



TECPRO SYSTEMS LIMITED

# ANNUAL REPORT 2012-13

ANNOUNCEMENT





Interior view of the Steel Rolling Mill of the Company at Alwar, Rajasthan.

**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.

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## Chairman's Message

Dear Shareholders,

The past year was one of the most challenging years for your company in recent times. The national economy continued its downward spiral, posting a GDP growth of 5% in FY12-13, a decadal low. Political uncertainties and absence of a favorable investment environment resulted in slowing down capital expenditure. The slow pace of reforms have adversely affected infrastructure investments, especially in the power sector, which Tecpro Systems substantially depends on. The power sector has been plagued with many problems including environment clearances, fuel linkages and land acquisition leading to non finalisation of new orders.

We believe that inspite of challenges, the Indian Infrastructure sector continues to be the key driver of India's economic progress. India needs large investment in infrastructure to make its economy competitive, the government has stepped up the pace of reforms and the economy will gradually recover from here. The government has approved a mechanism to allow power companies to pass on the burden of expensive imported coal to electricity consumers. The decision taken by the Cabinet Committee on Economic Affairs (CCEA) will benefit 78,000 MW capacity power plants and improve the pace of order inflows.

The financial restructuring of state electricity distribution companies and subsequent raising of tariff would help attract private sector investment in power distribution companies. The CCEA has approved doubling the price of domestically produced natural gas. This action will help foreign investors in the energy sector as the local prices shall move closer to global market levels. Cabinet Committee on Investment (CCI) has cleared 13 power projects, freeing up stalled investment of around Rs 33,000 crore.

Even in such challenging times, your company continued to strive for orders on the back of its leadership position and strong execution track record in material handling space. Our focus for the coming year would be on sustainable growth through efficient order execution across all segments. We will also look to diversify our order book both geographically, as well as by developing new segment of our EPC business. Improving working capital is another priority for FY14.

I would like to thank you for the faith that you have reposed on your Company, and I urge you to continue to do so. With the experience gained from tough times, supported by the belief of its employees, customers and partners, your company will stay on course and resume its growth trajectory.

Yours sincerely,

Sd/-

Ajay Kumar Bishnoi

Chairman & Managing Director



## Vice Chairman's Message

Dear Shareholders,

The financial year 2012-13 has been one of the toughest years for the Indian economy as well as global markets. Higher current account deficits, persistent inflation & slower growth plagued the Indian economy, while globally, slower turnaround of the US economy, uncertainties in European markets & China's under performance, eroded investors' interest. India's infrastructure and power sector continued to face policy paralysis leading to slower moving projects and deferred investment cycle.

Despite the various issues at the industry level, which led to delay in finalization of projects, we added orders to the tune of Rs. 2,550 crore in FY13 compared to Rs. 2,150 crore booked in the last fiscal year. Our order book position as of 31 March, 2013 stood at about Rs. 4,179 crore. During the last year, we strengthened our position in the material and ash handling space by extending our offering to the international markets. We won 3 projects across Vietnam, Indonesia and Central America. These wins reinforce superiority of Tecpro's business model built on strong manufacturing, design and engineering capabilities. In the Waste Heat Recovery space, we have successfully demonstrated our capabilities and moved beyond cement to steel sector. Most of our orders continued to be repeat orders which is testament to the trust our clients put in us.

The revenues for FY13 stand at Rs. 2,610 crore representing a growth of 3.2% as compared to Rs. 2,530 crore during FY12. High interest and finance charge, due to elongated working capital, impacted our profitability. Consequently, PAT for FY13 stood at Rs. 28.9 crore as compared to Rs. 124.9 crore recorded during FY12.

In coming times, we would continue to focus on maintaining our leadership position in core areas as well as extending offerings in newer areas. At the start of this current year, we made a significant collaboration with Mitsubishi Heavy Industries Mechatronics Systems Ltd. of Japan for manufacturing and marketing of Electrostatic Precipitator in the Indian market.

Though the outlook looks dim in today's economic limbo and political uncertainties, the demand for infrastructure is greater than ever before. The Government has stepped up efforts to revive the power sector, which are expected to fast-track implementation of projects, leading to increasing order inflows. We expect order inflows to pick up from NTPC and State Electricity Boards.

Lastly, I would like to thank all our investors, employees, bankers and lenders for their consistent support and commitment. I would also like to convey my sincere appreciation to our esteemed customers for their confidence in us. With your support, we are confident of managing these challenging times.

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

Suresh Kumar Goenka

Brij Bhushan Kathuria

Satvinder Jeet Singh Sodhi

Anunay Kumar

Sakti Kumar Banerjee

Narayanan Krishnan

Jatinder Pal Singh

### COMPANY SECRETARY & COMPLIANCE OFFICER

Pankaj Tandon

### STATUTORY AUDITORS

B S R & Co., Chartered Accountants

Building No. 10

8th Floor, Tower B

DLF City, Phase – II

Gurgaon – 122 002

Haryana, India

### COST AUDITORS

N.K. Jain And Associates

Cost Accountants

2-D, OCS Apartments

Mayur Vihar, Phase-I

Delhi-110091

### BANKERS

- State Bank of India
- Bank of India
- ICICI Bank Ltd.
- IDBI Bank Limited
- DBS Bank Limited
- Standard Chartered Bank
- Axis Bank Limited
- Vijaya Bank
- IndusInd Bank Ltd.
- Allahabad Bank

### SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.

44, Community Centre, 2<sup>nd</sup> Floor

Naraina Industrial Area, Phase-I

Near PVR Naraina

New Delhi-110028

### SUBSIDIARY COMPANIES

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

## Technical Collaborators

- FAM Magdeburger Förderanlagen und Baumaschinen GmbH
- Siebtechnik GmbH
- Hein, Lehmann, Trenn-und Fördertechnik GmbH
- Won Duck Industrial Machinery Co. Limited
- Krusnohorske Strojirny Komorany a.s.
- Advanced Conveyor Technologies, Inc
- Pneuplan Oy.
- Nanjing Triumph Kaineng Environment and Energy Co. Ltd.
- Mitsubishi Heavy Industries Mechatronics Systems Ltd.

## Registered Office

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](http://www.tecprosystems.com)  
Email: [tecprodel@tecprosystems.com](mailto:tecprodel@tecprosystems.com)

## Head Office

Tecpro Towers, Plot No. 11-A17  
5<sup>th</sup> Cross Road,  
SIPCOT IT Park  
Siruseri-603103,  
Chennai, India  
Tel: +91 44 37474747  
Fax: +91 44 37443011  
Email: [info@tecprosystems.com](mailto:info@tecprosystems.com)

## Corporate Office

Tecpro House,  
78, Sector 34, National Highway-8,  
Gurgaon-122004, Haryana, India  
Tel: +91 124 4880100  
Fax: +91 124 4880110  
Email: [investors@tecprosystems.com](mailto:investors@tecprosystems.com)

## Factories

1. SP-496-497, RIICO Industrial Area,  
Bhiwadi, Distt. Alwar,  
Rajasthan
2. Plot No. 2-4, 25-27, Sector 7,  
HSIDC Growth Centre, Bawal,  
Distt. Rewari, Haryana
3. Plot No. E-928,  
RIICO Industrial Area,  
Bhiwadi, Rajasthan
4. Plot No. A-98,  
RIICO Industrial Area,  
Bhiwadi, Rajasthan
5. 203 & 203(A),  
Matsya Industrial Area,  
Alwar, Rajasthan



## PRODUCTS AND SERVICES

Besides the design and engineering services being provided from various offices across India, the Company manufactures the following products:

### MANUFACTURING FACILITIES IN HARYANA:

#### BAWAL

##### Main Products:

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

### MANUFACTURING FACILITIES IN RAJASTHAN:

#### 1. BHIWADI

##### Plant - I

##### Main Products:

- Pulleys
- Idler rollers
- Structures
- 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 (Ashtech Division)

##### Main Products:

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

#### 2. ALWAR (Steel Rolling Mill)

##### Main Products:

- Angles
- Channels
- Beams

# Directors' Report

Dear Members,

Your Directors have immense pleasure in presenting the **Twenty Third Annual Report** together with the Audited Accounts for the financial year ended on 31 March, 2013.

## 1. FINANCIAL HIGHLIGHTS

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

<b>FINANCIAL RESULTS</b>		
	<b>2012-13</b>	<b>2011-12</b>
	<b>(Rs. in Lac)</b>	<b>(Rs. in Lac)</b>
Net Sales and other Income	<b>2,61,874.99</b>	2,54,122.23
Gross Operating Profit	<b>36,383.65</b>	40,492.31
Less: Interest & Bank Charges	<b>30,127.12</b>	19,677.99
Profit before depreciation and amortization expenses and tax	<b>6,256.53</b>	20,814.32
Less: Depreciation and amortization expenses	<b>1,981.96</b>	1,349.27
<b>Profit before tax</b>	<b>4,274.57</b>	19,465.05
Less: Tax expense		
- Current year tax	<b>1,480.62</b>	6,639.03
- Income tax for earlier years	<b>122.95</b>	63.66
- Deferred Tax charge/ (credit)	<b>(214.65)</b>	269.36
<b>Profit after tax</b>	<b>2,885.65</b>	12,493.00

## 2. BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

During the year under review, the growth of the Infrastructure Sector particularly the power sector remained slow. The power sector continued to be plagued with issues of resource shortage, poor State Electricity Board finances and land allocation & environmental clearances leading to non-finalization of new orders. Thus lesser number of power projects were commissioned during the year leading to subdued order inflows for EPC companies.





In such challenging times, your Company continued to strive for orders on the back of its leadership position and strong track record in the material handling space. In the financial year 2012-13, your company improved its order inflow by 19% to Rs. 2,550 crore compared to Rs. 2,150 crore in the previous year. Most of the orders continued to be repeat orders which is testament to the trust our clients put in us. Further, diversification of the business in International market has been a significant step for your Company as a major boost came from export markets wherein your Company secured orders to the tune of Rs. 500 crore. The Company continues to look to diversify its offerings in Material Handling, Ash Handling, BoP, Waste Heat Recovery and Solar Power Projects.

However, as power remains the cornerstone of the country's growth, the government has initiated several reforms during the year, which would change the pace of progress for the power sector going forward and revive the investment cycle. The macroeconomic indicators have also started looking up and we see a positive year ahead.

On the financial front, your Company achieved a turnover of Rs. 2,610.45 crore in the financial year 2012-13 as compared to Rs. 2,529.66 crore in the financial year 2011-12 and the profit after tax for financial year 2012-13 is Rs. 28.86 crore in comparison to Rs. 124.93 crore during the financial year 2011-12. The profitability of your Company has been impacted due to various factors including exceptionally high finance cost.

### 3. DIVIDEND

In order to conserve the resources of the Company, your Board of Directors do not recommend any dividend for the financial year under review.

### 4. MERGER OF TWO SUBSIDIARIES WITH THE COMPANY

During the period under review, two wholly owned subsidiaries of your Company viz. Ambika Projects (India) Private Limited (APIPL) and Tecpro Trema Limited (TTL) were merged with the Company with effect from 25 March, 2013. The appointed date for the merger was 1 April, 2011.

This merger has resulted in greater synergies between the businesses of APIPL, TTL and your Company by effectively pooling the technical and marketing skills of all the three companies as an integrated entity and also enabled effective management and unified control of operations and optimal utilization of resources built by them. The merger has also enabled better utilization of manpower and also helped in reduction of administrative and other common costs.



### 5. DETAILS OF SUBSIDIARIES

At present, your Company has six subsidiaries, out of which four are incorporated in India namely, Tecpro Energy Limited, Ajmer Waste Processing Company Private Limited, Bikaner Waste Processing Company Private Limited and Eversun Energy Private Limited and two subsidiaries are incorporated outside India namely, Tecpro Systems (Singapore) Pte. Limited in Singapore and PT. Tecpro Systems Indonesia, in Indonesia.

### 6. CONSOLIDATED FINANCIAL STATEMENTS

As per Section 212 of the Companies Act, 1956, the Company is required to attach the Balance Sheet, the Statement of Profit and Loss, the Reports of the Board of Directors and Auditors of the subsidiary companies with the Balance Sheet of the Company. However, 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 your Company for the financial year 2012-13 contains the audited consolidated financial statements of the Company instead of the separate financial statements of all its subsidiaries and the same are based on the financial statements received from subsidiaries, as approved by their respective Board of Directors. The consolidated financial statements have been prepared in accordance with the Accounting Standard - 21 on 'Consolidated Financial

Statements' notified under Section 211 (3C) of the Companies Act, 1956 read with the Companies (Accounting Standards) Rules, 2006, as applicable.

Further, the Company hereby undertakes that the audited financial statements and related information of subsidiaries of your Company will be made available to the shareholders of the Company and the shareholders of subsidiary companies, upon request at any point of time. The financial statements of the subsidiary companies shall be available for inspection during business hours at our head office, the registered office of the Company and also at the registered offices of the respective subsidiaries.

## 7. MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Management Discussion and Analysis Statement is annexed to this Report.

## 8. CORPORATE GOVERNANCE REPORT

The Corporate Governance Report pursuant to Clause 49 of the Listing Agreement is annexed to this Report.

## 9. DIRECTORS

During the period under report, Mr. Narayanan Krishnan was appointed on the Board as Nominee Director of State Bank of India, the Lead Banker of the Consortium of Bankers of the Company w.e.f. 14 February, 2013. Mr. Achal Ghai, Director of the Company resigned from the directorship of the Company w.e.f. 30 May, 2013 and Mr. Jatinder Pal Singh was appointed as Director to fill up casual vacancy caused due to resignation of Mr. Achal Ghai on the same date.

Mr. Amar Banerjee, Whole-time Director of the Company was appointed on 1 April, 2011 for a period of two years. Since the term of



office of Mr. Banerjee was going to expire on 31 March, 2013, he was re-appointed by the Board of Directors in their meeting held on 14 February, 2013 for another period of two years w.e.f. 1 April, 2013, subject to the approval of members. The approval of his appointment by the members is due to be accorded in the ensuing Annual General Meeting and the resolution for his re-appointment forms part of the notice for convening the Annual General Meeting.

Also, Mr. Aditya Gabrani, Mr. Anunay Kumar and Mr. Satvinder Jeet Singh Sodhi, Directors of the Company retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer themselves for re-appointment.

## 10. AUDITORS

### a. STATUTORY 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) and para (xi) of Annexure to the Auditors' Report explanation to which is given below:

"Due to overall slowdown in the economy there has been pressure on collections which impacted the regular flow of cash into the system resulting in delays in payments of statutory dues. Further, since the money was stuck in projects under execution, the Company could not service the banks outstanding as per the schedule. The mismatch in cashflow was further compounded by delays in sanction/disbursement of assessed working capital limits by banks. The efforts are being made by the Company to avoid occurrence of such delays in future."



#### **b. COST AUDITORS**

Pursuant to the order no. F. No. 52/26/CAB-2010 dated January 24, 2012 of Ministry of Corporate Affairs, the Company has been covered under the Companies (Cost Accounting Records) Rules, 2011 under the Industry-Engineering Machinery (incl. electrical & electronic products) under the Chapter heading 84 & 85 of the Central Excise Tariff Act, 1985 and accordingly as per the aforementioned order, the Company is required to get the cost accounting records of the Company audited by a Cost Auditor for the financial year 2012-13 onwards.

In view of the above, M/s N. K. Jain And Associates, Cost Accountants were appointed as the Cost Auditors of the Company for the financial year 2012-13. The last date for filing of the Cost Audit Report for the financial year 2012-13 is 27 September, 2013 and the same will be filed within the prescribed time.

#### **11. 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 31 March, 2013, 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 for the financial year ended 31 March, 2013 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 31 March, 2013 on a going concern basis.

#### **12. 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.

#### **13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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.



#### 14. 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 helps 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. It believes in maintaining cordial and harmonious industrial relations.

#### 15. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time, the names and other particulars of employees are set out in the annexure to the Directors' Report. In terms of Section 219(1)(b)(iv) of the Act, the report and accounts are being sent to the shareholders excluding the aforesaid annexure. Any shareholder interested in obtaining copy of the same may write to the Company Secretary at the registered office of the Company.

#### ACKNOWLEDGEMENT

We thank our bankers, financial institutions for their continued support during the year. We also thank the Government of various countries, the Government of India, State Governments and concerned Government Authorities/Departments for their co-operation. We appreciate and value the support of our collaborators, customers, vendors and investors. We place on record our appreciation for the contribution made by every member of the Tecpro family.

For and on behalf of the Board of  
Tecpro Systems Limited

Place : Gurgaon  
Date : 14 August, 2013

Sd/-  
Ajay Kumar Bishnoi  
Chairman & Managing Director

Sd/-  
Amul Gabrani  
Vice Chairman & Managing Director

Information in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Directors' Report for the year ended 31 March, 2013

A) Conservation of Energy

<b>A. Power and fuel consumption</b>	<b>2012-13</b>	<b>2011-12</b>
a. Electricity purchased		
Total Units (kWh)	<b>36,73,666</b>	37,66,985
Total Amount (Rs.)	<b>2,71,23,644</b>	2,35,60,626
Rate/Unit (Rs.)	<b>7.38</b>	6.25
b. Electricity generated through diesel generator		
Total Units (kWh)	<b>3,50,602</b>	3,01,207
Unit per ltr. of diesel	<b>7.02</b>	5.91
Cost/Unit (Rs.)	<b>7.97</b>	6.70
<b>B. Consumption of electricity (kWh) per unit of production</b>		
a. Travelling water screens, Trash cleaning machines	<b>2,693/unit</b>	2,763/unit
b. Pulleys, Idlers, Rollers and Conveyor systems	<b>52.12/MT</b>	64.63/MT
c. Casting	<b>1,251/MT</b>	1,311/MT
d. Crushers, Screens, Feeders and Fabricated structures	<b>235.8/MT</b>	254/MT

B) Technology Absorption

To meet the growing demands of globalization and cut-throat competition, the Company has joined hands with various reputed technical collaborators across the globe to enhance its bouquet of services by introducing quality products to its customers at a competitive price. During the period under review, the Company has entered into a new License Agreement with the Mitsubishi Heavy Industries Mechatronics Systems Ltd. for manufacturing and marketing of Electrostatic Precipitator in the Indian market. The Company is committed to focus on value engineering, design improvement, optimization & standardization of the components with proven design calculation methods.

