

Annexure 'A'

Annual Report 2012

XENOS AUTOMOTIVE LIMITED

CERTIFIED TRUE COPY

For Xenos Automotive Limited



[Handwritten Signature]
Director

XENOS AUTOMOTIVE LIMITED

Directors

Mr.Vijay Mohan
Mr.S.A.Gopalakrishnan
Mr.K N Subramanian

Auditors

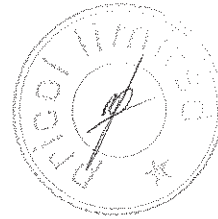
M/s.Haribhakti & Co.,
Chartered Accountants
Coimbatore

Bankers

Indian Overseas Bank

Registered Office

965, Harifa Center, Avanashi Road
Coimbatore 641 018,
India



XENOS AUTOMOTIVE LIMITED
NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Tenth Annual General Meeting of the Shareholders of the Company will be held on Friday, 28th September 2012, at 11:00 a.m. at 965, Harita Center, Avanashi road, Coimbatore 641 037, India to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss for the year ended 31st March 2012 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr.K.N.Subramanian who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

By Order of the Board

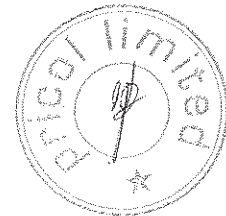
Coimbatore
21st September 2012


Vijay Mohan
Director

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE SHAREHOLDERS ARE REQUESTED TO GIVE THEIR CONSENT FOR CALLING THE ANNUAL GENERAL MEETING AT A SHORTER NOTICE PURSUANT TO THE PROVISIONS OF SECTION 171(2) OF THE COMPANIES ACT,1956.



XENOS AUTOMOTIVE LIMITED

DIRECTORS REPORT

Your Directors take pleasure in presenting their Tenth Annual Report together with audited accounts of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS

Particulars	(Amount in Rs.)	
	Year ended	
	31.3.2012	31.3.2011
Net Sales and Service Charges	388,912,024	534,705,946
Profit / (Loss) before Tax	(93,104,955)	(48,032,293)
Less: Deferred Tax Liability	NIL	NIL
Profit / (Loss) after Tax	(93,104,955)	(48,032,293)
Balance brought forward	(392,607,197)	(344,574,904)
Balance carried to Balance Sheet	(485,712,152)	(392,607,197)

OPERATIONS & OUTLOOK

The fiscal 2011-12 was a year of consolidation and increasing Xenos brand name and value in the mind of customers, channel partners, employees, suppliers and associates.

A new marketing agency was hired and all communication material and websites were re-designed. Forty percent of the product portfolio was changed, with new and smarter designed products being launched in regular succession. These have been well accepted by the market.

Product Margins improved significantly from 18% to 27%. We expect to sustain higher volume levels in coming years at the 24% margin levels.

DIVIDEND

As there is no distributable profit, no dividend has been recommended for the financial year ended 31st March 2012.

DIRECTORS

Mr.K.N.Subramanian, Director retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

AUDITORS

The Auditors of the Company, M/s. Haribhakti & Co., Chartered Accountants, Coimbatore, retire at the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received a letter from them, stating that the appointment, if made, will be within the limit prescribed under Section 224 (1B) of the Companies Act, 1956.

COMPLIANCE CERTIFICATE

Compliance Certificate issued by Mr. K. Muthusamy, Company Secretary in Practice, pursuant to section 383A(1) of the Companies Act, 1956 is attached.



PUBLIC DEPOSITS

The Company has not accepted any fixed deposit from public during the year under review.

PERSONNEL

Your Company has no employees drawing remuneration as prescribed under Section 217(2A) of the Companies Act, 1956, during the period under review.

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

The Company has no activities relating to conservation of energy or technology absorption. The Company did not have foreign exchange earnings during the year and the foreign exchange expenditure incurred during the year -Refer notes-(B-3).

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of annual accounts for the financial year ended 31st March 2012, the applicable accounting standards have been followed.
- b) They had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for the year under review;
- c) They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities and
- d) They had prepared the annual accounts for the financial year ended 31st March 2012, on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge the continued support and co-operation received from Pricol Limited, Distributors, Customers, Shareholders and Bankers.

The Directors wish to place on record their appreciation to the entire work force for their co-operation and commitment.

For and on behalf of the Board

J. Jaymohan

Vijay Mohan

S.A. Gopalakrishnan

S.A. Gopalakrishnan

Directors

Coimbatore, 21st September 2012



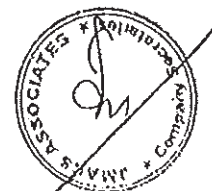
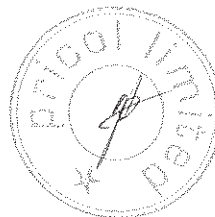
FORM
[See Rule 3]
Compliance Certificate

To

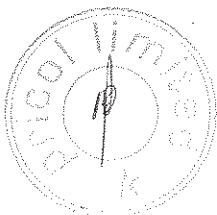
The Members
XENOS AUTOMOTIVE LIMITED
CIN NO: U29308TZ2002PLC010356

We have examined the registers, records, books and papers of the above Company as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended **31st March 2012**. In our opinion and to the best of our information and according to the examinations carried out by us and the explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act, the rules made there under, and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a public limited Company, the comments are not required.
4. The Board of Directors duly met eight times on 30.05.2011, 04.07.2011, 02.09.2011, 13.09.2011, 21.10.2011, 30.12.2011, 25.01.2012 and 20.03.2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not opted to close its Register of Members, and/or Debenture holders during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March 2011 was held on 30.09.2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minute Book maintained for the purpose.
7. One extra-ordinary general meeting was held during the financial year after giving due to notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.



