Contents

Message from the Managing Director

Dear Shareholder,

The company was registered during 1959 and commenced the operations in 1961. During these 50 years, the company has been supporting the growth of automobile industry in India, supplying around 30 % of intricate castings (Blocks and Heads).

The company has witnessed many down trends during these years and 2008-09 was one such year for the company. The growth experienced during the earlier 5 years was halted by the global melt down in the latter half of 2008 & in 2009 and the consequent lower demand from all sectors has resulted in your company making book losses during 2008-09. Even though the market for automobile segment is improving, the Commercial Vehicle (CV) segment from where your company is getting nearly 50 % of its revenue is yet to improve. It is expected that the CV industry will stabilize during second half of 2009-10.

Even though your company has reduced the dependence on CV industry from about 75 % to around 50 % during the last 4 years, our plan of enhancing revenue significantly from other segments is likely to materialize fully in 2010-11. Your Company has received orders for supply of cylinder blocks to more than six new customers for their Indian and International operations.

The design and development centre established at Sriperumbudur unit has been recognized as a R&D centre by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India.

Your company is currently developing around 16 new products and is expecting to start regular supplies of these products to customers from 2010-11 onwards.

Your company is installing the Auto core line in Sriperumbudur unit for making high volume cores with enhanced quality. This is in line with the plan of increasing the capacity of Sriperumbudur unit. Other investments will be considered to suit the market requirements, as and when needed.

The plans for revamping the Ennore unit and to make it more competitive are being finalized for implementation.

Even though the performance during the year 2008-09 was affected by the slowdown, it is believed that the company's business model is very robust and with the revival expected in 2010, the company stands to gain fully the advantages of the already created additional capacity. I would like to thank all the share holders for their continued support and the shared belief in the sustained growth of HFL.

Yours Sincerely,

V Mahadevan
Managing Director

General Information

Board of Directors	R J Shahaney Chairman	
	D G Hinduja Co-Chairman	(Alternate : Y M Kale)
	D J Balaji Rao	
	Dr.C.Bhaktavatsala Rao	(from 31.07.2008)
	P.N. Ghatalia	
	Narender Nagpal	(from 31.07.2008)
	Prabal Banerji	(from 22.10.2008)
	S Ragothaman	
	F Sahami	
	R Seshasayee	
	A Spare	
	V Mahadevan Managing Director	
Chief Financial Officer	V Sankar	
Company Secretary	N Kothandapani	
Bankers	Bank of America HDFC Bank Limited ICICI Bank Limited IDBI Bank Limited Standard Chartered Bank State Bank of India State Bank of Travancore Union Bank of India	
Auditors	Fraser & Ross Chartered Accountants 8th Floor, ASV Ramana Towers 52, Venkatnarayanan Road, T Nagar, Chennai 600 017	
	S R Batliboi & Associates Chartered Accountants T P L House, II Floor 3, Cenotaph Road, Teynampet Chennai 600 018	
Registered Office	Kathivakkam High Road Ennore, Chennai 600 057	
Plant Locations	Ennore, Chennai 600 057	
	Ductron Castings Unit IDA, Uppal, Hyderabad 500 039	
	Plot K-2, SIPCOT Industrial Park Arneri Village, Sriperumbudur 602105 Kanchipuram District	
Project Office	Plot 27-A, (SP), Developed Plots Industrial Estate Guindy Chennai 600 032	

Five Year Review

Rs.lakhs

Particulars	2008-09	2007-08	2006-07	2005-06	2004-05
Income and Dividend					
Sales/Operating Income	**36313**	45142	39524	32952	22268
Other Income	**546**	147	288	602	256
Total Income	**36859**	45289	39812	33554	22524
Operating Profit	**3012**	5209	4089	3621	2315
Profit Before Tax	**(1859)**	2590	2502	2241	1419
Profit After Tax	**(1198)**	1692	1616	1396	1308
Dividend including Tax	**–**	612	1053	348	-
Assets Employed					
Net fixed Assets @	**55003**	29338	19297	10930	4277
Net Current Assets	**17458**	14100	9428	6968	3280
Other Assets/Expenditure not written off	**149**	22	24	226	433
Total	**72610**	43460	28749	18124	7990
Financed by					
Net Worth	**35142**	12501	11449	10847	4176
Borrowed Funds	**36591**	29502	16695	6662	3814
Deferred Tax Liability (net)	**877**	1457	605	615	-
Total	**72610**	43460	28749	18124	7990
General					
Sales Units - Tonnes	**49130**	74184	73056	62442	39863
Earning per share Rs.	**(7.30)**	9.31	8.87	8.67	9.99
Book value per share Rs.	**176.58**	61.38	54.77	49.84	24.68
@ includes addition on Revaluation of Fixed Assets	**18926**	379	407	437	516

@ includes investments of Rs.2.50 lakhs

Report of the Directors

To

The Members

Your Directors present the Forty-ninth Annual Report together with the audited Accounts of your Company for the year ended March 31, 2009.

Financial Results

(Rs. lakhs)

	2008-09	2007-08
Profit before tax/ (Loss)	(1859.06)	2590.14
Less: Provision for Taxation	(661.00)	898.00
Profit/(Loss) after Tax	(1198.06)	1692.14
Less : Transfer to General Reserve	-	200.00
	(1198.06)	1492.14
Balance brought forward from last year	1542.21	662.54
Less:Transfer to Capital Redemption Reserve	(333.33)	-
Balance available for appropriation	10.82	2154.68
Appropriation:		
Dividend on preference shares	-	150.00
Tax thereon	-	25.49
Proposed dividend on equity shares	-	373.50
Tax thereon	-	63.48
Balance carried to balance sheet	10.82	1542.21
Earnings per share	(7.30)	9.31

Dividend

In view of the loss incurred during the year under review, your Directors regret their inability to recommend any dividend for the year.

Business Operations

Though your Company performed satisfactorily during the first half of the year with sales during the period at Rs. 24,506 lakhs compared to Rs. 21,506 lakhs in the corresponding period of previous year, higher by about 14%, due to recession in the industry during the second half of the year almost all our customers resorted to inventory liquidation resulting in sharp fall in the off-take of the products of the Company.

With this downturn, total sales for the year was lower at Rs. 36,313 lakhs against Rs. 45,142 lakhs during the previous year. Your Company incurred a loss of Rs. 1859 lakhs before tax against the profit before tax of Rs. 2,590 lakhs in the previous year.

Total Sales volume of ferrous and non-ferrous castings was lower at 49,130 tonnes compared to 74,184 tonnes in the previous year. Gross Production of ferrous and non-ferrous castings during the year also decreased to 58,166 tonnes from to 80,436 tonnes in 2007-08.

The Company successfully completed issue of Global Depository Receipts for US$ 15 million in April 2008.

During the current year 2009-10 so far, the commercial vehicles market continues to be dormant, there is a general expectation that revival of the economy could happen during the second half of the year 2009-10.

On the positive side, development of new products for new and existing customers is progressing as per schedule. Your Company has received orders from leading international customers for which deliveries would commence in the last quarter of 2009-10.

In line with the latest developments, project implementations have been suitably rescheduled and commencement of commercial production has been suitably re-planned based on customer requirements.

Technology Upgradation/Modernization

Your Company is gearing up to meet the challenges of intense competition from domestic and international players through technological upgradation. The new foundry unit has the state of art technology and at the existing units, better processes and equipment have been introduced to improve the quality of the products. Steps are being taken to explore the possibilities of use of alternate materials and bring down power cost.

The state of the art R&D centre set up at Sriperumbudur to better utilize the capabilities is being upgraded. Your Directors are pleased to inform you that recognition has been received from Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India for this facility as a Research & Development Centre.

The particulars required under Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 to the extent applicable are furnished in Annexure - A to this report.

Corporate Governance

Your Company has complied with the requirements of the Code of Corporate Governance as stipulated under Clause 49 of the listing agreements with the stock exchanges. A detailed Report on Corporate Governance together with Certification of the Managing Director and Chief Financial Officer is furnished in Annexure – B. The certification of the Managing Director on the adherence to the Code of Conduct specified in said clause is provided separately.

The certificate of the Statutory Auditors on the Company's Compliance with the Corporate Governance requirements is attached in Annexure – C.

The Management Discussion and Analysis Report is attached in Annexure D.

As required under Section 217(2AA) of the Companies Act, 1956, the Directors' Responsibility Statement is furnished in Annexure E to this report.

Fixed Deposits

The amount of matured and unclaimed deposits as on March 31, 2009 was Rs. 0.94 lakhs.

Report of the Directors

Directors

Dr. C B Rao, Mr. Narender Nagpal and Mr. Prabal Banerji, were appointed as Additional Directors of the Company and they hold office till the ensuing Annual General Meeting (AGM).

Mr. D J Balaji Rao, Mr. D G Hinduja, Mr. P N Ghatalia and Mr. R Seshasayee retire at the ensuing AGM.

The present term of office of the Managing Director Mr. V Mahadevan ends on September 30, 2009. Based on the recommendation of the Remuneration Committee, the Board has decided subject to your approval at the ensuing AGM to reappoint Mr. Mahadevan as the Managing Director for a further period of 2 years from October 1, 2009. Due to losses incurred during the year under review, application has been made to the Central Government for payment of minimum remuneration to the Managing Director for the year 2008-09, in excess of the limits prescribed under the Companies Act, 1956 and approval is awaited.

Auditors

M/s Fraser and Ross, Chartered Accountants and M/s S R Batliboi & Associates, Chartered Accountants, retire at the close of the ensuing AGM and are eligible for reappointment.

Personnel

The Company continued to enjoy cordial relationship with its employees. The details of employees as prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975 are furnished in Annexure – F.

Forward Looking Statements

This Report together with the annexures contains forward looking statements that involve risks and uncertainties. When used in this report, the words "anticipate", "believe", "estimate", "expect", "intend", "will", and other similar expressions as they relate to the Company and/or its business are intended to identify such forward looking statements. Neither the Company nor the Directors undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of any new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements due to risks, uncertainties or even inaccurate assumptions. No undue reliance should be placed on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

Acknowledgement

The Directors wish to acknowledge and place on record their appreciation of the valuable advice and support received from Hinduja Automotive Ltd., UK (formerly LRLIH Limited) and Ashok Leyland Limited.

The Directors wish to express their gratitude to the Government of India, the Government of Tamil Nadu, Government of Andhra Pradesh and other government agencies. They also thank the Company's Bankers, Shareholders, Customers, Suppliers and all the employees for their continued support.

On behalf of the Board of Directors

Chennai
June 15, 2009

R J Shahaney
Chairman

Annexure A to the Directors' Report

Details pursuant to Section 217 (1) (e) of the Companies Act, 1956

A) CONSERVATION OF ENERGY

The Company continues its efforts to optimize energy utilization through energy audit, better energy management by re-engineering the manufacturing flow to avoid idle movement, effective operation of high frequency, high power density induction furnaces along with production process optimization.

Through the above measures, there has been considerable saving in energy consumption in the last three years and efforts continue to further increase the savings. After installation of medium frequency, high power density induction furnaces, further efforts have been made to improve power factor and reduce harmonic value and thus reduce energy consumption.

After installation of screw compressors use of compressed air and loss due to transmission is being reduced to bring down the energy consumption. After installation of cold box process from hot box, process standardization is being carried out to reduce core wastes and thus reduce power usage.

