



AUDIT REPORT

SOMI CONVEYOR BELTINGS LIMITED

**FOR THE YEAR
2010-2011**

P.SINGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS
D-166 SHASTRI NAGAR
JODHPUR (RAJ)

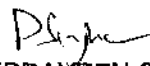
AUDITOR'S REPORT

TO
THE MEMBERS
SOMI CONVEYOR BELTINGS LTD.
JODHPUR (RAJASTHAN)

1. We have audited the attached Balance Sheet of SOMI CONVEYOR BELTINGS LIMITED as at 31st March, 2011, the Profit & Loss Account and Cash Flow Statement for the year ended on that date, 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 from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's report)(Amendment) Order, 2004 issued by the Central Government of India in terms of section 227(4A) of the 'Companies Act, 1956', of India and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in paragraph 4 & 5 of the said Order.
4. Further, to our comments in the Annexure referred to 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 the law have been kept by the Company so far as it appears from our examination of the books;
 - iii. The Balance Sheet, the Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;
 - v. On the basis of written representation received from the directors and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of section 274 (1) (g) of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view;
 - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - b. In the case of 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, for the year ended on that date.

PLACE: JODHPUR
DATED: 31ST AUGUST, 2011

FOR P.SINGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS
FR. NO.113602W


(PRAVEEN SINGHVI)
PARTNER
M.No. 71608



ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITOR'S REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH, 2011 OF SOMI CONVEYOR BELTINGS LTD.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

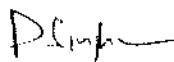
- i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management during the year and no material discrepancies between the book records and the physical records have been noticed.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the company during the period.
- ii) (a) The inventory has been physically verified by the management during the period. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii) (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) The company has taken unsecured loans of Rs.10.55 Lacs from directors and outstanding balance on Balance Sheet date is Rs.10.55 Lacs.
- (c) The company has taken unsecured loans from two firms and from two other parties covered in the register maintained under section 301 of the Act. Loans of Rs.295.25 Lacs was taken during the year and at the year end balance of such loans is Rs.313.48 Lacs.
- iv) (a) In our opinion and according to the information and explanations given to us, certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v) (a) In our opinion and according to the information and explanations given to us, during the year under audit, the contracts and arrangements which need to be entered in the register have been duly entered under section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the company has not taken any deposit under Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975.
- vii) In our opinion the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the company and the nature of its business.
- viii) As explained to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.



- ix) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax and cess as at March 31, 2011 on account of any dispute. Only Entry Tax demand pertaining to Central Sales Tax of Rs.266131.00 relating to A.Y.2005-06 & 2006-07 is pending with Appellate Authority up to Commissioner's Level.
- x) The Company has no accumulated losses as at March 31, 2011 and it has not incurred any cash losses in the year ended on that date or in the immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any bank as at the balance sheet date.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.
- xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the company.
- xvi) In our opinion and according to the information and explanations given to us, the company has taken term loan of Rs.1386 Lacs in previous year from Punjab National Bank for expansion work of Unit - II at village Tanawara, Jodhpur, which has been applied for the said purpose.
- xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis, which have been used for long-term investment.
- xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by way of public issue during the year. Therefore, the provisions of clause 4(xx) of the Order are not applicable to the company.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor we have been informed of such case by the management.

PLACE: JODHPUR
DATED: 31ST AUGUST, 2011

FOR P.SINGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS
FR. NO.113602W


(PRAVEEN SINGHVI)
PARTNER
M.No. 71608





BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE	As at 31.03.2011 Amount - Rs.	As at 31.03.2010 Amount - Rs.
<u>SOURCES OF FUNDS</u>			
<u>SHARE HOLDERS FUND</u>			
Share Capital	"A"	117796560	117796560
Reserves & Surplus	"B"	304251987	291911649
<u>LOAN FUND</u>			
<u>Secured</u>	"C"	166710291	146860403
<u>Unsecured</u>	"D"	33603049	2200000
Deferred Tax Liabilities	"E"	7451241	5674747
	Total	629813128	564443359
<u>APPLICATION OF FUNDS</u>			
<u>FIXED ASSETS</u>			
Gross Block	"F"	344094581	288319481
Less : Depreciation		74865542	50657442
Net Block		269229039	237662039
Capital Work in Progress		160674505	112337690
Investments	"G"	6730000	9340000
Security Deposits	"H"	5461006	5065865
<u>CURRENT ASSETS LOANS & ADVANCES</u>			
Cash And Bank Balances	"I"	28067096	5302523
Inventory	"J"	174225877	151524122
Sundry Debtors	"K"	39338438	63933993
Loan And Advances	"L"	17535729	23908220
		259167140	244668858
<u>Less : CURRENT LIABILITIES & PROVISIONS</u>			
Sundry Creditors	"M"	70981549	48205490
Provision for Expenses	"N"	9346709	8265196
		178838882	188198172
Miscellaneous Expenditure (To the extent not written off)	"O"	8879696	11839593
	TOTAL	629813128	564443359
Significant Accounting Policies	"T"		

Significant Accounting Policies

Notes on Accounts.

