



Board of Directors

Mr. V. Harlalka	Chairman
Mr. K. Kejriwal	Managing Director
Mrs. C. Kejriwal	Whole-time Director
Mr. Ming Ching Tan	Director
Mr. S. B. Parwal	Director
Mr. S. Agarwal	Director
Mr. V. K. Mahtani	Director
Mrs. Saroj N. Rao	Director
Mr. Sukhdeo Purohit	Company Secretary
Kanu Doshi Associates Chartered Accountants	Auditors
State Bank of India	Bankers

Registered Office:

88-B, Govt. Indl. Estate, Kandivli (West), Mumbai-400067.

Works :

- (a) 1/3 Mile Stone, Khandasa Road, Gurgaon – 122001
- (b) A2/27, Somnath Industrial Estate, Daman-396210 —(Daman Unit No. 1)
- (c) A2/4, Somnath Industrial Estate, Daman-396210 – (Daman Unit No. 2)
- (d) Goodluck House, Survey N. 729 /1, Ringanwada, Village Dabhel, Daman (Daman Unit No. 3)
- (e) Survey No. 146, Vilege Khadki, Pardi – 396121

Registrar and Share Transfer Agents :

Sharex Dynamic (India) Private Limited

17/B Dena Bank Bldg, 2nd Floor, Horniman Circle,
Fort, Mumbai – 400 001

NOTICE

NOTICE is hereby given that the 38th Annual General Meeting of the Members of Remsons Industries Limited will be held at the registered office of the Company at 88-B, Government Industrial Estate, Kandivli (West), Mumbai – 400 067 on Tuesday, the 27th July, 2010 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2010 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. B. Parwal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ming Ching Tan who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. M/s. Kanu Doshi Associates, Chartered Accountants, the retiring Auditors are eligible for reappointment.
5. To authorize the Board of Directors to appoint branch auditors for the Company's Gurgaon branch in consultation with the statutory auditors and to fix the branch auditor's remuneration. M/s. G.P. Agrawal & Co., Chartered Accountants, New Delhi, the retiring Branch Auditors are eligible for reappointment.

SPECIAL BUSINESS

6. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 311 read with Schedule XIII and other

applicable provisions, if any, of the Companies Act, 1956, the company hereby accords its approval to the re-appointment of Mr. K. Kejriwal as Managing Director of the Company for a period of 3 years with effect from 1st April, 2010 upon terms and conditions set out in the draft agreement submitted to this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and /or Agreement, so as not to exceed the limits set out in Sections 198, 309 read with Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be agreed to between the Board of Directors and Mr. K. Kejriwal.”

7. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the company hereby accords its approval to the re-appointment of Mrs. Chand Kejriwal as Whole-time Director of the Company for a period of 3 years with effect from 1st April, 2010 upon terms and conditions set out in the draft agreement submitted to this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or Agreement, so as not to exceed the limits set out in Sections 198, 309 read with Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be agreed to between the Board of Directors and Mrs. Chand Kejriwal ”

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.

3. The proxy form duly completed and signed should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
4. Particulars of Directors seeking re-appointment and the relevant details in respect of item Nos. 2, 3, 6 & 7 pursuant to Clause 49 (VI) (A) of the Listing Agreements with the Stock Exchanges are given in the annexure to the report on Corporate Governance.
5. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 22nd July 2010 to Tuesday, 27th July 2010 (both days inclusive).
7. Pursuant to provisions of Section 205A (5) of the Companies Act, 1956, dividends for the financial year ended 31st March 2003 and there after which remain unpaid or unclaimed for a period of seven years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. The Company has already transferred the unclaimed dividend for the year ended 31st March 2001 to the IEPF. No dividend was declared for the year ended 31st March 2002.
8. Members attending the meeting are requested to bring their copies of the Annual Report, complete the attendance slip and deliver the same at the entrance of the meeting hall.
9. Members who hold shares in dematerialized form are requested to bring/ intimate their Client ID and DP ID numbers for easy identification at the time of attendance to the Annual General Meeting.
10. Members seeking any further information about the Accounts are requested to write to the Company at least ten days before the date of the Annual General Meeting.
11. 98.15% of the total equity shares of the Company were in dematerialized form as on 31st March 2010. Members desiring to dematerialize/ rematerialize their shares must forward their request directly to the Depository Participant with whom they have opened the account and not to the Company.

By Order of the Board of directors
Sukhdeo Purohit
Company Secretary

Registered Office:
88B-Govt. Indl. Estate
Kandivli (W),
Mumbai 400 067

Mumbai, May 27, 2010.

ANNEXURE TO THE NOTICE**Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956**

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice :

Item Nos. 6:

Members are aware that Mr. K. Kejriwal has been holding office of Managing Director of the Company for past 34 years. His last three-year term expired on 31st March 2010. During the tenure of Mr. K. Kejriwal as Managing Director of the Company, the Company performed satisfactorily despite adverse conditions. Considering that his continuation on the Board as Managing Director of the Company will be beneficial to the Company, your Board of Directors in its meeting held on March 29 2010 have re-appointed Mr. K. Kejriwal as Managing Director for a further period of three years with effect from 1st April 2010 subject to the approval of the members of the Company.

The principal terms and conditions governing the appointment and payment of remuneration to Mr. K. Kejriwal are as under:

1. Period of agreement: 3 years with effect from 1st April, 2010.
2. Basic Salary : Rs. 80,000/- per month.
3. Perquisites & Allowances
 - (i) In addition to the salary payable, the Managing Director shall also be entitled to perquisites and allowances like rent free accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement at actuals incurred for self and family, club fees, leave travel concession for self and his family, Free Education allowance for the children, Leave/Encashment of Leave in accordance with the Company rules, medical insurance and reimbursement of expenses of Watchman, Sweeper and Gardner and other allowances/ perquisites in

accordance with the Company rules provided however, that the perquisites and allowances as aforesaid will be subject to a maximum of Rs. 5 lacs per annum.

- (ii) Free use of car with driver and telephone/other communication facilities at residence for Company's business.
 - (iii) Company's contribution to provident fund and super annuation or annuity fund to the extent these either singly or together, are not taxable under the Income-tax Act.
 - (iv) Gratuity at the rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of the tenure.
4. The remuneration payable to him as above, shall be subject to the limits of 5% or 10% of the net profits of the Company as the case may be as laid down in Section 198 and 309 of the Companies Act, 1956 read with Schedule XIII of the said Act and the over all limit of 11% of the net profit of the company as laid down in section 198 (1) of the Companies Act, 1956.
 5. Notwithstanding anything to the contrary herein contained where in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above subject to and in accordance with Schedule XIII to the Companies Act, 1956.
 6. The Managing Director shall also be entitled for reimbursement of expenses incurred by him for the purpose of Company's business.
 7. He shall not be entitled for sitting fees for attending the meetings of Board of Directors or committees thereof.
 8. The above may be treated as an abstract of the terms and conditions of contract between the Company and Mr. K. Kejriwal and Memorandum of Interest pursuant to Section 302 of the Companies Act, 1956.
 9. Except Mr. K.Kejriwal himself, Mrs. Chand Kejriwal and Mr. V. Harlalka, none of the other directors of the Company are in any way concerned or interested in the resolution.
 10. The Board commends the resolution for approval of the members.

Item No. 7

Members are aware that Mrs. Chand Kejriwal has been holding the office of whole time director of the company for the past 34 years. During her association with the company, the Company has made significant progress, which has helped attain the Company, an eminent position in the auto component industry. Your directors consider that her varied exposure in various facets of corporate functioning will facilitate future growth of the company. Her last tenure as whole time director has since expired on 31st March 2010. Board of Directors, in its meeting held on March 29, 2010 has reappointed her as whole time director for a further period of three years with effect from 1st April 2010 subject to the approval of the members of the Company.

The principal terms and conditions governing the appointment and payment of remuneration to Mrs. Chand Kejriwal are as under:

1. Period of agreement : 3 years with effect from 1st April, 2010.
2. Basic Salary : Rs. 50,000/- per month.
3. Perquisites & Allowances
 - (i) In addition to the salary payable, the whole time Director shall also be entitled to perquisites and allowances like house rent allowance, house maintenance allowance, reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement at actual incurred for self and family, club fees, leave travel concession for self and her family, Free Education allowance for the children, Leave / Encashment of Leave in accordance with the Company rules, medical insurance and reimbursement of expenses of Watchman, Sweeper and Gardner and other allowances / perquisites in accordance with the Company rules provided however, that the perquisites and allowances as aforesaid will be subject to a maximum of Rs. 3 lacs per annum.
 - (ii) Free use of car with driver and telephone / other communication facilities at residence for Company's business.
 - (iii) Company's contribution to provident fund and superannuation or annuity fund to the extent these

either singly or together, are not taxable under the Income-tax Act.

(iv) Gratuity at the rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of the tenure.

4. The remuneration payable to her as above, shall be subject to the limits of 5% or 10% of the net profits of the Company as the case may be as laid down in Section 198 and 309 of the Companies Act, 1956 read with Schedule XIII of the said Act and the over all limit of 11% of the net profit of the company as laid down in section 198 (1) of the Companies Act, 1956.
5. Notwithstanding anything to the contrary herein contained where in any financial year during the tenure of the Whole time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above subject to and in accordance with Schedule XIII to the Companies Act, 1956.
6. The whole time Director shall also be entitled for reimbursement of expenses incurred by her for the purpose of Company's business.
7. She shall not be entitled for sitting fees for attending the meetings of Board of Directors or committees thereof.
8. The above may be treated as an abstract of the terms and conditions of contract between the Company and Mrs. Chand Kejriwal and Memorandum of Interest pursuant to Section 302 of the Companies Act, 1956.
9. Except Mrs. Chand Kejriwal herself, Mr. K. Kejriwal and Mr. V. Harlalka, none of the other directors of the Company are in any way concerned or interested in the resolution.
10. The Board commends the resolution for approval of the members.

By Order of the Board of Directors
Sukhdeo Purohit
Company Secretary

Registered Office:

Remsons Industries Limited.
88-B, Government Industrial Estate,
Kandivli (West), Mumbai-400067.

Mumbai, May 27, 2010.

DIRECTORS' REPORT

To Share Holders,
 Your Directors present their 38th Annual Report on the business and operations of the company and the Audited Accounts for the year ended 31st March 2010.

FINANCIAL RESULTS

	Rs. in Lacs	
	Year ended March 31, 2010	Year ended March 31, 2009
Sales & Other Income (Net)	7061.22	5658.06
Profit before interest, Depreciation, tax and extra ordinary items	600.72	192.34
Less: (i) Financial expenses	70.61	97.29
(ii) Depreciation	164.56	169.80
Profit / (Loss) before tax and extra ordinary items	365.55	(74.75)
Extra Ordinary Income (Expenses)	(8.11)	350.36
Profit / (Loss) before tax	357.44	275.61
Less : Tax-Provision:		
- Current	68.00	6.50
- MAT	125.82	25.50
- Deferred	--	124.69
- Fringe Benefit Tax	--	6.00
- Wealth tax	--	0.20
Profit / (Loss) after tax	163.62	112.72
Add (Less) : Excess (Short) tax provision of earlier years	3.47	0.00
Add (Less) : Balance b/f from last year	83.16	(29.56)
Amount available for appropriation:	250.25	83.16
Transfer to / from General Reserve	0.00	0.00
Amount carried to Balance Sheet	250.25	83.16

OPERATIONS:

Your Company fared well during the year. While sales and other income of the Company increased by approximately 25%, profit before interest, depreciation and tax registered three-fold increase over previous year.

DIVIDEND:

In order to plough back the funds, your Directors do not recommend any dividend.

A PROMISING FUTURE AHEAD

Continuous expansion of global automobile industries in the Asia Pacific region has resulted into a corresponding increase in demand for auto components. To ensure that your Company is in a position to meet the increasing demand, your Directors have planned to increase capacity at its Daman plants. A major portion of the expansion programme for which your Company will require necessary finance from Banks and/or financial institutions will be completed during the current financial year. Your Company is constantly negotiating to obtain a fair price for its products. While steel and other raw material prices continue to be volatile your Directors will strive to achieve even better financial results in the current year.

JOINT VENTURE

The Joint venture has not yielded the desired results. Your Directors have therefore decided to withdraw from the joint venture and terminate the joint venture agreement.

REMSONS AT OVERSEAS

REMSONS (EUROPE), a Marketing set up in Europe is providing excellent business, logistics & engineering Support to the OEM customers overseas. Mr. Geoffrey Hill, Director - Business Development and Mr. John Glover, Director - Engineering, with their knowledge and experience of the Automotive Cable and Gear Shifter business are well versed with the overseas OEM Market and have been a good support to our export business.

EXPORTS

Company's Exports during the year were better at Rs. 957 lacs, as compared to Rs. 839 lacs in previous year in rupee terms.