At the Sriperumbudur Unit energy efficient equipments have been installed to ensure optimum power consumption. The Company also continues to focus on non-conventional energy resources like wind power, gas power etc.

B) TECHNOLOGY ABSORPTION

Research & Development (R & D)

1. Specific areas in which R & D is carried out by the Company:

- System software has been developed to validate design, manufacturing and product.
- The Company has successfully developed with indigenous technology the compacted graphite iron for cylinder blocks and heads.
- The Company has successfully developed four new engine cylinder blocks.
- Solidification simulation has been introduced in the R & D Centre for new product development to improve yield and casting quality. Existing products will also be revisited to optimize casting yield and defect reduction.
- Alternate materials, core washers and alternate method for core assemblies have been standardized to improve productivity, internal cleanliness and finish of the castings.
- Efforts are on to work with customers for new casting designs including weight optimization.

2. Benefits derived as a result of the above R & D:

- Reduction in development time for new products
- Meeting the new engine design requirements
- Use of improved material for the tools and dies

3. Future Plan of Action:

- Installation of automatic robot core line for high-end block castings
- Development of automated commercial vehicle cylinder block line to meet future engine requirements
- Re-engineering of existing process flow to optimize output

4. Expenditure on R & D:

a)	Capital	:	Rs.259.93 lakhs
b)	Recurring	:	Rs.559.84 lakhs
c)	Total	:	Rs.819.77 lakhs
d)	Total R & D expenditure as a percentage of total turnover	:	2.26%

Technology Absorption, Adaptation and Innovation:

1. **Efforts in brief, made towards technology absorption, adaptation and innovation:**

   The following have been achieved in Sriperumbudur Unit

   - Successful implementation of auto pour facility
   - Installation of a new on-line sand control unit
   - Successful machining of cylinder blocks and heads made using compacted graphite

   In addition to the above aluminium cylinder heads have been developed for diesel engines.

2. **Benefits derived as a result of above efforts:**

   The Company is keeping itself ahead in technology and is geared to play a pioneering role in the foundry industry in relation to future engine requirements.

3. **Other Information**

   a) Technology imported

   Appropriate prototype technology for development of commercial vehicle blocks and heads has been imported.

   b) Has technology been fully absorbed, if not fully absorbed, areas where this has not taken place, reasons therefor and future plan of action:

   The technology so imported has been used in relation to the product for which it is intended. As a further step, utilizing the same in other related areas is contemplated.

   c) Foreign Exchange Earnings and Outgo:

   Details of earnings and outgo of foreign exchange are given in notes to the Accounts. The Company continues to strive to improve the export earnings

Annexure B to the Directors' Report

Report on Corporate Governance

1. Philosophy on Code of Corporate Governance

Hinduja Foundries Limited (HFL) believes that Corporate Governance is a systemic process, which enhances the wealth-generating capacity of the Company through efficient conduct of business. The Company is committed to improve its service to all the stakeholders through transparency and professionalism in all decisions and by maintaining high standards of ethics, integrity and accountability in letter and spirit.

2. Board of Directors

i. Composition and membership in other Boards and Board Committees

The Company's Board comprises of twelve directors headed by a Non-Executive Chairman. The composition and category of the Board as on March 31, 2009 and the number of other Directorships/ Committee Memberships held by them are as under:

Category	Name	Membership	
		Other Boards	Other Board Committees
Non Executive Directors			
Promoter Group	Mr. D G Hinduja (Co Chairman)	6	2
	Mr. A Spare	2	-
	Mr. F Sahami	1	1
	Mr. Prabal Banerji	5	1
Connected with Associate Companies	Mr. R Seshasayee	9 (As Chairman - 5)	-
Independent	Mr. R J Shahaney (Chairman)	2 (As Chairman - 1)	1 (As Chairman)
	Mr. D J Balaji Rao	10 (As Chairman - 1)	10 (As Chairman - 2)
	Mr. P N Ghatalia	9	9 (As Chairman - 5)
	Mr. S Ragothaman	4	3 (As Chairman- 1)
	Dr. C B Rao	1	1
	Mr. Narender Nagpal	1	-
Executive Director	Mr. V Mahadevan (Managing Director)	-	-
Alternate Director	Mr. Y M Kale (Alternate to Mr. Hinduja)	3	1 (As Chairman)

Notes:

a. Other Directorships exclude Foreign Companies, Private Limited Companies and Alternate Directorships.

b. Only Membership in Audit Committees and Shareholders/Investors Grievance Committees (other than HFL) are reckoned for Other Board Committee Memberships.

c. Dr. C B Rao, Mr. Narender Nagpal and Mr. Prabal Banerji were appointed as additional directors of the Company during the year 2008-09 to hold office till the ensuing AGM.

ii. Board Meetings and attendance at Board Meetings and Annual General Meeting (AGM)

The Board of Directors met five times during the year 2008-09 and the details are as follows:

Date of meeting	Board Strength	No. of Directors present
April 24,2008	9	3
May 6, 2008	9	8
July 31, 2008	9	9
October 22, 2008	12	10
January 29, 2009	12	12

Annexure B to the Directors' Report

The following are the details of attendance of each director at the Board Meetings and last AGM held on July 31, 2008:

Name of Director	No. of Board Meetings attended	Attendance at AGM
Mr. R J Shahaney	4	Yes
Mr. D G Hinduja	4	Yes
Mr. D J Balaji Rao	3	Yes
Mr. P N Ghatalia	3	Yes
Mr. S Ragothaman	4	Yes
Dr. C B Rao	2	-
Mr. Narender Nagpal	2	-
Mr. F Sahami	4	Yes
Mr. R Seshasayee	5	Yes
Mr. A Spare	4	Yes
Mr. Prabal Banerji	2	-
Mr. V Mahadevan	5	Yes
Mr. Y M Kale (Alternate to Mr. Hinduja)	-	No

Dr. C B Rao, Mr. Narender Nagpal and Mr. Prabal Banerji were appointed as Directors after the AGM.

3. Audit Committee

i. Terms of reference

The terms of reference of the Audit Committee is same as specified in Clause 49 of the Listing Agreement with the Stock Exchanges. These also fully comply with the requirements of Section 292A of the Companies Act, 1956.

ii. Composition

The Committee comprises of the following members:

Sl. No	Name	Category
01	Mr. D J Balaji Rao – Chairman	Non-Executive, Independent
02	Mr. P N Ghatalia	Non-Executive, Independent
03	Mr. S Ragothaman	Non-Executive, Independent
04	Mr. F Sahami	Non-Executive, Promoter Group

All members of the Committee have financial knowledge. The Chairman of the Committee was the Deputy Managing Director of ICICI Limited and also the Managing Director of Infrastructure Development Finance Company Limited. The other three members are qualified finance professionals.

Managing Director, Chief Financial Officer, Head of Internal Audit, operating heads of the manufacturing units and representatives of the Statutory Auditors are invitees to the Audit Committee and the Company Secretary is Secretary to the Committee.

The Limited Review Report on the quarterly results, annual audit plan, compliance with accounting standards, audit observations on the Annual Accounts and other related matters are discussed by the Audit Committee. The significant observations of the Internal Audit Department and the follow-up action on matters raised are also reviewed by the Committee.

iii. Meetings and attendance

Date of meeting	Committee Strength	No. of Directors present
May 6, 2008	4	4
July 30, 2008	4	4
October 20, 2008	4	3
January 29, 2009	4	4

Annexure B to the Directors' Report

4. Remuneration Committee

i. Terms of reference

The Committee, subject to the overall limits approved by the Members, determines the remuneration payable to the Managing Director including the quantum of variable component and annual increments. The proposals of the committee are placed before the Board for approval.

ii. Composition, Meetings and attendance

The Remuneration Committee comprises of three non-executive Directors. Mr. S Ragothaman, an independent director is the Chairman of the Committee and Mr. R J Shahaney and Mr. D G Hinduja are the other members. The Company Secretary is Secretary to the Committee.

The Committee met on May 6, 2008 to determine the remuneration of the Managing Director for the year 2008-09 and on January 29, 2009 to consider payment of remuneration over and above the limits prescribed under the Companies Act, 1956 with the approval of the Central Government. All the members were present at both the meetings.

iii. Remuneration policy

The following is the managerial remuneration policy of the Company:

a. For Managing Director

The remuneration to Managing Director consists of fixed and variable components. The fixed component includes salary, allowances and other perquisites. The variable component is linked to the performance of the Company and the incumbent. It is paid in the form of commission on the net profits as recommended by the Committee. MD is not eligible to receive sitting fees.

b. For Non-executive Directors

The Non-executive Directors are paid sitting fees for attending the Board and Committee Meetings as per the stipulations in the Companies Act, 1956 and the Articles of Association of the Company. In addition to this the travel and other expenses incurred for attending the meetings are reimbursed. The Company has no pecuniary relationship or transactions with any non-executive director.

iv. Remuneration paid /payable for 2008-09

a. Non-executive Directors – Sitting fees

(excluding reimbursement of travel and other expenses incurred on company's business)

Name of Director	Amount Rs.
Mr. R J Shahaney	1,80,000
Mr. D G Hinduja	1,50,000
Mr. D J Balaji Rao	1,10,000
Mr. P N Ghatalia	1,40,000
Mr. S Ragothaman	1,90,000
Dr. C B Rao	40,000
Mr. Narender Nagpal	40,000
Mr. F Sahami	1,20,000
Mr. R Seshasayee	1,80,000
Mr. A Spare	60,000
Mr. Prabal Banerji	40,000

b. Managing Director

Description	Amount Rs.
Salary & allowances	65,81,700
Contribution to Provident and Other Funds	6,15,600
Perquisites*	22,80,000
Commission	NIL
Total	**94,77,300**

* Certain perquisites are valued as per the provisions of the Income Tax Act.

Mr. Mahadevan, Managing Director is under contract of employment with the Company which stipulates a notice period of 3 months from either side. No severance fee is payable to the Managing Director and no Employee Stock Option has been offered by the Company.

5. Shareholders/Investors Grievance Committee

i. Terms of reference

The Committee oversees redressal of shareholder and investor grievances and approves issue of share certificates arising out of loss/destruction, sub-division, consolidation, rematerialization etc. The details of transfer, transmission and transposition of shares approved by the Managing Director are also placed before the Committee.

ii. Composition, Meetings and attendance

The Committee comprises of Mr. R J Shahaney as Chairman and Mr. S Ragothaman, Mr. R Seshasayee and Mr. V Mahadevan as other Members. The Company Secretary is the Compliance Officer. The following are the details of the meetings and attendance of the Committee

Date of meeting	Strength	No. of Members present
July 31, 2008	4	4
October 22, 2008	4	4
January 29, 2009	4	4

iii. Details of complaints received and redressed

During the year 16 complaints were received, which were redressed to the satisfaction of the complainants. There were no pending complaints as at the year- end.

6. General Body Meetings

Details of Annual General Meetings, Extraordinary General Meetings and Special Resolutions:

AGM	Year	Venue	Date	Time
46	2006	Rani Seethai Hall, 603, Anna Salai Chennai 600 006	August 1, 2006	2.00 p.m.
47	2007	Rani Seethai Hall, 603, Anna Salai Chennai 600 006	July 20, 2007	2.00 p.m.
48	2008	Rani Seethai Hall, 603, Anna Salai Chennai 600 006	July 31, 2008	3.15 p.m.