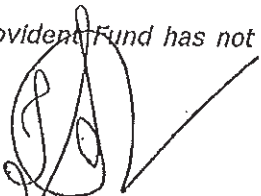
10. *The company has made necessary entries in the register maintained under section 301(3) of the Act.*
11. *As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government.*
12. *The Company has not issued any duplicate share certificate during the financial year.*
13. *The Company*
 - a. *delivered all the certificates on allotment and there was no transfer /transmission of securities during the financial year.*
 - b. *has not deposited any amount in separate bank account as no dividend was declared / paid during the financial year.*
 - c. *has not required to post warrants to any member of the company as no dividend was declared /paid during the financial year.*
 - d. *has no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years for transfer to Investor Education and Protection Fund*
 - e. *has duly complied with the requirements of section 217 of the Act.*
14. *The Board of Directors of the company is duly constituted and the re-appointment of Directors have been duly made.*
15. *The Company has not appointed any Managing Director/Whole time Director/Manager during the financial year.*
16. *The Company has not appointed any sole selling agents during the financial year.*
17. *The Company has obtained the approval of the Registrar of Companies u/s21 for change of the name of the company and was not required to obtain any approvals of the Central government, Company Law Board, Regional Director, Registrar and /or such authorities prescribed under the various provisions of the Act during the financial year.*
18. *The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to provisions of the Act and the rules made there under.*
19. *The Company has issued 9,00,000 equity shares during the financial year and complied with the provisions of the Act.*
20. *The Company has not bought back any shares during the financial year.*
21. *There was no redemption of preference shares or debentures during the financial year.*

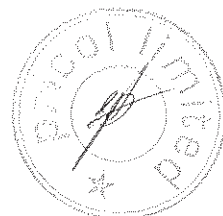


22. There were no transactions necessitating the company to keep in abeyance rights to dividends, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including unsecured loans falling within the purview of section 58A during the financial year.
24. The amount borrowed by the company from directors, members, public, financial institutions, banks and others during the financial year are within the borrowing limits of the company and the necessary resolution as per section 293 (1)(d) of the Act have been passed in the duly convened Annual general meeting.
25. The Company has not made any loans or advances or investments or given guarantees or provide securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has altered the provision of the Memorandum with respect to name of the company during the year under scrutiny and complied with the provisions of the Act.
29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has altered its Articles of Association after obtaining approval of members in the extra ordinary general meeting held 25.11.2011 and the amendments of the Articles of Association has been filed with the Registrar of Companies.
31. There was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security deposit from the employees during the year under certification.
33. The provision of section 418 is not applicable since Provident Fund has not been constituted by the Company for the employees.

Place : Coimbatore
Date : 21.09.2012




K. Muthusamy
Company Secretary
M.No: F 5865 CP No: 3176



ANNEXURE - 'A'
Registers maintained by the Company

1. Register of Members U/s 150
2. Register of Charges U/s 143
3. Index of Members U/s 151
4. Minutes Book of Board Meetings U/s 193
5. Minutes Book of General Meetings U/s 193
6. Register of contracts, Companies /firms In which Directors are Interested U/s 301
7. Register of Directors, Managing Directors, Manager and Secretary U/s 303
8. Register of Director's shareholding U/s 307

Notes: No other registers were maintained as It was informed that there were no entries / transactions to be recorded.

ANNEXURE - 'B'
Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government and other authorities during the year

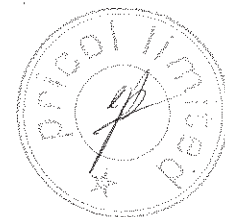
S.NO	FORMS	SECTION	SERVICE	DATE OF FILING
1	23	192	Registration of Resolution	28.09.2011
2	32	303(2)	Directors appointment and Resignation	28.09.2011
3	5	94	Increasing Authorized Capital	29.09.2011
4	2	75(1)	Allotment of shares	11.10.2011
5	32	303(2)	Directors appointment - Change in designation	19.10.2011
6	8	125/135	Creation or Modification of Charge	20.10.2011
7	66	383A(1)	Secretarial compliance Certificate.31.03.2011	24.10.2011
8	23	192	Registration of Resolution	24.10.2011
9	23AC& 23ACA	210(1)	Annual Accounts for the year 31.03.2011	25.10.2011
10	1A	21	Application for Name availability	04.11.2011
11	20B	159(1)	Annual Return 30.09.2011	22.11.2011
12	23	192	Registration of Resolution	28.11.2011
13	1B	21	Application for Name change	28.11.2011



Auditors' Report

To
The Members of XENOS AUTOMOTIVE LIMITED,
Coimbatore.

1. We have audited the attached Balance Sheet of XENOS AUTOMOTIVE LIMITED, Coimbatore as at March 31, 2012 and also the Statement of Profit and Loss and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with 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' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the paragraph 3 above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, statement of profit and loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



Other offices: _____

Ahmedabad • Bengaluru • Chennai • Hyderabad • Jaipur • Kolkata • Mumbai • New Delhi • Pune • Vadodara

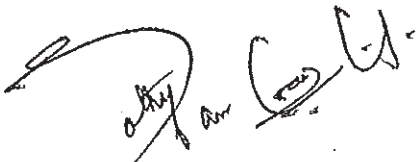
HARIBHAKTI & CO.

Chartered Accountants

Continuation Sheet

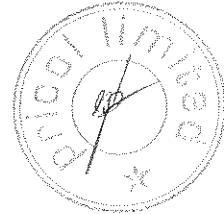
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- In the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
 - In the case of the statement of profit and loss, of the loss for the year ended on that date; and
 - In the case of cash flow statement, of the cash flows for the year ended on that date.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No.103523W



C. S. Sathyanarayanan
Partner
Membership No. 028328

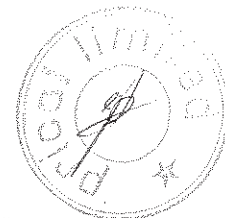
Coimbatore
September 21, 2012



ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Xenos Automotive Limited, Coimbatore on the financial statements for the year ended March 31, 2012]

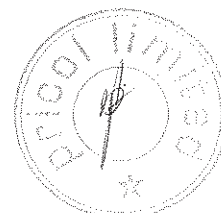
- (i) (a) *The Company is in the process of updating its fixed asset register.*
- (b) The fixed assets of the company have been physically verified by the management during the year.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (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 material discrepancies noticed on physical verification have been properly dealt with in the books of accounts.
- (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) The company has taken unsecured loans from its director amounting to ₹ 18,00,00,000 out of which ₹ 1,50,00,000 has been taken during the year. The maximum balance outstanding during the year and year-end balance of loans is ₹18,00,00,000. The company has not taken any loans or advances other than the above from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956..
- (c) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.



- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of ₹ five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including investor education and protection fund, , income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it *except in respect of provident fund and employees state insurance where the payments were irregular.*
- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state Insurance, income-tax, service tax, sales-tax, customs duty, cess and other statutory dues which were outstanding, at the year-end for a period of more than six months from the date they became payable are as follows:

Nature of the dues	Amount	Period to which the amount relates	Due Date	Date of Payment
Professional tax	₹ 73706	Apr 2011 to sep 2011	Various dates	Not paid as on the date of audit report.

- (x) In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. Further, the company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution and bank.
- (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 & 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.



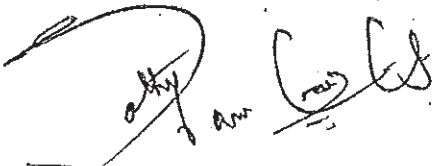
HARIBHAKTI & CO.

Chartered Accountants

Continuation Sheet

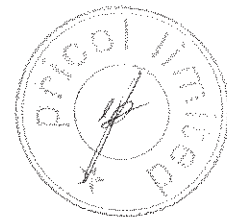
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) In our opinion and according to the information and explanations given to us, the company has given a guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.
- (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) According to the information and explanations given to us, the company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the prices at which shares have been issued is not prejudicial to the interest of the company.
- (xix) According to the information and explanations given to us, no debentures have been issued by the company during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W



C. S. Sathyanarayanan
Partner
Membership No. 028328

Coimbatore
September 21, 2012



XENOS AUTOMOTIVE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2012

Particulars	Note No.	AS AT	AS AT
		31.03.2012	31.03.2011
		₹	₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	2.1	3,40,00,000	2,50,00,000
(b) Reserves and Surplus	2.2	(48,57,12,152)	(39,26,07,197)
2 Share Application Money - pending allotment		-	90,00,000
3 Non-Current liabilities			
(a) Long-Term borrowings	2.3	18,05,55,729	16,53,31,572
(b) Other Long Term Liabilities	2.4	36,20,04,418	36,81,76,992
4 Current liabilities			
(a) Short-Term Borrowings	2.5	8,14,96,040	6,61,88,499
(b) Trade Payables	2.6	4,23,51,258	2,40,80,071
(c) Other Current Liabilities	2.7	1,79,96,504	2,34,56,964
TOTAL		23,26,91,797	28,86,26,902
II. ASSETS			
Non-Current assets			
1 (a) Fixed Assets (Tangible Assets)	2.8	1,18,68,900	1,31,20,890
(b) Long-Term Loans and Advances	2.9	1,01,04,329	66,45,982
(c) Other Non-Current assets	2.10	11,25,851	23,94,205
2 Current assets			
(a) Inventories	2.11	7,32,60,217	9,46,39,686
(b) Trade Receivables	2.12	8,06,00,222	9,90,74,429
(c) Cash and Cash Equivalents	2.13	3,21,66,637	4,97,12,391
(d) Short Term Loans and Advances	2.14	2,33,10,531	2,25,08,045
(e) Other Current Assets	2.15	2,55,111	5,31,275
TOTAL		23,26,91,797	28,86,26,902

1&2

Significant Accounting Policies & Notes to Financial Statements

Vide our report of even date attached
For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

For and on behalf of the Board

C S SATHYANARAYANAN
Partner
Membership No. 028328
Place :Coimbatore
Date : 21.09.2012

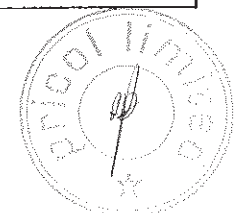


Vijay Mohan

Vijay Mohan
Director

S.A. Gopalakrishnan

S.A. Gopalakrishnan
Director



XENOS AUTOMOTIVE LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2012

Particulars	Note No.	31-03-2012	31-03-2011
		₹	₹
I. Revenue from Operations	2.16		
Sale of Products		34,84,90,221	52,08,63,737
Sale of Services		2,04,21,803	1,38,42,209
II. Other Income	2.17	84,68,822	2,37,33,581
III. Total Revenue (I + II)		37,73,80,846	55,84,39,528
IV. Expenses:			
Purchases of Stock-in-Trade		28,03,67,736	43,70,87,998
Changes in Inventories	2.18	2,13,79,469	90,44,476
Employee Benefits Expense	2.19	6,97,80,168	7,09,02,025
Finance Costs	2.20	1,00,99,050	85,77,612
Depreciation and Amortization Expense		31,19,932	32,73,944
Other Expenses	2.21	8,55,12,663	7,75,85,766
Total Expenses		47,02,59,018	60,64,71,821
V. Profit before Exceptional and Extraordinary Items and Tax (III-IV)		(9,28,78,171)	(4,80,32,293)
VI. ADD: Exceptional Items		-	-
VII. ADD: Extraordinary Items		-	-
VIII. Tax expense:		-	-
(1) Fringe Benefit tax for Earlier Years		2,26,784	-
(2) Current tax		-	-
(3) Deferred tax		-	-
XI Profit (Loss) for the period (V+VI+VII-VIII)		(9,31,04,955)	(4,80,32,293)
XI Earnings per Equity Share:	2.25		
(1) Basic & Diluted		(31.11)	(19.21)

Significant Accounting Policies & Notes to Financial Statements

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Vide our report of even date attached
For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

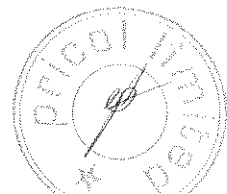
For and on behalf of the Board

C S SATHYANARAYANAN
Partner
Membership No. 028328
Place : Coimbatore
Date : 21.09.2012