**Foreign Exchange Earnings & Outgo**

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

## MANAGEMENT DISCUSSION & ANALYSIS

### 1. Economy Overview

Improvement in macro indicators towards the end of the last fiscal implies the Indian economy is well-poised for a recovery in the current year. Several positives were observed during the year including easing of price inflation, exports acceleration and falling crude oil prices. Although Gross Domestic Product (GDP) growth dipped during the period, it is expected to bottomed out and move up from here as economic reforms and initiatives take shape. International Monetary Fund (IMF) expects the country's GDP to improve to 5.7% in calendar year 2013 itself and further to 6.2% a year after.

#### **Inflation back in the comfort zone**

The year 2012-13 saw significant easing of inflationary pressures, giving enough headroom for policy rate cuts to accelerate investment and stimulate economic growth. The Reserve Bank of India has cut policy rates 4 times since the beginning of the easing cycle in April 2012 cumulatively, the repo rate has been reduced by 1.25% since April 2012. The current fiscal started with positive news flow as headline inflation fell to 4.9% in April'13, within the RBI's comfort zone of 4-5% for the first time in almost three-and-a-half years. Significant softening has been seen across commodity groups including food, manufacturing items and service sector. These trends are expected to receive a further boost from declining global commodity prices. Overall, inflation concerns in the economy have receded substantially. With a return of price stability, likelihood of interest rate cuts and the mid-quarter review of monetary policy, investment cycle is likely to improve.

#### **Index of Industrial Production (IIP) firms up**

The downturn in the level of industrial activity has also stabilized. IIP for March 2013 expanded at 2.5% on Year on Year basis. Thus implied industrial output expanded for the third consecutive month in fourth quarter of FY13 as against third quarter of FY13, when two out of three months experienced contractions. Improvement is being seen across segments such as manufacturing, mining and electricity. As we move into FY14, gradual monetary easing and slower pace of fiscal consolidation



is expected to support growth and, if monsoons are normal, better agri-prospects will also aid industrial output.

#### **Supported by government reforms to improve investment**

India needs a strong uptick in investments to return to the high growth cycle. The Government has accordingly announced a series of reforms across sectors: faster clearances for infrastructure projects under Cabinet Committee on Investments; liberalization of FDI across various sectors; guidelines for granting banking licenses to the private sector; reduction in withholding tax on overseas borrowings by domestic companies, etc.

As these positives and reforms pan out, a gradual recovery is on the cards in FY14.

### 2. Sector Overview

#### **Infrastructure tops government agenda**

Infrastructure remains at the forefront of the country's economic development. The Government has envisaged \$1trillion of infrastructure spending in the 12th Five year Plan (2012-2017), half of which is expected to come from the private sector. To achieve this, the Government is pushing for incentives and reforms to attract more investment, both from domestic investors and foreign investors. In the Union Budget 2013, the Finance Minister



announced that the Government will be encouraging Infrastructure Debt Funds (IDFs) to raise resources and provide long-term low-cost debt for infrastructure projects through take-out finance and credit enhancement. Four IDFs have already been registered with SEBI, of which two were launched in February 2013. The Finance Minister also announced that India Infrastructure Finance Corporation Limited will, in partnership with the Asian Development Bank, offer credit enhancement to infrastructure companies wishing to tap the bond market for long term funds. The Budget includes provision for offering tax-free bonds to raise Rs. 500 bn for financing infrastructure projects. The Government is proposing modifications in the investment norms for pension and provident funds to channelize their large cash inflows into the infrastructure sector.

As the Government continues to provide the much needed boost to the infrastructure sector with reforms and initiatives, the investment cycle is expected to pick up, leading to faster implementation of projects across sectors like power and roads. This could also revive demand from related core sectors like steel and cement.

#### **Powered by reforms**

To address the issues grappling the power sector – fuel shortage (coal & gas), poor financial health of State Electricity Boards (SEBs), land acquisition problems, delay in environmental and forest clearances – the Government has stepped up its efforts with a host of policy initiatives.

To tackle the issue of coal shortage, it is proposing to change the National Coal Distribution Policy (NCDP). Coal India Ltd (CIL) will supply 65-80%, in line with the current fuel supply agreement (FSA conditions). At present, the current NCDP mandates CIL to meet full requirements. This move is likely to allow the generation companies (GENCOS) to meet the shortfall in CIL supplies through imports and pass on the additional cost burden to buyers under the 'change in law' provision.

The Government has approved the package for restructuring of debt of state electricity distribution companies (DISCOMs). Fifty percent of DISCOMs' short-term debt as on 31 March, 2012 will be taken over by the respective State Government. The remaining 50% will be restructured with a 3-year principal moratorium. The restructuring of DISCOM loans entails increase in power tariff which would lead to decline in their annual losses. So far 18 states, consuming about 92% of power, have effected tariff hikes of 3%-37% in FY13. The increase in tariff would help attract private sector investment in power distribution companies.



To address gas supply concerns, the Rangarajan Committee has recommended doubling of domestic gas prices from US\$4.2/mBtu to ~US\$8.0/mBtu. A move that will incentivise upstream investments in exploration and production given the backdrop of dwindling gas output from the Krishna Godavari Basin.

The formation of the Cabinet Committee on Investments (CCI) is also a move to expedite the clearance process for infrastructure projects. This has already started bearing results, as the Government recently cleared the Rs. 120 bn worth North Karanpura Power Project of NTPC that was stranded for more than a decade. CCI is currently working on implementation of 26 power projects involving cumulative investment of Rs. 1,000 bn.

Improving finances of SEBs & thereby of power GENCOS and faster execution of projects bodes well for growth of EPC and Balance of Plant (BoP) service providers in the country. This, coupled with moderating inflation and lower interest rates, will help revive the capital expenditure cycle and improve the pace of order inflows.

#### **Demand growth to fuel cement industry**

The cement sector, which witnessed 5% growth in FY13, is set for a recovery driven by strong growth in rural housing and pick-up of investments in roads and railways. Housing constitutes two-thirds of Indian cement demand, with rural housing accounting for 40% of total demand. Demand from rural housing is being driven by Government-supported schemes like Indira Awas Yojna and rising rural income. Construction activity in the road sector is also expected to recover with the NHAI taking several steps to revive stuck projects like delinking environmental and forest clearance, floating new tenders on EPC mode rather than BOT and easing financing norms for the sector. Railways' capex is also growing, supported by dedicated freight corridor awards.



The sector is expected to see strong volume growth as a result of increase in demand from construction and infrastructure projects ahead of the national elections to be held next year. Interest rate cuts will also be a positive for the sector which could revive home sales and construction.

The Government has announced a slew of measures in the Union Budget 2013-14 to provide a fillip to infrastructure and housing demand such as additional interest deduction of up to Rs. 1 lakh on housing loans, enhancement in provisions under Rural Housing Fund and improving funding of infrastructure projects. These measures announced in the Budget augur well for long term demand outlook for the cement industry.

#### **Steel industry's outlook improves**

The Indian steel industry is expected to witness improved performance in CY13-14 after a dismal 2012. World Steel Association (WSA) expects steel demand in India to sharply improve from a tepid 2.5% in 2012 to 5.9% in 2013 and then to 7.0% in 2014. This would be primarily driven by government's commitment to infrastructure spending, monetary easing measures and favorable FDI policy. The Indian Government's support to infrastructure development in both rural and urban India has been creating a significant demand for steel. In addition, a revival in the prospects of automobile and real estate companies should be positive short-to-medium triggers to watch out for.

In the last year's budget, the Government had lowered basic customs duty on plant and machinery for setting up of iron ore pellet plants or iron ore beneficiation plants from 7.5% to 2.5% to discourage exports of raw ore. Though there were no direct incentives this year, the budget's focus on increasing demand for core sectors would augur well for the domestic steel industry. The budget attempts to boost demand for core sectors such as steel, cement and construction by providing an investment allowance on capital expenditure and additional interest deduction to first time homeowners. The 15% investment allowance to manufacturing companies investing in excess of Rs.100 crore over the next two years may potentially enhance the viability of investments by improving the internal rate of return for such projects. The proposal to allow first time homeowners, availing home loan of less than Rs. 25 lakh, an incremental deduction for Rs. 100,000 of interest has an impact of reducing effective interest rate by 75bps to 100bps on the home loan.

### **3. Corporate Overview**

Tecpro started as a material handling company in 2001 and has become a prominent player in bulk material handling, ash handling and EPC/BoP for power plants. The Company designs, engineers, manufactures, sells, commissions and services a range of material handling and ash handling systems and equipment for the core

infrastructure and related sectors like power, steel, cement and other industries. Over the years, the Company has ventured into various complementary businesses across different divisions of the power sector with a vision to build an integrated business serving the sector - waste heat recovery systems, water systems, solar EPC systems and pollution control equipment. The outstanding order book position of the Company as on 31 March, 2013 was about Rs. 4,200 crore and, after that, it has further bagged orders worth about Rs. 250 crores. The Company received orders worth Rs. 2,552 crore during the financial year 2012-13, mostly from the material handling and ash handling segments.

#### 4. Review of Business Operations

FY13 continued to be a challenging year for the power sector. Tecpro derives majority of its revenue from power segment and was thus affected by issues afflicting the sector which saw slower execution of power projects and thus lower orders being tendered. Issues of coal linkages, land acquisition and fund constraints resulted in non-finalization of new projects. In such challenging times, Tecpro has continued to leverage its leadership position and strong execution track record in the material and coal handling space, having successfully secured orders worth Rs. 2,552 crore in FY13. This includes Rs. 198 crore BoP order from the Rajasthan Rajya Vidyut Utpadan Nigam Limited. The order backlog as on 31 March, 2013 stood at Rs. 4,200 crore which provides good revenue visibility for the next couple of years.

This has been a landmark year for Tecpro, where it extended its offerings to international markets. The Company has won 3 international orders this year, including Rs. 209 crore order for coal handling system from Bukit Asam in Indonesia and Rs. 180 crore order for coal, limestone and ash handling system from Hyundai Rotem Company, Korea {through its subsidiary viz. Tecpro Systems (Singapore) Pte. Ltd.}. The third international order is for Rs. 95.7 crore coal handling order from SK Engineering and Construction, South Korea for Paco Power Plant in Panama, increasing Tecpro's global presence across diversified geographies like Vietnam, Indonesia and Central America.

Over the years, Tecpro has diversified across sectors (power, steel, cement) and segments (coal, ash, waste heat recovery (WHR), water, solar) which will help the Company in hedging sector-specific risks. For WHR segment, after tapping cement sector (orders from UltraTech, Grasim, Dalmia, etc.), Tecpro is eyeing the steel sector and has already received its first WHR order in Steel Sector from Steel Authority of India Limited worth Rs. 23 crore.

In May 2013, Tecpro entered into an exclusive 5-year license agreement with Mitsubishi Heavy Industries Mechatronics Systems Ltd. of Japan for manufacturing and marketing of Electrostatic Precipitator (ESP) in the Indian market. This would further increase the Company's portfolio of services for India's core sectors, through technology tie-ups with global leaders. In view of stringent pollution control norms, there will be a strong demand for ESPs in India as there is an increased focus on environmental conservation. This is the next important milestone in our strategy to diversify our offerings within the overall gamut of serving the needs of India's core sector. The market for air pollution control equipment is in growing stage and is anticipated to grow at a CAGR of 14.2% from 2012 to 2017.

Tecpro has developed strong in-house expertise to manufacture equipments used for coal handling and ash handling plants with four manufacturing facilities. Moreover, the highly experienced design team spread across the country helps in providing better, economical and timely services to our clients which in turn results in improved efficiency for the Company. The market leadership of the Company is bolstered by technical tie-ups with global companies which are leaders in material and ash handling solutions. This helps in reducing R&D costs and time to market new technologies. Last year, the Company tied up with Nanjing Triumph Kaineng Environment & Energy Co. Ltd of China for Turbine & Generator components for WHR projects and with Advanced Conveyor Technologies Inc. USA for design and engineering of overland conveyor systems. Such partnerships have helped in creating entry barriers through enhanced service offerings.

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

- Order from Kanti Bijlee Utpadan Nigam Ltd, a subsidiary of NTPC, worth Rs. 267.3 crore, for the supply of coal handling plant package for Muzaffarpur Thermal Power Project, Stage II.
- Order from Bukit Asam of Indonesia worth Rs. 209 crore for coal handling facility and overland conveyors at Tanjung Enim, Sumatra, Indonesia.

- BoP order worth Rs. 198 crore from the Rajasthan Rajya Vidyut Utpadan Nigam Limited for 1X160 MW gas based combined cycle power project Stage-IV in Jaisalmer, Rajasthan.
- Order from Hyundai Rotem Company, Korea worth Rs. 179.9 crore for supply of coal, limestone and ash handling system for 2X500 MW Mong Doung 1 Thermal Power Plant Project through its Singapore based subsidiary.
- Order from Meja Urja Nigam Private Limited worth Rs. 162 crore for 2X660 MW Ash handling system package.
- Order from Abhijeet Projects Limited worth Rs. 155 crore for supply of coal handling plant package for Phase-I of 2X660 MW Super Critical Thermal Power Project in Banka district of Bihar.
- Order from Damodar Valley Corporation worth Rs. 146.6 crore for (1X500 MW) coal handling plant package for Bokaro Thermal Power Station 'A'.
- Order from NTPC Limited worth Rs. 141.9 crore for the supply of Ash handling system & Ash water recirculation package for 2X660 MW Sholapur Super Thermal Power Project.

The Company has stepped up efforts for improving the cash conversion cycle through the timely execution of current projects and better negotiation of payment terms with clients. Out of the total order book, about Rs. 1,000 crore are LC backed, including export orders which are 100% LC backed. Moreover, the macro environment is set to improve as Government has announced various power sector reforms including SEBs restructuring package, increase in tariffs, reforms to address issues of coal shortage, etc. As these start panning out, there would be decline in losses for SEBs and improvement in payment cycles.

Established leadership position, diversifying business mix and increasing technical abilities will ensure continued strong growth and healthy margins for the Company. Tecpro believes that it is well-positioned to thrive as macro and sector environment turns positive.

## 5. Financial Review

During the year under review, Tecpro recorded revenue of Rs. 2,610.5 crore, a 3.2% growth over the last year. EBITDA stood at Rs. 355.5 crore. On the strength of its execution track record and ability to successfully market its services to existing and new clients, Tecpro has been able to show positive growth even during the challenging times.

In terms of segments, material handling contributed 63.2% to revenues in FY13, followed by Balance of Plant 27.6% and ash handling 9.2% .

## 6. Strengths, Opportunities & Threats

### Strengths

- Presence across the value chain - material handling, ash handling & BoP, waste heat recovery, air pollution control equipment etc.
- Superior execution track record
- In-house manufacturing capabilities with global technology tie-ups
- Experienced design and project management team for better execution without delays and cost overruns
- Healthy order book position

### Opportunities

- Huge opportunity in BoP space, as ~76 GW of thermal capacity to be added in the XII Plan period (2012-2017)
- Opportunities in other sectors: solar EPC - 20 GW of envisaged solar photovoltaic capacity by 2022, air pollution control equipment - driven by the regulations & growing demand and waste heat recovery - driven by move towards cleaner energy sources

### Threats

- Increasing competition from domestic players and Chinese suppliers
- Slowdown in order inflow due to non commissioning of power projects

## 7. Outlook

The Indian economy is expected to recover gradually in 2013-14. On the policy front, Government has taken several measures to kickstart the investment cycle from financial restructuring of SEBs to fuel price hikes to setting up a Cabinet Committee on Investment for fast-tracking mega projects. As the reforms announced by the Government take effect, there will be revival in the industrial cycle followed with traction in greenfield and mega projects.



In order to address the persistent power deficit in the country, the Government plans to add 76 GW of power capacity, implying a BoP opportunity worth ~Rs. 1.4 trillion. As the sector issues get addressed, increased commissioning of power projects would see orders picking up.

We believe Tecpro is now at the forefront to avail of these opportunities. The Company would continue to consolidate its leadership position in the material and ash handling space as well as look at diverse sources of revenue in the EPC space. The JV with Mitsubishi for ESP is an important milestone in the Company's diversification strategy. Air pollution has today become an issue of global magnitude and Tecpro is committed to contribute in tackling the issue by manufacturing & supply of the quality air pollution control equipment. In the new financial year, your Company has bagged a significant solar EPC project through its wholly owned subsidiary, Eversun Energy Private Limited. The EPC order is for 5 MW Solar Photovoltaic (SPV) power plant of NTPC at Faridabad, Haryana. The project will showcase the Company's project management capabilities in the grid scale power plants.

Going forward, Tecpro is committed to sustain its financial performance and strengthen its position in the businesses it operates in.

#### **8. Risks and concerns**

Tecpro, 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 macro level and others are at the Company level. At macro level, slower projects execution in sectors including power, cement and steel, impacts the Company. Further, volatility in cost of input materials such as steel, cement etc. and increase in rate of interest impacts profitability and margins. However, the Company has a policy of keeping a constant check on these factors and proactively taking steps to mitigate the risks that can impact its financials. At the Company level, the major challenge is to hire and retain 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.

#### **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 31 March, 2013, the employee count for the Company stood at 1,540. The Company plans to retain the present level of the manpower during the year realizing the importance of technical and functional expertise to service its projects and operating assets. Quality & safety are given high priority. The management team comprises 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 2012-13

The Company's policies on the Corporate Governance and compliance report on specific areas wherever applicable for the financial year ended 31 March, 2013 are given hereunder:-

#### I. The Company's Philosophy on Corporate Governance

The key to Corporate Governance for any organization is transparency. It results in winning the trust and confidence of all the stakeholders. The Company is committed to ensure highest possible transparency in its business operations. The Company believes that 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 31 March, 2013, the Board of Directors of the Company comprises of twelve directors. The Company has Executive Chairman and number of independent directors is more than fifty percent of the total number of directors on the Board as per the requirement of the listing agreement. During the financial year 2012-13, four Board Meetings were held on 24 May, 2012, 13 August, 2012, 9 November, 2012 and 14 February, 2013. Mr. Narayanan Krishnan, nominee of the State Bank of India (SBI), was appointed as a Nominee Director of the Company with effect from 14 February, 2013. Mr. Achal Ghai, an independent director of the Company resigned from the directorship with effect from 30 May, 2013 and Mr. Jatinder Pal Singh was appointed on the same date as a director to fill up casual vacancy caused due to the resignation of Mr. Achal Ghai.