The global financial crisis particularly softening of the Euro has adversely affected the Company's export market, though your Company endeavors to secure more and more export orders.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Report on Management Discussion and Analysis, which is forming part of the Annual report, interalia adequately deals with the operations as also current and future outlook of the Company.

CORPORATE GOVERNANCE

A report on Corporate Governance along with the auditors' certificate regarding the compliance of the mandatory requirements of the Corporate Governance is separately given in the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of Companies Act, 1956, the directors hereby state and confirm that :

- i. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii. 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 the financial year and of the profit of the Company for that period;
- iii. 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;
- iv. The Directors have prepared the annual accounts on a going concern basis.

FIXED DEPOSITS

During the year, your company did not accept any deposits from the public under section 58A of the Companies Act, 1956.

DIRECTORS

Board has reappointed Mr. K. Kejriwal as Managing Director and Mrs. C. Kejriwal as Whole-time Director for another term of three years. The Remuneration Committee of the Board of Directors has also approved their re-appointments and the remuneration payable to them. Necessary Resolutions seeking Members' approval are placed before the Annual General Meeting. Members are requested to approve the reappointments.

In terms of Article 90 of the Articles of Association of the Company, Mr. Ming Ching Tan and Mr. S. B. Parwal, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment. Members are requested to appoint them.

Particulars of the Directors seeking re-appointment at the ensuing Annual General Meeting is given in an Annexure to the Report on Corporate Governance

LISTING

The Equity Shares of your company continue to be listed at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The Company has paid the requisite listing fee to the above stock exchanges for the financial year 2010-11.

AUDITORS

M/s. Kanu Doshi Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Members are requested to appoint the statutory auditors.

Members are also requested to authorize the Board of Directors to appoint the branch auditors for the Company's Gurgaon branch in consultation with the statutory auditors and to fix the remuneration of the branch auditors.

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

As required under Section 217 (1) (e) of the Companies Act, 1956, read together with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988, the information relating to the foregoing matters is given as under:

a) Conservation of Energy

Your Company's existing activities are not power intensive and hence consumption of power is not significant. However, the Management is conscious of the importance of conservation of energy and reviews the measures to be taken for reduction in the consumption of energy from time to time.

Form A is not applicable to your Company, as it does not fall under the list of Industries specified in the schedule attached to Rule 2.

b) Technology Absorption

- (i) The company continues to develop new conveyerised single piece flow lines to enable it to constantly improve productivity and quality.
- (ii) The company follows "Six Sigma Practices" in the context of developing process technology in the manufacture of Automotive Cables.
- (iii) The Company's engineering centre at Gurgaon with modern Testing and Validation Equipments has facilitated undertaking

various validation tests for the auto control cables produced by the Company. The Company has now decided to set up additional test facilities at its plants in Daman. A major portion of these test facilities will be concentrated on testing and validation of Gear Shift Systems with Push Pull Cables. Other standard equipments for test of basic raw materials will also be introduced.

c) Foreign Exchange Earnings and Outgo

The information is contained in Notes forming part of accounts in Schedule "S".

PARTICULARS OF EMPLOYEES AND OTHER ADDITIONAL INFORMATION

During the year, the Company did not have any employee covered under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended and therefore no particulars are required to be furnished.

ACKNOWLEDGEMENTS

The Board of Directors express its appreciation and gratitude to the Bankers, Customers, Suppliers, employees and above all the Shareholders of the Company for their valuable support and co-operation at all the times.

For and on behalf of the Board of Directors

Mumbai
Dated: May 27, 2010

V.Harlalka
(Chairman)

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Annexure to the Directors Report

1. BUSINESS OVERVIEW

The Company is engaged in manufacture of Auto Control Cables and Gear Shifter Mechanisms with push pull cables. It is one of the major OEM suppliers to many Automobile Manufacturing Companies in India like Tata Motors, Hero Honda, Maruti Suzuki, Mahindra & Mahindra, Piaggio, Ashok Leyland. The Company's products are well received in the global market too.

2. INDUSTRY STRUCTURE & DEVELOPMENTS

Growth in the automobile industry generates more demand for the auto components. Indian auto component sector is capable of producing internationally accepted quality of auto components, which is evident from the continuous outsourcing of their products by the worldwide automobile companies.

3. OPPORTUNITIES AND THREATS

Opportunities

Government spending on infrastructure and availability of new models of the auto products in the market should generate heavy demand for two-three wheelers, cars, jeeps, trucks and tractors resulting in to the corresponding demand for the products of the Company.

Outsourcing of Automotive Components from India by the global Automobile manufacturers should improve the business prospects of OEM suppliers like us.

The Company is continuously negotiating with the Global Auto Manufacturers and their subsidiaries in India and is hopeful to receive major orders from them.

Threats

Prices of Steel Wires and other metals like zinc; aluminum are still volatile and could affect the profitability of the Company. Also the demand for the auto products could be adversely affected during the year owing to the global financial crisis.

Steel wire is the major raw material for the Company's products. Any substantial price rise in steel price is a threat to the Company.

More than 90% of the exports of the Company is concentrated in Europe and business is awarded in Euro currency. With the current crisis in Europe on the stability of the Euro, softening of this currency will directly affect the profitability of the Company.

Domestic Market has shown improvement during the year under review. Despite continuous price rise of essential commodities, urban and rural savings were better with easier availability of consumer loans. This led to increased purchasing power which in turn helped grow industry thereby generating steady employment.

4. RISK AND CONCERNS

Though the price of steel wire is still volatile, prices have not reached to the levels of previous year. In view of the growing competition in the Automobile Market it is difficult for the Company to increase the selling price of its products and thereby pass on the increased cost to its customers.

Crude oil and fuel prices, which had come down in the latter half of the year under review, have started rising again. This could have an adverse impact on the demand for automobiles and thereby the demand for the Company's products.

5. PRODUCT WISE BUSINESS REVIEW

Auto Control Cables

During the year the Company produced 19.68 million auto control cables as against 15.53 million in the previous year.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate systems of internal control meant to ensure proper accounting controls, monitoring cost cutting measures and efficiency of operation and protecting assets from their unauthorized use. The internal audit department of the Company reviews control measures in the management of risks and opportunity and ensures adherence to operating guidelines and compliance with regard to regulatory and legal requirements.

The Company's budgetary control system aims to ensure adequate control on the expenditure. The management reviews the actual performance with reference to the predetermined norms and standard on monthly basis.

The Company will have to work hard to maintain its market

share without compromising on the quality of its products.

7. HUMAN RESOURCES MANAGEMENT.

Human Resource base is the greatest asset of the Company. The Company provides necessary training to all its employees and equips them to manage critical business processes to face the challenge of competitive Global market.

Cautionary Statement

Statement in this Management Discussion and Analysis report, describing the Company's objectives projections, estimates, expectations or predictions may be "Forward looking Statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include global and Indian demand-supply conditions, cyclical demand and pricing in the Company's principal markets, raw material cost and availability, changes in the Government regulations tax regimes, economic development within India and the countries within which the Company conducts business and other factors such as litigation and industrial relations.

CORPORATE GOVERNANCE REPORT

I. Company's Philosophy on Corporate Governance

REMSONS philosophy on corporate governance envisages achieving highest standards of accountability, transparency and equity in all its spheres and in all its dealings with its stakeholders. The Company strongly believes and practices the above sound principles of Corporate Governance. The Company has also adopted the requirements of Corporate Governance under Clause 49 of the Listing Agreements, the disclosure requirements of which are given herein below.

II. Board Of Directors

As on 31st March 2010 the strength of the Board of Directors was eight, comprising of two Executive Directors and six Non-Executive Directors of which four were independents.

During the Financial year 2009-10, seven (7) Meetings of the Board of Directors were held on 06/04/2009, 27/06/2009, 29/07/2009, 24/08/2009, 30/10/2009, 28/01/2010 and 29/03/2010. The maximum time-gap between any two consecutive meetings did not exceed four months.

The composition of the Board, attendance of directors at the Board Meetings, Annual General Meeting and the number of companies and committees, where they are a director / member are given below:

Composition and category :

Sr. No.	Name of Director	Designation	Category of Directorship	Relationship with other directors	Director in other Companies including Pvt Ltd cos.	No. of other Companies in which Member or Chairman of any Committee	No. of shares held as on 31 st March 2010
1.	Mr. V. Harlalka	Chairman	Promoter, Non-Executive	Relative of Mrs. C. Kejriwal and Mr. K.Kejriwal	0	0	0
2.	Mr. K. Kejriwal	Managing Director	Promoter, Executive	Relative of Mrs. C. Kejriwal, and Mr. V. Harlalka	2	0	1276374
3.	Mrs. C. Kejriwal	Whole-time Director	Promoter, Executive	Relative of Mr. K. Kejriwal and Mr. V. Harlalka	0	0	1160020
4.	Mr. Ming Ching Tan	Director	Independent, Non-Executive	--	0	0	0
5.	MR. S.B. Parwal	Director	Non-Executive	--	1	0	157
6.	Mr. S. Agarwal	Director	Independent, Non-Executive	--	0	0	500
7.	Mr. V. K. Mahtani	Director	Independent, Non-Executive	--	0	0	0
8.	Mrs. Saroj N. Rao	Director	Independent, Non-Executive	--	0	0	50

Note :

Note: - Mr. S. B. Parwal ceased to be a Whole-time Director consequent upon his resignation on 31st July 2007. He continues to hold an office of a Non-executive Director since August 1, 2007. No Directors Remuneration except the sitting fees was paid to him during the year 2009-10.

Number of Meetings attended by the Directors

Sr. No.	Name of Director	No. of Board Meetings attended out of seven meetings held during 2009-10	Whether attended previous AGM held on 30th September 2009
1	Mr. V. Harlalka	5	Yes
2	Mr. K. Kejriwal	7	Yes
3	Mrs. C. Kejriwal	7	No
4	Mr. Ming Ching Tan	0	No
5	MR. S.B. Parwal	7	Yes
6	Mr. S. Agarwal	1	No
7	Mr. V. K. Mahtani	7	No
8	Mrs. Saroj N. Rao	6	No

Details / Particulars of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting is given in an Annexure to this Report.

1. Mr. V. K. Mahtani Chairman
2. Mr. V. Harlalka Member
3. Mrs. Saroj N. Rao Member

Shareholdings shown in the above table is the Directors' individual holding. Shares held in the name of their HUF are not considered.

Mr. Sukhdeo Purohit, Company Secretary, acts as the Secretary to the Committee.

Tenure of Independent Directors on the Board of the Company has not extended beyond nine years, subject to their re-appointment on retirement by rotation as per statutory provisions.

Whereas Mr. V.K. Mahtani, Chairman of the Audit Committee is a commerce graduate from St. Joseph College of Yokohama, Japan and runs his own business, Mrs. Saroj N. Rao did her B.Ed. and presently holds position of Head of Department of Social Studies at Jamnabai Narsee School at Mumbai. Mr. V. Harlalka, non-executive Chairman of the Company is a science graduate from University of Calcutta.

III. COMMITTEES OF THE BOARD

A. Audit Committee:

(a) **Composition:**

The Audit Committee of the Board of Directors comprise of following Non –Executive / Independent Directors as on 31st March 2010:

All the members of the Audit Committee are leading businessmen / administrators and have fair accounting or related financial management expertise.

(b) **Meetings and Attendance:**

During the year, seven (7) meetings of the Members of the Audit Committee were held on 06/04/2009, 27/06/2009, 29/07/2009, 24/08/2009, 30/10/2009, 28/01/2010 and 29/03/2010. Not

more than four (4) months elapsed between two meetings.

Whereas Mr. V. K. Mahtani attended all the seven meetings held during the year, Mr. V. Harlalka could not attend two meetings held on 06/04/2009 and 30/10/2009 and Mrs. Saroj N. Rao could not attend one meeting held on 29/03/2010. Mr. Jayesh Parmar, Partner, M/s Kanu Doshi Associates, Chartered Accountants, Auditors of the Company attended one meeting of the Audit Committee held on 28/01/2010.

(c) Broad Terms of Reference:

The terms of reference of the Audit Committee fully conform to the specific requirements of clause 49 of the Listing Agreements with Stock Exchanges and also with the provisions of section 292 A of the Companies Act, 1956

The role of Audit Committee includes inter-alia the followings :

- ❖ To oversee the Company's financial information disclosure, review the adequacy of internal control systems.
- ❖ Recommending the appointment and removal of external auditors, fixations of audit fees and also approval for payment for any other services.
- ❖ Discussions with External Auditors before the audit commences; the nature and the scope of Audit as well as have post audit discussion.
- ❖ Discussion with internal Auditors on any significant findings and follow up thereon.
- ❖ Reviewing the finding of any internal investigations by the internal auditors in to matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- ❖ To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit report.
- ❖ To review the un-audited financial statements before submission to the Board.
- ❖ Reviewing the Company's financial and risk management policies.