Vijay Mohan
Director

S.A. Gopalakrishnan
Director



XENOS AUTOMOTIVE LIMITED, COIMBATORE
CASH FLOW STATEMENT FOR THE YEAR 2011-2012

PARTICULARS	2011-12		2010-11	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Profit / (Loss) Before Tax		(9,31,04,955)		(4,80,32,293)
Adjustments for:				
Depreciation for the year	31,19,932		32,73,944	
Provision for doubtful debts (net)	61,19,064		(1,39,69,798)	
Irrecoverable advance written off	2,72,195		-	
Loss on sale of Fixed assets	20,18,114		-	
Interest Received	(21,94,421)		(16,42,333)	
Finance Costs	1,00,99,050		85,75,862	
		1,94,33,933		(37,62,325)
Operating profit before working capital changes		(7,36,71,022)		(5,17,94,618)
Adjustments for:				
Trade and other receivables	1,38,99,662		2,54,12,814	
Inventories	2,13,79,469		90,44,476	
Loan & advances	(45,33,028)		86,71,638	
Trade and other Payables	63,61,988		(5,98,08,966)	
		3,71,08,091		(1,66,80,038)
Cash Generated from operations		(3,65,62,931)		(6,84,74,656)
Direct Taxes		-		-
Net cash flow from operating activities		(3,65,62,931)		(6,84,74,656)
B. Cash flow from investing activities				
Purchase of fixed assets	(45,49,324)		(14,31,020)	
Sale of Fixed assets	6,63,268		-	
Interest Received	24,70,585		16,42,333	
Net cash flow from investing activities		(14,15,471)		2,11,313
C. Cash flow from financing activities				
Share Capital	-		90,00,000	
Long Term borrowings	2,24,157		4,44,761	
Unsecured Loan	1,50,00,000		8,40,00,000	
Working capital Loan	1,53,07,541		43,00,201	
Finance costs	(1,00,99,050)		(85,75,862)	
Net cash used in financing activities		2,04,32,648		8,91,69,100
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(1,75,45,753)		2,09,05,757
Cash and cash equivalents as at 01.04.2011 & 01.04.2010 (Opening balance)		4,97,12,391		2,88,06,634
Less: Bank balances not considered as cash and cash equivalents as per AS3		2,64,75,861		4,16,90,372
Cash and cash equivalents as at 31.03.2012 & 31.03.2011 (Closing balance)		56,90,776		80,22,019

Vide our report of even date attached
For Haribhakti & Co.
Chartered Accountants

Firm Registration No. 103523W

C S SATHYANARAYANAN
Partner
Membership No. 028328
Place :Coimbatore
Date : 21.09.2012



For and on behalf of the Board

J. Jay Mohan

Vijay Mohan
Director

S.A. Gopatakrishnan

S.A. Gopatakrishnan
Director



XENOS AUTOMOTIVE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

1. SIGNIFICANT ACCOUNTING POLICIES:

1. Accounting Convention:

The financial statements have been prepared on the historical cost convention in accordance with the normally accepted accounting principles and comply in all material aspects with the notified accounting standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956.

2. Fixed Assets & Depreciation:

- a) Fixed Assets are stated at original cost net of tax / duty credits availed, if any, less accumulated depreciation, accumulated amortization and cumulative impairment. Costs include pre-operative expenses and all the expenses related to acquisition and installation of the concerned assets.
- b) Depreciation is provided on the Written down Value Method at the rates specified in Schedule XIV to the Companies Act, 1956.

3. Valuation of Inventories:

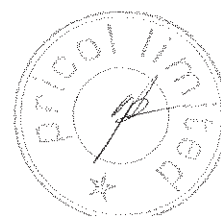
- a) Inventories are valued at lower of cost and estimated net realizable value. Cost is arrived at on weighted average basis.
- b) Customs Duty is added in the Closing Inventory of Finished Goods.

4. Revenue Recognition:

- a) The company generally follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- b) Sale of goods is recognized when the risk and rewards of ownership are passed on to the customers, which is generally on dispatch of goods.
- c) Duty drawback entitlements on imported finished goods are accounted for as and when the eligibility is certain and the documentation is complete with the office of the customs department.

5. Borrowing Costs:

- a) Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of such assets. All the other borrowing costs are charged to revenue.
- b) A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.



6. Foreign Currency Transactions:

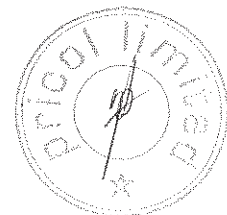
- a) Foreign Currency Transactions are recorded at exchange rates prevailing on the date of such transaction.
- b) Foreign Currency assets and liabilities at the year-end are realigned at the exchange rate prevailing at the year-end and the difference on realignment is recognized in the Statement of Profit & Loss.

7. Employee Benefits:

- a) Short Term employee Benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- b) Post Employment and other long term benefits which are defined benefit plans are recognized as an expense in the Statement of Profit & loss for the year in which the employee has rendered service. The expense is recognized based on the present value of the obligation determined in accordance with Revised Accounting Standard 15 on "Employee Benefits". Actuarial gains & losses are charged to the Statement of Profit & Loss.
- c) Payments to defined contribution schemes are charged as expense as and when incurred.
- d) Termination benefits are recognized as an expense as and when incurred.

8. Taxes on Income:

Provision for Income-tax is made for both current and deferred tax. Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred tax is accounted for by computing the tax effect of the timing difference which arise during the year and reverse out in the subsequent periods. Deferred tax is calculated at the tax rates substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only if there is a virtual certainty that they will be realized.



XENOS AUTOMOTIVE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

2. As notified by Ministry of Corporate Affairs, Revised Schedule VI under the Companies Act 1956 is applicable to the Financial Statements for the financial year commencing on or after 1st April, 2011. Accordingly the financial statements for the year ended 31st March, 2012 are prepared in accordance with the Revised Schedule VI. The amounts and disclosures included in the financial statements of the previous year have been reclassified/regrouped wherever necessary to conform to the requirements of revised Schedule VI.