No special resolutions were passed at the above annual general meetings except relating to re-appointment and remuneration of Mr. V Mahadevan, Managing Director for a period of 3 years from October 1, 2006 at the 46th AGM.

In addition to the above, an Extraordinary General Meeting of the Company was held on 5th January 2008 at Rani Seethai Hall, 603, Anna Salai, Chennai 600 006 at which Special Resolutions were passed for change of name of the Company and issue of further shares.

There were no resolutions requiring approval through postal ballot and no such resolution is being proposed.

7. Disclosures

i. There were no materially significant related party transactions that had potential conflict with the interests of the Company at large.

ii. There have been no instances of non-compliance by the Company on any matters related to the capital markets nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

iii. The Company has complied with all the mandatory requirements stipulated under Clause 49 of the Listing Agreements with the Stock Exchange.

8. Means of communication

As stipulated under Clause 41 of the Listing Agreement, the Quarterly Results are published in one English National Newspaper (Business Line/Business Standard) and one Tamil Newspaper (Dinamani/Dinamalar) within 48 hours of the conclusion of the Board meeting in which the results are approved. They are also displayed in the website of the Company www. hindujafoundries.com

The Company's website also displays official press/news releases and several other details/information of interest to various stakeholders.

A Management Discussion and Analysis Report is being presented as part of the Directors' Report.

Annexure B to the Directors' Report

9. General shareholder information

i. 49th Annual General Meeting

Date & time : July 29, 2009 – 3.00 p.m.

Venue : Rani seethai Hall, 603 Anna Salai, Chennai 600 006

ii. Financial Calendar

Financial Year 2009 - 10

First quarter results	Last week of July 2009
Second quarter results	Last week of October 2009
Third quarter results	Last week of January 2010
Audited Results for the year 2009-10	Before end of May 2010

iii. Book Closure dates : July 19, 2009 to July 29, 2009

iv. Dividend payment date :

v. Listing / Stock Code of equity shares

Name of Exchange	Stock Code
Madras Stock Exchange Limited (MSE)	HFL
Bombay Stock Exchange Limited (BSE)	505982
National Stock Exchange of India Limited (NSE)	HINDUJAFO

vi. Market Price Data

Month & Year	Bombay Stock Exchange				National Stock Exchange			
	Share Price (Rs.)		Sensex		Share Price (Rs.)		Nifty Junior	
	High	Low	High	Low	High	Low	High	Low
Apr-08	186.90	146.10	17,480.74	15,297.96	198.80	139.30	9272.25	7699.35
May-08	230.00	179.00	17,735.70	16,196.02	230.00	175.00	9541.00	8075.50
Jun-08	232.95	165.00	16,632.72	13,405.54	224.00	162.00	8305.15	6201.05
Jul-08	204.50	145.00	15,130.09	12,514.02	202.00	150.00	7363.20	5756.85
Aug-08	200.00	164.00	15,579.78	14,002.43	196.85	165.00	7711.40	6799.55
Sep-08	191.50	142.15	15,107.01	12,153.55	200.00	148.00	7400.25	5633.10
Oct-08	150.10	84.00	13,203.86	7,697.39	165.00	91.00	6203.65	3603.20
Nov-08	98.75	72.50	10,945.41	8,316.39	99.95	80.00	4937.65	3706.70
Dec-08	79.50	65.15	10,188.54	8,467.43	78.30	67.00	4695.30	3675.50
Jan-09	75.00	50.40	10,469.72	8,631.60	75.00	52.25	5007.25	3964.95
Feb-09	56.00	48.25	9,724.87	8,619.22	58.50	47.25	4337.65	3869.25
Mar-09	55.10	48.00	10,127.09	8,047.17	56.90	46.60	4405.60	3587.60

vii. Registrar and Transfer Agents

All share registry work in respect of both physical and demat segments are handled by a single common agency M/s Integrated Enterprises (I) Ltd., II floor, "Kences Towers" 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai 600 017 as the Registrar and Transfer Agent (R&TA) of the Company for all aspects of Investor servicing relating to shares.

viii. Share Transfer System

The authority relating to transfer, transmission and transposition of shares are vested with the Shareholders'/Investors' Grievance Committee. In order to speed up the process of transfer related activities, the said Committee has authorized the Managing Director to approve all routine transfer, transmission and transposition of the shares.

ix. Distribution of shareholding as on March 31, 2009

Range	Shareholders		Shares	
	Number	%	Number	%
UPTO 100	5,327	63.98	2,54,761	1.36
101 - 200	1,334	16.02	2,09,273	1.12
201 - 500	1,119	13.44	3,76,567	2.02
501 - 1000	305	3.66	2,32,606	1.25
1001 - 5000	191	2.29	4,12,758	2.21
5001 - 10000	22	0.26	1,60,764	0.86
10001 and above	28	0.35	1,70,28,233	91.18
	8,326	100.00	1,86,74,962	100.00

x. Shareholding pattern as on March 31, 2009

Sl. No.	Category	No. of holders	No. of shares	%
A	**Promoters**			
1	- Hinduja Automotive Limited UK	1	96,29,496	51.56
2	- Ashok Leyland Ltd	1	34,24,449	18.34
	Total Promoter holding	2	1,30,53,945	69.90
B	**Others**			
1	Residents (individuals/clearing members)	8,066	20,26,254	10.85
2	Financial Institutions/ Insurance Co./Banks/UTI	5	1,14,169	0.61
3	Foreign Institutional Investors	4	23,91,964	12.81
4	Bodies Corporate	181	2,66,249	1.43
5	Directors & relatives $	3	1,479	0.01
6	Non Resident Indians	63	26,763	0.14
7	Trusts	1	489	0.00
8	Overseas Depository for GDRs	1	7,93,650	4.25
	Total non promoter holding	8,324	56,21,017	30.10
	Total	**8,326**	**1,86,74,962**	**100.00**

$ Includes shares held by Mr. R J Shahaney 384 and Mr. D J Balaji Rao 183.

Annexure B to the Directors' Report

xi. Dematerialization of shares and liquidity

The shares, listed in BSE, NSE and MSE, are to be traded only in dematerialized form. The ISIN of the shares is INE291F01016.

The shares are traded on BSE and NSE, but no trading has taken place in MSE since December 2000.

As at March 31, 2009, 73,26,226 shares were held in dematerialized form representing about 39% of the total shares. The balance were held in physical form.

xii. Plant Locations

Ennore	Kathivakkam High Road Ennore Chennai 600 057
Hyderabad	Ductron Castings Unit IDA, Uppal Hyderabad 500 039
Sriperumbudur	Plot K-2, SIPCOT Industrial Park Arneri Village Sriperumbudur 602105 Kanchipuram District

xiii. Address for correspondence

Investors may contact the Registrars and Transfer Agents for matters relating to shares, dividends, annual reports and related issues at the following address:

M/s Integrated Enterprises (I) Ltd
II Floor, "Kences Towers", No.1, Ramakrishna Street,
Off North Usman Road,
T Nagar, Chennai 600 017
Telephone: 044-28140801 - 03
Fax: 044-28142479
E-Mail: sureshbabu@iepindia.com

For other general matters or in case of any difficulties/grievances investors may contact

Mr. N Kothandapani
Company Secretary & Compliance Officer
Hinduja Foundries Limited
Kathivakkam High Road
Ennore
Chennai 600 057

Phone	:	044- 25752103 Ext.: 126
Fax	:	044-25750390
E-mail	:	nkp@hindujafoundries.com secretarial@hindujafoundries.com

Annexure B to the Directors' Report

Certification by Managing Director and Chief Financial Officer to the Board

We, V. Mahadevan, Managing Director and V Sankar, Chief Financial Officer of Hinduja Foundries Limited hereby certify that

a. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2009 and that to the best of our knowledge and belief:

   i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading

   ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control system 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 propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit Committee that:

   i) There has not been any significant change in the internal control over financial reporting during the year under review.

   ii) There has not been any significant change in the accounting policies during the year requiring disclosure in the notes to the financial statements and

   iii) To the best of our knowledge and belief, there was no instance of any significant fraud during the year with the involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Chennai	**V Mahadevan**	**V Sankar**
June 15, 2009	Managing Director	Chief Financial Officer

Declaration on compliance with Code of Conduct

Pursuant to clause I (D) of Clause 49 of the Listing Agreement, It is hereby affirmed that for the financial year ended March 31, 2009, all the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct adopted by the Company.

Chennai	**V Mahadevan**
June 15, 2009	Managing Director

Annexure C to the Directors' Report

Auditors' Certificate on Corporate Governance

To the Members of **Hinduja Foundries Limited**,

We have examined the compliance of conditions of Corporate Governance by Hinduja Foundries Limited for the year ended March 31, 2009, as stipulated in clause 49 of the listing agreement of the said Company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the abovementioned listing agreement.

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

For Fraser & Ross
Chartered Accountants

per **Geetha Suryanarayanan**
Partner
Membership No:029519

For S.R.Batliboi & Associates
Chartered Accountants

per **S Balasubrahmanyam**
Partner
Membership No.053315

Chennai
June15, 2009

Annexure D to the Directors' Report

Management Discussion and Analysis Report

1. Industry structure and development

Foundry business is a key component of the global manufacturing sector, with over 90% of all manufactured goods and capital equipment using metal castings. The automotive industry dominates the sector with approximately 44% of the global castings volume, spread across engine components, suspension and transmission systems and body work. Other large industry players include the marine, aerospace and railways industries, construction and mining industries including pipes and fittings, earth moving equipment and the power generation industry including turbines and valves and pumps.

Worldwide foundries are classified as either ferrous (producing grey iron and ductile iron) or non-ferrous (producing aluminium, copper, magnesium etc. based products). As a general trend, aluminium is slowly replacing grey iron in automotive applications, particularly at the lower end of the passenger car segment.

Current status of the industry

Foundry industry, the world over was affected significantly during the second half of 2008-09 in the wake of the economic meltdown. Even though the demand was positive during the first half, demand for castings went down from all sectors during the second half of the year.

Price of steel scrap went up during the first half but came down by almost 40% from the higher levels reached during the second half. All segments of the automotive industry including commercial vehicles, cars and tractor industry were affected during second half of 2008-09 causing major short falls in demand as these industries also resorted to heavy reduction of their inventories .

The observation of the International Monetary Fund (IMF) that China and India would be on the growth path in year 2009, is encouraging, considering the fact that the advanced economies like USA and Europe were expected to have negative growth. The Centre for Monitoring Indian Economy (CMIE) has indicated a GDP growth of 6.6% against the estimated 6.5% in FY 2008-09. In its report dated April 13, 2009, CMIE has stated that the industrial sector continued to repose faith in domestic demand as its investment intentions remain robust. Several new capacities whose commissioning was deferred during October-December 2008 may get commissioned with time over runs. The Report has concluded that the industrial sector was expected to record a higher growth of 6.1 per cent in 2009-10 compared to the expected 4.3 per cent growth of 2008-09.

With this the Indian economy is expected to be back on track and the new Government at the Centre is expected to take up more infrastructure related projects and offer further concessions to industry to stimulate growth, which is expected to have a positive impact on the working of the foundry industry.

