

ANNUAL REPORT 2011-12



TECPRO SYSTEMS LIMITED



This Bucket Wheel Stacker cum Reclaimer designed & manufactured by Tecpro for 8 x 135 MW Rajwest Power has a capacity of 1200 TPH while stacking and 1200 TPH while reclaiming with boom length of 35m.



Bridge Reclaimer manufactured, supplied & commissioned for limestone handling for Orient Cement, Andhra Pradesh. This has a capacity of 1000TPH with rail CRS of 40m.

Disclaimer:

This Annual Report contains some forward looking statements in order to apprise the investors regarding prospects of the Company and to enable them to take well informed investment decisions. These statements which, inter-alia, speak about anticipated performance of the Company are based on certain assumptions and plans made by the management. Though the management has been prudent and cautious in making these assumptions but it does not guarantee that the forward looking statements given in this Annual Report will materialize and, hence, actual results may vary materially from the estimations or projections. This should be borne in mind while reading this Annual Report.

CONTENTS

Page No.

Chairman's Message	2
Vice Chairman's Message	3
Corporate Information	4
Manufacturing and Design Engineering Facilities	6
Performance Highlights	7
Order Book Position	9
Human Resources	10
Directors' Report	11
Management Discussion & Analysis	17
Corporate Governance Report	22
Standalone Financial Statements	
Auditors' Report	32
Balance Sheet	36
Statement of Profit & Loss	37
Cash Flow Statement	38
Notes to Financial Statements	40
Consolidated Financial Statements	
Auditors' Report	72
Consolidated Balance Sheet	73
Consolidated Statement of Profit & Loss	74
Consolidated Cash Flow Statement	75
Notes to Consolidated Financial Statements	77



Chairman's Message

Dear Shareholders,

It is a pleasure to write to you once again. India is on a growth trajectory with a big need to develop its industrial, urban and rural infrastructure for the sustainable development of the country. With huge investments envisaged in infrastructure projects for power, steel, cement, iron ore and aluminum industries, world-class airports and ports, railways and communication networks, robust demand for material handling equipment is anticipated in the next few years.

Although the Indian infrastructure sector is currently facing various challenges like rising interest rates, inflation and sluggish order inflows, it continues to be a key driver of the nation's economic progress. The current slowdown is temporary as infrastructure growth is pivotal in order to achieve the 7%+ GDP growth targeted by the Government. The slow pace of reforms and rising interest costs have hampered the capital expenditure plans across various industries. However, several recent policy initiatives have been introduced by the government in order to overcome these hurdles and spur investments in infrastructure.

Despite the current slowdown, we remain confident that the capital expenditure cycle is deferred but not derailed as investments in infrastructure projects are vital for the strong economic growth envisaged by the government. Power constitutes 30% of the total infrastructure investment in the country. Increase in peak demand will support the need for timely execution of power projects, thus providing a strong base for growth of Boiler, Turbine, Generator (BTG) and Balance of Plant (BoP) service providers in the country. The Power Ministry has pitched for capacity addition target of about 76,000 MW in the XII Plan. This presents opportunities worth ~Rs. 1.4 trillion for BoP services across the country. Tariff hikes from State Electricity Boards and release of the tenders for BTG and BoP orders in the forthcoming fiscal will set the pace for recovery. Also the initiatives taken by the Government towards overall infrastructure development, both in urban and rural areas, in all segments like roads, housing, dams, mining, water etc. will give a boost to the Steel and Cement industry, resulting in more capital expenditure in the infrastructure sector. This coupled with moderating inflation and interest rates will help revive the capital goods industry and fasten the pace of order inflows. We strongly believe that your Company will be at the forefront to capitalize on this opportunity once these promising signs are experienced.

Tecpro intends to maintain its competitive edge by enhancing its manufacturing capability and expanding its service portfolio. In the last fiscal, Tecpro completed the acquisition of Ambika Projects (India) Private Limited in the water & waste water treatment space enabling Tecpro to increase its share of in-house scope of services in the BoP segment. The Company also acquired a Pune based company, Eversun Energy Private Limited, engaged in the business of EPC of solar power projects, with an intent to make a foray into Renewable Energy (Solar) Segment adding another vertical to its existing business segments in power sector.

Our collaboration with Nanjing Triumph Kaineng Environment and Energy Company Limited (NTK) of China for Waste Heat Recovery (WHR) power projects is scaling up well. We have already won projects worth Rs. 3.2 billion in WHR. Having already demonstrated our capabilities in the cement sector, we are looking to extend our offerings in Waste Heat Recovery to the steel sector.

We have a good bid pipeline across all our offerings and are confident that many of these bids will be converted into orders shortly. Besides the coal and ash handling segment, which is the Company's established business and where we continue to win orders regularly, we are expecting good enquires in the BoP segment this year. Further, in addition to the indigenous market, we are expecting a few orders internationally through our subsidiary in Singapore.

We are confident that the inherent strength of our business model will help us in navigating the ongoing sluggish pace of economy and bagging new orders. We will keep our focus on growth and liquidity management, an integral part of any working capital intensive industry.

I would like to thank you, our shareholders, for your confidence in Tecpro. On behalf of my competent and committed colleagues, I assure you of our total dedication and tireless efforts, in a tough environment, towards the objective of maximizing returns for all stakeholders and we will do our utmost to continue our profitable growth trajectory.

Yours sincerely,

Sd/-

Ajay Kumar Bishnoi
Chairman & Managing Director



Vice Chairman's Message

Dear Shareholders,

The Financial Year 2011-12 was a challenging year for the global as well as Indian economy and almost all the countries and all the sectors felt the heat of this slowdown. I am happy to share that despite these macroeconomic conditions, we continue to report healthy growth in revenues. We have added orders to the tune of Rs. 2,200 crore in FY12, which not include any BoP order due to delay in their finalisation. Our order book position as on 31st March, 2012 stands at about Rs. 4,150 crore and post March 2012 the Company has further added orders of around Rs. 510 crore. This reinforces the strength of Company's business model which spans across the value chain.

As you are all aware, no major order in the BoP segment was finalized either by the private sector or the public sector in the Financial Year 2011-12. The impact on our business has been muted as BoP is one of the multiple areas of operation, our core expertise lying in the Material and Ash handling segments. We have also added Waste Heat Recovery last year where we have successfully demonstrated our capabilities. We have marketed the Material handling segment very aggressively, especially in the steel sector, where we have seen very good results. This includes the prestigious order of Rs. 521 crore from BHEL for NMDC's upcoming steel plant. I would like to share with you that this is one of the largest Raw Material Handling orders bagged by Tecpro, and is a matter of great pride for all of us.

On the operational front, we are doing well and do not expect any significant delays in the projects which we are currently executing. All the jobs are being executed as per the contract agreements. One of our strengths is our sophisticated design & engineering facilities, which help us to reduce execution time and equipment cost. Also, our acquisition of Ambika Projects (India) Private Limited will allow us to integrate backwards and expand the scope of our offerings to the water treatment space in the BoP segment.

During the year, we entered into an agreement with Advanced Conveyor Technologies, Inc (AC-Tek), to exclusively collaborate and jointly market the combined expertise in overland conveyor projects. We have always tried to differentiate ourselves by forging strong alliances with companies having world-class technologies. We believe that our access to such advanced technologies supported by our project management, engineering and construction capabilities gives us an edge over our peers.

Going into FY2013, we expect order inflows to pick-up given that NTPC is likely to order out the balance 660 MW series and also the new 800 MW series. We also expect some of the BoP orders to come through in the current financial year. In addition to these, it is also very encouraging to see the significant number of live enquiries in the material and ash handling segments, some of which are expected to be finalized in the coming months. We are also looking at some contracts in the Waste Heat Recovery and Captive Power segment, in the water treatment space as well as the solar EPC segment. Further, we are aggressively exploring the export market as well.

Based on the present challenging macroeconomic scenario, the main focus this year will be on aggressive marketing and timely execution of the projects in hand to achieve growth with better liquidity management. The Company is estimating a growth of around 18% to 20% for the year. We are hopeful that in the course of the year, inflation and interest rates will moderate, inventory and collection cycle will improve, and profitability will revert to our historical levels.

We will continue to focus on delivering more value-added engineering services, acquiring expertise through technological tie-ups as well as inorganic growth. The Company is looking to foster partnerships with overseas BTG suppliers to compete as a complete EPC player, and will continue to bid aggressively to book new orders and expand its ever-growing order book position.

I would like to express my sincere thanks and gratitude to all stakeholders including our shareholders and valued customers for their trust and confidence reposed in the Company. I would also like to convey my sincere appreciation to the financial institutions, banks and other lenders and investors for the faith reposed by them in the company.

Yours sincerely,

Sd/-

Amul Gabrani

Vice Chairman & Managing Director



CORPORATE INFORMATION

BOARD OF DIRECTORS

Ajay Kumar Bishnoi, Chairman & Managing Director
Amul Gabrani, Vice Chairman & Managing Director
Amar Banerjee, Whole-time Director
Arvind Kumar Bishnoi, Whole-time Director
Aditya Gabrani, Whole-time Director
Achal Ghai
Suresh Kumar Goenka
Brij Bhushan Kathuria
Satvinder Jeet Singh Sodhi
Anunay Kumar
Sakti Kumar Banerjee

BOARD COMMITTEES

Committee of Directors

Ajay Kumar Bishnoi
Amul Gabrani
Arvind Kumar Bishnoi
Aditya Gabrani
Amar Banerjee

Audit Committee

Suresh Kumar Goenka, Chairman
Satvinder Jeet Singh Sodhi
Brij Bhushan Kathuria
Amul Gabrani
Sakti Kumar Banerjee
Anunay Kumar

Shareholders' Grievance Committee

Brij Bhushan Kathuria, Chairman
Amul Gabrani
Aditya Gabrani

Remuneration Committee

Sakti Kumar Banerjee, Chairman
Achal Ghai
Brij Bhushan Kathuria
Anunay Kumar

COMPANY SECRETARY & COMPLIANCE OFFICER

Pankaj Tandon

AUDITORS

B S R & Co., Chartered Accountants
Building No. 10
8th Floor, Tower B
DLF City, Phase – II
Gurgaon – 122 002
Haryana, India

BANKERS

- State Bank of India
- Axis Bank Limited
- Standard Chartered Bank
- Central Bank of India
- IDBI Bank Limited
- Yes Bank Limited
- DBS Bank Limited
- IndusInd Bank Ltd.
- ICICI Bank Ltd.
- Bank of India

SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
A-40, 2nd Floor, Near Batra Banquet Hall
Phase-II, Naraina Industrial Area
New Delhi-110028

SUBSIDIARY COMPANIES

- Tecpro Energy Limited
- Tecpro Trema Limited
- Ajmer Waste Processing Company Private Limited
- Bikaner Waste Processing Company Private Limited
- Tecpro Systems (Singapore) Pte. Limited
- Eversun Energy Private Limited
- Ambika Projects (India) Private Limited
- PT Tecpro Systems Indonesia

Technical Collaborators

- FAM Magdeburger Forderanlagen und Baumaschinen GmbH
- Hein, Lehmann Trenn-und Fördertechnik GmbH
- PEYTEC Aschauer & Peyfuss OEG
- Won Duck Industrial Machinery Company Limited
- Siebtechnik GmbH
- Krusnohorske Strojirny Komorany a.s.
- Nanjing Triumph Kaineng Environment and Energy Co. Limited, China
- Xiamen Longking Bulk Materials Science and Engineering Company Limited
- Pneuplan Oy, Finland
- ETM, Germany
- Advanced Conveyor Technologies, Inc, USA

Registered Office

Tecpro Systems Limited
 106, Vishwadeep Tower,
 Plot No. 4, District Centre,
 Janakpuri,
 New Delhi -110058, India
 Tel: + 91 11 45038735
 Fax: + 91 11 45038734
 Website: www.tecprosystems.com
 Email: tecprodel@tecprosystems.com

Head Office

Tecpro Towers, Plot No. 11-A17
 5th Cross Road,
 SIPCOT IT Park
 Siruseri-603103,
 Chennai, India
 Tel: +91 44 37474747
 Fax: +91 44 37443011
 Email: info@tecprosystems.com

Corporate Office

Tecpro House,
 78, Sector 34, N.H. -8,
 Gurgaon-122004, Haryana, India
 Tel: +91 124 4880100
 Fax: +91 124 4880110
 Email: investors@tecprosystems.com

Factories

SP-496-497, RIICO Industrial Area,
 Bhiwadi, Distt. Alwar,
 Rajasthan-301019

Plot No. 2-4, 25-27, Sector 7,
 HSIDC Growth Centre, Bawal,
 Distt. Rewari, Haryana

Plot No. E-928,
 RIICO Industrial Area,
 Bhiwadi, Rajasthan

Plot No. A-98,
 RIICO Industrial Area,
 Bhiwadi, Rajasthan



MANUFACTURING AND DESIGN ENGINEERING FACILITIES

BHIWADI IN RAJASTHAN

Plant - I

Main Products:

- Pulleys;
- Idler rollers;
- Structures and
- Conveyor systems

Plant - II

Main Products:

Castings of following materials:

- Plain Carbon Steel
- Low Alloy Steel
- Austenitic High Manganese Steel
- Grey Cast Iron
- Alloy Cast Iron

Plant - III

Main Products (Ashtech Division):

- Scrapper Conveyors
- Buffer Hoppers
- Airlock Vessels
- Vent Filters
- Feed Gates
- Rotary Unloaders
- Clincker Grinders
- Paddle Feeders
- Rotary Feeders

BAWAL IN HARYANA

Main Products:

- Crushers;
- Screens;
- Stackers and reclaimers
- Feeders and
- Fabricated Structures

Design and Engineering facilities:

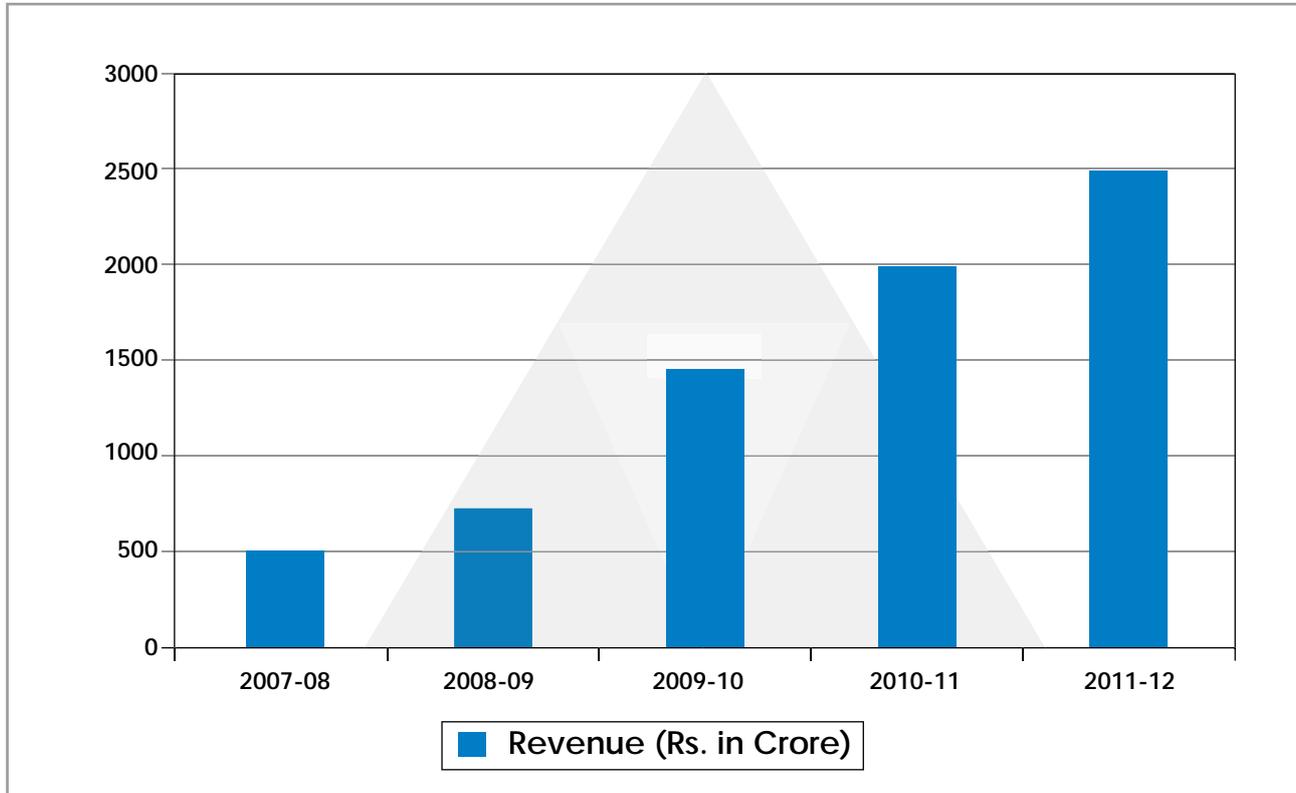
The Company has design and engineering facilities at:

- Gurgaon
- Chennai
- Kolkata
- Secunderabad
- Bangalore
- Ahmedabad and
- Mumbai

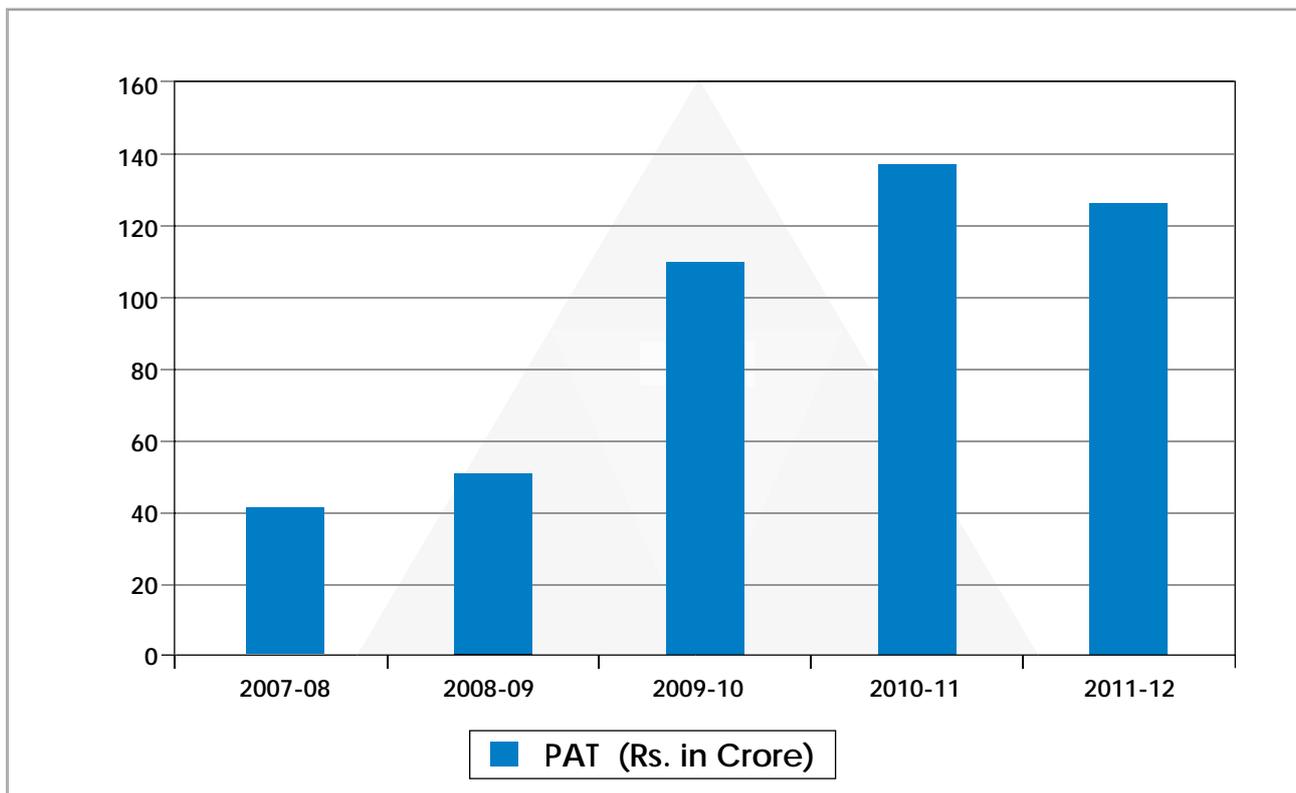
Performance Highlights

Growth Chart of the Company for the last 5 years in terms of:

1. Revenue



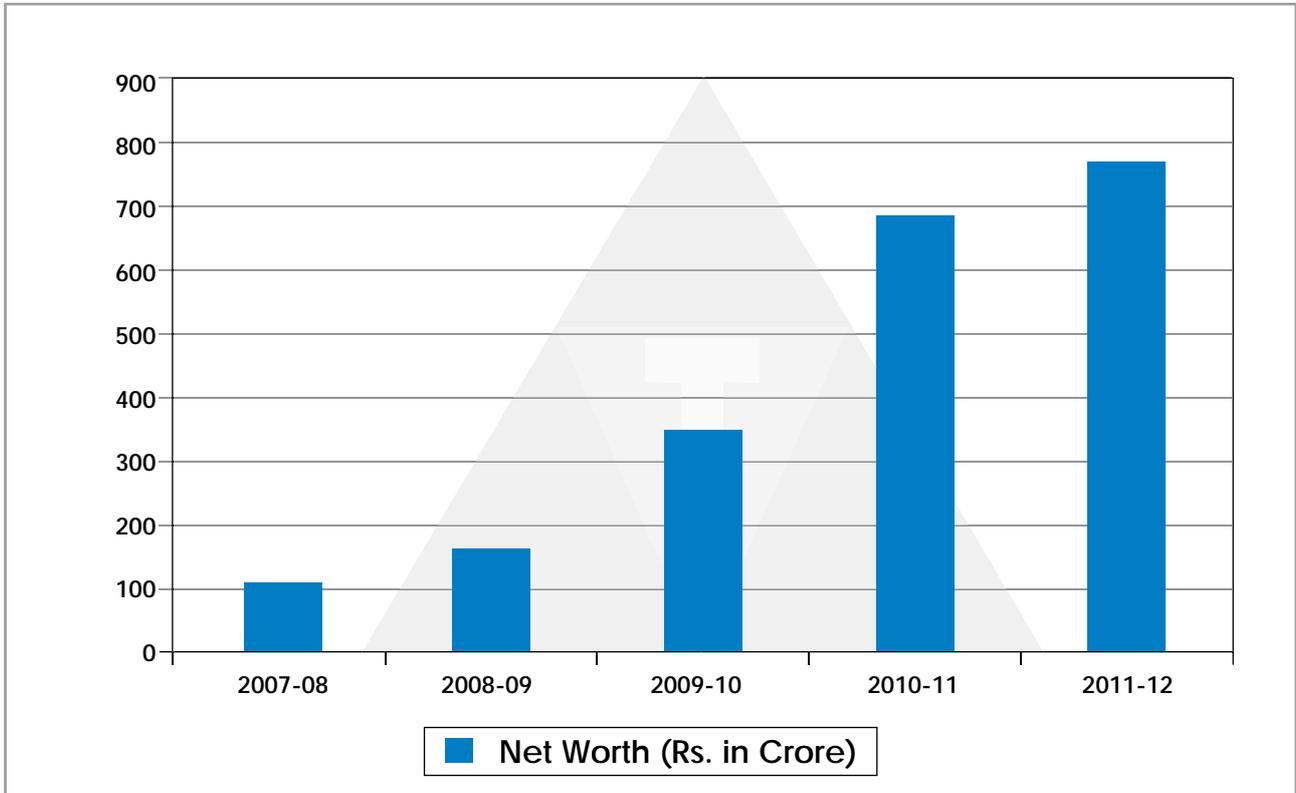
Profit after Tax (PAT)



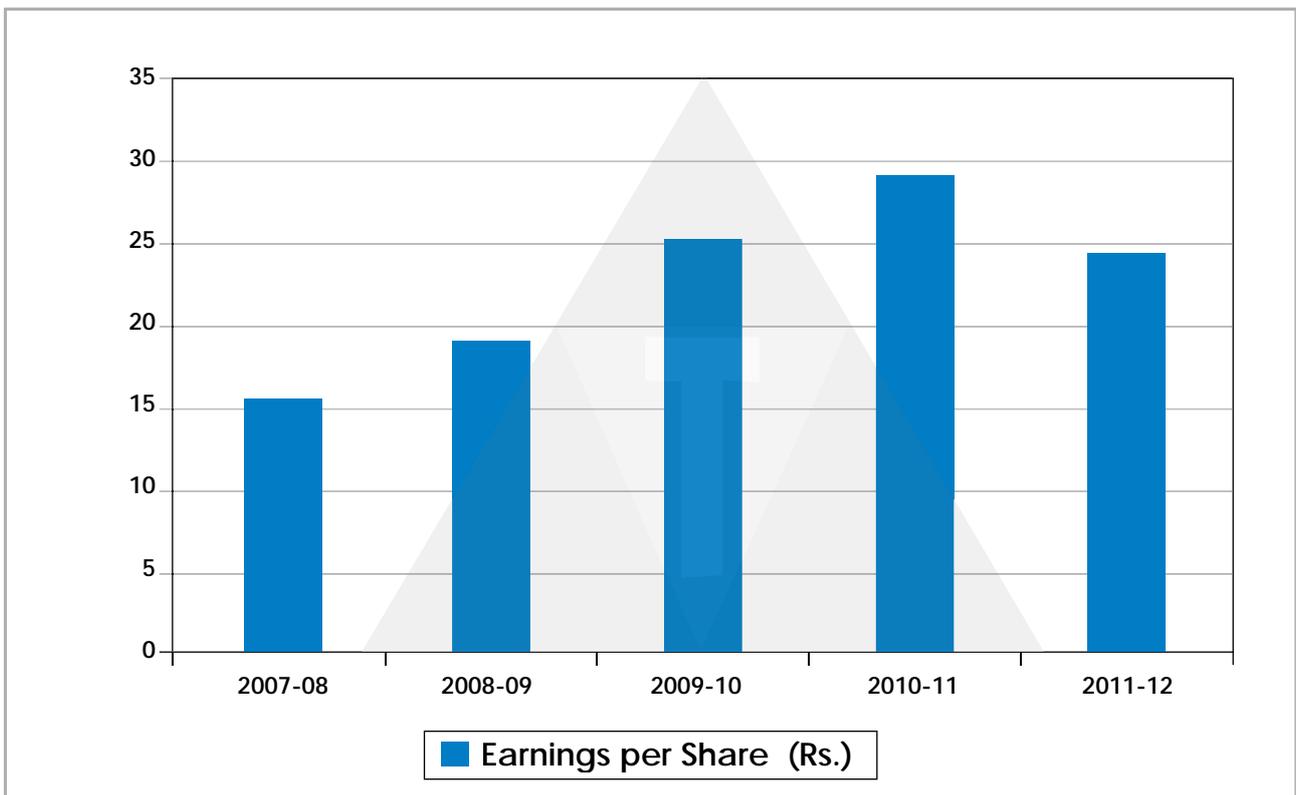


Financial Performance

Net Worth

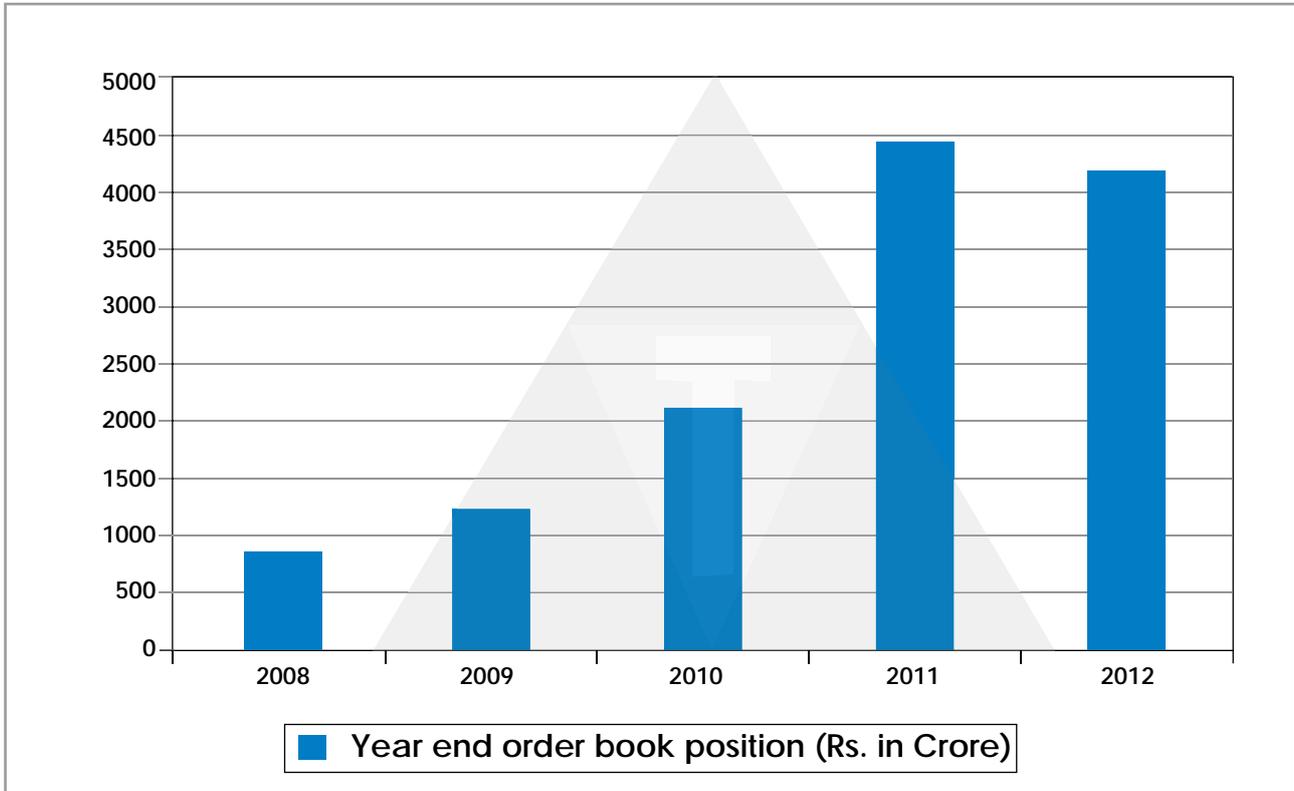


Earnings per Share

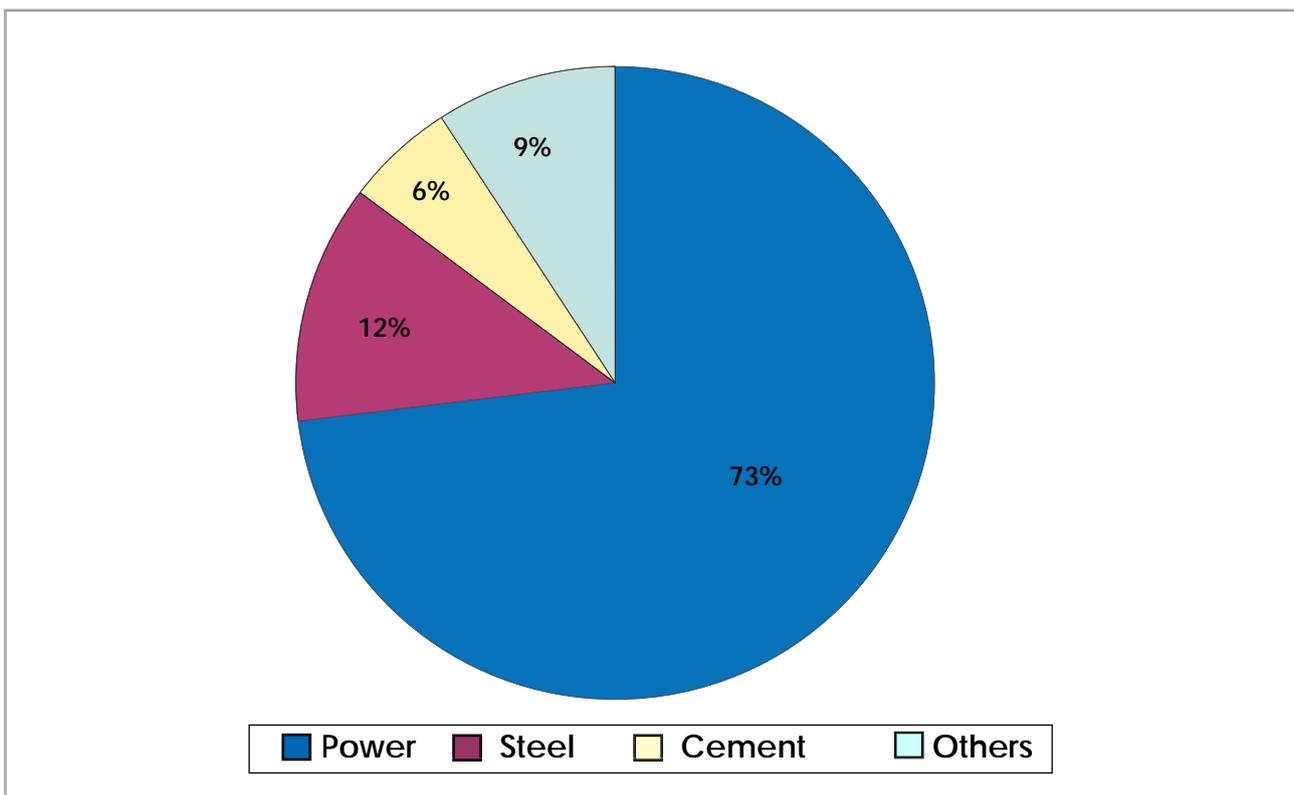


Order Book Position

Growth in Year end Order book position



Industry wise share of order book of the Company as on March 31, 2012





Human Resources

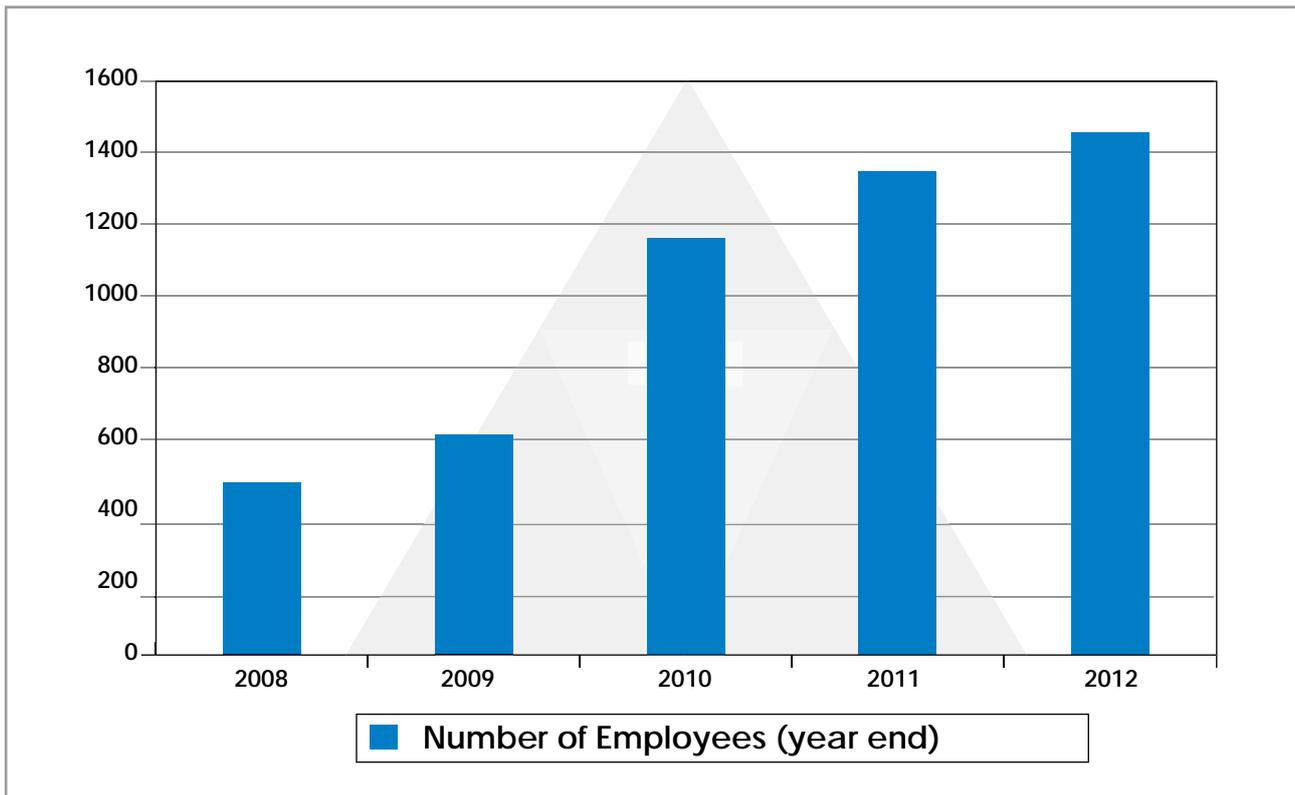
Tecpro as an organization continually aligns its strategies, goals, objectives, structural strengths (including human resources) and internal operations with the demands of its external environment to maximize organizational performance.