Reviewing with management the annual financial statements before submission to the board, focusing primarily on;

- Any changes in accounting policies and practices.
- Major accounting entries based on exercise of judgment by management.
- Qualifications in draft audit report.
- Significant adjustments arising out of audit.
- The going concern assumption.
- Compliance with accounting standards.
- Compliance with stock exchanges and legal requirements concerning financial statements.
- Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.

(d) Subsidiary Companies:

Provision regarding the above as stipulated under clause 49 was not applicable, as the Company has no subsidiary Company.

The Company's shareholding in Orschlen Remsons Technologies Private Limited (ORTPL), the joint venture Company reduced from 40% of the total paid-up capital of ORTPL in previous year to only 14.93% at the close of year on March 31, 2010, pursuant to the resolutions passed in the meetings of the Board of Directors not to make any further investments in ORTPL. Shareholding of M/s Orscheln Products L.L.C. of Moberly, Missouri, US, the joint venture partner however increased during the year from 60% of the total paid-up capital of ORTPL in previous year to 85.07% as at March 31, 2010 owing to the fresh investments by them in the equity capital of ORTPL.

B. Remuneration Committee:

The Remuneration Committee of the Board of Directors comprise of following Non-Executive / Independent Directors as on 31st March 2010:

- | | |
|----------------------|-------------|
| 1. Mrs. Saroj N. Rao | Chairperson |
| 2. Mr. V. Harlalka | Member |
| 3. Mr. V. K. Mahtani | Member |

The Remuneration Committee reviews the Company's policy on specific remuneration packages for Managing Director and Whole-time Directors and approves the managerial remuneration as per the policy.

The remuneration policy of the Company aims to ensure that the remuneration practices are competitive, thereby enabling the Company to attract and retain executives of high caliber.

While determining the remuneration consideration is given to:

1. Managerial compensation survey done by leading management consultants.
 2. Inflation element.
 3. Critical job attributes.
 4. Capacity of the Company to pay.
 5. Remuneration practices of Companies of a size and standing, similar to the Company.
- The compensation is determined at the time of hiring.

- Personal attributes and suitability of the candidate for the post is given a preference.
- The growth of employee depends on individual performance.
- The performance is reviewed as per Performance Manual System. According to the Performance manual System, the goals are set for individual employee and are reviewed periodically.
- The performance of the Executive Directors is reviewed on a monthly basis as per Business Plan.

Remuneration to Executive Directors :

Sr.No.	Name	Position	Salary & Perks (Rs.)
1.	Mr. K.Kejriwal	Managing Director	11,80,349
2.	Mrs. C. Kejriwal	Whole-time Director	8,79,585

Remuneration to Non-Executive Directors:

Sr.No.	Name	Position	Sitting Fees (Rs.)
1.	Mr. V. Harlalka	Chairman, Non Executive Director	12,500
2.	Mr. Ming Ching Tan	Independent Non Executive Director	-
3.	Mr. S. Agarwal	Independent Non Executive Director	2,500
4.	Mr. V. K. Mahtani	Independent Non-Executive Director	17,500
5.	Mr. S.B. Parwal	Non-Executive Director	17,500
6.	Mrs. Saroj N. Rao	Independent Non-Executive Director	15,000

The Executive Directors are paid remuneration as per the Board Resolutions and/or Agreements entered between them and the Company. Main terms of the Board Resolutions or Agreements are placed for approval before the Board and the shareholders and such authorities as may be necessary. The remuneration structure of the Executive Directors may comprise of salary, perquisites, contributions to provident fund and gratuity. Executive Directors are not paid sitting fees for attending Board Meetings. The non-executive directors do not draw any remuneration from the Company except sitting fees.

No commission is paid to any director.

The company has not given any stock option to the Executive and Non Executive Directors.

Managerial Remuneration paid to Mr. K. Kejriwal, Managing Director and Mrs. C. Kejriwal, Whole-time Director of the Company had approval of the Remuneration Committee.

One Meeting of the Remuneration Committee was held during the year on March 29, 2010.

C. Share Transfer & Shareholders/Investors Grievance Committee

The Committee consists of following Directors as on 31st March 2010:

- **Mr. V. Harlalka** - **Chairman**
- **Mr. K. Kejriwal** - **Member**
- **Mr. V. K. Mahtani** - **Member**

The Board has designated Mr. Sukhdeo Purohit, Company Secretary as the Compliance Officer.

The Committee meets to look into the grievances of the shareholders and investors. The terms of reference as laid down by the Board of Directors are as follows:

- To ensure that the application for registration of transfer, transmission, transposition of Equity Shares lodged by the Shareholders/Investors are disposed of in the stipulated time.

- To look into the redressing of Shareholders' and Investors' complaints regarding non-receipt of Annual Report or dividend declared, change of address etc.

During the year two (2) meetings of the Share Transfer & Shareholders' / Investors' Grievances Committee were held on 30th September 2009 and 29th March 2010.

The Company received no complaints from shareholders/ investors' during the year under review, as certified by M/s Sharex Dynamic (India) Pvt. Limited, RTA of the Company. There were no pending transfers or complaints with them as on 31.03.2010.

IV. General Body Meetings:

i) General Meetings

(a) Annual General Meeting

Particulars of last three Annual General Meetings;

Financial Year	Date & Time	Venue
2006-2007	28th September 2007 at 4 p.m.	59, BC Govt. Industrial Estate, Kandivli (W), Mumbai – 400 067
2007-2008	30th September 2008 at 4 p.m.	88-B, Govt. Industrial Estate, Kandivli (W), Mumbai – 400 067
2008-2009	30th September 2009 at 4 p.m.	88-B, Govt. Industrial Estate, Kandivli (W), Mumbai – 400 067

II) Postal Ballot

No Special resolution was put through postal ballot at the last Annual General Meeting nor is any proposed for this year. The Company shall follow the procedure laid down in the Act as and when a resolution is put through postal ballot.

III) Special Resolutions

No special resolutions were passed at the Annual General Meetings of the Company held on 28th September 2007, 30th September 2008 and 30th September 2009.

V. Disclosures:

Disclosures on materially significant related party transactions:

Related parties Disclosures are made in Note 17 of the Schedule 'S' to the accounts. According to the Board of Directors, there were no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their subsidiaries or relatives, which may have potential conflict with the interest of the Company at large.

Code of Conduct

The Board has laid down a Code of Conduct for the members of the Board of Directors and Senior Management Personnel of the Company. The Code of Conduct has been posted on the website of the Company www.remsons.com.

In compliance with the code, directors and senior management of the Company have affirmed compliance with the code for year ended on March 31, 2010. A declaration signed by the Managing Director / CEO to this effect is given at the end of this Report.

CEO / CFO Certification

In terms of Clause 49 (V) of the Listing Agreement, the Managing Director and the DGM (Finance) have

furnished the requisite certificate to the Board of Directors for the year under review and the same was placed at the meeting of the Board of Directors held on 27th May 2010.

Cases of Non-compliance / Penalties

During the last three years, there were no strictures or penalties imposed by either SEBI or the stock exchanges or any statutory authority for non-compliance of any matter related to the Capital Markets.

VI. Means of Communication:

The quarterly and yearly financial results of the Company are sent to the Stock Exchanges immediately after approval of the Board of Directors. Un-audited results are widely published in Free Press Journal and Nav Shakti and put on Company's Website www.remsons.com. Since January 2010, the Company has been publishing financial results in 'Economic Times', 'Nav Bharat Times' and 'Mumbai Lakshadeep'.

Management Discussion and Analysis Report is separately given in this Annual Report.

VII. General Shareholder Information:

A. Annual General Meeting

Date, Time & Venue

Date : 27.07.2010

Time : 4.00 p.m.

Venue : 88-B, Government Industrial Estate,
Kandivli (West), Mumbai -400 067.

B. Financial Calendar (tentative) :

Financial Year : 1st April 2010 to 31st March 2011 :

Results for the Quarter ending 30th June 2010 :

Last week of July, 2010

Results for the Quarter ending 30th Sept. 2010 :

Last week of October, 2010

Results for the Quarter ending 31st Dec. 2010 :

Last week of January, 2011

Results for the Quarter ending 31st March 2011 :

Last week of April, 2011

C. Book Closure : From Thursday 22.07.2010 to Tuesday 27.07.2010, both days inclusive.

The Board of Directors has not recommended any dividend on equity shares for the year ended 31st March 2010.

D. Listing on Stock Exchange(s):

The Equity Shares of the Company are listed at Bombay Stock Exchange Limited (BSE) and National

F. Market Price Data

The details of high/low market price of the shares at BSE and NSE are as under:

Month	BSE		NSE		BSE SENSEX	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 09	18.40	13.55	18.00	15.75	11,492	9,546
May 09	18.95	13.95	18.85	13.55	14,931	11,621
June 09	20.15	17.05	19.20	17.10	15,600	14,017
July 09	19.15	15.15	18.95	14.60	15,733	13,220
Aug. 09	17.45	15.00	17.45	14.50	16,002	14,684
Sept 09	18.75	16.00	18.75	16.00	17,143	15,357
Oct. 09	19.90	17.00	19.65	17.10	17,493	15,805
Nov. 09	19.90	16.25	19.80	17.00	17,290	15,331
Dec. 09	23.10	16.20	21.70	16.15	17,531	16,578
Jan. 10	27.00	21.25	24.80	19.15	17,790	15,982
Feb. 10	28.40	20.45	27.30	23.35	16,669	15,652
Mar. 10	25.20	19.60	23.50	20.65	17,793	16,438

Source : www.bseindia.com and www.nseindia.com

A. Share Transfer Agents:

M/s. Sharex Dynamic (India) Private Limited
 17/B, Dena Bank Bldg., 2nd Floor,
 Horniman Circle, Fort
 Mumbai - 400 001.
 Tel -: 022-22702485, 22641376,
 Fax -: 022-22641349
 E-Mail :- sharexindia@vsnl.com

B. Share Transfer System:

Registrar and Transfer Agents (RTA) are authorized to process the application of transfer of shares in physical mode or in Electronic form. The RTA approves and disposes of all valid requests for dematerialization of shares within stipulated time. RTA also makes proper scrutiny of each application for transfer or transmission of physical shares and forwards all valid transfer deeds to the Company for approval. For speedy disposal of the matters, the Board has authorized Mr. Sukhdeo Purohit, Company Secretary to approve all valid share transfer / transmission applications, duly processed by RTA. The share certificates are transferred, dematerialized or returned within the time prescribed by the authorities. In case of objections, the share certificates along with the transfer deeds are returned within two weeks. A practicing Company Secretary periodically issues certificates under Clause 47(C) of the Listing Agreement. A Practicing Company Secretary also conducts Secretarial Audit periodically and his Secretarial Audit Report showing total shareholding in physical and electronic mode is filed every quarter with the stock exchanges.

C. Distribution of Shareholding

The Distribution Schedule on number of equity shares as on 31st March 2010 is given below:

Shareholding From	Range(s) To	Holders		Total Shares Held	
		Number	%	Number	%
1	100	678	50.79	50570	0.89
101	200	210	15.73	39643	0.69
201	500	237	17.75	93242	1.63
501	1000	100	7.49	81519	1.43
1001	5000	73	5.47	174632	3.06
5001	10000	15	1.12	104815	1.83
10001	100000	15	1.12	556514	9.74
100001	& above	7	0.53	4612422	80.73
Total		1335	100.00	5713357	100.00

2. Shareholding Pattern as on 31st March 2010

Category	No. of shares held	% of shareholding
A. Promoters' holding		
1. Promoters		
Indian Promoters		
Individuals, HUF	4166661	72.928
Bodies Corporates	118357	2.072
-Foreign Promoters	--	--
Sub-Total (A)		75.000
B Non-Promoters' Holding		
1 Institutional Investors		
Mutual Funds, UTI, FII	--	--
Banks, Financial Institutions,		
Insurance Companies	100	0.002
Venture Capital Fund	500	0.009
2 Others		
Private Corporate Bodies	597977	10.466
Indian Public	821856	14.385
NRI / OCBs	7450	0.130
Any Other – Clearing Members	456	0.008
Sub-Total (B1+ B2)		25.000
Grand Total		100.000

Note:

- (1) 258215 equity shares allotted to one of the promoters pursuant to the Scheme of Amalgamation are subject to lock in for three years from the date of allotment.
- (2) None of the promoters have pledged their shares with any Bank or financial institution.

A. Dematerialization of shares:

92.94% (53,09,723 Shares) of total equity is held in dematerialized form with NSDL and 5.21% (2,97,889 Shares) of total equity is held in dematerialized form with CDSL as on 31-03-2010.

K. Outstanding GDRs / ADRs / Warrants / Options:

The Company has not issued any ADRs or GDRs or Warrants or Convertible instruments.