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR P. SINGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS
FR.NO.113602W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

P. Singhvi
(PRAVEEN SINGHVI)
PARTNER
M.No.71608



PLACE: JODHPUR
DATED: 31ST AUGUST, 2011

O.P. Bhansali
(O P BHANSALI)
MANAGING DIRECTOR

Gaurav Bhansali
(GAURAV BHANSALI)
WHOLE TIME DIRECTOR

Amit Baxi
(AMIT BAXI)
COMPANY SECRETARY



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2011

PARTICULARS	SCHEDULE	Year Ended on	Year Ended on
		31.03.2011	31.03.2010
		Amount - Rs.	Amount - Rs.
INCOME			
Sales	"P"	249223329	233974941
Other Income	"Q"	4276591	6662450
		<u>253499920</u>	<u>240637391</u>
EXPENDITURE			
Cost of Goods Sold	"R"	174697888	165166676
Other Costs	"S"	35482921	29976460
Depreciation	"F"	24208100	25734779
		<u>234388909</u>	<u>220877915</u>
APPROPRIATION OF PROFIT & LOSS			
Net Income / (Loss) of the year		19111011	19759476
Provision for Tax		(4994179)	(4680587)
Deferred Tax		(1776494)	461418
Profit After Tax		12340338	15540307
Balance Brought Forward From Previous Year		55638828	40098521
Balance Carried To Balance Sheet		<u>67979166</u>	<u>55638828</u>
Earning Per Share(Basic & Diluted)		1.05	1.32

Significant Accounting Policies and Notes to the Accounts

"T"

AS PER OUR REPORT OF EVEN DATE ATTACHED

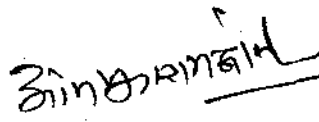
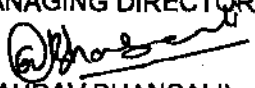
FOR P. SINGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS
F.R. No.113602W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


(PRAVEEN SINGHVI)
PARTNER
M.No.71608



PLACE: JODHPUR
DATED: 31ST AUGUST, 2011


(O P BHANSALI)
MANAGING DIRECTOR

(GAURAV BHANSALI)
WHOLE TIME DIRECTOR


(AMIT BAXI)
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

PARTICULARS	For the year ended 31.03.2011	For the year ended 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	19111011	19759476
Add: Depreciation Charged	24208100	25734779
Preliminary Expenses written off	2959898	2959898
Interest Charged	11815177	11159487
	58094186	59613640
Less: Interest Received	715957	282533
Other Income		5252421
Operating Profit Before Working Capital Changes	57378229	54078686
Trade and Other Receivables	24595554	(25958131)
Inventories	(22701755)	(48869450)
Trade Payables & Provisions	(8458655)	33818796
Loans & Advances and Other Current Assets	7187491	(598718)
Advance Tax Paid	(815000)	(2530000)
Cash Generated From Operating Activities	57185864	9941183
Direct Taxes Paid	(2077952)	(1152871)
Net Cash Flow From Operating Activities (a)	55107912	8788312
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase /Acquisition of Fixed Assets	(104111915)	(83728230)
Sale of Fixed Assets		9005510
Security Deposit	(395141)	1198523
Purchase of Investment	-	-
Sale of Investment	2610000	3163000
Other Income	-	5252421
Interest Received	715957	282533
Net Cash used in Investing Activities (b)	(101181099)	(64826243)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Secured Loans	49249888	65138313
Unsecured Loans	31403049	2200000
Interest Paid	(11815177)	(11159487)
Net Cash from Financing Activities (c)	68837760	56178826
Net Increase / (Decrease) In Cash & Cash Equivalents (a+b+c)	22764573	140895
Cash & Cash Equivalent At The Beginning of The Year	5302523	5161628
Cash & Cash Equivalent At The End of The Year	28067096	5302523

Notes: The above cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 (Revised) on Cash Flow Statements as prescribed by Companies (Accounting Standard) Rules, 2006.