(a) The composition of Board of Directors as on 31 March, 2013 and other details are as follows:

Name of the Director	Category of Director	No. of Board meetings attended during Financial Year 2012-13	Whether attended the last AGM held on 13 August, 2012	Number of other Directorships held as on 31 March, 2013	Number of other Board Committee(s) in which the Director#	
					is a member	is a Chairperson
Mr. Ajay Kumar Bishnoi-CMD	Promoter-Executive	3	No	10	2	-
Mr. Amul Gabrani-VCMD	Promoter-Executive	4	Yes	11	2	-
Mr. Arvind Kumar Bishnoi-WTD	Promoter-Executive	4	Yes	7	2	1
Mr. Aditya Gabrani-WTD	Promoter-Executive	1	Yes	8	1	-
Mr. Amar Banerjee-WTD	Professional-Executive	3	Yes	-	-	-
Mr. Achal Ghai	Independent-Non-Executive	2	Yes	5	-	-
Mr. Suresh Kumar Goenka	Independent-Non-Executive	4	Yes	2	1	1
Mr. Brij Bhushan Kathuria	Independent-Non-Executive	1	No	9	-	-
Mr. Satvinder Jeet Singh Sodhi	Independent-Non-Executive	1	No	1	-	-
Mr. Anunay Kumar	Independent-Non-Executive	4	No	6	1	-
Mr. Sakti Kumar Banerjee	Independent-Non-Executive	4	Yes	3	-	-
Mr. Narayanan Krishnan	Nominee Director (SBI)	-	N.A.	-	-	-

# Only Audit 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.

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 the 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 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.

## (c) Details of remuneration paid to Non-Executive Independent Directors during the financial year 2012-13 and the number of shares held by them as on 31 March, 2013:

Name of the Director	Sitting fees paid during the year (in Rupees)	Number of shares held as on 31 March, 2013
Mr. Suresh Kumar Goenka	80,000	5,332
Mr. Brij Bhushan Kathuria	20,000	3,000
Mr. Satvinder Jeet Singh Sodhi	20,000	Nil
Mr. Anunay Kumar	80,000	Nil
Mr. Sakti Kumar Banerjee	80,000	Nil
Mr. Achal Ghai	--	8,14,200
Mr. Narayanan Krishnan	--	Nil

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

**III. Audit Committee**

## (a) Major 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 31 March, 2013:

1. Mr. Suresh Kumar Goenka, Chairman;
2. Mr. Satvinder Jeet Singh Sodhi;
3. Mr. Brij Bhushan Kathuria;
4. Mr. Anunay Kumar;
5. Mr. Sakti Kumar Banerjee;
6. Mr. Ajay Kumar Bishnoi; and
7. Mr. Amul Gabrani.

All the members of the Audit Committee except Mr. Ajay Kumar Bishnoi and Mr. Amul Gabrani are Non-Executive Directors. All the members of Audit Committee are financially literate and have fair knowledge of accounting and related financial management matters.

## (c) During the financial year 2012-13, four Audit Committee Meetings were held on 24 May, 2012, 13 August, 2012, 9 November, 2012 and 14 February, 2013. 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	1
Mr. Brij Bhushan Kathuria	1
Mr. Amul Gabrani	4
Mr. Anunay Kumar*	3
Mr. Sakti Kumar Banerjee*	3
Mr. Ajay Kumar Bishnoi#	-

\* Appointed as member of Audit Committee with effect from 24 May, 2012.

# Appointed as member of Audit Committee with effect from 14 February, 2013.

- (d) Internal Auditors, Statutory Auditors, Chief Financial Officer and Company Secretary who is acting as Secretary to the Audit Committee also attend the Audit Committee Meeting. If need arises, representatives from various divisions of the Company are also invited to attend the Audit Committee Meeting.

#### IV. Remuneration Committee

- (a) Terms of reference:

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.

- (b) The Remuneration Committee of the Directors as on 31 March, 2013 consisted 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.

During the financial year 2012-13, one meeting of the Remuneration Committee was held on 24 May, 2012 which was attended by all the members.

- (c) Remuneration Policy

The Remuneration Policy of the Company stipulates that while finalizing the remuneration of any Director, the Committee shall among other things, take into account financial position of the Company, trend in industry, qualification of director, experience, past performance, past remuneration, etc. and bring about objectivity in determining the remuneration package striking a balance between the interest of the Company and the shareholders.

- (d) Details of remuneration of the Executive Directors:

Name of the Executive Director	Designation	Remuneration*# (Amount in Rs.)
Mr. Ajay Kumar Bishnoi	Chairman & Managing Director	1,51,26,444
Mr. Amul Gabrani	Vice Chairman & Managing Director	1,51,26,444
Mr. Amar Banerjee	Whole-time Director	1,07,44,500
Mr. Arvind Kumar Bishnoi	Whole-time Director	37,43,015
Mr. Aditya Gabrani	Whole-time Director	34,21,458

\* the remuneration includes contribution to Provident fund and Superannuation fund.

# refer note 16 of the attached financial statements.

#### V. Shareholders' Grievance Committee

The Shareholders' Grievance Committee of the Directors of the Company as on 31 March, 2013 consisted of the following members:

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

During the financial year 2012-13, seven meetings of the Shareholders' Grievance Committee of the Company were held on 16 April, 2012, 24 May, 2012, 3 August, 2012, 30 October, 2012, 6 November, 2012, 30 November, 2012 and 11 December, 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	2
Mr. Amul Gabrani	7
Mr. Aditya Gabrani	5

**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 2012-13:

Pending as on 1 April, 2012	Received during the year	Replied/ resolved during the year	Pending as on 31 March, 2013
0	6	6	0

Investors' complaints are redressed within thirty days from their lodgment. The Company confirms that there were no shares pending for transfer as on 31 March, 2013.

**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, 19 meetings of Committee of Directors were held on 5 April, 2012, 16 April, 2012, 2 May, 2012, 1 June, 2012, 11 June, 2012, 5 July, 2012, 4 August, 2012, 13 August, 2012, 25 August, 2012, 30 August, 2012, 29 September, 2012, 9 November, 2012, 21 November, 2012, 5 December, 2012, 28 December, 2012, 8 January, 2013, 26 February, 2013, 5 March, 2013 and 28 March, 2013.

The attendance for each of the members at the Committee of Directors' Meetings during the year ended on 31 March, 2013 was as under:

Name of the Director	Number of Committee of Directors' Meetings attended
Mr. Ajay Kumar Bishnoi	12
Mr. Amul Gabrani	9
Mr. Arvind Kumar Bishnoi	12
Mr. Aditya Gabrani	8
Mr. Amar Banerjee	3

**VII. Subsidiary Companies**

The Company has the following subsidiaries:

- a) Tecpro Energy Limited;
- b) Ajmer Waste Processing Company Private Limited;
- c) Bikaner Waste Processing Company Private Limited;
- d) Eversun Energy Private Limited;
- e) Tecpro Systems (Singapore) Pte. Limited; and
- f) 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
20 <sup>th</sup>	Saturday	18.09.2010	11.00 a.m.	Radisson Hotel, Mahipalpur, New Delhi-110037
21 <sup>st</sup>	Monday	08.08.2011	10.00 a.m.	Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, APS Colony, Delhi Cantt., Delhi-110010
22 <sup>nd</sup>	Monday	13.08.2012	10.00 a.m.	Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, APS Colony, Delhi Cantt., Delhi-110010

(b) Special Resolutions

At the 22<sup>nd</sup> Annual General Meeting held on 13 August, 2012, a Special Resolution was passed for alteration of Articles of Association of the Company, subject to the approval of Central Government, revising the limit for maximum number of Directors of the Company from 12 to 20. The resolution was passed with the requisite majority.

(c) Procedure for postal ballot

During the year ended 31 March, 2013, the Company has not sought any approval from members by way of postal ballot.

## 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, penalties or strictures imposed by Stock Exchanges, SEBI or any other statutory 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.
- The Company is complying with the Mandatory requirements of Clause 49 of the Listing Agreement.
- 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 the applicable 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 the 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 the 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 / Navbharat Times / Business Standard and also displayed on the website of the Company [www.tecprosystems.com](http://www.tecprosystems.com) shortly after its submission to the Stock Exchanges. All earnings call transcripts, press releases and significant events are 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	Retiring by Rotation			Reappointment on expiry of tenure
	Reappointment	Reappointment	Reappointment	
Name of the Director	Mr. Aditya Gabrani	Mr. Anunay Kumar	Mr. Satvinder Jeet Singh Sodhi	Mr. Amar Banerjee
Date of initial appointment	10 November, 2010	20 June, 2007	20 June, 2007	2 April, 2010
Brief resume and expertise in specific functional area	A Whole-time Director, aged about 26 years, holds a bachelor's degree in engineering from Delhi College of Engineering, University of Delhi.	An Independent Director, aged 67 years, holds a bachelor's degree in mechanical engineering from the University of Ranchi and also holds a diploma in management from the All India Management Association, New Delhi. He has more than 45 years of work experience in the steel industry in India and abroad. In the past he has been associated with various companies such as Mecon Limited and retired as its Director (Technology) in 2004.	An Independent Director, aged 60 years, holds a bachelor's degree in commerce and is a management accountant, chartered accountant, and a law graduate from University of Delhi. He has served as a civil service officer and in the past held various senior key positions in government departments. He also served as the Joint Commissioner of Industries, General Manager – Delhi Finance Corporation and the Chief Executive Officer of certain public sector enterprises. He earlier worked as the executive director of the Delhi Stock Exchange Limited and has also been associated with committees of various ministries.	A Whole-time Director, aged 66 years, holds a bachelor's degree in mechanical engineering from Jadhavpur University, Kolkata. He has 41 years of experience in ash handling industry. He was previously working with Mahindra Ashtech Limited and was responsible for marketing, manufacturing and sales divisions.
List of other Directorships held	a) Hythro Power Corporation Limited b) Atihana Infrastructures Private Limited c) Vasundhra Technologies (India) Private Limited d) Gabrani Infrastructures Private Limited e) Eversun Energy Private Limited	a) JSW Aluminium Limited b) DESCON Limited c) Kansortium Process Teknologies Private Limited d) JSW Techno Projects Management Limited e) JSW Jharkhand Steel Limited f) AVH Private Limited	HS Healthcare Private Limited	--
Member of the Committees of the Board of other companies#	--	JSW Aluminium Limited	--	--
Shareholding in the Company in case of Non-executive Director	N.A.	--	--	N.A.

# Only Audit 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.

### Appointment of two New Directors

Particulars	Appointment	
	Mr. Narayanan Krishnan	Mr. Jatinder Pal Singh
Name of the Director	Mr. Narayanan Krishnan	Mr. Jatinder Pal Singh
Date of initial appointment	14 February, 2013	30 May, 2013
Brief resume and expertise in specific functional area	A Nominee Director representing State Bank of India, aged about 74 years, holds Post Graduate degree in Physics from St. Joseph's College, Tiruchirapalli, Madras University	An Independent Director, aged about 64 years holds a degree of Chemical Engineer from the Punjab University, Chandigarh.
List of other Directorships held	--	a) Hythro Power Corporation Limited b) G.E.T. Power Limited c) Tecpro Engineers Limited d) Avigo Capital Partners Private Limited e) RINAC India Limited f) AMR India Limited g) Effectus Consulting LLP
Member of the Committees of the Board of other companies#	--	--
Shareholding in the Company in case of Non-executive Director	--	--

# Only Audit 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: 30 September, 2013

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: 24 September, 2013 to 30 September, 2013 (both days inclusive)

(e) Listing on Stock Exchanges:

The Equity Shares of the Company are listed at BSE Limited and The National Stock Exchange of India Limited and the listing fees for the financial year 2013-14 have been paid to the above Stock Exchanges.

**Stock Codes:**

BSE Limited: 533266

The National Stock Exchange of India Limited: TECPRO

International Securities Identification Number (ISIN): INE904H01010



## (f) 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 the financial year 2012-13 are as under:

Month	BSE - Tecpro Systems Limited		Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2012	207.65	169.75	17664.10	17010.16
May, 2012	205.00	154.55	17432.33	15809.71
June, 2012	163.95	146.05	17448.48	15748.98
July, 2012	170.30	148.75	17631.19	16598.48
August, 2012	159.50	123.00	17972.54	17026.97
September, 2012	162.00	147.00	18869.94	17250.80
October, 2012	174.20	154.50	19137.29	18393.42
November, 2012	167.00	154.00	19372.70	18255.69
December, 2012	172.40	146.10	19612.18	19149.03
January, 2013	163.00	145.00	20203.66	19508.93
February, 2013	149.90	117.55	19966.69	18793.97
March, 2013	120.00	86.15	19754.66	18568.43
Month	NSE - Tecpro Systems Limited		Nifty	
	High (Rs.)	Low (Rs.)	High	Low
April, 2012	207.00	169.20	5378.75	5154.30
May, 2012	206.85	153.00	5279.60	4788.95
June, 2012	165.90	147.65	5286.25	4770.35
July, 2012	172.00	148.50	5348.55	5032.40
August, 2012	159.60	145.00	5448.60	5164.65
September, 2012	162.25	143.00	5735.15	5215.70
October, 2012	175.00	153.90	5815.35	4888.20
November, 2012	168.00	151.50	5885.25	5548.35
December, 2012	172.00	144.50	5965.15	5823.15
January, 2013	162.80	143.50	6111.80	5935.20
February, 2013	150.35	116.30	6052.95	5671.90
March, 2013	119.90	86.00	5971.20	5604.85

## (g) Registrar and Share Transfer Agent:

Link Intime India Private Limited  
 44, Community Centre, 2<sup>nd</sup> Floor  
 Naraina Industrial Area, Phase –I  
 Near PVR Naryana, New Delhi-110028  
 Contact Person: Mr. V. M. Joshi, Vice President (North)  
 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.

## (h) 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.

## (i) Distribution of Shareholding as on 31 March, 2013:

No. of Shares	No. of holders	% of total holders	No. of shares	% of total shares
Upto 500	26,048	97.26	12,58,857	2.5
501 - 1,000	361	1.35	2,83,808	0.56
1,001 - 2,000	155	0.58	2,30,531	0.46
2,001 - 3,000	61	0.23	1,50,555	0.30
3,001 - 4,000	28	0.11	1,02,778	0.20
4,001 - 5,000	33	0.12	1,54,811	0.31
5,001 - 10,000	37	0.14	2,65,624	0.52
10,001 & Above	57	0.21	4,80,26,827	95.15
<b>Total</b>	<b>26,780</b>	<b>100.00</b>	<b>5,04,73,791</b>	<b>100.00</b>

## (j) Pattern of Shareholding as on 31 March, 2013:

Sl. No.	Category	No. of Holders	No. of Shares
1	Promoters	13	2,65,63,340
2	Mutual Fund/UTI	8	34,14,632
3	Financial Institutions/Banks	3	15,362
4	Venture Capital Funds	1	7,05,557
5	Foreign Institutional Investors	6	19,57,531
6	Foreign Venture Capital Investors	1	51,69,147
7	Bodies Corporate	391	12,62,018
8	Resident Shareholders	24,536	20,52,274
9	Trust	1	31
10	Non Resident Indians	382	9,28,580
11	Clearing Members	34	7,660
12	Hindu Undivided Families	1,400	1,02,772
13	Foreign Bodies Corporate	4	82,94,887
<b>Total</b>		<b>26,780</b>	<b>5,04,73,791</b>

## (k) Dematerialization of Shares:

As on 31 March, 2013, 5,04,32,779 shares of the Company's total shares representing 99.92% shares were held in dematerialized form and the balance 41,012 shares representing 0.08% shares were in physical form.

SEBI vide circular no. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009 introduced Clause 5A in the Listing Agreement to provide a uniform procedure for dealing with unclaimed shares i.e. shares issued pursuant to the Public Issues but remaining unclaimed despite of the best efforts of the Registrar to Issue or the Company. The Clause inter-alia required transfer of such shares and any other corporate benefit related to the shares to a separate Demat Suspense Account.

Therefore, to comply with the above mentioned statutory requirements the Company opened a separate Demat Suspense Account in the name and style of "Tecpro Systems Limited-Unclaimed Suspense Account" and the shares lying unclaimed as on that date were transferred to the above said suspense account.

The details of such equity shares are as follows:

S. No.	Description	Number of Shares/ Shareholders
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. 01.04.2012	46 Shares for 3 Investors
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the year	Nil
3	Number of shareholders to whom shares were transferred from suspense account during the year	Nil
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. 31.03.2013	46 Shares for 3 Investors

Further, the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.



(l) 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; and
4. A-98, RIICO Industrial Area, Bhiwadi, Rajasthan.

The Company has set up one more manufacturing facility at 203 & 203(A), Matsya Industrial Area, Alwar, Rajasthan at which commercial operations are yet to begin. Besides the manufacturing activities at the above locations, the Company's project execution activities are undertaken at the location of the clients.

(m) Address of Correspondence:

Registered Office: 106, Vishwadeep Tower, Plot No. 4, District Centre, Janakpuri, 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; and
  - (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 31 March, 2013.
- (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 31 March, 2013;
  - (ii) any significant changes in accounting policies during the financial year ended 31 March, 2013; 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 30 May, 2013.

### 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 31 March, 2013.

Place : Chennai  
Date : 30 May, 2013

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, 2013 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/-  
**Jiten Chopra**  
*Partner*  
Membership No. 092894

Place : Gurgaon  
Date : 14 August, 2013



# Independent Auditors' Report

To the Members of  
Tecpro Systems Limited

## 1. Report on the Financial Statements

We have audited the accompanying financial statements of Tecpro Systems Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2013 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## 2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## 3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## 4. Opinion

In our opinion and to the best of our information

and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## 5. Report on Other Legal and Regulatory Requirements

- 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
  - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - 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;
  - the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956; and
  - on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For B S R & Co.

