



VICTOR

ANNUAL REPORT
2010-2011

**VICTOR GASKETS INDIA LTD**
Company Profile & Financials

Victor Gaskets India Limited

Board of Directors

Sunil Kaul
Chairman

Satish Sekhri
MK Goyal

GM & COO
DG Palve

Financial Controller
S Patel

Bank

Union Bank of India

Auditors

BK Khare & Co.
Chartered Accountants
Mumbai

Corporate Offices

1, Sri Aurobindo Marg
New Delhi 110 016

Magnet House
N M Marg
Ballard Estate
Mumbai 400 038

Manufacturing Facilities

152/223, Village Mahalunge
Chakan Talegaon Road
Tal. Khed
Dist. Pune 410 501
(Maharashtra)

Registered Office

152/223, Village Mahalunge
Chakan Talegaon Road
Tal. Khed
Dist. Pune 410 501
(Maharashtra)
Tel: (02135) 677300-301
Fax: (02135) 677238



Financial Highlights

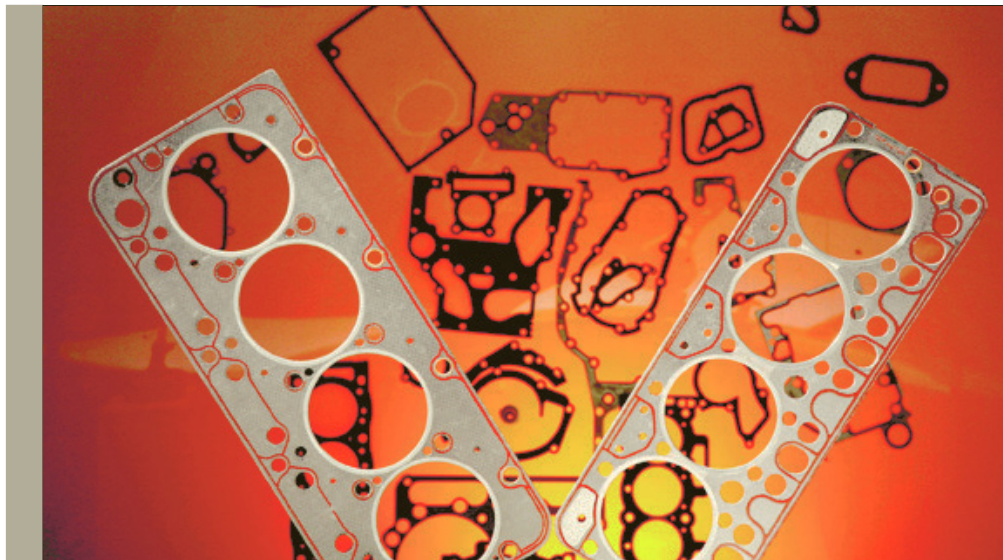
	2010-11	2009-10
Sales	616.7	496.2
Exports	38.6	30.9
Profit Before Interest Depreciation & Tax (PBIDT)	89.1	58.0
Net Interest	4.4	2.0
Profit Before Tax	68.2	31.8
Profit After Tax	46.6	20.8
Net Worth	143.2	145.1
Dividend Payout	41.7	8.3
Export as a % to Sales	6.3	6.2
PBIDT as a % to Sales	14.5	11.7
PBT as a % to Sales	11.1	6.4
PAT as a % to Sales	7.5	4.2
Return on Avg. Net Worth % *	32.3	14.9
Dividend %	500.0	100.0
Dividend Cover	1.1	2.5
Earnings Per Share (₹)	5.6	2.5
Book Value per Share ** (₹)	17.3	16.8

Explanatory Notes:

* Profit divided by average Net Worth

** Average Net Worth divided by number of shares

Company Highlights



- Sales growth YOY 24%
- Profit (PBT) growth YOY 114%
- Earning per Share ₹ 5.06
- Total Dividend 500%.
- Commencement of project MLS
- Completing 10 years as Victor Gaskets India Ltd
- Completing 50 years in the sealing business



Cummins Stationary Diesel Engine to a 85 CC TVS -2 Wheeler Engine. These critical gaskets seal hot combustion gases, high temperature coolants, and oils, and even heat and sound. They are used in diverse applications like automotive, industrial, agricultural, refrigeration, and stationary engines. The Company is India's first asbestos-free company. It pioneered the usage of non-asbestos based material instead of asbestos based material in the replacement market.

development of heat shields, cylinder head gaskets and specialty gaskets independent of any overseas technology support. The focus was on developing material, manufacturing methods, and raw material.

The Company has been certified by the ISO/TS 16949 model of quality systems, and the ISO 14001 model of the Environment Control System. The Company has been recognized by leading OEMs as a supplier with Zero PPM Supplies.

The range of applications for the servicing of engines and vehicles in the Indian aftermarket was expanded with upgraded products for critical applications like cylinder head gaskets in the construction of Graphite Composites, rubber coated steels and secondary gaskets in metal carriers with molded edges, besides having improved the grades of non-asbestos materials.

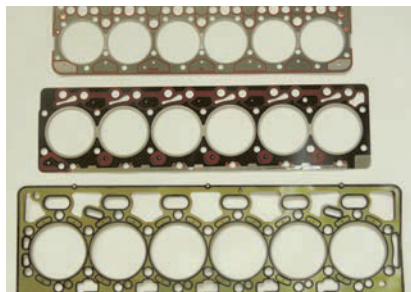
Company Profile

Victor Gaskets India, a major market player in sealing automotive engines, is an original equipment supplier to the leading automotive manufacturers both within India as well as in the replacement and export markets.

The Company provides a variety of sealing solutions - cylinder head gaskets, exhaust manifold gaskets, valve cover gaskets, oil pan gaskets, timing gear gaskets, and numerous secondary gaskets - from a 32 litre

Technology and Quality Systems

The Company's focus on developing a new range of products resulted in various business wins. The Product Engineering team worked closely with customers to complete the



Marketing Strategy

The Company has gained a

TOP: Victor Gaskets Facility in Chakan Pune

BOTTOM : Cylinder Head Gaskets in Three Different Technologies

competitive edge in its field by focusing on product development with upgraded technology, quality, and a customer-centric approach, resulting in an increase in market share. Additionally, the Company's all-India distribution network, serviced by trained sales personnel, helps in identifying emerging opportunities, assessing customer preferences, and market potential.

Besides adding new customers, the Company executed supply contracts from customers of International repute - Cummins Inc., USA and Lister Petter Ltd., UK and USA.

Exports

The Company's efforts to afford a thrust to export sales have resulted in an increase of the overseas customer base. Victor Gaskets has established a strong presence in the global replacement market by building win-win relations with institutional



TOP: Directors Inaugurating Brand iSEAL Validation Centre



customers. The Company supplied gaskets to Audi plants in Slovakia and Germany, Lister Petter Ltd. plants in UK and USA, as part of the OEM supply chain.

Shareholders

The Company's commitment to maximise shareholder value is reflected in its consistent approach to achieve high performance. The Company has developed strategies to leverage the opportunity of growth as well as combat the situation of rising input costs. It takes a leading part in the Visionary Leaders of Small &



BOTTOM LEFT: Team From Cummins Global Sourcing

BOTTOM RIGHT: Verification by Global Customer of Company becoming Asbestos Free.

Medium Enterprises Initiative - a joint effort of the Anand Group, the Confederation of Indian Industry (CII) and the Japan International Co-operation Agency (JICA). This Initiative helps the Company assist its key vendors in transforming into Lean Manufacturing Organisations, alongside the Company. This methodology creates win-win relationships between Anand Companies and the Small-Medium-Enterprises supply base.

The Company Organises annual visits of shareholders to visit the manufacturing facility and the operations.

People Orientation

Victor Gaskets believes that business is 90% people and that an efficient and dedicated workforce proves to be



technical and management institute of Anand - conducts various programmes tailor-made to the Company's requirements.

The implementation of the Anand Production System provides an increased level of empowerment to Operating Engineers, who work in teams to focus on raising the levels of the 20 keys of Work Unit Excellence from Traditional or Learning to World Class and aim at being Best in Class. Extensive training has also been provided to young engineers. Employees at all levels in the Company were selected for specialised training and nurturing of talent, under initiatives such as Visionary Leaders For Manufacturing, Anand Leadership Initiative For Value Enhancement, APS, Lean Manufacturing Coach, and Young Talent.

employees to create a sense of belonging and trust.

Corporate Social Responsibility

The Company continues to attach importance to the pursuit of excellence as a responsible corporate citizen in its operations. The Company supports social initiatives through field level activities which help in fostering the 'spirit of giving among' other corporates/partners in the neighbourhood. The SNS Foundation, a charitable trust supports such activities.

more productive. Keeping this in mind, Victor Gaskets provides various skill enhancement opportunities to employees at all levels. Specialised training programmes are conducted for employees to improve their knowledge and skills. Anand 'U' - the



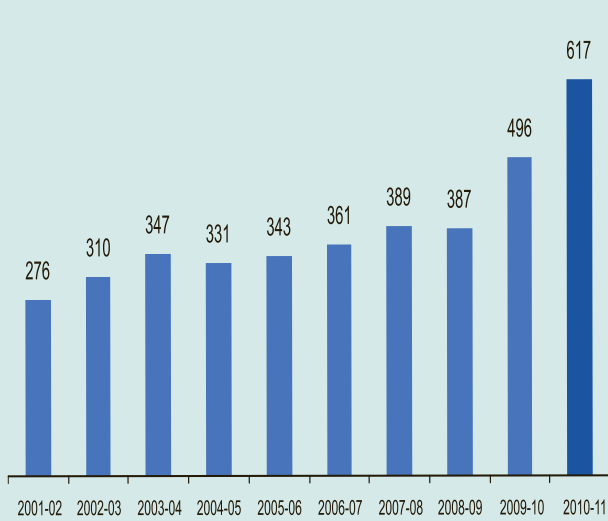
The Company organises Hub level cultural and sports activities and competitions to build a culture of friendship and camaraderie. The Company organises regular functions and activities involving families of

TOP: Simulation and learning for productivity improvement

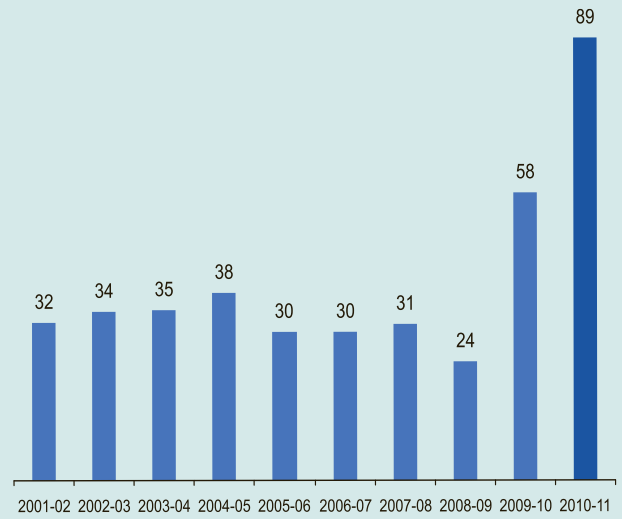
BOTTOM: Tree plantation by school children and SNS Foundation

Working Results at a Glance

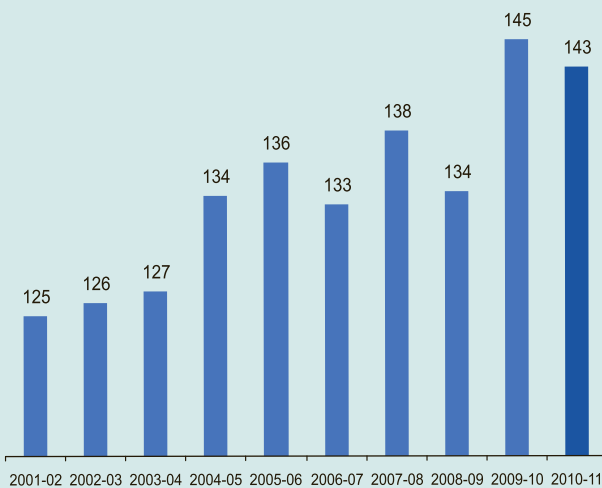
Sales (Rs. Million)