FOR P. SINGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS
FR.NO.113602W

P. Singhvi
(PRAVEEN SINGHVI)
PARTNER
M.No.71608



PLACE: JODHPUR
DATED:31ST AUGUST,2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

O P Bhansali
(O P BHANSALI)
MANAGING DIRECTOR

Gaurav Bhansali
(GAURAV BHANSALI)
WHOLE TIME DIRECTOR

Amit Baxi
(AMIT BAXI)
COMPANY SECRETARY



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 MARCH 2011

PARTICULARS	AS AT 31.03.2011 Amount - Rs.	AS AT 31.03.2010 Amount - Rs.
<u>SCHEDULE "A"</u>		
<u>SHARE CAPITAL AUTHORISED</u>		
25000000 Equity Shares of Rs.10.00 Each (Previous Year 25000000 Equity Shares of Rs.10.00 Each)	250000000	250000000
	<u>250000000</u>	<u>250000000</u>
<u>ISSUED SUBSCRIBED & PAID UP</u>		
11779656 (Previous Year 11779656) Equity Shares of Rs.10.00 Fully Paid up	117796560	117796560
	<u>117796560</u>	<u>117796560</u>
<u>SCHEDULE "B"</u>		
<u>RESERVES AND SURPLUS</u>		
Net Profit		
Profit for the year	12340338	
Add: Profit brought forward	<u>55638828</u>	55638828
Share Premium Account	181816800	181816800
Revaluation Reserve	54456021	54456021
	<u>304251987</u>	<u>291911649</u>
<u>SCHEDULE "C"</u>		
<u>SECURED LOAN</u>		
Working Capital Loan	73289531	86210675
Term Loan	41835391	60649728
Buyer's Credit	51585369	—
	<u>166710291</u>	<u>146860403</u>
<u>SCHEDULE "D"</u>		
<u>UNSECURED LOAN</u>		
From Directors	1055000	—
From Others	15325000	2200000
Inter Corporate Deposit	17223049	—
	<u>33603049</u>	<u>2200000</u>
<u>SCHEDULE "E"</u>		
<u>DEFERRED TAX LIABILITIES</u>		
	7451241	5874747
	<u>7451241</u>	<u>5874747</u>





SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 MARCH 2011

SCHEDULE "F"**FIXED ASSETS**

PARTICULARS	GROSS BLOCK AS ON 01-04-10	ADDITIONS (DEDUCTIONS) DURING THE PERIOD	TOTAL	DEPRECIATION		Total Depreciation	Net Block	
				UP TO 31-03-2010	For the Year		AS ON 31.03.2011	AS ON 31.03.2010
Land**	59379925	--	59379925	--	--	--	59379925	59379925
Building	81756249	--	81756249	15988708	6576754	22565462	59190787	65767541
Computer	1113494	154946	1268440	768291	149376	917667	350773	345203
Plant & Machinery	142124433	55593654	197718087	31841246	17019226	48860472	148857615	110283187
Furniture & Fixtures	762250	26500	788750	298218	87670	385888	402862	464032
Vehicles	2912152	--	2912152	1657371	324863	1982234	929918	1254781
Vehicles (Com.)	270978	--	270978	103608	50211	153819	117159	167370
Total	288319481	55775100	344094581	50657442	24208100	74865542	269229039	237662039
Capital Work-in-Progress	112337690	48336815	160674505	--	--	--	160674505	112337690
TOTAL	400657171	104111915	504769086	50657442	24208100	74865542	429903544	349999729

** Includes Revaluation on 15th February, 2006 and 16th February, 2006 and 25th March 2010 by an approved valuer.

SCHEDULE "G"**INVESTMENTS**

National Saving Certificates	3000	3000
Investment in Shares (Allotment Pending)	6727000	9337000
	6730000	9340000

SCHEDULE "H"**SECURITY DEPOSITS**

BSNL Deposit	700	700
Earnest Money Deposit	1716180	1915462
Bombay Stock Exchange Ltd.	2292360	1181250
Security Deposit with Rocky C North	12825	--
G.M.T.D., Jodhpur	3000	3000
Security With JVVN Ltd.	359910	317967
Security With JVVN Ltd. Unit-II	1073781	534126
Security With Vodafone	250	250
Security With Airtel	2000	2000
	5461006	5065865

SCHEDULE "I"**CASH AND BANK BALANCES**

Cash in Hand	1377438	408573
FDR (For BG/LC Margin)	20106727	3245451
With Scheduled Bank in Current A/c	6582931	1648499
	28067096	





SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 MARCH 2011

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
	Amount - Rs.	Amount - Rs.
<u>SCHEDULE "J"</u>		
<u>INVENTORIES</u>		
Stock of Raw Materials	89615657	87171492
Work in Progress	7700000	13372612
Finished Goods	76910220	50980018
	174225877	151524122
<u>SCHEDULE "K"</u>		
<u>SUNDRY DEBTORS & ADVANCES</u>		
More Than Six Months	7803222	6755181
Less Than Six Months	31535216	57178812
	39338438	63933993
<u>SCHEDULE "L"</u>		
<u>LOANS AND ADVANCES</u>		
Advance to Raw Material Suppliers	686611	5309197
Advance Against Factory Expenses	86505	1396867
Advance to Staff	704662	3583225
Advance Payment Against Taxes	8561276	10310315
Advance To Others	6444272	2936118
Prepaid Expenses/ Accrued Interest	1052403	372498
	17535729	23908220
<u>SCHEDULE "M"</u>		
<u>SUNDRY CREDITORS</u>		
S Creditors (Capital Goods)	13428091	16879010
S Creditors (Trade)	25654653	26277453
S Creditors (Expenses)	1637195	3194010
Advance from Customers	861610	1855017
Term Loan Installment due within one year	2940000	--
	70981549	48205490
<u>SCHEDULE "N"</u>		
<u>PROVISIONS FOR EXPENSES</u>		
Provision for General Expenses	2243961	2817044
Statutory Dues	7102748	5448152
	9346709	8265196
<u>SCHEDULE "O"</u>		
<u>MISCELLANEOUS EXPENDITURE</u>		
(To the extent not written off)		
Pre-operative Expenditure	8879696	11839593
	8879696	11839593





SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT AS ON 31 MARCH 2011

PARTICULARS	Current Year	Previous Year
	Amount -Rs.	Amount - Rs.
SCHEDULE "P"		
SALES		
Sales (Domestic)	262757430	225428045
Sales (Export)	11182999	26147479
Less: Central Excise Duty	(24717100)	(17600583)
	249223329	233974941
SCHEDULE "Q"		
OTHER INCOME		
Interest Received on FDR	659819	263455
Other Interest Received	56138	19078
Income From Exchange Fluctuation	1970216	249129
Income from DEPB License	798688	794070
Discount Received	583330	82612
Subsidy Received	--	257931
Other Income	208400	4996175
	4276591	6662450
SCHEDULE "R"		
COST OF GOODS SOLD		
Raw Material Consumption		
Opening Stock	87171492	79598650
Add : Raw Material Purchased	182838928	193536082
Less : Closing Stock	(89615657)	(87171492)
	180394763	185963240
(Increase) / Decrease in Stock		
Opening Stock of W I P	13372612	6666663
Opening Stock of Finished Goods	50980018	16389359
Closing Stock of W I P	(7700000)	(13372612)
Closing Stock of Finished Goods	(76910220)	(50980018)
	(20257590)	(41296608)
Manufacturing and Other Expenses		
Power & Fuel	8863479	10562925
Consumable Stores	750127	3114387
Repairs & Maintenance	1338536	1721432
Testing Charges	115718	109304
Factory Expenses	290765	179859
Freight Expenses	2065107	2629821
Packing Expenses	1039643	2041268
Economic Rent & Service Charges		55408
Water Expenses	97340	85640
	14560715	20500044
	174697888	165166676





SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT AS ON 31 MARCH 2011

PARTICULARS	Current Year Amount - Rs.	Previous Year Amount - Rs.
<u>SCHEDULE "S"</u>		
<u>Other Cost</u>		
Employee Cost	7438277	5732370
Administrative Expenses	1809325	905649
Auditors Remuneration	140000	140000
Finance Charges (Bank Charges)	2642422	1327944
Interest	11815177	11159487
Insurance	481094	415591
Donation		500
Selling & Distribution Expenses	7307747	6882125
Office Rent	110000	110000
Other Expenses	778981	342896
Preliminary Expenses	2959898	2959898
	<u>35482921</u>	<u>29976460</u>

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON 31ST MARCH, 2011

SCHEDULE "T": SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, from books of accounts maintained on an accrual basis, in conformity with all material aspects with the generally accepted accounting principles and comply with the Accounting Standards notified under Section 211(3c) of the Companies Act, 1956 and the relevant provisions of the Companies Act.