Tecpro believes in High Performance Work System i.e. development of its human resources capable of working in teams, equipped with proper technology, possessing focused approach with improved work processes to fully meet the customers' aspirations.

On the job learning is the most beneficial & effective way of fostering knowledge and establishing organization values and culture at Tecpro.

The Company recognizes the importance of people in its growth and the human resource development strategy comprising need based training. Employees were encouraged to attend in-house as well as external seminars, lectures and training programmes. The Company employed 1,428 people as on March 31, 2012 as against 1,329 people as on March 31, 2011.

Employees' growth chart



Directors' Report

Dear Members,

Your Directors have immense pleasure in presenting the **Twenty Second Annual Report** together with the Audited Accounts for the financial year ended on March 31, 2012.

1. FINANCIAL HIGHLIGHTS

The Financial Results for the year under report are summarized as under:

FINANCIAL RESULTS		
	2011-12 (Rs. in Lac)	2010-11 (Rs. in Lac)
Net Sales and other income	254122.23	198562.72
Gross Operating Profit	40492.31	34339.55
Less: Interest & Bank Charges	19677.99	12309.68
Profit before Depreciation and amortization	20814.32	22029.87
Less: Depreciation and amortization	1349.27	1027.86
PROFIT BEFORE TAX	19465.05	21002.01
Less: Tax expense		
-current year tax	6639.03	7445.00
-Income tax for earlier years	63.66	73.49
-Deferred Tax charge/ (credit)	269.36	(138.87)
PROFIT AFTER TAX	12493.00	13622.39

2. DIVIDEND

Your Board of Directors has recommended a dividend @ 30% (Rs. 3/- per share) on the Equity Shares for the financial year ended on March 31, 2012. The total outflow on account of dividend, if approved by the shareholders, would be Rs. 1,759.86 Lac (including dividend distribution tax of Rs. 245.64 Lac).

3. BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

During the financial year 2011-12, your Company has secured orders for about Rs. 2,200 crore across all





segments of Infrastructure sector which include major orders from BHEL & NTPC among others. This is despite of the fact that the power sector was facing various challenges such as scarcity of coal, delays in environmental and land clearances which in turn impacted the order inflow during the year. Your Company is expecting the order inflow to improve this year in the wake of various government initiatives in the form of power capacity addition of 76,000 MW planned for XII five-year plan, enhancement of tariff by State Electricity Boards, moderation of inflation and interest rates, etc.

In terms of operational and financial performance, as a result of smooth execution of projects your Company achieved a growth of 28.35% in the income from operations which increased to Rs. 2,529.66 crore in the financial year 2011-12 as against Rs. 1,970.92 crore in the financial year 2010-11. However due to increase in interest cost there is a dip in the profit by 8.29% from Rs. 136.22 crore in the financial year 2010-11 to Rs. 124.93 crore in the current year.

4. MERGER AND ACQUISITIONS

During the period under review one of the subsidiaries of the Company i.e. Microbase Infosolution Private Limited was merged with the Company with effect from December 24, 2011. The appointed date for the merger was April 1, 2011.

The Company has also acquired two companies namely, Ambika Projects (India) Private Limited on August 19, 2011 & Eversun Energy Private Limited on February 24, 2012.

Further one of the subsidiaries of the Company namely Tecpro International FZE, Dubai has been closed and the Company has formed another subsidiary in the name of PT Tecpro Systems Indonesia in Indonesia on January 6, 2012 for undertaking trading in coal and other minerals.

Also the Company is in the process of amalgamation of Tecpro Trema Limited and Ambika Projects (India) Private Limited, wholly-owned subsidiaries with the Company.

5. DETAILS OF SUBSIDIARIES

At present, your Company has eight subsidiaries, namely, Tecpro Energy Limited, Tecpro Trema Limited, Ajmer Waste Processing Company Private Limited, Bikaner Waste Processing Company Private Limited,

Ambika Projects (India) Private Limited and Eversun Energy Private Limited including two subsidiaries incorporated outside India namely, Tecpro Systems (Singapore) Pte Limited in Singapore and PT Tecpro Systems Indonesia, in Indonesia.

As per Section 212 of the Companies Act, 1956, the Company is required to attach the Balance Sheet, Profit and Loss account, the Reports of the Board of Directors and Auditors of the subsidiary companies with the Balance Sheet of the Company. The Ministry of Corporate Affairs, Government of India vide its circular no. 2/2011 dated February 8, 2011 has provided an exemption to companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in the annual report. Accordingly, the annual report of

financial year 2011-12 contains the consolidated financial statements of the Company instead of the separate financial statements of all our subsidiaries. The audited annual accounts and related information of subsidiaries of your Company will be made available upon request. The annual accounts of the subsidiary companies shall be available for inspection during business hours at our head office and registered office and at the registered office of the respective subsidiary. The same will also be made available on our website, www.tecprosystems.com.



6. MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Management Discussion and Analysis Statement is annexed to this Report.

7. CORPORATE GOVERNANCE REPORT

The Corporate Governance Report pursuant to clause 49 of the listing agreement is annexed to this Report.

8. DIRECTORS

During the period under report, Mr. Subrata Kumar Mitra, an independent director resigned from the directorship of the Company with effect from May 7, 2012. The Board appreciates the contribution made by Mr. Mitra during his tenure as director of the Company.

Also, Mr. Achal Ghai, Mr. Sakti Kumar Banerjee and Mr. Brij Bhushan Kathuria, Directors of the Company retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer themselves for re-appointment.

Mr. Arvind Kumar Bishnoi was appointed as Whole-time Director of the Company for a period of three years with effect from April 1, 2009. He was re-appointed on March 23, 2012 by the Board of Directors through a resolution passed by circulation

for another period of five years with effect from April 1, 2012, subject to the approval of shareholders. The resolution for his reappointment forms part of the notice for convening the Annual General Meeting.



9. AUDITORS AND THEIR REPORT

M/s B S R & Co., Chartered Accountants, the Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from the Auditors to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the Act.

The Auditors' report and notes to the financial statements are self explanatory and do not call for any further comments except in respect of para (ix) (a) of Annexure to the Auditors' Report explanation to which is given below:

"Provision for the said taxation has already been made in the financial statements of the Company for the financial year 2011-12".

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed:-

- (i) That in the preparation of the Annual Accounts for the financial year ended March 31, 2012, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That the directors 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 ended March 31, 2012 and of the profit or loss of the Company for that period;
- (iii) That the directors 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 frauds and other irregularities;



(iv) That the directors had prepared the annual accounts for the financial year ended March 31, 2012 on a going concern basis.

11. FIXED DEPOSITS

The Company has not invited/accepted any Fixed Deposits during the year, as such, no amount of principal or interest on fixed deposits was outstanding on the date of the Balance Sheet.

12. CONSERVATION OF ENERGY

Pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 particulars of energy conservation, technology absorption, foreign exchange earnings and outgo are annexed as Annexure-A and form part of the Directors' Report.

13. HUMAN RESOURCES

The professionally qualified and experienced employees of the Company helped it during the period under review to render efficient services to its clients and also maintained its project execution track record. The Company believes that the quality of services delivered by its employees is among the best in the industry and help the Company in getting new orders and executing the projects in hand. The Company regularly provides opportunities to its employees to enhance their skills and knowledge both through external and internal training sessions at regular intervals.

14. PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975 regarding employees is given in Annexure B to the Directors' Report.

ACKNOWLEDGEMENT

We thank our bankers, financial institutions, collaborators, customers, government authorities and shareholders for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all the levels.

For and on behalf of the Board of
Tecpro Systems Limited

Sd/-

Ajay Kumar Bishnoi

Chairman & Managing Director

Sd/-

Amul Gabrani

Vice Chairman & Managing Director

Place : Chennai

Date : May 24, 2012

Annexure–A

Information in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, forming part of the Directors' Report for the year ended March 31, 2012

A) Conservation of Energy

A. Power and fuel consumption	2011-12	2010-11
a) Electricity Purchased		
Total Units (kWh)	37,66,985	27,05,206
Total Amount (Rs.)	2,35,60,626	1,56,14,755
Rate/Unit (Rs.)	6.25	5.77
b) Electricity generated through diesel generator		
Total Units (kWh)	3,01,207	3,29,665
Unit per ltr. of diesel oil	5.91	7.43
Cost/Unit (Rs.)	6.70	5.94
B. Consumption of electricity (kWh) per unit of production		
a. Travelling Water Screens, Trash Cleaning Machines	2,763/Unit	2,013/Unit
b. Pulleys, Idler rollers and Conveyor systems	64.63/MT	55/MT
c. Casting	1,311/MT	1,288/MT
d. Crushers, Screens, Feeders and Fabricated structures	254/MT	188/MT

B) Technology Absorptions
New Developments

We believe in continual improvement in our designs and products for ensuring full customer satisfaction. The main focus of the research and development activities of the Company is value engineering, design improvement, optimization & standardization of the components with proven design calculation methods and preparation of 3D parametric drawings to minimize the design cycle, manufacturing cycle, time and cost.

During the year under report, we have strengthened our team to meet the growing requirement of stockyard system. The above steps would help us in meeting requirement of various customers and we would be able to offer a complete solution in material handling equipment.

Technology Absorption

Your Company has been manufacturing products under technical collaborations with FAM Magdeburger Forderanlagen und Baumaschinen GmbH, Germany for designing of crushers, Hein, Lehmann Trenn und Fordertechnik GmbH, Germany and Peytec Aschauer & Peyfuss OEG, Austria, Siebtechnik GmbH, Germany for designing of screens, Krusnohorske Strojirny Komorany a.s. for supply of paddler feeder, stacker reclaimer & twin rotor sizers, Won Duck Industrial Machinery Co. Ltd. for manufacture of single toggle jaw crushers, Xiamen Longking Bulk Materials Science & Engineering Co. Ltd. for Dry bottom handling, pneumatic conveying, fly ash handling and coal mill reject handling systems, Pneuplan Oy for dense Phase Pneumatic Conveying for Fly Ash & Allied Materials, Nanjing Triumph Kaineng Environment and Energy Company Limited for Waste Heat Recovery (WHR) Power Plants.

During the financial year under review, the Company has entered into two new technical collaborations with the following:

1. With ETM Germany for Small and mid size ESP for private sector clients particularly for incineration projects.
2. With Advanced Conveyor Technologies, Inc, USA (AC-Tek) for Overland Conveyor Projects.

Foreign Exchange Earnings & Outgo

Particulars of Foreign Exchange Earnings and outgo are given Note No. 34, 35 and 36 of the financial statements.

Annexure-B
Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 forming part of Directors' Report for the year ended March 31, 2012

S. No.	Name	Ajay Kumar Bishnoi	Amul Gabrani	Arvind Kumar Bishnoi	Aditya Gabrani	Amar Banerjee	J V Ramana#	Kulbushan Arora	S.K. Mukherjee	Ajay Das Gupta	Chander Bhan Wadhwa	G. Palanikumar	Sanjay Kumar
1	Designation	Chairman & Managing Director	Vice Chairman & Managing Director	Whole-time Director	Whole-time Director	Whole-time Director	Executive Director & CEO-EPC	Chief Financial Officer	Executive Director (Production)	Executive Director (Marketing)	Senior Vice President (Manufacturing)	Executive Director (Operation)	Executive Director (Technical)
2	Remuneration received (Rs.)	67,340,004	67,340,004	15,392,004	15,392,004	7,893,600	7,897,925	7,061,172	6,299,700	6,274,860	6,188,064	6,176,772	6,127,488
3	Nature of employment	Non Contractual	Non Contractual	Non Contractual	Non Contractual	Non Contractual	Non Contractual	Non Contractual	Non Contractual	Non Contractual	Non Contractual	Non Contractual	Non Contractual
4	Other terms & conditions	Re-appointed for 5 years	Re-appointed for 5 years	Re-appointed for 5 years	Appointed for 3 years	Re-appointed for 1 year	Appointed upto the date of superannuation unless otherwise terminated	Appointed upto the date of superannuation unless otherwise terminated	Appointed upto the date of superannuation unless otherwise terminated	Appointed upto the date of superannuation unless otherwise terminated	Appointed upto the date of superannuation unless otherwise terminated	Appointed upto the date of superannuation unless otherwise terminated	Appointed upto the date of superannuation unless otherwise terminated
5	Nature of duties of the Employee	Overall control over the affairs of the management of the Company	Overall control over the affairs of the management of the Company	Heading the Marketing Division of the Company	Overall Business Operations of the Company	Business operations of the Ashtech division of the Company	Heading Power Sector-EPC	Accounts & Finance	Development of Product Division	Overall marketing of Material Handling Projects and execution of projects in Eastern India.	Heading Manufacturing facilities at Bhiwadi	Operations of the Company including Project Management, Procurement, Logistics & Construction Activities	Design and engineering activities of the company
6	Qualification & Experience	MBA, DMM, 32 years	B.E., MBA, 30 years	B.E., MBA, 3 years	B.E., 1 year	B.E., 41 years	B. Tech, 34 years	B Sc., C.A., LLB 25 years	B.E., B Sc., MBA, 36 years	Bsc. Mech. Eng. MBA, 38 years	37 years	PGDMM, BE Mech, 24 years	B.Tech Mech., 17 years
7	Date of commencement of the employment	06.04.2002	07.11.1990	01.04.2009	10.11.2010	02.04.2010	12.05.2010	06.05.2006	25.08.2003	01.11.2001	01.08.2005	01.11.2001	01.02.2002
8	Age	55 years	52 years	27 years	24 years	65 years	57 years	49 years	65 years	62 years	56 years	46 years	42 years
9	Last employment held	Chief Executive of Material Handling Division of Fenner (India) Limited	Regional Sales Manager of Fenner (India) Limited	Not Applicable	Not Applicable	Managing Director of erstwhile Tecpro Ashtech Limited	Head Strategy & Business Development in Tata Projects Limited	Partner, K. Bhushan & Company, Chartered Accountant	McNally Bharat Engineering Company Limited	Deputy General Manager (Product Division) of Fenner (India) Limited	Not Applicable	Manager (Purchase) of Fenner (India) Limited	FLS-Fuller Bulk handling India Limited
10	Percentage of equity shares held (including shareholding of spouse)	17.89	18.66	0.93	0.09	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:
1. Mr. Ajay Kumar Bishnoi, Chairman & Managing Director is father of Mr. Arvind Kumar Bishnoi, Whole-time Director and Mr. Amul Gabrani, Vice Chairman & Managing Director is father of Mr. Aditya Gabrani, Whole-time Director
2. Remuneration includes Employer's Contribution to Provident Fund and Superannuation Fund
Resigned during the year

MANAGEMENT DISCUSSION & ANALYSIS

1. Industry Structure & Sector Overview

Despite various challenges, India's infrastructure sector continues to be a key driver of the nation's economic progress. The government has been taking several initiatives at various levels to maintain the growth of the Indian infrastructure. During the XII Five year Plan (2012-2017), an infrastructure investment of over Rs. 40 lakh crore has been proposed, with half of this expected from the private sector. The Union Budget includes provision for offering tax-free bonds to raise Rs. 60,000 crore in 2012-13 for financing infrastructure projects, double the amount of the previous fiscal. The Finance Minister has also proposed to allow external commercial borrowings (ECBs) to part-finance the rupee debt of existing power projects. Also, the 5% import duty waiver on thermal coal will be beneficial for upcoming projects. The removal of customs duty on imported coal, natural gas, LNG, and the incentives for the mining sector are expected to improve coal supply, lack of which has been a major reason for hampering investments in the power sector.

The proposed steps to improve access to funding and tax concessions are expected to increase investments in the infrastructure sector mainly power, cement and steel Industry.

Power Industry

The power sector in India is currently reeling under the pressure of multiple forces - lack of fuel (coal and natural gas), poor financial health of State Electricity Boards (SEBs), land acquisition problems, delay in environmental and forest clearances, high interest costs, financing concerns etc. Considering the fact that power constitutes 30% of the total infrastructure investment in the country and cannot be ignored by the government, the current lull in this environment seems to be a temporary phenomenon.

The recent Economic Survey indicated that the demand for grid power is estimated to grow by 6% per annum by the end of the XII Plan. Further as per the data provided by CEA, capacity addition during XI Plan was only 55,000 MW against the reduced target of 62,000 MW. Increase in peak demand will support the need for timely execution of power projects, thus providing a strong base for growth of BTG and BoP service providers in the country. The Power Ministry has pitched for a capacity addition target of about 76,000 MW in the XII Plan, considering the backdrop of acute fuel shortages impacting electricity generation.

The growth rates of EPC and Balance of Plant (BoP) industries are closely linked to the capacity addition in the power sector. Power continues to be an integral part of the national capital expenditure and has a strong historical correlation with India's GDP. The XII Plan represents a Rs. 1.4 trillion opportunity for BoP services. Tariff revision and BTG order tendering in the forthcoming fiscal year will set the pace for strong capacity addition. This coupled with moderating inflation and interest rates will help revive the capital goods industry and hasten the pace of order inflows.

Cement Industry

In 2010-11, the sales growth in the India's cement industry was less than 5% which was lowest in the last decade, however it showed a better performance in financial year 2011-12, thanks to the robust demand revival in the second half of the year. The 330-million-tonne industry grew 6.4% against less than 5% in FY11, showing signs of recovery.

The Union Budget of 2012 offers significant positives for the cement industry. The abolition of 5% import duty on coal and the increased thrust on PPP projects in infrastructure sector should help cement companies increase their sales volumes. The long term demand for cement is expected to remain intact. The initiatives provided by the Government of India towards building the road networks and housing activities will also



provide required stimulus towards the growth of this industry in the country.

Steel Industry

The Indian steel industry missed its production target of FY12 by ~40%, thanks to land acquisition troubles. India had targeted 124 million tonnes of steel production for FY12 but could only achieve 72 million tonnes overall. Big steel projects are still awaiting government clearances to set up facilities in India.

The Union Budget 2012- 13 is a pragmatic and growth-oriented one for the steel industry. The customs duty on non-alloy flat rolled steel has been increased from 5% to 7.5% which is aimed at discouraging imports from Commonwealth of Independent States (CIS)/China. Basic customs duties on plant and machinery imported for setting-up of iron ore pellet plants or iron ore beneficiation plants has been reduced from 7.5% earlier to 2.5%, a positive sign for companies setting up new capacities.

The Indian Government's support to infrastructure development in both rural and urban cities has been creating a significant demand for steel. Moreover, with the government's proactive incentive plans to boost economic growth by injecting funds in various industries, such as construction, infrastructure, automobile and power, will lead to a growth in demand for steel in the future. Steel consumption in India is also expected to grow significantly in coming years as per capita finished steel consumption is far less than its regional counterparts.

2. Economic Scenario

Monetary and liquidity conditions remained tight in the wake of inflation persistence for a major part of FY12. The anti-inflationary monetary policy stance adopted by the Reserve Bank since October 2009 continued for the majority of the last financial year till the rate cut announced by the RBI in its annual monetary policy for 2012-13. This was the first rate cut in the last three years as the regulator took a pause to support India's falling growth momentum.

Inflation fell towards the end of 2011-12 though price pressures persist with considerable suppressed inflation in oil, electricity, coal and fertilizers, the incomplete pass-through of rupee depreciation, slow supply responses and increase in indirect taxes as well as demand effects of large government transfers. With a return of price stability, appropriate supportive policy and administrative measures, it is possible to visualize an improvement in the investment rate, notwithstanding difficult conditions in the international financial markets.

The economy expanded at an annual rate of 5.3% in the three months ended March 2012, from 9.2% in



the same period last year, as the agricultural and manufacturing sectors were hit by sharp slowdowns. This led to India's growth slowing down to 6.5% in FY12, its weakest fiscal performance in 9 years. Lower global demand, domestic policy uncertainties and the cumulative impact of monetary tightening resulted in slower growth. Industrial growth remains subdued due to supply-side bottlenecks, particularly in the mining sector, and moderation in investment demand. With measures being taken to remove supply-side bottlenecks, progress on fiscal consolidation could create conditions for a more favorable growth-inflation dynamic.

Going into current fiscal, the global economy appears to be in a continuing phase of multi-speed growth. Most recent assessments indicate that the euro area is entering into a mild recession, while growth and employment conditions in the US are improving. Growth in emerging markets, especially China and India, is slowing beyond what was anticipated but

these two economies are still likely to provide some support for global recovery. As far as the role of Government is concerned, it can express itself most powerfully in the infrastructure area – in power, roads, railways, ocean ports and airports, in rural and urban infrastructure. The inadequacy of infrastructure availability continues to act as a constraint for the expansion of economic activity across the country. However, the Company remains confident that the government will actively support the infrastructure industry as it is strongly interlinked with India's growth story.

3. Corporate Overview

Tecpro started as a material handling company in 2001 and has become a prominent player in Engineering, Procurement and Construction (EPC) of material handling and ash handling systems. The Company designs, engineers, manufactures, sells, commissions and services a range of systems and equipment to provide turnkey projects for the core infrastructure related sectors like power, steel, cement and other industries.

The outstanding order book position of the Company as on March 31, 2012 was about Rs. 4,150 crore and after that it has further bagged orders worth Rs. 510 crores. The Company received orders worth Rs. 2,200 crore during the financial year 2011-12 all from the material handling and ash handling segments. No BoP tendering was done in FY12.



4. Review of Business Operations

It was a challenging year for the infrastructure sector particularly for the power sector. There was a considerable delay in awarding orders due to uncertainty on fuel linkages, land acquisitions etc. The BoP segment was subdued where no orders have been awarded. In a scenario where the BoP orders are taking longer time to finalize, Tecpro continues to leverage its strength and leadership position in the material and coal handling space where it is booking orders on a fairly regular basis having successfully secured orders worth Rs. 2,200 crore for material/coal and ash handling systems.

With a view to enhance its product offering in the BoP segment, Tecpro acquired Ambika Projects (India) Private Limited, a company engaged in water and waste water management. This acquisition will help Tecpro bridge the gap in its portfolio in the water business and allows Tecpro to enhance its share of in-house services in the BoP segment.

Tecpro acquired another company called Eversun Energy Private Limited ("Eversun"), a company engaged in the design, engineering, procurement, integration, installation and commissioning of solar photovoltaic systems for power generation for utilities and industries on a turnkey basis. Eversun undertakes post-sales services and AMC for solar photovoltaic projects for which it has a team of top professionals and engineers, providing valuable conceptual insights, latest technology with top-of-the-line products and services to clients. This acquisition marks Tecpro's foray into Renewable Energy (Solar) Segment adding another vertical to its existing Business segments in the power sector.

Internationally, the Company incorporated a wholly owned subsidiary PT Tecpro Systems Indonesia, in Indonesia for undertaking trading in coal and other minerals. The diversified product profile of the Company would definitely help the Company in hedging sector-specific risks. Also the pan-India presence of the Company helps it in providing better, economical and timely services to its clients which in turn results in cost saving to the Company.

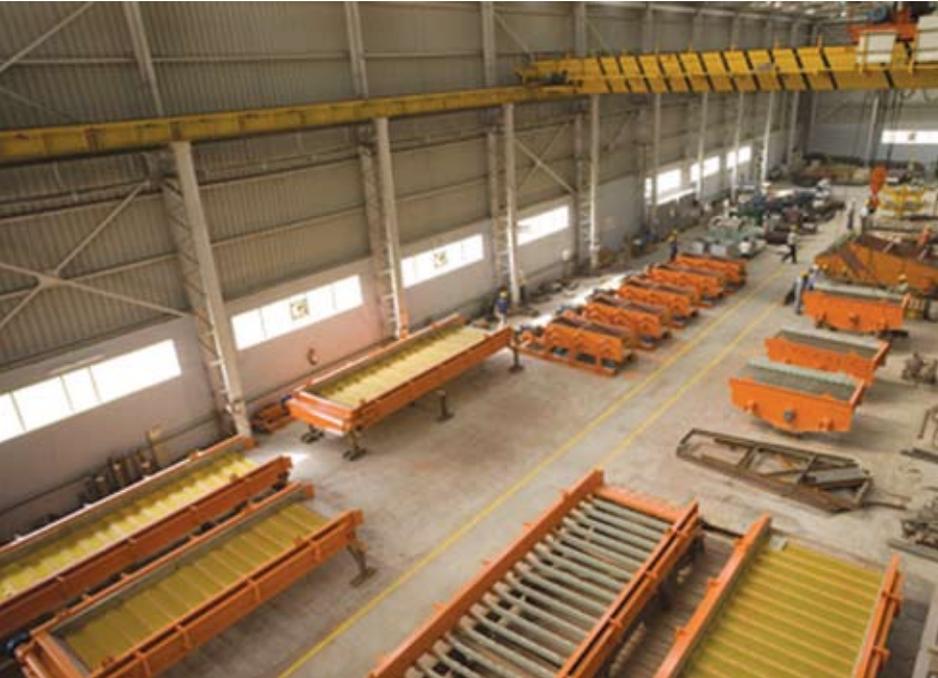
The Company has always tried to stay abreast with the latest technological trends and scales up the value chain through project specific collaborations. Tecpro has entered into collaboration agreement with a Chinese company namely Nanjing Triumph Kaineng Environment and Energy Co. Limited to tap opportunities across the Waste Heat Recovery systems in India. While, the Chinese partner will provide the boiler, Tecpro will provide installation services.

The year also saw Tecpro entering into a consortium with Advanced Conveyor Technologies, Inc (AC-Tek) of USA for joint marketing of expertise in overland conveyor projects. AC-Tek is a global leader in the design of overland conveying systems. Tecpro and AC-Tek have agreed to work together on projects involving the design, supply and installation of an overland conveyor.

These collaborations and acquisitions will help Tecpro overcome the strong entry barriers to advanced technology and provide the expertise to manufacture and assemble components according to client-specific requirements.



During the year under review the Company has received several prestigious orders, a few of which are mentioned below:



- Order from NTPC worth Rs.661 crore for the supply of Extended Coal Handling Plant Package for Pakri-Barwadih Coal Mining Block situated at Hazaribagh District in Jharkhand
- Ore Handling Plant Project and Coal Handling Plant Project of Raw Material Handling System (Package 1) of NMDC Steel Plant at Nagarnar, Chhattisgarh worth Rs. 521.4 crore from BHEL
- Coal Handling Plant Package worth Rs. 155 crore from Abhijeet Projects Limited
- Order worth Rs. 127 crore from Tata Projects Limited for complete stock house for 3.0 MTPA integrated steel plant at Nagarnar, Chhattisgarh
- Order worth Rs. 119.7 crore from Andhra Pradesh Power Development Company Limited (APPDCL) for 2X800 MW Sri Damodaram Sanjeevaiah Thermal Power Station at Nellore.

The order book position of the Company is very strong and the order backlog as on March 31, 2012 stood at Rs. 4,150 crore which provides good revenue visibility for the next few years, and Tecpro is confident of winning new orders on a timely basis.

Tecpro believes that with its in-house mechanical, electrical, civil, design and engineering capabilities and an established track record of executing turnkey projects in the power, steel and cement industries, it would be able to meet the challenges and would turn out to be a frontrunner when the recovery takes place.

5. Financial Review

Tecpro has witnessed a robust revenue growth year on year over the last few years. Tecpro intends to maintain the current momentum going forward. The consistent growth in the order book position is a result of the company's performance track record and ability to successfully market its services to existing and new clients. Tecpro Systems recorded a revenue growth of 28% and EBITDA growth of around 20% for FY12. The next year looks bright with efforts on enhancing the order portfolio with larger orders, improving bidding profile and managing projects under execution.

6. Outlook

In order to achieve the targeted ~7% GDP growth rate, large amounts of investments are expected to be made to improve and expand infrastructure. The XII Plan presents enormous opportunities in the power sector with about 76 GW of capacity addition planned, implying a BoP prospects worth ~Rs. 1.4 trillion. Tecpro Systems will be at the forefront to avail of these opportunities, with the BoP ordering of the XII Plan expected to commence this fiscal year, whilst consolidating its leadership position in the material and ash handling space, and thereby sustaining its growth momentum.

The Company will look at maintaining its competitive advantage by augmenting its manufacturing facilities and expanding its portfolio of services. Tecpro will remain focussed on delivering more value-added engineering services acquiring expertise through technological tie-ups as well as inorganic growth. It has also entered into an exclusive collaboration with Advanced Conveyor Technologies Inc (AC-Tek) of USA, to jointly market the combined expertise in overland conveyor projects and looks forward to bag orders in this space soon. In order to enhance its portfolio, the Company acquired Ambika Projects (India) Private Limited, in the water treatment business and Eversun Energy Private Limited, engaged in the EPC of solar photovoltaic systems for power generation for utilities and industries on a turnkey basis, and will capitalize on the promising prospects in this segment in the years to come.

Your company will further look to foster partnerships with overseas BTG suppliers to compete as a complete engineering, procurement and construction (EPC) player, and will continue to bid aggressively to book new orders and expand an ever-growing order book position. Tecpro remains resolved to sustain its financial performance going forward and strengthen its position in the material handling industry.

7. Strengths, Opportunities & Threats

Strengths

- Healthy order book position
- Presence across the value chain with in-house manufacturing capabilities
- Experienced project management team, capable of executing large projects without delays and cost overruns
- An approved vendor with relevant pre-qualifications for most orders
- Technology tie-ups providing a competitive edge

Opportunity

- Huge opportunity in BoP space, as ~76 GW of thermal capacity to be added in the XII Plan period (2012-2017)

Threats

- Rise of multiple new players across sub-sectors
- Influx of Korean and Chinese players in India
- Companies bidding and diversifying across sub-sectors
- Rising commodity prices
- Coal India's production cuts creating an acute shortage of domestic coal that can destabilize new power projects and stall/destabilize the announced projects

8. Risk and concerns

The Company, like any other business entity is subject to certain risks which are associated with the nature of its business. Some of the risks are at the Company level and others are at the economy level. At the Company level, the major challenge is to hire and retain the skilled manpower which is key to our success. In today's world where technology is changing constantly, it is critical to have professionally qualified and experienced manpower which can meet the challenges of growing competition. At macro level, since the Company's growth is directly proportionate to the growth of the infrastructure sector, any slowdown in the sector particularly power, cement and steel impacts the Company. Further, being an EPC company, the rise in cost of input materials such as steel, cement etc. and increase in rate of interest impacts the project cost adversely. The Company has a policy of keeping a constant check on these factors and proactively taking steps to mitigate the risks that can impact the growth.

9. Audit & Internal Control System

The Company has in place organised and effective internal control systems. The internal audit program is undertaken at regular intervals to ensure the correctness, accuracy, authenticity and reliability of the accounting and financial transactions. There are stringent systems in place to ensure that the assets and property of the Company are properly utilized in the interest of the Company. The Internal Control Systems and Internal Auditors' Reports are reviewed by the Audit Committee so as to ensure transparency and proper compliances.

10. Human resources

As of March 31, 2012 the employee count for the company stood at 1,428 as compared to 1,329 last year. The company plans to increase the manpower during the year realizing the importance of technical and functional expertise in keeping pace with the exponential growth in projects and operating assets. Quality & safety are given high priority. The management

team comprises of industry veterans, and their experience and relationships have enabled the Company to enhance its operating capabilities, improve quality of its services and facilitate access to its clients.





ANNEXURE TO THE DIRECTORS' REPORT CORPORATE GOVERNANCE REPORT FOR THE YEAR 2011-12

Company's policies on the Corporate Governance and compliance report on specific areas wherever applicable for the financial year ended March 31, 2012 are given hereunder:-

I. Company's Philosophy on Corporate Governance

The Company believes that transparency in the business operations is the key to Corporate Governance. It results in winning the trust and confidence of all the stakeholders. It helps in maintaining the highest level of accountability and integrity leading to ultimate goal of the management and the stakeholders i.e. growth of the Company.

II. Board of Directors

As on March 31, 2012, the Board of Directors of the Company comprises of twelve directors. The Company has Executive Chairman and number of independent directors is fifty percent of the total number of directors on the Board as per the requirement of the listing agreement. During the financial year 2011-12, six Board Meetings were held on May 25, 2011, July 12, 2011, August 12, 2011, November 10, 2011, January 16, 2012 and February 14, 2012. However, on May 7, 2012, Mr. Subrata Kumar Mitra, an Independent Director of the Company resigned from the Directorship. The Company shall fill the casual vacancy within 180 days as prescribed in Clause 49(1) (C) of the Listing Agreement.

(a) The Composition of Board of Directors and other details are as follows:

Name of Director	Category of Directors	No. of Board meetings attended during Financial Year 2011-12	Whether attended the last AGM held on August 8, 2011	Number of other Directorships held	Number of other Board Committee(s) in which the Director#	
					is a member	is a Chair-person
Mr. Ajay Kumar Bishnoi-CMD	Promoter-Executive	5	Yes	11	1	Nil
Mr. Amul Gabrani-VCMD	Promoter-Executive	6	Yes	12	3	1
Mr. Arvind Kumar Bishnoi-WTD	Promoter-Executive	3	Yes	8	1	1
Mr. Aditya Gabrani-WTD	Promoter-Executive	5	Yes	10	1	Nil
Mr. Amar Banerjee-WTD	Professional-Executive	1	Yes	Nil	Nil	Nil
Mr. Achal Ghai	Non-Independent-Non-Executive	5	Yes	8	1	Nil
Mr. Suresh Kumar Goenka	Independent-Non-Executive	5	Yes	2	2	1
Mr. Brij Bhushan Kathuria	Independent-Non-Executive	4	No	9	3	1
Mr. Satvinder Jeet Singh Sodhi	Independent-Non-Executive	3	No	1	1	Nil
Mr. Anunay Kumar	Independent-Non-Executive	5	No	4	1	Nil
Mr. Sakti Kumar Banerjee	Independent-Non-Executive	6	No	4	1	1
Mr. Subrata Kumar Mitra*	Independent-Non-Executive	2	No	13	2	1

Only Audit Committee, Remuneration Committee and Shareholders' Grievance Committee have been taken into consideration for this purpose and further it excludes membership/chairmanship in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956.

* Resigned with effect from May 7, 2012.

CMD: Chairman & Managing Director, VCMD: Vice Chairman & Managing Director, WTD: Whole-time Director.

Except Mr. Arvind Kumar Bishnoi, who is son of Mr. Ajay Kumar Bishnoi, Chairman & Managing Director and Mr. Aditya Gabrani, who is son of Mr. Amul Gabrani, Vice Chairman & Managing Director of the Company, no director is related to any other Director on the Board in terms of the provisions of Companies Act, 1956.

(b) Code of conduct:

The Board of Directors has adopted a Code of Conduct applicable to all Directors and senior management employees of the Company. The code is available on the Company's website. The Company has obtained declarations from all its directors and senior management employees affirming compliance with the Code of Conduct. The declaration by Mr. Ajay Kumar Bishnoi, Chairman & Managing Director as per clause 49(l)(D) of the Listing Agreement is attached to this Corporate Governance report.

III. Audit Committee

(a) Terms of reference:

1. Effective supervision of the financial operations;
2. Assurance of implementation of financial and accounting activities and operating controls as per the laid down policies and procedures; and
3. Power to investigate matters, among other things, including finance, accounting, internal control, internal audit and risk management.

(b) The Audit Committee constituted by the Board of Directors consists of the following members as on March 31, 2012:

1. Mr. Suresh Kumar Goenka, Chairman;
2. Mr. Satvinder Jeet Singh Sodhi;
3. Mr. Brij Bhushan Kathuria; and
4. Mr. Amul Gabrani.