2. Opportunities and Threats

Opportunities

- With the projected economic growth on account of anticipated improvement in domestic demand, the foundry industry is poised for revival.

Threats

- The power cut introduced by the Tamil Nadu Electricity Board from October 2008, will have an adverse effect on ramping up production volumes as two of our plants are located in Tamil Nadu, near Chennai .

3. Outlook

In order to meet future challenges HFL has been building up capacities through setting up of new state of the art manufacturing facilities. As planned, HFL has commissioned and productionized the new Green Field Foundry at Sriperumbudur (SPU) during the year 2007-08. The existing plants at Ennore will also be revamped later to increase productivity and further improve the quality of products. HFL is in the process of installing automated core package at the SPU and plans to increase capacity from 50,000 TPA to 72,000 TPA over the next two years. Machining facilities are also to be created to meet customer requirements and for better value addition. HFL has also installed a Design Centre and tool making facility to offer enhanced value to customers and the progress made by this centre is quite good.

The Company has received recognition as an R&D centre for this facility. Currently the R&D center is developing 16 products and is associated with 4 OEMS from the initial design stage for development of new block castings.

The sustained efforts to penetrate into the international markets have started yielding results and HFL has received orders from some of the major International OEMs in Europe. Discussions are on with some more OEMs and orders are expected to fructify in the near future. It is expected that the new foundry at Sriperumbudur will be utilizing almost the entire available capacity from the year 2011-12.

HFL continues to receive enquiries from international OEMs for supply of fully machined castings. There is a compelling need to provide further support to the customers by machining of the castings.

4. Risks and concerns

The following are the major risks and concerns relating to the operations of the Company:

- Input costs in general and scrap prices in particular are volatile. The Company is establishing reliable sources for import of scrap to ensure availability of raw material at a reasonable cost.
- Owing to stiff competition and input cost increases, margins are under pressure. Steps are being taken to improve productivity and reduce operating costs continuously over the years. In order to attract and retain customers, the Company would be investing in machining shops and will also enhance the share of Tractor, Car and Power Trains in order to reduce dependence on the commercial vehicle segment.
- The work force will be required to acclimatize to newer methods and technologies. Towards this the Company has set up a Basic Training Centre at Sriperumbudur for imparting training to fresh technicians who would be deployed in the Plants.

5. Internal control systems and their adequacy

The Company has an in-house Internal Audit Department (IAD) headed by a qualified chartered accountant. The adequacy and the effectiveness of the internal controls are reviewed by the IAD periodically. The issues are discussed with the unit operations and finance heads then and there and wherever required corrective steps are taken. Significant deviations are also discussed at the Audit Committee meetings and actions taken are reported.

The system of internal controls focus on safety of assets, correct recording of transactions and prompt reporting thereon, review of business plan and capital investment, compliance with various applicable statutes, and internal operating guidelines of the company.

The system of internal audit is designed to bring out material weaknesses in the internal control system of the organization especially those areas which escape the grip of regular control mechanism. These control weaknesses are reviewed periodically and corrective steps taken wherever required.

6. Financial performance vis a vis operational performance

Net sales for the year was Rs. 36313 lakhs compared to Rs. 45142 lakhs during the previous year. The prices of all major items were very volatile during the entire year.

Net loss for the year was Rs.1859.06 lakhs as against a profit of Rs. 2590.14 lakhs during the year 2007-08.

Gross production in Iron foundries was 57,008 tonnes compared to 78,279 tonnes in the previous year. Sales for the year 2008-09 were 48,041 tonnes against 72,147 tonnes in the previous year.

In the Aluminum foundry gross production was 1,158 tonnes compared to 2,157 tonnes in the previous year. Sales were at 1,089 tonnes compared with 2,037 tonnes in the previous year.

During the year the Company incurred capital expenditure of Rs 5,551 lakhs compared to Rs. 20,473 lakhs in the previous year.

As on March 31, 2009 net current assets were at Rs. 17,458 lakhs compared to Rs 14,100 lakhs as at March 31, 2008.

7. Human Resources

HFL focuses on creating a conducive environment and an enriching learning environment to attract and retain talent. Industrial relations were generally cordial. As at March 31, 2009 the Company had 2,873 employees.

Annexure E to the Directors' Report

Directors' Responsibility Statement as per section 217 (2AA) of the Companies Act 1956

Responsibility in relation to financial statements

The financial statements have been prepared in conformity, in all material respects, with the generally accepted accounting principles in India and the accounting standards prescribed by Institute of Chartered Accountants of India, ICAI, in a consistent manner and supported by reasonable and prudent judgements and estimates. The Directors believe that the financial statements reflect true and fair view of the financial position as on March 31, 2009 and of the results of operations for the year ended March 31, 2009.

The financial statements have been audited by M/s Fraser & Ross and M/s S R Batliboi & Associates, Statutory Auditors, in accordance with generally accepted auditing standards, which include an assessment of the system of internal controls and tests of transactions to the extent considered necessary by them to support their opinion.

Going Concern

In the opinion of the Directors, the Company will be in a position to carry on its existing business and accordingly it is considered appropriate to prepare the financial statements on the basis of going concern.

Maintenance of Accounting Records and Internal control

The Company has taken proper and sufficient care for the maintenance of adequate accounting records as required by the Statute.

Directors have overall responsibility for the Company's internal control system, which is designed to provide a reasonable assurance for safeguarding of assets, reliability of financial records and for preventing and detecting fraud and other irregularities.

The system of internal control is monitored by internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness of the system of internal control and quality of performance in carrying out assigned responsibilities. Internal Audit Department interacts with all levels of management and the Statutory Auditors, and reports significant issues to the Audit Committee of the Board.

Audit Committee supervises the financial reporting process through review of accounting and reporting practices, financial and accounting controls and financial statements. Audit Committee also periodically interacts with Internal and Statutory Auditors to ensure quality and veracity of Company's accounts.

Internal Auditors, Audit Committee and Statutory Auditors have full and free access to all the information and records as considered necessary to carry out their responsibilities. All the issues raised by them have been suitably acted upon and followed up.

Annexure F

Particulars of employees

Information as per Section 217(2A) (b) (ii) read with the Companies (Particulars of Employees) Rules, 1975

Sl. No	Name	Age	Designation / Nature of duties	Remuneration	Qualification	Total experience (years)	Date of commencement of employment	Last employment held
1	Bapujee M	59	Plant Director - DCU	27,60,797	B.E., PGD (SQC & OR)	36	1-Jan-07	GM - Operations, Ashok Leyland Limited
2	Janagan A	58	ED (Product Development) & Quality	36,96,359	B.E., M.Tech. Ph. D	32	4-Aug-76	-
3	Krishnamachari D #	53	Plant Director - Ennore	36,05,614	M.Tech (Mech)	30	11-Apr-08	Head (Projects & Engineering) Tube Investments of India Limited
4	Mahadevan V	60	Managine Director	94,77,300	B.E	39	5-Sep-03	Special Director - MFG, Ashok Leyland Limited
5	Prasad K N	45	Plant Director - SPU	27,77,528	B. Tech (Mech.)	23	18-Jan-08	GM - Quality, Toyota Kirloskar Auto Parts Ltd., Bangalore
6	Purushothaman Y R	58	Special Director-Projects	25,45,651	LME	36	13-Nov-73	-
7	Sankar V	51	ED (Finance) & Systems, Chief Financial Officer	35,04,585	B.Com, FCA	26	1-Jan-06	Chief Financial Officer, MIDAS Communication Technologies Pvt. Ltd.

Employed for part of the year

Note:

1. Remuneration shown above is subject to tax and comprises Salaries, Bonus, Allowances, Medical Benefits, Leave travel Assistance as applicable in accordance with the Company's rules, Commission, Company's contribution to Provident Fund andSuperannuation Fund and perquisites evaluated as per Income Tax Rules. In addition to the above, the employees are entitled to Gratuity.
2. All appointments are contractual
3. None of the above employees is a relative of any Director of the Company.

Report of the Auditors' to the Members

To
The Members of Hinduja Foundries Limited

1. We have audited the attached Balance Sheet of Hinduja Foundries Limited as at March 31, 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

    i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

    ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

    iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

    iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956;

    v. On the basis of the written representations received from the Directors, as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956;

    vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give 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 March 31, 2009;

        (ii) in the case of the Profit and Loss Account, of the loss 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 Fraser & Ross
Chartered Accountants

per **Geetha Suryanarayanan**
Partne
Membership No:029519

Chennai
June 15, 2009

For **S. R. Batliboi & Associates**
Chartered Accountants

per **S Balasubrahmanyam**
Partner
Membership No: 053315

Annexure to the Auditors' Report

Annexure referred to in paragraph 3 of our report of even date to the Members of Hinduja Foundries Limited for the year ended March 31, 2009

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness have been noticed in the internal control system in respect of these areas.

(v) According to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under Section 301 during the year.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-Section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, value added tax, wealth-tax, service tax, customs duty, excise duty, cess have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, value added tax, wealth-tax, service tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, income-tax, customs duty, wealth-tax, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of amount	Amount (Rs. in Lakhs)*	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty including penalty	22.64	1998-99	High Court of Madras

* Net of Rs 35.46 lakhs being deposit paid under deposit.

Annexure to the Auditors' Report

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company has not issued any debentures.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) According to the information and explanations given to us, the Company has not issued any debentures.

(xx) The Company has not raised any money by public issues during the year as defined under SEBI (Disclosure and Investor Protection) Guidelines, 2000. Also, refer Note 3.2 to the financial statements.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For Fraser & Ross
Chartered Accountants

per **Geetha Suryanarayanan**
Partner
Membership No:029519

For **S. R. Batliboi & Associates**
Chartered Accountants

per **S Balasubrahmanyam**
Partner
Membership No: 053315

Chennai
June 15, 2009

Balance Sheet as at March 31, 2009

	Schedules	March 31, 2009 Rs. Lakhs		March 31, 2008 Rs. Lakhs	
Sources of Funds					
Shareholders' Funds					
Share Capital	1.1	4,034.16		4,129.40	
Reserves and Surplus	1.2	31,108.17		8,371.32	
			35,142.33		12,500.72
Loan Funds					
Secured Loans	1.3	21,551.25		17,157.92	
Unsecured Loans	1.4	15,040.00	36,591.25	12,344.00	29,501.92
Deferred Tax Liability (net)	1.5		877.00		1,457.00
Total			72,610.58		43,459.64
Application of Funds					
Fixed Assets	1.6				
Gross Block		62,112.45		38,184.98	
Less: Accumulated Depreciation		11,983.84		9,902.88	
Net Block		50,128.61		28,282.10	
Capital Work-in-progress		4,872.10		1,055.43	
			55,000.71		29,337.53
Investments	1.7		2.50		1.00
Current Assets, Loans and Advances					
Inventories	1.8	9,757.41		6,556.04	
Sundry Debtors	1.9	8,085.78		9,097.43	
Cash and Bank Balances	1.10	46.56		37.55	
Loans and Advances	1.11	7,154.93		6,293.65	
Other Current Assets	1.12	-		282.54	
		25,044.68		22,267.21	
Less: Current Liabilities and Provisions					
Current Liabilities	1.13	7,114.31		7,323.18	
Provisions	1.14	472.20		844.44	
		7,586.51		8,167.62	
Net Current Assets			17,458.17		14,099.59
Miscellaneous Expenditure					
(to the extent not written off or adjusted)	1.15		149.20		21.52
Total			72,610.58		43,459.64
Notes to Financial Statements	3				