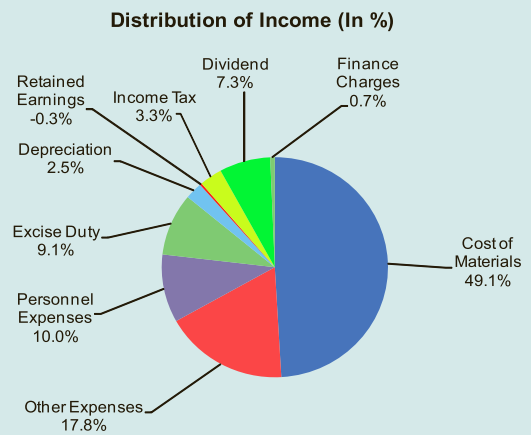
Gross Profit (Rs. Million)



Shareholder's Funds (Rs. Million)



Distribution of Income (In %)



Working Results at a Glance

	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11
	₹ Million									
Shareholders' Fund	8	8	8	8	8	8	8	8	8	8
Reserves & Surplus	117	118	119	126	128	125	130	126	137	135
Shareholders' Fund	125	126	127	134	136	133	138	134	145	143
Loans	89	99	93	104	91	98	95	125	132	152
Deferred Tax Liability	11	13	15	15	15	13	12	10	7	4
Funds Employed	225	238	235	253	242	244	245	269	284	299
Fixed Assets (Gross)	253	239	243	251	260	264	267	269	285	299
Depreciation	73	69	82	98	113	126	141	152	177	188
Net Block	180	170	161	153	147	138	126	117	108	111
Net Current Assets	45	68	74	100	95	106	119	152	176	188
Net Assets Employed	225	238	235	253	242	244	245	269	284	299
	₹ Million									
Sales	276	310	347	331	343	361	389	387	496	617
Gross Profit	32	34	35	38	30	30	31	24	58	89
Interest	12	11	7	3	0	0	0	3	2	4
Depreciation	15	17	16	17	15	16	15	16	24	17
Profit/ (Loss) Before Tax	5	6	11	18	15	14	16	5	32	68
Tax	2	3	4	7	7	7	6	2	11	22
Profit/ (Loss) After Tax	3	3	7	11	8	7	10	3	21	47
	₹									
Dividend per Share *	0.4	0.3	0.5	0.6	0.6	0.6	0.6	0.6	1.0	5.0
Earning per Share *	0.4	0.4	0.8	1.4	1.0	0.8	1.2	0.3	2.5	5.6
	Million Nos									
Production:										
Gaskets	22	23	27	23	26	26	27	26	32	33

*There is a split in the face value of share from ₹ 2.0 to ₹ 1.0 during the year 2004-05. The figures for the previous years have been calculated on the number of shares after giving effect to the split.

Notice

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of VICTOR GASKETS INDIA LIMITED will be held on Wednesday, 20th July 2011 at the Registered Office of the Company at 152/223, Mahalunge, Chakan Talegaon Road, Taluka Khed, Pune 410501, Maharashtra at 2:30 p.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider, and adopt the Audited Balance Sheet as at March 31, 2011 and the Profit & Loss Account for the year ended as on that date and the Reports of Directors and Auditors thereon.
2. To confirm interim dividend and declare final dividend on Equity Shares for the year ended March 31, 2011.
3. To appoint a Director in place of Mr Sunil Kaul, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit to pass, with or without modification(s), the following resolutions as Special Resolutions:

“RESOLVED THAT pursuant to Section 372A of the Companies Act and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with approval of the Board of Directors given at its meeting held on 9th February 2011, members of the Company do hereby confirm extension of Corporate Guarantee on behalf of Asia Investments Private Limited (AIPL) in favour of Tata Capital Limited of an amount aggregating to ₹ 450 Million at a commission of 0.75 % for the purpose of enabling AIPL to secure additional term loan from Tata Capital Limited.”

“RESOLVED FURTHER THAT the Company be and is hereby authorized to invest its surplus funds, from time to time in the form of Inter-Company Loans/Deposits with Anfilco Limited and to extend Corporate Guarantee and/or Security by way of mortgage its properties at Pune or otherwise, on behalf of Asia Investments Private Limited (AIPL) towards the financial limits to be availed by AIPL from any bank or financial institutions, provided that the aggregate amount of such loans/investments/deposits or guarantee made or provided by the Company, together with the existing loans/investments/deposits or guarantee or security so far made to all other bodies corporate shall not exceed ₹ 1600 Million, notwithstanding that the same is in excess of the limits prescribed under the aforesaid Section of the Companies Act, 1956.”

6. To consider and if thought fit to pass, with or without modification(s), the following resolutions as a Special Resolution:

“RESOLVED THAT the inter-company transactions entered into by the Company during the financial year ended March 31, 2011, which could not be approved by the Board of Directors in their meetings held during the financial year under review due to lack of disinterested quorum at such meetings be and are hereby approved.

By Order of the Board

Registered Office:
152/223, Mahalunge
Chakan Talegaon Road.
Tal.Khed, Pune 410 501

Sunil Kaul
Chairman

Place : New Delhi
Date : May 19, 2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing a Proxy, in order to be effective, must be duly filled, stamped and signed and must reach the Registered Office of the Company not less than forty eight hours before the commencement of the Annual General Meeting.

2. Corporate Members are requested to send to the Company duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
3. An Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 in relation to Item Nos. 5 and 6 of the Notice is annexed hereto.
4. Record Date for the purpose of payment of final dividend has been fixed as 20th July, 2011.
5. Members are requested to notify the change of their address, if any, to the Company's Registrar and Share Transfer Agent – Karvy Computershare Private Limited Plot No 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad -500 081.
6. The Company will be providing Electronic Clearing System facility to the shareholders whereby they will be able to receive their dividend by direct electronic credit to their bank account. However, the Company has received a very poor response from shareholders for ECS requests. Shareholders are requested to fill in the form provided by the Company vide separate communication and send it to the Company's Registrar and Share Transfer agent in case of shares held in physical form and to respective Depository Participant (DP) in case the shares are held in demat form.
7.
 - a. Members are also requested to note that unclaimed deposits, interest on debentures and unclaimed/unpaid dividends up to the financial year ended March 31, 2003, have been transferred to the Investor Education and Protection Fund pursuant to Section 205 A of the Companies Act, 1956.
 - b. Pursuant to the provisions of Section 205 A(5) and 205(c) of the Companies Act, 1956, the amount of dividend for the financial year ended March 31, 2004, which remains unpaid or unclaimed will be due for transfer to the Investor Education and Protection Fund of the Central Government later this year. Members who have not encashed their dividend warrants for the financial year ended March 31, 2005 or any subsequent years are requested to lodge their claim with the Company's share transfer agents, Karvy Computershare Private Limited.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.5:

The Company had, with approval of the Board of Directors in its meeting held on 9th February 2011, extended Corporate Guarantee of an amount aggregating to ₹ 450 Million in favour of Tata Capital Limited on behalf of Asia Investments Private Limited (AIPL), to enable AIPL to secure an additional loan from Tata Capital Limited. With extension of this Corporate Guarantee, the Company had exceeded the overall limit of ₹ 400 Million approved by the Members of the Company by way of a Special Resolution under section 372A of the Companies Act, 1956 in their last Annual General Meeting. AIPL, being the holding Company, was in need of this guarantee in order to raise funds urgently for its business needs and keeping in view the exceptional circumstance and the urgency with which AIPL required the loan, the Board decided to obtain confirmation of members in this Annual General Meeting and hence this resolution.

Further, the Board has, subject to approval of members by way of Special Resolution, accorded its consent to the Company investing its surplus funds, from time to time, by way of inter-corporate loans/deposits, to Anfilco Limited and for extension of Corporate Guarantee/Security on behalf of AIPL in favour of any bank/financial institution from which AIPL obtains any financial limits, provided that the aggregate of such loans/deposits or guarantee or security so provided, together with the Company's existing loans and investments, deposits, guarantees or securities provided do not exceed an aggregate of ₹ 1600 million. It is also proposed to mortgage Company's properties at Pune in favour of any bank(s) or financial institution(s) to enable AIPL to avail higher financial limits.

As the Company has exceeded the limits prescribed under Section 372A of the Companies Act, 1956, prior approval of the Members of the Company is sought by way of a Special Resolution for making any loans/deposits or for extending Corporate Guarantee or Security by the Company in favour of the other company(s).

Directors recommend passing of the above resolution as a Special Resolution.

None of the directors of the Company are interested in this resolution.

ITEM NO 6:

During the year, the Company has entered into a few transactions with Haldex India Limited, a Company in which Directors of the Company are interested. These transactions with Haldex India Limited during the financial under review were on account of sale of gaskets, amounting to ₹ 0.4 million and provision of after market services of ₹ 0.95 million. However, due to lack of disinterested quorum at the Board Meetings, the same could not be approved by the Board and thus approval of members is sought for the same. Details of such transactions will be available at the Registered Office of the Company till the date of forthcoming AGM. Any member desirous of inspecting such details can do so during the official working hours of the Company. As these transactions are normal business transactions, the Board of Directors recommend the resolution for approval of the members by way of a Special Resolution.

M/s Sunil Kaul and M K Goyal, Directors are interested in the above resolution.

By Order of the Board

Registered Office:
152/223, Mahalunge
Chakan Talegaon Road.
Tal.Khed, Pune 410 501

Sunil Kaul
Chairman

Place : New Delhi
Date : May 19, 2011

Report of the Board of Directors

Your Directors are pleased to present the Tenth Annual Report, together with the Audited Accounts for the year ended March 31, 2011.

Financial Highlights	Year ended March 31, 2011 (Rs Million)	Year ended March 31, 2010 (Rs Million)
Sales	616.7	496.2
Profit Before Depreciation and Interest	89.2	58.0
Depreciation	16.6	24.2
Profit before Interest and Tax (EBIT)	72.6	33.8
Net Interest	4.4	2.0
Profit before Tax	68.2	31.8
Provision for Taxation	21.6	11.0
Profit after Tax	46.5	20.8
Balance profit brought forward from Last Balance Sheet	42.7	35.0
Profit Available for Apportion	89.2	55.8
APPROPRIATIONS		
Transfer to General Reserve	7.0	3.3
Interim Dividend	8.3	4.2
Tax on Interim Dividend	1.4	0.7
Final Dividend	33.3	4.2
Tax on Final Dividend	5.4	0.7
Profit Carried forward to Balance Sheet	33.8	42.7

Analysis of Results for 2010-11

Performance and Operations

Your Company registered sales turnover of Rs 616.7 Million, during the year under review, as compared to Rs. 496.2 Million in the previous year. This represents an increase of 24.3%. Profit before Depreciation, Interest and Taxation was Rs. 89.2 Million, as compared to Rs. 58.0 Million in the previous year, which represents an increase of 54%. This was mainly because of increase in sales, reduction in overheads and finance costs. Profit before Tax was Rs.68.2 Million, as compared to Rs. 31.8 Million last year, which represents an increase of 115%. Profit after Tax was Rs.46.5 Million, as compared to Rs.20.8 Million last year, which represents an increase of 119%.

Increased competition and demand for price reduction on the part of the OE customers resulted in the Company not getting compensated fully for increase in raw material costs. However, the Company was able to control costs, by working on all other directly under our control – productivity, value engineering, negotiations for volume based purchasing to improve the margins. Launch of new range of products in the Aftermarket, gave increased contribution.

Dividend

Your Company had paid an interim dividend of Rs. 1.00 per equity share (100 % on par value of Rs 1/-) during the financial year under review. Your Directors recommend final dividend of Rs 1.00 per equity share (100 % on par value of Rs 1/-) for financial year 2010-11 and a Special Dividend of Rs. 3.00 per equity share (300 % on par value of Rs 1/-) to commemorate completion of 10 years of the Company. Thus dividends total to Rs. 5.00 per equity Share, which is 500% for the year 2010-2011, and 400% more as compared to the previous year.