All the members of the Audit Committee except Mr. Amul Gabrani are Non-executive Directors. All the members of Audit Committee are financially literate and have expertise in accounting and related financial management matters.

(c) During the financial year, the Audit Committee Meetings were held on May 25, 2011, August 12, 2011, November 9, 2011 and February 14, 2012. The attendance of each Audit Committee member was as under:

Name of the Audit Committee Member	Number of meetings attended
Mr. Suresh Kumar Goenka, Chairman	4
Mr. Satvinder Jeet Singh Sodhi	2
Mr. Brij Bhushan Kathuria	3
Mr. Amul Gabrani	4

(d) Internal auditors, statutory auditors, Chief Financial Officer and Company Secretary who is acting as Secretary to the Audit Committee along with representatives from various divisions of the Company at the invitation of the Company attend the Audit Committee Meetings to respond to queries raised at the committee meetings.

IV. Remuneration Committee

(a) The remuneration committee of the Directors, constituted on August 12, 2011, consists of the following members:

1. Mr. Sakti Kumar Banerjee, Chairman;
2. Mr. Achal Ghai;
3. Mr. Brij Bhushan Kathuria; and
4. Mr. Anunay Kumar.

All the members of the Remuneration Committee are Non-executive Directors.

No meeting of the Remuneration Committee was held during the financial year 2011-12. A meeting of the Remuneration Committee was held on May 24, 2012 which was attended by all the members of the Committee.

The Committee has been entrusted with the responsibility to formulate Company's policy on specific remuneration packages for executive directors and finalize and fix the remuneration packages including commission, if any of the executive directors of the Company as per the Company's policy. While finalizing the remuneration of any Director, the Committee shall take into account financial position of the Company, trend in industry, qualification of director, his experience, his past performance, his past remuneration, etc. and bring about objectivity in determining the remuneration package striking a balance between the interest of the Company and the shareholders.



- (b) Details of remuneration paid to Non-Executive Independent Directors during the Financial Year 2011-12 and the number of shares held as on March 31, 2012:

Name of the Directors	Sitting fees paid during the year (in Rupees)	Number of shares held as on March 31, 2012
Mr. Suresh Kumar Goenka	1,00,000	5,301
Mr. Brij Bhushan Kathuria	80,000	4,350
Mr. Satvinder Jeet Singh Sodhi	60,000	Nil
Mr. Anunay Kumar	1,00,000	Nil
Mr. Sakti Kumar Banerjee	1,20,000	Nil
Mr. Subrata Kumar Mitra*	40,000	302

*Resigned with effect from May 7, 2012.

None of the non-executive Directors receives any remuneration apart from the sitting fees for meetings attended by him.

- (c) Details of remuneration of the Executive directors:

Name of the Executive Director	Designation	Remuneration* (Amount in Rs.)
Mr. Ajay Kumar Bishnoi	Chairman & Managing Director	6,73,40,004
Mr. Amul Gabrani	Vice Chairman & Managing Director	6,73,40,004
Mr. Arvind Kumar Bishnoi	Whole-time Director	1,53,92,004
Mr. Aditya Gabrani	Whole-time Director	1,53,92,004
Mr. Amar Banerjee	Whole-time Director	78,93,600

*The remuneration includes contribution to Provident fund and superannuation fund.

V. Shareholders' Grievance Committee

The Board has formed a Shareholders' Grievance Committee in terms of Clause 49 of the Listing Agreement consisting of the following members:

1. Mr. Brij Bhushan Kathuria, Chairman;
2. Mr. Amul Gabrani; and
3. Mr. Aditya Gabrani.

The Shareholders' Grievance Committee of the Company met four times during the year on July 12, 2011, December 31, 2011, February 25, 2012 and March 28, 2012. The attendance of the members of the Shareholders' Grievance Committee was as follows:

Name of Shareholders' Grievance Committee Member	Number of meetings attended
Mr. Brij Bhushan Kathuria, Chairman	1
Mr. Amul Gabrani	4
Mr. Aditya Gabrani	4

Name, designation & address of Compliance Officer:

Mr. Pankaj Tandon
 General Manager (Corp. Affairs) & Company Secretary
 Tecpro Systems Limited
 Tecpro House, 78,
 Sector 34, National Highway – 8,
 Gurgaon-122004, Haryana
 Tel No. : 0124-4880100
 Fax No. : 0124-4880110
 Email id : pankajtandon@tecprosystems.com

Investors' Grievances

The following table shows the complaints received from shareholders during 2011-12

Pending as on April 1, 2011	Received during the year	Replied/ resolved during the year	Pending as on March 31, 2012
0	45	45	0

Investors' complaints are redressed within thirty days from their lodgment. The Company confirms that there were no shares pending for transfer as on March 31, 2012.

VI. Other Board Committees

Committee of Directors

The Committee of Directors consists of the following members:

1. Mr. Ajay Kumar Bishnoi;
2. Mr. Amul Gabrani;
3. Mr. Arvind Kumar Bishnoi;
4. Mr. Aditya Gabrani; and
5. Mr. Amar Banerjee.

During the year, 20 meetings of Committee of Directors were held on April 20, 2011, May 7, 2011, May 25, 2011, May 30, 2011, July 18, 2011, August 3, 2011, August 8, 2011, September 6, 2011, September 20, 2011, October 10, 2011, October 21, 2011, November 10, 2011, November 24, 2011, December 5, 2011, January 9, 2012, January 16, 2012, February 14, 2012, February 24, 2012, March 10, 2012 and March 26, 2012.

The attendance for each of the members at the Committee of Directors' Meetings during the year ended on March 31, 2012 was as under:

Name of the Directors	Number of Committee of Directors' Meetings attended
Mr. Ajay Kumar Bishnoi	17
Mr. Amul Gabrani	14
Mr. Arvind Kumar Bishnoi	11
Mr. Aditya Gabrani	10
Mr. Amar Banerjee	2

VII. Subsidiary Companies

The Company has the following subsidiaries:

- a) Tecpro Trema Limited;
- b) Tecpro Energy Limited;
- c) Ajmer Waste Processing Company Private Limited;
- d) Bikaner Waste Processing Company Private Limited;
- e) Eversun Energy Private Limited;
- f) Ambika Projects (India) Private Limited;
- g) Tecpro Systems (Singapore) Pte. Limited; and
- h) PT Tecpro Systems Indonesia

None of the Indian Subsidiary is a material non listed Indian Subsidiary in terms of Clause 49 (III) of the Listing Agreement.

VIII. General Body Meetings

(a) The details of Annual General Meetings (AGMs) held in the last three years are as under:-

AGM	Day	Date	Time	Venue
19 th	Wednesday	26.08.2009	11.00 a.m.	Radisson Hotel, Mahipalpur, New Delhi 110037
20 th	Saturday	18.09.2010	11.00 a.m.	Radisson Hotel, Mahipalpur, New Delhi 110037
21 st	Monday	08.08.2011	10.00 a.m.	Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, APS Colony, Delhi Cantt., Delhi 110010

(b) The Company has not passed any special resolution in the previous 3 AGMs.

(c) Procedure for postal ballot

During the year ended March 31, 2012 the Company sought the approval of its members through a postal ballot and passed the following resolutions:

1. Alteration of the Object Clause of the Memorandum of Association of the Company; and
2. Appointment of Mr. Aditya Gabrani as a Whole-time Director.

Mr. Rajesh Sharma, Practising Company Secretary was appointed as scrutinizer and Mr. Himanshu Kumar, Practising Chartered Accountant was appointed as an alternate scrutinizer to conduct the postal ballot



process. Results of the postal ballot process were declared on July 13, 2011. The detail of voting pattern with respect to above two resolutions is as under:

1. Alteration of the Object Clause of the Memorandum of Association of the Company

Particulars	Special Resolution
Total votes	5,04,73,791
Total votes cast	3,53,59,625
Total invalid votes	105
Total valid votes cast	3,53,59,520
Total votes cast in favour of the resolution	3,45,92,629
Total votes cast against the resolution	7,66,891
%age of votes cast in favour of the resolution	97.831
%age of votes cast against the resolution	2.169

2. Appointment of Mr. Aditya Gabrani as a Whole-time Director

Particulars	Special Resolution
Total votes	5,04,73,791
Total votes cast	3,52,45,462
Total invalid votes	122
Total valid votes cast	3,52,45,340
Total votes cast in favour of the resolution	3,52,44,664
Total votes cast against the resolution	676
%age of votes cast in favour of the resolution	99.998
%age of votes cast against the resolution	0.002

As on date no Postal Ballot exercise is in process.

IX. Disclosures

- All related party transactions have been entered into in the ordinary course of business and were placed periodically before the audit committee in summary form. There were no material individual transactions with related parties which were not in the normal course of business that may have potential conflict with the interest of the Company at large. All transactions with related parties or others were on an arm's length basis.
- There are no instances of non-compliance by the Company or strictures imposed by Stock Exchanges, SEBI or any other regulatory authority on any matter related to capital markets, during the last three years.
- There has been no documented whistle blower policy, however, no personnel has been denied access to the audit committee.
- As of now, the Company is not complying with the Non-mandatory requirements mentioned in Annexure-ID of Clause 49 of the Listing Agreement except the formation of a Remuneration Committee.
- All mandatory required Accounting Standards have been followed in preparation of financial statements and no deviation has been made in following the same.
- Risk assessment and its minimization procedures have been laid down by the Company and the same have been informed to Board Members. These procedures would be periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.
- Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under the provisions of Clause 49 of the Listing Agreement with Stock Exchanges.

X. Means of Communication

The financial results of the Company pursuant to clause 41 of the Listing Agreement are generally published in Economic Times (English) and Navbharat Times (Hindi) and also displayed on the website of the Company www.tecprosystems.com shortly after its submission to the Stock Exchanges. All earnings call transcript, press release or any significant event is first intimated to the Stock Exchanges and then posted on the website of the Company. Presentations are made available to institutional investors/research analysts on their specific request(s), if any.

XI. General Shareholder information

(a) Details of Directors seeking appointment or reappointment at the ensuing Annual General Meeting are given as hereunder:

Particulars	Reappointment	Reappointment	Reappointment	Reappointment
Name of Director	Mr. Achal Ghai	Mr. Sakti Kumar Banerjee	Mr. Brij Bhushan Kathuria	Mr. Arvind Kumar Bishnoi
Date of initial appointment	November 24, 2005	November 15, 2007	July 26, 2006	April 1, 2005
Brief resume and expertise in specific functional area	A non-independent Director, aged 48 years, holds a bachelor's degree in commerce from Guru Nanak Dev University, Amritsar and a master's degree in business administration from University of Delhi. He has experience in corporate and investment banking and has worked with international banks across India, Dubai and Canada. He advises conglomerates in Canada, UK, Malaysia, Dubai and India.	An independent Director, aged 67 years, holds a bachelor's degree in civil engineering from University of Jadavpur. He was associated with NALCO as its chairman and managing director.	An independent Director, aged 55 years, is a chartered accountant and holds a Bachelor's degree in science from Kurukshetra University. He has more than 28 years of experience in finance, taxation, auditing in India and abroad and has also served in senior management roles in companies based in Africa and Middle East.	A whole-time Director, aged 27 years, holds a bachelor's degree in engineering (electronics and communication) from SRM University, Chennai and a master's degree in business administration from Symbiosis Institute of Management, Pune.
List of other Directorship held	a) Avigo Venture Investment Limited, Mauritius; b) Avigo Capital Managers Private Ltd., Mauritius; c) Avigo PE Investments Limited, Mauritius; d) Azara Holdings Pte. Ltd., Singapore; e) Super Religare Laboratories Ltd.; and f) Religare Finvest Ltd	a) PervCom Consulting Private Limited; b) Himadri Chemicals & Industries Limited; c) Nilachal Refractories Limited; and d) Green Valley Industries Limited	a) JPK Developers Private Limited; b) LNK Infrastructures Private Limited; c) JPK Towers Private Limited; d) BT Developers Private Limited; e) LNK Infrastructures Developers Private Limited; f) Tript Hotels & Resorts (P) Limited; g) Gurudeepak Constructions Private Limited; h) Ishwar Realtors Private Limited; and i) B2K Realcon Private Limited	a) T&H Education Private Limited; b) Hythro Power Corporation Limited; c) Tecpro Engineers Limited; d) A K B & Sons Realty Private Limited; e) Tecpro Ispat Private Limited; f) Tecpro Infra-Projects Limited; g) Eversun Energy Private Limited; and h) Ambika Projects (India) Private Limited
Chairman or Member of the Committees of the Board of other companies in which he is a Director#	Nil	Nil	Nil	1
Shareholding in the Company in case of Non-executive Director	8,14,200	Nil	4,350	N/A

Only Audit Committee, Remuneration Committee and Shareholders' Grievance Committee have been taken into consideration for this purpose and further it excludes membership/chairmanship in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956.



(b) Annual General meeting to be held:

Day: Monday

Date: August 13, 2012

Time: 10:00 A.M.

Venue: Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, APS Colony, Delhi Cantt., Delhi 110010

(c) Financial Year: April to March

(d) Period of Book Closure: August 4, 2012 to August 13, 2012

(e) Listing on Stock Exchanges:

The Equity Shares of the Company are listed at The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited and the listing fees for the financial year 2012-13 have been paid to the above Stock Exchanges.

Stock Codes:

Bombay Stock Exchange: 533266

National Stock Exchange: TECPRO

International Securities Identification Number (ISIN): INE904H01010

(g) Market Price Data:

The details of monthly highest and lowest price of the Equity Shares of the Company and its comparison to broad based indices Sensex (BSE) and Nifty (NSE) during financial year 2011-12 are as under:

Month	BSE - Tecpro Systems Limited		Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2011	325.00	279.80	19811.14	18976.19
May, 2011	328.00	280.00	18724.54	17786.13
June, 2011	301.00	214.50	18873.89	17314.38
July, 2011	308.00	254.40	19131.7	18131.86
August, 2011	296.80	237.50	18440.07	15765.53
September, 2011	254.95	223.10	17211.8	15801.01
October, 2011	230.00	207.15	17908.13	15745.43
November, 2011	224.50	177.35	17702.26	15478.69
December, 2011	184.00	147.10	17003.71	15135.86
January, 2012	190.35	141.00	17258.97	15358.02
February, 2012	210.50	162.10	18523.78	17061.55
March, 2012	176.60	155.00	18040.69	16920.61
Month	NSE - Tecpro Systems Limited		Nifty	
	High (Rs.)	Low (Rs.)	High	Low
April, 2011	360.50	274.00	5944.45	5693.25
May, 2011	328.90	275.00	5775.25	5328.70
June, 2011	303.00	218.60	5657.90	5195.90
July, 2011	307.95	254.70	5740.40	5453.95
August, 2011	297.00	235.00	5551.90	4720.00
September, 2011	254.90	222.00	5169.25	4758.85
October, 2011	234.95	206.10	5399.70	4728.30
November, 2011	225.00	177.00	5326.45	4639.10
December, 2011	184.00	143.10	5099.25	4531.15
January, 2012	190.10	160.30	5217.00	4588.05
February, 2012	210.00	158.05	5629.95	5159.00
March, 2012	176.50	153.05	5499.40	5135.95

(h) Registrar and Share Transfer Agents:

Link Intime India Private Limited
 A-40, Naraina Industrial Area
 Phase-II, 2nd Floor, New Delhi-110 028
 Contact Person: Mr. V. M. Joshi
 Tel No.: 011-41410592/93/94
 Fax No.: 011-41410591

Shareholders are requested to correspond with the Registrar and Share Transfer Agent for transfer/transmission of shares, demat, remat, change of address, all queries pertaining to their shareholding, dividend etc. at the address given above.

(i) Share Transfer System:

The transfer of shares is approved within the stipulated time subject to the receipt of all the documents required for transfer. The Board of Directors has given the authority to Shareholders' Grievance Committee to approve the registration of transfer of shares so as to expedite the transfer process.

(j) Distribution of Shareholding as on March 31, 2012:

No. of Shares	No. of holders	% of total holders	No. of shares	% of total shares
Up to 500	28,156	97.33	12,93,225	2.55
501-1000	358	1.24	2,80,388	0.56
1001-2000	155	0.54	2,31,137	0.46
2001-3000	66	0.23	1,67,788	0.33
3001-4000	37	0.13	1,35,208	0.27
4001-5000	31	0.11	1,47,617	0.29
5001-10000	44	0.15	3,15,720	0.63
10001 and above	79	0.27	4,79,02,708	94.91
Total	28,926	100.00	5,04,73,791	100.00

(k) Pattern of Shareholding as on March 31, 2012:

Sl. No.	Category	No. of Holders	No. of Shares
1	Promoters	13	2,65,63,340
2	Mutual Fund/UTI	16	35,13,829
3	Financial Institutions/Banks	2	13,320
4	Venture Capital Funds	1	7,05,557
5	Foreign Institutional Investors	12	7,34,871
6	Foreign Venture Capital Investors	1	51,69,147
7	Bodies Corporate	401	99,98,492
8	Resident Shareholders	26,509	21,69,466
9	Trust	4	10,852
10	HUF	1,492	98,042
11	NRI	411	14,37,496
12	Clearing Member	64	59,379
Total		28,926	5,04,73,791

(l) Dematerialization of Shares:

As on 31st March 2012, 5,04,17,853 shares of the Company's total shares representing 99.89% shares were held in dematerialized form and the balance 55,938 shares representing 0.11% shares were in physical form.

The Company is maintaining two demat accounts each with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") in the name of "Tecpro Systems Limited – Suspense Account". Out of the shares allotted in pursuance of Initial Public Offer of the Company, 15 equity shares are lying in the suspense account of the Company maintained with CDSL and 31 equity shares are lying in the suspense account of the Company maintained with NSDL.



(m) Plant Locations:

The Company has its manufacturing units at the following locations:

1. Plot No. 2,3,4,25,26 and 27, Sector-7, HSIDC Growth Center, Bawal, Haryana;
2. SP-496-497, RIICO, Bhiwadi, Rajasthan;
3. E-928, RIICO Industrial Area, Bhiwadi, Rajasthan;
4. A-98, RIICO Industrial Area, Bhiwadi, Rajasthan.

Besides the manufacturing activities at the above locations, the Company's project execution activities are undertaken at the location of the clients.

(n) Address of Correspondence:

Registered Office: 106, Vishwadeep Tower, Plot No. 4, District Centre, Janak Puri, New Delhi-110058
Corporate Office: Tecpro House, 78, Sector 34, National Highway-8, Gurgaon-122004, Haryana

XII. CEO/CFO Certification

Mr. Ajay Kumar Bishnoi, Chairman & Managing Director and Mr. Kulbhushan Arora, Chief Financial Officer have certified to the Board that:

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their 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 existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their 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) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have not come across any deficiencies in the design or operation of such internal control systems for the financial year ended 31st March, 2012.
- (d) They have indicated to the auditors and the Audit committee that there had not been :
 - (i) any significant changes in internal control over financial reporting during the financial year ended 31st March, 2012;
 - (ii) any significant changes in accounting policies during the financial year ended 31st March, 2012; and
 - (iii) any instances of significant fraud of which they 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 financial reporting.

A certificate with respect to the above was placed before the Board Meeting on May 24, 2012.

Compliance Certificate

Compliance Certificate for Corporate Governance from Auditors of the Company is given as Annexure to this report.

DECLARATION BY CEO UNDER CLAUSE 49(1)(D)(ii) OF THE LISTING AGREEMENT

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management, as approved by the Board, for the year ended March 31, 2012.

Place : Chennai
Date : May 24, 2012

Sd/-
Ajay Kumar Bishnoi
Chairman & Managing Director

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of
Tecpro Systems Limited

We have examined the compliance of conditions of Corporate Governance by Tecpro Systems Limited ("the Company") for the year ended 31 March 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges in India.

The compliance of conditions of 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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For B S R & Co.
Chartered Accountants
Firm registration No.: 101248W

Sd/-
Vikram Advani
Partner
Membership No. 091765

Place : Chennai
Date : 24 May, 2012



Auditors' Report

To the Members of
Tecpro Systems Limited

We have audited the attached Balance Sheet of Tecpro Systems Limited ("the Company") as at 31 March 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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.

As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), 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.

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

- (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by

this report are in agreement with the books of account;

- (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the 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, to the extent applicable;
- (e) on the basis of the written representations received from the Directors, as on 31 March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) 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 31 March 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For B S R & Co.

Chartered Accountants
Registration no. 101248W

Sd/-

Vikram Advani

Partner

Place : Chennai

Date : 24 May, 2012

Membership No. 091765

Annexure to the Auditors' Report

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) According to the information and explanations given to us, the Company has physically verified its fixed assets during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us no material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) (a) Inventories, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties, confirmations have been obtained.
- (b) In our opinion, the procedures for the physical verification of inventories and of seeking confirmation for stocks lying with third parties and project sites followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- (iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paras 4 (iii) (b) to (g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly goods sold and services rendered are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instances of major weaknesses in the aforesaid internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs 5 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for (i) sale of certain goods which are for the specialised requirements of the buyer and for which suitable alternative sources are not available to obtain comparable quotations and (ii) purchases of certain goods and services which are for the specialised requirements of the Company and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.
- (vi) The Company has not accepted any deposits from the public during the year.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income tax, Provident Fund, Employees' State Insurance, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, *except, there were certain instances of delay in depositing undisputed service tax dues and income tax dues during the year.* As explained to us, the Company did not have any dues on account of Investor Education



and Protection Fund.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues were in arrears as at 31 March 2012 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues in respect of Wealth tax, Excise duty, Customs duty and Cess which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Income tax, Sales tax and Service tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of dues	Amount* (Rs.)	Period to which amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales Tax	12,406,839	1 April 2001 to 31 March 2002	Joint Commissioner of Sales tax (Appeals), Pune
		4,951,545	1 April 2002 to 31 March 2003	Joint Commissioner of Sales tax (Appeals), Pune
Central Sales Tax Act, 1956	Sales Tax	581,000	1 April 2001 to 31 March 2002	Commercial tax Officer, Lucknow
		2,025,000	1 April 2000 to 31 March 2001	Commercial tax Officer, Lucknow
West Bengal Sales Tax Act, 1994	Sales Tax	1,404,585	1 April 2005 to 31 March 2006	West Bengal Commercial Taxes Appellate and Revisional board, Kolkata
Central Sales Tax Act, 1956	Sales Tax	3,708,448	1 April 2005 to 31 March 2006	West Bengal Commercial Taxes Appellate and Revisional board, Kolkata
		18,504,809	1 April 2006 to 31 March 2007	West Bengal Commercial Taxes Appellate and Revisional board, Kolkata
West Bengal Sales Tax Act, 1994	Sales Tax	1,337,178	1 April 2003 to 31 March 2004	Sales tax Officer Commercial Taxes, West Bengal
Central Sales Tax Act, 1956	Sales Tax	170,121	1 April 2003 to 31 March 2004	Sales tax Officer Commercial Taxes, West Bengal
Central Sales Tax Act, 1956	Sales Tax	2,721,156	1 April 2003 to 31 March 2004	Joint Commissioner, Sales tax (Appeals) II, Mumbai
Chapter V of the Finance Act, 1994	Service Tax	6,536,536	1 July 2003 to 31 May 2007	Additional Commissioner of Excise
Central Sales Tax Act, 1956	Sales Tax	1,341,770	1 April 2004 to 31 March 2005	Joint Commissioner of Sales Tax Pune
Central Sales Tax Act, 1956	Sales Tax	454,780	1 April 2008 to 31 March 2009	Joint Commissioner Trade Tax Bikaner
Central Sales Tax Act, 1956	Sales Tax	548,549	1 April 2008 to 31 March 2009	West Bengal Commercial Taxes Appellate and Revisional Board
Central Sales Tax Act, 1956	Sales Tax	473,588	1 April 2007 to 31 March 2008	West Bengal Commercial Taxes Appellate and Revisional Board
Central Sales Tax Act, 1956	Sales Tax	18,992,924	1 April 2009 to 31 March 2010	Rajasthan Tax Board, Ajmer
Central Sales Tax Act, 1956	Sales Tax	11,980,347	1 April 2007 to 31 March 2008	Commercial Tax Department, Rajasthan
Rajasthan Tax on Entry of Goods into Local Areas Act, 1999	Entry Tax	20,408,275	1 April 2006 to 31 March 2009	The Supreme Court of India
Income Tax Act, 1961	Income Tax	346,677	1 April 2007 to 31 March 2008	Commissioner of Income Tax (Appeals), New Delhi

*Net of taxes paid Rs. 26,091,817

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in 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 its bankers or to any financial institutions. The Company did not have any outstanding debentures or dues to any financial institution or banks during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they 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 are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to firms/parties/ companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For B S R & Co.
Chartered Accountants
Registration no. 101248W

Sd/-
Vikram Advani
Partner

Place : Chennai
Date : 24 May, 2012

Membership No. 091765



Balance Sheet as at 31 March 2012

(All amounts are in Rupees)

	Note	As at 31 March 2012	As at 31 March 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	504,737,910	504,737,910
Reserves and surplus	4	7,139,971,285	6,278,750,720
		<u>7,644,709,195</u>	<u>6,783,488,630</u>
Non-current liabilities			
Long-term borrowings	5	994,969,280	423,280,541
Deferred tax liabilities (net)	6	1,138,243	-
Other long-term liabilities	7	1,744,993,252	2,292,895,181
Trade payables	11	903,252,053	517,570,013
Long-term provisions	8	42,643,428	26,258,631
		<u>3,686,996,256</u>	<u>3,260,004,366</u>
Current liabilities			
Short-term borrowings	10	12,011,422,115	6,672,938,027
Trade payables	11	14,167,594,008	8,975,344,427
Other current liabilities	12	3,248,079,369	2,428,313,266
Short-term provisions	9	408,247,928	505,646,510
		<u>29,835,343,420</u>	<u>18,582,242,230</u>
TOTAL		<u><u>41,167,048,871</u></u>	<u><u>28,625,735,226</u></u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	13	2,351,791,172	1,318,737,534
Intangible assets	14	41,711,639	9,388,728
Capital work-in-progress	13	315,704,904	249,424,380
		<u>2,709,207,715</u>	<u>1,577,550,642</u>
Non-current investments	15	215,532,812	293,571,104
Deferred tax assets (net)	6	-	25,797,905
Long-term loans and advances	17	468,116,106	222,974,737
Trade receivables	22	6,800,637,285	5,351,763,416
Other non-current assets	19	1,342,562,995	1,269,554,447
		<u>8,826,849,198</u>	<u>7,163,661,609</u>
Current assets			
Current investments	16	1,039,346	76,039,346
Inventories	21	2,312,456,219	1,398,938,588
Trade receivables	22	16,517,876,997	11,709,244,682
Cash and bank balances	23	2,285,040,673	2,185,201,635
Short-term loans and advances	18	1,980,575,760	1,319,704,347
Other current assets	20	6,534,002,963	3,195,394,377
		<u>29,630,991,958</u>	<u>19,884,522,975</u>
TOTAL		<u><u>41,167,048,871</u></u>	<u><u>28,625,735,226</u></u>
Significant accounting policies	2		

The notes referred to above form an integral part of the balance sheet

As per our report attached

For B S R & Co.

Chartered Accountants

Firm registration no. 101248W

Sd/-

Vikram Advani

Partner

Membership No.: 091765

Place : Chennai

Date : 24 May, 2012

For and on behalf of the Board of Directors of Tecpro Systems Limited

Sd/-

Ajay Kumar Bishnoi

Chairman &

Managing Director

Place : Chennai

Date : 24 May, 2012

Sd/-

Amul Gabrani

Vice Chairman &

Managing Director

Sd/-

Pankaj Tandon

Company Secretary

Statement of Profit and Loss for the year ended 31 March 2012

(All amounts are in Rupees)

	Note	For the year ended 31 March 2012	For the year ended 31 March 2011
INCOME			
Revenue from operations	24	25,296,618,293	19,709,183,027
Other income	25	115,604,367	147,089,228
Total revenue		25,412,222,660	19,856,272,255
EXPENSES			
Cost of materials consumed	26	12,703,673,070	7,030,657,321
Purchases of stock-in-trade	27	3,329,707,051	2,882,781,408
Changes in inventories of finished goods, work in progress and stock in trade - project supplies	27	(803,932,315)	(132,310,267)
Employee benefits expense	28	1,209,054,856	913,077,226
Other expenses	29	4,924,488,658	5,728,111,460
Expenditure before finance costs and depreciation / amortisation cost		21,362,991,320	16,422,317,148
Profit before finance costs, depreciation / amortisation and tax		4,049,231,340	3,433,955,107
Finance costs	30	1,967,799,048	1,230,967,991
Profit before depreciation / amortisation and tax		2,081,432,292	2,202,987,116
Depreciation and amortisation expense	13 & 14	134,927,411	102,785,637
Profit before tax		1,946,504,881	2,100,201,479
Tax expense :			
Current tax		663,903,400	744,500,000
Income tax for earlier years		6,365,976	7,348,702
Deferred tax charge		26,936,148	(13,886,543)
Profit for the year		1,249,299,357	1,362,239,320
Basic and diluted earnings per equity share (in Rs.) [face value Rs. 10 each]	41	24.75	28.85
Significant accounting policies	2		

The notes referred to above form an integral part of the statement of profit and loss

As per our report attached

For B S R & Co.
Chartered Accountants
Firm registration no. 101248W

For and on behalf of the Board of Directors of Tecpro Systems Limited

Sd/-
Vikram Advani
Partner
Membership No.: 091765

Sd/-
Ajay Kumar Bishnoi
Chairman &
Managing Director

Sd/-
Amul Gabrani
Vice Chairman &
Managing Director

Sd/-
Pankaj Tandon
Company Secretary

Place : Chennai
Date : 24 May, 2012

Place : Chennai
Date : 24 May, 2012



Cash Flow Statement for the year ended 31 March 2012

(All amounts are in Rupees)

Note	For the year ended 31 March 2012	For the year ended 31 March 2011
Cash flow from operating activities		
	1,946,504,881	2,100,201,479
	Profit before taxation	
	Adjusted for :	
	Depreciation	102,785,637
	Loss on sale / disposal of fixed assets	3,131,402
	Interest income	(121,119,024)
	Dividend income	(776,369)
	Interest expense	925,733,990
	Unrealised foreign exchange loss	-
	Investment written off during the year	-
	Bad debts written off during the year	33,703,375
	Provision for bad and doubtful debts	90,000,000
	Claims receivables written off	-
	Operating profit before following adjustments:	3,133,660,490
	Increase in inventories	(337,481,393)
	Increase in trade receivables	(6,439,626,377)
	Increase in short term loans and advances	(429,683,941)
	Increase in other current assets	(1,210,366,166)
	Decrease / (increase) in long term loans and advances	129,678,342
	Increase in other non current assets	(386,500,968)
	Decrease in trade payables	2,653,028,205
	Increase in other current liabilities	494,374,508
	(Decrease) / Increase in other long term liabilities	1,318,263,766
	Increase in long term provisions	4,813,659
	(Decrease) / Increase in short term provisions	(3,505,117)
	Cash used in operations	(1,073,344,992)
	Income tax paid	(694,060,985)
	Income tax refund	5,780,387
	Fringe benefit tax refund	303,626
	Net cash flow from / (used in) operating activities (A)	(1,761,321,964)
Cash flow from investing activities		
	Purchase of fixed assets including intangible assets, capital work in progress and capital advances	(389,138,476)
	Proceeds from sale of fixed assets	2,286,607
	Purchase of investments in subsidiaries	(195,352,049)
	Purchase of investments	(45,000,000)
	Proceeds from sale of investments	-
	Movement in bank deposits (net) (having original maturity of more than three months)	(43,655,528)
	Short-term loans/advances to subsidiaries	(148,389,277)
	Dividend received	776,369
	Interest received	121,492,501
	Net cash from / (used in) investing activities (B)	(696,979,853)

Cash Flow Statement (Contd..)

(All amounts are in Rupees)

Note	For the year ended 31 March 2012	For the year ended 31 March 2011
Cash flow from financing activities		
	-	62,500,000
	-	2,155,111,935
	-	(141,172,454)
	-	31,000,000
	-	(31,000,000)
	-	64,000,000
	-	(64,000,000)
	1,119,888,881	123,524,103
	(367,642,583)	(252,032,478)
	5,338,484,088	2,719,454,392
	(151,296,033)	(132,671,373)
	(24,564,332)	(22,547,500)
	(1,573,135,959)	(926,071,612)
	4,341,734,062	3,586,095,013
	(561,114,320)	1,127,793,196
	1,644,596,981	516,803,785
	70,399	-
	1,083,553,060	1,644,596,981
Components of cash and cash equivalents (refer to note 23)		
	1,271,684	1,264,604
With banks:		
In current accounts	667,218,460	1,643,057,992
In fixed deposit accounts	415,062,916	274,385
	1,083,553,060	1,644,596,981

The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 Cash Flow Statements specified in the Companies (Accounting Standards) Rules, 2006.

Significant accounting policies

2

The notes referred above form an integral part of the cash flow statement

As per our report attached

For B S R & Co.

Chartered Accountants

Firm registration no. 101248W

Sd/-

Vikram Advani

Partner

Membership No.: 091765

Place : Chennai

Date : 24 May, 2012

For and on behalf of the Board of Directors of Tecpro Systems Limited

Sd/-

Ajay Kumar Bishnoi

Chairman &

Managing Director

Place : Chennai

Date : 24 May, 2012

Sd/-

Amul Gabrani

Vice Chairman &

Managing Director

Sd/-

Pankaj Tandon

Company Secretary



Notes to financial statements for the year ended 31 March 2012

1. Company overview

Tecpro Systems Limited is an engineering company primarily engaged in designing, engineering, manufacturing, supply, installation and erection of material handling systems, power plants including balance of plant packages in power sector.

2. Significant Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements are prepared on accrual basis under the historical cost convention, modified to include revaluation of certain assets, in accordance with applicable Accounting Standards (AS) specified in the Companies (Accounting Standards) Rules, 2006 and presentational requirements of the Companies Act, 1956.

This is the first year of application of the revised Schedule VI to the Companies Act, 1956 for the preparation of the financial statements of the company. The revised Schedule VI introduces some significant conceptual changes as well as new disclosures. These include classification of all assets and liabilities into current and non-current. The previous year figures have also undergone a major reclassification to comply with the requirements of the revised Schedule VI.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future years.

2.3 Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period within 12 months for the purposes of classification of assets and liabilities as current and non-current.

2.4 Revenue recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership in the goods to the customer.

Revenue from services is recognised on rendering of services to customers.

Notes to financial statements for the year ended 31 March 2012

Interest income is recognised using the time proportion method, based on underlying interest rates.

Revenue from long-term construction contracts in accordance with Accounting Standard-7 on "Construction Contracts" is recognized using the percentage of completion method. Percentage of completion method is determined as a proportion of cost incurred to date to the total estimated contract cost or completion of a physical portion of the contract work depending on the nature of contract whichever is appropriate. Where the total cost of the contract, based on technical and other estimates, is expected to exceed the corresponding contract value, such excess is provided during the year.

Duty drawback available under prevalent scheme is accrued in the year when the right to receive credit as per the terms of scheme are established and these are accounted to the extent there is no significant uncertainty about the measurability and ultimate utilization of such duty credit.

2.5 Tangible fixed assets and capital work-in-progress

Fixed assets, including capital work in progress are stated at cost of acquisition or construction less accumulated depreciation. Cost comprises the purchase price and any directly attributable costs of bringing the asset to its working condition for the intended use. Tangible fixed assets under construction are disclosed as Capital work-in-progress.

2.6 Intangible assets

Intangible assets comprising computer software and technical know-how are stated at cost, including taxes, less accumulated amortisation. Computer software is amortised on a straight line basis over three years. Technical know-how is amortised on a straight line basis over its estimated useful life, the period over which the Company expects to derive economic benefits from the use of the technical know-how.

2.7 Borrowing Cost

Financing costs relating to borrowed funds attributable to construction or acquisition of qualifying assets for the period up to the completion of construction or acquisition of such assets are included in the cost of the assets. All borrowing costs are charged to Statement of Profit and Loss.

2.8 Impairment

The carrying values of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the amount recoverable towards such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss has been recognised.