Chartered Accountants

Firm registration number: 101248W

Sd/-

Jiten Chopra

Partner

Place: Gurgaon

Date: 30 May 2013

Membership No.: 092894

**Annexure referred to in paragraph 5 of the Independent Auditors' Report to the Members of Tecpro Systems Limited on the accounts for the year ended 31 March, 2013.**

- (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 Provident Fund, Employees' State Insurance, Income-tax, 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, *however, there were delays in depositing undisputed service tax dues, provident fund dues, employees' state insurance 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 2013 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 4,951,545	1 April 2001 to 31 March 2002 1 April 2002 to 31 March 2003	Joint Commissioner of Sales tax (Appeals), Pune Joint Commissioner of Sales tax (Appeals), Pune
Central Sales tax Act, 1956	Sales tax	581,000 2,025,000	1 April 2001 to 31 March 2002 1 April 2000 to 31 March 2001	Commercial tax Officer, Lucknow 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 18,504,809	1 April 2005 to 31 March 2006 1 April 2006 to 31 March 2007	West Bengal Commercial Taxes Appellate and Revisional board, Kolkata 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	548,349	1 April 2008 to 31 March 2009	West Bengal Commercial Taxes Appellate and Revisional Board
Central Sales tax Act, 1956	Sales tax	114,974	1 April 2007 to 31 March 2008	Dy. Commissioner Commercial Tax, Bhawanipore Charge, Kolkata
Central Sales Tax Act, 1956	Sales tax	18,992,924	1 April 2009 to 31 March 2010	Rajasthan Tax Board, Ajmer
Rajasthan Tax on Entry of Goods into Local Areas Act, 1999	Entry Tax	20,408,275	1 April 2006 to 31 March 2009	Rajasthan High Court
West Bengal Value Added Tax Act, 2003	Sales tax	4,892,432	1 April 2009 to 31 March 2010	West Bengal Commercial Taxes Appellate and Revisional Board
Rajasthan Tax on Entry of Goods into Local Areas Act, 1999	Entry Tax	11,659,019	1 April 2009 to 31 March 2010	Rajasthan High Court
Rajasthan Tax on Entry of Goods into Local Areas Act, 1999	Entry Tax	16,489,477	1 April 2010 to 31 March 2011	Rajasthan High Court

\*Net of taxes paid Rs. 26,450,431

(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, *except in respect of dues mentioned in table below.*

Description of amount due	Lender's Name	Amount Involved	Amount Involved	Period for default up to 31 March 2013	Status of overdue as on 31 March 2013
Buyer's Credit	Axis Bank	Principal	380,577,218	30 days	Overdue
LC discounting	ICICI Bank	Principal	373,008,099	From 3 to 57 days	Overdue
		Interest	5,941,355	From 3 to 57 days	Overdue
Assignment of receivable	IndusInd Bank	Principal	250,327,905	From 1 to 85 days	Not overdue
		Principal	147,046,392	From 77 to 88 days	Not overdue
Short term loan account	IndusInd Bank	Principal	464,325,000	From 16 to 21 days	Not overdue
		Interest	10,344,002	From 1 to 3 days	Not overdue
Short term loan account	ICICI Bank	Interest	5,739,669	From 2 to 21 days	Not overdue

(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*

Firm registration number: 101248W

Sd/-

**Jiten Chopra**

*Partner*

Membership No.: 092894

Place: Gurgaon

Date: 30 May 2013

**Balance Sheet as at 31 March 2013**

(All amounts are in Rupees)

	Note	As at 31 March 2013	As at 31 March 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	504,737,910	504,737,910
Reserves and surplus	4	7,385,218,306	7,139,971,285
		<u>7,889,956,216</u>	<u>7,644,709,195</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	856,713,135	994,969,280
Deferred tax liabilities (net)	6	-	1,138,243
Trade payables	9	1,387,691,892	903,252,053
Long-term provisions	7	65,140,271	42,643,428
		<u>2,309,545,298</u>	<u>1,942,003,004</u>
<b>Current liabilities</b>			
Short-term borrowings	8	20,031,576,805	12,011,422,115
Trade payables	9	13,145,594,629	14,167,594,008
Other current liabilities	10	6,670,710,310	4,993,072,621
Short-term provisions	7	57,402,186	408,247,928
		<u>39,905,283,930</u>	<u>31,580,336,672</u>
<b>TOTAL</b>		<u><u>50,104,785,444</u></u>	<u><u>41,167,048,871</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	11	2,836,403,404	2,351,791,172
Intangible assets	12	38,624,331	41,711,639
Capital work-in-progress	11	454,686,192	315,704,904
		<u>3,329,713,927</u>	<u>2,709,207,715</u>
Non-current investments	13	176,056,870	215,532,812
Deferred tax assets (net)	6	19,311,030	-
Long-term loans and advances	15	141,583,685	63,963,177
Trade receivables	20	4,300,885,879	6,800,637,285
Other non-current assets	17	1,573,156,087	1,331,535,071
		<u>6,210,993,551</u>	<u>8,411,668,345</u>
<b>Current assets</b>			
Current investments	14	1,044,346	1,039,346
Inventories	19	1,965,694,124	2,312,456,219
Trade receivables	20	24,996,747,851	16,517,876,997
Cash and bank balances	21	255,221,053	2,285,040,673
Short-term loans and advances	16	2,247,588,247	2,384,728,689
Other current assets	18	11,097,782,345	6,545,030,887
		<u>40,564,077,966</u>	<u>30,046,172,811</u>
<b>TOTAL</b>		<u><u>50,104,785,444</u></u>	<u><u>41,167,048,871</u></u>
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

**For B S R & Co.**

Chartered Accountants

Firm registration no. 101248W

Sd/-

**Jiten Chopra**

Partner

Membership No.: 092894

Place : Gurgaon

Date : 30 May 2013

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

Sd/-

**Ajay Kumar Bishnoi**

Chairman &amp;

Managing Director

Place : Chennai

Date : 30 May 2013

Sd/-

**Amul Gabrani**

Vice Chairman &amp;

Managing Director

Place : Gurgaon

Date : 30 May 2013

Sd/-

**Pankaj Tandon**

Company Secretary

Place : Chennai

Date : 30 May 2013

## Statement of Profit and Loss for the year ended 31 March 2013

(All amounts are in Rupees)

	Note	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>INCOME</b>			
Revenue from operations	22	26,104,560,725	25,296,618,293
Other income	23	82,938,604	115,604,367
<b>Total revenue</b>		<b>26,187,499,329</b>	<b>25,412,222,660</b>
<b>EXPENSES</b>			
Cost of materials consumed	24	13,847,432,742	12,703,673,070
Purchases of stock-in-trade	26	2,352,343,353	3,329,707,051
Changes in inventories of finished goods, work in progress and stock in trade - project supplies	25	247,250,668	(803,932,315)
Employee benefits expense	27	1,231,904,277	1,209,054,856
Other expenses	28	4,870,203,235	4,924,488,658
<b>Expenditure before finance costs and depreciation / amortisation expenses</b>		<b>22,549,134,275</b>	<b>21,362,991,320</b>
<b>Profit before finance costs, depreciation and amortisation expenses and tax</b>		<b>3,638,365,054</b>	<b>4,049,231,340</b>
Finance costs	29	3,012,711,968	1,967,799,048
<b>Profit before depreciation and amortisation expenses and tax</b>		<b>625,653,086</b>	<b>2,081,432,292</b>
Depreciation and amortisation expense	11 & 12	198,196,411	134,927,411
<b>Profit before tax</b>		<b>427,456,675</b>	<b>1,946,504,881</b>
<b>Tax expense:</b>			
Current tax		148,062,428	663,903,400
Income tax for earlier years		12,295,105	6,365,976
Deferred tax charge / (release)		(21,465,060)	26,936,148
<b>Profit for the year</b>		<b>288,564,202</b>	<b>1,249,299,357</b>
Basic and diluted earnings per equity share (in Rs.) [face value Rs. 10 each (previous year Rs. 10 each)]	41	5.72	24.75
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date 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/-

**Jiten Chopra**

*Partner*

Membership No.: 092894

Sd/-

**Ajay Kumar Bishnoi**

*Chairman &*

*Managing Director*

Sd/-

**Amul Gabrani**

*Vice Chairman &*

*Managing Director*

Sd/-

**Pankaj Tandon**

*Company Secretary*

Place : Gurgaon

Date : 30 May 2013

Place : Chennai

Date : 30 May 2013

Place : Gurgaon

Date : 30 May 2013

Place : Chennai

Date : 30 May 2013

**Cash Flow Statement for the year ended 31 March 2013**

(All amounts are in Rupees)

	Note	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Cash flow from operating activities</b>			
<b>Profit before taxation</b>		<b>427,456,675</b>	1,946,504,881
Adjusted for :			
Depreciation		198,196,411	134,927,411
Profit on sale of fixed assets		(101,977)	-
Loss on sale / disposal of fixed assets		6,537,923	2,110,218
Interest income		(43,617,413)	(106,454,749)
Dividend income		(1,493)	(114,360)
Capitalisation of foreign exchange loss (refer note 42)		(23,950,274)	-
Interest expense		2,506,336,039	1,620,807,746
Unrealised foreign exchange loss		-	(23,950,274)
Provisions no longer required, written back		(36,908,470)	-
Investment written off during the year		-	25,676,105
Bad debts written off during the year		123,436,493	53,252,412
Provision for loss on incomplete contract		34,315,539	-
Provision for bad and doubtful debts		172,185,657	141,810,238
Sundry balances written off		5,940,945	19,252,133
<b>Operating profit before following adjustments:</b>		<b>3,369,826,055</b>	3,813,821,761
Decrease / (Increase) in inventories		356,594,463	(913,517,632)
Decrease / (Increase) in trade receivables		(6,137,888,665)	(6,452,516,333)
Decrease / (Increase) in short term loans and advances		106,269,258	(649,799,496)
Decrease / (Increase) in other current assets		(4,535,659,936)	(3,333,871,020)
Decrease / (Increase) in long term loans and advances		(76,242,083)	(244,870,441)
Decrease / (Increase) in other non current assets		(278,507,150)	(771,271,982)
Increase / (Decrease) in trade payables		(650,626,265)	5,577,916,422
Increase / (Decrease) in other current liabilities		1,817,362,239	(46,638,931)
Increase / (Decrease) in long term provisions		22,287,772	16,384,797
Increase / (Decrease) in short term provisions		(14,730,151)	10,964,013
<b>Cash used in operations</b>		<b>(6,021,314,463)</b>	(2,993,398,842)
Income tax paid		(412,977,812)	(778,633,135)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(6,434,292,275)</b>	(3,772,031,977)
<b>Cash flows from investing activities</b>			
Purchase of fixed assets including intangible assets, capital work in progress and capital advances		(746,727,937)	(994,463,630)
Proceeds from sale of fixed assets		3,212,670	3,250,459
Purchase of investments in subsidiaries		(35,594,697)	(158,356,125)
Proceeds from sale of investments		-	75,000,000
Movement in bank deposits (net) (having original maturity of more than three months)		1,209,896,232	(5,168,297)
Short-term loans/advances to subsidiaries		106,768,712	(152,910,355)

## Cash Flow Statement (Contd..)

(All amounts are in Rupees)

	Note	For the year ended 31 March 2013	For the year ended 31 March 2012
Dividend received		1,493	114,360
Interest received		60,518,509	101,717,183
<b>Net cash from / (used in) investing activities (B)</b>		<b>598,074,982</b>	<b>(1,130,816,405)</b>
<b>Cash flows from financing activities</b>			
Refund of share application money		(7,152,113)	-
Long-term borrowings taken (including current maturities)		232,884,775	1,119,888,881
Long-term borrowings repaid (including current maturities)		(560,164,775)	(367,642,583)
Short term borrowings (net)		7,990,938,622	5,338,484,088
Payment of dividend		(151,286,967)	(151,296,033)
Tax on dividend		(24,564,332)	(24,564,332)
Interest paid		(2,496,805,190)	(1,573,135,959)
<b>Net cash from / (used in) financing activities (C)</b>		<b>4,983,850,020</b>	<b>4,341,734,062</b>
<b>Net changes in cash and cash equivalents (A+B+C)</b>		<b>(852,367,273)</b>	<b>(561,114,320)</b>
<b>Cash and cash equivalents - opening balance</b>		<b>1,083,553,060</b>	<b>1,644,596,981</b>
Add: on account of amalgamation (refer to note 30 and 31)		1,483,696	70,399
<b>Cash and cash equivalents - closing balance</b>		<b>232,669,483</b>	<b>1,083,553,060</b>
<b>Components of cash and cash equivalents (refer to note 21)</b>			
Cash on hand		2,141,741	1,271,684
With banks:			
In current accounts		230,502,742	667,218,460
In fixed deposit accounts		25,000	415,062,916
		<b>232,669,483</b>	<b>1,083,553,060</b>

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 to above form an integral part of the financial statements

As per our report of even date 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/-

**Jiten Chopra**

Partner

Membership No.: 092894

Sd/-

**Ajay Kumar Bishnoi**

Chairman &

Managing Director

Sd/-

**Amul Gabrani**

Vice Chairman &

Managing Director

Sd/-

**Pankaj Tandon**

Company Secretary

Place : Gurgaon

Date : 30 May 2013

Place : Chennai

Date : 30 May 2013

Place : Gurgaon

Date : 30 May 2013

Place : Chennai

Date : 30 May 2013

## Notes to financial statements for the year ended 31 March 2013

### 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 issued by the Central Government, the relevant provisions of the Companies Act, 1956 and other accounting principles generally accepted in India, to the extent applicable.

#### 2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make judgements, estimates and assumptions that affect the applicability of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. 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.

The Company has multiple operating cycles determined on the basis of the distinguishing features and characteristics of various categories of contracts. However, assets/liabilities so disclosed as current on the basis of the relevant operating cycle but having a longer period of life than 12 months after the reporting period are also shown separately (Also refer note 38).

## Notes to financial statements for the year ended 31 March 2013

### 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 utilisation of such duty credit.

### 2.5 Tangible fixed assets and capital work-in-progress

Tangible fixed assets, including capital work in progress are stated at cost of acquisition or construction less accumulated depreciation. Cost comprises the purchase price, including import duties and other non-refundable taxes or levies 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.

Exchange differences arising in respect of translation / settlement of long term foreign currency borrowings attributable to the acquisition of a depreciable asset are also included in the cost of the asset.

### 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.

Goodwill that arises on an amalgamation or on acquisition of a business is presented as an intangible asset.

Goodwill arising from amalgamation is measured at cost less accumulated amortisation and any accumulated impairment loss. Such goodwill is amortised over its estimated useful life or five years whichever is shorter.

### 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 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.



## Notes to financial statements for the year ended 31 March 2013

### 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
Computer software	3
Technical know-how	5
Goodwill	5

\* included in buildings in note 11 to the financial statements.

\*\* included in plant and machinery in note 11 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.

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 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 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

## Notes to financial statements for the year ended 31 March 2013

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.

#### *Onerous contract*

A Contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

### 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.

### 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

## Notes to financial statements for the year ended 31 March 2013

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 2013

(All amounts are in Rupees)

As at  
31 March 2013      As at  
31 March 2012

### 3. Share capital

#### Authorised

131,150,000 (previous year 127,950,000) equity shares of Rs.10 each  
(also refer to note 30 and 31)

1,311,500,000      1,279,500,000

#### Issued, subscribed and fully paid-up

50,473,791 (previous year 50,473,791) equity shares of  
Rs.10 each fully paid-up

504,737,910      504,737,910  
504,737,910      504,737,910

(a) Reconciliation of shares outstanding and the amount of share capital as at 31 March 2013 and 31 March 2012:

Equity shares	As at 31 March 2013		As at 31 March 2012	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Number of shares at the beginning	50,473,791	504,737,910	50,473,791	504,737,910
Add: Shares issued / redeemed during the year	-	-	-	-
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>

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 2013		As at 31 March 2012	
	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	7,540,784	14.94
M/s. Avigo Venture Investments Limited	6,819,153	13.51	6,819,153	13.51
M/s. Metmin Investments Holdings Limited	3,994,881	7.91	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) During the five years period ended 31 March 2013 Company has issued equity shares for consideration other than cash as follows :-

- 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 out of securities premium account.
- ii) 16,526,291 (previous year 16,526,291) equity shares of Rs. 10 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 2013

(All amounts are in Rupees)

	As at 31 March 2013	As at 31 March 2012
<b>4. Reserves and surplus</b>		
<b>Capital reserve</b>	<u>38,855,552</u>	<u>38,855,552</u>
<b>Securities premium account</b>	<u>2,991,808,262</u>	<u>2,991,808,262</u>
<b>Revaluation reserve</b>		
Opening balance	70,079,388	71,080,522
Less: amount transferred to the statement of profit and loss on account of additional depreciation on revalued assets	<u>1,001,134</u>	<u>1,001,134</u>
<b>Closing balance</b>	<u>69,078,254</u>	<u>70,079,388</u>
<b>General reserve</b>		
Opening balance	788,224,308	874,394,322
Less: adjustment on account of amalgamation (refer to note 30 and 31)	<u>57,822,528</u>	211,099,950
Add: appropriations from the statement of profit and loss	-	124,929,936
<b>Closing balance</b>	<u>730,401,780</u>	<u>788,224,308</u>
<b>Surplus in the Statement of Profit and Loss</b>		
Opening balance	3,251,003,775	2,302,612,062
Profit for the year	<u>288,564,202</u>	<u>1,249,299,357</u>
Adjustment during the year on account of amalgamation (refer to note 30 and 31)	<u>15,506,481</u>	<u>7,997</u>
<b>Appropriations:</b>		
- Proposed equity dividend (amount per share Rs. Nil (previous year Rs. 3))	-	(151,421,373)
- Tax on proposed equity dividend	-	(24,564,332)
- Transfer to general reserve	-	(124,929,936)
<b>Net surplus in the Statement of Profit and Loss</b>	<u>3,555,074,458</u>	<u>3,251,003,775</u>
<b>Total reserves and surplus</b>	<u>7,385,218,306</u>	<u>7,139,971,285</u>

## 5. Long term borrowing

	Non-current portion		Current maturities	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
<b>Secured:</b>				
<b>Term loans</b>				
- Indian rupee loan from banks	380,365,617	556,491,745	176,582,554	464,009,737
- Foreign currency loan from banks	466,796,580	368,326,800	87,022,880	40,925,200
- From financial institutions	9,550,938	70,150,735	71,194,197	35,645,364
	<u>856,713,135</u>	<u>994,969,280</u>	<u>334,799,631</u>	<u>540,580,301</u>
<b>Less:</b>				
Amount disclosed under the head "other current liabilities" (refer to note 10)	-	-	<u>(334,799,631)</u>	<u>(540,580,301)</u>
<b>Net amount</b>	<u>856,713,135</u>	<u>994,969,280</u>	<u>-</u>	<u>-</u>

