,99,22
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	2,63,79	1,56,53
ii) Amount of advances received	13,81	28,56
iii) Gross amount due from customers for contract work as an asset	74,61	41,74

23. None of the Company's fixed assets are considered impaired as on 31st March, 2010.

24. In view of carried forward losses/ unabsorbed depreciation no provision for current tax is considered necessary.

25. Employee Benefits

25.1 Post Employment Defined Contribution Plans

During the year an amount of Rs. 40,50 (Previous Year Rs. 38,98) has been recognised as expenditure towards Defined Contribution Plans of the Company.

25.2 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 as laid down under the Payment of Gratuity Act, 1972.. 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 A(i) of Schedule 18 above, based upon which, the Company makes contributions to the Gratuity Fund.

(Contd.)

Schedules to the Accounts

(Rupees in Thousands)

18. NOTES ON ACCOUNTS (Contd.)

The following Table sets forth the particulars in respect of the aforesaid Gratuity Fund of the Company for the year ended 31st March, 2010:

Description	2009-10	2008-09	
(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	1,85,86	1,69,79	
Current Service Cost	12,05	11,84	
Interest Cost	14,23	11,78	
Actuarial Loss / (Gain)	(10,21)	18,00	
(Benefits Paid)	(15,81)	(25,55)	
Present Value of Obligation at the end of the year	<u>1,86,12</u>	<u>1,85,86</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	24,32	41,62	
Expected Return on Plan Assets	1,95	3,75	
Actuarial (Loss) / Gain	63	(92)	
Contributions	8,64	5,42	
(Benefits Paid)	(15,81)	(25,55)	
Fair Value of Plan Assets at the end of the year	<u>19,73</u>	<u>24,32</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	1,86,12	1,85,86	
Fair Value of Plan Assets at the end of the year	19,73	24,32	
Liabilities recognized in the Balance Sheet	<u>1,66,39</u>	<u>1,61,54</u>	
(d) Expense recognized in the profit and Loss Account			
Current Service Cost	12,05	11,84	
Interest Cost	14,23	11,78	
(Expected Return on Plan Assets)	(1,95)	(3,75)	
Actuarial Loss / (Gain)	(10,84)	18,92	
Total Expense recognised *	<u>13,49</u>	<u>38,79</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	12,67	21,39	
Others	7,06	2,93	
Total	<u>19,73</u>	<u>24,32</u>	
(f) Actual Return on Plan Assets	2,58	2,83	
(g) Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)	2009-10	2008-09	2007-08
i. Present Value of Defined Benefit Obligation	1,86,12	1,85,86	1,69,79
ii. Fair value of Plan Assets	19,73	24,32	41,62
iii. Status [Surplus/(Deficit)]	1,66,39	1,61,54	1,28,17
iv. Experience Adjustment of Plan Assets [Gain/(Loss)]	63	(92)	(2)
(h) Principal Actuarial Assumptions as on Balance Sheet date	2009-10	2008-09	
Discount Rate	8.00%	7.50%	
Salary Escalation	5.00%	5.00%	
Inflation Rate	5.00%	5.00%	
Expected Return on Asset	8.00%	9.00%	

Notes:

(i) The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors.

(iii) 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.

(Contd.)



Schedules to the Accounts

(Rupees in Thousands)

18. NOTES ON ACCOUNTS (Contd.)

- 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. 7,27 (Previous Year Rs. 11,90) to the said Provident Fund. [Included under line item " Contribution to Provident and Other Funds " on Schedule 4.].
26. 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
24th May, 2010

S. K. GUPTA
Company 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, 2010

II. Capital Raised during the period

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement (Preferential Issue)	1,25,49

III. Position of Mobilisation and Deployment of Funds

Total Liabilities	100,45,98	Total Assets	100,45,98
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Sources of Funds

Paid-up Capital	8,74,35
Equity Warrants	50,76
Reserves & Surplus	3,12,02
Secured Loans	48,07,08
Unsecured Loans	4,29,56
Deferred Tax	75,68
Current Liabilities	34,96,53

Application of Funds

Net Fixed Assets	21,95,39
Current Assets	73,97,06
Investments	47,32
Profit and Loss account	4,06,21

IV. Performance of Company

Turnover	77,75,80	Profit/(Loss) after Tax	99,67
Other Income	4,05,48	Earnings per Share	1.26
Total Expenditure	80,88,10	Dividend Rate %	Nil
Profit/(Loss) before Tax	93,18		

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 : 24th May, 2010

S. K. GUPTA
Company Secretary

A. C. MUKHERJI
Director

VANDANA KHAITAN
Vice-Chairperson & Managing Director



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, 2010.

Name and 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 (52)	Vice Chairperson & Managing Director	2,972,512	Overall Management Control	Contractual	B.A. (Economics), (23)	01.05.2000	Nil
S.K. Bandopadhyay (60) *	President	1,495,791	Overall Incharge	Permanent	B. Tech(30)	01.04.2009	Mangalam Timber Products Limited (Senior Vice President)
Vivek Sanghi (43)	Chief Financial Officer	2,161,300	Overall Financial Control	Permanent	B.Com (Hons.) MBA (Finance) (21)	01.08.2002	Manoj Surgical Industries Ltd. (General Manager)

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. S. K. Bandopadhyay has resigned w.e.f. 1st November, 2009

For and on behalf of the Board

Place : Kolkata
Dated : 24th May, 2010

Vandana Khaitan
Vice Chairperson & Managing Director

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