2.9 Depreciation

Depreciation is provided on a pro-rata basis under the straight line method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Rates of depreciation (where different from the rates prescribed in Schedule XIV to the Companies Act, 1956) have been derived on the basis of the following estimated useful life:

	Estimated useful life (in years)
Plant and machinery	20
Office equipments	6
Furniture and fixtures	5
Vehicles	2-10
Temporary sheds at project sites (to coincide with the project period)*	1-5
Patterns	3
Shuttering and Scaffolding **	4
Office building *	28.44
Computers	6

* included in buildings in note 13 to the financial statements

** included in plant and machinery in note 13 to the financial statements



Notes to financial statements for the year ended 31 March 2012

Leasehold land is amortised on straight line basis over the period of the lease. Leasehold improvements are depreciated over the period of lease or the useful life of the underlying asset, whichever is less.

Depreciation on additions is being provided on a pro rata basis from the date of such additions. Similarly, depreciation on assets sold/discharged off during the year is being provided up to the date on which such assets are sold/discharged off.

Assets costing individually Rs. 5,000 or less are depreciated fully in the year of purchase.

2.10 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes all applicable costs incurred in bringing goods to their present location and condition, determined on a first in first out basis.

In determining the cost of inventories, fixed production overheads are allocated on the basis of normal capacity of production facilities.

Contract work in progress includes contract costs that relate to future activity on the long term construction contract, such as costs of materials that have been delivered to a contract site or set aside for use in a contract but not yet installed, used or applied during contract performance and excludes the materials which have been made specially for such contracts.

2.11 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the respective transactions. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at exchange rates prevailing on that date. All exchange differences other than in relation to acquisition of fixed assets and other long term foreign currency monetary liabilities are dealt with in the Statement of Profit and Loss.

In accordance with Accounting Standard 11, "Accounting for the effects of changes in foreign exchange rates", exchange differences arising in respect of long term foreign currency monetary items:

- used for acquisition of depreciable capital asset, are added to or deducted from the cost of asset and are depreciated over the balance life of asset.
- used for the purpose other than the acquisition of depreciable capital asset, are accumulated in Foreign Currency Monetary Item Translation Difference Account (FCMITDA) and amortized over the balance period of such liability.

The premium or discount that arises on entering into a forward exchange contract for hedging underlying assets and liabilities is measured by the difference between the exchange rate at the date of inception of the forward exchange contract and the forward rate specified in the contract and is amortised as expense or income over life of the contract. Exchange difference on forward exchange contract is the difference between:

- (a) the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and;
- (b) the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date.

These exchange differences are recognised in the statement of profit and loss in the reporting period in which the exchange rates change.

2.12 Provisions and contingencies

A provision is created when there is a present obligation as a result of a past event that entails a probable outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure of a contingent liability is made when there is a possible but not probable obligation or a present obligation that may, but probably will not, entail an outflow of resources. When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.13 Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and are written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Notes to financial statements for the year ended 31 March 2012

2.14 Employee benefits

1. All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Statement of Profit and Loss in the year in which the employee renders the related service.
2. Provident fund is a defined contribution scheme. Contributions payable to the provident fund are charged to the Statement of Profit and Loss.
3. Superannuation fund is a defined contribution scheme. The Company contributes to schemes administered by the Life Insurance Corporation of India ('LIC') to discharge its superannuation liabilities. The Company's contribution paid/payable under the scheme is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

4. Gratuity costs are defined benefits plans. The present value of obligations under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Annual contributions are made to the employee's gratuity fund, established with the LIC based on an actuarial valuation carried out by the LIC as at 31 March each year. The fair value of plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

5. Benefits under the Company's leave encashment scheme constitute other long term employee benefits. The obligation in respect of leave encashment is provided on the basis on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Annual contributions are made to the employee's leave encashment fund, established with the LIC based on an actuarial valuation carried out by the LIC as at 31 March each year. The fair value of plan assets is reduced from the gross obligation, to recognise the obligation on net basis. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

2.15 Investments

Long term investments are valued at cost. Any decline other than temporary, in the value of long-term investments, is adjusted in the carrying value of such investments. Diminution, if any, is determined individually for each long-term investment. Current investments are valued at the lower of cost and fair value of individual scrips.

2.16 Earnings per share

Basic earnings per share are computed by dividing the net profit/(loss) for the year attributable to the equity shareholders with the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year, except where the results would be anti-dilutive.

2.17 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are classified as operating leases. Lease rents under operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the lease term.

2.18 Events occurring after the balance sheet date

Adjustment to assets and liabilities are made for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amount of assets and liabilities relating to condition existing at the balance sheet date.



Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	As at 31 March 2012	As at 31 March 2011
3. Share capital		
Authorised		
127,950,000 (previous year 127,900,000) equity shares of Rs.10 each (also refer to note 32)	<u>1,279,500,000</u>	<u>1,279,000,000</u>
Issued, subscribed and fully paid-up		
50,473,791 (previous year 50,473,791) equity shares of Rs.10 each fully paid-up	<u>504,737,910</u>	<u>504,737,910</u>
	<u><u>504,737,910</u></u>	<u><u>504,737,910</u></u>

(a) Reconciliation of shares outstanding and the amount of share capital as at 31 March 2012 and 31 March 2011:

	As at 31 March 2012		As at 31 March 2011	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Equity shares				
Number of shares at the beginning	50,473,791	504,737,910	44,223,791	442,237,910
Add: Shares issued during the year (refer to clause (i) below)	-	-	6,250,000	62,500,000
Number of shares at the end	<u>50,473,791</u>	<u>504,737,910</u>	<u>50,473,791</u>	<u>504,737,910</u>

(i) Pursuant to the approval of the shareholders of the Company granted in their Extra-ordinary General Meeting held on 25 March 2010, the Company came out with an Initial Public Offer ("IPO") of 7,550,000 equity shares of Rs. 10 each at a premium of Rs. 345 per share including Offer for Sale of 1,300,000 equity shares by Metmin Investments Holdings Limited and made allotment of 6,250,000 equity shares on 8 October 2010. The allotment of 6,250,000 equity shares included allotment of 66,945 equity shares of Rs. 10 each at a premium of Rs. 328 per share to employees. The issue was made in accordance with the terms of the Company's prospectus dated 29 September 2010 and the shares of the Company got listed on The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited on 12 October 2010.

(ii) The Company has only one class of equity shares, having a par value of Rs.10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Each shareholder is eligible to one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Shares in the Company held by each shareholder holding more than 5% shares are as under:

Names	As at 31 March 2012		As at 31 March 2011	
	No. of Shares	% of shares held	No. of Shares	% of shares held
Mr. Amul Gabrani	9,319,342	18.46	9,319,342	18.46
Mr. Ajay Kumar Bishnoi	9,019,842	17.87	9,019,842	17.87
M/s. Fusion Fittings (I) Limited	7,540,784	14.94	7,525,084	14.91
M/s. Avigo Venture Investments Limited	6,819,153	13.51	6,819,153	13.51
M/s. Metmin Investments Holdings Limited	4,294,881	8.51	4,294,881	8.51

(c) Pursuant to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, an aggregate of 20% of the post offer capital of the Company held by the promoters is locked in for a period of three years. Accordingly, 10,094,759 equity shares held by Mr. Ajay Kumar Bishnoi and Mr. Amul Gabrani are under lock in period for three years beginning 8 October 2010. Further, in addition to the above equity shares, that are locked in for three years, 26,954,328 equity shares out of pre-offer capital of the Company were locked in for a period of one year beginning 8 October 2010.

(d) Above equity shares of Rs.10 each include:

- i) 12,698,750 (previous year 12,698,750) equity shares have been allotted as fully paid up by way of bonus shares during the year 2007-2008 and 9,739,000 (previous year 9,739,000) equity shares during the year 2006-2007 out of securities premium account.
- ii) 16,526,291 (previous year 16,526,291) equity shares issued during the year 2009-10 as fully paid-up shares to shareholders of erstwhile Tecpro Ashtech Limited and erstwhile Tecpro Power Systems Limited, pursuant to a scheme of amalgamation, for consideration other than cash.

Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	As at 31 March 2012	As at 31 March 2011
4. Reserves and surplus		
Capital reserve	38,855,552	38,855,552
Securities premium reserve		
Opening balance	2,991,808,262	977,868,781
Additions during the year #	-	2,155,111,935
Share issue expenses incurred during the year	-	(141,172,454)
Closing balance	2,991,808,262	2,991,808,262
# refer to clause (a)(i) of note 3		
Revaluation reserve		
Opening balance	71,080,522	72,081,656
Less: amount transferred to the statement of profit and loss	1,001,134	1,001,134
Closing balance	70,079,388	71,080,522
General reserve		
Opening balance	874,394,322	738,170,390
Less: adjustment on account of amalgamation (refer to note 31)	211,099,950	-
Add: appropriations from the statement of profit and loss	124,929,936	136,223,932
Closing balance	788,224,308	874,394,322
Surplus in the Statement of Profit and Loss		
Opening balance	2,302,612,062	1,252,582,379
Profit for the year	1,249,299,357	1,362,239,320
Adjustment during the year on account of amalgamation (refer to note 31)	7,997	-
Appropriations:		
- Proposed equity dividend (amount per share Rs. 3 (previous year Rs. 3))	(151,421,373)	(151,421,373)
- Tax on proposed equity dividend	(24,564,332)	(24,564,332)
- Transferred to general reserve	(124,929,936)	(136,223,932)
Net surplus in the Statement of Profit and Loss	3,251,003,775	2,302,612,062
Total reserves and surplus	7,139,971,285	6,278,750,720



Notes to financial statements for the year ended 31 March 2012

5. Long term borrowing

(All amounts are in Rupees)

	Non-current portion		Current maturities	
	As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
Secured:				
Term loans				
- Indian rupee loan from banks	556,491,745	400,384,620	464,009,737	337,625,684
- Foreign currency loan from banks	368,326,800	-	40,925,200	-
- From financial institutions	70,150,735	22,895,921	35,645,364	22,397,059
	<u>994,969,280</u>	<u>423,280,541</u>	<u>540,580,301</u>	<u>360,022,743</u>
Less:				
Amount disclosed under the head "other current liabilities" (refer to note 12)	-	-	(540,580,301)	(360,022,743)
Net amount	<u>994,969,280</u>	<u>423,280,541</u>	<u>-</u>	<u>-</u>

Indian Rupee Loan from banks (current and non-current portion)

Security	Terms of repayments and Default
Amounting to Rs. 90,851,088 is secured by way of equitable mortgage over the leasehold rights of the Company's land and building constructed thereon for office and also further secured by the current assets of the Company. Loan is also collaterally secured by: a) Hypothecation of movable fixed assets owned by the Company and equitable mortgage over certain assets of certain directors (includes a relative of a director) of the Company on pari passu basis. b) Equitable mortgage over (i) certain factory land and buildings located at Bawal (Haryana) and Bhiwadi (Rajasthan) and (ii) Kasarwadi (Pune); the properties mentioned in (i) are also mortgaged in favour of other bankers on pari passu basis. c) Corporate guarantee given by Fusion Fittings (I) Limited and pledge of certain shares by certain directors of the Company. d) Personal guarantees from Mr. Amul Gabrani (Director), Mr. Ajay Kumar Bishnoi (Director) and Mrs. Bhagwanti Gabrani (relative of Director).	Repayable in 65 monthly installments beginning from January 2009 carrying interest rate of 1.25% above SBAR subject to minimum interest rate of 13.5% p.a.
Amounting to Rs. 144,240,011 taken for part funding of escalation in cost of construction of Company's office at Siruseri, Chennai is secured by way of equitable mortgage over the leasehold rights of the Company's land and building constructed thereon for office and on a pari passu basis. It is also collaterally secured by: a) Hypothecation of movable fixed assets owned by the Company and equitable mortgage over certain assets of certain directors (includes a relative of a director) of the Company on pari passu basis. b) Equitable mortgage over (i) certain factory land and buildings located at Bawal (Haryana) and Bhiwadi (Rajasthan) and (ii) Kasarwadi (Pune); the properties mentioned in (i) are also mortgaged in favour of other bankers on pari passu basis. c) Further collaterally secured by equitable mortgage over land on which office is constructed at Siruseri, Chennai, along with building constructed thereon belonging to the Company. d) Corporate guarantee given by Fusion Fittings (I) Limited and pledge of certain shares by certain directors of the Company. e) Personal guarantees from Mr. Amul Gabrani (Director), Mr. Ajay Kumar Bishnoi (Director) and Mrs. Bhagwanti Gabrani (relative of Director).	Repayable in 36 equal monthly installments beginning from April 2010 carrying an interest rate of 0.75% above SBAR with monthly rests.
Amounting to Rs. 160,000,000 is secured by subservient charge on all current assets (present and future) of the Company and immoveable property at NCR. The loan is also secured by personal guarantees from Mr. Amul Gabrani (Director) and Mr. Ajay Kumar Bishnoi (Director).	Repayable in 10 equal quarterly installments after a moratorium period of 6 months from the date of first disbursement at an interest rate of Yes Bank PLR minus 5.50 % per annum. Loan along with interest due has been repaid subsequently in April 2012.
Amounting to Rs 615,000,000 is secured by exclusive charge on "Tecpro House" office in Gurgaon by way of equitable mortgage with a minimum asset cover of 1.25 times during the entire tenancy of the loan. Further, the loan is additionally secured by way of Personal Guarantee of Mr. A K Bishnoi (Director) and Mr. Amul Gabrani (Director).	20 equal quarterly installments commencing at the end of three months from the date of first drawdown at an interest rate of 270 bps over DBS Bank's base rate payable on a quarterly basis.
Amounting to Rs. 10,410,383 is secured by way of hypothecation of the respective vehicles.	Repayable in 36 equal monthly installments from the date of disbursement carrying an interest rate in the range of 12% p.a to 15% p.a.

Foreign currency loan from banks (current and non-current portion)

Amounting to Rs. 409,252,000 is secured by exclusive charge on the immovable and movable fixed assets of the Engineering Centre situated at Kolkata, financed out of the facility with a minimum asset cover of 1.25 times. The loan is also secured by personal guarantee of Mr. A.K. Bishnoi (Director) and Mr. Amul Gabrani (Director).	Repayable in 10 equal half yearly installments commencing after 18 months from the first drawdown date i.e., 20 June 2011 carrying an interest rate of applicable EURO/USD/SGD LIBOR plus 2.6 % p.a.
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Financial institutions (current and non-current portion)

Amounting to Rs. 44,671,099 is secured by way of hypothecation of the respective vehicles.	Repayable in 36 equal monthly installments carrying an interest rate in the range of 12% p.a to 15% p.a.
Amounting to Rs. 61,125,000 is secured by first charge on the asset i.e. land and building situated at the industrial unit at Alwar (Rajasthan).	12 equated quarterly installments starting from expiry of twelve months pre-production period and the last of repayment shall be 1 September 2015 carrying an interest rate of 12% p.a.

Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	As at 31 March 2012	As at 31 March 2011
6. Deferred tax (assets) / liability (net)		
Deferred tax liability on account of :		
Depreciation	106,867,577	48,694,770
Total deferred tax liability	106,867,577	48,694,770
Deferred tax assets on account of:		
Provision for employee benefits	34,672,043	12,815,251
Provision for estimated losses on incomplete contracts	1,712,123	1,756,572
Provision for bad and doubtful debts	68,269,037	51,459,205
Others	1,076,131	8,461,647
Total deferred tax asset	105,729,334	74,492,675
Net deferred tax liability / (assets)	1,138,243	(25,797,905)
7. Other long-term liabilities		
Advances from customers	1,744,993,252	2,292,895,181
	1,744,993,252	2,292,895,181
8. Long-term provisions		
Provision for employee benefits		
Gratuity (refer to note 42)	13,541,450	5,800,171
Leave benefits	26,809,101	17,898,861
	40,350,551	23,699,032
Others		
Lease equalisation charges	2,292,877	2,559,599
	42,643,428	26,258,631
9. Short-term provisions		
Provision for employee benefits		
Gratuity (refer to note 42)	9,027,633	3,866,780
Leave benefits	17,872,734	11,932,574
	26,900,367	15,799,354
Others		
Proposed dividend	151,421,373	151,421,373
Tax on proposed dividend	24,564,332	24,564,332
Provision for estimated losses on incomplete contract (refer to note 44)	5,277,000	5,414,000
Provision for tax [net of advance tax Rs. 1,846,839,280 (previous year Rs. 1,659,208,866)]	200,084,856	308,447,451
	381,347,561	489,847,156
	408,247,928	505,646,510



Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	As at 31 March 2012	As at 31 March 2011
10. Short-term borrowings		
Loans repayable on demand (secured)		
From banks		
- Working capital facility	<u>12,011,422,115</u>	<u>6,672,938,027</u>
	<u>12,011,422,115</u>	<u>6,672,938,027</u>

Nature of security

Working capital facility comprises cash credit, buyer's credit, export packing credit and bills discounted from banks. Such facilities are secured by first charge on the current assets of the Company on pari passu basis. Cash credit, short term loans and buyers credit from certain banks are further primarily / collaterally secured by way of hypothecation / mortgage of moveable / immoveable fixed assets of the Company on a pari passu basis other than those specifically funded through term loans and charged to State Bank of India and by way of equitable mortgage over certain assets of certain directors (includes a relative of a director) of the Company on pari passu basis. The facility is also secured by personal guarantee of Mr. Amul Gabrani (Director), Mr. Ajay Kumar Bishnoi (Director) and Mrs. Bhagwanti Gabrani (relative of Director, except for facility availed from DBS). Further, the loan from SBI and Central Bank of India is also secured by corporate guarantee given by Fusion Fittings (I) Limited.

Working capital facility from banks also include an amount of Rs. 498,503,106 (previous year Rs. 428,358,208) taken by erstwhile Tecpro Ashtech Limited secured by a pari-passu charge on present and future goods, books debts, all other moveable assets, outstanding monies, claims, investments etc. of erstwhile Tecpro Ashtech Limited in terms of the deed of hypothecation and further secured by corporate guarantee given by Fusion Fittings (I) Limited, holding Company of erstwhile Tecpro Ashtech Limited and collaterally secured by hypothecation of moveable fixed assets owned by the Company and equitable mortgage over certain assets of certain directors (includes a relative of a director) of the Company.

11. Trade payables

	Non-current		Current	
	As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
Sundry creditors				
- micro and small enterprises	-	-	133,429,880	115,738,942
- others	<u>903,252,053</u>	<u>517,570,013</u>	<u>14,034,164,128</u>	<u>8,859,605,485</u>
	<u>903,252,053</u>	<u>517,570,013</u>	<u>14,167,594,008</u>	<u>8,975,344,427</u>

The Company had sought confirmation from its vendors on their status under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from 2 October 2006. Based on the confirmations received till date, the disclosure as required by section 22 of the MSMED Act are given below :-

	As at 31 March 2012	As at 31 March 2011
(a) Principal amount payable to suppliers as at year-end	133,429,880	115,738,942
(b) Interest due thereon as at year-end	7,762,992	-
(c) Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which interest relates	-	-
(d) Amount of delayed payments actually made to suppliers during the year	93,931,379	120,731,416
(e) Amount of interest due and payable for the year of delay in making payment (which has been paid, but beyond the appointed day during the year) but without adding interest specified under the MSMED Act	3,177,234	-
(f) Interest accrued and remaining unpaid at the end of year	10,854,478	-

Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	As at 31 March 2012	As at 31 March 2011
12. Other current liabilities		
Current maturities of long-term borrowings (also refer to note 5)	540,580,301	360,022,743
Salaries, wages and bonus payable	94,495,251	101,223,530
Interest accrued and due on borrowings	56,572,418	10,342,603
Interest accrued but not due on borrowings	3,759,794	2,317,822
Unpaid dividends	125,340	-
Book overdraft	1,953,463	4,607,202
Advances from customers	2,056,098,803	1,355,613,497
Unearned revenue	50,138,058	128,943,284
Creditors towards fixed assets	139,590,244	51,933,412
Amount due to subsidiaries	-	10,566,528
Statutory dues payable		
Service tax payable	146,253,172	248,243,861
Tax deducted at source payable	43,981,904	75,826,155
Provident fund and other employee related payable	11,975,922	9,650,281
Sales tax payable	90,456,229	65,660,678
Other payables	12,098,470	3,361,670
	3,248,079,369	2,428,313,266

There are no outstanding dues to be paid to Investor Education and Protection Fund

13. Tangible assets

Description	Gross block (at cost or valuation)					Accumulated depreciation				Net block	
	As at 1 April 2011	Additions during the year	Deletions / adjustments during the year	Added on amalgama- tion @ (refer to note 31)	As at 31 March 2012	As at 1 April 2011	For the year	Deletions / adjustments during the year	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011
Owned											
Freehold land #	14,003,168	-	-	20,702,102	34,705,270	-	-	-	-	34,705,270	14,003,168
Buildings	686,534,855	285,271,935	1,184,640	122,876,819 [^]	1,093,498,969	49,237,311	30,760,825	1,184,635	78,813,501	1,014,685,468	637,297,544
Leasehold improvement	40,726,305	131,456,404	4,496,208	-	167,686,501	23,276,359	6,017,192	2,469,659	26,823,892	140,862,609	17,449,946
Plant and machinery	321,800,125	119,765,091	4,232,817	-	437,332,399	50,248,782	25,201,789	2,577,193	72,873,378	364,459,021	271,551,343
Office equipment	80,601,988	46,416,637	1,604,575	-	125,414,050	26,865,164	16,436,969	1,209,493	42,092,640	83,321,410	53,736,824
Furniture and fittings	69,063,013	41,989,661	2,617,018	-	108,435,656	34,270,001	15,046,848	2,356,155	46,960,694	61,474,962	34,793,012
Vehicles	80,268,657	13,894,877	2,561,903	-	91,601,631	26,362,194	8,470,434	1,738,067	33,094,561	58,507,070	53,906,463
Computers	40,380,989	21,673,547	2,576,494	-	59,478,042	19,892,435	7,884,084	2,377,829	25,398,690	34,079,352	20,488,554
Total (A)	1,333,379,100	660,468,152	19,273,655	143,578,921	2,118,152,518	230,152,246	109,818,141	13,913,031	326,057,356	1,792,095,162	1,103,226,854
Assets taken on finance lease											
Leasehold land **	140,234,680	107,552,109	-	-	247,786,789	8,203,952	857,180	(1,001,134)	10,062,266	237,724,523	132,030,728
Buildings *	-	225,463,072	-	-	225,463,072	-	680,837	-	680,837	224,782,235	-
Vehicles	88,821,151	21,734,841	-	-	110,555,992	5,341,199	8,025,541	-	13,366,740	97,189,252	83,479,952
Total (B)	229,055,831	354,750,022	-	-	583,805,853	13,545,151	9,563,558	(1,001,134)	24,109,843	559,696,010	215,510,680
Total (A+B)	1,562,434,931	1,015,218,174	19,273,655	143,578,921	2,701,958,371	243,697,397	119,381,699	12,911,897	350,167,199	2,351,791,172	1,318,737,534
Previous year	1,354,159,004	225,407,052	17,131,125	-	1,562,434,931	158,942,477	95,466,902	10,711,982	243,697,397	1,318,737,534	
Capital Work in Progress ^{^^}										315,704,904	249,424,380

* Additions to Building include loss on foreign exchange fluctuation Rs. 16,876,111 (previous year Rs. Nil).

^{^^} Capital Work in Progress include loss on foreign exchange fluctuation Rs. 8,705,615 (previous year Rs. Nil) and borrowing cost capitalised Rs. 13,376,648 (previous year Rs. Nil).

@ Freehold land amounting Rs. 20,702,102 and Capital work in progress amounting Rs. 122,876,819 transferred from Microbase Infosolution Private Limited pursuant to scheme of amalgamation as at 1 April 2011 (refer to note 31 for details)

Refer to note 31

[^] Included in capital work in progress of Microbase Infosolution Private Limited as at 31 March 2011.

** The gross block of leasehold land includes Rs. 76,086,192 (previous year Rs. 76,086,192) on account of revaluation of leasehold land belonging to erstwhile Blossom Automotive Private Limited which has been transferred to the Company on amalgamation with effect from 1 April 2008. Consequent to the same, there is an additional charge of depreciation of Rs. 1,001,034 (previous year Rs. 1,001,034) and an equivalent amount has been withdrawn from revaluation reserve. This has no impact on profit for the year.



Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

14. Intangible assets

Description	Gross block (at cost)				Accumulated depreciation				Net block	
	As at 1 April 2011	Additions during the year	Deletions/ adjust- ments during the year	As at 31 March 2012	As at 1 April 2011	For the year	Deletions / adjust- ments during the year	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011
Computers software	35,240,982	47,868,677	77,016	83,032,643	25,852,254	15,545,712	76,962	41,321,004	41,711,639	9,388,728
Technical know-how	10,938,554	-	-	10,938,554	10,938,554	-	-	10,938,554	-	-
Total	46,179,536	47,868,677	77,016	93,971,197	36,790,808	15,545,712	76,962	52,259,558	41,711,639	9,388,728
Previous year	42,595,409	3,584,127	-	46,179,536	29,472,073	7,318,735	-	36,790,808	9,388,728	

As at
31 March 2012 As at
31 March 2011

15. Non-current investments

Trade Investments (Valued at cost unless stated otherwise)

Investments in Subsidiaries (unquoted equity instruments)

Tecpro International FZE [Nil (previous year 2) equity share of AED 1,000,000 each fully paid up]	-	25,676,105
Microbase Infosolution Private Limited (refer to note 31) [Nil (previous year 10,200) equity shares of Rs.10 each fully paid up]	-	211,201,950
Tecpro Energy Limited [645,000 (previous year 645,000) equity shares of Rs.10 each fully paid up {at cost less provision for other than temporary diminution in value Rs. 6,450,000 (previous year Rs. 6,450,000)}]	-	-
Tecpro Systems (Singapore) Pte. Ltd. [2,006,700 (previous year 1,366,800) equity shares of 1 Singapore dollar each fully paid up]	69,010,284	43,885,529
Ajmer Waste Processing Company Private Limited [49,000 (previous year 49,000) equity shares of Rs.10 each fully paid up]	490,000	490,000
Tecpro Trema Limited [150,000 (previous year 150,000) equity shares of Rs.10 each fully paid up]	12,017,520	12,017,520
Bikaner Waste Processing Company Private Limited [78,500 (previous year 30,000) equity shares of Rs.10 each fully paid up]	785,000	300,000
Ambika Projects (India) Private Limited [1,500,000 (previous year Nil) equity shares of Rs.10 each fully paid up acquired during the year]	63,055,008	-
Eversun Energy Private Limited [260,000 (previous year Nil) equity shares of Rs.10 each fully paid up acquired during the year]	70,175,000	-
Total	215,532,812	293,571,104

Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

As at
31 March 2012 As at
31 March 2011

16. Current investments

Current investments (valued at the lower of cost and fair value, unless stated otherwise)

Investment in equity instrument-Quoted

Vijaya Bank	14,400	14,400
[600 (previous year 600) equity shares of Rs.10 each fully paid up]		

Investments in Government or Trust Securities-Unquoted

National Savings Certificate *	20,000	20,000
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Investments in Mutual funds - Quoted

a. Principal Growth Fund	313,206	313,206
[14,355.55 (previous year 14,355.55) units of face value Rs. 10 each]		
b. Principal Large Cap Fund	200,000	200,000
[19,559.90 (previous year 19,559.90) units of face value Rs. 10 each]		
c. Principal Dividend Yield Fund	71,740	71,740
[5,287.68 (previous year 5,287.68) units of face value Rs. 10 each]		
d. Principal Personal Tax Saver Fund	70,000	70,000
[470.06 (previous year 470.06) units of face value Rs. 100 each]		
e. Principal Emerging Blue Chip Fund	250,000	250,000
[19,361.16 (previous year 19,361.16) units of face value Rs. 10 each]		
f. Principal Debt Saving Fund (formerly Monthly Income Fund)	100,000	100,000
[9,884.45 (previous year 9,884.45) units of face value Rs. 10 each]		
g. SBI Premier Liquid Fund	-	75,000,000
[Nil (previous year 7,478,804) units of face value Rs. 10 each]		

Total	1,039,346	76,039,346
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* Pledged as security deposit with the Sales Tax Authorities.

Aggregate book value and market value of quoted investments and book value of unquoted investments:

Mutual funds

- Aggregate book value	1,004,946	76,004,946
- Aggregate net asset value	1,507,687	76,652,583

Quoted investments

- Aggregate book value	14,400	14,400
- Aggregate market value	35,040	47,610

Unquoted investments

- Aggregate book value	215,552,812	293,591,104
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17. Long-term loans and advances

(Unsecured)

Considered good:

Prepaid Expenses	37,238,262	76,078,499
Security deposits	26,724,915	26,531,883
Other loans and advances:		
Advances to vendors	404,152,929	120,364,355
	468,116,106	222,974,737

Considered doubtful:

Other loans and advances		
Security deposit	2,246,092	2,246,092
Less : Provision for doubtful advances	(2,246,092)	(2,246,092)
	468,116,106	222,974,737



Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	As at 31 March 2012	As at 31 March 2011
18. Short-term loans and advances (Unsecured, considered good)		
Security deposits	15,702,136	28,531,109
Others :		
Balances with statutory / government authorities	311,752,481	332,617,254
Prepaid expenses	329,156,296	295,076,922
Share application money pending allotment (related parties)*	2,113	485,751
Advances to vendors [^]	1,105,400,261	465,154,003
Advances to employees	16,896,222	11,678,175
Loans/advances to subsidiaries**	179,806,981	168,351,426
Others	21,859,270	17,809,707
	<u>1,980,575,760</u>	<u>1,319,704,347</u>

* Share application money aggregating to Rs. 2,113 (previous year Rs. 751) relates to application made for equity shares in Tecpro Systems (Singapore) Pte. Ltd., Rs. Nil (previous year Rs. 485,000) relates to application made for equity shares in Bikaner Waste Processing Company Private Limited.

[^] includes advances to related parties amounting to Rs. 138,000,000 (previous year Rs. Nil)

** Loans and advances in the nature of loans given to subsidiaries

	As at		Maximum amount outstanding during	
	31 March 2012	31 March 2011	2011-2012	2010-2011
Ajmer Waste Processing Company Private Limited	34,705,363	20,916,712	34,705,363	20,916,712
Bikaner Waste Processing Company Private Limited	6,429,186	5,718,098	6,429,186	5,718,098
Tecpro International FZE	-	261,816	261,816	261,816
Microbase Infosolution Private Limited (also refer to note 31)	-	141,454,800	-	141,454,800
Ambika Projects (India) Private Limited	90,470,071	-	90,470,071	-
Eversun Energy Private Limited	33,068,000	-	33,178,500	-
Tecpro Trema Limited	15,134,361	-	15,134,361	-

19. Other non-current assets

	As at 31 March 2012	As at 31 March 2011
Others :		
Claims and other receivables	38,527,689	53,561,286
Unbilled revenue on contracts in progress*	1,142,347,193	375,293,748
Advance to capital creditors	11,027,924	34,324,562
Non current bank balances (refer to note 23)	150,660,189	806,374,851
	<u>1,342,562,995</u>	<u>1,269,554,447</u>

* on account of proportionate retention money

20. Other current assets

Unbilled revenue on contracts in progress	6,515,388,521	3,181,517,501
Interest accrued on deposits and others	18,614,442	13,876,876
	<u>6,534,002,963</u>	<u>3,195,394,377</u>

Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

As at As at
31 March 2012 31 March 2011

21. Inventories *

Raw materials	902,757,682	793,172,365
Goods purchased for resale - project supplies [includes in transit Rs. 37,710,001 (previous year Rs. 20,134,717)]	711,304,101	179,938,718
Finished goods [includes in transit Rs. 36,436,028 (previous year Rs. 40,167,260)]	36,436,028	40,167,260
Work in progress	661,958,408	385,660,245
	<u>2,312,456,219</u>	<u>1,398,938,588</u>

* valued at the lower of cost and net realisable value.

Additional disclosures regarding inventories

Raw materials

Iron and steel	535,834,293	463,789,205
Others (individual items less than 10% of closing stock of raw material)	366,923,389	329,383,160
	<u>902,757,682</u>	<u>793,172,365</u>

Good purchased for resale - project supplies

Iron and steel	183,627,542	88,085,000
Structures (including structure components)	128,414,900	10,019,000
Others (individual items less than 10% of closing stock of goods purchased for resale - project supplies)	399,261,659	81,834,718
	<u>711,304,101</u>	<u>179,938,718</u>

Work-in-progress

Pulleys	153,037,225	98,337,885
Frames	103,137,130	25,637,112
Structures (including structure components)	93,818,577	27,376,503
Others (individual items less than 10% of closing stock of work-in-progress)	311,965,476	234,308,745
	<u>661,958,408</u>	<u>385,660,245</u>

22. Trade receivables

Unsecured, considered good unless otherwise stated

	Non current #		Current	
	As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	4,901,537,883	3,655,016,395	8,031,460,603	3,288,523,123
Considered doubtful	-	-	210,414,659	158,604,421
	<u>4,901,537,883</u>	<u>3,655,016,395</u>	<u>8,241,875,262</u>	<u>3,447,127,544</u>
Less: Provision for doubtful debts	-	-	(210,414,659)	(158,604,421)
(A)	<u>4,901,537,883</u>	<u>3,655,016,395</u>	<u>8,031,460,603</u>	<u>3,288,523,123</u>
Other receivables				
Unsecured, considered good	1,899,099,402	1,696,747,021	8,486,416,394	8,420,721,559
Considered doubtful	-	-	-	-
	<u>1,899,099,402</u>	<u>1,696,747,021</u>	<u>8,486,416,394</u>	<u>8,420,721,559</u>
Less: Provision for doubtful debts	-	-	-	-
(B)	<u>1,899,099,402</u>	<u>1,696,747,021</u>	<u>8,486,416,394</u>	<u>8,420,721,559</u>
Total	(A+B) 6,800,637,285	5,351,763,416	16,517,876,997	11,709,244,682

Non current portion of trade receivables is on account of retention money



Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	Non-current		Current	
	As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
23. Cash and bank balances				
Cash and cash equivalents				
Balances with banks:				
- Current accounts	-	-	667,218,460	1,643,057,992
Cash on hand	-	-	1,271,684	1,264,604
Fixed deposits with banks with maturity period less than 3 months	-	-	415,062,916	274,385
	-	-	1,083,553,060	1,644,596,981
Other bank balances				
Fixed deposits with banks with maturity period more than 12 months	-	-	4,724,383	3,869,965
Fixed deposits with banks with maturity period more than 3 months but upto 12 months [^]	-	-	351,210,542	2,452,077
Margin money accounts *	150,660,189	806,374,851	845,552,688	534,282,612
	150,660,189	806,374,851	1,201,487,613	540,604,654
Amount disclosed under non-current assets (refer to note 19)	(150,660,189)	(806,374,851)	-	-
	-	-	2,285,040,673	2,185,201,635

[^] fixed deposits under lien marked in favour of the bank for credit limits, which are not available for use by the Company.

* fixed deposits held as margin money against guarantee issued by the bank on behalf of the Company and are not available for use by the Company.

24. Revenue from operations

	For the year ended 31 March 2012	For the year ended 31 March 2011
Sale of products	6,930,229,097	7,789,999,305
Contract revenue	17,763,077,580	10,817,804,433
Sale of services	822,309,314	1,278,615,455
Other operating revenue		
- Sale of scrap	29,577,790	12,750,778
- Provisions no longer required, written back	16,599,899	12,086,160
Revenue from operations (gross)	25,561,793,680	19,911,256,131
Less: Excise duty	265,175,387	202,073,104
Revenue from operations (net)	25,296,618,293	19,709,183,027
Break up of contract revenue and sale of products (excluding excise duty recovered)		
Idlers	584,001,663	573,810,410
Pulley	485,786,631	259,942,721
Structure *	723,222,681	688,535,830
Crusher	81,923,300	143,915,808
Crusher components	55,327,226	37,685,194
Conveyor systems	626,044	12,775,264
Conveyor components	978,469,112	162,227,599
Feeder	53,970,089	59,778,924
Feeder components	3,300,868	22,702,121
Screen	96,379,500	130,637,997
Screen components	584,055,699	44,139,369
Components for ash handling systems	3,560,454,958	2,696,616,216

Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	For the year ended 31 March 2012	For the year ended 31 March 2011
24. Revenue from operations (Contd..)		
Other project supplies [^]	13,040,883,828	11,885,940,603
Accrual/(reversal) based on percentage of completion method for contract revenue	<u>4,179,729,691</u>	<u>1,687,022,578</u>
	<u><u>24,428,131,290</u></u>	<u><u>18,405,730,634</u></u>

* Structure includes structure components also.