L. Plant Locations:

- a. 1/3 Mile Stone, Khandsa Road, Gurgaon – 122001
- b. A2/27, Somnath Industrial Estate, Daman-396210 (Daman Unit No. 1)
- c. A2/4, Somnath Industrial Estate, Daman-396210 (Daman Unit No. 2)
- d. Goodluck House, Survey No. 729 /1, Ringanwada, Village Dabhel, Daman – (Daman Unit No. 3)
- e. Survey No. 146, Vilege Khadki, Pardi – 396121

M. Investor Correspondence address:

(i) For transfer / dematerialisation of shares, payment of dividends etc :

M/s. Sharex Dynamic (India) Private Limited
17/B, Dena Bank Bldg., 2nd Floor,
Horniman Circle, Fort
Mumbai - 400 001.
Tel -: 022-22702485, 22641376,
Fax -: 022-22641349
E-Mail :- sharexindia@vsnl.com

(ii) For Annual Report and other queries :

Secretarial Department,
Remsons Industries Limited,
88B, Govt. Indl. Estate,
Kandivli (West),
Mumbai – 400 067.
Tel : 28683883, 28684452
Fax : 28682487
E-mail : remsons@vsnl.com

N. Non Mandatory Requirements:

The Company has adopted the following Non Mandatory Requirements on the Corporate Governance, recommended under Clause 49 of the Listing Agreements:

1. Chairman's Office:

The Company maintains the Office of the Chairman at its Registered Office at 88-B, Kandivli Industrial Estate, Kandivli (West), Mumbai – 400 067 and reimburses to him the expenses incurred in performance of his duties.

2. Remuneration Committee:

The Company has constituted a Remuneration Committee. Terms of Reference of the Committee and other particulars have been described at above.

3. Shareholders Rights:

The quarterly financial results of the Company are published in the newspapers and also displayed on the website of the Company. These results are not separately circulated to the shareholders.

4. Postal Ballot:

No postal ballot was conducted during the period under review.

5 Whistle Blower Policy

Though, the Company has not yet established any formal Whistle Blower Policy, it affirms that no person has been denied access to the audit committee.

Declaration on Code of Conduct:

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company, which has been posted on the website of the Company.

In accordance with Clause 49 I (D) of the Listing Agreement with the stock exchanges, I hereby confirm that all the Directors and the senior management personnel of the Company have affirmed compliance with the aforesaid code of conduct as applicable to them for the financial year ended on March 31, 2010.

For **Remsons Industries Limited**

Place: Mumbai
Date: May 27, 2010

K. Kejriwal
Managing Director

**ANNEXURE TO THE REPORT ON CORPORATE GOVERNANCE
PARTICULARS OF THE DIRECTORS SEEKING REAPPOINTMENT AT THE FORTHCOMING
ANNUAL GENERAL MEETING TO BE HELD ON 27th JULY 2010**

(In pursuance of Clause 49 (VI) (A) of the Listing Agreement)

Name of Director	Mr. S. B. Parwal	Mr. Ming Ching Tan	Mr. K. Kejriwal	Mrs. Chand Kejriwal
Date of Birth	21. 10. 1947	19.11.1962	12. 06. 1952	05. 10. 1956
Date of Appointment	04. 09. 2006	26.09.1994	12.07. 1976	12.07.1976
Expertise in Specific Functional areas.	Expertise in Manufacture of auto control cables, speedometer cables, Quality Control and general administration.	Technically qualified as GEO Singapore. Associated with Heng Hoe Motor Co Singapore and Confirm Trading (S) Pte Ltd. for past several years.	Expertise in Production, Marketing, Finance and all spheres of Business Development. Past President of 1) Bombay Industries Association. 2) Automotive Component Manufacturers Association of India (ACMA).	General Administration, Marketing, Human Resource Management etc.
Qualifications	B. Com. from University of Indore.	Graduate	B. Sc from University of Bangalore	Inter (Arts) University of Mumbai
Directorships held in other Companies (Excluding Foreign Companies)	Sando Safety Equipment Private Limited	None	i) Remsons Sales & Services Private Limited ii) Orscheln Remsons Technologies Private Limited	None
Chairman/Member of the Committees of the Board of Directors of the Company.	None	None	Member : Shareholders' / Investors' Grievance Committee	None
Chairman/Member of the Committee of the Board of Directors of other Companies in which he is Director.	None	None	None	None

AUDITORS' CERTIFICATE ON COMPLIANCE OF THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT (S)

To the Members of
Remsons Industries Limited

We have examined the compliance of conditions of Corporate Governance by Remsons Industries Limited (the Company) for the year-ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreements entered in to with the stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the 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 and the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

We state that no investor grievances as at March 31, 2010 are pending for a period exceeding one month against the Company as per the records maintained by the Share Registrar & reviewed by the Shareholder / Investors Grievance Committee.

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 **KANU DOSHI ASSOCIATES**

Chartered Accountants

Place: Mumbai
Date: 27th May, 2010

ARATI PARMAR
Partner
Membership No.102888

AUDITORS' REPORT

**To the Members of
REMSONS INDUSTRIES LIMITED**

1. We have audited the attached Balance sheet of Remsons Industries Limited as at March 31, 2010 and also the Profit and Loss Account and the 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, and according to the information and explanations given to us during the course of the audit and on the basis of such checks as we considered appropriate, we enclose 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 above, we report that:
 - a) 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;
 - b) 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;
 - c) The Balance sheet, Profit and Loss Account and

Cash Flow Statement dealt with by this report are in agreement with the books of account;

- d) In our opinion, the Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) The Branch Auditors' report of the Gurgaon branch has been forwarded to us and the same has been appropriately dealt with in the preparation of this report;
- f) On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on March 31, 2010 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- g) In our opinion and to the best of our information, and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in case of the Balance sheet, of the state of affairs of the Company as at March 31, 2010;
 - ii) in case of the Profit and Loss Account, of the profit for the year ended on that date and
 - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For KANU DOSHI ASSOCIATES

Chartered Accountants
Firm Reg.No: 104746W

Place: Mumbai
Date: May 27, 2010

ARATI PARMAR
Partner
Membership No.102888

**ANNEXURE TO THE AUDITORS' REPORT
(Referred to in Paragraph 3 of our report of even date
on the accounts of REMSONS INDUSTRIES
LIMITED for the year ended March 31, 2010)**

- i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The company has not disposed off a substantial part of fixed assets during the year.
- ii) (a) We are informed that the physical verification of inventories has been conducted by the management at reasonable intervals except for stock-in-transit and materials lying with third parties.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories. The discrepancies noticed during the physical verification of stocks as compared to the book records were not material and the same have been properly dealt with in the books of account.
- 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 and accordingly the sub-clauses (b), (c) and (d) of clause (iii) are not applicable to the company.

- (b) The company has taken interest free unsecured loans from directors and other parties covered in the register maintained under Section 301 of the Companies Act, 1956, the details of which are given below

Loan taken from	No. of Parties	Maximum Balance o/s(in Rs)	Closing Balance (in Rs)
Directors	2	71,933,886/-	71,933,886/-
Others	5	11,957,481/-	11,957,481/-

- (c) In our opinion, the rate of interest of these loans taken by the Company is not, prima facie, prejudicial to the interest of the Company. However, in the absence of any stipulations in respect of other terms and conditions of these loans, we are unable to comment in respect thereof.
- (d) In the absence of stipulations in respect of the terms of payment of principal amount of the aforesaid loans, we are unable to comment whether payment of principal is regular.

- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.

- v) (a) According to the information and explanations given to us, we are of the opinion that transactions that need to be entered in the register required to be maintained under section 301 of the Companies Act, 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- vi) The Company has not accepted any deposits from the public within the meaning of the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules made there under. Hence, clause (vi) of the order is not applicable.
- vii) The internal audit functions of the company have been carried out during the year by a firm of Chartered Accountants appointed by the management and the same is commensurate with the size of the Company and nature of its business.
- viii) The Central Government has prescribed under Section 209(1) (d) of the Companies Act, 1956 maintenance of cost record for auto ancillary products. As per the certificate issued by the Cost Accountant, the company has maintained the prescribed accounts and records. However, we have not examined the records to determine whether they are accurate or complete.
- ix) (a) According to the information and explanations given to us and on the basis of records produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 2010 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, details of dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax and cess which have not been deposited as on March 31, 2010 on account of any disputes are given below:

Name of the statute	Nature of dues	Amount (Rs.)	Forum where the dispute is pending
Central Excise Act, 1944	Service Tax (Aug 2002 to April, 2003)	52,687/-	Central Excise and Service Tax Appellate Tribunal, Mumbai.
Central Excise Act, 1944	Excise Duty (from October'00 to May'01)	948,509/-	Central Excise and Service Tax Appellate Tribunal, Mumbai.

- x) The Company has no accumulated losses at the end of the year and it has not incurred cash losses in the current year or in the immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii) According to the information and explanations given to us, 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) In our opinion, the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments hence the provisions of the clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantees for loans taken by others from any Bank or financial institution.
- xvi) The company has not availed of any term loans during the year, nor are there any amounts outstanding in respect of term loans taken in earlier years.
- xvii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short-term basis have,
- prima facie, not been used during the year for long-term investments.
- xviii) The Company has not made any 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) According to the information and explanations given to us and the records examined by us, no debentures were issued by the company during the year.
- xx) The Company has not raised any money by way of public issues during the year.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **KANU DOSHI ASSOCIATES**

Chartered Accountants
Firm Reg.No: 104746W

Place: Mumbai.
Dated: May 27, 2010

ARATI PARMAR
Partner
Membership No.102888

BALANCE SHEET AS AT 31st MARCH, 2010.

	Schedule	As at 31.3.2010 Rs	As at 31.3.2009 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS:			
Share Capital	A	57,133,570	57,133,570
Reserves and Surplus	B	26,649,578	9,940,992
		<u>83,783,148</u>	<u>67,074,562</u>
LOAN FUNDS			
Secured Loans	C	87,309,238	88,879,155
Unsecured Loans	D	83,891,367	83,891,367
		<u>171,200,605</u>	<u>172,770,522</u>
DEFERRED TAX LIABILITIES (NET)		822,269	(11,760,054)
(See Note 2 of Schedule 'S')		<u>255,806,022</u>	<u>228,085,030</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	E	307,365,453	290,873,444
Less: Depreciation		167,920,032	155,137,813
Net Block		<u>139,445,421</u>	<u>135,735,631</u>
Capital Work in Progress		903,548	58,492
(See Note 9 of Schedule 'S')		<u>140,348,969</u>	<u>135,794,123</u>
INVESTMENTS	F	1,999,918	5,226,262
CURRENT ASSETS, LOANS AND ADVANCES			
Current Assets	G	212,123,211	178,381,210
Loans and Advances	H	17,304,403	10,523,422
		<u>229,427,614</u>	<u>188,904,632</u>
Less: Current Liabilities and Provisions	I	115,970,479	101,839,987
Net Current Assets		<u>113,457,135</u>	<u>87,064,645</u>
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
VRS/ Preliminary/ Amalgamation Expenditure	J	---	---
		<u>255,806,022</u>	<u>228,085,030</u>
Significant accounting policies notes forming integral part of the Balance Sheet.	R S		

As per our report of even date
For Kanu Doshi Associates
Chartered Accountants
Arati Parmar
Partner
Mem. No. 102888
Place : Mumbai
Dated : 27th May, 2010

For and on behalf of the Board
V.Harlalka Chairman
K.Kejriwal Managing Director
Sukhdeo Purohit Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

	Schedule	2009-10 Rs.	2008-09 Rs.
INCOME			
Sales	K	739,861,131	620,644,013
Less : Excise Duty (See Note 19 of Schedule 'S')		49,531,301	62,524,680
Net Sales		690,329,830	558,119,333
Other Income	L	15,792,069	8,093,204
		706,121,899	566,212,537
EXPENDITURE			
Manufacturing Expenses	M	465,056,655	395,065,545
Decrease / (Increase) in Stock	N	(4,963,761)	(412,865)
Employees' Cost	O	84,338,047	70,193,963
Administrative, Selling & Other Expenses	P	101,619,665	82,131,417
Financial Expenses	Q	7,060,707	9,729,435
Depreciation (See Note 13 of Schedule 'S')	E	16,455,940	16,980,035
		669,567,253	573,687,530
Profit before Extra ordinary items & Tax		36,554,646	(7,474,994)
<u>Extra ordinary items</u>			
Prior Period Expenses		78,805	---
Loss (Profit) on Sale of Fixed assets (Net)		---	(45,589,799)
Provision for Doubtful Debts		732,204	(1,841,678)
VRS Expenses amortised		---	12,395,509
Profit after Extra ordinary items		35,743,637	27,560,974
<u>Provision for Taxation</u>			
Less - Corporate Tax		---	650,000
Less - MAT Credit Entitlement		6,800,000	2,550,000
Less - Fringe Benefit Tax		---	600,000
Add - Deffered Tax Liabilities (Assets) (See Note 2 of Schedule 'S')		12,582,323	12,468,960
Less - Wealth-tax		---	20,000
Add:Short / (Excess) provision for Income Tax of earlier years		(347,272)	---
Profit after Tax		16,708,586	11,272,014
Add: Balance brought forward from last year		8,315,987	(2,956,027)
Funds available for Appropriation		25,024,573	8,315,987
Balance carried to Balance Sheet		25,024,573	8,315,987
Basic and diluted Earning Per Share, including extra ordinary items. (See Note 4 of Schedule 'S')		2.92	1.97
Basic and diluted Earning Per Share, excluding extra ordinary items. (See Note 4 of Schedule 'S')		2.92	(1.51)
Significant accounting policies	R		
Notes forming integral part of the Profit & Loss Account.	S		