Exports

Exports during the financial year under review amounted to Rs.38.6 million, as compared to Rs. 30.9 million in the previous year. Your Company has thus registered a growth of 25% in the exports segment during the financial year under review. Exit from asbestos business has attracted OEMs in India to recommend sourcing from your Company to their respective parent companies overseas. New opportunities are constantly being identified to take export sales to a new high.

During the financial year under review, your Company has focused its efforts on a few key customers and on developing the entire range required by these customers, so that the export range is broad based.

Your Company is confident of successively growing exports in the next two years period.

Collaborators

Your Company had a technical license agreement with Hamamatsu Gaskets Corporation of Japan for coating Fluoroelastomer coatings on stainless steel. The Agreement came to an end due to efflux of time. During the period of agreement, the learnings from the technology helped your Company in independently developing rubber coated steel locally in India for four wheeler diesel engines. Your Company wishes to place on record its appreciation for support extended by Hamamatsu Gaskets Corporation.

Pollution and Environmental Control

During the financial year under review, your Company continued its efforts towards conservation of energy, laying emphasis on adoption of new technology apart from elimination of waste, optimum utilisation of power and preventive maintenance of equipments and machineries to keep them in a good condition.

Your Company is ISO 14001:2004 certified.

Safety and health of people working in and around the manufacturing facilities continue to receive utmost priority in your Company. During the financial year under review, your Company organized various training programs for employees for ensuring safety and in usage of safety equipments.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, information relating to the foregoing matters is given by way of an annexure to this Report.

Fixed Deposits

Fixed deposits were not invited by the Company during the year. There are no unclaimed fixed deposits.

Directors

In accordance with Article 142 of the Articles of Association, Mr Sunil Kaul retires by rotation and being eligible offers himself for re-appointment.

Audit Committee

Mr Sunil Kaul, is Chairman of the Audit Committee of the Board of Directors of the Company and M/s M K Goyal and Satish Sekhri are other members of the Committee. During the financial year under review, four meetings were held on 19th May 2010, 27th July 2010, 30th November 2010 and 9th February 2011

Compliance Certificate From Company Secretary In Whole Time Practice:

Pursuant to proviso to Section 383A (1) of the Companies Act, 1956, the Company has obtained a Certificate of Compliance from the Company Secretary in Whole time Practice. The Certificate is annexed and forms part of this Report.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) appropriate accounting policies have been selected and applied consistently, and they have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the Profit and Loss Account for the year ended March 31, 2011;
- (iii) proper and sufficient care has been taken 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 annual accounts have been prepared on a going concern basis.

Your Company's Internal Auditors have conducted periodic audit to provide reasonable assurance that your Company's established policies and procedures have been consistently followed. The Members of the Audit Committee of the Board meet once in a quarter with the Internal Auditors to review internal control and financial reporting issues.

Corporate Governance

Your Company is committed to good corporate governance practices. The Company conforms with the norms of Corporate Governance. As a measure of good corporate governance, a report on the Corporate Governance is annexed and forms part of this Report.

Auditors

M/s B K Khare & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a Certificate to the effect that their re-appointment, if made, will be in accordance with provisions of sub-section (1B) of Section 224 of the Companies Act, 1956.

Employee Relations

Relation amongst the employees at all levels were cordial and responsive during the year under review. Your Company attaches great importance and value to its human resources and their development.

Your Directors wish to express their appreciation to all the employees of the Company for their contribution to the operations of the Company during the year.

Particulars of Employees

There are no employees drawing remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 and the rules framed there under.

Acknowledgement

Your Directors wish to sincerely thank government agencies, financial institutions, bankers, auditors, suppliers, esteemed customers, shareholders and employees for their continued support and co-operation.

For and on behalf of the Board

Place : New Delhi
Date : May 19, 2011

Sunil Kaul
Chairman

Annexure to Directors' Report

Information as per Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2011.

A) Conservation of Energy

- The conventional filament indication lamps were replaced by LED indication lamps.
- Extended hangers have been provided to the curing trolley in coating area furnace.
- Timers have been provided to stop idle running of the motors, on machines.

B) Technology Absorption

(I) Research and Development (R&D)

1. Areas in which R & D has been carried out by the Company :
 - a) Extended the coverage of 3 layer sandwich construction to wider range of parts at customers like Tata motors.
 - b) Development of two layer composite for secondary applications like intake for CNG engines.
 - c) Development of formulation of polymer that can resist the attack of coolant with ethylene glycol, oils with anti-sludge additives and temperatures over 350 degree.
 - d) Development of method of depositing adhesive and polymer on metal layers
 - e) Development of Multi Layered Steel Cylinder Head Gaskets for Diesel & Gasoline Engines.
2. Benefits derived as a result of the above R&D. : Opportunity to win new businesses and increase sales to OEMs in India as well as Overseas Branded spares of customers, besides getting recognition by OEMs as technologically self-sufficient in developing new technologies. This also will attract Talent in the form of young graduate and post-graduate engineers.
3. Future plan of action : Future R&D plans include:
 - a) Inhouse production capability for deposition of polymer on layers of metal layer.
 - b) Multi Layered Steel Cylinder Head Gaskets for customers both in India and Overseas
 - c) Developing Wasteless Manufacturing Method in Molding Gaskets for Cylinder Heads and Secondary Applications, to reduce consumption of synthetic materials, chemicals and power.
4. Expenditure on R & D : (in Rs. Million)
 - (a) Capital : 1.7
 - (b) Recurring : 9.9
 - (c) Total : 11.6
 - (d) Total R&D Expenditure as percentage of total turnover : 2.1%

(II) Technology absorption, adaptation and innovation

Your Company had a technical assistance agreement with Hamamatsu Gaskets Corporation of Japan.

The benefits derived are developing process of thinking and innovation to develop import substitution. It has helped the Company to achieve the following:

- Capability to develop head gaskets with coated steel independent of technology partner and specialty material supplier
- Development of new range of Gaskets
- Develop competence to compete with Global Players coming into India

- (a) Technology Assistance : Technical Assistance Agreement for coating fluoroelastomer rubber on stainless steel sheet.
- (b) Year of Import : September 2005
- (c) Has technology been fully absorbed : Technology of coating has been absorbed fully.
- (d) If not fully absorbed, : Not Applicable.

C. Foreign Exchange Earnings and Outgo:

- (a) Activities relating to export initiatives taken to increase exports; development of new export markets for products export services and export plans : The Company is giving emphasis on activities to increase exports and on developing of new markets for exports. During the year under review your Company's senior executives travelled to various countries to explore new market for its products.
- With the continued thrust on exports, it is expected that exports will form significant proportion of Company's revenues in coming years.
- (b) Total foreign exchange used and earned. : Earnings: Rs. 38.0 million
(Previous Year: Rs. 30.5 million)
Outgo : Rs. 127.3 million
(Previous Year: Rs. 91.1 million)

For and on behalf of the Board

Place: New Delhi
Date : May 19, 2011

Sunil Kaul
Chairman

Report on Corporate Governance

As a measure of good corporate governance, a report on corporate governance is given below:

A. MANDATORY REQUIREMENTS

1. Company's philosophy on Code of Governance

Your Company strongly believes that good corporate governance is essential for enhancing value to stake holders. The Company has always striven to incorporate appropriate standards for good corporate governance. The Company's business philosophy and beliefs are aimed at attaining leadership in technology, developing excellence in people, distribution, manufacturing and environment, transparency in all dealings, clear communication of information regularly to all stakeholders, adequate return on investments, and to provide better value for money to customers.

2. Board of Directors

The present strength of the Board is 3 Directors. The Board comprises of 3 Non-Executive Directors.

Information on the composition of the Board during the year, category of Directors, attendance at the Board Meetings held during the year and at the last Annual General Meeting, Directorships in other public companies and Committees of other public companies of which the Director is the Chairman / Member is given below:

Director	Category	Attendance Particulars		No. of other Directorships and Committee Memberships/Chairmanships held		
		Board Meetings	Last AGM	Directorships	Committee Memberships (including Chairman)	Committee Chairmanships
Mr Sunil Kaul	Chairman N.E.D., I	4	Yes	1	-	-
Mr M K Goyal	N.E.D., I	3	Yes	6	5	1
Mr Satish Sekhri	N.E.D., I	4	Yes	4	2	-

N.E.D - Non Executive Director, I - Independent Director.

The Directorships held by the directors, as mentioned above; do not include the directorships held in foreign companies, private limited companies and companies under Section 25 of the Companies Act, 1956.

Membership/ Chairmanship of only the Audit Committee and Shareholders'/Investors' Grievance Committee of public companies has been considered.

During the financial year under review, four Board Meetings were held on 19th May 2010, 27th July 2010, 30th November 2010 and 9th February 2011.

Information presented to the Board:

- Annual operating plans, budgets and any update therein;
- Capital budges and any updates therein;
- Quarterly results for the Company;
- Minutes of meetings of Audit Committee and other committees of the Board;
- Information on recruitment /remuneration of senior officers just below the Board level;
- Material Show cause, demand, prosecution notices and penalty notices, if any;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any;
- Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, if any;

Code of Conduct:

The Board has laid down a Code of Conduct for all directors and senior management staff of the Company, which is also available on the website of the Company www.victorgasketsindia.com. All directors and members of senior management, that includes executives who report directly to the Chairman, have affirmed their compliance with the said Code. A declaration signed by the General Manager of the Company to this effect is appended as Annexure A at the end of the report. Employees of the Company also confirm compliance with the Code of Conduct that is applicable for all employees.

3. Audit Committee

The terms of reference of the Audit Committee include inter-alia the following:

- Review of the Company's financial reporting process and its financial statements.
- Review of accounting and financial policies and practices.
- Review of the internal control and internal audit system.
- Review of risk management and policies and practices

Meetings and the Attendance during the year:

Mr Sunil Kaul is Chairman of the Audit Committee of the Board of Directors of the Company and M/s M K Goyal and Satish Sekhri are other members of the Committee. During the financial year under review, four meetings were held on 19th May 2010, 27th July 2010, 30th November 2010, and 9th February 2011.

M/s Sunil Kaul and Satish Sekhri attended all the four meetings held during the year and Mr. M K Goyal attended three meetings.

The Audit Committee meetings are also attended, from time to time, by the representatives of Internal Auditors, Statutory Auditors, Finance and Operation Heads of the Company.

4. Remuneration to Directors:**A) Remuneration Committee:**

The Committee functions under the Chairmanship of Mr Sunil Kaul, Non-Executive Director and Mr M K Goyal and Mr. Satish Sekhri are the other members.

The Committee did not hold any meeting during the financial year under review.

The broad terms of reference of the Remuneration Committee include recommendation to the Board of the salary, perquisites, commission and retirement benefits payable to the Company's Executive Director.

- B) The Non Executive Directors are paid Commission of an amount up to 1% of the Net Profits of the Company, as decided by the Board. Non-Executive Directors have voluntarily waived of receipt of any sitting fees for attending Board and Committee meetings.

5. Investors'/Shareholders' Grievance Committee:**Details of Members, No. of Complaints received and pending and pending transfers as on close of the financial year 2010-11:**

Mr Sunil Kaul was the Chairman of Investors' and Shareholders' Grievance Committee and the other directors were members of this Committee. The Committee held two meetings during the year, on 19th May 2010 and on 27th July 2010. Thereafter, the Committee was disbanded. The investor's/ shareholders' correspondence is part of Board meeting agenda.

Details of Shareholders'/Investors' Complaints/Requests for action (such as change of address, revalidation of warrants etc.)

Number received during the year	13
Number resolved	13
Number pending	Nil
Number pending transfers as on 31/3/2011	Nil

The Company has attended to most of the investors' grievances/ correspondence within a period of 10 days from the date of receipt of the same, while almost all the rest were attended to within maximum period of 30 days. All transfers were completed within 30 days.

6. General Body Meetings:

Details of location of the last three AGMs and the details of the resolution passed or to be passed by postal ballot.

Location and dates of Annual General Meetings:

7 th Annual General Meeting	152/223, Mahalunge, Chakan Talegaon Road, Tal. Khed, Dist. Pune –410 501	August 13, 2008 at 2.30 p.m
8 th Annual General Meeting	152/223, Mahalunge, Chakan Talegaon Road, Tal. Khed, Dist. Pune –410 501	July 27, 2009 at 2.30 p.m
9 th Annual General Meeting	152/223, Mahalunge, Chakan Talegaon Road, Tal. Khed, Dist. Pune –410 501	July 27, 2010 at 2.30 p.m

All the resolutions set out in the respective notices were passed by the Members at the Annual General Meeting.