2.1	SHARE CAPITAL	31.03.2012 ₹	31.03.2011 ₹
	Authorised 3400000 Equity shares of ₹10/- each	3,40,00,000	3,40,00,000
	Issued, Subscribed and paid up 3400000 Equity shares of ₹ 10/- each Fully Paid up (Previous year - 2500000 Equity Shares of ₹ 10/- Each)	3,40,00,000	2,50,00,000
		3,40,00,000	2,50,00,000

Reconciliation of the Shares Outstanding at the beginning and at the end of the reporting period

Equity Shares	31.03.2012		31.03.2011	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the period	2500000	2,50,00,000	2500000	2,50,00,000
Allotted during the year	900000	90,00,000	-	-
At the closing of the period	3400000	3,40,00,000	2500000	2,50,00,000

Terms /rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share.

Details of Shareholders holding more than 5% shares in the Company :

	31.03.2012		31.03.2011	
	No. of Shares	% held	No. of Shares	% held
Equity Shares of ₹10/- each fully paid				
Mr. Vijay Mohan	18,37,415	54%	18,37,415	73%
Mr. Vikram Sathyanathan	6,25,000	18%	6,25,000	25%
M/s. Pricol Holdings Limited	9,00,000	26%		

2.2 RESERVES & SURPLUS

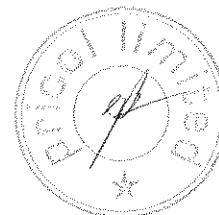
	31.03.2012 ₹	31.03.2011 ₹
Surplus/(Deficit) in the Statement of Profit & Loss		
Opening Balance	(39,26,07,197)	(34,45,74,904)
Add: Loss for the year	(9,31,04,955)	(4,80,32,293)
	(48,57,12,152)	(39,26,07,197)

2.3

LONG TERM BORROWINGS	Non Current Portion		Current Maturities	
	31.03.2012 ₹	31.03.2011 ₹	31.03.2012 ₹	31.03.2011 ₹
Secured Loans				
Term Loan - Others				
Vehicle Loans from Kotak Mahindra Prime Ltd	5,55,729	3,31,572	5,14,216	1,45,713
Unsecured Loans				
Loan from Director	18,00,00,000	16,50,00,000	-	-
	18,05,55,729	16,53,31,572	5,14,216	1,45,713

Vehicle loans from Kotak Mahindra Prime Ltd are Secured by way of hypothecation of vehicles procured out of such loans. The loans are repayable in 23 and 24 monthly equated installments respectively. Interest is payable on monthly basis and the rate of interest is in the range of 12% to 14% per annum.

Out of ₹18,00,00,000 Unsecured Loan from Director, ₹17,00,00,000 is interest free and ₹1,00,00,000 carries an interest rate of 17.44% per annum.



XEROS AUTOMOTIVE LIMITED.,
NOTES TO FINANCIAL STATEMENTS (Contd.,)

	31.03.2012	31.03.2011
	₹	₹
2.4 OTHER LONG TERM LIABILITIES		
Trade Payables (Dues to Related Party)	36,20,04,418	36,81,76,992
	<u>36,20,04,418</u>	<u>36,81,76,992</u>

2.5	SHORT TERM BORROWINGS	31.03.2012	31.03.2011
		₹	₹
	Secured Loans		
	Working Capital Loans		
	From Banks	6,39,96,040	6,61,88,499
	Unsecured Loans		
	Loan from Others	1,75,00,000	
		<u>8,14,96,040</u>	<u>6,61,88,499</u>

Working Capital facility from Indian Overseas Bank is Secured by hypothecation of Stocks, Book debts and all other current assets, collaterally secured by Fixed assets of the Company and personally Guaranteed by the Director. It includes Buyers Credit facility under 180 days tenor against import sight bills. Working capital facility is repayable on demand and carries interest rates varying from 14% to 16% per annum.

Unsecured Loan from Others of ₹1,75,00,000 is from Easy Access Financial Services Limited of which ₹ 1,00,00,000 is repayable in 3 months and ₹75,00,000 is repayable in 2 months. The loan is against Post Dated Cheques for the loan amount. Interest for the loan range between 16% to 18% per annum which is paid upfront.

	31.03.2012	31.03.2011
	₹	₹
2.6 TRADE PAYABLES		
Trade Payables	4,23,51,258	2,40,80,071
	<u>4,23,51,258</u>	<u>2,40,80,071</u>

(Includes dues to Related Party ₹17,84,374 & Previous Year is ₹ 18,00,000)

There are no Micro, Small and Medium Enterprises in respect of whom the company has outstanding as of the Balance sheet date. There are no interest paid/payable on account of overdue payments to Micro, Small and Medium Enterprises. The information in relation to dues to Micro, Small and Medium Enterprises have 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.

2.7	OTHER CURRENT LIABILITIES	31.03.2012	31.03.2011
		₹	₹
	a) Current maturities of Long Term Borrowings	5,14,216	1,45,713
	b) Accrued Employee Benefits	54,99,725	49,00,714
	c) Advance from Customers	1,31,753	63,93,913
	d) Duties & Taxes Payable	26,53,474	35,12,231
	e) Other Payables	91,97,336	85,04,394
		<u>1,79,96,504</u>	<u>2,34,56,964</u>

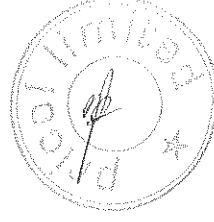


XENOS AUTOMOTIVE LIMITED.,
NOTES TO FINANCIAL STATEMENTS (Contd.,)