As per our report of even date

For and on behalf of the Board

For Kanu Doshi Associates

Chartered Accountants

V.Harlalka

Chairman

Arati Parmar**Partner**

Mem. No. 102888

K.Kejriwal

Managing Director

Place : Mumbai

Dated : 27th May, 2010

Sukhdeo Purohit**Company Secretary**

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	As at 31.3.2010	As at 31.3.2009
	Rs.	Rs.
SCHEDULE 'A'		
SHARE CAPITAL		
Authorised -		
12,000,000 (Previous year 12,000,000) Equity Shares of Rs.10/- Each.	<u>120,000,000</u>	<u>120,000,000</u>
Issued,Subscribed and fully Paid- up		
57,13,357 (Previous year 57,13,357) Equity Shares of Rs.10/- each.	<u>57,133,570</u>	<u>57,133,570</u>
 Note : 1. Paid up Capital includes 4,810,000 (previous year 4,810,000)Shares allotted as fully Paid Bonus shares by Capitalisation from General & Revaluation Reserve.		
2. Paid up Capital includes 6,53,357 (previous year 6,53,357) Shares allotted as fully Paid after considering 3,79,500 shares (previous year 3,79,500)cancelled pursuant to the Scheme of Amalgamation .		
 SCHEDULE 'B'		
RESERVES AND SURPLUS		
1. Capital Reserve		
Cash Capital Subsidy		
(a) Balance as per last account	335,805	335,805
2. State Capital Subsidy		
(a) Balance as per last account	1,289,200	1,289,200
3. Surplus in Profit & Loss Account	<u>25,024,573</u>	<u>8,315,987</u>
	<u>26,649,578</u>	<u>9,940,992</u>

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	As at 31.3.2010	As at 31.3.2009
	Rs.	Rs.
SCHEDULE 'C'		
SECURED LOANS		
LOANS FROM BANKS		
Cash Credits from Bank	40,407,025	83,330,491
Foreign Currency Term Loan	---	5,548,664
Foreign Currency working capital Loan	45,580,000	---
Hire Purchase Finance	1,322,213	---
	87,309,238	88,879,155
	87,309,238	88,879,155
A. Secured Loans comprising of cash credits, foreign currency Term Loan & Foreign Currency working capital loan from Banks are secured against the Hypothecation of entire stocks, current assets, equitable Mortgage on Land and Building of various situated properties, charge over machinery/ moveables of the Company wherever situated, These loans are also guaranteed by the Managing Director & a whole time Director of the Company.		
B. Foreign Currency Term Loan due within a year Rs. Nil (Previous Year Rs. 51,42,942/-)		
C. Hire Purchase finance was secured against Hypothecation of respective vehicles taken under the scheme. Due within a year Rs. 4,58,878/- (Previous Year Rs. Nil)		
SCHEDULE 'D'		
UNSECURED LOANS:		
From Directors	71,933,886	71,933,886
From Others	11,957,481	11,957,481
	83,891,367	83,891,367
	83,891,367	83,891,367



REMSONS INDUSTRIES LTD.

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 'E' FIXED ASSETS

Amount in Rs.

PARTICULARS	GROSS BLOCK						DEPRECIATION			NET BLOCK	
	AT COST OR BOOK VALUE 01.04.2009	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	AT COST OR BOOK VALUE AS AT 31.03.2010	AS AT 01.04.2009	DURING THE YEAR	DEDUCTION/ SALE DURING THE YEAR	TOTAL	AS AT 31.3.2010	AS AT 31.3.2009	
TANGIBLE ASSETS											
LAND	6,983,145	---	---	6,983,145	---	---	---	---	6,983,145	6,983,145	
BUILDING	49,479,885	2,528,309	---	52,008,194	21,241,848	1,527,378	---	22,769,226	29,238,968	28,238,037	
PLANT & MACHINERY	191,765,861	15,236,614	2,128,015	204,874,460	101,692,550	11,722,550	444,775	112,970,325	91,904,134	90,073,311	
FURNITURE & FIXTURES	14,418,430	162,682	---	14,581,112	10,407,445	756,338	---	11,163,783	3,417,329	4,010,985	
OFFICE EQUIPMENT	18,664,136	1,527,048	91,500	20,099,684	15,179,332	1,260,760	49,355	16,390,737	3,708,947	3,484,804	
VEHICLES	8,070,270	1,730,053	3,900,294	5,900,029	6,381,119	511,165	3,179,591	3,712,693	2,187,336	1,689,151	
LEASE HOLD PREMISES	444,681	1,038,869	---	1,483,550	106,459	275,009	---	381,468	1,102,082	338,222	
INTANGIBLE ASSETS											
SOFTWARE	1,047,036	388,243	---	1,435,279	129,060	402,740	---	531,800	903,479	917,976	
	290,873,444	22,611,818	6,119,809	307,365,453	155,137,813	16,455,940	3,673,721	167,920,032	139,445,421	135,735,631	
PREVIOUS YEAR	304,424,011	16,256,846	29,807,413	290,873,444	154,303,284	16,980,035	16,145,506	155,137,813	135,735,631		

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 'F'**INVESTMENTS (At Cost)****LONG TERM (Quoted/ Non-Trade) :**

Fully Paid up Equity Shares of Joint Stock Companies	Face Value (Rs. Ps.)	No of Shares 31.3.2010	As on 31.3.2010 (Rs. Ps.)	No of Shares 31.3.2009	As on 31.3.2009 (Rs. Ps.)
Value Industries Ltd	10	100	5,000	100	5,000
Videocon Industries Ltd	10	3	5,000	3	5,000
Reliance Industries Limited	10	96	20,060	48	20,060
			30,060		30,060
Less : Dimination in value of investment.			8,798		8,798
Total		199	21,262	151	21,262

(Unquoted/Trade) :

Fully Paid up Equity Shares of	Face Value (Rs. Ps.)	No of Shares 31.3.2010	As on 31.3.2010 (Rs. Ps.)	No of Shares 31.3.2009	As on 31.3.2009 (Rs. Ps.)
Orscheln Remsons Technologies Pvt Ltd	10	500,000	5,000,000	500,000	5,000,000
Less : Dimination in value of investment.			3,226,344		---
Net			1,773,656		5,000,000
Remsons Cables Industries Pvt Ltd	100	500	50,000	500	50,000
Goodluck Electronics Pvt Ltd	100	1,250	125,000	1,250	125,000
(Formally known as Western Remsons Industries Pvt Ltd					
		501,750	1,948,656	501,750	5,175,000
NSC (Pledge with Central Sales Tax Authority)			30,000		30,000
Total Investment		501,949	1,999,918	501,901	5,226,262

- Note :** 1. Market Value of quoted shares on aggregate basis Rs.106,066/- (Previous Year Rs. 74,390/-).
2. During the year,the company has invested nil. (Previous Year 4,00,000 Equity Shares of Orscheln Remsons Technologies Pvt Ltd.)

SCHEDULE 'G'
CURRENT ASSETS

	As at 31.3.2010 Rs.	As at 31.3.2009 Rs.
1. Inventories: (As taken, valued and certified by Management) (See Note 10 of Schedule "S")	76,146,935	73,418,828
2. Sundry Debtors: (See Note 11 of Schedule "S") (Unsecured)		
(i) Debts outstanding for a period exceeding six months.-considered good	4,012,070	15,185,985
-considered doubtful	7,110,549	9,319,572
(ii) Other Debts -considered good	129,425,363	85,480,102
	140,547,982	109,985,659
Less : Provision for doubtful Debts.	7,110,549	9,319,572
3. Cash and Bank Balances:	133,437,433	100,666,087
(i) Cash on hand	388,639	172,430
(ii) Bank Balances:		
With scheduled banks		
a) In Current Accounts	879,065	298,298
b) In fixed/margin money deposit accounts (Pledged with the banks for Rs. 7,35,483/- Previous Year Rs. 32,34,956/-)	735,483	3,234,956
c) In unclaimed Dividend Accounts	61,301	63,476
d) In EEFC Accounts	474,355	527,135
	2,538,843	4,296,295
	212,123,211	178,381,210

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	As at 31.3.2010 Rs.	As at 31.3.2009 Rs.
SCHEDULE 'H'		
LOANS AND ADVANCES		
(Unsecured, considered good)		
(i) Advances recoverable in cash or in kind or for value to be received	3,633,322	2,889,730
(ii) Foreign Currency deferred Premium A/c	1,247,328	---
(iii) Deposits	1,501,575	1,353,144
(iv) Interest accrued on Fixed Deposits	82,296	373,686
(v) Balance with Government Authorities	3,670,977	4,546,368
(vi) Advance to suppliers		
a) For goods & expenses	1,513,924	657,087
b) For capital goods	5,654,981	703,407
	<u>17,304,403</u>	<u>10,523,422</u>
SCHEDULE 'I'		
CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities-		
1. Sundry Creditors		
For Goods	81,778,436	74,965,662
(See Note 8 of Schedule 'S')		
For Expenses	12,986,909	9,848,008
2. Others	13,210,976	10,619,618
3. Foreign Currency Forward Contract A/c (Net)	1,192,500	---
4. Deposits/Advance from customers	1,685,057	1,791,440
5. Investor Education & Protection Fund- Unpaid dividends (Not due)	54,481	54,481
	<u>110,908,359</u>	<u>97,279,209</u>
B. Provisions-		
1. For Taxation (Net)	2,400,099	1,603,286
2. For Gratuity (See Note 16 of Schedule 'S')	1,071,685	1,846,511
3. For Leave Encashment (See Note 16 of Schedule 'S')	1,590,336	1,110,981
	<u>5,062,120</u>	<u>4,560,778</u>
	<u>115,970,479</u>	<u>101,839,987</u>

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	As at 31.3.2010 Rs.	As at 31.3.2009 Rs.
SCHEDULE 'J'		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
VRS/Preliminary/ Amalgamation Expenditure		
(a) Balance as per last account	---	12,395,509
(b) Less : Amortised during the year	---	12,395,509
	<u>---</u>	<u>---</u>
	<u>---</u>	<u>---</u>
 SCHEDULE 'K'		
	2009-10	2008-09
	Rs.	Rs.
SALES		
Sales		
Local Sales	635,980,392	530,979,353
Export Sales	108,245,929	93,988,860
Less: Returns	4,365,190	4,324,200
	<u>739,861,131</u>	<u>620,644,013</u>

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 'L'		
OTHER INCOME		
Scrap sales	1,242,720	1,348,187
Interest received on Deposits & Others (Gross)	435,952	748,378
(T.D.S. Rs. 18,286/- Previous year Rs.1,27,613/-)		
Rent received	3,192,000	2,520,000
(T.D.S. Rs. 5,21,254/- Previous year Rs. 5,74,396/-)		
Dividend Received (Non Trade) (Long term)	683	685
Sundry balances written back (Net)	1,343,843	96,450
Conversion Charges Recd	7,006,008	5,069,582
(T.D.S. Rs. 1,48,695/- Previous year Rs. 1,14,677/-)		
DEPB Received	1,004,159	(1,754,475)
Miscellaneous Income	1,566,704	64,397
	<u>15,792,069</u>	<u>8,093,204</u>

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	2009-10 Rs.	2008-09 Rs.
SCHEDULE 'M'		
MANUFACTURING EXPENSES		
Raw material consumed	406,913,788	346,408,225
Stores & Tools consumed	14,843,500	9,753,779
Packing Materials consumed	9,797,167	8,712,450
Excise Duty on Stocks of Finished Goods (Net) (See Note 19 of Schedule 'S')	1,194,578	(683,526)
Power & Fuel consumed	13,835,891	12,344,526
Carriage Inward	3,058,457	3,618,380
Conversion charges	11,133,970	11,565,124
Repairs & Maintenance to Plant & Machinery	2,772,404	2,169,466
R & D & Other Manufacturing Expenses	1,506,900	1,177,121
	<u>465,056,655</u>	<u>395,065,545</u>
SCHEDULE 'N'		
DECREASE/ (INCREASE) IN STOCK -		
(i) Opening stock		
Semi finished goods	16,458,204	16,145,776
Finished goods.	22,159,713	22,055,110
Scrap	4,688	8,854
	<u>38,622,605</u>	<u>38,209,740</u>
(ii) Closing Stock		
Semi finished goods	11,825,081	16,458,204
Finished Goods	31,753,740	22,159,713
Scrap	7,545	4,688
	<u>43,586,366</u>	<u>38,622,605</u>
Decrease/ (Increase) in inventory (ii - i)	<u>(4,963,761)</u>	<u>(412,865)</u>
SCHEDULE 'O'		
EMPLOYEES' COST		
Salary, Wages, Bonus, Allowances etc .	77,299,390	64,174,889
Contribution to Provident Fund & other funds	2,421,994	2,283,219
Group Gratuity scheme Premium [Refer Note 16 of schedule 'S']	1,071,685	992,736
Leave Encashment	751,627	535,301
Welfare expenses	2,793,351	2,207,818
	<u>84,338,047</u>	<u>70,193,963</u>