Details of Special Resolutions Passed:

Date of Annual General Meeting	Particulars of Resolution
13 th August 2008	Appointment of Mr. K.N. Subrmanian as Chairman and Executive Director of the Company and payment of remuneration thereof.
27 th July 2009	Approval of inter-company transactions in which directors were interested, which could not be approved in the Board Meetings, due to lack of disinterested quorum.
27 th July 2010	<ol style="list-style-type: none"> Confirmation of extension of Corporate Guarantee in favour of Tata Capital Limited on behalf of Asia Investments Private Limited and approval for inter corporate deposits and investments, in excess of limits prescribed under Section 372A of the Companies Act, 1956. Approval for payment of Commission to Non Executive Director(s) of the Company of an amount up to 1% of the net profit for a period of five years, effective financial year 2009-10.

No resolution requiring postal ballot has been placed for members' approval at the meeting.

7. Notes on Directors seeking appointment / re-appointment

Mr Sunil Kaul:

Mr Sunil Kaul is a Mechanical Engineer and MBA from Germany. Presently, he is the Managing Director of Behr India Limited. Mr Kaul has a wide and varied experience in setting up new projects and in the area of General Management.

8. Disclosures:

- **Disclosure on materially significant related party transactions** i.e. transactions of the Company of material nature with its Promoters or its subsidiaries, its Directors or the Management, or their relatives etc. that may have potential conflict with the interests of the Company at large.

Related party transactions have been disclosed under Note 18, in Schedule 18, forming part of the Annual Accounts.

- **Details of non-compliance by the Company**, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

Company's shares are not listed on any of the stock exchanges.

- **Public funding during last three years:**

Company has not obtained any public funding during last three years.

- **Disclosure of accounting treatment:**

There is no deviation in following the treatments prescribed in any Accounting Standard (AS) in the preparation of financial statements of the Company.

- **CEO and CFO Certification:**

Certificate duly signed by the COO and Financial Controller has been given to the Board and the same is annexed as Annexure B.

9. Means of Communication:

Quarterly results and half yearly reports are not sent to each household of shareholders. Annual Report containing management discussion and analysis is sent to shareholders and is also available on Company's website.

Half-yearly report sent to each household of shareholders? No.

Quarterly Results. No.

Whether it also displays official news released and an presentations made to Institutional Investors or to Analysts? No.

Whether Management Discussion & Analysis is a part of Annual Report or not. Yes, Management Discussion and analysis forms part of Annual Report and is appended.

10. General Shareholder Information:

AGM: Date, Time and Venue 20th July 2011 at 2:30 p.m. at 152/223, Mahalunge, Chakan Talegaon Road, Tal: Khed, Dist: Pune 410 501.

Financial Calendar

a) Financial Year April 1 to March 31.

b) Quarterly Results Quarterly unaudited results are taken on record by the Board, in the first meeting held after the end of the respective quarter.

c) Results for the year ending March 31, 2012. Audited Financial results are taken on record by the Board, within two months of the end of the financial year.

Record date for payment of dividend. 20th July 2011

Dividend Payment date(s) Before 20th August 2011

Listing on Stock Exchange The Company's shares are not listed on Stock Exchanges.

Market Price Data: As Company's shares are not listed on Stock Exchange, same is not applicable.
High, Low during each month in the last financial year.

Registrar and Transfer Agent. Karvy Computershare Private Limited.
Plot No 17 to 24
Vittalrao Nagar, Madhapur
Hyderabad 500 034

Share Transfer System. All the transfer requests, received are processed and approved by the Share Transfer Committee which normally meets twice in a month.

Distribution of Shareholding and Share holding pattern as on 31.03.2011.

Details are given below

Dematerialisation of Shares

The Company's shares can be converted in demat form.

Outstanding GDRs/ADRs/

The Company has not issued any GDR/ADR or convertible instruments.

Plant Location

The Company's plant is located at Chakan, Pune.

Address for correspondence

Shareholders' correspondence should be addressed to the Registrar & Transfer Agent at the address given above.

Distribution of shareholdings as on 31.3.2011:

S No	Category	No. of Cases	% of Cases	No. of Shares	%
1	1 - 5000	3346	99.58	536606.00	6.44
2	5001 - 10000	2	0.06	13780.00	0.17
3	10001 - 20000	2	0.06	29956.00	0.36
4	20001 - 30000	3	0.09	84368.00	1.01
5	40001 - 50000	4	0.12	184800.00	2.22
6	100001 & Above	3	0.09	7484632.00	89.81
Grand Total:		3360	100.00	8334142.00	100.00
1	No. of Shareholders in Physical Mode	1895	56.40	464534	5.57
2	No. of shareholders in Electronic Mode	1465	43.60	7869608	94.43
Total		3360	100.00	8334142	100.00

Shareholding pattern as on 31.03.2011:

Category	No. of shareholders	No. of shares	%
Indian Promoters	10	7706512	92.47
Insurance Cos and Banks, Trusts and Clearing Members	4	1300	0.02
Mutual Funds & UTI	2	700	0.01
FII's & NRIs	16	12610	0.15
Domestic Companies	45	72310	0.87
Resident Individuals	3281	540710	6.48
Total	3360	8334142	100

B. NON-MANDATORY REQUIREMENTS

a) Chairman of the Board

Whether Chairman of the Board is entitled to maintain a Chairman's Office at the Company's expenses and also allowed reimbursement of expenses incurred in performance of his duties.?

The Chairman does not have a separate office for the Company. Expenses incurred by the Chairman on Official duties for the Company are met/ reimbursed by the Company.

b) Remuneration Committee

The Committee did not hold any meeting during the year

c) Shareholder Rights:

The half yearly/ quarterly declarations on financial performance including summary of the significant events in last six months should be sent to each household of shareholders.

Same are not sent to shareholders

d) Postal Ballot

The Company has not made any use of Postal Ballot yet.

Annexure A

Declaration

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and the senior management and the same is available on the Company's website.

I confirm that the Company has in respect of financial year ended March 31, 2011, received from the senior management team of the Company and the members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

for Victor Gaskets India Limited.
D G Palve
COO

May 19, 2011

Annexure B

Chief Operating Officer(COO)/Chief Financial Officer (CFO) Certification

We hereby certify that:

- a) We have reviewed the financial statements for the year ended March 31, 2011 and that to the best of our knowledge and belief: -
 - i) these statements do not contain any materially untrue statement or omit statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee -
 - i) significant changes in internal control during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

for Victor Gaskets India Limited.

May 19, 2011

S. Patel
Financial Controller

D G Palve
COO

Management Discussion and Analysis

Industry structure and development

The automotive industry in India kept up the momentum of growth shown during the second half of the previous year. During the year Automotive Industry showed the overall growth of 26 % in domestic sales and 29% in export sales. Sales of Light Commercial Vehicles grew by 23%, Passenger Cars grew by 29%, and Two Wheelers grew by 26%.

The Original Equipment Manufacturers continued their drive in seeking reduction in costs as well as lead time of supply. They also explored opportunities with new suppliers.

The Aftermarket showed a higher consumption with owners trying to maintain older vehicles more efficiently, in the wake of increased inflation.

Sustainable growth opportunities

The Company's focus on development of gaskets for newer engines during the previous year, paid dividends, when automotive manufacturers in the small and medium size vehicles, commenced sealing them in line with the global trends. The partial postponement by OEMs of development in previous year was brought on track thus giving new opportunities in the areas of sealing of more variants of engines. They also focused on migration to superior technological products.

Your Company was re classified as GREEN by the Maharashtra Pollution Control Board, in recognition of the transformation by exiting out of asbestos in the year 2008.

This continued to help your Company to be a preferred choice of global OEMs like Cummins, Ford, Volkswagen, Honda, Pierburg who have identified the Company for their Indian Sourcing Programs.

Your Company continues to be part of the Initiative of Visionary Small and Medium Enterprises, a joint effort of the Confederation of Indian Industry, Japan International Co-Operation Agency and the Anand Group, which focuses on helping our Tier 2 suppliers-small and medium enterprises- to transform into Lean Manufacturing Units. The uniqueness of this initiative is first transform a model line in the Company, share the process with the vendor and then work closely with vendor. The success of the Initiative shall drive the program with greater involvement of both employees as well as additional Tier 2 suppliers to implement Lean Manufacturing Concepts during the ensuing financial year.

Business Outlook

Your Company's continued vigorous efforts to win new business from overseas customers has started yielding better results. The upward trend of exports are likely to continue because exit from asbestos business has started attracting OEMs in India to recommend sourcing from your Company to their respective parent companies overseas.

Discussions with major passenger car manufacturers are on way, and are likely to yield better results during the ensuing financial years.

The forecasts for the first quarter of the current year are encouraging and suggest a significant growth during the current year. Barring unforeseen circumstances, the performance for the current year is expected to show significant improvement over the performance of the year under review.

Cost control / Cost management

Your Company maintains an adequate and effective internal control system commensurate with its size and complexity. We believe that these internal control systems provide among other things, a reasonable assurance that transactions are executed with Management authorisation and are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that assets of the Company are adequately safe-guarded against any mis-use or loss.

An independent internal audit function is an important element of the Company's internal control system. The internal control systems are supplemented through extensive review by the Audit Committee about the adequacy and effectiveness of the internal control environment and monitored implementation of audit recommendations. It is also actively engaged in overseeing financial disclosures and risk management policies.

Your company worked with special focus on the projects of "Improving Productivity by atleast 35%", "Reducing Lead Time by 50%" and "Reduction in Cost of Poor Quality". All these aim at reducing waste at each stage of the manufacturing of the

product – from receipt of raw material to acceptance of product at the customer end. Every employee in the company had extra responsibility to various costs, which were reviewed at regular intervals of a week and a month.

Risks and Concerns

The Company is a manufacturer of automotive components. Its well being is largely dependent on the growth of the domestic automotive market. Global auto component manufacturers have set up wholly owned companies to meet expectations of auto majors in India of both Indian and Overseas origin. Thus competition is now not restricted only to Indian gasket companies. It extends to global gasket majors as well. The Company has put in place various strategic action plans and R & D activities to develop products, materials and processes in house to become self sufficient.

The gasket business is a material oriented business. Cost of raw material is a major contributor to the cost of gaskets which compels the Management to keep the other costs at minimum level to protect margins.

A major portion of gasket replacement business in India is still with the unorganised sector. Due to lower cost of production, there is huge difference in pricing of gaskets between organised and unorganised sector.

Human Resources/Industrial Relations

Your Company has a total strength of 222 employees as on March 31, 2011, consisting of persons well qualified in technical and managerial skills and having the requisite competence required for their tasks. The Company's HR processes ensure availability of a competent and motivated team of employees, who are encouraged to enrich and update their competency by attending regular training programmes, both external and in-house. Your Company follows a philosophy of fair compensation to its employees. In addition, to recognize and reward good performance, your Company has a performance based variable compensation structure, which ensures proper reward for those employees who excel in relation to their performance targets.

The employee relations during the year under review were harmonious, and the productivity has improved in all areas.

Cautionary Statement

Statements in the Management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual result could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations, include, among others, economic conditions affecting demand/supply and price conditions in the domestic market in which Company operates mainly, changes in Government regulations, tax laws and other statute and incidental factors.