## Notes to financial statements for the year ended 31 March 2013

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

Security	Terms of repayment and Default
<p>Amounting to Rs. 50,051,088 is secured by way of equitable mortgage over the leasehold rights of the Company's land at Siruseri, Chennai and building constructed thereon for office and also further secured by the current assets of the Company.</p> <p>Loan is also collaterally secured by:</p> <ol style="list-style-type: none"> <li>Hypothecation of movable fixed assets owned by the Company (excluding assets purchased on loan and specifically charged to the lenders) and equitable mortgage over certain assets of certain directors (includes a relative of a director) of the Company on pari passu basis.</li> <li>Equitable mortgage over certain factory land and buildings located at Bawal, Haryana and Bhiwadi, Rajasthan. The properties are also mortgaged in favour of other bankers on pari passu basis.</li> <li>Corporate guarantee given by Fusion Fittings (I) Limited and pledge of certain shares by certain directors of the Company.</li> <li>Personal guarantees from Mr. Amul Gabrani (Director), Mr. Ajay Kumar Bishnoi (Director) and Mrs. Bhagwanti Gabrani (relative of Director).</li> </ol>	<p>Repayable in 65 monthly installments of Rs. 3,400,000 each 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. 10,800,011 taken for part funding of escalation in cost of construction of Company's office at Siruseri, Chennai is secured by way of extension of charge over entire current assets and fixed assets of the Company (excluding assets purchased on loan and specifically charged to the lenders). It is also collaterally secured by:</p> <ol style="list-style-type: none"> <li>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.</li> <li>Equitable mortgage over certain factory land and buildings located at Bawal, Haryana and Bhiwadi, Rajasthan. The properties are also mortgaged in favour of other bankers on pari passu basis.</li> <li>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.</li> <li>Corporate guarantee given by Fusion Fittings (I) Limited and pledge of certain shares by certain directors of the Company.</li> <li>Personal guarantees from Mr. Amul Gabrani (Director), Mr. Ajay Kumar Bishnoi (Director) and Mrs. Bhagwanti Gabrani (relative of Director).</li> </ol>	<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. 492,000,000 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. Ajay Kumar 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 [currently Bank's Base rate being 10.00% p.a.] payable on a quarterly basis.</p>
<p>Amounting to Rs. 4,097,072 is secured by way of Hypothecation of the respective vehicles.</p>	<p>Repayable in such number of equal monthly instalments as specified in the terms &amp; conditions of the respective vehicle finance agreements. The rate of interest are 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. 391,602,960 is secured by exclusive charge on the immovable and movable fixed assets of the Kolkata Office financed out of the facility with a minimum asset cover of 1.25 times. The loan is also secured by personal guarantee of Mr. Ajay Kumar Bishnoi (Director) &amp; 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>
<p>Amounting to Rs. 162,216,500 is secured by first charge on all current assets both present &amp; future of the company and immovable and movable fixed assets other than those specifically funded through respective bank's term loan. The loan is also secured by personal guarantee of Mr. Ajay Kumar Bishnoi (Director), Mr. Amul Gabrani (Director) &amp; Mrs. Bhagwanti Gabrani (relative of Director).</p>	<p>Repayable on due date and carrying an interest rate of applicable EURO/USD/SGD LIBOR plus margin as may be agreed with Bank from time to time.</p>

### Financial institutions (current and non-current portion)

<p>Amounting to Rs. 28,399,002 is secured by way of Hypothecation of the respective vehicles.</p>	<p>Repayable in such number of equal monthly installments as specified in the terms &amp; conditions of the respective vehicle finance agreements. The rate of interest are in the range of 12% p.a. to 15% p.a.</p>
<p>Amounting to Rs. 52,346,133 is secured by First charge on the asset i.e. Land and Building situated at the Industrial Unit at Alwar.</p>	<p>12 equated quarterly installments starting from expiry of twelve months pre-production period and the last of repayment was 1 September 2015 carrying an interest rate of 12% p.a., subsequent to 31 March 2013 this loan has been swapped by term loan of another financial institution which will be repayable in 24 equal quarterly installment commencing from May 2014.</p>

## Notes to financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

	As at 31 March 2013	As at 31 March 2012
<b>6. Deferred tax (assets) / liability (net)</b>		
<b>Deferred tax liability:</b>		
Excess of Depreciation / amortisation under Income Tax Act over depreciation / amortisation provided in accounts	118,649,994	106,867,577
<b>Total deferred tax liability</b>	<b>118,649,994</b>	<b>106,867,577</b>
<b>Deferred tax assets on account of:</b>		
Provision for employee benefits	44,823,128	34,672,043
Provision for estimated losses on incomplete contracts	13,020,393	1,712,123
Provision for bad and doubtful debts	79,048,536	68,269,037
Others	1,068,967	1,076,131
<b>Total deferred tax asset</b>	<b>137,961,024</b>	<b>105,729,334</b>
<b>Net deferred tax liability / (assets)</b>	<b>(19,311,030)</b>	<b>1,138,243</b>

## 7. Provisions

	Long-term provisions		Short-term provisions	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
<b>Provision for employee benefits</b>				
Gratuity (refer to note 43)	30,794,533	13,541,450	5,865,748	9,027,633
Compensated absences	34,248,710	26,809,101	13,229,899	17,872,734
	<b>65,043,243</b>	<b>40,350,551</b>	<b>19,095,647</b>	<b>26,900,367</b>
<b>Others provisions</b>				
Lease equalisation charges	97,028	2,292,877	-	-
Proposed dividend	-	-	-	151,421,373
Tax on proposed dividend	-	-	-	24,564,332
Provision for estimated losses on incomplete contract (refer to note 45)	-	-	38,306,539	5,277,000
Provision for tax [net of advance tax Rs. Nil (previous year Rs. 1,846,839,280)]	-	-	-	200,084,856
	<b>97,028</b>	<b>2,292,877</b>	<b>38,306,539</b>	<b>381,347,561</b>
	<b>65,140,271</b>	<b>42,643,428</b>	<b>57,402,186</b>	<b>408,247,928</b>

## Notes to financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

	As at 31 March 2013	As at 31 March 2012
<b>8. Short-term borrowings</b>		
Loans repayable on demand		
From banks (secured)		
- Working capital facility	19,974,393,600	12,011,422,115
From others (unsecured)	57,183,205	-
	<u>20,031,576,805</u>	<u>12,011,422,115</u>

### Nature of security

- Working capital facility comprises cash credit, buyer's credit, export packing credit and bills discounted from banks.
- Working Capital facilities are secured by first charge on the present and future current assets of the Company on pari passu basis.
  - Cash credit, short term loans and buyer's 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.
  - Packing Credit loan from DBS Bank is secured by second charge on the current assets and moveable fixed assets of the Company.
  - The facilities are 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 Bank).
  - Further, facilities from SBI are also secured by pledge of certain shares by Mr. Amul Gabrani and Mr. Ajay Kumar Bishnoi (directors of the Company) and the loan from SBI is also secured by corporate guarantee given by Fusion Fittings (I) Limited.

## 9. Trade payables

	Non-current		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Sundry creditors				
- micro and small enterprises	-	-	107,712,476	133,429,880
- others	1,387,691,892	903,252,053	13,037,882,153	14,034,164,128
	<u>1,387,691,892</u>	<u>903,252,053</u>	<u>13,145,594,629</u>	<u>14,167,594,008</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 2013	As at 31 March 2012
(a) Principal amount payable to suppliers as at year-end	107,712,476	133,429,880
(b) Interest due thereon as at year-end	15,772,337	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	194,340,799	93,931,379
(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	3,798,641	10,854,478



## Notes to financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

### 10. Other current liabilities

	As at 31 March 2013	As at 31 March 2012
Current maturities of long-term borrowings (also refer to note 5)	334,799,631	540,580,301
Salaries, wages and bonus payable	143,816,841	94,495,251
Interest accrued and due on borrowings	-	56,572,418
Interest accrued but not due on borrowings	69,863,061	3,759,794
Unpaid dividends	259,746	125,340
Book overdraft	22,697	1,953,463
Advances from customers * (refer to note 38)	5,290,231,873	3,801,092,055
Unearned revenue	203,454,993	50,138,058
Creditors towards fixed assets	230,351,830	139,590,244
Statutory dues payable		
Service tax payable	111,626,238	146,253,172
Tax deducted at source payable	75,364,127	43,981,904
Provident fund and other employee related payable	22,691,957	11,975,922
Sales tax payable	179,210,547	90,456,229
Other payables	9,016,769	12,098,470
	<b>6,670,710,310</b>	<b>4,993,072,621</b>

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

\* Advances from customers

- Due to be settled within 12 months from the reporting date	3,379,358,982	2,056,098,803
- Due to be settled after 12 months from the reporting date	1,910,872,891	1,744,993,252

### 11. Tangible assets

Description	Gross block (at cost or valuation)					Accumulated depreciation					Net block	
	As at 1 April 2012	Additions during the year	Deletions / adjustments during the year	Added on account of amalgamation (refer to note 31)	As at 31 March 2013	As at 1 April 2012	For the year	Deletions / adjustments during the year	Added on account of amalgamation (refer to note 31)	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
<b>Owned</b>												
Freehold land	34,705,270	-	-	-	34,705,270	-	-	-	-	-	34,705,270	34,705,270
Buildings	1,093,498,969	223,454,381	684,689	-	1,316,268,661	78,813,501	44,024,692	661,732	-	122,176,461	1,194,092,200	1,014,685,468
Leasehold improvement	167,686,501	60,865,010	1,775,616	-	226,775,895	26,823,892	8,970,026	811,486	-	34,982,432	191,793,463	140,862,609
Plant and machinery	437,332,399	115,002,435	2,307,144	3,091,976	553,119,666	72,873,378	28,841,506	1,286,829	176,058	100,604,113	452,515,553	364,459,021
Office equipment	125,414,050	18,920,563	2,019,498	813,807	143,128,922	42,092,640	23,872,770	1,663,114	138,340	64,440,636	78,688,286	83,321,410
Furniture and fittings	108,435,656	17,103,357	3,784,906	2,493,359	124,247,466	46,960,694	22,255,419	2,452,631	476,984	67,240,466	57,007,000	61,474,962
Vehicles	202,157,623	17,213,269	9,638,356	2,628,677	212,361,213	46,461,301	19,739,724	3,786,727	858,353	63,272,651	149,088,562	155,696,322
Computers	59,478,042	5,583,187	442,417	1,523,493	66,142,305	25,398,690	9,438,974	341,491	609,204	35,105,377	31,036,928	34,079,352
<b>Total (A)</b>	2,228,708,510	458,142,202	20,652,626	10,551,312	2,676,749,398	339,424,096	157,143,111	11,004,010	2,258,939	487,822,136	2,188,927,262	1,889,284,414
<b>Assets taken on finance lease</b>												
Leasehold land #	247,786,789	30,456,251	-	-	278,243,040	10,062,266	2,388,143	(1,001,134)	-	13,451,543	264,791,497	237,724,523
Buildings *	225,463,072	168,781,634	-	-	394,244,706	680,837	10,879,224	-	-	11,560,061	382,684,645	224,782,235
<b>Total (B)</b>	473,249,861	199,237,885	-	-	672,487,746	10,743,103	13,267,367	(1,001,134)	-	25,011,604	647,476,142	462,506,758
<b>Total (A+B)</b>	2,701,958,371	657,380,087	20,652,626	10,551,312	3,349,237,144	350,167,199	170,410,478	10,002,876	2,258,939	512,833,740	2,836,403,404	2,351,791,172

Capital Work in Progress ^^

454,686,192 315,704,904

\* Additions to Building include loss on foreign exchange fluctuation Rs. 15,136,058 (previous year Rs. 16,876,111).

^^ Capital Work in Progress include loss on foreign exchange fluctuation Rs. 634,448 (previous year Rs. 8,705,615) and borrowing cost capitalised Rs. Nil (previous year Rs. 13,376,648).

# 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 2013

(All amounts are in Rupees)

### 11.1 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 amalgamation (refer to note 30)	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	
<b>Owned</b>												
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 <sup>^^</sup>	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	
<b>Total (A)</b>	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	
<b>Assets taken on finance lease</b>												
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	
<b>Total (B)</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	
<b>Total (A+B)</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	

Capital Work in Progress <sup>^^</sup>

315,704,904 249,424,380

\* Additions to Building include loss on foreign exchange fluctuation Rs. 16,876,111.

<sup>^^</sup> Capital Work in Progress include loss on foreign exchange fluctuation Rs. 8,705,615 and borrowing cost capitalised Rs. 13,376,648.

@ 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 30 for details)

# Refer to note 30

<sup>^</sup> 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 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 and an equivalent amount has been withdrawn from revaluation reserve. This has no impact on profit for the year.

### 12. Intangible assets

Description	Gross block (at cost)					Accumulated depreciation				Net block		
	As at 1 April 2012	Additions during the year	Deletions / adjustments during the year	Added on amalgamation (refer to note 31)	As at 31 March 2013	As at 1 April 2012	For the year	Deletions / adjustments during the year	Added on amalgamation (refer to note 31)	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
Computers software	83,032,643	4,971,247	-	8,764,002	96,767,892	41,321,004	22,178,261	-	2,584,021	66,083,286	30,684,606	41,711,639
Technical know-how	10,938,554	-	-	9,000,000	19,938,554	10,938,554	3,604,932	-	290,959	14,834,445	5,104,109	-
Goodwill	-	-	-	5,000,000	5,000,000	-	2,002,740	-	161,644	2,164,384	2,835,616	-
<b>Total</b>	93,971,197	4,971,247	-	22,764,002	121,706,446	52,259,558	27,785,933	-	3,036,624	83,082,115	38,624,331	41,711,639

#### 12.1 Intangible assets

Description	Gross block (at cost)				Accumulated depreciation				Net block		
	As at 1 April 2011	Additions during the year	Deletions / adjustments during the year	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	
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	-	-	
<b>Total</b>	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	

**Notes to financial statements for the year ended 31 March 2013**

(All amounts are in Rupees)

	As at 31 March 2013	As at 31 March 2012
<b>13. Non-current investments</b> (Valued at cost unless stated otherwise)		
<b>Trade Investments</b>		
<b>Investments in equity instrument of Subsidiaries (unquoted equity instruments)</b>		
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. [2,378,800 (previous year 2,006,700) equity shares of 1 Singapore dollar each fully paid up]	<b>85,397,672</b>	69,010,284
Ajmer Waste Processing Company Private Limited [49,000 (previous year 49,000) equity shares of Rs.10 each fully paid up]	<b>490,000</b>	490,000
Tecpro Trema Limited [refer to note 31] [Nil (previous year 150,000) equity shares of Rs.10 each fully paid up]	-	12,017,520
Bikaner Waste Processing Company Private Limited [78,500 (previous year 78,500) equity shares of Rs.10 each fully paid up]	<b>785,000</b>	785,000
Ambika Projects (India) Private Limited [refer to note 31] [Nil (previous year 1,500,000) equity shares of Rs.10 each fully paid up]	-	63,055,008
Eversun Energy Private Limited [260,000 (previous year 260,000) equity shares of Rs.10 each fully paid up]	<b>70,175,000</b>	70,175,000
PT. Tecpro Systems Indonesia [3,500 (previous year Nil) equity shares of 100 USD each fully paid up]	<b>19,209,198</b>	-
<b>Total</b>	<b><u>176,056,870</u></b>	<b><u>215,532,812</u></b>
<b>Aggregate book value unquoted non current investments:</b>		
- Aggregate book value	<b>176,056,870</b>	215,532,812
- Aggregate provision for diminution in the value of investment	<b>6,450,000</b>	6,450,000

## Notes to financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

As at  
 31 March 2013      As at  
 31 March 2012

### 14. 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 * [refer to note 31 and 32]	25,000	20,000
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#### Investments in Mutual funds - Quoted

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

<b>Total</b>	<b>1,044,346</b>	<b>1,039,346</b>
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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	1,004,946
- Aggregate net asset value	1,656,546	1,507,687

##### Quoted investments

- Aggregate book value	14,400	14,400
- Aggregate market value	28,140	35,040

##### Unquoted investments

- Aggregate book value	25,000	20,000
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## Notes to financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

	As at 31 March 2013	As at 31 March 2012
<b>15. Long-term loans and advances</b>		
(Unsecured)		
<b>Considered good:</b>		
Prepaid expenses	108,261,731	37,238,262
Security deposits	33,321,954	26,724,915
	<u>141,583,685</u>	<u>63,963,177</u>
<b>Considered doubtful:</b>		
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>141,583,685</u>	<u>63,963,177</u>

## 16. Short-term loans and advances

(Unsecured, considered good)

Security deposits	23,171,680	15,702,136
Others :		
Balances with statutory / government authorities	346,105,595	311,752,481
Advance tax [net of provision for tax Rs. 2,208,136,795 (previous year Rs. Nil)]	51,680,297	-
Prepaid expenses	332,687,738	329,156,296
Share application money pending allotment (related parties)*	224	2,113
Advances to vendors ^ # (refer to note 38)	1,230,870,670	1,509,553,190
Advances to employees	15,487,073	16,896,222
Loans / advances to subsidiaries **	73,038,269	179,806,981
Due from Directors ##	103,825,666	-
Others	70,721,035	21,859,270
	<u>2,247,588,247</u>	<u>2,384,728,689</u>

\* Share application money aggregating to Rs. 224 (previous year Rs. 2,113) relates to application made for equity shares in Tecpro Systems (Singapore) Pte. Ltd.

^ includes advances to related parties amounting to Rs. 210,901,454 (previous year Rs. 138,000,000).

## Represents excess remuneration paid to the Directors as managerial remuneration and until refunded will be held by the Directors in trust on behalf of the Company.

# Advances to vendors

- Expected to be realised within 12 months from the reporting date	1,104,618,252	1,105,400,261
- Expected to be realised after 12 months from the reporting date	126,252,418	404,152,929

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

	As at 31 March 2013	As at 31 March 2012	Maximum amount outstanding during	
			2012-2013	2011-2012
Ajmer Waste Processing Company Private Limited	43,152,390	34,705,363	43,152,390	34,705,363
Bikaner Waste Processing Company Private Limited	6,429,186	6,429,186	6,429,186	6,429,186
Tecpro International FZE	-	-	-	261,816
Ambika Projects (India) Private Limited (also refer to note 31)	-	90,470,071	-	90,470,071
Eversun Energy Private Limited	23,456,693	33,068,000	55,868,001	33,178,500
Tecpro Trema Limited (also refer to note 31)	-	15,134,361	-	15,134,361

## Notes to financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

	As at 31 March 2013	As at 31 March 2012
<b>17. Other non-current assets</b>		
<b>Others:</b>		
Claims and other receivables	119,542,970	38,527,689
Unbilled revenue on contracts in progress *	1,333,913,117	1,142,347,193
Non current bank balances (refer to note 21)	119,700,000	150,660,189
	<u>1,573,156,087</u>	<u>1,331,535,071</u>

\* Represents amount that will be retained by the customer as retention money for payment after contract period and not expected to be realised within 12 months from reporting date.

