

MANAGEMENT DISCUSSION ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT:

The Company is engaged in manufacturing and marketing of auto parts and equipments, and Company is also the provider of aftermarket auto parts. Company believes that strategy of disintermediating the traditional auto parts supply chain and selling products directly to customers over the Internet allows us to more efficiently deliver products to our customers while generating higher margins. The auto parts industry has witnessed substantial re-organization of capacities during the last couple of years. The auto industry of India has notched up an impressive growth rate in the recent years.

OPPORTUNITIES AND RISKS:

Today's equipments manufacturers are faced with a spectrum of challenges as they strive for consistent quality products while reducing input costs. The fluctuating customer demands, high energy costs, strict environmental limits are few of the threats faced by the Industry. The Company also strives to improve its efficiency levels in all areas of its operations by reducing the costs thereby increasing the profits. There has been a global rise in demand for the auto parts and equipments due to increased activity in automobile Industry. The Company sees great opportunity for the industry to grow as a whole.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

The Company is engaged in manufacturing of auto parts and other equipments. Due to adverse market condition, the company sold their manufacturing plant and only relied on marketing.

OUTLOOK:

The world's top car makers turn to India for the nuts and bolts of their vehicles. Riding this success and capitalizing on the spiraling demand of domestic auto companies, the Indian automobile components industry has emerged as one of India's fastest growing manufacturing sectors, and a globally competitive one. Its globally competitive component manufacturing sector has been much in demand with global auto majors. A number of them source critical components from India, like- engine parts, drive transmission and steering parts, body and chassis, suspensions and breaking parts, equipment, electrical parts and lots more. Around 500 key players dominate the auto components industry in India, which contribute to more than 85% of India's production. As the market consolidates and the global recovery happens the international players would find a renewed appetite for sourcing from India. The launch of many small cars in the price sensitive bracket has already spawned a component manufacturing base. This base would be available source for supply world wide. The past year has been characterized by the following challenges:

- Acute financial squeeze.
- The costs of interests have shot up and liquidity evaporated
- The depreciation of Rupee.
- Commodity prices have eased up after escalating for the first two quarters.

Company too had to deal with the challenges of the rapid change and the new realities as they have emerged. The new reality, which this changed environment presented was sudden. Your Company has been tested during these times and has emerged successful.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company believes in systematic working and placing of proper checks. Proper systems are in place and regular reviews are held at higher levels to check the efficacy and relevance of system. The company has adequate Internal control systems that commensurate with the size of the company. The Company is also continuously upgrading itself to meet the market dynamics.

CAUTIONARY STATEMENT:

Statements in this report on Management Discussion and Analysis describing the Company's projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable laws or regulations. These statements are based on certain assumptions and reasonable expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials cost & availability, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations. Thus, the Company should and need not be held responsible, if, which is not unlikely, the future turns to be something quite different. Subject to this management disclaimer, this discussion and analysis should be perused.

CODE OF CONDUCT DECLARATION

Pursuant to Clause 49(D) of the Listing Agreement entered into with the Stock Exchange, I hereby declare that all the board members and senior management personnel of the Company have affirmed compliances with the Code of Conduct for the year ended on 31st March, 2011.

BY ORDER OF THE BOARD

**SD/-
ASHOK KUMAR HARLALKA
CHAIRMAN**

PLACE: KOLKATA

DATE: 30th Day June, 2011

MANAGEMENT RESPONSIBILITY STATEMENT

The financial statements are in full conformity with the requirements of the Companies Act, 1956 and the Accounting Standards issued by the Central Government. The Management of Company accepts responsibility for the integrity and objectivity of these financial statements, as well as, for estimates and judgments relating to matters not concluded by the year-end. The management believes that the financial statements reflect fairly the form and substance of transactions and reasonably presents the company's financial condition, and results of operations. To ensure this, the Company has installed a system of internal controls, which is reviewed, evaluated and updated on the ongoing basis. Our internal auditors have conducted periodic audits to provide reasonable assurance that the company's established policy and procedures have been followed. However, there are inherent limitations that should be recognized in weighing the assurances provide by any system of internal controls. These financial statements have been audited by M/s G. Agarwal & Associates., Chartered Accountants, and Statutory Auditors of the Company.

Place: KOLKATA
Date: 30th JUNE, 2011

Sd/-
ASHOK KUMAR HARLALKA
(Managing Director)

CEO/CFO CERTIFICATION TO THE BOARD

I Certify that I have reviewed the financial statements and the cash flow statement for the year 2010 -11 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present a true and fair view of the companies affairs and are in compliance with existing accounting standards, applicable laws and regulations;
 - b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year 2010-11 which are fraudulent, illegal or violative of the companies code of conduct;
 - c. Company accept responsibility for establishing and maintaining internal controls and that Company have evaluated the effectiveness of the internal control systems of the company and Company have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which Company is aware of and the steps Company has taken or propose to take to rectify these deficiencies.
 - d. Company have indicated to the Auditors and the Audit Committee -
- Significant changes in internal control over the financial reporting during the year 2010-11;
- Significant changes in accounting policies during the year 2010-11 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which Company have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over the financial reporting.

**For and on behalf of the Board
Sd/-
ASHOK KUMAR HARLALKA**

(Chairman)

**Place: KOLKATA
Date: 30th JUNE, 2011**