2.8 FIXED ASSETS

Amt in ₹

Description of Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As At 1.4.2011	Addition	Deduction	Total 31.3.2012	Upto 1.4.2011	For the Year	Deduction	Total Upto 31.3.2012	As At 31.3.2012	As At 31.3.2011
Office Equipment	52,52,970	18,97,810	4,59,713	66,91,067	21,71,086	5,69,266	1,59,948	25,80,404	41,10,663	30,81,884
Computer	87,68,260	9,06,500	-	96,74,760	70,12,976	8,66,602	-	78,79,578	17,95,182	17,55,284
Vehicles	34,16,977	11,96,998	13,67,114	32,46,861	21,29,363	5,49,483	9,90,466	16,88,380	15,58,481	12,87,614
Furniture & Fixtures	1,21,66,442	5,48,016	35,89,616	91,24,842	51,70,334	11,34,581	15,84,647	47,20,268	44,04,574	69,96,108
Total	2,96,04,649	45,49,324	54,16,443	2,87,37,530	1,64,83,759	31,19,932	27,35,061	1,68,68,630	1,18,68,900	1,31,20,890
Previous year	2,81,73,629	14,31,020	-	2,96,04,649	1,32,09,815	32,75,944	-	1,64,83,759	1,31,20,890	1,49,63,814



XENOS AUTOMOTIVE LIMITED.,

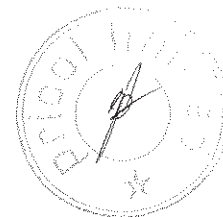
NOTES TO FINANCIAL STATEMENTS (Contd.,)

	31.03.2012		31.03.2011
	₹		₹
2.9 LONG TERM LOANS AND ADVANCES			
Unsecured Considered Good			
a) Capital Advances	30,51,000		
b) Security Deposits	64,33,329		60,25,082
c) Advances To Related Parties (Refer to Note No.7.30)	6,20,000		6,20,900
	<u>1,01,04,329</u>		<u>66,45,982</u>
2.10 OTHER NON CURRENT ASSETS			
Unsecured Considered Good			
Tax Payments Pending Adjustment	11,25,851		23,94,205
	<u>11,25,851</u>		<u>23,94,205</u>
2.11 INVENTORIES			
a) Stock-In-Trade			
1. Vehicle Security Systems (Four Wheeler & Two Wheeler)	1,52,32,899		53,09,004
2. In Car Entertainment Accessories	2,34,21,099		2,26,63,119
3. Speed Limitation Devices	4,84,907		95,80,141
4. Reverse parking Sensors	74,42,862		84,08,229
5. Others	<u>1,33,38,444</u>	5,99,70,211	<u>4,86,79,193</u>
b) Goods -In-Transit			
1. Vehicle Security Systems (Four Wheeler & Two Wheeler)	51,73,700		-
2. Reverse parking Sensors	13,60,170		-
3. Others	<u>68,06,136</u>	1,33,40,006	-
		<u>7,32,60,217</u>	<u>9,46,39,686</u>
2.12 TRADE RECEIVABLES			
a) Outstanding for a period exceeding six months			
(i) Unsecured considered Good		2,79,55,990	74,70,779
(ii) Unsecured considered Doubtful	1,65,11,313		1,26,36,773
Less : Provision for Doubtful Debts	<u>1,65,11,313</u>		<u>1,26,36,773</u>
b) Outstanding for a period less than six months			
(i) Unsecured considered Good		5,26,44,232	9,16,03,650
(ii) Unsecured considered Doubtful	22,44,524		-
Less : Provision for Doubtful Debts	<u>22,44,524</u>		-
		<u>8,06,00,222</u>	<u>9,90,74,429</u>
2.13 CASH AND CASH EQUIVALENTS			
Cash On Hand	2,91,372		2,90,299
Balances with Scheduled Banks			
- In current Account	53,99,404		77,31,719
- In Margin Money/Fixed Deposit #	<u>2,64,75,861</u>	4,16,90,372	<u>4,97,12,391</u>
		<u>3,21,66,637</u>	<u>4,97,12,391</u>
# Fixed Deposits with Banks Includes of ₹ 2,29,96,293 (Previous Year - ₹ 2,16,83,816) under lien with bank for Guarantee Issued to Pricol Limited and ₹26,36,644 (Previous Year - ₹ 27,12,162) towards margin money for issue of Letter of Credits and bank Guarantee.			
Of the above the balances that meet the definition of Cash and Cash equivalents as per AS 3 Cash flow Statement is		<u>56,90,776</u>	<u>80,22,019</u>



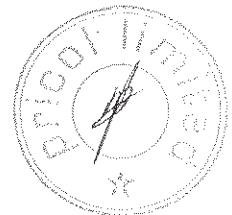
XENOS AUTOMOTIVE LIMITED.,
NOTES TO FINANCIAL STATEMENTS (Contd.,)