[^] As the individual items within other project supplies account for less than 10% of the total value of sales turnover, these have not been shown as separate and distinct items in the breakup.

Break up of sale of services

Drawing and designing	737,312,706	871,006,427
Erection and commissioning	14,521,895	369,012,479
Other services	<u>70,474,713</u>	<u>38,596,549</u>
	<u><u>822,309,314</u></u>	<u><u>1,278,615,455</u></u>

25. Other income

Interest income		
- From fixed deposits	87,692,270	93,806,252
- From others	18,762,479	27,312,772
Dividend income	114,360	776,369
Exchange gain (net)	-	2,463,136
Miscellaneous income	<u>9,035,258</u>	<u>22,730,699</u>
	<u><u>115,604,367</u></u>	<u><u>147,089,228</u></u>

26. Cost of raw material consumed

Opening stock of raw material	793,172,365	588,001,239	
Add: purchases during the year	12,813,258,387	7,235,828,447	
Less: closing stock of raw material	<u>902,757,682</u>	<u>793,172,365</u>	<u>7,030,657,321</u>
	<u><u>12,703,673,070</u></u>		<u><u>7,030,657,321</u></u>

Imported and indigenous raw material and components consumed

	For the year ended 31 March 2012		For the year ended 31 March 2011	
	Value	% of total consumption	Value	% of total consumption
Raw material and components				
- Imported	465,600,796	4	289,662,463	4
- Indigenous	<u>12,238,072,274</u>	<u>96</u>	<u>6,740,994,858</u>	<u>96</u>
	<u><u>12,703,673,070</u></u>	<u><u>100</u></u>	<u><u>7,030,657,321</u></u>	<u><u>100</u></u>

Details of raw materials and components consumed

Iron and steel	5,863,278,197	3,062,267,031
Others*	<u>6,840,394,873</u>	<u>3,968,390,290</u>
	<u><u>12,703,673,070</u></u>	<u><u>7,030,657,321</u></u>

Includes raw materials consumed by fabricators appointed by the Company.

* As the raw material grouped as 'Others' include the items that individually account for less than 10% of the total value of raw material consumption, these have not been shown as separate and distinct items in the breakup.



Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

27. Changes in inventory of finished goods, work in progress and stock in trade - project supplies

	For the year ended 31 March 2012		For the year ended 31 March 2011	
Stock at the end of the year				
Finished goods	36,436,028		40,167,260	
Work in progress	661,958,408		385,660,245	
Stock in trade (purchased for resale) - project supplies	<u>711,304,101</u>	<u>1,409,698,537</u>	<u>179,938,717</u>	<u>605,766,222</u>
Stock at the beginning of the year				
Finished goods	40,167,260		31,015,000	
Work in progress	385,660,245		368,338,342	
Stock in trade (purchased for resale) - project supplies	<u>179,938,717</u>	<u>605,766,222</u>	<u>74,102,613</u>	<u>473,455,955</u>
(Increase) / decrease in inventory		<u><u>(803,932,315)</u></u>		<u><u>(132,310,267)</u></u>
Details of purchase of finished goods for projects supplies dealt with by the Company				
Components for Ash Handling Systems	821,387,263		657,761,820	
Waste heat recovery systems	564,449,196		-	
Purchased for project supplies- others *	<u>1,943,870,592</u>		<u>2,225,019,588</u>	
	<u><u>3,329,707,051</u></u>		<u><u>2,882,781,408</u></u>	

* As the goods purchased for projects supplies-others at an item level account for less than 10% of the total value of purchases, these have not been shown as separate and distinct items in the breakup.

28. Employee benefit expenses

Salaries, wages and bonus	1,073,112,425	826,434,844
Contribution to provident and other funds	73,058,220	48,114,345
Gratuity (refer to note 42)	22,471,147	9,576,576
Staff welfare	<u>40,413,064</u>	<u>28,951,461</u>
	<u><u>1,209,054,856</u></u>	<u><u>913,077,226</u></u>

Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	For the year ended 31 March 2012	For the year ended 31 March 2011
29. Other expenses		
Excise duty expense	281,083,297	211,666,465
Less: Excise duty recovered	<u>265,175,387</u>	<u>202,073,104</u>
Drawing and design charges	31,878,133	14,883,960
Fabrication and other site related expenses	2,636,863,476	4,041,804,827
Freight and forwarding	698,744,592	401,852,792
Equipment charges	303,799,319	232,723,530
Travel and conveyance	139,174,412	115,011,314
Rent	54,261,719	53,176,109
Power fuel and electricity	54,547,484	31,865,892
Communication	28,431,391	21,936,765
Advertising and marketing	17,778,294	13,300,539
Sales commission	100,840,569	276,670,942
Printing and stationery	17,845,011	14,664,778
Rates and taxes	78,698,590	46,978,350
Legal and professional	292,328,912	200,890,790
Exchange loss (net)	30,841,818	-
Loss on sale / disposal of fixed assets	2,110,218	3,131,402
Repairs and maintenance		
-plant and machinery	6,159,792	3,265,574
-buildings	37,917,639	19,409,161
-others	40,922,284	30,110,426
Investment written off during the year	25,676,105	-
Claims receivables written off	19,252,133	-
Provision for bad and doubtful debts	141,810,238	90,000,000
Bad debts written off	53,252,412	33,703,375
Provision for bad and doubtful debts	90,000,000	109,097
Less: bad debts written off during the year against opening provision	<u>(90,000,000)</u>	<u>(109,097)</u>
Insurance	44,171,689	24,680,468
Miscellaneous expenses	51,274,518	48,457,105
	<u>4,924,488,658</u>	<u>5,728,111,460</u>
Disclosures regarding payment to auditors (excluding service tax)		
Statutory audit fee	8,700,000	7,500,000
Tax audit fee *	700,000	700,000
Audit reports issued in connection with public issue #	-	1,837,993
Other matters ^	697,540	360,750
Out of pocket expenses	399,076	422,118
	<u>10,496,616</u>	<u>10,820,861</u>

* Represents amount payable to other than Statutory auditor.

^ includes Rs. Nil (previous year Rs. 105,000) amount paid to other than statutory auditor.

adjusted against share premium account.

30. Finance costs

Interest expense on:		
- long term loan	97,188,470	106,826,515
- short term loan	488,888,080	188,900,149
- others	1,034,731,196	630,007,326
Bank charges	323,041,028	305,234,001
Exchange difference to the extent considered as an adjustment to borrowing costs	23,950,274	-
	<u>1,967,799,048</u>	<u>1,230,967,991</u>



Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

31. Amalgamation

a) **Background and nature of business**

The Hon'ble High Court of Delhi approved the Scheme of Amalgamation of Company's wholly owned subsidiary Microbase Infosolution Private Limited (Amalgamating Company or Microbase) with Tecpro Systems Limited ("Amalgamated Company or Company or TSL") vide its order dated 17 October 2011. The order of Hon'ble High Court of Delhi was duly filed with the Registrar of Companies and the Scheme of Amalgamation became effective on 24 December 2011. Prior to amalgamation Microbase was not carrying out any major activity.

b) **Salient features of the Scheme**

The salient features of the Scheme of Amalgamation of Microbase with the Company are as follows:

- (i) The Appointed Date for the amalgamation is 1 April 2011.
- (ii) On and from the Appointed Date, authorized share capital of the Amalgamating Company has been merged with those of the Amalgamated Company.
- (iii) With effect from the Appointed Date and upon this Scheme becoming effective, all the assets and liabilities and the entire business of the Amalgamating Company shall stand transferred to and vest in the Amalgamated Company, as a going concern, without any further act or deed, as per the provisions contained herein.
- (iv) All suits, claims, actions and proceedings by or against the Amalgamating Company, pending and /or arising on or before the effective date shall be continued and be enforced by or against the Amalgamated Company as effectually as the same had been instituted by or pending against the Amalgamated Company.
- (v) Upon the Scheme becoming effective, any loan or other obligation due between or amongst the Amalgamating Company and the Amalgamated Company, if any, shall stand discharged and there shall be no liability in that behalf.

c) **Consideration**

Amalgamating Company (Microbase Infosolution Private Limited) was a wholly owned subsidiary of Amalgamated Company. On the Appointed Date, the entire equity share capital of the Amalgamating Company was held by the Amalgamated Company. On amalgamation of the Amalgamating Company with the Amalgamated Company, the share capital of the Amalgamating Company will be extinguished since all the shares of the Amalgamating Company are held by the Amalgamated Company. Since the Amalgamating Company was a wholly owned subsidiary of the Amalgamated Company, no share will be issued by the Amalgamated Company to the shareholders of the Amalgamating Company as a result of the amalgamation.

d) **Accounting treatment**

The Company has accounted for the merger in its books as per the Pooling of Interest Method of Accounting prescribed under the Accounting Standard 14 – "Accounting for Amalgamation".

- (i) All the assets and liabilities recorded in the books of Microbase Infosolution Private Limited as at appointed date have been transferred to and vested in the Company pursuant to the Scheme and have been recorded by the Company at their book values as appearing in the books of Microbase Infosolution Private Limited (details given below):

Particulars	Amount in Rs.
Assets	
Capital work in progress (including capital advances)	122,976,819
Land	20,702,102
Trade receivables	52,500
Security deposit	270,929
Cash	25,659
Bank balances	44,740
Total assets	144,072,749
Liabilities	
Current liabilities	2,506,788
Unsecured loans	141,454,800
Provision for taxation	1,164
Total liabilities	143,962,752

- (ii) On and from the Appointed Date, the reserves and the balance in the Profit and Loss Account of Microbase Infosolution Private Limited have been merged with those of the Company in the same form as they appear in the financial statements of Microbase Infosolution Private Limited.

Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

- (iii) In relation to the scheme of amalgamation, the difference between the amount recorded as investments in the Company and the amount of share capital of Microbase Infosolution Private Limited, on amalgamation, has been adjusted in the reserves in the books of the Company.

e) Computation of amount adjusted in General Reserve pursuant to Scheme of Amalgamation:

Particulars		Amount
Share capital of amalgamating company	A	102,000
Investment in books of Tecpro Systems Limited	B	211,201,950
Adjustment in general reserve	B-A	211,099,950

32. Pursuant to the approval of the shareholders of the Company granted in their Extra-ordinary General Meeting held on 25 March 2010, the Company came out with an Initial Public Offer ("IPO") of 7,550,000 equity shares of Rs. 10 each at a premium of Rs. 345 per share including Offer for Sale of 1,300,000 equity shares by Metmin Investments Holdings Limited and made allotment of 6,250,000 equity shares on 8 October 2010. The allotment of 6,250,000 equity shares included allotment of 66,945 equity shares of Rs. 10 each at a premium of Rs. 328 per share to employees. The issue has been made in accordance with the terms of the Company's prospectus dated 17 August 2010 and the shares of the Company got listed on The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited on 12 October 2010.

A Details of the proceeds raised in the IPO	Shares offered	Amount
Fresh issue by the Company	6,183,055	2,194,984,525
Fresh issue to employees by Company	66,945	22,627,410
	6,250,000	2,217,611,935
Amount raised in Offer for Sale	1,300,000	461,500,000
Total	7,550,000	2,679,111,935
Share capital		62,500,000
Share premium		2,155,111,935
Total		2,217,611,935
B Net proceeds from IPO available for utilization		
Total amount raised through fresh issue		2,217,611,935
Less: Issue expenses met by the Company		141,172,454
Total		2,076,439,481
C Utilization of the net proceeds from IPO		
Working Capital		2,076,439,481
Total		2,076,439,481

Share issue expenses incurred during the financial year ended 31 March 2011 amounting to Rs. 141,172,454 (previous year Rs. 3,666,987) pertain to expenses incurred in connection with the public issue of equity shares of the Company. In accordance with the provisions of Section 78 of the Companies Act, 1956, these expenses were charged off against the available balance in the 'Securities premium reserve' account.

33. The gross block of leasehold land includes Rs. 76,086,192 (previous year Rs. 76,086,192) on account of revaluation of leasehold land belonging to erstwhile Blossom Automotive Private Limited which has been transferred to the Company on amalgamation with effect from 1 April 2008. Consequent to the same, there is an additional charge of depreciation of Rs. 1,001,034 (previous year Rs.1,001,034) and an equivalent amount has been withdrawn from revaluation reserve. This has no impact on profit for the year.

(All amounts are in Rupees)

	Year ended 31 March 2012	Year ended 31 March 2011
34. CIF value of imports		
Raw material and components	453,621,527	202,202,070
Capital goods	21,202,732	22,225,632
	474,824,259	224,427,702
35. Earnings in foreign currency (accrual basis)		
FOB value of exports	448,639,860	183,217,410
Drawing and designing	21,241,775	6,863,697
	469,881,635	190,081,107



Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	Year ended 31 March 2012	Year ended 31 March 2011
36. Expenditure in foreign currency (accrual basis)		
Travel	7,902,206	5,203,770
Royalty	3,811,856	4,535,339
Professional fees	13,709,296	7,716,919
Commission	9,481,555	16,715,239
Drawing and designing charges	12,808,769	-
Others	10,639,061	1,170,599
	<u>58,352,743</u>	<u>35,341,866</u>
37. Net dividend remitted in foreign currency		
Period to which dividend relates to	2010-11	2009-10
Number of non-resident shareholders (Nos.)	2	4
Number of equity shares held on which dividend was due (Nos.)	5,944,881	15,064,034
Amount remitted USD 386,869 (Previous year USD 1,014,944)	17,834,643	45,192,102
	<u>As at</u>	<u>As at</u>
38. Contingent liabilities and commitments (to the extent not provided for)	31 March 2012	31 March 2011
(i) Claims against the company not acknowledged as debt :		
Sales tax matters	81,602,639	83,197,573
(ii) Claims against the company not acknowledged as debt :		
Entry tax matters	20,408,275	29,397,049
(iii) Claims against the company not acknowledged as debt :		
Income tax matters	-	346,677
(iv) Claims against the company not acknowledged as debt :		
Labour matters	-	1,200,000
(v) Claims against the company not acknowledged as debt :		
Service tax matters	6,536,536	8,976,817
(vi) Demand for additional price/ enhancement cost in respect of factory plots situated in Bawal *	9,207,821	8,528,672
(vii) Sales tax liability against pending forms	2,102,176,396	1,685,549,342
*The factory plots belonging to the Company, situated at Bawal were allotted by the Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDCL) in favour of the Company through Regular Letters of Allotment (RLA) letter dated 23 January 2004 and 9 July 2004.		
The Company has received notices dated 4 December 2007 and 29 December 2007 from HSIIDCL for additional price/ enhancement cost amounting to Rs. 9,207,821 {including interest} (previous year Rs. 8,528,672 {including interest}), in respect of factory plots situated in Bawal. The Company has filed a writ petition in the Punjab and Haryana High Court on 8 January 2008 and has obtained a stay order on 9 January 2008. This matter is under adjudication. Pursuant to above, Rs. 9,207,821 (previous year Rs.8,528,672) has been disclosed as 'Contingent liability' in the notes to the accounts.		
38A. Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances of Rs. 11,027,924 (previous year Rs. 34,324,562)] are Rs. 379,260,473 (previous year Rs. 192,827,193).		
39. On March 6, 2012, search proceedings under Section 132 of the Income Tax Act, 1961 ("the Act") were undertaken in respect of the Company. The search proceedings were effectively concluded vide last Panchnama drawn on May 03, 2012. At this stage, no tax demand has been determined pursuant to the present search proceedings.		
40. Disclosures pursuant to Accounting Standard (AS)-7 "Construction Contracts" (Revised) are given below :-		
Contract revenue recognised for the year	17,763,077,580	10,817,804,433
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) upto the Balance sheet date for all contracts in progress as at that date.	30,147,766,447	20,625,293,232
Amount of customer advances outstanding for contracts in progress as at Balance sheet date	3,132,181,987	2,990,531,697
Retention amounts due from customers for contracts in progress	3,769,966,376	2,054,480,421
Gross amount due from customers for contract work	8,101,193,351	3,554,317,249
Gross amount due to customers for contract work	506,189,376	120,481,589

Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

41. Earnings per equity share (EPS)

	For the year ended 31 March 2012	For the year ended 31 March 2011
Net profit after tax as per Statement of Profit and Loss	1,249,299,357	1,362,239,320
Number of equity shares of Rs.10 each at the beginning of the year	50,473,791	44,223,791
Weighted average number of equity shares issued during the year	-	2,996,575
Weighted average number of equity shares of Rs. 10 each outstanding during the year	50,473,791	47,220,366
Weighted average number of equity shares of Rs.10 each at the end of the year for calculation of basic and diluted EPS	50,473,791	47,220,366
Basic and diluted earnings per share (in Rs.) (Per share of Rs 10 each)	24.75	28.85

42. Disclosure in respect of employee benefits under Accounting Standard (AS) – 15 (Revised) "Employee Benefits" prescribed by the Companies (Accounting Standards) Rules, 2006.

(a) Defined Contribution Plans: Amount of Rs. 73,058,220 (previous year Rs. 48,114,345) pertaining to employers' contribution to Provident Fund, Employees State Insurance fund and Superannuation Fund is recognised as an expense and included in "Employee benefit expenses" in note 28.

(b) Defined benefit plan: The disclosures for gratuity cost is given below:

(i) The changes in the present value of obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	As at 31 March 2012	As at 31 March 2011
Present value of obligation at the beginning of the year	36,420,699	26,445,762
Interest cost	2,890,245	2,118,034
Past service cost	(1,696,868)	-
Currents service cost	13,380,214	8,887,280
Benefits paid	(1,478,089)	(1,086,536)
Actuarial (gain)/loss on obligation	10,378,527	56,159
Present value of obligation at the end of the year	59,894,728	36,420,699

(ii) The changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	As at 31 March 2012	As at 31 March 2011
Fair value of plan assets at the beginning of the year	26,753,748	14,943,830
Expected return on plan assets	2,460,508	1,472,671
Contributions	8,676,176	11,050,990
Benefits paid	(585,250)	(725,969)
Actuarial gain/(loss) on plan assets	20,463	12,226
Fair value of plan assets at the end of the year	37,325,645	26,753,748

(iii) Actuarial gain/ loss recognised are as follows:

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Actuarial loss for the year - obligation	(10,378,527)	(56,159)
Actuarial gain for the year - plan assets	20,463	12,226
Total loss for the year	(10,358,064)	(43,933)
Actuarial loss recognised in the year	(10,358,064)	(43,933)
Unrecognized actuarial gains (losses) at the end of year	-	-

(iv) The amounts recognised in Balance Sheet are as follows:

Particulars	As at 31 March 2012	As at 31 March 2011
Present value of obligation as at the end of the year	59,894,728	36,420,699
Fair value of plan assets as at the end of the year	37,325,645	26,753,748
Funded/(unfunded) status	(22,569,083)	(9,666,951)
Excess of actual over estimated	20,463	12,226
Net assets/(liability) recognized in balance sheet	(22,569,083)	(9,666,951)



Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

(v) The amounts recognised in Profit and Loss Account are as follows:

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Current service cost	13,380,214	8,887,280
Past service cost	(1,696,868)	-
Interest cost	2,890,245	2,118,034
Expected return on plan assets	(2,460,508)	(1,472,671)
Net actuarial (gain)/loss recognized in the year	10,358,064	43,933
Expenses recognised in the statement of profit and losses	22,471,147	9,576,576

(vi) Principal actuarial assumptions at the balance sheet date are as follows:

A. Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Discount rate	8.00%	8.00%
Expected rate of return on plan assets	9.30%	9.25%
Salary growth rate	7.00%	7.00%

B. Demographic assumptions

Particulars	60 Years LIC (1994-96) duly modified	60 Years LIC (1994-96) duly modified
Retirement Age		
Mortality table		
Withdrawal Rates - Ages		
Upto 30 Years	3%	3%
Upto 44 Years	2%	2%
Above 44 Years	1%	1%

(vii) General description of gratuity plan:

Gratuity Plan (Defined benefit plan)

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefits vests after five years of continuous service. The Company has set a limit of Rs. 1,000,000 (previous year Rs.1,000,000) per employee.

(viii) Experience adjustment on actuarial gain / (loss) for projected benefit obligation and plan assets.

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010	For the year ended 31 March 2009
On plan projected benefit obligation	(10,378,527)	(56,159)	(1,194,262)	(1,188,565)
On plan assets	31,571	12,226	(101,308)	16,817

43. Disclosure in respect of operating leases under Accounting Standard (AS) – 19 "Leases" prescribed by the Companies (Accounting Standards) Rules, 2006.

a) General description of the Company's operating lease arrangements:

The Company enters into operating lease arrangements for leasing area offices, factory building, equipments and residential premises for its employees.

Some of the significant terms and conditions of the arrangements are:

- agreements for most of the premises may generally be terminated by the lessee or either party by serving one to six month's notice or by paying the notice period rent in lieu thereof.
- the lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement.
- the Company shall not sublet, assign or part with the possession of the premises without prior written consent of the lessor.

b) Lease rent charged to the Statement of Profit and Loss on account of minimum lease rentals Rs. 338,284,407 (previous year Rs. 258,558,707).

Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

- c) Company also enters into non-cancellable operating leases, the total of future minimum lease payments under non-cancellable operating leases is given below :

	As at 31 March 2012	As at 31 March 2011
Payable not later than one year	10,913,283	12,312,873
Payable later than one year and not later than five years	19,792,434	27,332,087
Payable later than five years	-	3,665,970
Total	30,705,717	43,310,930

44. The schedule of provisions as required to be disclosed in compliance with Accounting Standard 29, "Provisions, Contingent Liabilities and Contingent Assets" is as under:

Provision relating to	Opening balance as at 1 April 2011	Created during the year	Write back during the year	Closing balance as at 31 March 2012
Estimated losses on incomplete contracts	5,414,000	-	137,000	5,277,000
	(11,398,000)	(-)	(5,984,000)	(5,414,000)

Provision for estimated losses on incomplete contracts relates to provision made for expected losses wherein, the total cost of the incompleting construction contract, based on the technical and other estimates, is expected to exceed the corresponding contract value. Accordingly, such excess is provided during the year.

Figures in bracket refer to previous year 31 March 2011.

45. **Segment reporting**

The Segment reporting policy is in conformity with Accounting Standard-17 on "Segment Reporting", prescribed by the Companies (Accounting Standards) Rules, 2006. The risk-return profile of the Company's business is determined predominantly by the nature of their products and services. Accordingly, the following primary segmentation is based on the business in which the Company operate.

Primary segment (Business segment)

A Material handling systems

This segment is primarily engaged in manufacturing, supply, erection and commissioning of material handling systems (including balance of plant), viz:

- Supply of conveyor belt, slat conveyors, bucket elevators;
- Manufacture and / or supply of crushers, screens, conveyor components like idlers and pulleys (rollers);
- Fabricated steel structures;
- Providing the services of design, engineering, procurement, construction and maintenance for air and gas pollution control systems attached to the industrial plants;
- Manufacture of ash handling equipments and undertakes turnkey projects for ash handling system;
- Erection and commissioning of all of above.

B Setting up of complete power plant on Engineering, Procurement and Construction (EPC) basis

This segment is primarily engaged in purchasing, selling, producing, trading, manufacturing or otherwise dealing in all aspects of research, design, engineering, installation, commissioning, construction, operation and maintenance of power generation plants and power systems.

Secondary segment (Geographical segment)

The businesses are organized into two key geographic segments (reportable secondary segment) i.e. domestic and exports. Revenues are attributable to individual geographic segments based on the location of the customer within India (domestic) and outside India (exports).

The following specific accounting policies have been followed for segment reporting :-

- Segment revenue includes sales of manufactured goods, sales of traded goods, service income, contract revenue and other income directly identifiable to the segment. Segment results and capital employed includes amounts directly identifiable to each of the segments and which can be allocated on reasonable basis. Unallocable income includes interest income and other income that are not identifiable to the segments. Unallocable expenditure includes corporate expenditure which is not identifiable to any of the segments.
- Unallocable capital employed includes assets and liabilities which are not specifically allocable to individual segments.
- Segment assets and segment liabilities include those directly identifiable with the respective segments. Unallocated assets include cash and bank, loans and advances to subsidiaries, accrued interest on fixed deposit, share application money pending allotment, deferred tax assets, advance for share purchase and investments. Unallocated liabilities include secured loans, unsecured loans, bank overdraft, interest accrued but not due, provision for proposed dividend and income tax liabilities.



Notes to financial statements for the year ended 31 March 2012

Segment reporting for the year ended 31 March 2012

A Primary segment (Business Segment)

(All amounts are in Rupees)

	Material handling system	Setting up of power plant on EPC basis	Inter segment elimination	Total for the year ended 31 March 2012
Revenue				
External sales (net)	25,296,618,293	-	-	25,296,618,293
Inter segment sales	-	-	-	-
Total	25,296,618,293	-	-	25,296,618,293
Results				
Segment results profit / (loss) (before interest and taxes)	3,454,671,366	-	-	3,454,671,366
Unallocable other income (excluding interest income)				9,149,618
Interest income				106,454,749
Interest expenses				(1,620,807,746)
Charity and donation				(2,963,106)
Profit before taxes				1,946,504,881
Income taxes				
- Current tax				670,269,376
- Deferred tax				26,936,148
- Fringe benefit tax				-
Profit after taxation				1,249,299,357
Other Information				
Segment assets	37,696,599,659	93,125,123	-	37,789,724,782
Unallocated assets				3,377,324,089
Total assets				41,167,048,871
Liabilities				
Segment liabilities	19,532,652,379	3,095,781	-	19,535,748,160
Unallocated liabilities				13,986,591,516
Share capital (including reserves and surplus)				7,644,709,195
Total liabilities				41,167,048,871
Other Information				
Capital expenditure	994,463,630	-	-	994,463,630
Depreciation and amortisation	134,927,411	-	-	134,927,411
Non-cash expenses other than depreciation and amortisation included in segment expenses	222,848,973	-	-	222,848,973

B Secondary segment (Geographical segment)

	Domestic	Export	Total for the year ended 31 March 2012
Revenue	24,828,878,600	467,739,693	25,296,618,293
Sundry debtors	22,945,236,933	373,277,349	23,318,514,282
Capital expenditure	994,463,630	-	994,463,630

Notes to financial statements for the year ended 31 March 2012

Segment reporting for the year ended 31 March 2011

A Primary segment (Business Segment)

(All amounts are in Rupees)

	Material handling system	Setting up of power plant on EPC basis	Inter segment elimination	Total for the year ended 31 March 2011
Revenue				
External sales (net)	19,709,183,027	-	-	19,709,183,027
Inter segment sales	-	-	-	-
Total	19,709,183,027	-	-	19,709,183,027
Results				
Segment results profit / (loss) (before interest and taxes)	2,878,846,347	-	-	2,878,846,347
Unallocable other income (excluding interest income)				28,933,203
Interest income				121,119,024
Interest expenses				(925,733,990)
Charity and donation				(2,963,106)
Diminution in value of investment				-
Profit before taxes				2,100,201,479
Income taxes				752,152,328
- Current tax				(13,886,543)
- Deferred tax				(303,626)
- Fringe benefit tax				
Profit after taxation				1,362,239,320
Other Information				
Segment assets	24,956,014,806	100,021,527	-	25,056,036,333
Unallocated assets				3,569,698,893
Total assets				28,625,735,226
Liabilities				
Segment liabilities	13,870,552,192	3,185,781	-	13,873,737,973
Unallocated liabilities				7,968,508,623
Share capital (including reserves and surplus)				6,783,488,630
Total liabilities				28,625,735,226
Other Information				
Capital expenditure	389,138,476	-	-	389,138,476
Depreciation and amortisation	102,785,637	-	-	102,785,637
Non-cash expenses other than depreciation and amortisation included in segment expenses	126,834,777	-	-	126,834,777

B Secondary segment (Geographical segment)

	Domestic	Export	Total for the year ended 31 March 2011
Revenue	19,510,763,543	198,419,484	19,709,183,027
Sundry debtors	16,888,920,367	172,087,731	17,061,008,098
Capital expenditure	389,138,476	-	389,138,476



Notes to financial statements for the year ended 31 March 2012

46. Related party disclosures

a) Related party and nature of relationship where control exists.

Subsidiary	Tecpro Energy Limited Tecpro International FZE (up to 11 January 2012) Tecpro Trema Limited Ajmer Waste Processing Company Private Limited Tecpro Systems (Singapore) Pte. Ltd. Bikaner Waste Processing Company Private Limited Microbase Infosolution Private Limited (w.e.f 15 April 2010 and up to 31 March 2011) Ambika Projects (India) Private Limited (w.e.f 19 August 2011) Eversun Energy Private Limited (w.e.f 24 February 2012) PT. Tecpro Systems Indonesia (w.e.f 6 January 2012)
Key management personnel	Ajay Kumar Bishnoi Amul Gabrani Goldie Gabrani (upto 9 November 2010) Arvind Kumar Bishnoi Aditya Gabrani (w.e.f. 10 November 2010) Amar Banerjee (w.e.f. 2 April 2010)

Related party and nature of the related party relationship with whom transactions have taken place during the year

Subsidiaries	Tecpro Energy Limited Tecpro International FZE (up to 11 January 2012) Tecpro Trema Limited Ajmer Waste Processing Company Private Limited Tecpro Systems (Singapore) Pte. Ltd. Bikaner Waste Processing Company Private Limited Microbase Infosolution Private Limited (w.e.f 15 April 2010 and up to 31 March 2011) Ambika Projects (India) Private Limited (w.e.f 19 August 2011) Eversun Energy Private Limited (w.e.f 24 February 2012)
Key management personnel	Ajay Kumar Bishnoi Amul Gabrani Goldie Gabrani (upto 9 November 2010) Arvind Kumar Bishnoi Aditya Gabrani (w.e.f. 10 November 2010) Amar Banerjee (w.e.f. 2 April 2010)
Relatives of key management personnel	Bhagwanti Gabrani Manju Bishnoi Rashmi Singh Amita Bishnoi
Enterprises over which key management personnel exercise significant influence	Tecpro Energy Limited* Tecpro Trema Limited * Tecpro International FZE (up to 11 January 2012)* Tecpro Systems (Singapore) Pte. Ltd.* Microbase Infosolution Private Limited (w.e.f 15 April 2010 and up to 31 March 2011)* Ambika Projects (India) Private Limited (w.e.f 19 August 2011)* Eversun Energy Private Limited (w.e.f 24 February 2012)* PT. Tecpro Systems Indonesia (w.e.f 6 January 2012) Tecpro Engineers Limited (formerly Tecpro Engineers Private Limited) T & H Education Private Limited (formerly known as Tecpro Paints Private Limited) Hythro Power Corporation Limited Tecpro Stones Private Limited Fusion Fittings (I) Limited Shriram Cement Limited Tecpro Infra-Projects Limited (formerly known as BESL Infra-Projects Limited) G.E.T. Power Limited (formerly known as G.E.T. Power Private Limited) HIQ Power Associates Private Limited (w.e.f. 27 April 2011)
Individuals owing directly or indirectly, an interest in voting power and significant influence over the enterprise (including relatives of such individuals)	Achal Ghai (upto 11 October 2010) Sonia Ghai (upto 11 October 2010)
Enterprises over which such individuals exercise significant influence	Avigo Venture Investments Limited (upto 11 October 2010)

* Transactions with these enterprises have been disclosed under subsidiaries

Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

b) Transactions during the current year	Subsidiaries	Key management personnel (including relatives)	Enterprises over which Key management personnel (including relatives) exercise significant influence	Individuals owing directly or indirectly, an interest in voting power and significant influence over the enterprise and enterprises over which such individuals exercise significant influence (including relatives of such individuals)
Remuneration	-	173,697,216	-	-
	(-)	(199,368,000)	(-)	(-)
Dividend paid on equity shares (on cash basis)	-	56,933,268	22,575,252	-
	(-)	(56,933,268)	(22,575,252)	(24,400,059)
Rent expenses	-	13,824,492	-	-
	(-)	(12,156,451)	(-)	(-)
Rent income	240,000	-	3,963,364	-
	(228,000)	(-)	(618,104)	(-)
Professional charges	-	-	46,684,286	-
	(-)	(-)	(-)	(-)
Sales commission expenses	6,523,068	-	-	-
	(-)	(-)	(-)	(-)
Investment in equity shares	25,609,755	-	-	-
	(13,320,678)	(-)	(-)	(-)
Share application money paid, pending allotment	2,113	-	-	-
	(751)	(-)	(-)	(-)
Sundry balances written off	1,776,816	-	-	-
	(-)	(-)	(-)	(-)
Loans/advances received and repaid	-	-	-	-
	(-)	(31,000,000)	(64,106,297)	(-)
Business advance given	-	-	331,098,070	-
	(-)	(-)	(-)	(-)
Business advance given and adjusted	-	-	55,000,000	-
	(-)	(-)	(-)	(-)
Recovery of business advance given	-	-	193,032,232	-
	(-)	(-)	(-)	(-)
Loan / advance given	153,864,899	-	-	-
	(131,356,000)	(-)	(-)	(-)
Interest income on loan	5,928,803	-	-	-
	(18,634,957)	(-)	(-)	(-)
Recovery of loan / advance given	4,245,000	-	-	-
	(-)	(-)	(-)	(-)
Recovery of expenses	-	-	1,470,701	-
	(-)	(-)	(-)	(-)
Purchase of goods	-	-	132,077,151	-
	(25,379,860)	(-)	(87,413,202)	(-)
Purchase of fixed assets	-	-	4,786,677	-
	(-)	(-)	(63,278,954)	(-)
Sale of goods	6,884,543	-	74,189,473	-
	(16,000,000)	(-)	(31,774,450)	(-)
Sale of fixed assets	-	-	397,104	-
	(-)	(-)	(390,000)	(-)



Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

b) Transactions during the current year	Subsidiaries	Key management personnel (including relatives)	Enterprises over which Key management personnel (including relatives) exercise significant influence	Individuals owing directly or indirectly, an interest in voting power and significant influence over the enterprise and enterprises over which such individuals exercise significant influence (including relatives of such individuals)
Amount paid by other party on behalf of Company	- (-)	- (-)	- (700,000)	- (-)
Equipments hire charges	- (-)	- (-)	8,190,000 (9,360,000)	- (-)
Repair and maintenance expenses	- (-)	- (-)	1,015,850 (-)	- (-)
Job work charges	13,134,508 (-)	- (-)	95,738,143 (-)	- (-)
Travelling expenses	- (156,471)	- (-)	- (55,248)	- (-)
Repair and maintenance charges	- (-)	- (-)	694,655 (156,365)	- (-)
Investment written off	25,676,105 (-)	- (-)	- (-)	- (-)
Fabrication charges	- (-)	- (-)	2,306,465 (13,109,145)	- (-)
Comfort letter given by Company on behalf of other party	- (-)	- (-)	# (#)	- (-)
Guarantees/security given by other parties on behalf of the Company	- (@@)	## (##)	^ (^)	- (-)
Shares pledged by certain directors for credit facilities taken by Company	- (-)	@ (@)	- (-)	- (-)
c) Outstanding balance as at year-end				
Share application money, pending allotment	2,113 (485,751)	- (-)	- (-)	- (-)
Loan/ Advance recoverable	169,040,299 (147,870,400)	- (-)	- (-)	- (-)
Interest recoverable on loan	10,766,682 (20,219,210)	- (-)	- (-)	- (-)
Business advance recoverable	- (-)	- (-)	138,000,000 (-)	- (-)
Rent receivable	- (-)	- (-)	21,114 (-)	- (-)
Remuneration payable	- (-)	4,431,668 (46,263,000)	- (-)	- (-)
Trade receivables	22,884,543 (16,000,000)	- (-)	89,229,687 (19,907,405)	- (-)
Trade payables	- (10,566,528)	- (-)	33,040,242 (79,468,492)	- (-)
Creditors for capital goods	- (-)	- (-)	3,293,543 (-)	- (-)

Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

c) Outstanding balance as at year-end	Subsidiaries	Key management personnel (including relatives)	Enterprises over which Key management personnel (including relatives) exercise significant influence	Individuals owing directly or indirectly, an interest in voting power and significant influence over the enterprise and enterprises over which such individuals exercise significant influence (including relatives of such individuals)
Amount payable by Company on account of paymnet made by others	- (-)	- (-)	- (700,000)	- (-)
Amount receivable on account of payment made on behalf of other Company	- (261,816)	- (-)	- (-)	- (-)
Comfort letter given by Company on behalf of other party	- (-)	- (-)	# (#)	- (-)
Guarantees/security given by other parties on behalf of the Company	- (@@)	## (##)	^ (^)	- (-)
Shares pledged by certain directors for credit facilities taken by Company	- (-)	@ (@)	- (-)	- (-)

Company has given a letter of comfort for various facilities taken by Hythro Power Corporation Limited from a Bank with a limit of Rs. 320,000,000 (previous year Rs. 1,070,000,000)

Guarantees and collateral security given by Ajay Kumar Bishnoi and Amul Gabrani for various facilities taken by the Company from banks with a limit of Rs. 49,420,800,000 and USD 8,000,000 (previous year Rs. 41,162,300,000) and Bhagwanti Gabrani (relative of a Director) for various facilities taken by the Company from banks with a limit of Rs. 45,005,800,000 (previous year Rs. 29,765,800,000)

@@ Guarantees given by erstwhile Microbase Infosolution Private Limited for various facilities taken by the Company from banks with a limit of Rs. Nil (previous year Rs. 400,000,000)

^ Guarantees given by Fusion Fittings (I) Limited for various facilities taken by the Company from a bank with a limit of Rs. 21,665,800,000 (previous year Rs. 5,600,000,000)

@ Ajay Kumar Bishnoi and Amul Gabrani have pledged their shares in the Company with a bank for credit facilities taken by the Company with a limit of Rs. 21,665,800,000 (previous year Rs. 19,715,800,000)

Figures in bracket refer to previous year 31 March 2011

d) Details of related parties with whom transactions exceed 10% of the class of transaction.