2. FIXED ASSETS AND DEPRECIATION

- a) Fixed Assets are stated at cost (net of cenvat/value added tax) including freight, duties, customs, adjustments arising from exchange rate variation and other incidental expenses relating to acquisition and installation and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any.
- b) Depreciation has been provided on written down value method (WDV) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

3. INVESTMENTS

Long term investments intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. Provision is made for diminution, other than temporary, in value of investments. Current investments are valued at lower of cost and market value.

4. INVENTORIES

Items of inventories are measured at lower of cost or net realizable value. Cost of Raw material, stores and spares are determined on first in first out basis. Cost of finished goods and semi-finished goods include cost of raw materials and packing materials, cost of conversion and other costs incurred in bringing the inventories to the present location and condition.

5. REVENUE RECOGNITION

Revenue from sale of goods is accounted for on the basis of dispatch of goods. Sales are inclusive of excise duty and net of sales return and trade discounts. Interest Income is accounted on accrual basis.





SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON 31ST MARCH, 2011

6. TAXATION

a) INCOME TAX PROVISION

The provision for taxation is based on assessable profits of the company as determined under the Income Tax Act, 1961.

b) DEFERRED TAX

As per AS-22 issued by the Institute of Chartered Accountants of India, Deferred Tax is recognised, subject to the consideration of prudence, on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset is not recognised unless there are timing differences, the reversal of which will result in sufficient income or there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

7. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are accounted for at the exchange rate prevailing on the transaction date. Gain / loss arising out of fluctuation in rate between transaction date and settlement date in respect of revenue items are recognised in the Profit and Loss Account.

Monetary Assets and Liabilities in foreign currency are translated at the year end at the closing exchange rate and the resultant exchange differences are recognised in the Profit and Loss Account.

Non monetary foreign currency items are carried at cost.

8. INTANGIBLE ASSETS

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization. All costs, including financing costs till commencement of commercial production, adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.

9. RETIREMENT BENEFITS

(i) Defined Contribution Plans

The company has a Defined Contribution Plan for post employment benefits namely Provident Fund which is administered through appropriate authorities

The Company makes contributions to state plans namely Employees State Insurance Fund and has no further obligation beyond making the payment to them.

The Company's contributions to the above funds are charged to revenue every year.

(ii) Defined Benefit Plan

The gratuity will be paid as and when employee leaves. Liability towards gratuity is based on actuarial valuation carried out by the an authorized actuary which is in compliance with AS-15(revised) issued by the Institute of Chartered Accountants of India.

10. BORROWING COST

Borrowing Costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised till the month in which the asset is ready to use as part of the cost of that asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs charged to Profit and Loss account.





SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON 31ST MARCH, 2011

11. IMPAIRMENT OF FIXED ASSETS

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

12. OPERATING LEASE

- (a) Operating lease payments are recognised as an expense in the Profit and Loss Account.
- (b) Finance lease is taken at lower of fair value of the assets and present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Profit and Loss Account.

All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Initial direct costs in respect of lease are expensed in the year in which such costs are incurred. Income from lease assets is accounted by applying the interest rate implicit in the lease to the net investment.

13. SEGMENT REPORTING

The Company has only one reportable segment (AS-17) for the year ended on 31st March, 2011, which is manufacturing and sale of industrial conveyor belts.

14. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities, if any, are not provided for in the financial statements. However, they are separately disclosed by way of notes on accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

15. USE OF ESTIMATES

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialized.

16. EARNING PER SHARE

As per AS-20 issued by Institute of Chartered Accountants of India basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except where the results would be anti-dilutive.



SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON 31ST MARCH, 2011**NOTES ON ACCOUNTS****1. WORKING CAPITAL**

The Working capital facilities amounting to Rs.750 lacs (previous year Rs. 750 Lacs) have been sanctioned by bank and are secured by hypothecation of stocks, spares and book debts.

2. CONTINGENT LIABILITIES NOT PROVIDED FOR:**(Rs. In Lacs)**

	31.03.2011	31.03.2010
Letters of Credit	155.96	172.19
Bank Guarantees	742.64	166.41

3. FOREIGN CURRENCY TRANSACTION

The amount of exchange rate difference in respect of foreign currency transactions has been recognised in the Profit and Loss Account amounting to Rs. 1970216.00 (previous year Rs. 249129.00).

4. PRE OPERATIVE EXPENSES

Company has made expenditure on new project to the tune of Rs147.99 lacs last year. Company has amortised Rs.2959898.00 (1/5th of 147.99lacs) which is recognized in Profit & Loss A/c.