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	2009-10 Rs.	2008-09 Rs.
SCHEDULE 'P'		
ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Insurance	875,697	995,558
Rates & Taxes	346,018	257,135
Printing & Stationery	1,109,374	1,120,987
Telephone expenses	1,653,540	1,748,323
Postage & Fax expenses	624,334	773,288
Security Service Charges	1,556,198	1,598,172
Travelling Expenses	2,167,492	1,624,426
Conveyance expenses	743,256	830,490
Legal & Professional charges	3,653,332	3,856,669
Sales Promotion/Publicity & Advertisement expenses	1,558,644	1,227,426
Commission	4,467,727	4,723,100
Discounts & Rebates	4,202,451	4,206,802
Warranty Charges Paid	3,933,544	1,974,860
Cash Discount	2,784,092	2,711,347
Bank charges	1,065,081	1,596,698
Electricity and Water charges	737,464	52,299
Rent Paid	3,072,540	3,078,350
Carriage Outward	22,169,313	18,558,711
Payment to Auditors		
Audit fees	150,000	
Tax Audit Fees	50,000	
Out of pocket expenses	14,587	
Branch Audit Fees	81,000	
In other capacity	75,000	
Vehicle expenses & Hire charges	370,587	280,694
Miscellaneous expenses	1,712,595	1,979,832
Loss on Sale of Fixed assets (Net)	896,763	702,138
Sales Tax	64,626	311,886
Service Tax	29,530,669	23,035,781
	104,045	143,871
Repairs & Maintenance		
To Building	946,484	
“ Others	1,657,032	
Donation	2,603,516	4,040,041
Directors Remuneration [Refer Note 12 of schedule 'S']	41,001	154,844
Director's sitting fees.	2,059,934	2,061,891
Exchange Rate Flactuation	65,000	52,500
Dimunation in Investment' [Refer Note 21 of schedule 'S']	4,189,773	(1,568,793)
Bad debts	3,226,344	2,091
Less : Provision for Doubtful Debts	2,975,941	
	(2,941,226)	
	<u>101,619,665</u>	<u>82,131,417</u>
SCHEDULE 'Q'		
FINANCIAL EXPENSES		
INTEREST		
On Bank Cash Credit/ Foreign Currency Term Loan	6,985,318	9,562,819
“ Others	75,389	166,616
	<u>7,060,707</u>	<u>9,729,435</u>



SCHEDULE “ R ”

**SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE BALANCE SHEET AND
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010.**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

- i) **Basis of Accounting** - The financial statements have been prepared in accordance with the historical cost convention except so far as they relate to the revaluation of certain fixed assets. Revenue/income and costs/ expenditures, which are material in nature, are accounted for on accrual basis as they are earned or incurred. The said financial statements have been prepared to comply in all material aspects in respect with the Notified Accounting Standard by Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- ii) **Use of Estimates** - The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reported period. Differences between actual results and estimates are recognized in the period in which the results get materialized.
- iii) **Fixed Assets and Depreciation**
- a) **Fixed Assets :-**
All fixed assets are valued at cost less accumulated depreciation (other than freehold land where no depreciation is charged) except that certain assets revalued are adjusted for revaluation.
- b) **Capital-work-in-progress** are carried at cost, comprising direct cost, related incidental expenses and attributable interest.
- c) **Depreciation :-** Depreciation has been charged on straight line method on Buildings, Plants and Machineries, Electric Installations and Dies & Moulds, all other assets on written down value method at the rate and manner prescribed in Schedule XIV of the Companies Act, 1956.
- d) **Depreciation on the increased cost of fixed assets due to revaluation** is charged to profit & loss account.
- e) **Depreciation on Leasehold Improvements** is charged over the period of lease.
- f) **All assets costing upto Rs. 5000/-** are fully depreciated in the year of purchase.
- iv) **Investments** : Long term investments are stated at cost less other than temporary diminution in value if any. Current investments are stated at lower of cost and quoted/ fair value.
- v) **Inventories :-** Raw materials, Packing materials, Stores and Spare parts are valued at Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. (FIFO Method). Semi finished goods are valued at lower of estimated cost and net realisable value & Finished goods are valued at lower of cost or net realisable value. Scrap is valued at net realisable value.
- vi) **Contingent Liabilities:-** Contingent liabilities are not provided for in the accounts.
- vii) **Revenue Recognition :-** Sale of goods is recognized when the risk and rewards of ownership are passed on to the customers, which is generally on despatch of goods. Conversion Charges Income is recognised as per the terms of contract with customers when the related services are rendered. DEPB income recognised as and when export get completed. State Govt. Freight subsidy recognised in income as and when it received.
- viii) **Foreign Exchange Transactions:-**
- a) **Transactions in foreign currencies** are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of Monetary items at the end of the year, is recognised as income or expense.

- b) Any premium or discount arising at the inception of the forward exchange contract is recognized as income or expense over the life of the contract. Exchange difference on a forward exchange contract is the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting / settlement date and the said amount translated at the later date of inception of the contract / last reporting date.
- ix) **Lease Rent Transactions:** Lease Rentals are accounted for on accrual basis as per the terms of the agreement. Lease transactions in respect of all assets leased after April 1,2001 are classified as either finance lease or operating lease as the case may in accordance with AS 19 issued by The Institute of Chartered Accountants of India and the accounting treatment and disclosure given/ made as prescribed therein.
- x) **Research and Development Expenditure:-** Revenue expenditure on Research and Development is charged against the profit of the year in which it is incurred.
- xi) **Excise and Import duty :-**
- a) Excise duty in respect of goods manufactured by the Company is accounted on completion of manufacturing of goods.
- b) Import duty payable is accounted as and when the goods enter the territory waters of the country.
- xii) **Employee Benefits :**
- i) Short Term Employee Benefits - All employee benefits payable within twelve months of rendering the service are recognised in the period in which the employee renders the related service.
- ii) Post Employment/Retirement Benefits - Defined Contribution Plans such as Provident Fund etc. are charged to the Profit and Loss Account as incurred.
Defined Benefit Obligation Plans - The present value of the obligation under such plans, is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit and Loss Account. In case of gratuity, which is funded with the Life Insurance Corporation of India, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.
- iii) Other Long Term Employee Benefits are recognized in the same manner as Defined Benefit Plans.
- xiii) **Taxation :** Provision for Income Tax, comprising of current tax and deferred tax, is made on the basis of the results of the year. In accordance with Accounting Standard 22- Accounting for Taxes on Income, issued by the Institute of Chartered Accountant of India Deferred tax resulting from timing difference between the book profits and the tax profits for the year is accounted for using the tax rate and laws that have been enacted or substantively enacted as of the balance sheet date. The Deferred tax assets are recognised & carried forward only to the extent that there is a reasonable certainty of its realisation.
- xiv) **Borrowing Cost :** Borrowing cost which is directly related to the acquisition, construction or production of qualifying assets are capitalised in accordance with AS-16 Borrowing Cost issued by the Institute of Chartered Accountants of India.
- xv) **Intangibles :** Intangible assets are recognised if it is probable that the future economic benefits attributable to the asset will flow to the enterprise and cost of the asset can be measured reliably in accordance with AS - 26 on Intangible assets issued by The Institute of Chartered Accountants of India. Intangible assets are amortised on straight line basis over the useful lives determined on the basis of expected future economic benefits. The amortisation period and method would be reviewed at the end of each financial year. Softwares are amortised over a period of 36 Months.
- xvi) **Impairment of Assets :** At each balance sheet date the company assesses whether there is any indication that an asset may be impaired, If any such indications exists , the company estimates the recoverable amount. If the carrying amount of the asset exceeds the recoverable amount , an impairment loss is recognised in the profit and loss account to the extent of carrying amount exceeds the recoverable amount
- xvii) **Provision for Bad & doubtful debts :** Provision is made in accounts for bad & doubtful debts which in the opinion of the Management are considered doubtful.

SCHEDULE “S”
**NOTES FORMING PART OF THE BALANCE SHEET AND
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**
1. Contingent Liabilities not provided for:-

These, if any, are disclosed in the notes on accounts. Provision is made in the accounts if it becomes probable that an out flow of resources embodying economic benefits will be required to settle the obligation.

- a) Towards guarantees given by Bankers on behalf of the Company of Rs 7,77,500/- (Previous Year Rs.6,67,500/-)
- b) Estimated amounts of contracts remaining to be executed on capital account (net of advances) not provided for Rs 92,03,197/- (Previous Year Rs. 18,72,608/-).
- c) In respect of Sales Tax Demand Rs 1,03,048/- (Previous year Rs. Nil).
- d) In respect of Excise duty for Rs.9,48,509/-(Previous year Rs. 9,48,509/-). which is under appeal.
- e) In respect of Service Tax for Rs. 52,687/-(Previous year Rs. 52,687/-). which is under appeal.

2. Deferred Tax:

- (i) During the year ended 31st March,2010, The Company has recognised Deffered Tax Liabilities / (assets) of Rs. 1,25,82,323/- (Previous Year Rs. (1,24,68,960)).
- (ii) The break up of deferred tax assets and liabilities as at March 31, 2010 comprises of the following :

	As at 31.03.2010	2009-10	As at 31.03.2009
Deferred tax liability :			
Related to Fixed Assets	22,202,484	(3,693,881)	25,896,364
A	<u>22,202,484</u>	<u>(3,693,881)</u>	<u>25,896,364</u>
Deferred tax assets :			
Provision for Doubtful debts	2,361,947	(805,776)	3,167,723
Business Losses/ Unabsorbed Depreciation	15,555,562	(14,012,463)	29,568,025
Others	3,462,706	(1,457,965)	4,920,671
B	<u>21,380,215</u>	<u>(16,276,204)</u>	<u>37,656,419</u>
Net Deferred tax Assets/(Liability)	A-B	<u>(822,269)</u>	<u>11,760,054</u>

3. (a) Primary Segment : The company is in the business of manufacturing Automotive Components parts & all its products fall in the same segment as nature of the products, production process, methods used for distribution, the regulatory environment and the resulting risks & rewards associated business lines are not materially different hence, it operates in only one primary segment (Business). Secondary segmental reporting is based on the geographical location of customers. The following is the distribution of the companies sale by geographical markets and segment assets which can be attributed to customers in such markets.

(b) **Secondary Segment : Geographic Segment**

Segment Revenue	2009-10	2008-09
India	631,615,202	526,655,153
Rest of world	108,245,929	93,988,860
	739,861,131	620,644,013
	739,861,131	620,644,013
Segment Assets	2009-10	2008-09
India	214,210,837	203,794,010
Rest of world	41,595,185	24,291,020
	255,806,022	228,085,030
	255,806,022	228,085,030

4. Earning Per Share	2009-10	2008-09
Profit Attributable to equity shareholders	16,708,586	11,272,014
Number of equity shares (Face value Rs.10/-each.)	5,713,357	5,713,357
Basic and diluted Earning Per Share, including extra ordinary items	2.92	1.97
Basic and diluted Earning Per Share, excluding extra ordinary items	2.92	(1.51)

5. Sundry debtors, sundry creditors and loans and advances are subject to confirmation and reconciliation if any.
6. In the opinion of the management the current assets, loans and advances are of the value stated in the Balance Sheet if realised in the ordinary course of the business.
7. The Company has acquired assets on hire purchase, the fair value of which is Rs. 14,65,000/- (Previous year Rs. Nil.) The Company has capitalised the said assets at the fair value considering the hire purchase arrangements are in nature of Finance Lease as defined in Accounting Standard 19 on "Leases". Installment payments are apportioned between finance charge and deduction of Liabilities disclosed under Secured Loans. The details of installments payable in future are as follows :

Particulars	Not Later than 1 Year	Later than 1 Year not later than 5 Years	Total
Minimum Installments Payable (MIP)	573,864	941,940	1,515,804
Present Value of Installments Payable (PVIP)	458,878	863,336	1,322,213
(Difference between MIP and PVIP represents future financial charges)	114,986	78,604	193,591

8. In terms of Section 22 of Micro, Small and Medium Enterprises Development Act, 2006, the outstanding of these enterprises are required to be disclosed. However, these enterprises are required to be registered under the Act. In the absence of the information about registration of the Enterprises under the above Act, the required information could not be furnished. In view of above and in absence of relevant informations, the Auditor have relied upon the same.