Name of Related Party	Nature of Transaction	Year ended 31 March 2012	Year ended 31 March 2011
Ajay Kumar Bishnoi	Rent expenses	6,341,046	5,642,226
Amul Gabrani	Rent expenses	6,341,046	5,642,226
Amul Gabrani	Loans taken during the year	-	31,000,000
Amul Gabrani	Repayment of loan taken	-	31,000,000
Tecpro Engineers Limited (formerly Tecpro Engineers Private Limited)	Loans/advances received and repaid	-	44,106,297
Hythro Power Corporation Limited	Recovery of expenses	1,470,701	-
Tecpro Trema Limited	Loan / advance given	-	-
Tecpro Engineers Limited (formerly Tecpro Engineers Private Limited)	Business advance given	90,000,000	-
Tecpro Trema Limited	Recovery of loan/advance given	-	-
Ajay Kumar Bishnoi	Remuneration	67,340,004	83,871,996
Amul Gabrani	Remuneration	67,340,004	83,871,996
Hythro Power Corporation Limited	Rent income	3,240,000	-
Tecpro Energy Limited	Sundry balances written off	1,515,000	-
Ajmer Waste Processing Company Private Limited	Interest income	3,282,945	1,917,960
Ajmer Waste Processing Company Private Limited	Sale of goods	-	16,000,000



Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

Name of Related Party	Nature of Transaction	Year ended 31 March 2012	Year ended 31 March 2011
Tecpro Engineers Limited (formerly Tecpro Engineers Private Limited)	Rent income	501,052	480,000
Ajay Kumar Bishnoi	Dividend paid on equity shares	27,059,526	27,059,526
Amul Gabrani	Dividend paid on equity shares	27,958,026	27,958,026
Avigo Venture Investments Limited	Dividend paid on equity shares	-	20,457,459
Tecpro Systems (Singapore) Pte. Ltd.	Investment in equity shares	25,124,755	13,320,678
Tecpro International FZE	Investment written off	25,676,105	-
T & H Education Private Limited (formerly known as Tecpro Paints Private Limited)	Loans/advances received and repaid	-	20,000,000
Tecpro International FZE	Sundry balances written off	261,816	-
Tecpro Systems (Singapore) Pte. Ltd.	Sales commission	6,523,068	-
Tecpro Systems (Singapore) Pte. Ltd.	Travelling expenses	-	156,471
Tecpro Systems (Singapore) Pte. Ltd.	Share application moeny pending allotment	-	751
Tecpro Infra-Projects Limited (formerly known as BESL Infra-Projects Limited)	Job work charges	64,238,143	-
Tecpro Infra-Projects Limited (formerly known as BESL Infra-Projects Limited)	Purchase of Fixed assets	1,264,609	-
Tecpro Infra-Projects Limited (formerly known as BESL Infra-Projects Limited)	Business advance given	75,098,070	-
Tecpro Infra-Projects Limited (formerly known as BESL Infra-Projects Limited)	Recovery of business advance given	75,032,232	-
Tecpro Infra-Projects Limited (formerly known as BESL Infra-Projects Limited)	Travelling expenses	-	55,248
Hythro Power Corporation Limited	Sale of goods	25,884,253	28,953,400
Tecpro Trema Limited	Job work charges	13,134,508	-
Tecpro Trema Limited	Rent income	-	228,000
Tecpro Trema Limited	Purchase of goods	-	25,379,860
T & H Education Private Limited (formerly known as Tecpro Paints Private Limited)	Purchase of goods	-	15,412,011
Tecpro Stones Private Limited	Purchase of Fixed assets	3,293,543	6,410,512
Tecpro Stones Private Limited	Office maintenance expenses	694,655	-
Tecpro Stones Private Limited	Rent Income	-	96,000
Tecpro Stones Private Limited	Equipment hire charges	8,190,000	9,360,000
Shriram Cement Limited	Sale of goods	48,305,220	-
Shriram Cement Limited	Amount paid by other party on behalf of Company	-	700,000
Microbase Infosolution Private Limited	Loans/advance given	-	126,935,000
Microbase Infosolution Private Limited	Interest income	-	16,133,111
Hythro Power Corporation Limited	Business advance given and adjusted	55,000,000	-
Hythro Power Corporation Limited	Professional charges	36,000,000	-
Hythro Power Corporation Limited	Job work charges	31,500,000	-
Hythro Power Corporation Limited	Sale of fixed assets	225,627	390,000
Hythro Power Corporation Limited	Purchase of goods	132,077,151	72,001,191
Hythro Power Corporation Limited	Purchase of fixed assets	-	56,355,722
Hythro Power Corporation Limited	Repair and maintenance expenses	1,015,850	156,365
Hythro Power Corporation Limited	Fabrication charges	2,306,465	12,162,845
Fusion Fittings (I) Limited	Dividend paid on equity shares	-	22,575,252
Ambika Projects (India) Private Limited	Interest income	2,173,538	-
Ambika Projects (India) Private Limited	Loan / advance given	93,027,538	-
Ambika Projects (India) Private Limited	Recovery of Loan / advance given	4,245,000	-
Eversun Energy Private Limited	Loan / advance given	33,068,000	-
G.E.T. Power Limited (formerly known as G.E.T. Power Private Limited)	Sales of Fixed assets	171,477	-
G.E.T. Power Limited (formerly known as G.E.T. Power Private Limited)	Business advance given	166,000,000	-
G.E.T. Power Limited (formerly known as G.E.T. Power Private Limited)	Recovery of business advance given	118,000,000	-
HIQ Power Associates Private Limited	Professional charges	10,684,286	-

Notes to financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

47. The Company's exposure in respect of foreign currency denominated assets and liabilities not hedged by derivative instruments or otherwise are as follows:

Particulars	As at 31 March 2012	As at 31 March 2011
Assets		
USD 6,736,665 (previous year USD 2,808,076)	344,870,334	126,162,392
Euro 1,543,267 (previous year Euro 1,026,814)	105,406,850	65,384,428
Liabilities		
USD 20,868,107 (previous year USD 7,531,950)	1,074,867,409	340,250,757
Euro 8,272,495 (previous year Euro 2,788,819)	565,975,909	178,112,070
ZAR Nil (previous year ZAR 61,861)	-	411,907

48. The Ministry of Corporate Affairs (MCA) has issued the amendment dated 29 December 2011 to AS-11 'The Effects of Change in Foreign Exchange Rates' to allow companies capitalization of exchange differences arising on long term foreign currency monetary items. In accordance with the amendment/earlier amendment to AS 11, the Company has capitalized exchange loss, arising on long term foreign currency loan, amounting to Rs. 25,581,726 (previous year Rs. Nil) to the cost of work in progress (building).
49. Till the year ended 31 March 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification.

For B S R & Co.

Chartered Accountants

Firm registration no. 101248W

Sd/-

Vikram Advani

Partner

Membership No.: 091765

Place : Chennai

Date : 24 May, 2012

For and on behalf of the Board of Directors of Tecpro Systems Limited

Sd/-

Ajay Kumar Bishnoi

Chairman &

Managing Director

Place : Chennai

Date : 24 May, 2012

Sd/-

Amul Gabrani

Vice Chairman &

Managing Director

Sd/-

Pankaj Tandon

Company Secretary



Auditors' Report

To the Members of
Tecpro Systems Limited

We have audited the attached consolidated Balance Sheet of Tecpro Systems Limited ("the Company") and its subsidiaries (collectively referred to as 'the Group'), as described in summary of significant accounting policies to the consolidated financial statements as at 31 March 2012, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement (collectively referred to as 'consolidated financial statements') for the year ended on that date, annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of Ajmer Waste Processing Company Private Limited, India, Bikaner Waste Processing Company Private Limited, India, Tecpro Trema Limited, India, Tecpro Systems (Singapore) Pte. Ltd., Singapore, Tecpro International FZE, Dubai, Ambika Projects (India) Private Limited, India and Eversun Energy Private Limited, India. These subsidiaries account for 0.60% of total assets, 0.26% of total income and 2.53% of net cash flows used in operating activities, as shown in these consolidated financial statements. Of the above, the financial statements of Tecpro Systems (Singapore) Pte. Ltd., Singapore and Tecpro International FZE, Dubai which are audited as per the generally accepted

accounting principles (GAAP) of the respective countries by another auditor, have been converted into Indian GAAP. The financial statements of the above mentioned subsidiaries made for this purpose have been audited by other auditors and reports of those auditors have been furnished to us. Our opinion on the consolidated financial statements, in so far as it relates to these entities, is based on the aforesaid audit reports of those other auditors.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, consolidated financial statements, prescribed by Companies (Accounting Standards) Rules, 2006.

On the basis of the information and explanation given to us, and on consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of:

- (i) the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2012;
- (ii) the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (iii) the consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

For B S R & Co.
Chartered Accountants
Registration no. 101248W

Sd/-
Vikram Advani

Place : Chennai
Date : 24 May, 2012

Partner
Membership No. 091765

Consolidated Balance Sheet as at 31 March 2012

(All amounts are in Rupees)

	Note	As at 31 March 2012	As at 31 March 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	504,737,910	504,737,910
Reserves and surplus	4	7,237,142,213	6,183,000,181
		<u>7,741,880,123</u>	<u>6,687,738,091</u>
Non-current liabilities			
Long-term borrowings	5	996,296,512	423,280,541
Other long-term liabilities	7	1,744,993,252	2,292,895,181
Trade payables	11	903,252,053	517,570,016
Long-term provisions	8	43,004,447	26,467,702
		<u>3,687,546,264</u>	<u>3,260,213,440</u>
Current liabilities			
Short-term borrowings	10	12,034,490,867	6,672,943,027
Trade payables	11	14,277,048,618	9,002,837,161
Other current liabilities	12	3,261,008,018	2,424,112,659
Short-term provisions	9	412,457,370	505,675,452
		<u>29,985,004,873</u>	<u>18,605,568,299</u>
Minority interest		15,985	17,089
TOTAL		<u><u>41,414,447,245</u></u>	<u><u>28,553,536,919</u></u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	13	2,361,768,349	1,342,347,922
Intangible assets	14	385,799,127	252,631,687
Capital work-in-progress	13	337,415,196	383,026,362
		<u>3,084,982,672</u>	<u>1,978,005,971</u>
Non-current investments	15	1,044,346	1,044,346
Deferred tax assets (net)	6	2,260,892	24,782,119
Long-term loans and advances	17	475,319,802	224,314,171
Trade receivables	22	6,777,752,742	5,351,763,416
Other non-current assets	19	1,344,862,564	1,270,925,116
		<u>8,601,240,346</u>	<u>6,872,829,168</u>
Current assets			
Current investments	16	-	75,000,000
Inventories	21	2,340,446,633	1,398,938,587
Trade receivables	22	16,733,459,701	11,693,297,183
Cash and bank balances	23	2,296,069,612	2,188,277,508
Short-term loans and advances	18	1,824,245,318	1,151,678,265
Other current assets	20	6,534,002,963	3,195,510,237
		<u>29,728,224,227</u>	<u>19,702,701,780</u>
TOTAL		<u><u>41,414,447,245</u></u>	<u><u>28,553,536,919</u></u>
Significant accounting policies	2		

The notes referred to above form an integral part of the consolidated balance sheet

As per our report attached

For B S R & Co.

Chartered Accountants

Firm registration no. 101248W

Sd/-

Vikram Advani

Partner

Membership No.: 091765

Place : Chennai

Date : 24 May, 2012

For and on behalf of the Board of Directors of Tecpro Systems Limited

Sd/-

Ajay Kumar Bishnoi

Chairman &

Managing Director

Place : Chennai

Date : 24 May, 2012

Sd/-

Amul Gabrani

Vice Chairman &

Managing Director

Sd/-

Pankaj Tandon

Company Secretary



Consolidated Statement of Profit and Loss for the year ended 31 March 2012

(All amounts are in Rupees)

	Note	For the year ended 31 March 2012	For the year ended 31 March 2011
INCOME			
Revenue from operations	24	25,368,105,868	19,700,010,327
Other income	25	109,807,407	128,472,236
Total revenue		25,477,913,275	19,828,482,563
EXPENSES			
Cost of materials consumed	26	12,765,261,983	6,843,900,359
Purchases of stock-in-trade	27	3,329,707,051	2,861,368,750
Changes in inventories of finished goods, work in progress and stock in trade - project supplies	27	(813,818,920)	54,446,695
Employee benefits expense	28	1,242,733,549	928,413,597
Other expenses	29	4,913,666,310	5,741,507,761
Expenditure before finance costs and depreciation/amortisation cost		21,437,549,973	16,429,637,162
Profit before finance costs, depreciation/ amortisation and tax		4,040,363,302	3,398,845,401
Finance costs	30	1,972,002,387	1,231,050,844
Profit before depreciation/amortisation and tax		2,068,360,915	2,167,794,557
Depreciation and amortisation expense	13 & 14	141,094,670	103,943,400
Profit before tax		1,927,266,245	2,063,851,157
Tax expense :			
Current tax		667,419,400	744,706,164
Income tax for earlier years		6,196,748	7,406,210
Deferred tax charge		22,521,226	(12,932,834)
Profit for the year		1,231,128,871	1,324,671,617
Basic and diluted earnings per equity share (in Rs.) [face value Rs. 10 each]	36	24.39	28.05
Significant accounting policies	2		

The notes referred to above form an integral part of the consolidated statement of profit and loss

As per our report attached

For B S R & Co.
Chartered Accountants
Firm registration no. 101248W

Sd/-
Vikram Advani
Partner
Membership No.: 091765

Place : Chennai
Date : 24 May, 2012

For and on behalf of the Board of Directors of Tecpro Systems Limited

Sd/-
Ajay Kumar Bishnoi
Chairman &
Managing Director

Place : Chennai
Date : 24 May, 2012

Sd/-
Amul Gabrani
Vice Chairman &
Managing Director

Sd/-
Pankaj Tandon
Company Secretary

Consolidated Cash Flow Statement for the year ended 31 March 2012

(All amounts are in Rupees)

Note	For the year ended 31 March 2012	For the year ended 31 March 2011
Cash flow from operating activities		
Net Profit before tax	1,927,266,245	2,063,851,157
Adjusted for:		
Depreciation	141,094,670	103,943,400
Miscellaneous expenses written off	10,000	6,853
Claims receivables written off	19,252,133	-
Unrealised foreign exchange loss	23,950,274	-
Loss on sale / disposal of fixed assets	2,727,563	3,527,032
Interest income	(100,754,464)	(102,606,656)
Dividend income	(114,360)	(776,369)
Interest expense	1,622,216,860	925,733,990
Provision no longer required written back	(23,823)	(2,127,797)
Bad debts written off during the year	53,252,412	34,004,425
Provision for bad and doubtful debts	141,810,238	90,000,000
Operating profit before following adjustments:	3,830,687,748	3,115,556,035
Increase in inventories	(941,508,046)	(337,481,393)
Increase in trade receivables	(6,661,214,495)	(6,423,678,878)
Increase in short term loans and advances	(670,297,762)	(393,893,486)
Increase in other current assets	(3,333,881,020)	(1,210,386,719)
Decrease / (increase) in long term loans and advances	(250,835,686)	128,680,593
Increase in other non current assets	(771,291,982)	(386,500,967)
Increase in trade payables	5,659,893,493	2,689,304,530
Increase in other current liabilities	520,902,491	482,599,406
(Decrease) / Increase in long term liabilities	(547,901,929)	1,318,263,766
Increase in long term provisions	16,536,745	4,860,191
(Decrease) / Increase in short term provisions	10,964,454	(3,196,094)
Cash used in operations	(3,137,945,989)	(1,015,873,016)
Income tax paid	(780,257,508)	(696,377,096)
Refund of income tax	19,586	5,813,451
Fringe benefit tax refund	-	303,626
Net cash flow from / (used) in operating activities (A)	(3,918,183,911)	(1,706,133,035)
Cash flow from investing activities		
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	(1,168,209,521)	(678,929,970)
Proceeds from sale of fixed assets	3,416,725	3,081,140
Purchase of investments	-	(45,000,000)
Proceeds from sale of investments	75,000,000	-
Movement in bank deposits (net) (having original maturities of more than three months)	(9,759,228)	(43,744,790)
Dividend received	114,360	776,369
Interest received	96,132,758	102,930,993
Net cash from / (used in) investing activities (B)	(1,003,304,906)	(660,886,258)



Consolidated Cash Flow Statement (Contd..)

(All amounts are in Rupees)

Note	For the year ended 31 March 2012	For the year ended 31 March 2011
Cash flow from financing activities		
	-	62,500,000
	-	2,155,111,935
	-	(141,172,454)
	239,692	31,100,000
	-	(64,725,000)
	-	64,000,000
	-	(77,275,000)
	1,121,216,112	123,524,104
	(367,642,583)	(252,032,478)
	5,361,308,148	2,673,554,392
	(151,296,033)	(132,671,373)
	(24,564,332)	(22,547,500)
	(1,574,545,073)	(926,071,612)
	4,364,715,931	3,493,295,014
	(556,772,886)	1,126,275,721
	1,646,225,736	519,950,015
	1,089,452,850	1,646,225,736
Components of cash and cash equivalents (refer to note 23)		
	1,427,211	1,343,283
With banks:		
In current accounts	672,962,723	1,644,608,068
In fixed deposit accounts	415,062,916	274,385
	1,089,452,850	1,646,225,736

The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard -3 Cash Flow Statements specified in the Companies (Accounting Standards) Rules, 2006.

Significant accounting policies

2

The notes referred above form an integral part of the consolidated cash flow statement

As per our report attached

For B S R & Co.

Chartered Accountants

Firm registration no. 101248W

Sd/-

Vikram Advani

Partner

Membership No.: 091765

Place : Chennai

Date : 24 May, 2012

For and on behalf of the Board of Directors of Tecpro Systems Limited

Sd/-

Ajay Kumar Bishnoi

Chairman &

Managing Director

Place : Chennai

Date : 24 May, 2012

Sd/-

Amul Gabrani

Vice Chairman &

Managing Director

Sd/-

Pankaj Tandon

Company Secretary

Notes to consolidated financial statements for the year ended 31 March 2012

1. Principles of Consolidation

The consolidated financial information is prepared in accordance with the principles and procedures prescribed by Accounting Standard 21-“Consolidated Financial Statements” ('AS-21') prescribed by the Companies (Accounting Standards) Rules, 2006, for the purposes of preparation and presentation of consolidated financial statements.

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions resulting in unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated unless cost cannot be recovered in full. The amounts shown in respect of accumulated reserves comprise the amount of the relevant reserves as per the balance sheet of the Company and its share in the post acquisition reserves of its subsidiaries. Goodwill arising on consolidation represents the excess of cost of investments to the Company over the Company's portion of equity of the respective subsidiaries, at the date on which investment in the subsidiary is made. The losses applicable to minority that exceeds the minority interest in the equity of the subsidiaries have been adjusted in the majority interest.

These consolidated financial statements relate to Tecpro Systems Limited, the parent company and its subsidiaries (hereinafter collectively referred as “the Group”), which are as follows:

Name of the Company	% Shareholding	Country of incorporation
Tecpro Energy Limited	98.02	India
Tecpro Trema Limited	100.00	India
Tecpro International FZE@	100.00	Dubai
Ajmer Waste Processing Company Private Limited	49.00	India
Tecpro Systems (Singapore) Pte. Limited	100.00	Singapore
Bikaner Waste Processing Company Private Limited	100.00	India
Microbase Infosolution Private Limited@@	100.00	India
Ambika Projects (India) Private Limited*	100.00	India
Eversun Energy Private Limited**	100.00	India

@ Tecpro International FZE has been dissolved as on 11 January 2012

@@ Microbase Infosolution Private Limited has been merged with the Company from appointed date of 1 April 2011 through a scheme of amalgamation approved by Hon'ble High Court of Delhi effective from 24 December 2011.

* Acquired on 19 August 2011

** Acquired on 24 February 2012

2. Significant Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements are prepared on accrual basis under the historical cost convention, modified to include revaluation of certain assets, in accordance with applicable Accounting Standards (AS) specified in the Companies (Accounting Standards) Rules, 2006 and presentational requirements of the Companies Act, 1956.

This is the first year of application of the revised Schedule VI to the Companies Act, 1956 for the preparation of the financial statements of the company. The revised Schedule VI introduces some significant conceptual changes as well as new disclosures. These include classification of all assets and liabilities into current and non-current. The previous year figures have also undergone a major reclassification to comply with the requirements of the revised Schedule VI.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future years.

2.3 Current and non-current classification

All assets and liabilities are classified into current and non-current.



Notes to consolidated financial statements for the year ended 31 March 2012

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period within 12 months for the purposes of classification of assets and liabilities as current and non-current.

2.4 Revenue recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership in the goods to the customer.

Revenue from services is recognised on rendering of services to customers.

Interest income is recognised using the time proportion method, based on underlying interest rates.

Revenue from long-term construction contracts in accordance with Accounting Standard-7 on "Construction Contracts" is recognized using the percentage of completion method. Percentage of completion method is determined as a proportion of cost incurred to date to the total estimated contract cost or completion of a physical portion of the contract work depending on the nature of contract whichever is appropriate. Where the total cost of the contract, based on technical and other estimates, is expected to exceed the corresponding contract value, such excess is provided during the year.

Duty drawback available under prevalent scheme is accrued in the year when the right to receive credit as per the terms of scheme are established and these are accounted to the extent there is no significant uncertainty about the measurability and ultimate utilization of such duty credit.

2.5 Tangible fixed assets and capital work-in-progress

Fixed assets, including capital work in progress are stated at cost of acquisition or construction less accumulated depreciation. Cost comprises the purchase price and any directly attributable costs of bringing the asset to its working condition for the intended use. Tangible fixed assets under construction are disclosed as Capital work-in-progress.

2.6 Intangible assets

Intangible assets comprising computer software and technical know-how are stated at cost, including taxes, less accumulated amortisation. Computer software is amortised on a straight line basis over three years. Technical know-how is amortised on a straight line basis over its estimated useful life, the period over which the Company expects to derive economic benefits from the use of the technical know-how.

These are amortised over their estimated useful lives on a straight-line basis, commencing from the date the assets is available to the entities for its use. The management estimates the useful lives for the various intangible assets as follows:

	Estimated useful life (in years)
Computer software	3-5
Technical know how	5
Goodwill (except goodwill arising on consolidation)	5

Notes to consolidated financial statements for the year ended 31 March 2012

Goodwill reflects the excess of cost of acquisition over the book value of net assets acquired on the date of acquisition. Goodwill arising on consolidation is tested for impairment on an annual basis.

2.7 Borrowing cost

Financing costs relating to borrowed funds attributable to construction or acquisition of qualifying assets for the period up to the completion of construction or acquisition of such assets are included in the cost of the assets. All borrowing costs are charged to Consolidated Statement of Profit and Loss.

2.8 Impairment

The carrying values of assets are reviewed at each reporting date to determine whether there any indication of impairment. If such indication exists, the amount recoverable towards such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss has been recognised.

2.9 Depreciation

Depreciation is provided on a pro-rata basis under the straight line method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/ remaining useful life. Rates of depreciation (where different from the rates prescribed in Schedule XIV to the Companies Act, 1956) have been derived on the basis of the following estimated useful lives:

	Estimated useful life (in years)
Plant and machinery	20
Office equipments	6
Furniture and fixtures	5
Vehicles	2-10
Temporary sheds at project sites (To coincide with the project period)*	1-5
Patterns	3
Shuttering and Scaffolding **	4
Office building *	28.44
Computers	6

* included in buildings in note 13 to the financial statements

** included in plant and machinery in note 13 to the financial statements

Leasehold land is amortised on straight line basis over the period of the lease. Leasehold improvements are depreciated over the period of lease or the useful life of the underlying asset, whichever is less.

The revalued cost of land, revalued on the date of acquisition has been considered as the carrying cost for the purposes of computing amortization of such asset.

Computers of Tecpro Systems (Singapore) Pte. Limited, subsidiary of the Company, are depreciated at 33.33% per annum under the straight line method.

Plant and machinery of Tecpro Trema Limited, subsidiary of the Company, are depreciated at 20% per annum under the straight line method.

The rates of depreciation used reflect the useful lives of assets.

Depreciation on additions is being provided on a pro rata basis from the date of such additions. Similarly, depreciation on assets sold/disposed off during the year/period is being provided up to the date on which such assets are sold/disposed off.

Assets costing individually Rs. 5,000 or less are depreciated fully in the year of purchase.

2.10 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes all applicable costs incurred in bringing goods to their present location and condition, determined on a first in first out basis. In determining the cost of inventories, fixed production overheads are allocated on the basis of normal capacity of production facilities.

Contract work in progress includes contract costs that relate to future activity on the long term construction contract, such as costs of materials that have been delivered to a contract site or set aside



Notes to consolidated financial statements for the year ended 31 March 2012

for use in a contract but not yet installed, used or applied during contract performance and excludes the materials which have been made specifically for such contracts.

2.11 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the respective transactions. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at exchange rates prevailing on that date. All exchange differences other than in relation to acquisition of fixed assets and other long term foreign currency monetary liabilities are dealt with in the Consolidated Statement of Profit and Loss.

In accordance with Accounting Standard 11, "Accounting for the effects of changes in foreign exchange rates", exchange differences arising in respect of long term foreign currency monetary items:

- used for acquisition of depreciable capital asset, are added to or deducted from the cost of asset and are depreciated over the balance life of asset.
- used for the purpose other than the acquisition of depreciable capital asset, are accumulated in Foreign Currency Monetary Item Translation Difference Account (FCMITDA) and amortized over the balance period of such liability.

The premium or discount that arises on entering into a forward exchange contract for hedging underlying assets and liabilities is measured by the difference between the exchange rate at the date of inception of the forward exchange contract and the forward rate specified in the contract and is amortised as expense or income over life of the contract. Exchange difference on forward exchange contract is the difference between:

- (a) the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and;
- (b) the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date.

These exchange differences are recognised in the Consolidated Statement of Profit and Loss in the reporting period in which the exchange rates change.

Translation of foreign operations:

For translating the financial statements of foreign branches, these are classified into 'integral' and 'non-integral' foreign operations.

Integral foreign operations are those which carry on their business as if they were an extension of the Company's operations. Other foreign operations are classified as non-integral.

The financial statements of an integral foreign operation are translated into Indian rupees as if the transactions of the foreign operation were those of the Company itself.

In the case of a non-integral foreign operation, the assets and liabilities, both monetary and non-monetary, are translated at the closing exchange rate and income and expense items are translated at exchange rates at the dates of the transactions. The resulting exchange differences are accumulated in 'foreign currency translation reserve'. On the disposal of a non-integral foreign operation, the cumulative amount of foreign currency translation reserve which relates to that operation is recognised as income or as expense.

2.12 Provisions and contingencies

A provision is created when there is a present obligation as a result of a past event that entails a probable outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure of a contingent liability is made when there is a possible but not probable obligation or a present obligation that may, but probably will not, entail an outflow of resources. When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.13 Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax laws) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income tax expense in the Consolidated Statement of Profit and Loss is the aggregate of the amounts of tax expenses appearing in the separate financial statements of the Company and its subsidiaries.

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and are written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

Tecpro International FZE, a subsidiary of the Company has been incorporated in a tax free zone in United Arab Emirates. Hence, no tax liability to be provided in the books.

Notes to consolidated financial statements for the year ended 31 March 2012

2.14 Employee benefits

1. All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Consolidated Statement of Profit and Loss in the year in which the employee renders the related service.
2. Provident fund is a defined contribution scheme. Contributions payable to the provident fund are charged to the Consolidated Statement of Profit and Loss.
3. Superannuation fund is a defined contribution scheme. The Company contributes to schemes administered by the Life Insurance Corporation of India ('LIC') to discharge its superannuation liabilities. The Company's contribution paid/payable under the scheme is recognised as an expense in the Consolidated Statement of Profit and Loss during the year in which the employee renders the related service.

4. Gratuity costs are defined benefits plans. The present value of obligations under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Annual contributions are made to the employee's gratuity fund, established with the LIC based on an actuarial valuation carried out by the LIC as at 31 March each year.

The fair value of plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis. Actuarial gains and losses are recognised immediately in the Consolidated Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

5. Benefits under the Company's leave encashment scheme constitute other long term employee benefits. The obligation in respect of leave encashment is provided on the basis on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Annual contributions are made to the employee's leave encashment fund, established with the LIC based on an actuarial valuation carried out by the LIC as at 31 March each year. The fair value of plan assets is reduced from the gross obligation, to recognize the obligation on net basis. Actuarial gains and losses are recognised immediately in the Consolidated Statement of Profit and Loss.

2.15 Investments

Long term investments are valued at cost. Any decline other than temporary, in the value of long-term investments, is adjusted in the carrying value of such investments. Diminution, if any, is determined individually for each long-term investment. Current investments are valued at the lower of cost and fair value of individual scrip's.

2.16 Earnings per share

Basic earnings per share are computed by dividing the net profit/(loss) for the year/period attributable to the equity shareholders with the weighted average number of equity shares outstanding during the year/period. Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year/period, except where the results would be anti-dilutive.

2.17 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rents under operating leases are recognized in the Consolidated Statement of Profit and Loss Account on a straight line basis over the lease term.

2.18 Events occurring after the balance sheet date

Adjustment to assets and liabilities are made for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amount of assets and liabilities relating to condition existing at the balance sheet date.



Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	As at 31 March 2012	As at 31 March 2011
3. Share capital		
Authorised		
127,950,000 (previous year 127,900,000) equity shares of Rs.10 each (also refer to note 31)	<u>1,279,500,000</u>	<u>1,279,000,000</u>
Issued, subscribed and fully paid-up		
50,473,791 (previous year 50,473,791) equity shares of Rs.10 each fully paid-up	<u>504,737,910</u>	<u>504,737,910</u>
	<u>504,737,910</u>	<u>504,737,910</u>

(a) Reconciliation of shares outstanding and the amount of share capital as at 31 March 2012 and 31 March 2011:

	As at 31 March 2012		As at 31 March 2011	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Equity shares				
Number of shares at the beginning	50,473,791	504,737,910	44,223,791	442,237,910
Add: Shares issued during the year (refer to clause (i) below)	-	-	6,250,000	62,500,000
Number of shares at the end	<u>50,473,791</u>	<u>504,737,910</u>	<u>50,473,791</u>	<u>504,737,910</u>

(i) Pursuant to the approval of the shareholders of the Company granted in their Extra-ordinary General Meeting held on 25 March 2010, the Company came out with an Initial Public Offer ("IPO") of 7,550,000 equity shares of Rs. 10 each at a premium of Rs. 345 per share including Offer for Sale of 1,300,000 equity shares by Metmin Investments Holdings Limited and made allotment of 6,250,000 equity shares on 8 October 2010. The allotment of 6,250,000 equity shares included allotment of 66,945 equity shares of Rs. 10 each at a premium of Rs. 328 per share to employees. The issue was made in accordance with the terms of the Company's prospectus dated 29 September 2010 and the shares of the Company got listed on The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited on 12 October 2010.

(ii) The Company has only one class of equity shares, having a par value of Rs.10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Each shareholder is eligible to one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Shares in the Company held by each shareholder holding more than 5% shares are as under:-

Names	As at 31 March 2012		As at 31 March 2011	
	No. of Shares	% of shares held	No. of Shares	% of shares held
Mr. Amul Gabrani	9,319,342	18.46	9,319,342	18.46
Mr. Ajay Kumar Bishnoi	9,019,842	17.87	9,019,842	17.87
M/s. Fusion Fittings (I) Limited	7,540,784	14.94	7,525,084	14.91
M/s. Avigo Venture Investments Limited	6,819,153	13.51	6,819,153	13.51
M/s. Metmin Investments Holdings Limited	4,294,881	8.51	4,294,881	8.51

(c) Pursuant to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, an aggregate of 20% of the post offer capital of the Company held by the promoters is locked in for a period of three years. Accordingly 10,094,759 equity shares held by Mr. Ajay Kumar Bishnoi and Mr. Amul Gabrani are under lock in period for three years beginning 8 October 2010. Further, in addition to the above equity shares, that are locked in for three years, 26,954,328 equity shares out of pre-offer capital of the Company were locked in for a period of one year beginning 8 October 2010.

(d) Above equity shares of Rs.10 each include:

- i) 12,698,750 (previous year 12,698,750) have been allotted as fully paid up by way of bonus shares during the year 2007-2008 and 9,739,000 (previous year 9,739,000) during the year 2006-2007 out of securities premium account.
- ii) 16,526,291 (previous year 16,526,291) equity shares issued during the year 2009-10 as fully paid-up shares to shareholders of erstwhile Tecpro Ashtech Limited and erstwhile Tecpro Power Systems Limited, pursuant to a scheme of amalgamation, for consideration other than cash.

Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	As at 31 March 2012	As at 31 March 2011
4. Reserves and surplus		
Capital reserve	38,855,552	38,855,552
Securities premium reserve		
Opening balance	2,991,808,262	977,868,781
Additions during the year #	-	2,155,111,935
Share issue expenses incurred during the year	-	(141,172,454)
Closing balance	2,991,808,262	2,991,808,262
# refer to clause (a)(i) of note 3		
Revaluation reserve		
Opening balance	71,080,522	72,081,656
Less: amount transferred to the statement of profit and loss	1,001,134	1,001,134
Closing balance	70,079,388	71,080,522
General reserve		
Opening balance	874,394,322	738,170,390
Add: appropriations from the statement profit and loss	125,929,936	136,223,932
Closing balance	1,000,324,258	874,394,322
Surplus in the Statement of Profit and Loss		
Opening balance	2,206,861,523	1,194,399,543
Profit for the year	1,231,128,871	1,324,671,617
Appropriations :		
- Proposed equity dividend (amount per share Rs. 3 (previous year Rs. 3))	(151,421,373)	(151,421,373)
- Tax on proposed equity dividend	(24,564,332)	(24,564,332)
- Transferred to general reserve	(125,929,936)	(136,223,932)
Net surplus in the Statement of Profit and Loss	3,136,074,753	2,206,861,523
Total reserves and surplus	7,237,142,213	6,183,000,181



Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

5. Long term borrowing

	Non-current portion		Current maturities	
	As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
Secured:				
Term loans				
- Indian rupee loan from banks	557,131,913	400,384,620	464,009,737	337,625,684
- Foreign currency loan from banks	368,326,800	-	40,925,200	-
- From financial institutions	70,837,799	22,895,921	35,645,364	22,397,059
	<u>996,296,512</u>	<u>423,280,541</u>	<u>540,580,301</u>	<u>360,022,743</u>
Less:				
Amount disclosed under the head "other current liabilities" (refer to note 12)	-	-	(540,580,301)	(360,022,743)
Net amount	<u>996,296,512</u>	<u>423,280,541</u>	<u>-</u>	<u>-</u>

Indian Rupee Loan from banks (current and non-current portion)

Security	Terms of repayments and Default
<p>Amounting to Rs. 90,851,088 is secured by way of equitable mortgage over the leasehold rights of the Company's land and building constructed thereon for office and also further secured by the current assets of the Company. Loan is also collaterally secured by:</p> <p>a) Hypothecation of movable fixed assets owned by the Company and equitable mortgage over certain assets of certain directors (includes a relative of a director) of the Company on pari passu basis.</p> <p>b) Equitable mortgage over (i) certain factory land and buildings located at Bawal (Haryana) and Bhiwadi (Rajasthan) and (ii) Kasarwadi (Pune); the properties mentioned in (i) are also mortgaged in favour of other bankers on pari passu basis.</p> <p>c) Corporate guarantee given by Fusion Fittings (I) Limited and pledge of certain shares by certain directors of the Company.</p> <p>d) Personal guarantees from Mr. Amul Gabrani (Director), Mr. Ajay Kumar Bishnoi (Director) and Mrs. Bhagwanti Gabrani (relative of Director).</p>	<p>Repayable in 65 monthly installments beginning from January 2009 carrying interest rate of 1.25 % above SBAR subject to minimum interest rate of 13.5 % p.a.</p>
<p>Amounting to Rs. 144,240,011 taken for part funding of escalation in cost of construction of Company's office at Siruseri, Chennai is secured by way of equitable mortgage over the leasehold rights of the Company's land and building constructed thereon for office and on a pari passu basis. It is also collaterally secured by:</p> <p>a) Hypothecation of movable fixed assets owned by the Company and equitable mortgage over certain assets of certain directors (includes a relative of a director) of the Company on pari passu basis.</p> <p>b) Equitable mortgage over (i) certain factory land and buildings located at Bawal (Haryana) and Bhiwadi (Rajasthan) and (ii) Kasarwadi (Pune); the properties mentioned in (i) are also mortgaged in favour of other bankers on pari passu basis.</p> <p>c) Further collaterally secured by equitable mortgage over land on which office is constructed at Siruseri, Chennai, along with building constructed thereon belonging to the Company.</p> <p>d) Corporate guarantee given by Fusion Fittings (I) Limited and pledge of certain shares by certain directors of the Company.</p> <p>e) Personal guarantees from Mr. Amul Gabrani (Director), Mr. Ajay Kumar Bishnoi (Director) and Mrs. Bhagwanti Gabrani (relative of Director).</p>	<p>Repayable in 36 equal monthly installments beginning from April 2010 carrying an interest rate of 0.75% above SBAR with monthly rests.</p>
<p>Amounting to Rs. 160,000,000 is secured by subsergent charge on all current assets (present and future) of the Company and immoveable property at NCR. The loan is also secured by personal guarantees from Mr. Amul Gabrani (Director) and Mr. Ajay Kumar Bishnoi (Director).</p>	<p>Repayable in 10 equal quarterly installments after a moratorium period of 6 months from the date of first disbursement at an interest rate of Yes Bank PLR minus 5.50 % per annum. Loan along with interest due has been repaid subsequently in April 2012.</p>
<p>Amounting to Rs 615,000,000 is secured by exclusive charge on "Tecpro House" office in Gurgaon by way of equitable mortgage with a minimum asset cover of 1.25 times during the entire tenancy of the loan. Further, the loan is additionally secured by way of Personal Guarantee of Mr. A K Bishnoi (Director) and Mr. Amul Gabrani (Director).</p>	<p>20 equal quarterly installments commencing at the end of three months from the date of first drawdown at an interest rate of 270 bps over DBS Bank's base rate payable on a quarterly basis.</p>
<p>Amounting to Rs. 11,050,551 is secured by way of hypothecation of the respective vehicles.</p>	<p>Repayable in 36 equal monthly installments from the date of disbursement carrying an interest rate in the range of 12% p.a to 15% p.a</p>
Foreign currency loan from banks (current and non-current portion)	
<p>Amounting to Rs. 409,252,000 is secured by exclusive charge on the immovable and movable fixed assets of the Engineering Centre situated at Kolkata, financed out of the facility with a minimum asset cover of 1.25 times. The loan is also secured by personal guarantee of Mr. A.K. Bishnoi (Director) and Mr. Amul Gabrani (Director).</p>	<p>Repayable in 10 equal half yearly installments commencing after 18 months from the first drawdown date i.e., 20 June 2011 carrying an interest rate of applicable EURO/USD/SGD LIBOR plus 2.6% p.a.</p>
Financial institutions (current and non-current portion)	
<p>Amounting to Rs. 45,358,163 is secured by way of hypothecation of the respective vehicles.</p>	<p>Repayable in 36 equal monthly installments carrying an interest rate in the range of 12% p.a to 15% p.a</p>
<p>Amounting to Rs. 61,125,000 is secured by First charge on the asset i.e. Land and Building situated at the Industrial Unit at Alwar (Rajasthan).</p>	<p>12 equated quarterly installments starting from expiry of twelve months pre-production period and the last of repayment shall be 1 September 2015 carrying an interest rate of 12% p.a</p>

Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	As at 31 March 2012	As at 31 March 2011
6. Deferred tax assets (net)		
Deferred tax assets on account of :		
Provision for employee benefits	34,791,752	12,885,518
Provision for estimated losses on incomplete contracts	1,712,123	1,756,572
Provision for bad and doubtful debts	68,269,037	51,459,205
Others	5,867,149	8,461,647
Total deferred tax asset	<u>110,640,061</u>	<u>74,562,942</u>
Deferred tax liability on account of :		
Depreciation	108,379,169	49,780,823
Total deferred tax liability	<u>108,379,169</u>	<u>49,780,823</u>
Net deferred tax assets	<u>2,260,892</u>	<u>24,782,119</u>
7. Other long-term liabilities		
Advances from customers	1,744,993,252	2,292,895,181
	<u>1,744,993,252</u>	<u>2,292,895,181</u>
8. Long-term provisions		
Provision for employee benefits		
Gratuity (refer to note 37)	13,661,315	5,866,848
Leave benefits	27,050,255	18,041,255
	<u>40,711,570</u>	<u>23,908,103</u>
Others		
Lease equalisation charges	2,292,877	2,559,599
	<u>43,004,447</u>	<u>26,467,702</u>
9. Short-term provisions		
Provision for employee benefits		
Gratuity (refer to note 37)	9,028,724	3,869,297
Leave benefits	17,879,585	11,937,558
	<u>26,908,309</u>	<u>15,806,855</u>
Others		
Proposed dividend	151,421,373	151,421,373
Tax on proposed dividend	24,564,332	24,564,332
Provision for estimated losses on incomplete contract (refer to note 33)	5,277,000	5,414,000
Provision for tax [net of advance tax Rs. 1,846,839,280 (previous year Rs. 1,659,230,308)]	204,286,356	308,468,892
	<u>385,549,061</u>	<u>489,868,597</u>
	<u>412,457,370</u>	<u>505,675,452</u>



Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	As at 31 March 2012	As at 31 March 2011
10. Short-term borrowings		
Loans repayable on demand (secured)		
From banks		
- Working capital facility	12,027,355,552	6,672,938,027
Loans repayable on demand (unsecured)		
From banks		
- Short term loan	1,221,184	-
From others		
- Directors	5,914,131	5,000
	<u>12,034,490,867</u>	<u>6,672,943,027</u>

Nature of security

Working capital facility comprises cash credit, buyer's credit, export packing credit and bills discounted from banks. Such facilities are secured by first charge on the current assets of the Company on pari passu basis. Cash credit, short term loans and buyers credit from certain banks are further primarily / collaterally secured by way of hypothecation / mortgage of moveable / immoveable fixed assets of the Company on a pari passu basis other than those specifically funded through term loans and charged to State Bank of India and by way of equitable mortgage over certain assets of certain directors (includes a relative of a director) of the Company on pari passu basis. The facility is also secured by personal guarantee of Mr. Amul Gabrani (director), Mr. Ajay Kumar Bishnoi (director) and Mrs. Bhagwanti Gabrani (relative of director) (except for facility availed from DBS). Further, the loan from SBI and Central Bank of India is also secured by corporate guarantee given by Fusion Fittings (I) Limited.

Working capital facility from banks also include an amount of Rs. 498,503,106 (previous year Rs. 428,358,208) taken by erstwhile Tecpro Ashtech Limited secured by a pari-passu charge on present and future goods, books debts, all other moveable assets, outstanding monies, claims, investments etc. of erstwhile Tecpro Ashtech Limited in terms of the deed of hypothecation and further secured by corporate guarantee given by Fusion Fittings (I) Limited, holding Company of erstwhile Tecpro Ashtech Limited and collaterally secured by hypothecation of moveable fixed assets owned by the Company and equitable mortgage over certain assets of certain directors (includes a relative of a director) of the Company.

11. Trade payables

	Non-current		Current	
	As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
Sundry creditors				
- micro and small enterprises	-	-	133,429,880	115,738,942
- others	903,252,053	517,570,016	14,143,618,738	8,887,098,219
	<u>903,252,053</u>	<u>517,570,016</u>	<u>14,277,048,618</u>	<u>9,002,837,161</u>

The Company had sought confirmation from its vendors on their status under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from 2 October 2006. Based on the confirmations received till date, the disclosure as required by section 22 of the MSMED Act are given below :-

	As at 31 March 2012	As at 31 March 2011
(a) Principal amount payable to suppliers as at year-end	133,429,880	115,738,942
(b) Interest due thereon as at year-end	7,762,992	-
(c) Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which interest relates	-	-
(d) Amount of delayed payments actually made to suppliers during the year	93,931,379	120,731,416
(e) Amount of interest due and payable for the year of delay in making payment (which has been paid, but beyond the appointed day during the year) but without adding interest specified under the MSMED Act.	3,177,234	-
(f) Interest accrued and remaining unpaid at the end of year	10,854,478	-

Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	As at 31 March 2012	As at 31 March 2011
12. Other current liabilities		
Current maturities of long-term borrowings (also refer to note 5)	540,580,301	360,022,743
Salaries, wages and bonus payable	96,196,429	101,511,336
Interest accrued and due on borrowings	56,572,418	10,342,603
Interest accrued but not due on borrowings	3,759,794	2,317,822
Unpaid dividends	125,340	-
Book overdraft	1,953,463	5,485,479
Advances from customers	2,058,627,130	1,355,613,497
Unearned revenue	50,138,058	128,943,284
Creditors towards fixed assets	142,749,572	55,088,660
Share application money received for allotment of securities and due for refund-related party	10,000	10,000
Statutory dues payable		
Service tax payable	148,576,573	248,243,861
Tax deducted at source payable	46,213,201	77,601,456
Provident fund and other employee related payable	12,351,309	9,677,384
Sales tax payable	90,454,241	65,660,678
Excise duty payable	5,385	-
Other payables	12,694,804	3,593,856
	3,261,008,018	2,424,112,659

There are no outstanding dues to be paid to Investor Education and Protection Fund

13. Tangible assets

Description	Gross block (at cost or valuation)				Accumulated depreciation				Net block		
	As at 1 April 2011	Additions during the year	Acquired on acquisition of new subsidiaries (refer to note 1)	Deletions / adjustments during the year	As at 31 March 2012	As at 1 April 2011	Acquired on acquisition of new subsidiaries (refer to note 1)	For the year	Deletions / adjustments during the year	As at 31 March 2012	As at 31 March 2011
Owned											
Freehold land	34,705,270	-	-	-	34,705,270	-	-	-	-	34,705,270	34,705,270
Buildings	686,534,855	408,148,754	-	1,184,640	1,093,498,969	49,237,310	-	30,760,825	1,184,635	1,014,685,469	637,297,545
Leasehold improvement	40,726,305	131,456,404	-	4,496,208	167,686,501	23,276,359	-	6,017,192	2,469,659	140,862,609	17,449,946
Plant and machinery	324,200,125	120,153,723	691,976	4,232,817	440,813,007	50,326,372	124,537	25,721,304	2,577,193	73,595,020	367,217,987
Office equipment	80,829,402	46,969,200	1,231,524	1,618,906	127,411,220	26,995,811	437,211	16,534,183	1,210,900	42,756,305	84,654,915
Furniture and fittings	69,876,665	43,841,139	2,865,729	2,908,011	113,675,522	35,029,942	595,286	15,548,677	2,569,572	48,604,333	65,071,189
Vehicles	80,268,657	13,894,877	2,628,677	3,997,351	92,794,860	26,362,194	858,353	8,583,790	2,480,404	33,323,933	59,470,927
Computers	41,421,145	22,555,542	3,443,768	2,576,494	64,843,961	20,497,194	2,603,218	8,717,405	2,377,829	29,439,988	35,403,973
Total (A)	1,358,562,424	787,019,639	10,861,674	21,014,427	2,135,429,310	231,725,182	4,618,605	111,883,376	14,870,192	333,356,971	1,802,072,339
Assets taken on finance lease											
Leasehold land **	140,234,680	107,552,109	-	-	247,786,789	8,203,952	-	857,180	(1,001,134) **	10,062,266	237,724,523
Buildings *	-	225,463,072	-	-	225,463,072	-	-	680,837	-	680,837	224,782,235
Vehicles	88,821,151	21,734,841	-	-	110,555,992	5,341,199	-	8,025,541	-	13,366,740	97,189,252
Total (B)	229,055,831	354,750,022	-	-	583,805,853	13,545,151	-	9,563,558	(1,001,134)	24,109,843	559,696,010
Total (A+B)	1,587,618,255	1,141,769,661	10,861,674	21,014,427	2,719,235,163	245,270,333	4,618,605	121,446,934	13,869,058	357,466,814	2,361,768,349
Previous year	1,378,594,682	228,010,383	-	18,986,810	1,587,618,255	160,784,440	-	95,863,397	11,377,504	245,270,333	1,342,347,922
Capital Work in Progress ^										337,415,196	383,026,362

* Additions to Building include loss on foreign exchange fluctuation Rs. 16,876,111 (previous year Rs. Nil).

^ Capital Work in Progress include loss on foreign exchange fluctuation Rs. 8,705,615 (previous year Rs. Nil) and borrowing cost capitalised Rs. 13,376,648 (previous year Rs. Nil).

** The gross block of leasehold land includes Rs. 76,086,192 (previous year Rs. 76,086,192) on account of revaluation of leasehold land belonging to erstwhile Blossom Automotive Private Limited which has been transferred to the Company on amalgamation with effect from 1 April 2008. Consequent to the same, there is an additional charge of depreciation of Rs. 1,001,034 (previous year Rs. 1,001,034) and an equivalent amount has been withdrawn from revaluation reserve. This has no impact on profit for the year.



Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

14. Intangible assets

Description	Gross block (at cost)				Accumulated depreciation				Net block	
	As at 1 April 2011	Additions during the year	Deletions/ adjust- ments during the year	As at 31 March 2012	As at 1 April 2011	For the year	Deletions / adjust- ments during the year	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011
Computers software	41,585,094	47,868,677	77,016	89,376,755	26,268,724	16,840,064	76,962	43,031,826	46,344,929	15,316,370
Technical know-how	18,438,554	-	-	18,438,554	11,181,020	1,504,110	-	12,685,130	5,753,424	7,257,534
Goodwill #	228,767,920	104,946,553	-	333,714,473	161,644	1,002,740	-	1,164,384	332,550,089	228,606,276
Design documents	1,500,000	-	-	1,500,000	48,493	300,822	-	349,315	1,150,685	1,451,507
Total	290,291,568	152,815,230	77,016	443,029,782	37,659,881	19,647,736	76,962	57,230,655	385,799,127	252,631,687
Previous year	54,433,210	235,858,358	-	290,291,568	29,579,878	8,080,003	-	37,659,881	252,631,687	

Includes goodwill arising on consolidation amounting to Rs. 328,714,473 (previous year Rs. 223,767,920)

As at
31 March 2012 As at
31 March 2011

15. Non-current investments

Non trade Investments (Valued at cost unless stated otherwise)

Investment in equity instrument -Quoted

Vijaya Bank	14,400	14,400
[600 (previous year 600) equity shares of Rs.10 each fully paid up]		

Investments in Government or Trust Securities-Unquoted

National Savings Certificate *	25,000	25,000
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Investments in Mutual funds-Quoted

a. Principal Growth Fund	313,206	313,206
[14,355.55 (previous year 14,355.55) units of face value Rs. 10 each]		
b. Principal Large Cap Fund	200,000	200,000
[19,559.90 (previous year 19,559.90) units of face value Rs. 10 each]		
c. Principal Dividend Yield Fund	71,740	71,740
[5,287.68 (previous year 5,287.68) units of face value Rs. 10 each]		
d. Principal Personal Tax Saver Fund	70,000	70,000
[470.06 (previous year 470.06) units of face value Rs. 100 each]		
e. Principal Emerging Blue Chip Fund	250,000	250,000
[19,361.16 (previous year 19,361.16) units of face value Rs. 10 each]		
f. Principal Debt Saving Fund (formerly Monthly Income Fund)	100,000	100,000
[9,884.45 (previous year 9,884.45) units of face value Rs. 10 each]		
Total	1,044,346	1,044,346

* Pledged as security deposit with the Sales Tax Authorities.

Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	As at 31 March 2012	As at 31 March 2011
16. Current investments		
Current investments (valued at the lower of cost and fair value, unless stated otherwise)		
Investments in Mutual funds-Quoted		
SBI Premier Liquid Fund	-	75,000,000
[Nil (previous year 7,478,804) units of face value Rs. 10 each]		
Total	<u>-</u>	<u>75,000,000</u>
Aggregate book value and market value of quoted investments and book value of unquoted investments:		
Mutual funds		
- Aggregate book value	1,004,946	76,004,946
- Aggregate net asset value	1,507,687	76,652,583
Quoted investments		
- Aggregate book value	14,400	14,400
- Aggregate market value	35,040	47,610
Unquoted investments		
- Aggregate book value	25,000	25,000
17. Long-term loans and advances (Unsecured)		
Considered good:		
Prepaid Expenses	37,238,262	76,078,499
Security deposits	28,673,920	27,871,317
Other loans and advances :		
MAT credit entitlement	169,946	-
Advances to vendors	409,237,674	120,364,355
	<u>475,319,802</u>	<u>224,314,171</u>
Considered doubtful:		
Other loans and advances		
Security deposit	2,246,092	2,246,092
Less : Provision for doubtful advances	(2,246,092)	(2,246,092)
	<u>-</u>	<u>-</u>
	<u>475,319,802</u>	<u>224,314,171</u>
18. Short-term loans and advances (Unsecured, considered good)		
Security deposits	16,903,536	28,531,109
Others		
Balances with statutory / government authorities	314,045,517	332,636,260
Prepaid expenses	329,432,046	295,671,831
Advances to other company	3,500,000	-
Advances to vendors [^]	1,117,215,696	465,109,852
Advances to employees	17,466,977	11,740,152
Advance fringe benefit tax (net of provision)	168,300	168,300
Advance tax [net of provision Rs. Nil (previous year Rs.Nil)]	2,280,346	11,054
Others	23,232,900	17,809,707
	<u>1,824,245,318</u>	<u>1,151,678,265</u>

[^] includes advances to related parties amounting to Rs. 138,000,000 (previous year Rs. Nil)



Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	As at	As at
	31 March 2012	31 March 2011

19. Other non-current assets

Others :

Claims and other receivables	38,527,689	53,561,286
Unbilled revenue on contracts in progress*	1,142,347,193	375,293,748
Advance to capital creditors	11,027,924	34,324,562
Non current bank balances (refer note 23)	152,939,758	807,745,520
Others	20,000	-
	<u>1,344,862,564</u>	<u>1,270,925,116</u>

* on account of proportionate retention money

20. Other current assets

Unbilled revenue on contracts in progress	6,515,388,521	3,181,517,501
Interest accrued on deposits and others	18,614,442	13,992,736
	<u>6,534,002,963</u>	<u>3,195,510,237</u>

21. Inventories *

Raw materials	920,861,491	793,172,365
Goods purchased for resale - project supplies [includes in transit Rs. 37,710,001 (previous year Rs. 20,134,717)]	711,304,101	179,938,717
Finished goods [includes in transit Rs. 36,436,028 (previous year Rs. 40,167,260)]	36,436,028	40,167,260
Work in progress	671,845,013	385,660,245
	<u>2,340,446,633</u>	<u>1,398,938,587</u>

* valued at the lower of cost and net realisable value.

Additional disclosures regarding inventories**Raw materials**

Iron and steel	535,834,293	463,789,205
Others (individual items less than 10% of closing stock of raw material)	385,027,198	329,383,160
	<u>920,861,491</u>	<u>793,172,365</u>

Good purchased for resale - project supplies

Iron and steel	183,627,542	88,085,000
Structures (including structure components)	128,414,900	10,019,000
Others (individual items less than 10% of closing stock of goods purchased for resale - project supplies)	399,261,659	81,834,717
	<u>711,304,101</u>	<u>179,938,717</u>

Work-in-progress

Pulleys	153,037,225	98,337,885
Frames	103,137,130	25,637,112
Structures (including structure components)	93,818,577	27,376,503
Others (individual items less than 10% of closing stock of work-in-progress)	321,852,081	234,308,745
	<u>671,845,013</u>	<u>385,660,245</u>

Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

22. Trade receivables

Unsecured, considered good unless otherwise stated

	Non current #		Current	
	As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	4,901,537,883	3,655,016,395	8,175,030,837	3,266,069,184
Considered doubtful	-	-	210,414,660	158,604,421
	<u>4,901,537,883</u>	<u>3,655,016,395</u>	<u>8,385,445,497</u>	<u>3,424,673,605</u>
Less: Provision for doubtful debts	-	-	(210,414,660)	(158,604,421)
(A)	<u>4,901,537,883</u>	<u>3,655,016,395</u>	<u>8,175,030,837</u>	<u>3,266,069,184</u>
Other receivables				
Unsecured, considered good	(B) 1,876,214,859	1,696,747,021	8,558,428,864	8,427,227,999
Total	(A+B) <u>6,777,752,742</u>	<u>5,351,763,416</u>	<u>16,733,459,701</u>	<u>11,693,297,183</u>

Non current portion of trade receivables is on account of retention money

23. Cash and bank balances

	Non-current		Current	
	As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
Cash and cash equivalents				
Balances with banks:				
- Current accounts	-	-	672,962,723	1,644,608,068
Cash on hand	-	-	1,427,211	1,343,283
Fixed deposits with banks with maturity period less than 3 months	-	-	415,062,916	274,385
	-	-	<u>1,089,452,850</u>	<u>1,646,225,736</u>
Other bank balances :				
Fixed deposits with banks with maturity period more than 12 months	-	-	4,724,383	3,869,965
Fixed deposits with banks with maturity period more than 3 months but upto 12 months ^	-	-	356,339,691	3,899,195
Margin money accounts *	152,939,758	807,745,520	845,552,688	534,282,612
	<u>152,939,758</u>	<u>807,745,520</u>	<u>1,206,616,762</u>	<u>542,051,772</u>
Amount disclosed under non-current assets (refer to note 19)	<u>(152,939,758)</u>	<u>(807,745,520)</u>	-	-
Total	<u>-</u>	<u>-</u>	<u>2,296,069,612</u>	<u>2,188,277,508</u>

^ fixed deposits under lien marked in favour of the bank for credit limits, which are not available for use by the Company.

* fixed deposits held as margin money against guarantee issued by the bank on behalf of the Company and are not available for use by the Company.



Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	For the year ended 31 March 2012	For the year ended 31 March 2011
24. Revenue from operations		
Sale of products	6,955,440,140	7,773,999,305
Contract Revenue	17,763,077,580	10,817,804,433
Sale of service	867,036,729	1,283,267,883
Other operating revenue		
- Sale of scrap	29,577,790	12,750,778
- Provisions no longer required, written back	18,149,016	14,261,032
Revenue from operations (gross)	25,633,281,255	19,902,083,431
Less : Excise duty	265,175,387	202,073,104
Revenue from operations (net)	<u>25,368,105,868</u>	<u>19,700,010,327</u>
Break up of contract revenue and sale of products (excluding excise duty recovered)		
Idlers	584,001,663	573,810,410
Pulley	485,786,631	259,942,721
Structure *	723,222,681	688,535,830
Crusher	81,923,300	143,915,808
Crusher Component	55,327,226	37,685,194
Conveyor Systems	626,044	12,775,264
Conveyor Component	978,469,112	162,227,599
Feeder	53,970,089	59,778,924
Feeder Components	3,300,868	22,702,121
Screen	96,379,500	130,637,997
Screen Components	584,055,699	44,139,369
Components for Ash Handling Systems	3,560,454,958	2,696,616,216
Other project supplies ^	13,066,094,871	11,869,940,603
Accrual / (reversal) based on percentage of completion method for contract revenue	4,179,729,691	1,687,022,578
	<u>24,453,342,333</u>	<u>18,389,730,634</u>
* Structure includes structure components also.		
^ As the individual items within other project supplies account for less than 10% of the total value of sales turnover, these have not been shown as separate and distinct items in the breakup.		
Break up of sale of services		
Drawing and designing	737,312,706	871,006,427
Erection and commissioning	59,249,309	369,012,479
Other services	70,474,714	43,248,977
	<u>867,036,729</u>	<u>1,283,267,883</u>
25. Other Income		
Interest income		
- From fixed deposits	87,753,328	93,927,705
- From others	13,001,136	8,678,951
Dividend income	114,360	776,369
Exchange gain (net)	-	2,463,136
Miscellaneous income	8,938,583	22,626,075
Total	<u>109,807,407</u>	<u>128,472,236</u>

Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	For the year ended 31 March 2012	For the year ended 31 March 2011
26. Cost of raw material consumed		
Opening stock of raw material	793,172,165	401,244,077
Add : Stock on account of acquisition (refer note 1)	26,582,568	-
Add : purchases during the year	12,866,368,741	7,235,828,447
Less: closing stock of raw material	<u>920,861,491</u>	<u>793,172,165</u>
Total	<u>12,765,261,983</u>	<u>6,843,900,359</u>
Details of raw materials and components consumed #		
1. Iron and steel	5,863,278,197	3,062,267,031
2. Others*	<u>6,901,983,786</u>	<u>3,781,633,528</u>
	<u>12,765,261,983</u>	<u>6,843,900,559</u>

Includes raw materials consumed by fabricators appointed by the Company.

* As the raw material grouped as 'Others' include the items that individually account for less than 10% of the total value of raw material consumption, these have not been shown as separate and distinct items in the breakup.

27. Changes in inventory of finished goods and work in progress and stock in trade - project supplies

Stock at the end of the year			
Finished goods	36,436,028		40,167,260
Work in progress	671,845,013		385,660,245
Stock in trade (purchased for resale) - project supplies	<u>711,304,101</u>	<u>1,419,585,142</u>	<u>179,938,717</u>
Stock at the beginning of the year			
Finished goods	40,167,260		31,015,000
Work in progress	385,660,245		368,338,342
Stock in trade (purchased for resale) - project supplies	<u>179,938,717</u>	<u>605,766,222</u>	<u>260,859,575</u>
(Increase) / decrease in inventory		<u>(813,818,920)</u>	<u>54,446,695</u>
Details of purchase of finished goods for projects supplies dealt with by the Company			
Components for Ash Handling Systems	821,387,263		657,761,820
Waste heat recovery systems	564,449,196		-
Purchased for project supplies- others *	<u>1,943,870,592</u>		<u>2,203,606,930</u>
Total		<u>3,329,707,051</u>	<u>2,861,368,750</u>

* As the goods purchased for projects supplies-others at an item level account for less than 10% of the total value of purchases, these have not been shown as separate and distinct items in the breakup.

28. Employee benefit expenses

Salaries, wages and bonus	1,104,473,180	840,810,680
Contribution to provident and other funds	74,931,069	49,009,274
Gratuity (refer to note 37)	22,522,909	9,592,501
Staff welfare	<u>40,806,391</u>	<u>29,001,142</u>
Total	<u>1,242,733,549</u>	<u>928,413,597</u>



Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

	For the year ended 31 March 2012	For the year ended 31 March 2011
29. Other expenses		
Excise duty expense	281,083,297	211,666,465
Less: Excise duty recovered	<u>265,175,387</u>	<u>202,073,104</u>
Drawing and design charges	15,907,910	9,593,361
Fabrication and other site related expenses	31,878,133	14,883,960
Freight and forwarding	2,636,313,562	4,021,697,651
Equipment charges	699,670,569	401,459,790
Travel and conveyance	303,859,719	233,318,500
Rent	145,287,558	119,116,858
Power fuel and electricity	57,955,149	56,323,287
Communication	54,984,437	32,012,836
Advertising and marketing	29,411,311	22,807,756
Sales commission	18,124,528	13,450,459
Printing and stationery	102,491,218	276,670,942
Rates and taxes	18,256,259	14,943,989
Legal and professional	78,991,347	46,987,070
Exchange loss (net)	287,210,233	202,529,295
Loss on sale / disposal of fixed assets	31,264,547	355,996
Repairs and maintenance	2,727,563	3,527,032
- plant and machinery	6,159,792	3,265,574
- buildings	38,011,453	19,409,161
- others	42,535,933	31,207,830
Claims receivables written off	19,252,133	-
Provision for bad and doubtful debts	141,810,238	90,000,000
Bad debts written off	53,252,412	34,004,425
Provision for bad and doubtful debts	90,000,000	109,097
Less: bad debts written off during the year	<u>(90,000,000)</u>	<u>(109,097)</u>
Insurance	44,354,345	24,854,709
Miscellaneous expenses	53,955,961	69,087,280
Total	<u>4,913,666,310</u>	<u>5,741,507,761</u>

Disclosures regarding payment to auditors (excluding service tax)

Statutory audit fee	9,009,544	7,832,599
Tax audit fee *	730,000	740,000
Audit reports issued in connection with public issue #	-	1,837,993
Other matters ^	697,540	360,750
Out of pocket expenses	411,505	422,118
	<u>10,848,589</u>	<u>11,193,460</u>

* Represents amount payable to other than Statutory auditor.

^ includes Rs. Nil (previous year Rs. 105,000) amount paid to other than statutory auditor.

adjusted against securities premium reserve.

30. Finance costs

Interest expense on:		
- long term loan	97,188,470	106,826,515
- short term loan	488,888,080	188,900,149
- others	1,036,140,309	630,007,326
Bank charges	325,835,254	305,316,854
Exchange difference to the extent considered as an adjustment to borrowing costs	23,950,274	-
Total	<u>1,972,002,387</u>	<u>1,231,050,844</u>

Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

- 31 Pursuant to the approval of the shareholders of the Company granted in their Extra-ordinary General Meeting held on 25 March 2010, the Company came out with an Initial Public Offer ("IPO") of 7,550,000 equity shares of Rs. 10 each at a premium of Rs. 345 per share including Offer for Sale of 1,300,000 equity shares by Metmin Investments Holdings Limited and made allotment of 6,250,000 equity shares on 8 October 2010. The allotment of 6,250,000 equity shares included allotment of 66,945 equity shares of Rs. 10 each at a premium of Rs. 328 per share to employees. The issue has been made in accordance with the terms of the Company's prospectus dated 17 August 2010 and the shares of the Company got listed on The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited on 12 October 2010.

A Details of the proceeds raised in the IPO	Shares offered	Amount
Fresh issue by the Company	6,183,055	2,194,984,525
Fresh issue to employees by Company	66,945	22,627,410
	6,250,000	2,217,611,935
Amount raised in Offer for Sale	1,300,000	461,500,000
Total	7,550,000	2,679,111,935
Share capital		62,500,000
Share premium		2,155,111,935
Total		2,217,611,935
B Net proceeds from IPO available for utilization		
Total amount raised through fresh issue		2,217,611,935
Less: Issue expenses met by the Company		141,172,454
Total		2,076,439,481
C Utilization of the net proceeds from IPO		
Working Capital		2,076,439,481
Total		2,076,439,481

Share issue expenses incurred during the financial year ended 31 March 2011 amounting to Rs.141,172,454 (previous year Rs. 3,666,987) pertain to expenses incurred in connection with the public issue of equity shares of the Company. In accordance with the provisions of Section 78 of the Companies Act, 1956, these expenses were charged off against the available balance in the 'Securities premium reserve' account.

- 32 The gross block of leasehold land includes Rs. 76,086,192 (previous year Rs. 76,086,192) on account of revaluation of leasehold land belonging to erstwhile Blossom Automotive Private Limited which has been transferred to the Company on amalgamation with effect from 1 April 2008. Consequent to the same, there is an additional charge of depreciation of Rs. 1,001,034 (previous year Rs.1,001,034) and an equivalent amount has been withdrawn from revaluation reserve. This has no impact on profit for the year.
- 33 Contingent liabilities and commitments (to the extent not provided for)

	As at 31 March 2012	As at 31 March 2011
(i) Claims against the company not acknowledged as debt : Sales tax matters	81,602,639	83,197,573
(ii) Claims against the company not acknowledged as debt : Entry tax matters	20,408,275	29,397,049
(iii) Claims against the company not acknowledged as debt : Income tax matters	-	346,677
(iv) Claims against the company not acknowledged as debt : Labour matters	-	1,200,000
(v) Claims against the company not acknowledged as debt : Service tax matters	6,536,536	8,976,817
(vi) Demand for additional price/ enhancement cost in respect of factory plots situated at Bawal*	9,207,821	8,528,672
(vii) Sales tax liability against pending forms	2,102,176,396	1,685,549,342

*The factory plots belonging to the Company, situated at Bawal were allotted by the Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDCL) in favour of the Company through Regular Letters of Allotment (RLA) letter dated 23 January 2004 and 9 July 2004.



Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

The Company has received notices dated 4 December 2007 and 29 December 2007 from HSIIDCL for additional price/enhancement cost amounting to Rs.9,207,821 {including interest} (previous year Rs. 8,528,672 {including interest}), in respect of factory plots situated in Bawal. The Company has filed a writ petition in the Punjab and Haryana High Court on 8 January 2008 and has obtained a stay order on 9 January 2008. This matter is under adjudication. Pursuant to above, Rs. 9,207,821 (previous year Rs.8,528,672) has been disclosed as 'Contingent liability' in the notes to the accounts.