5. DEFERRED TAX

The Calculation of Deferred Tax is as under:

	Deferred Tax Asset/(Liability) As on 01.04.2010	Current Year (Change) / Credit	Deferred Tax Asset/(Liability) As on 31.03.2011
Depreciation	(5776911)	(1929131)	(7706042)
Provision for Gratuity	102164	115802	217966
Brought forward Loss	NIL	NIL	NIL
Liability Allowed on Payment Basis	NIL	36835	36835
Net	(5674747)	(1776494)	(7451241)

6. As per AS 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

Defined Contribution Plan

	2010-11	2009-10
Employer's contribution to Provident Fund	170439	92604

Defined Benefit Plan

The employee gratuity fund scheme managed by a Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognised for each period of service as giving rise to additional unit of employee benefit and measures each unit separately to build up final obligation. Final obligation as per actuarial valuation is Rs. 705390 (Previous Year Rs. 300571).



SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON 31ST MARCH, 2011

7. RELATED PARTY DISCLOSURES

In accordance with the Accounting Standard on "Related Party Disclosures" (AS-18), the disclosure in respect of transactions with the Company's related parties are as follows:

A. List of Related parties with whom transactions have taken place and relationship

Particulars	Financial Year ended 31.03.2011	Financial Year ended 31.03.2010
Nature of Relationship	Name of the Party	Name of the Party
Key Management Personnel ('KMP')	O.P. Bhansali Vimal Bhansali Gaurav Bhansali	O P Bhansali Vimal Bhansali Gaurav Bhansali
Relative of Key Management Personnel ('RKMP')	OM Kumari Bhansali Priya Bhansali Ruchi Bhansali Madhu Mehta	OM Kumari Bhansali Priya Bhansali Ruchi Bhansali Madhu Mehta
Related parties where KMP/RKMP exercise significant influence	Oliver Micon Inc Earth Movers Enterprises OM Prakash Bhansali HUF Vimal Bhansali HUF Gaurav Bhansali HUF Ghunguru Hotels & Resorts Ltd.	Oliver Micon Inc Earth Movers Enterprises Om Prakash Bhansali HUF Vimal Bhansali HUF Gaurav Bhansali HUF

B. Transaction during the year with Related Parties: -

(Rs. in Lacs)

Particulars	Nature of Relation ship	31.03.2011	31.03.2010
Sale of Goods	Related parties where KMP / RKMP exercise significant influence	42.27	7.23
Purchases	Related parties where KMP/ RKMP exercise significant influence	1.09	0.35
Managerial Remuneration	Key Management Personnel ('KMP')	8.88	8.88
Sitting Fee	Key Management Personnel ('KMP')	--	--
Interest Paid	Key Management Personnel ('KMP')	--	--
	Relatives of Key Management Personnel ('RKMP')	9.14	--
Sales Incentive	Key Management Personnel ('KMP')	--	--
Subscription to Purchase of Equity shares	Key Management Personnel ('KMP')	--	56.25
	Relatives of Key Management Personnel ('RKMP')	--	--
Loan Received	Key Management Personnel ('KMP')	10.55	--
	Relatives of Key Management Personnel ('RKMP')	29.45	10.00
	Related parties where KMP/RKMP exercise significant Influence	113.80	--
Loan Paid	Key Management Personnel ('KMP')	--	--
	Relatives of Key Management Personnel ('RKMP')	--	--
Inter Corporate	Related parties where KMP/RKMP exercise significant Influence	152.00	--

C. Outstanding Balances

Sales of Goods	Related parties where KMP/RKMP exercise significant influence	14.84	--
Loans	Key Management Personnel ('KMP')	10.55	
	Relatives of Key Management Personnel ('RKMP')	29.45	
	Related parties where KMP/RKMP exercise significant Influence	284.03	



SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON 31ST MARCH, 2011

8. EARNING PER SHARE (EPS) :

(Rs. in Lacs)

Particulars	31.03.2011	31.03.2010
Net Profit After Tax	123.40	155.40
No. of Equity Shares Weighted Average	11779656	11779656
Earning Per Share*	1.05	1.32
Price Per Share	10	10

***EPS (Basic/Diluted) CALCULATED ACCORDING TO AS-20**

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the cash flow statement comprises of cash at bank, cash in hand and liquid investments as per AS-3 on cash flow statement.

10. CAPITAL WORK-IN-PROGRESS

In respect of supply-cum-erection, the value of supplies received at site and accepted is treated as Capital Work-in- Progress.