### 18. Other current assets

Unbilled revenue on contracts in progress	11,051,164,061	6,515,388,521
Interest accrued on deposits and others	1,713,345	18,614,442
Advance to capital creditors *	44,904,939	11,027,924
	<u>11,097,782,345</u>	<u>6,545,030,887</u>

\* includes advances to related parties amounting to Rs. 22,347,787 (previous year Rs. Nil)

### 19. Inventories \*

Raw materials	803,246,255	902,757,682
Goods purchased for resale - project supplies [includes in transit Rs. 17,667,486 (previous year Rs. 37,710,001)]	506,925,982	711,304,101
Finished goods [includes in transit Rs. 3,195,838 (previous year Rs. 36,436,028)]	3,195,838	36,436,028
Work in progress	652,326,049	661,958,408
	<u>1,965,694,124</u>	<u>2,312,456,219</u>

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

#### Additional disclosures regarding inventories

##### Raw materials

Iron and steel	390,270,884	535,834,293
Others (individual items less than 10% of closing stock of raw material)	412,975,371	366,923,389
	<u>803,246,255</u>	<u>902,757,682</u>

##### Goods purchased for resale - project supplies

Iron and steel	116,433,487	183,627,542
Structures (including structure components)	8,231,302	128,414,900
Others (individual items less than 10% of closing stock of goods purchased for resale - project supplies)	382,261,193	399,261,659
	<u>506,925,982</u>	<u>711,304,101</u>

##### Work-in-progress

Pulleys	74,772,892	153,037,225
Frames	94,125,332	103,137,130
Structures (including structure components)	227,550,008	93,818,577
Others (individual items less than 10% of closing stock of work-in-progress)	255,877,817	311,965,476
	<u>652,326,049</u>	<u>661,958,408</u>



## Notes to financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

	Non current #		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
<b>20. Trade receivables</b>				
Unsecured, considered good unless otherwise stated				
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>				
Unsecured, considered good	3,034,222,244	4,901,537,883	15,592,169,413	8,031,460,603
Considered doubtful	-	-	232,564,096	210,414,659
	<u>3,034,222,244</u>	<u>4,901,537,883</u>	<u>15,824,733,509</u>	<u>8,241,875,262</u>
Less: Provision for doubtful debts	-	-	(232,564,096)	(210,414,659)
<b>(A)</b>	<b>3,034,222,244</b>	<b>4,901,537,883</b>	<b>15,592,169,413</b>	<b>8,031,460,603</b>
<b>Other receivables</b>				
Unsecured, considered good	1,266,663,635	1,899,099,402	9,404,578,438	8,486,416,394
<b>(B)</b>	<b>1,266,663,635</b>	<b>1,899,099,402</b>	<b>9,404,578,438</b>	<b>8,486,416,394</b>
<b>Total</b>	<b>(A+B) 4,300,885,879</b>	<b>6,800,637,285</b>	<b>24,996,747,851</b>	<b>16,517,876,997</b>

# Non current portion of trade receivables represents amount retained by the customer as retention money to be paid after contract period and not expected to be realised within 12 months from reporting date.

	Non current		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
<b>21. Cash and bank balances</b>				
<b>Cash and cash equivalents</b>				
Balances with banks:				
- Current accounts	-	-	230,502,742	667,218,460
Cash on hand	-	-	2,141,741	1,271,684
Fixed deposits with banks with maturity period less than 3 months	-	-	25,000	415,062,916
	-	-	<u>232,669,483</u>	<u>1,083,553,060</u>
<b>Other bank balances</b>				
Fixed deposits with banks with maturity period more than 12 months	-	-	-	4,724,383
Fixed deposits with banks with maturity period more than 3 months but upto 12 months ^	-	-	591,809	351,210,542
Margin money accounts *	119,700,000	150,660,189	21,959,761	845,552,688
	<u>119,700,000</u>	<u>150,660,189</u>	<u>22,551,570</u>	<u>1,201,487,613</u>
<b>Amount disclosed under other non-current assets (refer to note 17)</b>	<b>(119,700,000)</b>	<b>(150,660,189)</b>	<b>-</b>	<b>-</b>
	<u>-</u>	<u>-</u>	<u>255,221,053</u>	<u>2,285,040,673</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 financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>22. Revenue from operations</b>		
Sale of products (gross)	8,031,306,730	6,930,229,097
Contract revenue	17,992,201,580	17,763,077,580
Sale of services	405,654,503	822,309,314
Other operating revenue		
- Sale of scrap	39,534,847	29,577,790
- Provisions no longer required, written back	36,908,470	16,599,899
Revenue from operations (gross)	26,505,606,130	25,561,793,680
Less: Excise duty	401,045,405	265,175,387
Revenue from operations (net)	<u>26,104,560,725</u>	<u>25,296,618,293</u>

### Break up of contract revenue and sale of products (excluding excise duty recovered)

Idlers	803,169,519	584,001,663
Pulleys	854,563,159	485,786,631
Structure *	1,212,152,383	723,222,681
Crusher	45,285,500	81,923,300
Crusher components	54,383,963	55,327,226
Conveyor systems	5,751,173	626,044
Conveyor components	69,546,519	978,469,112
Feeder	27,165,418	53,970,089
Feeder components	30,177,323	3,300,868
Screen	90,719,400	96,379,500
Screen components	62,223,823	584,055,699
Travel water screen	14,362,287	-
Components for ash handling systems	2,496,205,750	3,560,454,958
Other project supplies ^	15,282,732,159	13,040,883,828
Accrual / (reversal) based on percentage of completion method for contract revenue	4,574,024,529	4,179,729,691
	<u>25,622,462,905</u>	<u>24,428,131,290</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	258,828,802	737,312,706
Erection and commissioning	64,596,203	14,521,895
Operation and Maintenance	74,366,817	-
Other services	7,862,681	70,474,713
	<u>405,654,503</u>	<u>822,309,314</u>



## Notes to financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>23. Other income</b>		
Interest income on		
- Fixed deposits	25,184,120	87,692,270
- Others	18,433,293	18,762,479
Dividend income from current investments	1,493	114,360
Reversal of finance charges (refer note 42)	23,950,274	-
Miscellaneous income	15,369,424	9,035,258
	<u>82,938,604</u>	<u>115,604,367</u>

### 24. Cost of raw material consumed

Opening stock of raw material	902,757,682	793,172,365
Add: acquired on account of amalgamation (refer to note 30 and 31)	9,832,368	-
Add: purchases during the year	13,738,088,947	12,813,258,387
Less: closing stock of raw material	803,246,255	902,757,682
	<u>13,847,432,742</u>	<u>12,703,673,070</u>
	<u>13,847,432,742</u>	<u>12,703,673,070</u>

### Imported and indigenous raw material and components consumed

	For the year ended 31 March 2013		For the year ended 31 March 2012	
	Value	% of total consumption	Value	% of total consumption
Raw material and components				
- Imported	107,356,745	1	465,600,796	4
- Indigenous	13,740,075,997	99	12,238,072,274	96
	<u>13,847,432,742</u>	<u>100</u>	<u>12,703,673,070</u>	<u>100</u>

### Details of raw materials and components consumed #

Iron and steel	6,901,300,634	5,863,278,197
Others*	6,946,132,108	6,840,394,873
	<u>13,847,432,742</u>	<u>12,703,673,070</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 2013

(All amounts are in Rupees)

For the year ended  
31 March 2013

For the year ended  
31 March 2012

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

#### Stock at the end of the year

Finished goods	3,195,838		36,436,028	
Work in progress	652,326,049		661,958,408	
Stock in trade (purchased for resale)				
- project supplies	<u>506,925,982</u>	<u>1,162,447,869</u>	<u>711,304,101</u>	<u>1,409,698,537</u>

#### Stock at the beginning 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>
(Increase) / decrease in inventory		<u>247,250,668</u>		<u>(803,932,315)</u>

### 26. Details of purchase of finished goods for projects supplies dealt with by the Company

Components for Ash Handling Systems	642,559,775		821,387,263
Waste heat recovery systems	331,629,209		564,449,196
Purchased for project supplies- others *	<u>1,378,154,369</u>		<u>1,943,870,592</u>
	<u>2,352,343,353</u>		<u>3,329,707,051</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.

### 27. Employee benefit expenses

Salaries, wages and bonus	1,079,835,467		1,073,112,425
Contribution to provident and other funds	87,329,724		73,058,220
Gratuity (refer to note 43)	17,206,013		22,471,147
Staff welfare	<u>47,533,073</u>		<u>40,413,064</u>
	<u>1,231,904,277</u>		<u>1,209,054,856</u>

### 28. Other expenses

Excise duty expense	405,477,838		281,083,297
Less: Excise duty recovered	<u>401,045,405</u>	<u>4,432,433</u>	<u>265,175,387</u>
Drawing and design charges		<u>482,301,138</u>	<u>31,878,133</u>
Fabrication and other site related expenses		<u>2,026,142,088</u>	<u>2,636,863,476</u>
Freight and forwarding		<u>604,822,339</u>	<u>698,744,592</u>
Equipment charges		<u>431,966,303</u>	<u>303,799,319</u>
Travel and conveyance		<u>168,222,171</u>	<u>139,174,412</u>
Rent		<u>50,834,106</u>	<u>54,261,719</u>
Power fuel and electricity		<u>70,683,609</u>	<u>54,547,484</u>
Communication		<u>29,173,307</u>	<u>28,431,391</u>
Advertising and marketing		<u>21,072,365</u>	<u>17,778,294</u>

**Notes to financial statements for the year ended 31 March 2013**

(All amounts are in Rupees)

	For the year ended 31 March 2013		For the year ended 31 March 2012
Sales commission	122,508,766		100,840,569
Printing and stationery	19,045,764		17,845,011
Rates and taxes	72,802,370		78,698,590
Legal and professional	160,346,313		281,832,296
Payment to auditors (refer note below)	9,794,500		10,496,616
Exchange loss (net)	22,901,154		30,841,818
Loss on sale / disposal of fixed assets	6,537,923		2,110,218
Repairs and maintenance			
- plant and machinery	5,909,751		6,159,792
- buildings	64,537,154		37,917,639
- others	70,663,462		40,922,284
Investment written off during the year	-		25,676,105
Sundry balances written off	5,940,945		19,252,133
Provision for bad and doubtful debts	172,185,657		141,810,238
Bad debts written off	123,436,493		53,252,412
Provision for loss on incomplete contract (refer note 45)	34,315,539		-
Provision for bad and doubtful debts	150,036,220	90,000,000	
Less: bad debts written off during the year against opening provision	(150,036,220)	(90,000,000)	-
Insurance	53,634,906		44,171,689
Miscellaneous expenses	35,992,679		51,274,518
	<u>4,870,203,235</u>		<u>4,924,488,658</u>

**Disclosures regarding payment to auditors  
(excluding service tax)**

Statutory audit fee	8,700,000		8,700,000
Tax audit fee *	700,000		700,000
Other matters	40,000		697,540
Out of pocket expenses	354,500		399,076
	<u>9,794,500</u>		<u>10,496,616</u>

\* Represents amount payable to other than Statutory auditor.

**29. Finance costs**

Interest expense on:			
- long term loan	131,092,721		97,188,470
- short term loan	2,184,089,553		488,888,080
- others	191,153,764		1,034,731,196
Bank charges	506,375,930		323,041,028
Exchange difference to the extent considered as an adjustment to borrowing costs (refer to note 42)	-		23,950,274
	<u>3,012,711,968</u>		<u>1,967,799,048</u>

## Notes to financial statements for the year ended 31 March 2013

### 30. Amalgamation during the previous year

#### 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);

<b>Particulars</b>	<b>Amount in Rs.</b>
<b>Assets</b>	
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
<b>Total assets</b>	<b><u>144,072,749</u></b>
<b>Liabilities</b>	
Current liabilities	2,506,788
Unsecured loans	141,454,800
Provision for taxation	1,164
<b>Total liabilities</b>	<b><u>143,962,752</u></b>



## Notes to financial statements for the year ended 31 March 2013

- (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.
- (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 (Rs.)
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	<b>211,099,950</b>

### 31. Amalgamation during the current year

a) **Background and nature of business**

A Scheme of Amalgamation of TECPRO TREMA LIMITED ("Trema") and AMBIKA PROJECTS (INDIA) PRIVATE LIMITED ("Ambika"), the Transferor Companies with TECPRO SYSTEMS LIMITED ("Tecpro"), the Transferee Company under sections 391 to 394 of the Companies Act, 1956 ("the Scheme") was approved by the shareholders of the respective companies and sanctioned by the Honorable High Court of Delhi (vide its Order dated 4 February 2013) and Madras (vide its Orders dated 28 February 2013).

Trema was engaged in the business of air and environment pollution control systems and related plants and systems and allied activities. Ambika was engaged in the business of providing water and waste water treatment plants for the industrial and municipal segments.

b) **Salient features of the Scheme**

The Scheme became effective on 25 March 2013 ("Effective Date") on filing of the certified copies of the Orders with the Registrar of Companies the Appointed Date from which the Scheme became operative was 1 April 2011 (the "Appointed Date").

Consequent to the Scheme becoming effective from the Appointed Date, the entire business and undertakings of the Transferor Companies, including all assets, debts, liabilities, duties and obligations have, without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, been transferred and vested in the Company. On the Scheme becoming effective, all staff, workmen and employees of the Transferor companies in service on the Effective Date were deemed to have become staff, workmen and employees of the Company.

During the period from the Appointed Date to the Effective Date, the transferor companies were deemed to have carried on their respective businesses and activities for and on account of and in trust for the Company. Accordingly, the revenue from operations of Rs. 182,546,822 and 37,089,810 for the years ended 31 March 2013 and 31 March 2012 respectively, and loss before tax of Rs. 16,066,776 and Rs. 31,379,153 for the years ended 31 March 2013 and 31 March 2012 respectively of the Transferor Companies are included in the financial statements of the Company.

In terms of the Scheme, the authorised share capital of the Company increased to Rs. 131,15,00,000/- (Rupees One hundred thirty one crore fifteen lakhs only) divided into 13,11,50,000 (Thirteen crore eleven lakhs fifty thousand only) equity shares of Rs. 10/- (Rupees Ten) each.

c) **Consideration**

Since both the Transferor Companies were wholly owned subsidiaries of the Transferee Company no new shares were allotted on account of amalgamation to the shareholders of Transferor Companies.

## Notes to financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

### d) Accounting treatment

- (i) 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".
- (ii) All the assets and liabilities recorded in the books of the Transferor Companies have been recorded by the Company at their respective book values as per details given below;

Particulars	Ambika Projects (India) Private Limited	Tecpro Trema Limited
<b>Assets</b>		
Tangible Assets	5,799,457	2,492,916
Intangible Assets	-	19,727,378
<b>Fixed Assets</b>	<b>5,799,457</b>	<b>22,220,294</b>
Non current investments	-	5,000
Long term loans and advances	705,925	672,500
Other non current assets	15,000	-
Inventories	9,832,368	-
Trade receivables	126,286,404	10,566,529
Cash and cash equivalents	286,543	1,197,153
Short term loans and advances	23,959,978	374,744
<b>Total Assets</b>	<b>166,885,675</b>	<b>35,036,220</b>
<b>Liabilities</b>		
Deferred tax liabilities	-	1,015,786
Long term provisions	-	209,071
Long term borrowings (secured)	7,475,155	-
Long term borrowings (unsecured)	1,998,190	-
Short term borrowings	29,216,069	-
Share application pending allotment	7,152,113	-
Trade payables	88,267,202	25,455,074
Short term provisions	7,767,930	608,823
<b>Total Liabilities</b>	<b>141,876,659</b>	<b>27,288,754</b>

- (iii) The identity of the reserves of the Transferor Companies as on the Appointed Date, if any, were preserved and they appeared in the financial statements of the Company in the same form and manner, in which they appeared in the Financial Statements of the Transferor Companies.
- (iv) The surplus arising between the aggregate values of assets of the Transferor Companies acquired, net off the aggregate of the liabilities of the Transferor Companies acquired together with the share capital issued, and reserves of the Transferor Companies recorded by the Company (i.e. the difference between the amount recorded as share capital issued and the amount of share capital of the Transferor Companies), were adjusted to the General Reserve Account of the Company.
- (v) Computation of amount adjusted in General Reserve pursuant to scheme of Amalgamation:

Particulars	Ambika Projects (India) Private Limited	Tecpro Trema Limited	Total
Share capital	15,000,000	1,500,000	16,500,000
General reserve	-	750,000	750,000
<b>Total</b>	<b>15,000,000</b>	<b>2,250,000</b>	<b>17,250,000</b>
Investment in books of Tecpro Systems Limited	63,055,008	12,017,520	75,072,528
<b>Adjustment in General Reserve</b>	<b>48,055,008</b>	<b>9,767,520</b>	<b>57,822,528</b>

**Notes to financial statements for the year ended 31 March 2013**

(All amounts are in Rupees)

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.

	Year ended 31 March 2013	Year ended 31 March 2012
<b>33. Value of imports on CIF basis</b>		
Raw material and components	191,823,333	453,621,527
Capital goods	59,759,500	21,202,732
	<u>251,582,833</u>	<u>474,824,259</u>
<b>34. Earnings in foreign currency (accrual basis)</b>		
FOB value of exports	341,586,757	448,639,860
Drawing and designing	48,160,936	21,241,775
Erection services	26,530,416	-
Others	4,837,270	-
	<u>421,115,379</u>	<u>469,881,635</u>
<b>35. Expenditure in foreign currency (accrual basis)</b>		
Travel	11,797,651	7,902,206
Royalty	-	3,811,856
Professional fees	8,601,920	13,709,296
Commission	2,214,172	9,481,555
Drawing and designing charges	13,861,744	12,808,769
Interest cost	36,623,943	10,639,061
	<u>73,099,430</u>	<u>58,352,743</u>
<b>36. Net dividend remitted in foreign currency</b>		
Period to which dividend relates to	2011-12	2010-11
Number of non-resident shareholders (Nos.)	1	2
Number of equity shares held on which dividend was due (Nos.)	3,994,881	5,944,881
Amount remitted USD 213,060 (Previous year USD 386,869)	11,987,523	17,834,643
	As at 31 March 2013	As at 31 March 2012
<b>37. Contingent liabilities and commitments (to the extent not provided for)</b>		
(i) Claims against the company not acknowledged as debt : Sales tax matters	242,844,937	81,602,639
(ii) Claims against the company not acknowledged as debt : Entry tax matters	48,556,771	20,408,275
(iii) Claims against the company not acknowledged as debt : Central excise matters	1,049,990	-
(iv) Claims against the company not acknowledged as debt : Service tax matters	6,536,536	6,536,536
(v) Demand for additional price/ enhancement cost in respect of factory plots situated in Bawal *	9,885,115	9,207,821
(vi) Sales tax liability against which forms to be collected	3,227,603,543	2,102,176,396

\* 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) dated 23 January 2004 and 9 July 2004.