The schedules referred to above and the notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For Fraser & Ross
Chartered Accountants

Per **Geetha Suryanarayanan**
Partner
Membership No.029519

For S.R.Batliboi & Associates
Chartered Accountants

Per **S Balasubrahmanyam**
Partner
Membership No. 053315

For and on behalf of the Board

R J Shahaney
Chairman

V Mahadevan
Managing Director

N Kothandapani
Company Secretary

V Sankar
Chief Financial Officer

Chennai
June 15, 2009

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

	Schedules	March 31, 2009 Rs. Lakhs		March 31, 2008 Rs. Lakhs	
Income					
Gross Sales Less Returns		41,410.85		52,247.39	
Less: Excise duty		5,221.76		7,268.16	
Net Sales Less Returns	2.1	36,189.09		44,979.23	
Conversion charges	2.2	123.44		162.92	
Other Income	2.3	546.88		147.03	
			36,859.41		45,289.18
Expenditure					
Materials consumed	2.4	19,158.37		23,480.03	
Decrease / (Increase) in inventories	2.5	(2,251.27)		(1,320.10)	
Power and Fuel		5,275.26		6,152.94	
Other Expenses	2.6	11,664.75		11,766.93	
			33,847.11		40,079.80
			3,012.30		5,209.38
Less:					
Finance charges (Net)	2.7		2,649.01		1,003.04
Depreciation / amortisation		2,248.68		1,644.67	
Less: Transfer from revaluation reserve (Refer note 3.3.3)		26.33	2,222.35	28.47	1,616.20
Profit / (Loss) before tax			(1,859.06)		2,590.14
Provision for tax					
Current tax (includes reversal of tax relating to earlier years Rs 142 lakhs) (Previous year : Rs Nil)		(142.00)		293.45	
Less: Minimum alternative tax entitlement credit		-		(293.45)	
Deferred tax		(580.00)		852.00	
Fringe benefit tax		61.00		46.00	
Total tax expense			(661.00)		898.00
Profit / (Loss) after tax			(1,198.06)		1,692.14
Balance brought forward from previous year			1,542.21		662.54
Profit available for appropriation			344.15		2,354.68
Appropriations:					
Transfer to Capital Redemption Reserve			333.33		-
Transfer to General Reserve			-		200.00
Interim Preference dividend			-		150.00
Tax on interim Preference dividend			-		25.49
Proposed Equity dividend			-		373.50
Tax on proposed Equity dividend			-		63.48
Surplus / (Deficit) carried to Balance Sheet			10.82		1,542.21
Basic and diluted earnings per share of face value Rs.10/- each (Previous year Rs.10/- each) (Refer Note 3.21) (In Rs.)			(7.30)		9.31
Notes to Financial Statements	3				

The schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date

For Fraser & Ross
Chartered Accountants

per **Geetha Suryanarayanan**
Partner
Membership No.029519

For S.R.Batliboi & Associates
Chartered Accountants

per **S Balasubrahmanyam**
Partner
Membership No. 053315

For and on behalf of the Board

R J Shahaney
Chairman

V Mahadevan
Managing Director

N Kothandapani
Company Secretary

V Sankar
Chief Financial Officer

Chennai
June 15, 2009

Cash Flow Statement for the year ended March 31, 2009

	March 31, 2009 Rs. Lakhs		March 31, 2008 Rs. Lakhs	
A. Cash flow from operating activities				
Net profit / (loss) before tax		(1,859.06)		2,590.14
Adjusted for				
Depreciation / Amortisation	2,222.35		1,616.20	
Finance charges (net)	2,649.01		1,003.04	
(Profit) on disposal of Fixed assets	(26.58)		(34.67)	
Amortisation of VRS Expenses	151.76		16.38	
Provision for doubtful debts (Net of writeback)	34.00	5,030.54	33.67	2,634.62
Operating profit before working capital changes		3,171.48		5,224.76
Changes in				
Trade and other receivables	(960.68)		(1,913.55)	
Inventories	(3,201.37)		(1,518.65)	
Trade Payables	33.09	(4,128.96)	975.92	(2,456.28)
Cash generated from operations		(957.48)		2,768.48
Direct taxes paid - net of refunds		(365.33)		(338.55)
Compensation paid under Voluntary Retirement Scheme		(279.44)		(13.51)
Net cash from operating activities		(1,602.25)		2,416.42
B. Cash flow from Investing activities				
Purchase of fixed assets		(5,659.94)		(14,012.69)
Purchase of investments		(1.50)		-
Proceeds from sale of fixed assets		55.12		71.17
Interest received		120.06		10.36
Net Cash used in investing activities		(5,486.26)		(13,931.16)
C. Cash flow from financing activities				
Proceeds from issue of share capital		6,007.08		-
Share issue expense		(138.14)		-
Redemption of Preference Shares		(333.34)		-
Proceeds from long term borrowings		8,586.15		14,533.84
Repayment of long term borrowings		(3,692.82)		(1726.66)
Finance charges		(2,718.94)		(883.74)
Equity dividend paid including tax		(436.98)		-
Preference dividend paid including tax		(175.49)		(513.11)
Net cash from financing activities		7,097.52		11,410.33
Net change in cash and cash equivalents		9.01		(104.42)
Cash and Cash Equivalents - Opening Balance		37.55		141.97
Cash and Cash Equivalents - Closing Balance		46.56		37.55

Components of cash and cash equivalents Refer Schedule 1.10

As per our report of even date

For Fraser & Ross
Chartered Accountants

per **Geetha Suryanarayanan**
Partner
Membership No.029519

For S.R.Batliboi & Associates
Chartered Accountants

per **S Balasubrahmanyam**
Partner
Membership No. 053315

For and on behalf of the Board

R J Shahaney
Chairman

V Mahadevan
Managing Director

N Kothandapani
Company Secretary

V Sankar
Chief Financial Officer

Chennai
June 15, 2009

Schedules to the Balance Sheet

		March 31, 2009 Rs. Lakhs		March 31, 2008 Rs. Lakhs
1.1 Share Capital				
Authorised				
30,000,000 (Previous Year 30,000,000) equity shares of Rs.10/-each		3,000.00		3,000.00
4,500,000 (Previous Year 4,500,000) Preference shares of Rs.100/- each		4,500.00		4,500.00
		7,500.00		7,500.00
Issued				
18,787,369 (Previous year 16,406,417) equity shares of Rs.10/- each (ReferNote (a) below and Note 3.2)		1,878.74		1,640.64
1,500,000 (Previous year 1,500,000) 6% Redeemable Non-convertible cumulative preference shares of Rs.100/- each (Refer Note (b) below)		1,500.00		1,500.00
1,000,000 (Previous year 1,000,000) 6% Redeemable Non-convertible cumulative preference shares of Rs.100/- each (Refer Note (c) below)		1,000.00		1,000.00
		4,378.74		4,140.64
Subscribed and paid up				
18,674,962 (Previous year 16,294,010) equity shares of Rs.10/- each fully paid-up (Refer Note (a) below and Note no. 3.2)		1,867.50		1,629.40
1,500,000 (Previous year 1,500,000) 6% Redeemable Non-convertible cumulative preference shares of Rs.100/- each fully paid (Refer Note (b) below)		1,500.00		1,500.00
1,000,000 (Previous year 1,000,000) 6% Redeemable Non-convertible cumulative preference shares of Rs.100/- each fully paid (Refer Note (c) below)	1,000.00		1,000.00	
Less:Redeemed during the year	333.34	666.66	-	1,000.00
		4,034.16		4,129.40

Note:

a) Of the above

i. 358,857 (Previous year 358,857) equity shares were allotted as fully paid-up pursuant to a contract for consideration other than cash.

ii. 9,629,496 (Previous year 9,629,496) equity shares are held by the holding company, Hinduja Automotive Limited, UK.

iii. 2,142,476 (Previous year 2,142,476) equity shares were allotted as fully paid up Bonus Shares by capitalisation of general reserve, share premium and capital reserve.

b) 1,500,000 (Previous year 1,500,000) 6% Redeemable non-convertible cumulative preference shares of Rs. 100/- each issued to Ashok Leyland Limited on 19th March 1999 are redeemable at par during the period April 2011 to April 2013.

c) 1,000,000 (Previous year 1,000,000) 6% Redeemable non-convertible cumulative preference shares of Rs. 100/- each issued to Ashok Leyland Limited on 12th November 2003 are redeemable at par during the period April 2008 to April 2010. Out of the above, an amount of Rs.333.33 Lakhs has been redeemed during the year in April 2008.

		March 31, 2009		March 31, 2008
1.2 Reserves and Surplus				
Capital Redemption Reserve		333.33		-
Securities Premium				
As per last Balance Sheet	5,318.19		5,318.19	
Add: Amounts received during the year	5,768.98		-	
Less: Adjusted against share issue expenses	138.14	10,949.03	-	5,318.19
Fixed assets revaluation reserve				
As per last Balance Sheet	378.67		407.14	
Add: Additions during FY08-09	18,573.40		-	
Less: Incremental depreciation for the year on revaluation	26.33		28.47	
		18,925.74		378.67
General Reserve				
As per last Balance Sheet	1,132.25		932.25	
Less: Exchange gain on Restatement (Refer Note No : 3.4)	(243.00)		-	
Add: Transfer from Profit & Loss A/c	-		200.00	
		889.25		1,132.25
Profit and Loss Account		10.82		1,542.21
		31,108.17		8,371.32

	March 31, 2009 Rs. Lakhs	March 31, 2008 Rs. Lakhs
1.3 Secured Loans		
Term loans		
From Banks	**14,916.23**	12,218.64
Other loans from Banks		
Working capital loan	**839.11**	380.22
Cash credit	**5,757.13**	4,494.12
Others		
Finance lease obligation (Refer Note No. 3.11)	**38.78**	64.94
	21,551.25	17,157.92
Repayable within 12 months - Term Loans	**5,777.78**	3,666.66

The term loan of Rs.3,864.42 lakhs (Previous year Rs. Nil lakhs) from Karur Vysa Bank is secured by a paripassu first charge on the fixed assets of the Company.

The term loan of Rs.6,885.15 lakhs (Previous year Rs. 9,218.64 lakhs) from IDBI Bank is secured by a paripassu first charge on the fixed assets of the Company.

The term Loan of Rs.1,666.66 lakhs (Previous year Rs. 3,000.00 lakhs) from M/s State Bank of Travancore is secured by hypothecation of Fixed Assets and movable properties by way of paripassu first charge along with other term loan lenders.

The term loan of Rs.2,500.00 lakhs (Previous year Rs. Nil lakhs) from IFCI is secured by paripassu first charge on the entire fixed assets of the Company.

The working capital loan and cash credit from bankers are secured by a first charge on current assets and a paripassu second charge on the fixed assets of the Company.