Incidental Expenditure during construction (net) including corporate office expenses for the year is apportioned to capital Work-in-Progress on the basis of accretion thereto.

11. SUPPLEMENTARY STATUTORY INFORMATIONS

a) Managing Director's Remuneration

Particulars	Year ended 31 st March, 2011	Year ended 31 st March, 2010
Salaries	432000	432000
Total	432000	432000

b) Whole Time Directors Remuneration

Particulars	Year ended 31 st March, 2011	Year ended 31 st March, 2010
Salaries	456000	456000
Total	456000	456000

c) Computation of Net Profit in accordance with section 349 of the Companies Act, 1956 for Calculation of Remuneration to the Managerial Personnel.

Particulars	Year ended 31 st March, 2011	Year ended 31 st March, 2010
Profit Before Tax as per Profit and Loss Account*	19111011	19759476
Add : Managerial Remuneration	888000	888000
Depreciation as per Books	24208100	25734779
Less: Deduction under section 349 and 350	NIL	NIL
Depreciation under Section 349	24208100	25734779
Net Profit for the purpose of Managerial Remuneration	19999011	20647477
Maximum Remuneration Payable up to 10% of the above to Whole-time Directors	1999901	2064748

* The Profit and Loss account include Rs.888000/- (Previous Year Rs.888000/-) towards remuneration to the Managerial personnel.

d) Details of Payment to Auditors

Particulars	Year ended 31 st March, 2011	Year ended 31 st March, 2010
Internal Audit	40000	40000
Statutory Audit	50000	100000
Tax Audit	25000	
Professional Fees	25000	
Total	140000	



SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS ON 31ST MARCH, 2011

12. The company is in the process of identifying Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium enterprises Development Act, 2006. Hence disclosure relating to amounts unpaid as at the year end together with interest payable thereon has not been given.
13. Prior Period item of Rs.33314.00 is debited to Profit and Loss Account on account of Custodial Fees.
14. Previous year's figures have been re-casted, re-grouped and re-arranged wherever considered necessary to make them comparable.

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

			31.03.2011		31.03.2010	
LICENSED CAPACITY			Not Applicable			
A	Capacity Production	Mtrs	302400		302400	
B	Production (Conveyor Belt)	Mtrs	126967.73		164170.17	
			Qty.	Value (Rs. In lacs)	Qty.	Value (Rs. In lacs)
C	Turnover	Mtrs/Rs.	120318.73	2492.23	153992.65	2339.75
D	Opening Stock	Mtrs/Rs.	15260.52	509.80	5083.00	163.89
E	Closing Stock	Mtrs/Rs.	21909.52	769.10	15260.52	509.80
F	Purchases of Raw Material	Kgs/Rs.	2056792.19	1828.39	2926685.70	1935.36
G	Consumption of Raw Material	Kgs/Rs.	2363504.19	1803.95	2799820.50	1859.63
H	Consumable Stores	Rs.		7.50		31.14
I	CIF Value of Imports	Rs.		1384.52		475.73
	Raw Material	Rs.		318.92		359.57
	Capital Goods	Rs.		1065.60		116.16
J	Expenditure in Foreign Currency	Rs.		863.96		469.34
	Raw Material	Rs.		332.89		315.32
	Capital Goods	Rs.		531.06		154.02
K	Earnings in Foreign Currency	Rs.		107.77		258.80
L	Amount Remitted in foreign currency on account of dividend	Rs.		NIL		NIL





INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details
 Registration No

0	1	6	4	8	0
---	---	---	---	---	---

 State Code

1	7
---	---

 Balance Sheet Date

3	1	0	3	2	0	1	1
---	---	---	---	---	---	---	---

II Capital raised during the year (Amount in Rs. Thousands)
 Public Issue

N	I	L
---	---	---

 Right Issue

N	I	L
---	---	---

 Bonus Issue

N	I	L
---	---	---

 Private Placement

N	I	L
---	---	---

III Position of Mobilisation and Deployment of Funds (Amount in Rs Thousands)
 Total Liabilities