	31.03.2012	31.03.2011	
	₹	₹	
2.14 SHORT TERM LOANS AND ADVANCES			
Unsecured Considered Good			
a) Advances To Related Parties (Refer to Note No. 2.30)	3,81,168	92,836	
b) Advances To Suppliers	1,10,95,370	1,23,60,035	
c) Advances To Employees	26,03,080	16,45,866	
d) Balances with Government Authorities	84,05,092	78,40,235	
e) Pro Paid Expenses	3,56,815	3,17,936	
f) Gratuity - Net	4,69,006	2,51,136	
	<u>2,33,10,531</u>	<u>2,25,08,045</u>	
2.15 OTHER CURRENT ASSETS			
Unsecured Considered Good			
Interest Accrued	2,55,111	5,31,275	
	<u>2,55,111</u>	<u>5,31,275</u>	
2.16 REVENUE FROM OPERATIONS			
Sale of Products	34,84,90,221	52,08,63,737	
Sale of Services	2,04,21,803	1,38,42,209	
	<u>36,89,12,024</u>	<u>53,47,05,946</u>	
Details of Product Sold :-			
1. Vehicle Security Systems (Four Wheeler & Two Wheeler)	12,08,23,420	15,13,99,408	
2. In Car Entertainment Accessories	7,34,45,029	12,22,43,714	
3. Speed Limitation Devices	5,36,58,973	10,95,07,625	
4. Reverse parking Sensors	4,44,62,279	5,19,03,049	
5. Others	5,61,00,520	8,58,09,941	
	<u>34,84,90,221</u>	<u>52,08,63,737</u>	
2.17 OTHER INCOME			
Interest Income	21,94,421	16,42,333	
Scrap Sales	3,71,673		
Provision for doubtful debts reversed	59,02,728	2,20,91,248	
	<u>84,68,822</u>	<u>2,37,33,581</u>	
2.18 CHANGES IN INVENTORIES OF FINISHED GOODS			(Increase) / Decrease
	31.03.2012	31.03.2011	31.03.2012
	₹	₹	₹
Inventories at the end of the Year			
1. Vehicle Security Systems (Four Wheeler & Two Wheeler)	2,04,06,599	53,09,004	(1,50,97,595)
2. In Car Entertainment Accessories	2,34,21,099	2,26,63,119	(7,57,980)
3. Speed Limitation Devices	4,84,907	95,80,141	90,95,234
4. Reverse parking Sensors	88,03,033	84,08,229	(3,94,804)
5. Others	2,01,44,580	4,86,79,193	2,85,34,613
	<u>7,32,60,217</u>	<u>9,46,39,686</u>	<u>2,13,79,469</u>
Inventories at the beginning of the Year			31.03.2011
			₹
1. Vehicle Security Systems (Four Wheeler & Two Wheeler)	53,09,004	88,58,892	35,49,888
2. In Car Entertainment Accessories	2,26,63,119	1,69,35,008	(57,28,111)
3. Speed Limitation Devices	95,80,141	2,01,09,676	1,05,29,535
4. Reverse parking Sensors	84,08,229	41,88,431	(42,19,798)
5. Others	4,86,79,193	5,35,92,156	49,12,962
	<u>9,46,39,686</u>	<u>10,36,84,163</u>	<u>90,44,476</u>
(Increase)/Decrease in Inventories of Stock-In-Trade and Components	<u>2,13,79,469</u>	<u>90,44,476</u>	



XENOS AUTOMOTIVE LIMITED.,
NOTES TO FINANCIAL STATEMENTS (Contd.,)

	31.03.2012	31.03.2011
	₹	₹
2.19 EMPLOYEE BENEFITS EXPENSES		
Salary, Stipend and Allowances	6,55,14,962	6,69,16,140
Contribution to Provident and Other Funds	23,89,582	28,48,332
Staff Welfare Expenses	18,75,624	11,37,553
	<u>6,97,80,168</u>	<u>7,09,02,025</u>
2.20 FINANCE COSTS		
a) Interest on Loans	1,00,75,240	85,75,862
b) Other Borrowing Costs	23,810	1,750
	<u>1,00,99,050</u>	<u>85,77,612</u>
2.21 OTHER EXPENSES		
Business Promotion Expenses	77,80,326	1,08,18,759
Carriage Outward	85,95,359	97,69,112
Packing Charges	15,08,111	22,56,254
Advertisement	49,136	4,08,936
Publicity		
Repairs and Maintenance :		
- Tools	5,53,627	10,04,809
- Vehicle Maintenance	1,96,024	2,68,774
- Computer Maintenance	7,43,579	11,72,264
- Others	24,01,479	17,78,411
Travelling and Conveyance	1,78,99,701	1,45,58,619
Rent	1,23,69,091	1,03,25,601
Postage, Telephone and Internet Charges	40,66,257	43,97,645
Rates & Taxes	26,34,257	19,83,170
Office Expenses	16,99,568	17,40,799
Printing and Stationery	7,77,288	9,13,333
Legal and Professional Charges	53,91,953	29,82,065
Bank Charges	28,95,855	33,12,056
Electricity Charges	8,81,053	9,86,064
Auditor's remuneration	2,84,568	2,39,903
Insurance	4,73,331	5,47,542
Loss on Sale of Assets	20,18,114	-
Provision for Warranty Claims	-	-
Provision for Doubtful Debts	1,20,21,792	81,21,450
Irrecoverable Advances Written-Off	2,72,195	-
	<u>8,55,12,663</u>	<u>7,75,85,766</u>
2.22 CONTINGENT LIABILITIES AND COMMITMENTS AS ON THE CLOSING DATE :		
CONTINGENT LIABILITIES		
Sales tax Matters	2,21,404	-
Bank Guarantee to Pricol Limited	2,10,00,000	2,10,00,000
Letter of Credit	42,18,302	-
	<u>2,54,39,706</u>	<u>2,10,00,000</u>
2.23 EXPENDITURE IN FOREIGN CURRENCY		
CIF Value of Imports		
Stock-in-Trade	10,70,68,879	14,50,24,510
Components	2,35,03,127	2,88,58,490
Foreign Travel	32,30,300	13,14,490
	<u>13,38,02,306</u>	<u>17,51,97,490</u>



XENOS AUTOMOTIVE LIMITED.,
NOTES TO FINANCIAL STATEMENTS (Contd.,)

	31.03.2012	31.03.2011
	₹	₹
2.24 REMUNERATION TO AUDITORS		
For Audit	1,50,000	1,25,000
For Taxation matters	82,500	75,000
For Certification	24,000	19,303
Service Tax	28,068	20,600
	2,84,568	2,39,903
2.25 EARNINGS PER SHARE		
Profit / (Loss) After Tax	(9,31,04,955)	(4,80,32,293)
Equity Share of ₹10/- Each (Nos.)	34,00,000	25,00,000
Weighted Average No of Shares	29,93,151	25,00,000
Earnings Per Share (in ₹)	(31.11)	(19.21)

2.26 OPERATING LEASE

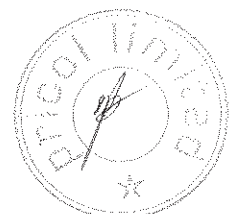
The Company has entered into operating leases, having a lease period ranging from one year to five years, with an option to renew the lease. The future minimum lease payments are as follows:

Particulars	31.03.2012	31.03.2011
	₹	₹
Within one year	91,22,854	1,12,11,353
After one year but not more than five years	1,90,97,117	2,11,91,857
More than five years	1,65,62,442	2,13,87,150

2.27 PARTICULARS REGARDING DEFINED BENEFIT PLAN

The Company operates a defined benefit plan for payment of post employment benefits in the form of Gratuity. Benefits under the plan are based on pay and years of service and are vested on completion of five years of service, as provided in the payment of Gratuity Act, 1972. The terms of the benefits are common for all the employees of the company.