	March 31, 2009 Rs. Lakhs	March 31, 2008 Rs. Lakhs
1.4 Unsecured Loans		
External Commercial Borrowing from a bank	**10,190.00**	7,994.00
Short term loan from banks	**4,850.00**	4,350.00
	15,040.00	12,344.00
Repayable within 12 months	**4,850.00**	4,350.00
1.5 Deferred Tax Liability (net)		
Deferred Tax Liabilities		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	**2,937.00**	1,953.70
Gross Deferred Tax Liabilities	**2,937.00**	1,953.70
Deferred Tax Assets		
Unabsorbed Depreciation	**(1,778.00)**	(328.33)
Provision for doubtful debts	**(49.00)**	(37.38)
Effect of expenditure debited to the profit and loss account in the current year but allowable for tax purposes in following years	**(233.00)**	(130.99)
Gross Deferred Tax Assets	**(2,060.00)**	(496.70)
Deferred Tax Liability (net)	**877.00**	1,457.00

Schedules to the Balance Sheet

1.6 Fixed Assets

Rs. in Lakhs

Description	Cost					Depreciation / Amortisation					Net Block	
	As at April 1, 2008	Additions on account of revaluation	Additions	Deductions	As at March 31, 2009	As at April 1, 2008	For the year on cost *	For the year incremental	Deductions	As at March 31, 2009	Net Block as at March 31, 2009	Net Block as at March 31, 2008
Tangible Assets												
Freehold Land @ # $	3,326.61	18,573.40	596.14	-	22,496.15	-	-	-	-	-	22,496.15	3,326.61
Leasehold Land	688.46	-	971.95	-	1,660.41	69.71	34.42	-	-	104.13	1,556.28	618.75
Buildings @ &	7,567.59	-	1,013.10	-	8,580.69	1,266.11	274.75	23.87	-	1,564.73	7,015.96	6,301.48
Plant and Machinery @	21,358.52	-	743.04	133.82	21,967.74	6,156.79	1,353.74	-	129.58	7,380.95	14,586.79	15,201.73
Service Installations @	1,386.62	-	740.70	11.50	2,115.82	558.43	127.31	-	9.23	676.51	1,439.31	828.19
Electrical Installations @ ^	1,192.73	-	800.67	13.75	1,979.65	504.57	85.56	2.46	9.25	583.34	1,396.31	688.16
Patterns and Dies	724.87	-	140.38	-	865.25	414.76	76.60	-	-	491.36	373.89	310.11
Fixtures **	238.23	-	146.57	-	384.80	126.60	15.21	-	-	141.81	242.99	111.63
Office Furniture	207.50	-	82.39	-	289.89	36.27	17.93	-	-	54.20	235.69	171.23
Office Machinery	487.21	-	304.61	16.26	775.56	251.27	63.68	-	13.00	301.95	473.61	235.94
Motor Vehicles **	240.11	-	11.17	21.32	229.96	58.45	20.24	-	7.05	71.64	158.32	181.66
Intangible Assets												
Technical Know How	618.96	-	-	-	618.96	371.38	123.79	-	-	495.17	123.79	247.58
Goodwill	147.57	-	-	-	147.57	88.54	29.51	-	-	118.05	29.52	59.03
	38,184.98	18,573.40	5,550.72	196.65	62,112.45	9,902.88	2,222.74	26.33	168.11	11,983.84	50,128.61	28,282.10
Capital Work-In-Progress at Cost*											4,872.10	1,055.43
											55,000.71	29,337.53
Previous year figures	18,078.87	-	20,473.27	367.16	38,184.98	8,571.43	1,633.64	28.47	330.66	9,902.88	29,337.53	-

$ As at March 31, 2009 the Company has revalued its entire freehold land except land which has been recently acquired. Accordingly, land at Ennore and Uppal were revalued to reflect the current value of the same based on Valuation Report of Registered Valuer dated 25th May, 2009. The valuation has been carried out based on the present market price and/ or the guideline value. The difference of Rs.18,573.40 lakhs between the revalued amount and book value thereof has been credited to Fixed Assets Revaluation Reserve.

During the previous year the Company had acquired Land from Andra Pradesh Industrial Infrastructure Corporation Limited for a consideration of Rs.1500 lakhs. As per the terms of " Agreement for Sale ", the registration of the land in favour of the Company will be completed only if the company commences commercial production within two years from the date of allotment of land.

& Buildings include Cost : Rs. 145.37 lakhs (previous year Rs. 66.07 lakhs) and Written Down Value Rs. 130.83 lakhs (previous year Rs. 59.46 lakhs) in respect of expenditure incurred on capital assets, the ownership of which does not vest in the Company.

@ includes upward revaluation made on 31st March 1992.

^ Electrical installations include Cost : Rs. 76.50 lakhs (previous year Rs. 76.50 lakhs) and Written Down Value Rs. 61.20 lakhs (previous year Rs. 68.85 lakhs) in respect of expenditure incurred on capital assets, the ownership of which does not vest in the Company.

** Includes Assets on Lease: Cost Rs. 71.72 lakhs (Previous Year Rs. 71.72 lakhs); Written Down Value Rs. 61.84 lakhs (Previous year Rs.68.66 lakhs). - Refer Note 3.11 of Schedule 3

* Depreciation on assets capitalised relating to Green Field project, amounting to Rs. Nil lakhs (previous year 17.44 lakhs) is debited to Capital Work In Progress Account .

* Depreciation on assets capitalised relating to TCU project , amounting to Rs. 0.39 lakhs (previous year 0.09 lakhs) is debited to Capital Work In Progress Account .

	March 31, 2009 Rs. Lakhs	March 31, 2008 Rs. Lakhs
1.7 Investments		
Non-Trade - Unquoted - Long Term		
25,000 shares (Previous year 10,000) of Rs.10/- each in OPG Energy (P) Ltd	2.50	1.00
	2.50	1.00
1.8 Inventories		
Stores and Spare parts	1,296.53	1,200.38
Raw Materials	1,956.23	1,187.96
Work-in-progress	6,329.89	3,939.05
Finished Goods	56.69	196.26
Bought out materials	91.41	32.39
Materials-in-transit	26.66	-
	9,757.41	6,556.04

Schedules to the Balance Sheet

	March 31, 2009 Rs. Lakhs	March 31, 2008 Rs. Lakhs
1.9 Sundry Debtors		
Unsecured		
Over six months:		
Considered good	593.52	745.73
Considered doubtful	143.97	109.97
	737.49	855.70
Less: Provision for doubtful debts	143.97	109.97
	593.52	745.73
Other debts - Considered good	7,492.26	8,351.70
	8,085.78	9,097.43
Included in Sundry Debtors are:		
Dues from companies under the same management		
Ashok Leyland Limited	2,937.03	4,050.24
1.10 Cash and Bank Balances		
Cash in hand	3.18	3.26
Balance with Scheduled banks		
On current accounts	41.85	34.29
On unpaid dividend account	1.53	-
	46.56	37.55
1.11 Loans and Advances		
Unsecured and considered good		
Advances recoverable in cash or in kind or for value to be received *	3,591.15	3,741.28
Interest accrued on deposits	18.82	103.30
MAT Credit entitlement	293.45	293.45
Advance payments of tax (net of provisions)	496.43	17.47
Balance with customs, central excise	1,115.82	1,065.06
Deposits	1,639.26	1,073.09
	7,154.93	6,293.65
* Includes capital advances	716.37	2,470.43
Included in Loans and Advances are:		
Dues from companies under the same management		
Ashok Leyland Limited	318.20	-
Maximum amount outstanding during the year	318.20	-
Due from Managing Director of the Company (Refer note no 3.19)	40.61	-
Maximum amount outstanding during the year	40.61	-
1.12 Other Current Assets		
Unsecured and considered good		
Insurance claim	-	282.54
	-	282.54
1.13 Current Liabilities		
Dues to Micro & Small Enterprises (Refer Note 3.6)	-	35.75
Dues to Creditors other than Micro & Small Enterprises	5,357.50	5,083.68
Other Liabilities	1,568.34	2,014.37
Unclaimed Fixed Deposits *	0.94	1.26
Unclaimed Interest on Fixed Deposits *	0.14	0.58
Unclaimed Debentures *	0.38	0.77
Unclaimed Interest on Debentures *	0.01	0.12
Unclaimed Equity Dividend *	1.53	-
Interest accrued, but not due on loans	185.47	186.65
	7,114.31	7,323.18
* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on March 31,2009 and March 31, 2008.		
1.14 Provisions		
Preference dividend including tax	-	175.49
Equity Dividend including tax	-	436.98
Provision for Compensated absences	68.20	96.97
Provision for Gratuity	404.00	135.00
	472.20	844.44
1.15 Miscellaneous Expenditure		
To the extent not written off or adjusted		
Amortization of voluntary retirement scheme		
As per last Balance Sheet	21.52	24.39
Add: Payment made during the year	279.44	13.51
Less: Amortized during the year	151.76	16.38
	149.20	21.52

Schedules to the Profit and Loss Account

	For the year ended March 31, 2009 Rs. Lakhs		For the year ended March 31, 2008 Rs. Lakhs	
2.1 Net Sales less Returns	Tonnes		Tonnes	
Ferrous Castings	48,041	31,915.70	72,147	39,966.95
Non-ferrous Castings	902	2,167.14	1,804	3,861.12
Miscellaneous Order Jobs		2,106.25		1,151.16
(Quantification not feasible)				
		36,189.09		44,979.23
2.2 Conversion charges				
Non-ferrous castings	187	123.44	233	162.92
2.3 Other Income				
Profit/(Loss) on disposal of assets		26.58		34.67
Insurance claim on loss of profit		-		11.83
Miscellaneous Income		520.30		100.53
		546.88		147.03
2.4 Materials consumed				
i) Raw materials consumed:				
Opening Stock	1,187.96		1,115.50	
Add: Purchases	14,603.47		16,853.97	
	15,791.43		17,969.47	
Less: Closing stock	1,956.23	13,835.20	1,187.96	16,781.51
ii) Stores and spares consumed		4,751.58		5,220.40
iii) Bought out materials		571.59		1,478.12
		19,158.37		23,480.03
2.5 Decrease / (Increase) in inventories:				
Opening:				
Work-in-progress	3,939.05		2,644.57	
Finished Goods	196.26		170.64	
	4,135.31		2,815.21	
Closing:				
Work-in-progress	6,329.89		3,939.05	
Finished goods	56.69		196.26	
	6,386.58		4,135.31	
		(2,251.27)		(1,320.10)

Schedules to the Profit and Loss Account

		For the year ended March 31, 2009 Rs. Lakhs		For the year ended March 31, 2008 Rs. Lakhs
2.6 Other Expenses				
Salaries, Wages and Bonus * #		**6,155.86**		6,364.70
Contribution to Provident, Gratuity, Superannuation and Other Funds #		**860.24**		784.33
Compensation under voluntary retirement scheme		**151.76**		16.38
Welfare expenses **		**1,093.84**		1,079.20
Rent #		**17.84**		30.17
Rates and taxes#		**45.28**		48.07
Repairs and maintenance of plant and machinery ***		**691.90**		888.26
Repairs and maintenance of buildings ****		**103.29**		107.53
Insurance		**45.12**		43.29
Directors' sitting fees		**12.50**		8.00
Audit fees and expenses				
Audit fees	**12.00**		12.00	
Tax audit	**2.00**		2.00	
Certifying statements to Government and others	**4.80**		2.50	
Out of pocket expenses	**2.41**		2.35	
		21.21		18.85
Increase / (decrease) of Excise duty on Inventory (Refer note no 3.24)		**(17.93)**		0.79
Provision for doubtful debts (Net of writeback)		**34.00**		33.67
Fettling / Machining Charges		**1,057.76**		829.57
Other expenses #		**1,774.21**		1,514.12
		12,046.88		11,766.93
Less: Expenditure capitalised		**(382.13)**		-
		11,664.75		11,766.93
* Includes Research and Development		**2.10**		125.71
**Includes Stores consumed		**206.13**		23.34
***Includes Stores consumed		**513.93**		833.23
****Includes Stores consumed		**23.63**		22.67
# Refer Note No. 3.23 of Schedule 3				
2.7 Finance charges (Net) #				
(i) Interest on Fixed Loans				
To Banks		**1,501.25**		650.73
ii) Other Interest				
To Banks		**1,201.65**		365.24
To Others @		**(53.89)**		(12.93)
		2,649.01		1,003.04
# Refer Note No. 3.23 of Schedule 3				
@ Net of interest received from Others		**68.20**		51.27

Notes to the Financial Statements

3.1 Background of the Company

The Company was incorporated in the year 1959 and commenced commercial production in the year 1961. The Company is a part of the Hinduja group of companies and is listed in the Bombay, Madras and National Stock Exchanges. The Company is engaged in the business of manufacture of grey iron and aluminum gravity die-castings for automobiles, compressors, industrial engines, power generators, and tractors and marine applications.