For and on behalf of the Board

Place : New Delhi
Dated : May 19, 2011

D G Palve
GM & COO

Compliance Certificate Under Sec 383 A of the Companies Act, 1956

Company No. U29117PN2001PLC018092

Nominal Capital Rs.1,50,00,000/-

To,

The Members of Victor Gaskets India Limited
152/223, Mahalunge, Chakan Talegaon Road, Tal. Khed, Dist. Pune 410 501

We have examined the registers, records, books and papers of Victor Gaskets India Limited as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time mentioned in the said Annexure.
3. The Company being a public limited Company, comments that a Private Limited Company has minimum prescribed capital, maximum number of members, invitation to public to subscribe for shares and acceptance of deposits from persons other than its members, directors or their relatives, are not required.
4. The Board of Directors met 4 (Four) times on 19.05.2010, 27.07.2010, 30.11.2010 and 09.02.2011 in respect of which meetings notices were generally given and the proceedings were recorded and signed in the Minutes Book maintained for the purpose. However, there was a gap of more than 120 days between two Board Meetings held on 27.07.2010 and 30.11.2010.
5. The Company has not closed its Register of Members and Share transfer books during the year. However, the Company had fixed 26th July 2010 and 10th December, 2010 as record date for the purpose of payment of dividend and interim dividend respectively.
6. The Annual General Meeting for the financial year ended on 31st March, 2010 was held on 27th July 2010 after giving notice to the members of the Company and the resolutions passed thereat were recorded in the Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and/or persons or firms or companies referred to in Section 295 of the Act during the financial year.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act during the financial year.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act during the financial year, the Company has not obtained any approvals from the Board of Directors, members or the previous approval of the Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) The Company has delivered all the certificates on lodgment of securities for transfer/ transmission or any other purpose in accordance with the provisions of the Act. There was no allotment of securities during the financial year.
(ii) The Company has deposited the amount of final dividend and interim dividend declared in a separate bank account on 28.07.2010 & on 03.12.2010 which is within five days from the respective dates of declaration of such dividends.
(iii) The Company has posted warrants for final dividends and interim dividends to all the members on 02.08.2010 and 16.12.2010 respectively which is within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/ unpaid dividend has been transferred to Unpaid Dividend Account of the Company with Axis Bank Chakan Branch, Pune on 28.08.2010 and on 02.01.2011 respectively.

- (iv) The company has transferred the amounts in Unpaid dividend account, matured debentures and interest on debentures and public deposits which have remained unclaimed or unpaid for a period of seven years to Investors Education and Protection Fund.
- (v) The company has complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made. However, strength of the Board was below statutory minimum during the period 10.04.2010 to 19.05.2010.
 15. The Company has not appointed any Managing Director/Whole Time Director/Manager during the financial year.
 16. The Company has not appointed any sole selling agents during the financial year.
 17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities prescribed under the various provisions of the Act during the financial year.
 18. All the directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
 19. The Company has not issued any shares, debentures or other securities during the financial year.
 20. The Company has not bought back any shares during the financial year.
 21. The Company did not issue any debentures or preference shares and hence the question of its redemption does not arise.
 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited/accepted/renewed any deposits falling within the purview of Section 58A during the financial year.
 24. The amounts borrowed by the Company from financial institutions, banks and others during the financial year ended 31.03.2011 are within the borrowing limits of the Company and that necessary resolutions as per section 293 (1) (d) of the Act have been passed in the duly convened annual general meeting.
 25. The company has made loans and given guarantees or provided securities to other bodies corporate subject to the provisions of Section 372A of the Act and made necessary entries in the register kept for the purpose.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
 27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
 30. The Company has not altered its Articles of Association during the year under scrutiny.
 31. We are informed that there were no prosecutions initiated against the Company or show cause notices received by the Company for alleged offences under the Act during the financial year for offences under the Act.
 32. The Company has not received any money as security from its employees during the financial year.
 33. The Company has deposited both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Place: Mumbai
Date : 19/05/2011

For **Parikh Parekh & Associates.**
J.U.Poojari
Practising Company Secretary
Partner
C.P. No. 8187

Annexure 'A' to the Compliance Certificate

Statutory Registers as maintained by the Company:

1. Register of charges u/s 143 of the Act.
2. Register of Members u/s 150 and Index of Members u/s 151 of the Act.
3. Register of Debenture holders and Index of Debenture holders u/s 152 of the Act.
4. Minutes Book of Board Meetings u/s 193 of the Act.
5. Minutes Book of General Meetings u/s 193 of the Act.
6. Minutes Book of Audit Committee Meetings.
7. Minutes Book of Shareholders Grievance Committee Meetings.
8. Minutes Book of Share Transfer Committee Meetings.
9. Books of Accounts u/s 209 of the Act are being audited by the Statutory Auditors of the Company.
10. Register of Contracts u/s 301 of the Act.
11. Register of disclosure of interest u/s 301 of the Act.
12. Register of Particulars of Directors etc. u/s 303 of the Act.
13. Register of Directors' Shareholding u/s 307 of the Act.
14. Register of loans/ Investments u/s 372A of the Act.

Other Registers:

1. Register of transfers, transmission of shares.
2. Attendance Register of Board Meetings.
3. Attendance Register of General Meetings.
4. Attendance Register of Audit Committee Meetings.
5. Attendance Register of Shareholders Grievance Committee Meetings.

Place: Mumbai

Date : 19/05/2011

For **Parikh Parekh & Associates.**

J.U.Poojari

Practising Company Secretary

Partner

C.P. No. 8187

Annexure 'B' to the Compliance Certificate

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ended on 31st March 2011.

Sr. No.	Form No/ Return/Document	Filed Under Section	For	Date of Filing	Whether filed within prescribed time	If delay in filing, whether requisite additional fee paid
1.	Form 32	303(2)	Resignation of Mr.K N Subramaniam as Whole Time Director w.e.f. 31.12.2009	07.04.2010	No	Yes
2	Form 17	125	Satisfaction of charge- Axis Bank Limited	09.06.2010	Yes	NA
3	Form 32	303(2)	Appointment of Mr.Satish Sekhri as Additional Director w.e.f.19.05.2010	18.06.2010	Yes	NA
4	Form 62	58A	Return of deposit for F.Y.31.03.2010	30.06.2010	Yes	NA
5	Form 32	303(2)	Resignation of Mr.H.R.Prasad as Director w.e.f.10.04.2010	05.07.2010	No	Yes
6	Form 32	303(2)	Appointment of Mr.Sunil Kaul, Mr.M.K.Goyal and Mr.Satish Sekhri as Directors in the AGM on 27.07.2010	08.08.2010	Yes	NA
7	Form 23	192	Registration of Resolution passed by the members in AGM-in respect of Extension of Corp. Guarantee in excess of limits under Sec 372A and payment of Commission to Non Executive Director(s).	08.08.2010	Yes	NA
8	Form 66	383A	Compliance certificate for financial year 2009-2010	08.08.2010	Yes	NA
9	Balance sheet as on 31.03.2010	220	Balance Sheet (31.3.2010) adopted at the AGM held on 27.07.2010	23.08.2010	Yes	NA
10	Annual Return made as on 27.07.2010	159	Annual Return made as on 27.07.2010	20.09.2010	Yes	NA
11	Form 8	125	Creation of charge in respect of facilities from Union Bank of India	04.03.2011	No	Yes

Place: Mumbai
Date : 19/05/2011

For **Parikh Parekh & Associates.**

J.U.Poojari

Practising Company Secretary

Partner

C.P. No. 8187

Auditors' Report

TO THE MEMBERS OF VICTOR GASKETS INDIA LIMITED,

1. We have audited the attached Balance Sheet of Victor Gaskets India Limited as on 31st March 2011 and the Profit and Loss Account and the Cash Flow Statement of the Company 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 the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose 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 the books; and proper returns – adequate for the purposes of our audit – have been received from the branches not visited by us.
 - c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, on the said date.
 - e) On the basis of the written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as Directors in terms of clause (g) of sub section (1) of Section 274 of the Companies, 1956, on the said date.
 - f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the Company's Accounting Policies and the Notes thereon give the information required by the Companies Act, 1956, in the manner so required, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011,
 - ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date, and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
B K Khare & Company
Chartered Accountants
Firm Registration No. 105102W

Devdatta Mainkar
Partner
Membership No. 109795

Place : New Delhi
Dated : May 19, 2011

Annexure to the Auditors' Report

Referred to in paragraph 1 of our Report of even date:

- i. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All the assets have not been physically verified by the management during the year. However, 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. The discrepancies noticed on last physical verification of fixed assets as compared to book records were not material and have been properly dealt with in the books of account.

(c) During the year, the Company has not disposed of any substantial/major part of fixed assets.
- ii. (a) As explained to us, the inventory has been physically verified during the year by the management. Confirmations have been obtained in respect of inventories lying with third parties. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The system of maintaining records for work in progress needs to be strengthened.

(c) The discrepancies noticed on physical verification of inventory as compared to the book records are not material and have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us and to the best of our knowledge, the Company has neither granted nor taken any loans, whether secured or unsecured to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- 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 nature of its business with regard to the purchase of inventory and fixed assets and sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- v. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956,

 - (a) Based on audit procedures applied by us, to the best of our knowledge and belief, and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements have been entered in the register required to be maintained under Section 301.
 - (b) According to the information given to us and excluding certain transactions in pursuance of contracts or arrangements mentioned above of purchase of services of specialised nature for which alternate quotations are not available, in our opinion, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA and any other relevant provisions of the Companies Act, 1956.
- vii. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company relating to the manufacture of Gaskets pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the records of the Company and information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service-Tax, Customs Duty, Excise Duty, cess and other material statutory dues with the appropriate authorities during the year. According to information and explanations given to us, there are no arrears of outstanding statutory dues as mentioned above as at 31st March 2011 for a period of more than six months from the date they became payable.

(b) As on 31st March 2011, according to the records of the Company and information and explanations given to us, following are particulars of disputed dues on account of Sales Tax and Income tax that have not been deposited

Name of statute	Nature of dues	Amount in Rs Lacs	Period to which amount relates	Forum where pending
Bombay Sales Tax Act	Tax, Interest thereon	6.82	2002-03	Jt. Commissioner of Sales Tax (Appeal)
Central Sales Tax Act	Tax, Interest thereon	7.69	2002-03	
Central Sales Tax Act	Tax, Interest thereon	9.48	2003-04	
Central Sales Tax Act	Tax, Interest thereon	1.75	2004-05	
Bombay Sales Tax Act	Tax, Interest thereon	8.48	2004-05	

- x. The Company does not have accumulated losses, as at the end of the year. The company has not incurred cash losses in the current year and the immediately preceding financial year.
- xi. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
- 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 and according to the information and explanations given to us, the nature of activities of the Company does not attract any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies.
- xiv. The company is not dealing or trading in shares, securities or any other investments. Accordingly the provisions of clause 4(xiv) are not applicable to the company.
- xv. The Company has given guarantees for loans taken by its holding company from financial institutions. Based on the information and explanations given to us and representations made to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
- xvi. To the best of our knowledge and belief and according to the information and explanation given to us, company has not raised any term loan during the year.
- xvii. According to information and explanation given to us, on an overall examination of the balance sheet and the Cash Flow Statement of the company, we report that funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- xviii. The Company has not made any preferential allotment to parties and companies covered under register maintained under Section 301 of the Companies Act, 1956, during the year and the question of whether the price at which the shares have been issued is prejudicial to the interest of the company does not arise.
- xix. According to the information and explanations given to us, there are no debentures outstanding during the year and hence provisions of clause xix are not applicable.
- xx. The Company has not raised money by making any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.
- 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 **B K Khare & Company**
Chartered Accountants
Firm Registration No. 105102W

Devdatta Mainkar
Partner
Membership No. 109795

Place : New Delhi
Dated : May 19, 2011

Balance Sheet as at March 31, 2011

Particulars	Schedule	March 31, 2011		March 31, 2010	
		(Rs '000)	(Rs '000)	(Rs '000)	(Rs '000)
Sources of Funds					
Shareholders' Funds					
Share Capital	1	83,34		83,34	
Reserves & Surplus	2	13,48,77	14,32,11	13,67,89	14,51,23
Loan Funds					
Secured Loans	3	6,14,23		4,28,08	
Unsecured Loans	4	8,93,21	15,07,44	8,94,23	13,22,31
Deferred Tax (See note 3 Schedule 18)			44,07		69,09
Total Funds Employed			<u>29,83,62</u>	<u>28,42,63</u>	
Application of Funds					
Fixed Assets	5				
Gross Block		29,72,19		28,31,52	
Less Depreciation		18,83,60		17,68,63	
Net Block		10,88,59		10,62,89	
Capital Work-in-progress		19,07	11,07,66	16,18	10,79,07
Current Assets, Loans & Advances					
Inventories	6	8,40,54		6,96,54	
Sundry Debtors	7	8,99,43		7,46,14	
Cash and Bank Balances	8	1,26,09		1,48,01	
Loans and Advances	9	14,77,30		13,92,95	
		<u>33,43,36</u>		<u>29,83,64</u>	
Less: Current Liabilities & Provisions					
Liabilities	10	10,15,55		10,99,06	
Provisions	11	4,51,85		1,21,02	
		<u>14,67,40</u>		<u>12,20,08</u>	
Net Current Assets			18,75,96		17,63,56
Total Funds Employed			<u>29,83,62</u>	<u>28,42,63</u>	
Statement of Significant Accounting Policies	17				
Notes to the Accounts	18				

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

As per our report of even date.