## Notes to financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

The Company had received notices dated 4 December 2007 and 29 December 2007 from HSIIDCL for additional price/ enhancement cost amounting to Rs. 9,885,115 {including interest} (previous year Rs. 9,207,821 {including interest}), in respect of factory plots situated in Bawal. The Company filed a writ petition in the Punjab and Haryana High Court on 8 January 2008 and obtained a stay order on 9 January 2008. This matter is under adjudication. Pursuant to above, Rs. 9,885,115 (previous year Rs. 9,207,821) have been disclosed as 'Contingent liability' in the notes to the accounts.

38. In the previous year, the operating cycle was determined to be 12 months in view of the varying nature of contracts, customers, payment terms, project duration etc. Basis further analysis and considering additional guidance / clarity available related to implementation of revised schedule VI, the management is of the view that the Company has multiple operating cycles which are determined on the basis of the distinguishing features and characteristics of various categories of contracts.

Due to change in operating cycle during the current year, figures for the previous year have been regrouped for meaningful comparison of current and previous year classification. The impact of regrouping on significant financial statement items is summarized below:

Grouping per audited financial statements for the year ended 31 March 2012		Regrouping of previous year numbers in the current year due to change in operating cycle	
<b>Advance from customer</b>		<b>Advance from customer</b>	
- Other long term liabilities	1,744,993,252	- Other long term liabilities	-
- Other current liabilities	2,056,098,803	- Other current liabilities	3,801,092,055
<b>Total advance from customer</b>	<b>3,801,092,055</b>	<b>Total advance from customer</b>	<b>3,801,092,055</b>
<b>Advance to vendors</b>		<b>Advance to vendors</b>	
- Long term loans and advances	404,152,929	- Long term loans and advances	-
- Short term loans and advances	1,105,400,261	- Short term loans and advances	1,509,553,190
<b>Total advance to vendors</b>	<b>1,509,553,190</b>	<b>Total advance to vendors</b>	<b>1,509,553,190</b>

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. During the year the Company has furnished the return of income of six assessment years beginning from assessment year 2006-2007 pursuant to notices received from the Income Tax Department. 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 :-

	As at 31 March 2013	As at 31 March 2012
Contract revenue recognised for the year	17,992,201,580	17,763,077,580
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	54,875,021,400	36,882,819,819
Amount of customer advances outstanding for contracts in progress as at Balance sheet date	3,688,408,317	3,132,181,987
Retention amounts due from customers for contracts in progress	5,609,019,913	3,769,966,376
Gross amount due from customers for contract work	12,385,077,178	8,101,193,351
Gross amount due to customers for contract work	203,454,993	506,189,376



## Notes to financial statements for the year ended 31 March 2013

(All amounts are in Rupees)  
 For the year ended For the year ended  
 31 March 2013 31 March 2012

### 41. Earnings per equity share (EPS)

Net profit after tax as per Statement of Profit and Loss	288,564,202	1,249,299,357
Number of equity shares of Rs.10 each at the beginning of the year	50,473,791	50,473,791
Weighted average number of equity shares issued during the year	-	-
Weighted average number of equity shares of Rs. 10 each outstanding during the year	50,473,791	50,473,791
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	50,473,791
Basic and diluted earnings per share (in Rs.) (Per share of Rs 10 each)	5.72	24.75

42. Till the previous year, the exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost, were treated as borrowing cost in terms of the AS – 16, "Borrowing Costs". Pursuant to a clarification dated 9 August 2012 from the MCA, the Company has changed the accounting policy, w.e.f. from 1 April 2011, to treat the same as "foreign exchange fluctuation" accounted as per AS – 11 "Effect of Changes in Foreign Exchange Rates" instead of the "borrowing costs". This has resulted into reversal of finance costs of Rs. 23,950,274 for the year ended 31 March 2012 and higher depreciation by Rs. 312,292 for the year ended 31 March 2012. The aforesaid reversal of finance cost of Rs. 23,950,274 has been included in 'Other income' in the current year financial statements.

### 43. 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. 87,329,724 (previous year Rs. 73,058,220) 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 27.
- (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 2013	As at 31 March 2012
Present value of obligation at the beginning of the year	59,894,728	36,420,699
Add: Present value of obligation at the beginning of year added on account of amalgamation #	120,956	-
Interest cost	4,787,176	2,890,245
Past service cost	-	(1,696,868)
Current service cost	15,470,145	13,380,214
Benefits paid	(2,329,089)	(1,478,089)
Actuarial (gain)/loss on obligation	110,300	10,378,527
Present value of obligation at the end of the year	78,054,216	59,894,728

# refer note 31

- (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 2013	As at 31 March 2012
Fair value of plan assets at the beginning of the year	37,325,645	26,753,748
Expected return on plan assets	3,165,294	2,460,508
Contributions	1,016,732	8,676,176
Benefits paid	(110,050)	(585,250)
Actuarial gain/(loss) on plan assets	(3,686)	20,463
Fair value of plan assets at the end of the year	41,393,935	37,325,645

## Notes to financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

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

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Actuarial loss for the year - obligation	(110,300)	(10,378,527)
Actuarial gain for the year - plan assets	(3,686)	20,463
Total loss for the year	(113,986)	(10,358,064)
Actuarial loss recognised in the year	(113,986)	(10,358,064)
Unrecognized actuarial gains (losses) at the end of year	-	-

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

Particulars	As at 31 March 2013	As at 31 March 2012
Present value of obligation as at the end of the year	78,054,216	59,894,728
Fair value of plan assets as at the end of the year	41,393,935	37,325,645
Funded/(unfunded) status	(36,660,281)	(22,569,083)
Excess of actual over estimated	(3,686)	20,463
Net assets/(liability) recognized in balance sheet	(36,660,281)	(22,569,083)

(v) The amounts recognised in the statement of profit and loss are as follows:

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Current service cost	15,470,145	13,380,214
Past service cost	-	(1,696,868)
Interest cost	4,787,176	2,890,245
Expected return on plan assets	(3,165,294)	(2,460,508)
Net actuarial (gain)/loss recognized in the year	113,986	10,358,064
Expenses recognised in the statement of profit and losses	17,206,013	22,471,147

(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 2013	For the year ended 31 March 2012
Discount rate	8.00%	8.00%
Expected rate of return on plan assets	8.25%	9.30%
Salary growth rate	7.00%	7.00%

B. Demographic assumptions

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Retirement Age	60 Years	60 Years
Mortality table	LIC (1994-96) duly modified	LIC (1994-96) duly modified
Withdrawal Rates - Ages		
Upto 30 Years	8%	3%
Upto 44 Years	7%	2%
Above 44 Years	6%	1%

## Notes to financial statements for the year ended 31 March 2013

(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 2013	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	1,445,763	(10,378,527)	(56,159)	(1,194,262)	(1,188,565)
On plan assets	(349,412)	31,571	12,226	(101,308)	16,817

#### 44. 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. 440,977,858 (previous year Rs. 338,284,407).

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 2013	As at 31 March 2012
Payable within one year	8,918,899	10,913,283
Payable between one and five years	34,932,356	19,792,434
Payable after five years	-	-
<b>Total</b>	<b>43,851,255</b>	<b>30,705,717</b>

#### 45. 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 2012	Created during the year	Write back during the year	Closing balance as at 31 March 2013
Estimated losses on incomplete contracts	5,277,000 (5,414,000)	34,315,539 (-)	1,286,000 (137,000)	38,306,539 (5,277,000)

## Notes to financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

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 ending 31 March 2012.

### 46. 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;

- 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 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 :

1. Segment revenue includes sales of manufactured goods, sales of traded goods, service income, contract revenue and other income directly identifiable to the segment.
2. Expenses that are directly identifiable with the segments are considered for determining segment results.
3. Other income including interest income, dividend income and profit on sale of fixed assets that are not identifiable to segments is included in unallocable other income.
4. 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, deferred interest accrued but not due, provision for proposed dividend and income tax liabilities.



## Notes to financial statements for the year ended 31 March 2013

### Segment reporting for the year ended 31 March 2013

#### 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 2013
<b>Revenue</b>				
External sales (net)	26,104,560,724	-	-	26,104,560,724
Inter segment sales	-	-	-	-
<b>Total</b>	<b>26,104,560,724</b>	<b>-</b>	<b>-</b>	<b>26,104,560,724</b>
<b>Results</b>				
<b>Segment results profit / (loss) (before interest and taxes)</b>	<b>2,972,903,766</b>	<b>(93,125,123)</b>	<b>-</b>	<b>2,879,778,643</b>
Unallocable other income (excluding interest income)				34,869,294
Unallocable expense				(22,901,152)
Interest income				43,617,413
Interest expenses				(2,506,336,039)
Charity and donation				(1,571,484)
<b>Profit before taxes</b>				<b>427,456,675</b>
Income taxes				
- Current tax				160,357,533
- Deferred tax				(21,465,060)
<b>Profit after taxation</b>				<b>288,564,202</b>
<b>Other Information</b>				
Segment assets	49,311,668,597	-	-	49,311,668,597
Unallocated assets				793,116,847
<b>Total assets</b>				<b>50,104,785,444</b>
<b>Liabilities</b>				
Segment liabilities	20,913,627,620	1,790,902	-	20,915,418,522
Unallocated liabilities				21,299,410,706
Share capital (including reserves and surplus)				7,889,956,216
<b>Total liabilities</b>				<b>50,104,785,444</b>
<b>Other Information</b>				
Capital expenditure	829,352,373	-	-	829,352,373
Depreciation and amortisation	198,196,411	-	-	198,196,411
Non-cash expenses other than depreciation and amortisation included in segment expenses	218,980,064	-	-	218,980,064

#### B Secondary Segment (Geographical Segment)

	Domestic	Export	Total for the year ended 31 March 2013
Revenue	25,691,888,746	412,671,978	26,104,560,724
Sundry debtors	28,902,129,514	395,504,217	29,297,633,731
Capital expenditure	829,352,373	-	829,352,373

## Notes to financial statements for the year ended 31 March 2013

### 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
<b>Revenue</b>				
External sales (net)	25,296,618,293	-	-	25,296,618,293
Inter segment sales	-	-	-	-
<b>Total</b>	<b>25,296,618,293</b>	<b>-</b>	<b>-</b>	<b>25,296,618,293</b>
<b>Results</b>				
<b>Segment results profit / (loss) (before interest and taxes)</b>	<b>3,454,671,366</b>	<b>-</b>	<b>-</b>	<b>3,454,671,366</b>
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)
<b>Profit before taxes</b>				<b>1,946,504,881</b>
Income taxes				
- Current tax				670,269,376
- Deferred tax				26,936,148
- Fringe benefit tax				-
<b>Profit after taxation</b>				<b>1,249,299,357</b>
<b>Other Information</b>				
Segment assets	37,696,599,659	93,125,123	-	37,789,724,782
Unallocated assets				3,377,324,089
<b>Total assets</b>				<b>41,167,048,871</b>
<b>Liabilities</b>				
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
<b>Total liabilities</b>				<b>41,167,048,871</b>
<b>Other Information</b>				
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 2013

### 47. 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 (refer note 31) Ajmer Waste Processing Company Private Limited Tecpro Systems (Singapore) Pte. Ltd. Bikaner Waste Processing Company Private Limited Ambika Projects (India) Private Limited (refer note 31) Eversun Energy Private Limited (w.e.f. 24 February 2012) PT. Tecpro Systems Indonesia (w.e.f. 6 January 2012)
------------	--

#### 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 (refer note 31) Ajmer Waste Processing Company Private Limited Tecpro Systems (Singapore) Pte. Ltd. Bikaner Waste Processing Company Private Limited Ambika Projects (India) Private Limited (refer note 31) 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 Arvind Kumar Bishnoi Aditya Gabrani Amar Banerjee
Relatives of key management personnel	Bhagwanti Gabrani Amita Bishnoi Goldie Gabrani Rashmi Singh
Enterprises over which key management personnel exercise significant influence	Tecpro Energy Limited* Tecpro Trema Limited (refer note 31)* Tecpro International FZE (up to 11 January 2012)* Tecpro Systems (Singapore) Pte. Ltd.* Ambika Projects (India) Private Limited (refer note 31)* Eversun Energy Private Limited (w.e.f. 24 February 2012)* PT. Tecpro Systems Indonesia (w.e.f. 6 January 2012)* Tecpro Engineers Limited T&H Education Private Limited Hythro Power Corporation Limited Tecpro Stones Private Limited Fusion Fittings (I) Limited Shriram Cement Limited Tecpro Infra-Projects Limited G.E.T. Power Limited HIQ Power Associates Private Limited (w.e.f. 27 April 2011) Avadh Transformers Private Limited

\* Transactions with these enterprises have been disclosed under subsidiaries

## Notes to financial statements for the year ended 31 March 2013

(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
Remuneration	-	48,161,862	-
	(-)	(173,697,216)	(-)
Dividend paid on equity shares	-	-	-
	(-)	(56,933,268)	(22,575,252)
Rent expenses	-	14,979,292	-
	(-)	(13,824,492)	(-)
Sales commission expenses	-	-	-
	(6,523,068)	(-)	(-)
Investment in equity shares	35,025,378	-	-
	(25,609,755)	(-)	(-)
Share application money paid, pending allotment	224	-	-
	(2,113)	(-)	(-)
Sundry balances written off	-	-	-
	(1,776,816)	(-)	(-)
Business Advance given	-	-	1,850,882,405
	(-)	(-)	(331,098,070)
Business Advance given and adjusted	-	-	-
	(-)	(-)	(55,000,000)
Business Advance received	682,267,400	-	-
	(-)	(-)	(-)
Recovery of business advance given	-	-	1,824,248,610
	(-)	(-)	(193,032,232)
Loan/advance given	74,178,824	-	54,000,200
	(153,864,899)	(-)	(-)
Interest income on above loan	4,317,808	-	2,478,038
	(5,928,803)	(-)	(-)
Recovery of loan/advance given	79,204,131	-	-
	(4,245,000)	(-)	(-)
Rent income	-	-	8,092,624
	(240,000)	(-)	(3,963,364)
Recovery of expenses	-	-	4,633,633
	(-)	(-)	(1,470,701)
Purchase of goods	-	-	612,468,328
	(-)	(-)	(132,077,151)
Purchase of fixed assets	242,271	-	29,789,600
	(-)	(-)	(4,786,677)



## Notes to financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

### b) Transactions during the current year (contd.)

	Subsidiaries	Key management personnel (Including relatives)	Enterprises over which Key management personnel (including relatives) exercise significant influence
Professional charges	- (-)	- (-)	419,003,931 (46,684,286)
Job work charges	- (13,134,508)	- (-)	161,504,738 (95,738,143)
Equipments hire charges	- (-)	- (-)	2,526,729 (8,190,000)
Repair and maintenance expenses	- (-)	- (-)	169,675 (1,711,505)
Investment written off	- (25,676,105)	- (-)	- (-)
Fabrication charges	- (-)	- (-)	60,747,894 (2,306,465)
Comfort letter given by company on behalf of other party	- (-)	- (-)	- (#)
Guarantees/security given by other parties on behalf of the company	- (-)	- (##)	- (^)
Sale of goods	14,182,194 (6,884,543)	- (-)	4,420,098 (74,189,473)
Sale of fixed assets	- (-)	- (-)	- (397,104)
Shares pledged by certain directors for credit facilities taken by company	- (-)	- (@)	- (-)
Amount paid by other party on behalf of company	- (-)	- (-)	415,356 (-)
Amount paid on behalf of others	- (-)	- (-)	1,943,245 (-)
<b>c) Outstanding balance as at year-end</b>			
Share application money, pending allotment	224 (2,113)	- (-)	- (-)
Loan/advance recoverable	60,098,093 (169,040,299)	136,830 (-)	44,978,567 (-)
Interest recoverable on the above loan	12,965,176 (10,766,682)	- (-)	751,867 (-)
Business Advances recoverable	- (-)	- (-)	175,459,433 (138,000,000)
Business Advances payable	676,618,142 (-)	- (-)	- (-)

## Notes to financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

### c) Outstanding balance as at year end (contd.)

	Subsidiaries	Key management personnel (Including relatives)	Enterprises over which Key management personnel (including relatives) exercise significant influence
Rent receivable	-	-	7,425,741
	(-)	(-)	(21,114)
Rent payable	-	102,060	-
	(-)	(-)	(-)
Remuneration payable	-	-	-
	(-)	(4,431,668)	(-)
Due from directors	-	103,825,666	-
	(-)	(-)	(-)
Share application money payable	1,090,756	-	-
	(-)	(-)	(-)
Trade receivable	31,602,912	-	80,246,232
	(22,884,543)	(-)	(89,229,687)
Trade payable	242,271	-	512,962,103
	(-)	(-)	(33,040,242)
Creditors for capital goods	-	-	-
	(-)	(-)	(3,293,543)
Amount receivable by the Company on account of the expenses incurred on behalf of other company	-	-	4,633,633
	(-)	(-)	(-)
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 limit of Rs. 320,000,000 (previous year Rs. 1,070,000,000).

## Guarantees and collateral security given by Mr. Ajay Kumar Bishnoi and Mr. Amul Gabrani for various facilities taken by the Company from banks with a limit of Rs. 49,030,800,000 and USD 48,560,000 (previous year Rs. 49,420,800,000 and USD 8,000,000) and Mrs. Bhagwanti Gabrani (relative of a Director) for various facilities taken by the Company from banks with a limit of Rs. 44,715,800,000 and USD 25,000,000 (previous year Rs. 45,005,800,000 and USD Nil).

^ 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. 21,665,800,000).

@ 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. 21,665,800,000).

Figures in bracket refer to previous year 31 March 2012.