6	2	9	8	1	3
---	---	---	---	---	---

1	3
---	---

 Total Assets

6	2	9	8	1	3
---	---	---	---	---	---

1	3
---	---

SOURCES OF FUNDS

Paid-up capital	<table border="1"><tr><td>1</td><td>1</td><td>7</td><td>7</td><td>9</td><td>6</td></tr></table> <table border="1"><tr><td>5</td><td>6</td></tr></table>	1	1	7	7	9	6	5	6	Reserves & Surplus	<table border="1"><tr><td>3</td><td>0</td><td>4</td><td>2</td><td>5</td><td>1</td></tr></table> <table border="1"><tr><td>9</td><td>9</td></tr></table>	3	0	4	2	5	1	9	9
1	1	7	7	9	6														
5	6																		
3	0	4	2	5	1														
9	9																		
Secured Loans	<table border="1"><tr><td>1</td><td>6</td><td>6</td><td>7</td><td>1</td><td>0</td></tr></table> <table border="1"><tr><td>2</td><td>9</td></tr></table>	1	6	6	7	1	0	2	9	Unsecured Loan	<table border="1"><tr><td>3</td><td>3</td><td>6</td><td>0</td><td>3</td></tr></table> <table border="1"><tr><td>0</td><td>5</td></tr></table>	3	3	6	0	3	0	5	
1	6	6	7	1	0														
2	9																		
3	3	6	0	3															
0	5																		
DEFERRED TAX LIABILITIES	<table border="1"><tr><td>7</td><td>4</td><td>5</td><td>1</td></tr></table> <table border="1"><tr><td>2</td><td>4</td></tr></table>	7	4	5	1	2	4												
7	4	5	1																
2	4																		

APPLICATION OF FUNDS

Net Fixed Assets	<table border="1"><tr><td>2</td><td>6</td><td>9</td><td>2</td><td>2</td><td>9</td></tr></table> <table border="1"><tr><td>0</td><td>4</td></tr></table>	2	6	9	2	2	9	0	4	Investments	<table border="1"><tr><td>0</td><td>0</td><td>6</td><td>7</td><td>3</td><td>0</td></tr></table> <table border="1"><tr><td>0</td><td>0</td></tr></table>	0	0	6	7	3	0	0	0
2	6	9	2	2	9														
0	4																		
0	0	6	7	3	0														
0	0																		
Net Current Assets	<table border="1"><tr><td>1</td><td>7</td><td>8</td><td>8</td><td>3</td><td>8</td></tr></table> <table border="1"><tr><td>8</td><td>8</td></tr></table>	1	7	8	8	3	8	8	8	Misc. Expenditure	<table border="1"><tr><td>0</td><td>0</td><td>8</td><td>8</td><td>7</td><td>9</td></tr></table> <table border="1"><tr><td>7</td><td>0</td></tr></table>	0	0	8	8	7	9	7	0
1	7	8	8	3	8														
8	8																		
0	0	8	8	7	9														
7	0																		
Accumulated Losses	<table border="1"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	Security Deposits	<table border="1"><tr><td>0</td><td>0</td><td>5</td><td>4</td><td>6</td><td>1</td></tr></table> <table border="1"><tr><td>0</td><td>0</td></tr></table>	0	0	5	4	6	1	0	0					
N	I	L																	
0	0	5	4	6	1														
0	0																		

IV Performance of Company (Amount in Rs. Thousands)
 Total Income

2	5	3	4	9	9
---	---	---	---	---	---

9	2
---	---

 Total Expenditure

2	3	4	3	8	8
---	---	---	---	---	---

9	1
---	---

 Profit Before Tax (-)

0	1	9	1	1	1
---	---	---	---	---	---

0	1
---	---

 Profit After Tax (-)

0	1	2	3	4	0
---	---	---	---	---	---

3	4
---	---

 Earning per Share (Rs.) (Basic/Diluted)

1	0	5
---	---	---

 Dividend Rate %

N	I	L
---	---	---

V Generic Name of Two Principal Products/Services of Company

(As per monetary terms)

Item Code No. (ITC Code)	N	O	T	A	P	P	L	I	C	A	B	L	E
Products Description	C	O	N	V	E	Y	O	R	B	E	L	T	S
Item Code No. (ITC Code)	N	O	T	A	P	P	L	I	C	A	B	L	E
Production Description	N	O	T	A	P	P	L	I	C	A	B	L	E

FOR P. SINGHVI & ASSOCIATES
 CHARTERED ACCOUNTANTS
 FR.NO.113602W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PSinghvi
 (PRAVEEN SINGHVI)
 PARTNER
 M.No.71608



PLACE: JODHPUR
 DATED: 31ST AUGUST, 2011

OP Bhansali
 (O P BHANSALI)
 MANAGING DIRECTOR

Gaurav Bhansali
 (GAURAV BHANSALI)
 WHOLE TIME DIRECTOR

Amit Baxi
 (AMIT BAXI)
 COMPANY SECRETARY