For B K Khare & Company
Chartered Accountants
Firm Reg. No. 105102W

Devdatta Mainkar
Partner
Membership No : 109795
New Delhi, May 19, 2011

DG PALVE
GM & COO

S PATEL
Financial Controller

New Delhi, May 19, 2011

SUNIL KAUL
Chairman

SATISH SEKHRI
MK GOYAL
Directors

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

Particulars	Schedule	March 31, 2011		March 31, 2010	
		(Rs '000)	(Rs '000)	(Rs '000)	(Rs '000)
Income					
Sales (less returns)			61,66,65		49,62,31
Less : Excise Duty			6,07,07		4,15,43
Sales (Net of Excise)			55,59,58		45,46,88
Other Income	12		4,35,71		3,11,58
			<u>59,95,29</u>		<u>48,58,46</u>
Expenditure					
Cost of Materials	13		32,59,77		26,29,18
Personnel Expenses	14		6,63,55		5,81,75
Other Expenses	15		11,80,73		10,67,07
Finance Charges	16		44,00		20,14
Depreciation			1,65,52		2,42,40
			<u>53,13,57</u>		<u>45,40,54</u>
Profit before tax			6,81,72		3,17,92
Provision For Tax					
Current year Tax		2,37,54		1,47,35	
Previous year Tax		3,69		(7,33)	
Deferred Tax		(25,02)		(29,81)	
			<u>2,16,21</u>		<u>1,10,21</u>
(See Note 3, Schedule 18)					
Profit After Tax			4,65,51		2,07,71
Add : Surplus Brought Forward from last Balance Sheet			4,26,56		3,49,75
Profit available for appropriation			<u>8,92,07</u>		<u>5,57,46</u>
Appropriations					
Transfer to General Reserve			69,89		33,40
Interim Dividend			83,34		41,67
Tax on Interim Dividend			13,84		7,08
Proposed Dividend - Equity			3,33,37		41,67
Tax on Proposed Dividend			54,08		7,08
Balance carried to Balance Sheet			3,37,55		4,26,56
			<u>8,92,07</u>		<u>5,57,46</u>
Statement of Significant Accounting Policies	17				
Notes to the Accounts	18				
Earnings Per Share (in Rs.)					
Basic / Diluted			5.59		2.49
(See note 7 , in Schedule 18)					
Number of Shares used in computing EPS					
Basic / Diluted			8,33,41,42		8,33,41,42

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

As per our report of even date.

For B K Khare & Company
Chartered Accountants
Firm Reg. No. 105102W

Devdatta Mainkar
Partner
Membership No : 109795
New Delhi, May 19, 2011

DG PALVE
GM & COO

S PATEL
Financial Controller

New Delhi, May 19, 2011

SUNIL KAUL
Chairman

SATISH SEKHRI
MK GOYAL
Directors

Schedules forming part of the Balance Sheet as at March 31, 2011

Schedule 1 : Share Capital

Particulars	March 31, 2011 (Rs '000)	March 31, 2010 (Rs '000)
Authorised		
1,50,00,000 Equity Shares of Rs 1 each	<u>1,50,00</u>	<u>1,50,00</u>
Issued, Subscribed & Paid up		
83,34,142 Equity Shares of Rs.1 each fully paid up (The above shares are issued for consideration other than cash pursuant to the Scheme of Arrangement for Demerger of Gaskets division of Perfect Circle Victor Limited. Out of these 72,58,352 equity shares of Rs.1 each fully paid up are held by Asia Investments Private Limited, the holding company)	<u>83,34</u>	<u>83,34</u>
	<u>83,34</u>	<u>83,34</u>

Schedule 2 : Reserves and Surplus

Particulars	(Rs '000)	March 31, 2011 (Rs '000)	(Rs '000)	March 31, 2010 (Rs '000)
Security Premium (As Per Last Balance Sheet)	<u>3,75,32</u>	<u>3,75,32</u>	<u>3,75,32</u>	3,75,32
General Reserve				
Opening Balance	5,66,01		5,32,61	
Transfer from P & L Account	<u>69,89</u>	<u>6,35,90</u>	<u>33,40</u>	5,66,01
Balance in Profit and Loss Account		<u>3,37,55</u>		4,26,56
		<u>13,48,77</u>		<u>13,67,89</u>

Schedule 3 : Secured Loans

Particulars	March 31, 2011 (Rs '000)	March 31, 2010 (Rs '000)
Working Capital Loan from Bank		
Cash Credit	6,03,35	4,28,08
Finance Lease	10,88	-
	<u>6,14,23</u>	<u>4,28,08</u>
(See Note 1 & 19 of Schedule 18)		

Schedule 4 : Unsecured Loans

Particulars	March 31, 2011 (Rs '000)	March 31, 2010 (Rs '000)
Sales Tax Deferral	8,93,21	8,94,23
(Repayable within one year Rs. 20,76 previous year Rs. 1,01)	<u>8,93,21</u>	<u>8,94,23</u>

Schedule 5 : Fixed Assets
(Refer Note 2, Schedule 17)

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Balance as on April 1, 2010 (Rs '000)	Additions/ Adjustments during the year (Rs '000)	Deletions/ Adjustments during the year (Rs '000)	Balance as on March 31, 2011 (Rs '000)	Balance as on April 1, 2010 (Rs '000)	Depreciation for the year (Rs '000)	Deletions/ Adjustments during the year (Rs '000)	Impairment (Rs '000)	Balance as on March 31, 2011 (Rs '000)	As on March 31, 2010 (Rs '000)
Freehold Land	65,04	-	-	65,04	-	-	-	-	65,04	65,04
Roads	53,53	-	-	53,53	11,20	2,35	-	13,55	39,98	42,33
Buildings	6,99,04	5,06	-	7,04,10	2,52,64	23,30	-	2,75,94	4,28,16	4,46,40
Plant & Machinery	17,49,18	1,65,01	54,03	18,60,16	13,05,14	1,16,97	49,76	13,72,35	4,87,81	4,44,04
Furniture, Fittings & Equipments	90,22	8,51	1,27	97,46	75,88	4,31	79	79,40	18,06	14,34
Motor Vehicles	63,94	16,34	-	80,28	31,80	13,34	-	45,14	35,14	32,14
Intangible & Technical Know-how	1,10,57	1,05	-	1,11,62	91,97	5,25	-	97,22	14,40	18,60
Total	28,31,52	1,95,97	55,30	29,72,19	17,68,63	1,65,52	50,55	18,83,60	10,88,59	10,62,89
Capital Work-in-Progress *									19,07	16,18
Total	28,31,52	1,95,97	55,30	29,72,19	17,68,63	1,65,52	50,55	18,83,60	11,07,66	10,79,07
Previous Year	26,91,28	1,42,10	1,86	28,31,52	15,27,10	2,42,40	87	17,68,63	10,79,07	11,64,18

(See Note 2, Schedule 17)

* Includes Capital Advances Rs. 15,44,969 /- (Previous Year Rs. 15,49,000/-)

Schedule 6 : Inventories

Particulars	March 31, 2011 (Rs '000)	March 31, 2010 (Rs '000)
(Valued at Cost or Net Realisable Value which ever is lower)		
Raw & Packing Materials	3,33,28	3,23,67
Work-in-Progress	1,24,61	1,22,49
Finished Goods	3,82,65	2,50,38
	<u>8,40,54</u>	<u>6,96,54</u>

Schedule 7 : Sundry Debtors - Unsecured

Particulars	(Rs '000)	March 31, 2011 (Rs '000)	(Rs '000)	March 31, 2010 (Rs '000)
Debts outstanding over six months				
– Considered good	14,53		13,50	
– Considered doubtful	<u>9,73</u>		<u>4,79</u>	
	24,26		18,29	
Less: Provision for doubtful debts	<u>9,73</u>	14,53	<u>4,79</u>	13,50
Other Debts				
– Considered good		8,84,90		7,32,64
		<u>8,99,43</u>		<u>7,46,14</u>

Schedule 8 : Cash and Bank Balances

Particulars	March 31, 2011 (Rs '000)	March 31, 2010 (Rs '000)
Cash in hand	1,87	1,10
Balance with Scheduled Banks :		
– On Current Accounts	80,67	1,03,36
– On Margin Money Deposit (Lodged with banker for issuing Bank Guarantees)	43,55	43,55
	<u>1,26,09</u>	<u>1,48,01</u>

Schedule 9 : Loans and Advances

Particulars	March 31, 2011 (Rs '000)	March 31, 2010 (Rs '000)
(Unsecured, Considered Good) Advances recoverable in cash or kind or for value to be received		
Unsecured - Considered good*	13,72,56	13,20,33
* Includes Rs. 115,498, (Previous year Rs. 114,043) due from Anfilco Ltd., Company under the same management. Maximum Amount Due at any time during the year Rs. 117,508 (Previous Year Rs. 114,043)		
Advance Income Tax [Net of Provision Rs. 43,235, (Previous Year Rs. 26,351)]	54,34	23,41
Balance with Central Excise & Customs Authorities	50,40	49,21
	<u>14,77,30</u>	<u>13,92,95</u>

Schedule 10 : Current Liabilities

Particulars	March 31, 2011 (Rs '000)	March 31, 2010 (Rs '000)
Sundry Creditors (See Note 2, Schedule 18)		
– Total Outstanding dues of Micro & Small Enterprises	–	–
– Total Outstanding dues of Creditors other than Micro & Small Enterprises	5,32,22	6,43,03
Advance from Customers	33,44	31,05
Other Current Liabilities	4,43,46	4,20,06
Unclaimed Dividend *	6,07	4,14
Unclaimed Debenture Interest *	36	78
	<u>10,15,55</u>	<u>10,99,06</u>

* The figure does not include any amount due & outstanding to be credited to the Investor Education and Protection Fund.