- 33A. Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances of Rs.11,027,924 (previous year Rs. 34,324,562)] are Rs. 381,365,647 (previous year Rs. 199,970,803).
- 34 On March 6, 2012, search proceedings under Section 132 of the Income Tax Act, 1961 ("the Act") were undertaken in respect of the Company. The search proceedings were effectively concluded vide last Panchnama drawn on May 03, 2012. At this stage, no tax demand has been determined pursuant to the present search proceedings.
- 35 **Disclosures pursuant to Accounting standard (AS)-7 "Construction Contracts" (Revised) are given below :-**

	As at 31 March 2012	As at 31 March 2011
Contract revenue recognised for the year	17,763,077,580	10,817,804,433
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) upto the Balance sheet date for all contracts in progress as at that date	30,147,766,447	20,625,293,232
Amount of customer advances outstanding for contracts in progress as at Balance sheet date	3,132,181,987	2,990,531,697
Retention amounts due from customers for contracts in progress	3,769,966,376	2,054,480,421
Gross amount due from customers for contract work	8,101,193,351	3,554,317,249
Gross amount due to customers for contract work	506,189,376	120,481,589

36 **Earnings per equity share (EPS)**

	For the year ended 31 March 2012	For the year ended 31 March 2011
Net profit after tax as per Statement of Profit and Loss	1,231,128,871	1,324,671,618
Number of equity shares of Rs.10 each at the beginning of the year	50,473,791	44,223,791
Weighted average number of equity shares issued during the year	-	2,996,575
Weighted average number of equity shares of Rs. 10 each outstanding during the year	50,473,791	47,220,366
Weighted average number of equity shares of Rs.10 each at the end of the year for calculation of basic and diluted EPS	50,473,791	47,220,366
Basic and diluted earnings per share (in Rs.) (Per share of Rs 10 each)	24.39	28.05

37 **Disclosure in respect of employee benefits under Accounting Standard (AS) – 15 (Revised) "Employee Benefits" prescribed by the Companies (Accounting Standards) Rules, 2006.**

- a) Defined Contribution Plans: Amount of Rs. 74,931,069 (previous year Rs. 49,009,274) pertaining to employers' contribution to Provident Fund, Employees State Insurance fund and superannuation fund is recognised as an expense and included in "Employee benefit expenses" in note 28.
- b) Defined benefit plan: The disclosures for gratuity cost is given below:
 - (i) The changes in the present value of obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	As at 31 March 2012	As at 31 March 2011
Present value of obligation at the beginning of the year	36,489,893	26,499,031
Interest cost	2,895,781	2,122,296
Past service cost	(1,696,868)	-
Currents service cost	13,429,431	8,935,608
Benefits paid	(1,478,089)	(1,086,536)
Actuarial (gain)/loss on obligation	10,375,536	19,494
Present value of obligation at the end of the year	60,015,684	36,489,893

Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

- (ii) The changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	As at 31 March 2012	As at 31 March 2011
Fair value of plan assets at the beginning of the year	26,753,748	14,943,830
Expected return on plan assets	2,460,508	1,472,671
Contributions	8,676,176	11,050,990
Benefits paid	(585,250)	(725,969)
Actuarial gain/(loss) on plan assets	20,463	12,226
Fair value of plan assets at the end of the year	37,325,645	26,753,748

- (iii) Actuarial gain/ loss recognised are as follows:

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Actuarial loss for the year - obligation	(10,375,536)	(19,494)
Actuarial gain for the year - plan assets	20,463	12,226
Total loss for the year	(10,355,073)	(7,268)
Actuarial loss recognised in the year	(10,355,073)	(7,268)
Unrecognized actuarial gains (losses) at the end of year	-	-

- (iv) The amounts recognised in Balance Sheet are as follows:

Particulars	As at 31 March 2012	As at 31 March 2011
Present value of obligation as at the end of the year	60,015,684	36,489,893
Fair value of plan assets as at the end of the year	37,325,645	26,753,748
Funded/(unfunded) status	(22,690,039)	(9,736,145)
Excess of actual over estimated	20,463	12,226
Net assets/(liability) recognized in balance sheet	(22,690,039)	(9,736,145)

- (v) The amounts recognised in Consolidated Statement of Profit and Loss are as follows:

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Current service cost	13,429,431	8,935,608
Past service cost	(1,696,868)	-
Interest cost	2,895,781	2,122,296
Expected return on plan assets	(2,460,508)	(1,472,671)
Net actuarial (gain)/loss recognized in the year	10,355,073	7,268
Expenses recognised in the statement of profit and losses	22,522,909	9,592,501

- (vi) Principal actuarial assumptions at the Consolidated Balance Sheet date are as follows:

A. Economic Assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Discount rate	8.00%	8.00%
Expected rate of return on plan assets	9.30%	9.25%
Salary growth rate	7.00%	7.00%

B. Demographic Assumption

	60 Years LIC (1994-96) duly modified	60 Years LIC (1994-96) duly modified
Retirement Age		
Mortality table		
Withdrawal Rates - Ages		
Upto 30 Years	3%	3%
Upto 44 Years	2%	2%
Above 44 Years	1%	1%



Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

(vii) General description of gratuity plan:

Gratuity Plan (defined benefit plan)

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefits vests after five years of continuous service. The Company has set a limit of Rs. 1,000,000 (previous year Rs.1,000,000) per employee.

(viii) Experience adjustment on actuarial gain / (loss) for projected benefit obligation and plan assets.

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010	For the year ended 31 March 2009
On plan projected benefit obligation	(10,375,536)	(19,494)	(1,104,626)	(1,188,565)
On plan assets	31,571	12,226	(101,308)	16,817

38 Disclosure in respect of operating leases under Accounting Standard (AS) – 19 “Leases” prescribed by the Companies (Accounting Standards) Rules, 2006.

a) General description of the Company’s operating lease arrangements:

The Company enters into operating lease arrangements for leasing area offices, factory building, equipments and residential premises for its employees.

Some of the significant terms and conditions of the arrangements are:

- agreements for most of the premises may generally be terminated by the lessee or either party by serving one to six month’s notice or by paying the notice period rent in lieu thereof.
- the lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement.
- the Company shall not sublet, assign or part with the possession of the premises without prior written consent of the lessor.

b) Lease rent charged to the statement of profit and loss on account of minimum lease rentals Rs. 341,318,957 (previous year Rs. 259,413,115).

c) Company also enters into non-cancellable operating leases, the total of future minimum lease payments under non-cancellable operating leases is given below :

	As at 31 March 2012	As at 31 March 2011
Payable not later than one year	10,913,283	12,312,873
Payable later than one year and not later than five years	19,792,434	27,332,087
Payable later than five years	-	3,665,970
Total	30,705,717	43,310,930

39 The schedule of provisions as required to be disclosed in compliance with Accounting Standard 29, “Provisions, contingent Liabilities and Contingent Assets” is as under:

Provision relating to	Opening balance as at 1 April 2011	Created during the year	Write back during the year	Closing balance as at 31 March 2012
Estimated losses on incomplete contracts	5,414,000	-	137,000	5,277,000
	(11,398,000)	(-)	(5,984,000)	(5,414,000)

Provision for estimated losses on incomplete contracts relates to provision made for expected losses wherein, the total cost of the incompleting construction contract, based on the technical and other estimates, is expected to exceed the corresponding contract value. Accordingly, such excess is provided during the year.

Figures in bracket refer to previous year 31 March 2011

Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

40 Segment reporting

The Segment reporting policy is in conformity with Accounting Standard-17 on "Segment Reporting", prescribed by the Companies (Accounting standards) Rules, 2006.

The risk-return profile of the Company's (including its subsidiaries) business is determined predominantly by the nature of their products and services. Accordingly, the primary segmentation is based on the business segments (reportable primary segment) in which the Company and its subsidiaries operate.

The businesses are organized into two key geographic segments (reportable secondary segment) i.e. domestic and exports. Revenues are attributable to individual geographic segments based on the location of the customer within India (domestic) and outside India (exports).

The following specific accounting policies have been followed for segment reporting:-

- 1 Segment revenue includes net sales (sale of manufactured goods and traded goods), service income and contract revenue directly identifiable to the segment. Segment results includes amounts directly identifiable to each of the segments and which can be allocated on a reasonable basis. Unallocable income includes interest income and other income that are not identifiable to the segments. Unallocable expenditure includes corporate expenditure which is not identifiable to any of the segments.
- 2 Segment assets and segment liabilities include those directly identifiable with the respective segments. Unallocated assets include cash and bank, loans and advances to subsidiaries, accrued interest on fixed deposits, share application money pending allotment, deferred tax assets, advance for share purchase and investments. Unallocated liabilities include secured loans, unsecured loans, bank overdraft, interest accrued but not due, provision for proposed dividend and income tax liabilities.

Primary segments (Business segment)

The Company and its subsidiaries operate in 4 primary business segments:-

A Material handling systems

This segment is primarily engaged in manufacturing, supply, erection and commissioning of material handling systems (including balance of plant), viz:

- a. Supply of conveyor belt, slat conveyors, bucket elevators;
- b. Manufacture and / or supply of crushers, screens, conveyor components like idlers and pulleys (rollers);
- c. Fabricated steel structures ;
- d. Providing the services of design, engineering, procurement, construction and maintenance for air and gas pollution control systems attached to the industrial plants;
- e. Manufacture of ash handling equipments and undertakes turnkey projects for ash handling system;
- f. Erection and commissioning of all of the above.

B Setting up of complete power plant on Engineering, Procurement and Construction (EPC) basis

This segment is primarily engaged in purchasing, selling, producing, trading, manufacturing or otherwise dealing in all aspects of research, design, engineering, installation, commissioning, construction, operation and maintenance of power generation plants and power systems.

C Power generation and distribution

This segment is primarily engaged in generation, production, manufacturing, transmission, supply and distribution of electric power to different categories of consumers. This segment has not yet commenced its commercial operations.

D Waste Processing

This segment is primarily engaged in manufacturing Refused Derived Fuel (RDF) from municipal solid waste supplied by Ajmer Municipal Council and Bikaner Municipal Council. This segment has not yet commenced its commercial operations.

Secondary segment (Geographical segment)

The businesses are organized into two key geographic segments (reportable secondary segment) i.e. domestic and exports. Revenues are attributable to individual geographic segments based on the location of the customer within India (domestic) and outside India (exports).



Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

For the year ended 31 March 2012

A. Primary segment (Business segment)

	Material handling system	Setting up of power plant on EPC basis	Waste Processing	Power generation and distribution	Inter segment elimination	Total For the year ended 31 March 2012
Revenue						
External sales (net)	25,310,305,450	57,800,418	-	-	-	25,368,105,868
Inter segment sales	-	-	-	-	-	-
Total	25,310,305,450	57,800,418				25,368,105,868
Results						
Segment results profit/(loss) (before interest and taxes)	3,441,566,381	8,801,727	(119,528)	(128,791)	-	3,450,119,789
Unallocable other income (excluding interest income)						163,312
Interest income						100,754,464
Interest expenses						(1,622,216,860)
Charity and donation						(1,554,460)
Profit before taxes						1,927,266,245
Income taxes						673,616,148
- Current tax						22,521,226
- Deferred tax						-
- Fringe benefit tax						-
Profit after taxation and before minority interest						1,231,128,871
Other Information						
Assets						
Segment assets	38,267,649,792	188,524,044	37,494,217	-	-	38,493,668,053
Unallocated assets						2,920,779,200
Total assets						41,414,447,253
Liabilities						
Segment liabilities	20,183,433,945	33,605,015	3,308,815	75,000	-	20,220,422,775
Unallocated liabilities						13,452,128,364
Minority Interest						15,985
Share capital (including reserves and surplus)						7,741,880,129
Total liabilities						41,414,447,253
Other Information						
Capital expenditure	1,152,446,094	969,067	14,794,360	-	-	1,168,209,521
Depreciation and amortisation	141,061,229	33,441	-	-	-	141,094,670
Non-cash expenses other than depreciation and amortisation included in segment expenses	197,790,213	10,000	-	-	-	197,800,213

B. Secondary segment (Geographical segment)

	Domestic	Export	Total For the year ended 31 March 2012
Revenue	24,899,458,717	468,647,151	25,368,105,868
Sundry debtors #	23,137,935,094	373,277,349	23,511,212,443
Capital expenditure	1,166,166,971	2,042,550	1,168,209,521

Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

For the year ended 31 March 2011

A. Primary segment (Business segment)

	Material handling system	Setting up of power plant on EPC basis	Waste Processing	Power generation and distribution	Inter segment elimination	Total For the year ended 31 March 2011
Revenue						
External sales (net)	19,700,010,327	-	-	-	-	19,700,010,327
Inter segment sales	-	-	-	-	-	-
Total Revenue	19,700,010,327	-	-	-	-	19,700,010,327
Results						
Segment results profit/(loss) (before interest and taxes)	2,882,608,111	-	(161,448)	(211,368)	-	2,882,235,295
Unallocable other income (excluding interest income)						7,707,438
Interest income						102,605,520
Interest expenses						(925,733,990)
Charity and donation						(2,963,106)
Profit before taxes						2,063,851,157
Income taxes						752,416,000
- Current tax						(12,932,834)
- Deferred tax						(303,626)
- Fringe benefit tax						
Profit after taxation and before minority interest						1,324,671,617
Share of loss/(Profit) of minorities						-
Profit after taxation and minority interest						1,324,671,617
Other Information						
Assets						
Segment assets	21,883,170,418	100,021,527	26,879,426	40,708	(16,000,000)	21,994,112,079
Unallocated assets						3,338,874,656
Total assets						25,332,986,735
Liabilities						
Segment liabilities	10,679,677,394	3,185,781	19,447,630	75,000	(16,000,000)	10,686,385,805
Unallocated liabilities						7,958,862,842
Share capital (including reserves and surplus)						6,687,738,088
Total liabilities						25,332,986,735
Capital expenditure	655,906,970	-	23,023,000	-	-	678,929,970
Depreciation and amortisation	103,943,399	-	-	-	-	103,943,399
Non-cash expenses other than depreciation and amortisation included in segment expenses	127,538,310	-	-	-	-	127,538,310

B. Secondary segment (Geographical segment)

	Domestic	Export	Total For the year ended 31 March 2011
Revenue	19,496,088,299	203,922,028	19,700,010,327
Sundry debtors #	16,872,972,868	172,087,731	17,045,060,599
Capital expenditure	678,929,970	-	678,929,970

other assets except sundry debtors cannot be allocated to the secondary segments.



Notes to consolidated financial statements for the year ended 31 March 2012

41 Related party disclosures

a) Related party and nature of relationship where control exists

Key management personnel	Ajay Kumar Bishnoi Amul Gabrani Goldie Gabrani (upto 9 November 2010) Arvind Kumar Bishnoi Aditya Gabrani (w.e.f. 10 November 2010) Amar Banerjee (w.e.f. 2 April 2010)
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Related party and nature of the related party relationship with whom transactions have taken place during the year

Key management personnel	Ajay Kumar Bishnoi Amul Gabrani Goldie Gabrani (upto 9 November 2010) Arvind Kumar Bishnoi Aditya Gabrani (w.e.f. 10 November 2010) Amar Banerjee (w.e.f. 2 April 2010)
Relatives of key management personnel	Bhagwanti Gabrani Manju Bishnoi Rashmi Singh Amita Bishnoi
Enterprises over which key management personnel exercise significant influence	Tecpro Engineers Limited (formerly Tecpro Engineers Private Limited) T & H Education Private Limited (formerly known as Tecpro Paints Private Limited) Hythro Power Corporation Limited Tecpro Stones Private Limited Fusion Fittings (I) Limited Shriram Cement Limited Tecpro Infra-Projects Limited (formerly known as BESL Infra-Projects Limited) G.E.T. Power Limited (formerly known as G.E.T. Power Private Limited) HIQ Power Associates Private Limited (w.e.f. 27 April 2011)
Individuals owing directly or indirectly, an interest in voting power and significant influence over the enterprise (including relatives of such individuals)	Achal Ghai (upto 11 October 2010) Sonia Ghai (upto 11 October 2010)
Enterprises over which such individuals exercise significant influence	Avigo Venture Investments Limited (upto 11 October 2010)

Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

b) Transactions during the current year	Key management personnel (Including relatives)	Enterprises over which Key management personnel (including relatives) exercise significant influence	Individuals owing directly or indirectly, an interest in voting power and significant influence over the enterprise and enterprises over which such individuals exercise significant influence (including relatives of such individuals)
Remuneration	173,697,216 (199,368,000)	-	-
Dividend paid on equity shares (on cash basis)	56,933,268 (56,933,268)	22,575,252 (22,575,252)	-
Rent expenses	13,824,492 (12,156,451)	-	-
Rent income	-	3,963,364 (618,104)	-
Professional charges	-	46,684,286 (-)	-
Loans/advances received and repaid	-	-	-
Business advance given	(31,000,000)	(64,106,297)	(-)
Business advance given and adjusted	-	331,098,070 (-)	-
Recovery of business advance given	-	55,000,000 (-)	-
Recovery of expenses	-	193,032,232 (-)	-
Purchase of goods	-	1,470,701 (-)	-
Purchase of fixed assets	-	132,077,151 (87,413,202)	-
Sale of goods	-	4,786,677 (63,278,954)	-
Sale of fixed assets	-	74,189,473 (31,774,450)	-
Amount paid by other party on behalf of Company	-	397,104 (390,000)	-
Equipments hire charges	-	(700,000)	-
Repairs and maintenance expenses	-	8,190,000 (9,360,000)	-
Job work charges	-	1,015,850 (-)	-
Travelling expenses	-	95,738,143 (-)	-
Repair and maintenance charges	-	(55,248)	-
Fabrication charges	-	694,655 (156,365)	-
Comfort letter given by Company on behalf of other party	-	2,306,465 (13,109,145)	-
Guarantees/security given by other parties on behalf of the Company	-	# (#)	-
Shares pledged by certain directors for credit facilities taken by Company	-	@ (@)	-



Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

c) Outstanding balance as at year-end	Key management personnel (Including relatives)	Enterprises over which Key management personnel (including relatives) exercise significant influence	Individuals owing directly or indirectly, an interest in voting power and significant influence over the enterprise and enterprises over which such individuals exercise significant influence (including relatives of such individuals)
Business advance recoverable	- (-)	138,000,000 (-)	- (-)
Rent receivable	- (-)	21,114 (-)	- (-)
Remuneration payable	4,431,668 (46,263,000)	- (-)	- (-)
Trade receivables	- (-)	89,229,687 (19,907,405)	- (-)
Trade payables	- (-)	33,040,242 (79,468,492)	- (-)
Creditors for capital goods	- (-)	3,293,543 (-)	- (-)
Amount payable by Company on account of payment made by others	- (-)	- (700,000)	- (-)
Comfort letter given by Company on behalf of other party	- (-)	# (#)	- (-)
Guarantees/security given by other parties on behalf of the Company	## (##)	^ (^)	- (-)
Shares pledged by certain directors for credit facilities taken by Company	@ (@)	- (-)	- (-)

Company has given a letter of comfort for various facilities taken by Hythro Power Corporation Limited from a Bank with a limit of Rs. 320,000,000 (previous year Rs.1,070,000,000)

Guarantees and collateral security given by Ajay Kumar Bishnoi and Amul Gabrani for various facilities taken by the Company from banks with a limit of Rs. 49,420,800,000 and USD 8,000,000(previous year Rs. 41,162,300,000) and Bhagwanti Gabrani (relative of a director) for various facilities taken by the Company from banks with a limit of Rs. 45,005,800,000 (previous year Rs. 29,765,800,000) *

@@ Guarantees given by erstwhile Microbase Infosolution Private Limited for various facilities taken by the Company from a bank with a limit of Rs. Nil (previous year Rs.400,000,000)

^ Guarantees given by Fusion Fitting (I) Limited for various facilities taken by the Company from a bank with a limit of Rs. 21,665,800,000 (previous year Rs. 5,600,000,000)

@ Ajay Kumar Bishnoi and Amul Gabrani have pledged their shares in the Company with a bank for credit facilities taken by the Company with a limit of Rs. 21,665,800,000 (previous year Rs. 19,715,800,000)*

Figures in bracket refer to previous year 31 March 2011

Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

d) Details of related parties with whom transactions exceed 10% of the class of transaction.

Name of Related Party	Nature of Transaction	Year ended 31 March 2012	Year ended 31 March 2011
Ajay Kumar Bishnoi	Rent expenses	6,341,046	5,642,226
Amul Gabrani	Rent expenses	6,341,046	5,642,226
Amul Gabrani	Loans taken during the year	-	31,000,000
Amul Gabrani	Repayment of loan taken	-	31,000,000
Tecpro Engineers Limited (formerly Tecpro Engineers Private Limited)	Loans/advances received and repaid	-	44,106,297
Hythro Power Corporation Limited	Recovery of expenses	1,470,701	-
Tecpro Engineers Limited (formerly Tecpro Engineers Private Limited)	Business advance given	90,000,000	-
Ajay Kumar Bishnoi	Remuneration	67,340,004	83,871,996
Amul Gabrani	Remuneration	67,340,004	83,871,996
Hythro Power Corporation Limited	Rent income	3,240,000	-
Tecpro Engineers Limited (formerly Tecpro Engineers Private Limited)	Rent income	501,052	480,000
Ajay Kumar Bishnoi	Dividend paid on equity shares	27,059,526	27,059,526
Amul Gabrani	Dividend paid on equity shares	27,958,026	27,958,026
Avigo Venture Investments Limited	Dividend paid on equity shares	-	20,457,459
T & H Education Private Limited (formerly known as Tecpro Paints Private Limited)	Loans/advances received and repaid	-	20,000,000
Tecpro Infra-Projects Limited (formerly known as BESL Infra-Projects Limited)	Job work charges	64,238,143	-
Tecpro Infra-Projects Limited (formerly known as BESL Infra-Projects Limited)	Purchase of Fixed assets	1,264,609	-
Tecpro Infra-Projects Limited (formerly known as BESL Infra-Projects Limited)	Business advance given	75,098,070	-
Tecpro Infra-Projects Limited (formerly known as BESL Infra-Projects Limited)	Recovery of business advance given	75,032,232	-
Tecpro Infra-Projects Limited (formerly known as BESL Infra-Projects Limited)	Travelling expenses	-	55,248
Hythro Power Corporation Limited	Sale of goods	25,884,253	28,953,400
T & H Education Private Limited (formerly known as Tecpro Paints Private Limited)	Purchase of goods	-	15,412,011
Tecpro Stones Private Limited	Purchase of Fixed assets	3,293,543	6,410,512
Tecpro Stones Private Limited	Office maintenance expenses	694,655	-
Tecpro Stones Private Limited	Rent Income	-	96,000
Tecpro Stones Private Limited	Equipment hire charges	8,190,000	9,360,000
Shriram Cement Limited	Sale of goods	48,305,220	-
Shriram Cement Limited	Amount paid by other party on behalf of Company	-	700,000
Hythro Power Corporation Limited	Business advance given and adjusted	55,000,000	-
Hythro Power Corporation Limited	Professional charges	36,000,000	-
Hythro Power Corporation Limited	Job work charges	31,500,000	-
Hythro Power Corporation Limited	Sale of fixed assets	225,627	390,000
Hythro Power Corporation Limited	Purchase of goods	132,077,151	72,001,191
Hythro Power Corporation Limited	Purchase of fixed assets	-	56,355,722
Hythro Power Corporation Limited	Repairs and maintenance expenses	1,015,850	156,365
Hythro Power Corporation Limited	Fabrication charges	2,306,465	12,162,845
Fusion Fittings (I) Limited	Dividend paid on equity shares	-	22,575,252
G.E.T. Power Limited (formerly known as G.E.T. Power Private Limited)	Sales of Fixed assets	171,477	-
G.E.T. Power Limited (formerly known as G.E.T. Power Private Limited)	Business advance given	166,000,000	-
G.E.T. Power Limited (formerly known as G.E.T. Power Private Limited)	Recovery of business advance given	118,000,000	-
HIQ Power Associates Private Limited	Professional charges	10,684,286	-



Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

- 42 The Company's exposure in respect of foreign currency denominated assets and liabilities not hedged by derivative instruments or otherwise are as follows:-

Particulars	As at 31 March 2012	As at 31 March 2011
Assets		
US \$ 6,736,665(previous year US \$2,808,076)	344,870,334	126,162,392
Euro 1,543,267(previous year Euro 1,026,814)	105,406,850	65,384,428
Liabilities		
US \$20,868,107 (previous year US \$ 7,531,950)	1,074,867,409	340,250,757
Euro 8,272,495 (previous year Euro 2,788,819)	565,975,909	178,112,070
ZAR Nil (previous year ZAR 61,861)	-	411,907

- 43 The Ministry of Corporate Affairs (MCA) has issued the amendment dated 29 December 2011 to AS-11 'The Effects of Change in Foreign Exchange Rates' to allow companies capitalization of exchange differences arising on long term foreign currency monetary items. In accordance with the amendment/earlier amendment to AS 11, the Company has capitalized exchange loss, arising on long term foreign currency loan, amounting to Rs. 25,581,726 (previous year Rs. Nil) to the cost of work in progress (building).
- 44 The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated 8 February 2011 and 21 February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

For the year ended 31 March 2012

Particulars	Ajmer Waste Processing Company Private Limited	Bikaner Waste Processing Company Private Limited	Tecpro Trema Limited	Tecpro Systems (Singapore) Pte. Limited	Tecpro Energy Limited	Ambika Projects (India) Limited	Everson Energy Private Limited
a) Capital	1,000,000	785,000	1,500,000	69,010,284	6,580,000	15,000,000	2,600,000
b) Reserves	(13,403,206)	(7,146,529)	(990,660)	(63,611,015)	(5,770,904)	(10,181,376)	11,261,800
c) Total Assets	48,471,611	111,561	22,534,376	6,909,008	984,098	172,812,476	96,465,640
d) Total Liabilities	60,874,817	6,473,090	22,025,036	1,509,738	175,000	167,993,852	82,603,840
e) Details of Investment (Except in Case of Investment in Subsidiaries)	-	-	5,000	-	-	-	-
f) Turnover	406	-	8,000,278	7,430,526	76,696	29,936,647	158,478,738
g) Profit before tax	(1,350,332)	(530,360)	(11,814,223)	(18,854,394)	(67,095)	(20,190,391)	11,524,022
h) Provision for taxation	-	-	(4,576,097)	-	(11,233)	-	3,516,000
i) Profit after taxation	(1,350,332)	(530,360)	(7,238,126)	(18,854,394)	(55,862)	(20,190,391)	8,008,022
j) Proposed dividend	-	-	-	-	-	-	-
Cash Inflows	496,919	9,830	(1,074,516)	4,126,559	(323,952)	(44,058)	(370,566)

Notes to consolidated financial statements for the year ended 31 March 2012

(All amounts are in Rupees)

For the year ended 31 March 2011

Particulars	Ajmer Waste Processing Company Private Limited	Bikaner Waste Processing Company Private Limited	Tecpro Trema Limited	Tecpro Systems (Singapore) Pte. Limited	Tecpro Energy Limited	Tecpro International FZE	Microbase Infosolution Private Limited
a) Capital	1,000,000	300,000	1,500,000	43,885,529	6,580,000	25,676,105	102,000
b) Reserves	(12,052,874)	(6,616,169)	6,247,466	(44,756,621)	(5,715,042)	(24,360,419)	7,997
c) Total Assets	29,116,666	101,731	35,031,220	903,760	955,109	1,640,751	144,072,749
d) Total Liabilities	40,169,540	6,417,900	27,288,754	1,774,852	90,151	325,065	143,962,752
e) Details of Investment (Except in Case of Investment in Subsidiaries)	-	-	5,000	-	-	-	-
f) Turnover	-	-	25,379,860	2,686,303	-	1,913,625	52,500
g) Profit before tax	(1,196,281)	(689,646)	944,142	(17,068,789)	(148,847)	(467,091)	3,504
h) Provision for taxation	-	-	1,196,217	-	20,000	-	1,164
i) Profit after taxation	(1,196,281)	(689,646)	(252,075)	(17,068,789)	(168,847)	(467,091)	2,340
j) Proposed dividend	-	-	-	-	-	-	-
Cash Inflows	(19,597)	8,370	56,703	(858,475)	(214,289)	20,678	(110,050)

Note: The above figures are as per audited financial statements.

45 Till the year ended 31 March 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification.

For B S R & Co.
Chartered Accountants
Firm registration no. 101248W

Sd/-
Vikram Advani
Partner
Membership No.: 091765

Place : Chennai
Date : 24 May, 2012

For and on behalf of the Board of Directors of Tecpro Systems Limited

Sd/-
Ajay Kumar Bishnoi
Chairman &
Managing Director

Place : Chennai
Date : 24 May, 2012

Sd/-
Amul Gabrani
Vice Chairman &
Managing Director

Sd/-
Pankaj Tandon
Company Secretary



TECPRO TOWER, CHENNAI



TECPRO HOUSE, GURGAON



TECPRO ANNUAL DAY 2012 - CHENNAI



TECPRO GROUP FAMILY DAY 2012 - GURGAON



TECPRO HOUSE PUJA CEREMONY



TECPRO GROUP CRICKET TOURNAMENT - 2012

Events at Tecpro



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www.tecprosystems.com



Tecpro Systems Limited

Regd. Office: 106, Vishwadeep Tower, Plot No. 4, District Centre,
Janakpuri, New Delhi-110058

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of Tecpro Systems Limited will be held on Monday, the 13th day of August, 2012, at Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, APS Colony, Delhi Cantt., Delhi 110010 at 10:00 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012, the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the financial year 2011-12.
3. To appoint a director in place of Mr. Achal Ghai, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Sakti Kumar Banerjee, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Mr. Brij Bhushan Kathuria, who retires by rotation and being eligible, offers himself for re-appointment.
6. To re-appoint M/s B S R & Co., Chartered Accountants, as Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

7. **To re-appoint Mr. Arvind Kumar Bishnoi, Whole-time Director.**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, provisions of the Listing Agreement or any statutory modification or re-enactment thereof, Mr. Arvind Kumar Bishnoi be and is hereby re-appointed as a Whole-time Director of the Company liable to retire by rotation for a period of 5 years with effect from April 1, 2012 at the following remuneration as per the given scale:

Part I - Basic Salary:

Basic Salary Rs. 9,50,000/- per month in the pay scale of Rs. 9,50,000 - 1,50,000 - 15,50,000.

Part II - Perquisites:

- a) House rent allowance - 40% of the Basic Salary.
- b) Medical reimbursement of actual expenses limited to one month Basic Salary per year.
- c) Company maintained Car for official use.
- d) Telephone at residence and mobile for official use.
- e) Contribution to Provident Fund, Superannuation or Annuity Fund and Gratuity as per rules of the Company.

RESOLVED FURTHER THAT the remuneration payable to Mr. Arvind Kumar Bishnoi, Whole-time Director shall be subject to the overall ceiling laid down in Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT subject to such approvals as may be required, the above remuneration be paid as minimum remuneration to Mr. Arvind Kumar Bishnoi, Whole-time Director in the event of absence or inadequacy of profit in any year during the remaining tenure of his appointment."

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

8. **Alteration of the Articles of Association of the Company**

"RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956 and other enabling provisions, if any, the consent of the Company be and is hereby accorded to replace the existing Clause 110 of Articles of Association with the following clause:

110. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (excluding Debenture and Alternate Directors) shall not be less than three or more than twenty."

By order of the Board of Directors of
Tecpro Systems Limited
Sd/-

Pankaj Tandon
General Manager (Corp. Affairs) &
Company Secretary

Date: May 24, 2012
Place: Chennai

EXPLANATORY STATEMENT

Item No. 7:

Mr. Arvind Kumar Bishnoi, aged about 27 years, was appointed on the Board of the Company on April 1, 2009 as a Whole-time Director for a period of 3 years. Considering his qualifications & expertise, he was reappointed by the Board of Directors by way of a resolution passed by circulation, w.e.f. April 1, 2012 for a period of 5 years at the remuneration fixed by the Remuneration Committee of the Company.

The information on Directors to be reappointed in terms Clause 49 of the Listing Agreement is given below.

None of the Directors except Mr. Arvind Kumar Bishnoi himself and Mr. Ajay Kumar Bishnoi, Chairman & Managing Director of the Company who is father of Mr. Arvind Kumar Bishnoi is interested in the resolution.

The explanatory statement together with the accompanying notice is, and may be treated as an abstract of terms of appointment and memorandum of interest in respect of appointment of Mr. Arvind Kumar Bishnoi under Section 302 of the Companies Act, 1956.

Your Directors commend this resolution for your approval as an Ordinary Resolution.

Item No. 8:

Your Company is operating in a working capital intensive industry and is currently enjoying credit facilities from various banks to meet its fund requirements. One of the bankers i.e. State Bank of India, which has extended major part of credit facilities, intends to induct one of its nominees on the Board of your Company. Also, in view of expanding business activities, the Company may have to further induct more professional/nominee director(s) on the Board of the Company. At present, the Articles of Association of your Company authorize to have a maximum of twelve directors on Board of your Company. For appointing more directors on the Board, the Company is required to alter its Articles of Association so as to increase the maximum limit of number of directors from twelve to twenty.

Pursuant to Section 31 of the Companies Act, 1956, the Articles of Association of a Company may be altered with the prior approval of its shareholders obtained by way of a Special Resolution. Therefore, the resolution has been placed before you to be passed as a Special Resolution.

None of the Directors of the Company is concerned or interested in the resolution.

Your Directors commend the resolution for your approval as a Special Resolution.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SUCH PROXIES SHOULD BE DEPOSITED WITH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. A blank proxy form is enclosed for the use by members.
3. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the meeting.
4. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Annual General Meeting.
5. Please check the Pin-code in the address slip pasted on the envelope and advise correction, if any, therein. Also please do indicate the Pin Code Number of your delivery Post Office while notifying change in your address to the Company.
6. Requests for transfer of Equity Shares and related correspondence should be addressed to the RTA of the Company, Link Intime India Pvt. Ltd. at A-40, Naraina Industrial Area, Phase-II, 2nd Floor, New Delhi - 110 028.
7. Nomination: In terms of Section 109A of the Companies Act, 1956, individual shareholders holding shares in the Company singly or jointly may nominate an individual to whom all the rights in the shares of the Company vest in the event of death of the sole/ all joint shareholders, if any.

8. The information of Directors in terms Clause 49 of the Listing Agreement, proposed for re-appointment is as under:

Particulars	Reappointment	Reappointment	Reappointment	Reappointment
Name of Director	Mr. Achal Ghai	Mr. Sakti Kumar Banerjee	Mr. Brij Bhushan Kathuria	Mr. Arvind Kumar Bishnoi
Date of initial appointment	November 24, 2005	November 15, 2007	July 26, 2006	April 1, 2005
Brief resume and expertise in specific functional area	A Non-independent Director, aged 48 years, holds a bachelor's degree in commerce from Guru Nanak Dev University, Amritsar and a master's degree in business administration from University of Delhi. He has experience in corporate and investment banking and has worked with international banks across India, Dubai and Canada. He advises conglomerates in Canada, UK, Malaysia, Dubai and India.	An Independent Director, aged 67 years, holds a bachelor's degree in civil engineering from University of Jadavpur. He was associated with NALCO as its chairman and managing director.	An Independent Director, aged 55 years, is a chartered accountant and holds a Bachelor's degree in science from Kurukshetra University. He has more than 28 years of experience in finance, taxation, auditing in India and abroad and has also served in senior management roles in companies based in Africa and Middle East.	A Whole-time Director, aged 27 years, holds a bachelor's degree in engineering (electronics and communication) from SRM University, Chennai and master's degree in business administration from Symbiosis Institute of Management, Pune.
List of other Directorships held	Avigo Venture Investment Limited, Mauritius; Avigo Capital Managers Private Ltd., Mauritius; Avigo PE Investments Limited, Mauritius; Azara Holdings Pte. Ltd., Singapore; Super Religare Laboratories Ltd.; Religare Finvest Ltd	PervCom Consulting Private Limited; Himadri Chemicals & Industries Limited; Nilachal Refractories Limited; and Green Valley Industries Limited	JPK Developers Private Limited; LNK Infrastructures Private Limited; JPK Towers Private Limited; BT Developers Private Limited; LNK Infrastructures Developers Private Limited; Tript Hotels & Resorts (P) Limited; Gurudeepak Constructions Private Limited; Ishwar Realtors Private Limited; and B2K Realcon Private Limited	T&H Education Private Limited; Hythro Power Corporation Limited; Tecpro Engineers Limited; A K B & Sons Realty Private Limited; Tecpro Ispat Private Limited; Tecpro Infra-Projects Limited; Eversun Energy Private Limited; and Ambika Projects (India) Private Limited
Chairman or Member of the Committees of the Board of other companies in which he is a Director	Member of Investment Committee of : a) Avigo Venture Investments Limited, Mauritius; & b) Avigo PE Investments Limited, Mauritius.	Nil	Nil	Nil
Shareholding in the Company in case of Non-executive Director	8,14,200	Nil	4,350	N/A



Tecpro Systems Limited

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PROXY FORM

I/Wer/o
.....being a member/members of M/s Tecpro Systems Limited, hereby
appoint.....r/o.....
or failing him.....r/o.....as my/our
Proxy to vote for me/us on my/our behalf at the **Twenty Second Annual General Meeting** of the Company
to be held on **Monday, 13 August 2012 at 10.00 A M** at Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya
Vidyalaya No. 2, APS Colony, Delhi Cantt., Delhi 110010, and at any adjournment thereof.

Signed this day of 2012

Signatures.....

Folio/DP Id & Client Id No.....

Affix Re 1/-
Revenue
Stamp
here

Note :

1. The form should be signed across the revenue stamp as per specimen signatures registered with the Company.
2. If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.



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ATTENDANCE SLIP

Registered Folio/DP Id & Client Id No.:No. of shares held:.....

Name(s) of the Member(s)/Proxy :

I hereby record my presence at the **Twenty Second Annual General Meeting** of Tecpro Systems Limited held on **Monday, 13 August 2012 at 10.00 A M** at Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, APS Colony, Delhi Cantt., Delhi 110010

Signature of Member/Proxy

Notes :

1. Members/ Proxies are requested to produce the attendance slip duly signed for admission to the meeting hall.
2. Members are requested to bring their copy of the Annual Report.
3. Eatables, Briefcases and Hand Bags will not be allowed to be carried inside the meeting hall.