9. Capital Work in Progress includes :

ITEM	2009-10	2008-09
a) Advances against capital expenditure*	903,548	58,492
	<u>903,548</u>	<u>58,492</u>

* Includes interest capitalised of Rs.Nil (Previous Year Rs. Nil)

10. Inventories include

ITEM	2009-10	2008-09
	Rupees	Rupees
a) Raw Materials	30,820,296	33,439,469
b) Packing Materials	431,813	401,102
c) Consumable Stores & Tools	650,387	814,800
d) Semi-finished goods	11,825,082	16,458,205
e) Finished goods	31,753,740	22,156,103
f) Stock-in-transit	658,072	140,851
g) Scrap	7,545	4,688
h) Trading goods	---	3,610
	<u>76,146,935</u>	<u>73,418,828</u>

11. Sundry Debtors include debts due from Companies / Firms in which Directors are interested / Partners (See note No. 17 of Schedule "S")

	---	4,838,758
	<u>---</u>	<u>4,838,758</u>

12. Payment to the Managing Director and Whole time Director.

	Rupees	Rupees *
Salaries & Allowances	1,656,000	1,656,000
Perquisites	156,000	156,000
Contribution to Provident Funds	187,200	187,200
Medical Reimbursement	60,734	62,691
	<u>2,059,934</u>	<u>2,061,891</u>

*Note : In view of inadequacy of profits during the previous year, the Company has paid remuneration to its Directors as per the limits prescribed in Schedule XIII of the Companies Act, 1956.

	2009-10	2008-09
13. Depreciation:		
Depreciation on fixed assets for the year	15,908,374	16,432,469
Depreciation on revalued assets for the year	547,566	547,566
	<u>16,455,940</u>	<u>16,980,035</u>

During the year Rs. 5,47,566/- (Previous year Rs. 5,47,566/-) depreciation of revalued assets charged to profit & loss account.

14. Revaluation of Land, Buildings & Plant & Machineries made on the following dates on the basis of revaluation carried out by an approved valuer.

On 31-3-92	Rs.	44,106,079
On 31-3-94	Rs.	18,488,700
	Rs.	62,594,779

The revaluation has resulted in a surplus of Rs. 6,25,94,779/- which has been credited to the revaluation reserve in the respective years of revaluation.

15. Additional information under paragraphs 3, 4C and 4D of Part-II of Schedule VI to the companies Act 1956.

A. Quantitative Information of goods manufactured/traded:

i)	Licensed Capacity	Unit	
	Daman	Nos.	3,492,720 (3,492,720)
	Gurgaon	Nos.	22,300,000 (22,300,000)
			Auto Control Cables
			Auto Control Cables
ii)	Installed capacity : (As certified by management and accepted by auditors without verification as it is a technical matter)	Unit	
		Nos.	23,092,720 (23,092,720)
		Nos.	3,500,000
		Nos.	(3,500,000)
			Speedometer Cables
		Unit	2009-10
			2008-09
iii)	Production :		
	Auto Control Cables	Nos	19,677,727
	Auto Control Cables-Mtrs.	Mtrs	3,196,880
	Speedometer Cables	Nos	---
			15,526,384
			3,544,591
			204,585



REMSONS

INDUSTRIES LTD.

B Turnover and Stock of finished goods

		2009-10		2008-09	
		Quantity Nos	Value Rs.	Quantity Nos	Value Rs.
i)	Opening Stock				
	Auto Control Cables	638,557	22,143,443	645,926	20,856,776
	Speedometer Cables-Nos	---	---	28,455	402,730
	Gas Guard	1,266	12,660	1,266	723,404
			<u>22,156,103</u>		<u>21,982,911</u>
ii)	Sales (Net of Returns)				
	Auto Control Cables-Nos	19,576,836	735,078,622	15,533,753	612,921,471
	Auto Control Cables-Mtrs.	3,196,880	4,767,093	3,544,591	6,525,491
	Speedometer Cables-Nos	---	---	233,040	1,197,051
	Gas Guard	1,266	15,416	---	---
			<u>739,861,131</u>		<u>620,644,013</u>
iii)	Closing Stock				
	Auto Control Cables-Nos	739,448	31,753,740	638,557	22,143,443
	Gas Guard	---	---	1,266	12,660
			<u>31,753,740</u>		<u>22,156,103</u>

C. Turnover and Stock of Trading Materials:

		2009-10		2008-09	
		Quantity Nos	Value Rs.	Quantity Nos	Value Rs.
i)	Opening stock	Nos. 361	3,610	361	72,200
ii)	Purchases	Nos. ---	---	---	---
iii)	Sale	Nos. 361	---	---	---
iv)	Closing stock	Nos. ---	---	361	3,610

Note : In view of large number of them, itemwise breakup is not furnished.

D. Raw Materials Consumed during the year:

		2009-10			2008-09	
		Unit	Quantity Nos	Value Rs.	Quantity Nos	Value Rs.
i)	Wire	Kgs	2,276,297	113,637,955	1,866,509	110,787,482
ii)	Auto Cords	Mts	9,610,489	20,773,522	6,713,339	13,463,044
iii)	PVC	Kgs	675,649	40,721,281	544,473	34,208,685
iv)	Components		---	218,179,949	---	176,658,077
v)	Non-ferrous Metal	Kgs	40,352	5,448,565	37,835	4,213,499
vi)	Semi finished		---	8,152,515	---	7,077,438
				406,913,788		346,408,225

Note : As components and semi finished are numerous and in different units of nos.,kgs.,meters and coils, quantitative information in respect thereof has not been given as required under Part II of Schedule VI to the Companies Act, 1956.

E. C I F Value of Imports:

		2009-10 Value (Rs.)	2008-09 Value (Rs.)
i)	Raw Materials	11,644,099	25,057,717
ii)	Plant & Machineries	2,342,445	---
		13,986,544	25,057,717

F. Total value of raw materials consumed:

	Raw Materials				Stores				
	2009-10 value	%	2008-09 value	%	2009-10 value	%	2008-09 value	%	
Imported	17,910,610	4.42%	15,325,831	4.42%	---	0.00%	---	0.00%	
Indigenous	389,003,177	95.58%	331,082,394	95.58%	14,843,500	100.00%	9,753,779	100.00%	
<hr/>									
	406,913,788	100.00%	346,408,225	100.00%	14,843,500	100.00%	9,753,779	100.00%	



REMSONS INDUSTRIES LTD.

G: Expenditure in foreign currency (on the basis of payment)

	2009-10 Rs.	2008-09 Rs.
For Reimbursement of Exp.	744,706	1,072,519
Consultancy charges	1,515,070	1,581,967
Rent	387,350	500,000
Fees & Subscription	30,304	40,661
Bank Interest	377,176	619,434
Repayment of Term Loan	5,094,064	4,711,628
Commission	3,730,471	4,354,440
	<u>11,879,141</u>	<u>12,880,649</u>

H. Earning in foreign currency

	2009-10 Rs.	2008-09 Rs.
FOB Value of Export	95,684,694	83,935,970
	<u>95,684,694</u>	<u>83,935,970</u>

16. EMPLOYEES' BENEFITS :

- a) Defined benefit plans as per actuarial valuation on 31st March,2010.

Gratuity Funded Rs.

I Expenses recognised in the Statement of Profit & Loss for the year ended 31st March,2010.

	2009-10	2008-09
1. Current Service Cost	428,695	383,093
2. Interest Cost	415,981	360,325
3. Employee Contributions	---	---
4. Expected return on plan assets	413,915	197,346
5. Net Actuarial (Gain) / Losses	640,924	446,664
6. Past Service Cost	---	---
7. Settlement Cost	---	---
8. Total Expenses	1,071,685	992,736

II Net Assets/ (Liabilities) recognised in the Balance Sheet as at 31st March,2010.

1. Present value of Defined Benefit Obligations as at end of year.	6,463,692	5,199,766
2. Fair value of plan assets as at 31st March,2010.	5,392,007	3,353,255
3. Funded status [Surplus/(Deficit)]	(1,071,685)	(1,846,511)
4. Net assets/ (liabilities)as at 31st March,2010.	(1,071,685)	(1,846,511)

III Change in obligation during the year ended 31st March,2010.

1.	Present value of Defined Benefit Obligation at beginning of the year.	5,199,766	4,504,066
2.	Current Service Cost	428,695	383,093
3.	Interest Cost	415,981	360,325
4.	Settlement Cost	---	---
5.	Past Service Cost	---	---
6.	Employee Contributions	---	---
7.	Actuarial (Gain) / Losses	640,924	446,664
8.	Benefits Payments	221,674	494,382
9.	Present value of Defined Benefit Obligation at the end of the year.	6,463,692	5,199,766

IV Change in Assets during the year ended 31st March,2010.

1.	Plan assets at the beginning of the year.	3,353,255	1,656,733
2.	Assets acquired on amalgamation in previous year	---	---
3.	Settlements	---	---
4.	Expected return on plan assets	413,915	197,346
5.	Contributions by Employer	1,846,511	1,993,558
8.	Actual benefits Paid	221,674	494,382
7.	Actuarial (Gain) / Losses	---	---
8.	Plan assets at the end of the year.	5,392,007	3,353,255
9.	Actual return on plan assets	413,915	197,346

V The major categories of plan assets as a percentage of total plan.

Qualifying Insurance Policy

VI Actuarial Assumptions:

a)	Discount Rate	8.00%	8.00%
	Salary Escalation	4.00%	4.00%
b)	Provision towards liability for Leave Encashment made on the basis of actual valuation as per Accounting Standard 15(Revised). Actual value of liability is Rs. 15.90 Lacs.(Previous year Rs. 11.11 Lacs)		

17. RELATED PARTIES DISCLOSURE:

As per Accounting Standard-18 issued by the Institute of Chartered Accountants of India, the disclosure of parties & transactions during the year as deemed in the Accounting Standard are given below :

Related parties with whom the company had transactions.

- 1 Remsons Cables Industries Private Ltd.
- 2 Orscheln Remsons Technologies Pvt Ltd (JV)
- 3 Goodluck Electronics Private Ltd.
4. Orscheln Products LLC
- 5 Krishna Industries

2 KEY MANAGEMENT PERSONNEL.

- 1 Mr. V.Harlalka
- 2 Mr. Krishna Kejriwal
- 3 Mrs. Chand Kejriwal

3 RELATIVE OF KEY MANAGEMENT PERSONS.

- 1 Mrs. Sita Harlalka
- 2 Mr. Basant Kejriwal
3. Mr. Rahul Kejriwal
4. Ms. Raneer Khatkhate
5. Mrs. Shivani Kejriwal
6. V.Harlalka HUF
7. Krishna Kejriwal HUF
- 8.. Rahul Kejriwal HUF

38th ANNUAL REPORT 2009-2010

**DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES
AS ON 31ST MARCH, 2010.**

PARTICULARS	OTHER RELATED PARTIES		KEY MANAGEMENT PERSONNEL & RELATIVES	
	2009-10	2008-09	2009-10	2008-09
Investment in Shares	-	4,000,000		
Orscheln Remsons Technologies Pvt Ltd	-	4,000,000		
Others	-	-		
Sale of goods/services	17,781,115	19,674,390	-	-
Remsons Cables Industries Pvt Ltd	17,372,593	15,934,221		
Orscheln Products LLC	373,709	1,281,039		
Orscheln Remsons Technologies Pvt Ltd	34,813	2,459,130		
Others	-	-		
Purchase of goods/services	5,753,643	5,721,971	-	-
Remsons Cables Industries Pvt Ltd	4,557,673	4,630,357		
Orscheln Remsons Technologies Pvt Ltd	1,195,970	484,698		
Orscheln Products LLC	-	606,916		
Others	-	-		
Sale of Fixed assets	-	204,000	-	-
Krishna Industries	-	204,000		
Others	-	-		
Purchase of Fixed assets	1,141,290	-	-	-
Orscheln Products LLC	1,141,290	-		
Others	-	-		
Rent paid	2,400,000	2,400,000	96,000	96,000
Goodluck Electronics Pvt Ltd	2,400,000	2,400,000		
Mrs.Shivani Kejriwal	-	-	96,000	96,000
Others	-	-	-	-
Rent Received	3,192,000	2,520,000	-	-
Remsons Cables Industries Pvt Ltd	2,400,000	1,800,000		
Orscheln Remsons Technologies Pvt Ltd	792,000	720,000		
Others	-	-		
Conversion Charges Recd	6,855,280	5,052,165	-	-
Remsons Cables Industries Pvt Ltd	6,855,280	5,052,165		
Others	-	-		
Conversion Charges Paid	10,443	105,443	-	-
Krishna Industries	10,443	105,443		
Others	-	-		
Commission Paid	-	-	20,245	16,246
Mr.Basant Kejriwal	-	-	20,245	16,246
Others	-	-	-	-
Remuneration	-	-	2,419,935	2,421,890
Mr.Krishna Kejriwal	-	-	1,180,349	1,185,497
Mrs.Chand Kejriwal	-	-	879,586	876,393
Mr.Rahul Kejriwal	-	-	360,000	360,000
Director Sitting Fees	-	-	65,000	52,500
Mr. V.Harlalka	-	-	12,500	15,000
Mr. S.B.Parwal	-	-	17,500	12,500
Others	-	-	35,000	25,000
Reimbursement of Expenses incurred/ Recovered	3,209,043	5,536,107	-	-
Remsons Cables Industries Pvt Ltd	3,209,043	4,734,041		
Orscheln Remsons Technologies Pvt Ltd	-	802,066		
Loans Recovered	-	-	-	-
Orscheln Remsons Technologies Pvt Ltd	-	-		
Receivables	237,823	4,847,618	-	-
Remsons Cables Industries Pvt Ltd	-	2,049,713		
Orscheln Remsons Technologies Pvt Ltd	-	2,478,677		
Orscheln Products LLC	237,823	319,228		
Others	-	-		
Payable	-	503,457	83,911,612	83,906,716
Remsons Cables Industries Pvt Ltd	-	10,744		
Krishna Industries	-	8,015		
Goodluck Electronics Pvt Ltd	-	-		
Orscheln Remsons Technologies Pvt Ltd	-	484,698		
Orscheln Products LLC	-	-		
Mr.Krishna Kejriwal	-	-	39,758,886	39,758,886
Mrs.Chand Kejriwal	-	-	32,175,000	32,175,000
Others	-	-	11,977,726	11,972,830

Related parties are identified by the Management & relied upon by the Auditors.