The name of the Company was changed from Ennore Foundries Limited to Hinduja Foundries Limited effective February 14, 2008.

3.2 Issue of Global Depository Receipts (GDRs)

The shareholders, at the meeting held on January 5, 2008, authorized issue of various types of securities for an aggregate sum upto Rs. 100 crores.

Pursuant to this resolution, in April 2008 HFL issued 71,42,856 Global Depository Receipts of US$ 2.10 each aggregating to US$ 15 million with 3 GDRs representing one equity share and 23,80,952 equity shares of Rs. 10/- each fully paid-up were allotted as underlying shares for the aforesaid GDRs at the Board meeting held on April 24, 2008. The GDRs are listed on the Luxembourg Stock Exchange. As per the terms of the issue and relevant guidelines, the equity shares shall rank pari passu with the existing equity shares. The proceeds of the issue were utilized in full for the purposes stated in the offer document.

3.3 Significant Accounting Policies

3.3.1 Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standard by Companies (Accounting Standards) Rules, 2006, as amended, and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis except in case of assets which are revalued. The accounting policies have been consistently applied by the Company and except for the change in accounting policy discussed more fully in Note 3.4, are consistent with those used in the previous year.

3.3.2 Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from these estimates.

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds 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 is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. Contingencies are recorded when it is probable that a liability will be incurred and the amount can be reasonably estimated. Actual results could differ from those estimates.

3.3.3 Fixed Assets and depreciation

Fixed assets are stated at cost or revalued amount less accumulated depreciation and impairment losses, if any. Net increase in fixed assets on account of revaluation is credited to the Revaluation Reserve account.

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on fixed assets is provided using the straight-line method based on useful economic life as estimated by the management or at the rates prescribed under schedule XIV of the Companies Act, 1956.

For the following assets, the depreciation rates are higher than the rates prescribed by Schedule XIV:

	Rates (SLM)
Leasehold Land	5%
Plant and machinery	10.34– 25%

Individual assets costing Rs 5,000 or less are depreciated in full in the year of purchase. After impairment if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

The incremental depreciation on account of enhancement in the value of major fixed assets on revaluation is charged against Fixed Assets Revaluation Reserve account.

Assets acquired under Hire Purchase/Finance Lease agreements are capitalized and finance charges thereon are expensed over the period of agreements.

Leasehold land is amortized over a period of twenty years.

Intangibles

Goodwill and technical know-how fees are amortized using the straight-line method over a period of five years.

3.3.4 Inventory

Raw materials, stores and spares are valued at lower of cost and net realizable value. Cost is determined on weighted average basis. Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes material, labour and appropriate allocated overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

3.3.5 Borrowing costs

Borrowing costs that are directly attributable to the cost of acquisition, construction, or production of a qualifying asset is capitalized as part of that asset, other borrowing costs are recognized as expense in the period in which they are incurred.

3.3.6 Employee benefits

Gratuity liability is a defined benefit obligation and is provided for based on actuarial valuation performed in accordance with the projected unit credit method, as at the balance sheet date and is funded with LIC.

Short term compensated absences / leave encashment are provided for based on the eligible leave at credit on the balance sheet date and the estimated cost is based on the terms of the employment contract. Long term compensated absences are provided for based on actuarial valuation as at the balance sheet date using projected unit credit method.

Contributions to Provident fund, Employee pension fund, Superannuation fund and cost of other benefits are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. The Company has no further obligations under the plan beyond its monthly contributions.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

3.3.7 Revenue recognition

Revenue including income on miscellaneous order jobs is recognised when the significant risks and rewards of ownership of goods have been passed to the buyer, which generally coincides with the dispatch of goods. Revenue comprises amounts invoiced for goods sold including excise duty but net of sales returns. Revenues are reported exclusive of sales tax and Value Added Tax ('VAT').

Revision in prices subsequent to sale is recognised when accepted by the customers.

Sales returns are accounted on receipt of rejected materials in Company's premise.

Other Income

Insurance claims are recognised when the amount thereof can be measured reliably and ultimate collection is reasonably certain.

3.3.8 Voluntary Retirement Scheme

The compensation paid towards Voluntary Retirement Scheme is amortized such that no amounts are carried forward beyond March 31, 2010.

3.3.9 Income Taxes

Tax expense comprises current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably / virtually certain that future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT eredit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

3.3.10 Foreign Currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on a monetary item that, in substance, form part of the company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognized as income or as expenses.

Exchange differences, in respect of accounting periods commencing on or after 7th December, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortized over the balance period of such long-term asset/liability but not beyond the accounting period ending on or before 31st March, 2011.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

3.3.11 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

As at the reporting date, the Company has not issued any potential equity shares, and accordingly, the basic earnings per share and diluted earnings per share are the same.

3.3.12 Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3.3.13 Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

3.3.14 Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account. Income earned during construction period is deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion are capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

3.3.15 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

3.4 Changes in accounting policies

Upto 31st March, 2008, the Company was charging off exchange differences arising on foreign currency monetary assets and liabilities to profit and loss account. Pursuant to Companies (Accounting Standards) Amendments Rules, 2009, the Company has exercised the option of deferring the charge to the Profit and Loss Account arising on exchange differences, in respect of accounting periods commencing on or after 7th December, 2006, on long-term foreign currency monetary items (i.e. monetary assets or liabilities expressed in foreign currency and having a term of 12 months or more at the date of origination). As a result, such exchange differences so far as they relate to the acquisition of a depreciable capital asset have been adjusted with the cost of such asset and would be depreciated over the balance life of the asset, and in other cases, have been accumulated in Foreign Currency Monetary Item Translation Difference Account and would be amortized over the balance period of such long term asset/liability but not beyond, accounting period ending on or before 31st March 2011.

In the current year, such exchange differences amounting to Rs 243 lakhs, pertaining to accounting periods commencing on 1 April, 2007 and ended on March 31, 2008 were transferred from General Reserve, to the extent they related to acquisition of depreciable capital assets and are adjusted with the cost of such assets .

Had the Company continued to use the earlier basis of accounting for exchange differences arising on long-term foreign currency monetary items, the charge to the Profit and Loss Account after tax for the current year would have been higher by Rs. 2,073.63 lakhs, the net block of fixed assets would have been lower by Rs. 2,073.63 lakhs.

3.5 Tax deducted at source from conversion charges is Rs.7.57 lakhs (Previous year Rs. 5.23 lakhs), interest income earned is Rs10.38 lakhs (Previous Year Rs. 7.14.lakhs).

Notes to the Financial Statements

3.6 There are no amounts payable to Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 based on information available with the Company. Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the current year. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the Auditors.

			2008-09 Rs in Lakhs	2007-08 Rs in Lakhs
3.7	a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	**3,837.06**	812.26
	b)	Export obligations on account of duty free import of capital goods	**12,666.51**	8,657.76
3.8		**Contingent Liabilities**		
	a)	Civil suit filed by a supplier claiming overdue interest/court fee disputed by the Company	–	5.02
	b)	Revision in Property tax contested by the Company in Madras High Court	**21.30**	–
	c)	Surcharge on self generation of power	**37.89**	37.05
	d)	Dividend on 6% Redeemable Preference shares`	**131.66**	–
	e)	Details of statutory dues due to appropriate authorities on account of dispute:		

Name of the Statute	Nature of Dues		
Central Excise Act	Excise duty including penalty (Deposit made Rs. 35.46 lakhs) (Previous year Rs. 32.63 lakhs)	**58.10**	58.10

f) The Tamil Nadu Government has issued notification levying additional charge on High Tension Industries, having Arc furnaces at 25% of the power consumption effective from 1st December 2001 till 15th March 2003. Pursuant to this notification, all companies which have arc furnace will have to pay additional surcharge on their power consumption when these furnaces emit effluents exceeding certain thresholds. Though the Company has not received any demand in this regard, the notification has been challenged by the Company before the High Court of Madras. The High Court has granted interim stay.

Subsequently, TNERC passed an order imposing 15 % Arc furnace additional charge effective from March 16, 2003. The Company also filed an affidavit stating that it has installed in 1999 harmonic filters to contain the harmonic levels. The Madras High Court after hearing the case on October 8, 2003 directed TNEB to verify the installation of harmonic filters by the Company and report back the status. Though the verification is done, TNEB has not filed the report in the High Court and the case is yet to come up for hearing. The Management believes that the final impact is not ascertainable pending the receipt of report from TNEB.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are reasonable chances of successful outcome of appeals.

g. The Company had requested to Tamil Nadu Electricity Board ("TNEB") for a change in name for its 25 Wind Farm HT services. TNEB demanded Rs. 1 lakh per Wind Farm HT services as name transfer fee. The Company had disputed the demand made by TNEB and had filed an appeal before the Tamil Nadu Electricity Regulatory Commission ("TNERC"). Subsequent to the year end, based on the interim order passed by TNERC, the Company has paid an amount of Rs 25 lakhs as deposit. Pending disposal of the appeal filed before TNEB no provision has been made in the accounts.

3.9 Related Party disclosure

List of parties where control exists

Holding Company : Hinduja Automotive Limited, UK (formerly 'LRLIH Ltd')

Fellow Subsidiary : Ashok Leyland Limited

Other related party

Key Managerial Personnel : Mr. V Mahadevan, Managing Director.

Transactions/balance with related parties

Particulars	Relationship	2008-09 Rs. lakhs	2007-08 Rs. lakhs
Sales of goods	Fellow Subsidiary	17,453	24,108
Purchases of materials	Fellow Subsidiary	2,061	2,196
Dividend on preference shares (proposed)	Fellow Subsidiary	-	150
Dividend on equity shares (proposed)	Fellow Subsidiary	-	68
Dividend on equity shares (proposed)	Holding Company	-	193
Amount Receivable	Fellow Subsidiary	3,255	4,050
Loan availed and repaid during the year	Fellow Subsidiary	300	-
Amount Payable	Fellow Subsidiary	10	503

Remuneration paid to managing director is disclosed in Note No 3.19.