Schedule 11 : Provisions

Particulars	March 31, 2011 (Rs '000)	March 31, 2010 (Rs '000)
Proposed Dividend - Equity	3,33,37	41,67
Tax on Proposed Dividend	54,08	7,08
For Retirement Benefits	64,40	72,27
	<u>4,51,85</u>	<u>1,21,02</u>

Schedules forming part of the Profit and Loss Account for the year ended March 31, 2011

Schedule 12 : Other Income

Particulars	March 31, 2011 (Rs '000)	March 31, 2010 (Rs '000)
Interest		
- On deposit with Banks	3,39	4,48
- Others	1,37,04	1,22,55
Tax Deducted at Source Rs. 1,349 (Previous year 1,561)		
Balances in respect of earlier years written back	85,45	32,92
Export Incentive	30,12	18,53
Scrap Sales	84,15	72,34
Gain on Exchange Fluctuation	20,18	10,56
Miscellaneous Income	75,38	50,20
	<u>4,35,71</u>	<u>3,11,58</u>

Schedule 13 : Cost of Materials

Particulars	(Rs '000)	March 31, 2011 (Rs '000)	(Rs '000)	March 31, 2010 (Rs '000)
Raw Materials				
Opening Stock	3,23,67		2,34,09	
Add: Purchases	33,91,16		27,73,02	
Less: Closing Stock	<u>3,33,28</u>		<u>3,23,67</u>	
		33,81,55		26,83,44
(Increase)/Decrease in Work-in-Progress and Finished Goods				
Opening Stock				
Work-in-progress	1,22,49		1,05,55	
Finished Goods	2,50,38		2,07,83	
	<u>3,72,87</u>		<u>3,13,38</u>	
Less: Closing Stock				
Work-in-progress	1,24,61		1,22,49	
Finished Goods	3,82,65		2,50,38	
	<u>5,07,26</u>	(1,34,39)	<u>3,72,87</u>	(59,49)
		32,47,16		26,23,95
Increase / (Decrease) of Excise Duty on Closing Stock		12,61		5,23
Cost of Materials		<u>32,59,77</u>		<u>26,29,18</u>

Schedule 14 : Personnel Expenses

Particulars	March 31, 2011 (Rs '000)	March 31, 2010 (Rs '000)
Salaries, Wages & Bonus	5,16,45	4,87,50
Contribution to Provident, Gratuity and Superannuation Funds (See Note 8 in Schedule 18)	35,31	34,40
Staff Welfare	1,11,79	59,85
	<u>6,63,55</u>	<u>5,81,75</u>

Schedule 15 : Other Expenses

Particulars	March 31,		March 31,
	(Rs '000)	2011 (Rs '000)	2010 (Rs '000)
Stores, Spare Parts & Tools		12,96	12,70
Processing Charges		2,37,34	1,59,91
Repairs & Maintenance			
Plant & Machinery	30,28		30,64
Building	9,32		6,59
Others	68,70	1,08,30	69,61
Power & Fuel		52,50	41,70
Travelling		49,87	52,39
Rent		8,36	8,80
Rates & Taxes		16,95	29,41
Insurance		6,66	5,05
Loss on Sale of Fixed Assets		2,20	36
Bad Debts		1,65	42,91
Provision for Doubtful Debts		4,94	(39,61)
Packing & Forwarding Charges		75,16	63,78
Advertisement & Publicity		1,35,90	1,68,11
Discount on sales		1,32,35	1,55,12
Printing & Stationery		11,33	11,92
Communication Expenses		13,38	12,56
Legal & Professional Fees		2,00,73	1,68,61
Research & Development Expenses		3,83	2,17
Tooling Expenses		51,87	40,76
Bank Charges		13,43	8,48
Security Expenses		10,29	7,43
Miscellaneous Expenses		30,73	44,90
		11,80,73	10,67,07

Schedule 16 : Finance Charges

Particulars	March 31,		March 31,
	(Rs '000)	2011 (Rs '000)	2010 (Rs '000)
Interest			
On Cash Credits		42,10	18,79
On Others		1,90	1,35
		44,00	20,14

Schedules forming part of the Accounts for the year ended March 31, 2011

Schedule 17 : Statement of Significant Accounting Policies

1. Accounting Convention:

The financial statements have been prepared in accordance with applicable accounting standards in India and in accordance with historical cost convention.

2. Fixed Assets and Depreciation:

- Fixed Assets are stated at their original cost (net of refundable Taxes and Duties wherever applicable) including freight, duties, customs, and other incidental expenses relating to acquisition and installation. Interest and other finance charges paid on loans for the acquisition of fixed assets are apportioned to the cost of fixed assets till they are ready for use.
- Expenditure incurred during the period of construction is carried forward as capital work-in-progress, and on completion the costs are allocated to the respective fixed assets.
- Foreign exchange fluctuations on payment/restatement of long term liabilities related to fixed assets are adjusted to profit and loss account.
- Depreciation is charged at the following rates based on following estimates of useful lives of asset.

Assets Class	Useful Life	Depreciation Rate Used By The Company	Depreciation Rate Prescribed in Sch. XIV
Road	30 Years	3.34%	1.63%
Furniture & Fixtures	7 Years	14.29%	6.33%
Office Equipments	7 Years	14.29%	4.75%
Vehicles	5 Years	20.00%	9.50%
Software & Data processing Unit	3 Years	33.33%	16.21%
Tools & Dies	7 Years	14.29%	11.31%
Measuring Equipment	3 Years	33.33%	7.42%
Technical Knowhow	5 Years	20.00%	16.67%
Plant & Machinery, Electrical Installation	13.5 Years	7.42%	7.42%
Factory Building	30 Years	3.34%	3.34%

- Impairment: The management periodically assesses, using external and internal sources, whether there is an indication that an asset can be impaired and impairment occurs where the carrying value exceed the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed as determined as the excess of the carrying amount over the higher of the assets net sale price or present value as determined above.

3. Investments

Investments held as long-term investments are stated at cost comprising of acquisition and incidental expenses less permanent diminution in value, if any.

Investments other than long-term investments are classified as current investments and valued at cost or fair value whichever is less.

4. Valuation of Inventories:

Raw Material and Stores and Spares are valued at weighted average cost, due allowance being made for obsolete and non moving items.

WIP is valued at cost, which includes raw material cost and applicable manufacturing overheads.

Finished Goods are valued at lower of cost or net realisable value. Costs include material costs and applicable manufacturing overheads.

5. Revenue Recognition:

Revenue from sale of goods is accounted for on the basis of despatch of goods.

6. Export Incentive

Export Incentive in respect of exports made under the Duty Drawback Scheme, as per the Import Export Policy, is recognized at a point of reasonable certainty of its ultimate collection, which is, when realized.

7. Foreign Currency Transaction:

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

In respect of forward contract, the difference between the forward contract rate and the exchange rate on the date of transaction is spread over the life of the contract.

Foreign currency assets and liabilities other than those covered by forward contract are restated at the exchange rate prevailing at the year end and the overall net gain/loss is adjusted to the Profit and Loss Account.

8. Retirement Benefits:

(i) Defined contribution Plans

Company's contributions paid / payable during the year to Provident Fund, Superannuation Fund are recognised in the Profit and Loss Account.

(ii) Defined Benefit Plan

Liability towards gratuity and leave encashment is accrued based on actuarial valuation carried out by an independent actuary by using the projected unit credit method. Past services are recognised on straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

9. Borrowing Costs:

Borrowing Costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised till the month in which the asset is ready to use as part of the cost of that asset. Interest on working capital is charged to revenue accounts.

10. Accounting for Taxes on Income

Tax expense (tax benefit) is the aggregate of current year tax, deferred tax and fringe benefit tax charged (or credited) to the Profit and Loss Account for the year. Deferred Tax is measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet Date.

(a) Current Year Charge

The provision for taxation is based on assessable profits of the Company as determined under the Income Tax Act, 1961. Provisions are recorded as considered appropriate for matters under appeal due to disallowances or for other reasons.

(b) Deferred Tax

Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

11. Provisions and Contingent Liabilities:

Liabilities: Provisions are recognized in accounts in respect of present probable obligations, the amount of which can be reliably estimated. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company.

Schedule 18 : Notes to the Accounts

1. Secured Loans:

Securities against aforesaid loans:

The Working Capital facilities are secured by hypothecation of the Company's inventories, receivables and movable plant and machinery.

2. Suppliers covered under Micro, Small & Medium Enterprises Development Act, 2006, have not furnished the information regarding filing of necessary memorandum with appointed authority. In view of this, information required under Section 22 of the said Act is not given.

3. The Company estimates deferred tax charge/ (credit) using the applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year. The net deferred tax liability as at March 31, 2011 is given below:

(₹ '000)

	March 31, 2011		March 31, 2010	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Timing Differences on account of:				
Depreciation		83,68		98,99
Expenses allowable as and when paid	36,38		28,27	
Provision for Doubtful Debts	3,23		1,63	
	39,61	83,68	29,90	98,99
Net Deferred Tax Liability		44,07		69,09

4. Segmental Reporting:

a) Primary Segment:

The Company operates only in one business segment viz. Auto Components and Parts.

b) Secondary Segment (by Geographical Segment)

(₹ '000)

Particulars	Year ended	Year ended
	31.03.2011	31.03.2010
Revenue (Net of Excise)		
Exports	3,86,40	3,08,85
Domestic	51,73,18	42,38,03
Total	55,59,58	45,46,88
Debtors	81,77	84,65
Exports	8,17,66	6,62,78
Domestic		
Total	8,99,43	7,47,43

Note: Assets of the Company except sundry debtors are not identified with the geographical segment as these are used interchangeably and are located in India.

5. Estimated amount of contracts remaining to be executed on Capital Account (net of Capital Advances) and not provided for ₹65,44,195 (Previous Year ₹34,15,250).

6. Contingent Liability in respect of:

(i) Bank Guarantees : ₹12,54,83 (Previous Year ₹44,68,783)

(ii) Service Tax : ₹8,01,419 (Previous Year ₹8,01,419)

(iii) Sales Tax Claims against which Company has preferred an appeal : ₹34,22,459 (Previous Year ₹34,22,459)

- (iv) Corporate Guarantee extended in favour of Tata Capital Ltd., on behalf of Asia Investment Pvt Ltd.,- Holding Company, ₹66,57,00,000. (Previous Year – ₹ Nil). So far, company has made inter corporate deposits and extended Corporate Guarantees aggregating to ₹78,11,90,000 which exceeds approval received from members up to ₹40,00,00,000 in previous Annual General Meeting. Excess amount beyond such limit is subject to approval of members in the ensuing annual general meeting.

It is also proposed to obtain approval of members for investing surplus funds/ making inter corporate loans/ providing securities up to ₹ 160,00,00,000 in the ensuing AGM.

7. Earnings per Share:

		2010-11	2009-10
Total number of equity shares outstanding during the year	(a)	83,34,142	83,34,142
Net Profit for the year as reported (₹ '000)	(b)	4,65,51	2,07,71
Earning per Share (₹)			
Basic / Diluted	(b/a)	5.59	2.49
Nominal Value of Shares (₹)		1	1

8. Retirement Benefits:

(a) Defined Benefit Plan -

	Gratuity ₹ '000	Leave Encashment ₹ '000
Expense recognised during the period ended March 31, 2011 (Included in "Schedule 14" Personnel Expenses)		
1 Current Service cost	9,93	7,60
2 Interest Cost	6,28	2,99
3 Expected return on plan assets	(6,10)	-
4 Actuarial Losses/ (Gains)	6,23	1,12
5 Total expense	16,34	11,71
Reconciliation of Net Asset/(Liability) recognised in the Balance Sheet during the period ended March 31,2011		
1 Net Asset/(Liability) at beginning of period	(24,78)	(38,67)
2 Employee Expense	(16,34)	(11,71)
3 Contributions Paid	24,51	2,58
4 Net Asset/(Liability) at the end of the period	(16,61)	(47,80)
5 Actual Return on plan assets	Not Readily available with the Company	
Actuarial Assumptions As at March 31 2011		
1 Discount Rate	8.3% per annum	
2 Expected rate of return on plan assets	7% per annum (Gratuity)	
3 Mortality Table	LIC (1994-96) ULTIMATE	
4 Salary increase	7%	

There is no difference between the liability at the beginning of the year as per the unit credit method and the liability as per the books of accounts as on 31st March 2011.

(b) Defined Contribution Plans –

Amount recognized as an expense and included in the Schedule 14 "Contribution to Provident and other funds" of Personnel Expenses ₹24.10 Lakhs.

- 9.** In case of accounts receivable and payable where statements of account have been received, book balances have been generally reconciled and adjusted appropriately. In other cases balances have been taken as per books of accounts.

10. Managerial remuneration

- (i) Determination of net profit in accordance with Section 349 of the Companies Act, 1956 and Commission payable to Non Executive Director(s)

	2010-2011		2009-2010	
Profit Before Tax		6,81,72		3,17,92
Add: Director's Remuneration	6,50		51,44	
Depreciation as per book	1,65,52		2,42,40	
Loss on Sales of Assets	2,20		36	
Provision for doubtful debt	4,94		-	
Sub Total		1,79,16		2,94,20
Less: Depreciation U/S 350		1,65,52		2,42,40
Net Profit under Section 349		6,95,36		3,69,72
Commission Payable to Non Executive Director		6,50		3,70

- (ii) Remuneration to Executive Director

	2010-2011	2009-2010
Salary	-	36,29
Variable performance pay	-	23,00
Contribution to Provident fund and Other Funds	-	6,08
Perquisite	-	8,07
Commission	-	3,70
Total	-	77,14
Less: Recovered from fellow Subsidiary as a consideration for services rendered by the Director	-	25,70
Net(Amount debited to Profit and Loss account)	-	51,44

Mr. K N Subramaniam ceased to be whole time director and chairman with effect from 31st December 2009.