	31.03.2012	31.03.2011	31.03.2010
	₹	₹	₹
I Principal Actuarial Assumptions : [Expressed as weighted averages]			
Discount Rate	8.00 % p.a	8.00 % p.a	8.00 % p.a
Salary escalation rate	6.50% p.a	6.50% p.a	6.50% p.a
Expected rate of return on plan Assets	8.00 % p.a	8.00 % p.a	8.00 % p.a
II Changes in the present value of the obligation - Reconciliation of opening and closing balances:			
Present Value of Obligations as at the beginning of the period	11,59,171	10,44,008	7,49,880
Interest cost	92,734	83,521	59,990
Current service cost	3,54,797	3,01,974	2,76,646
Past service cost - (vested benefits)	-	-	-
Benefits paid	(4,28,052)	(4,20,266)	(53,365)
Actuarial loss / (gain) on obligation (balancing figure)	(2,75,499)	1,49,934	10,857
Present Value of Obligations as at the end of the period	9,03,151	11,59,171	10,44,008
III Changes in the fair value of plan assets - Reconciliation of opening and closing balances:			
Fair value of plan assets as at the beginning of the period	14,10,487	14,42,810	10,95,255
Expected return on plan assets	1,17,466	1,20,734	97,175
Contributions	2,72,256	2,67,209	3,03,745
Benefits paid	(4,28,052)	(4,20,266)	(53,365)
Actuarial gain / (loss) on plan assets (balancing figure)	-	-	-
Fair value of plan assets as at the end of the period	13,72,157	14,10,487	14,42,810
IV Actual return on plan assets :			
Expected return on plan assets	1,17,466	1,20,734	97,175
Actuarial gain (loss) on plan assets	-	-	-
Actual return on plan assets	1,17,466	1,20,734	97,175
V Actuarial gain / Loss recognized :			
Actuarial gain / (loss) for the period - Obligation	2,75,499	(1,49,934)	(10,857)
Actuarial gain / (loss) for the period - plan assets	-	-	-
Total (gain) / loss for the period	(2,75,499)	1,49,934	10,857
Actuarial (gain)/loss recognised in the period	(2,75,499)	1,49,934	10,857
Unrecognized actuarial (gain) / loss at the end of the year	-	-	-



XENOS AUTOMOTIVE LIMITED.,
NOTES TO FINANCIAL STATEMENTS (Contd.,)

	31.03.2012	31.03.2011	31.03.2010
	₹	₹	₹
VI Amounts recognised in the balance sheet and related analysis :			
Present value of the obligation	9,03,151	11,59,171	10,44,008
Fair value of plan assets	13,72,157	14,10,487	14,42,810
Difference	4,69,006	2,51,316	3,98,802
Liability recognised in the balance sheet	(4,69,006)	(2,51,316)	(3,98,802)
VII Expense recognised in the statement of profit and loss :			
Current service cost	3,54,797	3,01,974	2,76,646
Interest cost	92,734	83,521	59,990
Expected return on plan assets	(1,17,466)	(1,20,734)	(97,175)
Net actuarial (gain)/ loss recognised in the year	(2,75,499)	1,49,934	10,857
Past service cost-vested benefits	-	-	-
Expenses recognised in the statement of profit and loss	54,566	4,14,695	2,50,318
VIII Amount for the current period :			
Present Value of Obligation	9,03,151	11,59,171	10,44,008
Plan Assets	13,72,157	14,10,487	14,42,810
Surplus/(Deficit)	4,69,006	2,51,316	3,98,802
IX Major Categories of plan assets :			
(as percentage of total plan assets)			
Funds Managed by Insurance Companies	100%	100%	100%

Since the data is not available for Financial Years 2008-09 & 2007-08 the information has not been furnished.

2.28 Balances in parties accounts are subject to confirmation/reconciliation. Appropriate adjustments, if any, will be made as and when the balances are reconciled.

2.29 Income tax assessments are completed upto Assessment Year 2010-11

2.30 List of Related parties with whom transactions have been taken place during the year 2011-12 and Relationship :

Holding Company: Nil, Subsidiary Company: Nil, key Management Personnel : Mr. Vijay Mohan, Others : (Enterprises over which key management personnel are able to exercise significant influence) Pricol Limited, Pricol packaging Limited, Pricol Technologies Limited, Pricol Properties Limited, Pricol Corporate Services Limited, M&M Enterprises (India) Limited, Ellargl & Co, Pricol Travel Limited, Pricol cargo, Pricol Holdings Limited.

Nature of Transaction	Key Management Personnel		Others	
	2011-12	2010-11	2011-12	2010-11
	₹	₹	₹	₹
Purchases			1,27,40,500	3,95,45,000
Sales			81,830	52,000
Service Received			67,71,609	48,70,000
Service rendered			49,62,000	38,89,000
Reimbursement of expenses			44,440	52,000
Interest paid to Directors	17,44,000	28,11,000		
Unsecured Loan from Director	1,50,00,000	8,40,00,000		
Dues to & Receivables from Related Parties :				
Dues to Related parties	18,00,00,000	16,50,00,000	36,38,51,437	37,01,96,000
Receivable from Related Parties			10,01,168	8,06,000

Vide our report of even date attached
For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

For and on behalf of the Board

C S SATHYANARAYANAN
Partner
Membership No. 028328
Place :Coimbatore
Date : 21.09.2012



Vijay Mohan
Vijay Mohan
Director

S. Gopalakrishnan
S. Gopalakrishnan
Director