3.10 Segment Reporting

The Company's business is confined to only castings. Accordingly, the Company operates in a single business segment. Further, the Company markets its products primarily in the domestic markets. Hence there are no reportable geographical segments.

3.11 Details of Lease Payments due - For acquisition of a vehicle

i) Reconciliation of Total minimum Lease payment and their present value

	2008-09 Rs.lakhs	2007-08 Rs.lakhs
Total minimum Lease payments	38.78	64.94
Less : Future liability on account of interest	3.24	7.07
Present value of payments	35.54	57.87

ii) Future Lease Rentals payable

	2008-09 Rs.lakhs	2007-08 Rs.lakhs
As at the Balance Sheet date	38.78	64.94
Not later than one year	26.47	26.35
Later than one year and not later than five years	12.31	38.59

3.12 Raw Materials Consumed

Particulars	2008-09		2007-08	
	Tonnes	Rs. lakhs	Tonnes	Rs. lakhs
Pig Iron	2,179	520.91	2,686	523.67
Steel Scrap	37,679	8,876.99	55,413	9,883.98
Iron Scrap	8,340	1,566.04	14,751	2,230.99
Carboriser	1,540	482.70	2,338	604.45
Ferro Alloys	1,421	1,189.97	2,114	1,224.78
Aluminium Alloy	1,136	1,198.59	2,123	2,313.64
Total		13,835.20		16,781.51

3.13 Consumption of Raw Materials, Stores & Spares and Bought out materials

Particulars	2008-09		2007-08	
	% of total Consumption	Rs.lakhs	% of total Consumption	Rs.lakhs
Imported	9.36%	1,863.34	0.51	125.18
Indigenous	90.64%	18,038.72	99.49	24,234.09
Total	100.00	19,902.06	100.00	24,359.27

3. 14 Finished Goods

	Particulars	2008-09		2007-08	
		Tonnes	Rs.Lakhs	Tonnes	Rs.lakhs
a)	Opening Stock				
	Ferrous Castings	**205**	**130.17**	155	88.48
	Non-Ferrous Castings	**29**	**66.09**	32	82.16
b)	Closing Stock				
	Ferrous Castings	**20**	**18.97**	205	130.17
	Non-Ferrous Castings	**17**	**37.72**	29	66.09

3.15 Capacity and Production

Particulars	2008-09		2007-08	
	Installed Capacity Tonnes	Production Tonnes	Installed Capacity Tonnes	Production Tonnes
Ferrous and Non-Ferrous Castings*	**125,000**	**48,934**	125,000	74,232
*Includes Production on conversion basis		**187**		233

Note:
The figures shown is balancing figures, ascertained on the basis of opening stock, sales (net of returns) and closing stock.

3.16 Value of Imports (Calculated on CIF basis)

Particulars	2008-09 Rs.lakhs	2007-08 Rs.lakhs
Raw Materials	**3,661.55**	94.24
Components and Spare parts	**49.30**	50.33
Capital Goods	**514.77**	3,535.48

3.17 Expenditure in Foreign Currencies (on accrual basis)

Particulars	2008-09 Rs.lakhs	2007-08 Rs.lakhs
Traveling*	**16.79**	14.55
Consultant Fee*	**55.74**	37.02
Technical Know-how Fee #	**147.46**	-
Agency Commission*	**0.89**	2.97
Interest on ECB	**415.72**	437.05

*Included in Schedule 2.6 - Expenses
#Included in Schedule 1.6 - Fixed Assets

Notes to the Financial Statements

3.18 Earnings in foreign currency (on accrual basis)

Particulars	2008-09 Rs.lakhs	2007-08 Rs.lakhs
Export – FOB Value	307.28	109.61

3.19 Information regarding Managerial remuneration paid during the year

Particulars	2008-09 Rs.lakhs	2007-08 Rs.lakhs
Salary	65.81	57.60
Contribution to Provident and Other Funds	6.16	5.18
Perquisites	22.80	19.46
Commission to Managing Director	-	19.20
Total	94.77	101.44

As the future liability of gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amounts pertaining to the managing director is not ascertainable and is therefore not included above.Further, the remuneration payable to the Managing Director is not in accordance with the provisions of Section 198, 269, 309 etc read with Schedule XIII to the Companies Act, 1956. The remuneration paid for the year is higher than the remuneration payable by Rs 40.61 lakhs. The Company has filed an application with the Central Government requested for approval of the excess amount paid. Pending such approval the amount of Rs 40.61 lakhs has been shown as recoverable under Schedule 1.11 of the financial statements.

3.20 Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarie the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Profit and Loss Account

Net employee benefit expense (recognised in Employee Cost)

Particulars	2008-09 Rs.lakhs	2007-08 Rs.lakhs
Current service cost	103	422
Interest cost on benefit obligation	135	133
Expected return on plan assets	(122)	(107)
Net actuarial(gain) / loss recognized in the year	206	(196)
Net benefit expense	320	252
Actual return on plan assets	9.23%	9.50%

Balance Sheet

Reconciliation of present value of the obligation and the fair value of plan assets

Particulars	2008-09 Rs.lakhs	2007-08 Rs.lakhs
Fair value of plan assets at the end of the year	1,626	1,597
Present value of funded obligation at the end of the year	(2,030)	(1,732)
Asset/(Liability) recognized in the balance sheet	(404)	(135)

Changes in the present value of the defined benefit obligation are as follows:

Present value of obligations as at the beginning of year	1,732	1,414
Interest cost	135	133
Current Service cost	103	422
Benefits paid	(171)	(71)
Actuarial (Gain) / Loss on obligation	231	(166)
Present value of obligations as at the end of year	2,030	1,732

Changes in the fair value of plan assets are as follows:

Particulars	2008-09 Rs.lakhs	2007-08 Rs.lakhs
Fair value of plan assets at beginning of year	1,597	1,442
Expected return on plan assets	122	106
Contributions	71	89
Benefits paid	(171)	(71)
Actuarial gain on plan assets	7	31
Fair value of plan assets as at end of year	1,626	1,597

Experience adjustments in :

Plan Liabilities - loss / (gain)	231	(166)
Plan Assets - loss / (gain)	(7)	(31)

The principal assumptions used in determining gratuity and other post-employment benefit obligations for the Company's plans are shown below:

Particulars	2008-09	2007-08
	%	%
Discount rate	8	8
Expected rate of return on assets	8	8
Salary escalation	3	3

The fund is administered by Life Insurance Corporation of India ("LIC"). The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The details with respect to the composition of investments in the fair value of plan assets have not been disclosed in the absence of the aforesaid information.

3.21 Earning Per Share

Particulars	2008-09	2007-08
Net profit/ (loss) as per the profit and Loss Account Rs.lakhs	(1,198.06)	1,692.14
Less: Dividend attributable to preference shareholders (including tax)	154.04	175.49
Net profit / (loss) as per the profit and loss account after preference dividend	(1,352.10)	1,516.65
Weighted average number of equity shares outstanding as at the end of the year	1,85,24,929	1,62,94,010
Basic and diluted earnings per share (Rs)	(7.30)	9.31

3.22 Net dividend remitted in foreign exchange

Particulars	2008-09	2007-08
Number of non-resident shareholders	1	1
Number of equity shares held on which dividend was due	96,29,496	96,29,496
Amount remitted (Rs in lakhs)	192.59	-
Currency of remittance	Euro	-
Year to which the dividend relates	2007-08	-

3.23 Expenditure incurred on Projects during Construction period (including amounts grouped under Capital work in progress)

a) Project: Greenfield Foundry, Sriperumbudur

Particulars	As at April 1, 2008 Rs.lakhs	2008-09 Rs.lakhs	As at March 31, 2009 Rs.lakhs
Travelling and conveyance	-	46.07	46.07
Interest	-	258.30	258.30
Professional and consultancy charges	-	307.28	307.28
Others	-	93.69	93.69
Total		**705.34**	**705.34**

b) Project: Toopran Castings Unit, Hyderabad

Particulars	As at April 1, 2008 Rs. lakhs	2008-09 Rs. lakhs	As at March 31, 2009 Rs. lakhs
Salaries and wages	14.43	151.50	165.93
Traveling and conveyance	1.09	12.30	13.39
Interest	52.54	194 .37	246.91
Rent	-	3.39	3.39
Rates and taxes	-	14.77	14.77
Compound wall		105.61	105.61
Depreciation on assets capitalized	0.09	0.39	0.48
Others	3.05	23.19	26.24
Total	**71.20**	**505.52**	**576.72**

3.24 Disclosure of Revenue from Sales Transactions as per Para 10 of Accounting Standard 9.

The total excise duty for the year excluding the excise duty related to difference between the closing stock and opening stock has been disclosed as a reduction from turnover. Excise duty related to difference between the closing stock and opening stock has been disclosed in Schedule 2.6 “expenses”.

3.25 Unhedged foreign currency exposure

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	Amount (Foreign currency)		Amount (Rs. lakhs)	
Particulars	**2009**	**2008**	**2009**	**2008**
Loan payable	20,000,000USD	20,000,000USD	10,190.00	7994.00
Creditors payable	818,018 Euro 54,120 USD	- -	555.14 27.57	- -

3.26 Previous year comparatives

Figures for the previous year have been regrouped wherever necessary to conform to the classification for the year.

As per our report of even date

For Fraser & Ross
Chartered Accountants

per **Geetha Suryanarayanan**
Partner
Membership No.029519

For S.R.Batliboi & Associates
Chartered Accountants

per **S Balasubrahmanyam**
Partner
Membership No. 053315

For and on behalf of the Board

R J Shahaney
Chairman

V Mahadevan
Managing Director

N Kothandapani
Company Secretary

V Sankar
Chief Financial Officer

Chennai
June 15, 2009

Balance Sheet Abstract and Company's General Business Profile

Information as required under Part IV of Schedule VI to the Companies Act, 1956

I. REGISTRATION DETAILS

Registration No.	18–03849	State Code	18
Balance Sheet Date	31 (Date) 03 (Month) 2009 (Year)		

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	2380952

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities	7261058	Total Assets	7261058
Sources of Funds			
Paid-up Capital	403416	Reserves & Surplus	3110817
Secured Loans	2155125	Unsecured Loans	1504000
Deferred Tax Liability	87700		
Application of Funds			
Net Fixed Assets	5500071	Investments	250
Net Current Assets	1745817	Misc. Expenditure	14920
Accumulated Losses	NIL		

IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover	3685941	Total Expenditure	3871847
Profit/Loss Before Tax (+ / –)	– 185906	Profit/Loss After Tax (+ / –)	– 119806
Earning per Share in Rs.	–7.30	Dividend Rate	– –

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (as per monetary terms)

Item Code No. (ITC Code)	7325990990
Product Description	FERROUS CASTINGS
Item Code No. (ITC Code)	76042909
Product Description	NON FERROUS CASTINGS

For and on behalf of the Board

N Kothandapani	**V Sankar**	**R J Shahaney**	**V Mahadevan**
Company Secretary	Chief Financial Officer	Chairman	Managing Director

Chennai
June 15, 2009

Notes

Notes