11. Lease Commitment

Finance Lease:

The Company has acquired Honda Civic Vehicle under lease finance agreement on January 29, 2011. Lease agreement is for a period of 4 Years. The future minimum lease payment under the lease as of March 31, 2011 is given below.

Particulars	Due Within 12 Months (₹ '000)	Due Between 12-60 Months (₹ '000)	Due for more than 60 Months (₹ '000)	Total Amount Due (₹ '000)
Minimum Lease	331	911	-	1,242
Less: Amount Representing Interest	144	235	-	380
Present Value of minimum lease	186	675	-	862

12. Information pursuant to the provisions of paragraph 3 of part II of schedule VI to the Companies Act, 1956.

- (a) Opening Stock and Closing Stock of Goods manufactured

Product	Unit	Year	OPENING STOCK		CLOSING STOCK	
			Qty.	Value in ₹ ('000)	Qty.	Value in ₹ ('000)
Gaskets	Nos.	2010-2011	25,16,603	2,52,56	29,61,523	3,82,66
	Nos.	2009-2010	24,08,596	2,07,83	25,16,603	2,52,56

- (b) Turnover

	Unit	Qty	Value in ₹ ('000)
Gaskets			
2010-2011	Nos.		3,24,90,303
2009-2010	Nos.		3,16,18,464

(c) Consumption of Raw Materials, Components and Packing Material

Particulars	Unit	2010-2011		2009-2010	
		Qty	Value in ₹ ('000)	Qty	Value in ₹ ('000)
Cork Materials	Sheets	17,755	25,27	11,001	13,78
Cork frames/Gaskets	Nos.	6,85,903	1,09,70	7,29,432	1,11,66
Tin	Kgs	3,83,790	2,25,22	2,89,425	1,85,34
Copper	Kgs	9,386	36,99	8,832	27,29
Steel	Kgs	3,94,040	5,41,53	3,71,119	4,70,56
Betaflex/Flexoid	Sq.mtrs	53,897	39,92	41,930	29,99
Semi-Finished Gaskets	Nos.	28,71,173	4,90,78	27,37,739	4,10,90
Moulded Rubber Gaskets	Nos.	14,51,592	1,13,83	12,88,600	1,04,09
Grommets	Nos.	-	-	12,371	4,10
Non-Asbestos	Kgs	4,75,608	12,44,42	3,72,768	8,50,92
Others	Various		5,53,89		4,20,55
			33,81,55		26,29,18

13. Information pursuant to the provisions of Paragraph 4C Part II of Schedule VI to the Companies Act, 1956.

Licensed and installed capacities (per annum) and production:

	Year	Licensed	Installed	Actual
		Capacity Nos.*	Capacity Nos.**	Production Nos.
Gaskets	2010-2011	-	4,37,23,500	3,29,35,223
	2009-2010	-	4,37,23,500	3,17,26,471

* Licensing requirements for automotive parts have been dispensed w.e.f. July 25,1991.

** Installed Capacity has been accepted by the auditors without verification, this being a technical matter.

14. Value of Imported and Indigenous Raw Materials, Packing Materials and Components and Spares Consumed.

	2010-2011				2009-2010			
	Raw Materials and Packing Materials		Spares		Raw Materials and Packing Materials		Spares	
	₹ ('000)	%	₹ ('000)	%	₹ ('000)	%	₹ ('000)	%
Imported	13,84,48	40.9	67	5.2	9,84,31	37.4	4,09	32.2
Indigenous	19,97,07	59.1	12,29	94.8	16,44,87	62.6	8,61	67.8
	33,81,55	100.0	12,96	100.0	26,29,18	100.00	12,70	100.0

15. Auditor's Remuneration

	2010-2011	2009-2010
	₹ ('000)	₹ ('000)
Audit Fees	5,50	5,50
Tax Audit Fees	1,00	1,00

16. Value of Imports on C.I.F. Basis

	2010-2011	2009-2010
	₹ ('000)	₹ ('000)
Raw Materials	12,61,46	9,05,10
Machinery/ Spares	54	3,69

17. Expenditure in Foreign Currency

	2010-2011	2009-2010
	₹ ('000)	₹ ('000)
Travelling Expenses	6,66	1,99
Export Commission	0	76

18. Earning in Foreign Exchange

	2010-2011	2009-2010
	Rs ('000)	Rs ('000)
FOB Value of export sales	3,79,91	3,05,12

19. Related Party Disclosures

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

Names of Related parties* and description of relationships:

Relationships:

(i) Holding Company and Fellow Subsidiaries:

Asia Investments Pvt.Ltd. is the holding Company and the other fellow subsidiaries are Anand Automotive Ltd., Anand Products Ltd., Anchemo Ltd., Chang Yun India Ltd., Echlin India Ltd. Gabriel India Ltd. & Perfect Circle India Ltd.

(ii) Key Management Personnel

Mr. K.N. Subramaniam, Chairman. Mr K.N. Subramaniam ceased to be whole time director and Chairman with effect from 31st December, 2009.

Details of Transaction:

(Rs '000)

Nature of Transaction	2010-2011			2009-2010		
	Holding and Fellow Subsidiaries (AAL@, AIPL# & PCIL! CYL\$ & GIL*)	Key Management Personnel	Total	Holding and Fellow Subsidiaries (AAS @, AIPL# & PCIL! & CYL\$)Personnel	Key Management Personnel	Total
1. Advisory Services received	1,79,94	-	1,79,94	1,30,01	-	1,30,01
2. Marketing Services rendered	2,13,76	-	2,13,76	1,67,82	-	1,67,82
3. Purchase of Machine	-	-	-	11,01	-	11,01
4. Cost on Deputation recovered	90,44	-	90,44	1,32,95	-	1,32,95
5. Dividend Paid	1,07,80	-	1,07,80	79,05	-	79,05
6. Corporate Guarantee extended	66,65,70	-	66,65,70	-	-	-
7. Others	64,71	-	64,71	67,13	-	67,13
8. Amount Receivable	29,76	-	29,76	48,33	-	48,33
9. Amount Payable	20,98	-	20,98	-	-	-
10. Managerial Remuneration	-	-	-	-	51,44	51,44

@ Anand Automotive Ltd.

Asia Investments Private Ltd.

! Perfect Circle India Limited.

\$ Chang Yun India Ltd.

*Gabriel India Ltd

20. Previous Year figures have been regrouped and recast wherever necessary to confirm to the current year's classification.

21. Additional Information pursuant to the Provisions of Part IV of Schedule VI to the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.

State Code

Balance Sheet	31	03	2011
	Date	Month	Year

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

Public Issue

Rights Issue

Bonus Issue

Private Placements

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

Total Liabilities

Total Assets

Sources of Funds:

Paid up Capital

Reserves and Surplus

Secured Loans

Unsecured Loans

Deferred Tax Liability

Application of Funds:

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

IV Performance of the Company
(Amount in Rs Thousands)

Turnover	55,59,58	Total Expenditure	53,13,57
Profit/(Loss) Before Tax	6,81,72	Profit/(Loss) After Tax	4,65,51
Earnings Per Share in (Rs)	5.6	Dividend Rate %	500

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

Item Code No.	848410
Product Description	GASKETS

Signature to Schedule 1 to 18

DG PALVE
GM & COO

S PATEL
Financial Controller

New Delhi, May 19, 2011

SUNIL KAUL
Chairman

SATISH SEKHRI
MK GOYAL
Directors

Cash Flow Statement

Pursuant to the Accounting Standard (AS) - 3
issued by the Institute of Chartered Accountants of India for the year ended March 31, 2011

	March 31, 2011 (₹ '000)	March 31, 2010 (₹ '000)	March 31, 2010 (₹ '000)
A. Cash Flow from Operating Activities			
Net (Loss)/Profit before Tax but after exceptional /extraordinary items	681,72		3,17,92
Adjustment for :			
Depreciation	1,65,52	2,42,40	
Interest Expense	44,00	20,14	
Interest Income	(1,40,43)	(1,27,03)	
Foreign Exchange Loss	(17,0)	(10,56)	
Excess provision written back	(85,45)	(32,92)	
(Profit)/Loss on Fixed Assets sold	22,0	36	
Bad Debts	16,5	42,91	
Provision for Doubtful debts	49,4	(39,61)	95,69
Operating profit before working capital changes	6,72,45		4,13,61
Adjustments for changes in working capital :			
- (Increase)/Decrease in Sundry Debtors	(1,59,89)	(1,15,12)	
- (Increase)/Decrease in Other Receivables	(32,43)	56,14	
- (Increase)/Decrease in inventories	(1,44,00)	(1,49,07)	
- Increase/(Decrease) in trade and other payables	(425)	(3,34,95)	14,62
Cash generated from Operations	3,31,89		4,28,23
- Income Taxes and Wealth Tax Paid	(1,86,67)	(84,18)	(84,18)
Net Cash from Operating activities	1,45,22		34,405
B. Cash Flow from Investing activities			
Purchase of Fixed Assets	(1,98,86)	(1,1,58,28)	
Proceeds from Sale of Fixed Assets	255	63	
Intercompany deposit given	3,50,00	(2,19,12)	
Intercompany deposit received	(4,53,78)		
Interest received Revenue	1,37,73	1,23,71	
Net Cash used in Investing activities	(1,62,35)		(2,53,06)
C. Cash Flow from Financing activities			
Proceeds from Long Term Borrowings (Net)	9,87	0	
Proceeds From Working Capital Facilities (Net)	1,75,27	76,21	
Interest paid	(44,00)	(20,14)	
Dividend / Dividend Tax Paid	(1,45,94)	(1,07,25)	
Net Cash used in/from Financing activities	(4,79)		(51,18)
Net Increase/ (Decrease) in cash and cash equivalents	(21,93)		39,81
Cash and Cash Equivalents opening balance	1,48,01		1,08,20
Cash and Cash Equivalents closing balance	1,26,09	-	1,48,01
Cash and Cash Equivalents comprises			
Cash In Hand	1,87		1,10
Balance with Scheduled Banks	1,24,22		1,46,91

Notes to the Cash Flow Statement for the year ended March 31, 2011

- 1 The above cash flow has been prepared under the indirect method setout in AS-3 issued by the Institute of Chartered Accountants of India.
 - 2 Figures in brackets indicate cash outgo.
 - 3 Previous Year figures have been regrouped and recast wherever necessary to confirm to the current year's classification.
-

As per our report of even date.

For B K Khare & Company
Chartered Accountants
Registration No. 105102 W

DG PALVE
GM & COO

SUNIL KAUL
Chairman

Devdatta Mainkar
Partner
Membership No : 109795
New Delhi, May 19, 2011

S PATEL
Financial Controller

New Delhi, May 19, 2011

SATISH SEKHRI
MK GOYAL
Directors

ATTENDANCE SLIP

Victor Gaskets India Limited

Registered Office :

152/223, Mahalunge, Chakan Talegaon Road, Tal. Khed, Pune 410 501
(To be handed over at the entrance of the Meeting Hall)

Name of the Member (in Block Letters)	Member's Folio Number
Name of the Proxy (in Block Letters) (To be filled in if the Proxy attends instead of the Member)	

No. of shares held.....

I hereby record my presence at the 10th Annual General Meeting on Wednesday, 20th July 2011 at 152/223, Mahalunge, Chakan Talegaon Road, Tal. Khed, Pune 410 501.

Member's/Proxy's Signature

To be signed at the time of handing over this slip

Victor Gaskets India Limited

PROXY

I/Weof
being a Member of Victor Gaskets India Limited, hereby appoint
..... of or failing him
..... of
as my/our proxy to attend and vote for me/us and on my/our behalf at the 10th Annual General Meeting of the Company to be held on Wednesday, 20th July 2011 and at any adjournment thereof.

As witness my/our hand (s) this day of 2011

Signed by the said.....

Affix Re. 1 Revenue Stamp



VICTOR

152/223 MAHALUNGE, CHAKAN TALEGAON ROAD, TAL KHED, DIST. PUNE - 410 501