18. Disclosure of Provision as required by Accounting Standard 29.

Particulars	Doubtful Debts
Carrying amount at beginning	9,319,572
Additional Provision made during the year	732,204
Net Amount paid/adjusted during the year	2,941,226
Carrying amount at the end of year	7,110,550

19. (a) Break- up of Excise Duty on Stocks of Finished Goods :

Particulars	2009-10	2008-09
Opening Balance	1,591,782	2,275,308
Closing Balance	2,786,360	1,591,782
Diff. Debit/ (Credit) to Profit & Loss Account	1,194,578	(683,526)

(b) Excise Duty of Rs. 4,95,31,301/- (Previous year Rs. 6,25,24,680/-) pertains to Excise Duty of Sales only.

20. Information on Joint Ventures :
i) Jointly controlled entities.

Sr. No.	Name of the Joint Venture	Country of Incorporation	Percentage of Ownership interest
1.	Orscheln Remsons Technologies Private Ltd	India	15% (Previous Year : 40%)

Information based on unaudited financial statements.

ii) Contingent Liabilities in respect of Joint Ventures.

	2009-10	2008-09
	15%	40%
a) Directly incurred by the Company	-	-
b) Share of the Company in contingent liabilities which have been incurred jointly with other ventures	-	-
c) Share of the Company in contingent liabilities incurred by jointly controlled entity (to the extent ascertainable)	-	-
d) Share of other ventures in contingent liabilities incurred by jointly controlled entity	-	-

iii) Capital commitments in respect of Joint Ventures.

a) Direct capital commitments by the Company	-	-
b) Share of the Company in capital commitments which have been incurred jointly with other ventures	-	-
c) Share of the Company in capital commitments of the jointly controlled entity	-	-

iv) Interest in the assets, liability.

A) Assets :			
a) Fixed Assets (Net Block) :		1,014,059	3,217,506
Capital Work-in-Progress		---	---
b) Investments		---	---
c) Current Assets, Loans and advances :			
Inventories		407,112	933,528
Sundry Debtors		78,042	533,823
Cash and Bank Balances		155,530	1,022,674
Loan and Advances		526,985	869,635
Other Current Assets		---	---
B) Liabilities :			
1) Loan Funds :			
Secured Loans		---	---
Unsecured Loans		---	---
2) Current Liabilities and Provisions :			
Liabilities		216,981	3,883,320
Provisions		182,223	---
3) Deferred Tax Liability (Net) :		---	---
C) Income :			
a) Sales and Export Incentives		563,067	426,959
b) Other Income		265,958	81,040
D) Expenditure :			
a) Material Costs		296,636	537,463
b) Manufacturing Expenses and Inventory Variation		187,038	33,417
c) Employee Costs		12,001	---
d) Administrative, Selling and Other Expenses		1,517,404	3,700,432
e) Finance Charges		---	8,128
f) Depreciation		297,955	619,440
g) Provision for Taxation		---	---

21. The company has investement of Rs. 50 Lacs in Joint Venture company namely "Orscheln Remsons Technologies Pvt Ltd" based in india. The net worth of the JV company has decline substaintially hence the company has made a provision of Rs. 32,26,344/- towards Dimunation in value of investment in Equity shares of JV Company.



REMSONS INDUSTRIES LTD.

22 A. **Hedged foreign currency exposure**

The hedged foreign currency exposure as on 31st March,2010 is given below :-

Foreign Currency	2009-10 (FC)	2009-10 (INR)	2008-09 (FC)	2008-09 (INR)
Payables (Cr) USD	1,000,000	45,580,000	---	---
Receivables (Dr) Euro	---	---	100,000	6,846,000

B. **Unhedged foreign currency exposure**

The Un hedged foreign currency exposure as on 31st March,2010 is given below :-

Foreign Currency	2009-10 (FC)	2009-10 (INR)	2008-09 (FC)	2008-09 (INR)
Payables (Cr) USD	36,061	1,643,660	2,39,476	12,321,064
Payables (Cr) GBP	---	---	50	3,691
Receivables (Dr) USD	667,304	39,718,483	242,562	15,671,175
Receivables (Dr) Euro	61,384	2,436,077	43,754	1,773,845
Receivables (Dr) GBP	3,405	234,741		

23. Previous year figures have been reclassified and regrouped to correspond with the figures of the current year wherever necessary.

24. Figures are rounded off to the nearest rupees.

SIGNATURE TO SCHEDULES "A" TO "S"

As per our report of even date

For Kanu Doshi Associates

Chartered Accountants

Arati Parmar

Partner

Mem. No. 102888

Place : Mumbai

Dated : 27th May, 2010

For and on behalf of the Board

V.Harlalka

Chairman

K.Kejriwal

Managing Director

Sukhdeo Purohit

Company Secretary

Balance Sheet Abstract and Company's General Business Profile (in terms of amendment to Schedule VI part IV)

I. Registration Details

Registration No.	TA/1 5 1 4 1	State Code : 1 1
Balance Sheet Date	Date Month Year	
	31-Mar-2010	

II. Capital Raised during the year (Amount in Rs.)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private Placement/ Amalgamation
NIL	NIL

III. Position of Mobilisation and Development of Funds (Amount in Rs.)

Total Liabilities		Total Assets
255,806,022		255,806,022
	Sources of Funds	
Paid-up Capital		Reserves & Surplus
57,133,570		26,649,578
Secured Loans		Unsecured Loans
87,309,238		83,891,367
Deferred Tax Liabilities		
822,269		
	Application of Funds	
Net Fixed Assets	Net Current Assets	Investments
140,348,969	113,457,135	1,999,918

IV. Performance of the Company (Amount in Rs.)

Turnover & Other Income	Total Expenditure
706,121,899	669,567,253
Profit/Loss Before Tax	Profit/Loss After Tax
35,743,637	16,708,586
Earning per Share in Rs.	Dividend Rate %
2.92	NIL

V. Generic Name of Principal Products of the Company (as per monetary terms)

Item Code No. (ITC Code)

Product Description : Parts and accessories of the motor vehicles of heading nos.87.01 to 87.05 and 87.11 to 87.13 control cables for Automobile and General Engineering purpose and Automobile brake liners & brake shoes.	8 7 0 8 3 9 0 0
	8 7 1 4 9 4 0 0

For and on behalf of the Board

V.Harlalka

K.Kejriwal

Sukhdeo Purohit

Chairman

Managing Director

Company Secretary

Cash Flow Statement for the year ending 31st March, 2010

	Rs.	2009-10 Rs.	Rs.	2008-09 Rs.
A. Cash flow from operating activities:				
Net profit before tax and extra-ordinary items		35,743,637		27,560,974
Adjustment for:				
Depreciation	16,455,940		16,980,035	
Interest paid	7,060,707		9,729,435	
Profit (Loss) on sale of fixed assets	64,626		(45,277,913)	
Rent/Lease Rent received	(3,192,000)		(2,520,000)	
Interest on Deposits	(435,952)		(748,378)	
Sundry credit balances/advances written off	(1,343,843)		(96,450)	
Dividend Received	(683)		(685)	
Bad debts /Sundry balances/advances written off	34,715		---	
Provision for doubt ful debts	(732,204)		(1,841,678)	
Provision for Retirement Benefit	1,823,312		1,528,037	
VRS / Preliminary/ Amalgamation Expenditure	---		12,395,509	
		<u>19,734,617</u>		<u>(9,852,088)</u>
Operating profit before working capital changes		55,478,254		17,708,886
Adjustments for:				
Trade and other receivables	(32,073,856)		23,841,454	
Loan & Advance	(2,120,796)		6,364,127	
Inventories	(2,728,107)		(1,034,514)	
Trade payables	14,972,993		(63,522,776)	
Retirement Benefit	(2,118,783)		(2,403,996)	
		<u>(24,068,549)</u>		<u>(36,755,705)</u>
Cash generated from operations		31,409,705		(19,046,819)
Direct taxes paid	(5,655,915)		869,586	
		<u>(5,655,915)</u>		<u>869,586</u>
Cash flow before extra-ordinary items		25,753,789		(18,177,232)
Extraordinary items				
Net cash from operating activities		25,753,789		(18,177,232)
B. Cash flow from investing activities:				
Advance Paid & Purchase of fixed asset	(28,408,447)		(15,145,596)	
Sale of fixed assets	2,381,462		48,939,820	
Interest on deposits received	727,342		628,226	
Dividend Received	683		685	
Investments	3,226,344		(3,997,909)	
Rent received	3,192,000		2,520,000	
Net cash used in investing activities		<u>(18,880,616)</u>		<u>32,945,226</u>
		6,873,173		14,767,994

C. Cash flow from financing activities:		
Secured Loans	(1,569,917)	(17,382,923)
Interest paid	(7,060,707)	(9,729,435)
Net cash used in financing activities	(8,630,624)	(27,112,358)
Net increase in cash and cash equivalents	(1,757,450)	(12,344,365)
Cash and Cash equivalents as at 01-04-09 (Opening Balance)	4,296,295	16,640,661
Cash and cash equivalents as at 31-03-10 (Closing Balance)	2,538,843	4,296,295

For Kanu Doshi Associates
Chartered Accountants
Arati Parmar
Partner
Mem. No. 102888
Mumbai
Dated : 27th May, 2010

For and on behalf of the Board

V.Harlalka

Chairman

K.Kejriwal

Managing Director

Sukhdeo Purohit

Company Secretary



REMSONS INDUSTRIES LTD

88-B, Government Industrial Estate, Kandivli (W), Mumbai - 400 067.

ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall).

Regd. Folio No. _____

DP ID: _____

Client ID No: _____

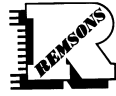
NAME OF THE MEMBER/PROXY*
ADDRESS:

NO. OF SHARES HELD :

I hereby record my presence at the 38th ANNUAL GENERAL MEETING of the Company held on Tuesday, the 27th July 2010 at 4 p.m. at 88B, Govt. Industrial Estate, Kandivli (W), Mumbai - 400 067.

SIGNATURE OF MEMBER/PROXY*

* Strike-out whichever is not applicable.



REMSONS INDUSTRIES LTD

88-B, Government Industrial Estate, Kandivli (W), Mumbai - 400 067.

PROXY FORM

Regd. Folio No. _____

DP ID: _____

Client ID No: _____

No. of Shares Held _____

I/We _____
of _____ being a Member/Members of
Remsons Industries Limited hereby appoint _____
of _____
or failing him _____
as my/our proxy to vote for me/us and on my/our behalf at the 38th Annual General Meeting of the Company to be held on
Tuesday, the 27th July 2010 and at any adjournment thereof.

Signed this _____ day of _____ 2010.

Affix
15 Paise
Revenue
Stamp

Note : The Proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

CONTENTS**Page**

Board of Directors	1
Notice	2-5
Directors' Report.....	6-8
Management Discussion And Analysis Report	9-10
Corporate Governance Report	11-21
Auditors' Report	22-25
Balance Sheet	26
Profit and Loss Account	27
Schedules 'A' to 'S' including significant Accounting Policies & Notes to the Financial Statements	28-50
Balance Sheet Abstract	51
Cash flow statement	52-53
Attendance Slip / Proxy	55