## Notes to financial statements for the year ended 31 March 2013

(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	Year ended
		31 March 2013	31 March 2012
Ajay Kumar Bishnoi	Rent expenses	6,813,646	6,341,046
Amul Gabrani	Rent expenses	6,813,646	6,341,046
Tecpro Trema Limited	Job work charges	-	13,134,508
Ajay Kumar Bishnoi	Remuneration	15,126,444	67,340,004
Amul Gabrani	Remuneration	15,126,444	67,340,004
Amar Banerjee	Remuneration	10,744,500	-
Ajmer Waste Processing Company Private Limited	Interest income	4,317,808	3,282,945
Ajay Kumar Bishnoi	Dividend paid on equity shares	-	27,059,526
Amul Gabrani	Dividend paid on equity shares	-	27,958,026
Tecpro Systems (Singapore) Pte Ltd.	Investment in equity shares	16,387,388	25,124,755
Tecpro International FZE	Investment written off	-	25,676,105
Tecpro Systems (Singapore) Pte Ltd.	Sales	14,123,145	-
Tecpro International FZE	Sundry balances written off	-	261,816
Tecpro Systems (Singapore) Pte Ltd.	Sales commission	-	6,523,068
Tecpro Systems (Singapore) Pte Ltd.	Business advance received	682,267,400	-
G.E.T. Power Limited	Amount incurred on behalf of others	1,943,245	-
G.E.T. Power Limited	Business advance given	303,333,501	166,000,000
G.E.T. Power Limited	Interest income	835,408	-
G.E.T. Power Limited	Loan/advance given	16,500,200	-
G.E.T. Power Limited	Professional charges	133,499,466	-
G.E.T. Power Limited	Recovery of business advance given	351,333,501	118,000,000
G.E.T. Power Limited	Sale of fixed assets	-	171,477
G.E.T. Power Limited	Purchase of goods	592,075,653	-
HIQ Power Associates Private Limited	Professional charges	-	10,684,286
HIQ Power Associates Private Limited	Amount paid on behalf of Company	415,356	-
Tecpro Engineers Limited	Rent income	-	501,052
Tecpro Engineers Limited	Business advance given	410,351,336	90,000,000
Tecpro Stones Private Limited	Equipments hire charges	1,820,000	8,190,000
Tecpro Infra-Projects Limited	Business advance given	1,114,028,479	75,098,070
Tecpro Infra-Projects Limited	Equipments hire charges	706,729	-
Tecpro Infra-Projects Limited	Job work charges	158,735,508	64,238,143
Tecpro Infra-Projects Limited	Purchase of fixed assets	-	1,264,609
Tecpro Infra-Projects Limited	Recovery of business advance given	1,043,255,370	75,032,232
Hythro Power Corporation Limited	Sales of goods	-	25,884,253
Hythro Power Corporation Limited	Fabrication charges	7,273,080	2,306,465
Hythro Power Corporation Limited	Loan/advance given	37,500,000	-
Hythro Power Corporation Limited	Business advance given and adjusted	-	55,000,000
Hythro Power Corporation Limited	Interest income	1,642,630	-
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
Hythro Power Corporation Limited	Purchase of goods	-	132,077,151
Hythro Power Corporation Limited	Recovery of expenses	4,633,633	1,470,701

## Notes to financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

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

Name of Related Party	Nature of Transaction	Year ended	Year ended
		31 March 2013	31 March 2012
Hythro Power Corporation Limited	Repair and maintenance expenses	-	1,015,850
Hythro Power Corporation Limited	Rent Income	6,480,000	3,240,000
Hythro Power Corporation Limited	Purchase of fixed assets	18,868,518	-
Avadh Transformers Private Limited	Fabrication charges	52,000,000	-
Avadh Transformers Private Limited	Professional charges	265,999,288	-
PT. Tecpro Systems Indonesia	Investment in equity shares	18,637,990	-
Shriram Cement Limited	Sale of goods	4,219,836	48,305,220
Shriram Cement Limited	Purchase of fixed assets	10,921,082	-
Eversun Energy Private Limited	Recovery of Loan/advance given	79,204,131	-
Eversun Energy Private Limited	Loan/advance given	69,617,824	33,068,000
Tecpro Stones Private Limited	Purchase of fixed assets	-	3,293,543
Tecpro Stones Private Limited	Repair and maintenance expenses	169,675	694,655
Tecpro Energy Limited	Sundry balances written off	-	1,515,000
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
Tecpro Engineers Limited	Recovery of business advance given	419,159,739	-

48. 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 2013	As at 31 March 2012
<b>Assets</b>		
USD 6,753,406 (previous year USD 6,736,665)	367,310,763	344,870,334
Euro 965,805 (previous year Euro 1,543,267)	67,165,763	105,406,850
GBP 3,760 (previous year GBP Nil)	265,826	-
<b>Liabilities</b>		
USD 54,030,232 (previous year USD 20,868,107)	2,896,676,030	1,074,867,409
Euro 5,448,890 (previous year Euro 8,272,495)	378,936,521	565,975,909
GBP 864 (previous year GBP Nil)	72,021	-

49. Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances of Rs. 54,612,843 (previous year Rs. 11,027,924)] is Rs. 102,281,190 (previous year Rs. 379,260,473).

50. Previous year figures in balance sheet have been regrouped / recast wherever necessary to conform to the current year's classification/presentation. Further, the current year figures are not comparable with previous year on account of amalgamation.

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

Sd/-  
**Jiten Chopra**  
Partner  
Membership No.: 092894

Place : Gurgaon  
Date : 30 May 2013

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

Sd/-  
**Ajay Kumar Bishnoi**  
Chairman &  
Managing Director

Place : Chennai  
Date : 30 May 2013

Sd/-  
**Amul Gabrani**  
Vice Chairman &  
Managing Director

Place : Gurgaon  
Date : 30 May 2013

Sd/-  
**Pankaj Tandon**  
Company Secretary

Place : Chennai  
Date : 30 May 2013



# Independent Auditors' Report

To the Board of Directors of Company  
Tecpro Systems Limited

## 1. Report on the Consolidated financial statements

We have audited the accompanying consolidated financial statements of company and its subsidiaries (collectively referred to as the Group), which comprise the consolidated Balance Sheet as at 31 March 2013, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## 2. Managements' Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## 3. Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including

the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

## 5. Other matter

We did not audit the financial statements of Ajmer Waste Processing Company Private Limited, India, Bikaner Waste Processing Company Private Limited, India, Tecpro Systems (Singapore) Pte. Ltd., Singapore, PT. Tecpro Systems Indonesia, Indonesia and Eversun Energy Private Limited, India. These subsidiaries account

for 0.34% of total assets, 0.24% of total income and 6.58% 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 PT. Tecpro Systems Indonesia, Indonesia which are audited as per the generally accepted accounting principles (GAAP) of the respective countries by another auditor, have been converted into Indian GAAP. These financial statements have been audited by other auditors whose reports have been

furnished to us by the management and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

**For B S R & Co.**

*Chartered Accountants*

Firm registration number: 101248W

Sd/-

**Jiten Chopra**

*Partner*

Place: Gurgaon

Date: 30 May 2013

Membership No.: 092894

**Consolidated Balance Sheet as at 31 March 2013**

(All amounts are in Rupees)

	Note	As at 31 March 2013	As at 31 March 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	504,737,910	504,737,910
Reserves and surplus	4	7,504,822,610	7,237,142,213
		<u>8,009,560,520</u>	<u>7,741,880,123</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	856,713,135	996,296,512
Trade payables	9	1,387,691,892	903,252,053
Long-term provisions	7	65,384,557	43,004,447
		<u>2,309,789,584</u>	<u>1,942,553,012</u>
<b>Current liabilities</b>			
Short-term borrowings	8	20,612,049,702	12,034,490,867
Trade payables	9	13,154,305,725	14,277,048,618
Other current liabilities	10	6,179,053,775	5,006,001,270
Short-term provisions	7	57,408,200	412,457,370
		<u>40,002,817,402</u>	<u>31,729,998,125</u>
Minority interest		-	15,985
<b>TOTAL</b>		<u><u>50,322,167,506</u></u>	<u><u>41,414,447,245</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	11	2,840,593,435	2,361,768,349
Intangible assets	12	367,348,455	385,799,127
Capital work-in-progress	11	502,564,212	337,415,196
		<u>3,710,506,102</u>	<u>3,084,982,672</u>
Deferred tax assets (net)	6	19,273,515	2,260,892
Long-term loans and advances	14	142,618,026	66,082,128
Trade receivables	19	4,300,885,879	6,777,752,742
Other non-current assets	16	1,575,156,087	1,333,834,640
		<u>6,037,933,507</u>	<u>8,179,930,402</u>
<b>Current assets</b>			
Current investments	13	1,044,346	1,044,346
Inventories	18	1,984,962,150	2,340,446,633
Trade receivables	19	25,022,709,396	16,733,459,701
Cash and bank balances	20	269,360,525	2,296,069,612
Short-term loans and advances	15	2,194,245,600	2,233,482,992
Other current assets	17	11,101,405,880	6,545,030,887
		<u>40,573,727,897</u>	<u>30,149,534,171</u>
<b>TOTAL</b>		<u><u>50,322,167,506</u></u>	<u><u>41,414,447,245</u></u>

Significant accounting policies

2

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

**For B S R & Co.**

Chartered Accountants

Firm registration no. 101248W

Sd/-

**Jiten Chopra**

Partner

Membership No.: 092894

Place : Gurgaon

Date : 30 May 2013

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

Sd/-

**Ajay Kumar Bishnoi**

Chairman &amp;

Managing Director

Place : Chennai

Date : 30 May 2013

Sd/-

**Amul Gabrani**

Vice Chairman &amp;

Managing Director

Place : Gurgaon

Date : 30 May 2013

Sd/-

**Pankaj Tandon**

Company Secretary

Place : Chennai

Date : 30 May 2013

## Consolidated Statement of Profit and Loss for the year ended 31 March 2013

(All amounts are in Rupees)

	Note	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>INCOME</b>			
Revenue from operations	21	26,165,294,232	25,368,105,868
Other income	22	80,620,000	109,807,407
Total revenue		26,245,914,232	25,477,913,275
<b>EXPENSES</b>			
Cost of materials consumed	23	13,882,261,565	12,765,261,983
Purchases of stock-in-trade	25	2,352,343,353	3,329,707,051
Changes in inventories of finished goods, work in progress and stock in trade - project supplies	24	238,495,845	(813,818,920)
Employee benefits expense	26	1,252,505,783	1,242,733,549
Other expenses	27	4,894,392,702	4,913,666,310
<b>Expenditure before finance costs and depreciation / amortisation expenses</b>		<b>22,619,999,248</b>	<b>21,437,549,973</b>
<b>Profit before finance costs, depreciation and amortisation expenses and tax</b>		<b>3,625,914,984</b>	<b>4,040,363,302</b>
Finance costs	28	3,019,666,789	1,972,002,387
<b>Profit before depreciation and amortisation expenses and tax</b>		<b>606,248,195</b>	<b>2,068,360,915</b>
Depreciation and amortisation expense	11 & 12	193,799,579	141,094,670
<b>Profit before tax</b>		<b>412,448,616</b>	<b>1,927,266,245</b>
<b>Tax expense :</b>			
Current tax		148,971,603	667,419,400
Income tax for earlier years		11,808,105	6,196,748
Deferred tax charge / (release)		(17,012,623)	22,521,226
<b>Profit for the year</b>		<b>268,681,531</b>	<b>1,231,128,871</b>
Basic and diluted earnings per equity share (in Rs.) [face value Rs. 10 each]	34	5.32	24.39
Significant accounting policies	2		

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

**For B S R & Co.**

Chartered Accountants

Firm registration no. 101248W

Sd/-

**Jiten Chopra**

Partner

Membership No.: 092894

Place : Gurgaon

Date : 30 May 2013

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

Sd/-

**Ajay Kumar Bishnoi**

Chairman &

Managing Director

Place : Chennai

Date : 30 May 2013

Sd/-

**Amul Gabrani**

Vice Chairman &

Managing Director

Place : Gurgaon

Date : 30 May 2013

Sd/-

**Pankaj Tandon**

Company Secretary

Place : Chennai

Date : 30 May 2013

**Consolidated Cash Flow Statement for the year ended 31 March 2013**

(All amounts are in Rupees)

	Note	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Cash flow from operating activities</b>			
<b>Profit before taxation</b>		<b>412,448,616</b>	<b>1,927,266,245</b>
Adjusted for :			
Depreciation		<b>193,799,579</b>	141,094,670
Miscellaneous expenses written off		-	10,000
Claims receivables written off		-	19,252,133
Loss on sale / disposal of fixed assets		<b>5,920,578</b>	2,727,563
Interest income		<b>(39,188,825)</b>	(100,754,464)
Dividend income		<b>(1,493)</b>	(114,360)
Capitalisation of foreign exchange loss (refer note 35)		<b>(23,950,274)</b>	-
Interest expense		<b>2,513,105,129</b>	1,622,216,860
Unrealised foreign exchange loss		-	23,950,274
Provision for loss on incomplete contract		<b>34,315,539</b>	-
Provision no longer required written back		<b>(36,908,470)</b>	(23,823)
Bad debts written off during the year		<b>123,436,493</b>	53,252,412
Provision for bad and doubtful debts		<b>172,185,657</b>	141,810,238
Sundry balances written off		<b>5,940,945</b>	-
<b>Operating profit before following adjustments:</b>		<b>3,361,103,474</b>	<b>3,830,687,748</b>
Decrease / (Increase) in inventories		<b>355,484,483</b>	(941,508,046)
Decrease / (Increase) in trade receivables		<b>(6,108,004,982)</b>	(6,661,214,495)
Decrease / (Increase) in short term loans and advances		<b>88,349,025</b>	(670,297,762)
Decrease / (Increase) in other current assets		<b>(4,538,933,092)</b>	(3,333,881,020)
Decrease / (increase) in long term loans and advances		<b>(76,535,898)</b>	(250,835,686)
Decrease / (Increase) in other non current assets		<b>(278,502,150)</b>	(771,291,982)
Increase / (Decrease) in trade payables		<b>(637,647,502)</b>	5,659,893,493
Increase / (Decrease) in other current liabilities		<b>1,314,312,357</b>	(26,999,438)
Increase / (Decrease) in long term provisions		<b>22,380,110</b>	16,536,745
Increase / (Decrease) in short term provisions		<b>(7,806,648)</b>	10,964,454
<b>Cash used in operations</b>		<b>(6,505,800,823)</b>	<b>(3,137,945,989)</b>
Income tax paid		<b>(414,177,697)</b>	(780,257,508)
Refund of income tax		-	19,586
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(6,919,978,520)</b>	<b>(3,918,183,911)</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets including intangible assets, capital work in progress and capital advances		<b>(765,206,261)</b>	(1,168,209,521)
Proceeds from sale of fixed assets		<b>2,945,694</b>	3,416,725
Proceeds from sale of investments		-	75,000,000

## Consolidated Cash Flow Statement (contd.)

(All amounts are in Rupees)

	Note	For the year ended 31 March 2013	For the year ended 31 March 2012
Movement in bank deposits (net) (having original maturity of more than three months)		1,209,539,761	(9,759,228)
Dividend received		1,493	114,360
Interest received		55,623,939	96,132,758
<b>Net cash from / (used in) investing activities (B)</b>		<b>502,904,626</b>	<b>(1,003,304,906)</b>
<b>Cash flows from financing activities</b>			
Short term borrowing received from a Director		-	239,692
Long-term borrowings taken (including current maturities)		220,703,521	1,121,216,112
Long-term borrowings repaid (including current maturities)		(550,297,062)	(367,642,583)
Short term borrowings (net)		8,577,558,835	5,361,308,148
Payment of dividend		(151,286,967)	(151,296,033)
Tax on dividend		(24,564,332)	(24,564,332)
Interest paid		(2,503,449,185)	(1,574,545,073)
<b>Net cash from / (used in) financing activities (C)</b>		<b>5,568,664,810</b>	<b>4,364,715,931</b>
<b>Net changes in cash and cash equivalents (A+B+C)</b>		<b>(848,409,084)</b>	<b>(556,772,886)</b>
<b>Cash and cash equivalents - opening balance</b>		<b>1,089,452,850</b>	<b>1,646,225,736</b>
<b>Cash and cash equivalents - closing balance</b>		<b>241,043,766</b>	<b>1,089,452,850</b>
<b>Components of cash and cash equivalents (refer to note 20)</b>			
Cash on hand		2,370,285	1,427,211
With banks:			
In current accounts		238,648,481	672,962,723
In fixed deposit accounts		25,000	415,062,916
		<b>241,043,766</b>	<b>1,089,452,850</b>

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 to above form an integral part of the consolidated financial statements

As per our report of even date attached

**For B S R & Co.**

*Chartered Accountants*

Firm registration no. 101248W

Sd/-

**Jiten Chopra**

*Partner*

Membership No.: 092894

Place : Gurgaon

Date : 30 May 2013

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

Sd/-

**Ajay Kumar Bishnoi**

*Chairman &*

*Managing Director*

Place : Chennai

Date : 30 May 2013

Sd/-

**Amul Gabrani**

*Vice Chairman &*

*Managing Director*

Place : Gurgaon

Date : 30 May 2013

Sd/-

**Pankaj Tandon**

*Company Secretary*

Place : Chennai

Date : 30 May 2013



## Notes to consolidated financial statements for the year ended 31 March 2013

### 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
PT. Tecpro Systems Indonesia #	100.00	Indonesia

\* Tecpro Trema Limited and Ambika Projects (India) Private Limited has been merged with the Company from appointed date of 1 April 2011 through a scheme of amalgamation approved by Honorable High Court of Delhi (vide its Order dated 4 February 2013) and Madras (vide its Orders dated 28 February 2013).

@ 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 24 February 2012.

# Share purchased on 27 April 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.

#### 2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make judgements, 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.

## Notes to consolidated financial statements for the year ended 31 March 2013

### 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.

The Company has multiple operating cycles determined on the basis of the distinguishing features and characteristics of various categories of contracts. However, assets/liabilities so disclosed as current on the basis of the relevant operating cycle but having a longer period of life than 12 months after the reporting period are also shown separately (Also refer note 31).

### 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.



## Notes to consolidated financial statements for the year ended 31 March 2013

### 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

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 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 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
Computer software	3
Technical know-how	5
Goodwill	5

\* included in buildings in note 11 to the financial statements

\*\* included in plant and machinery in note 11 to the financial statements

## Notes to consolidated financial statements for the year ended 31 March 2013

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 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.



## Notes to consolidated financial statements for the year ended 31 March 2013

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 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.

### 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.

## Notes to consolidated financial statements for the year ended 31 March 2013

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 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 2013**

(All amounts are in Rupees)

	As at	As at
	31 March 2013	31 March 2012

**3. Share capital****Authorised**

131,150,000 (previous year 127,950,000) equity shares of Rs.10 each	<u>1,311,500,000</u>	<u>1,279,500,000</u>
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**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>	504,737,910
	<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 2013 and 31 March 2012:

**Equity shares**

	As at 31 March 2013		As at 31 March 2012	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Number of shares at the beginning	50,473,791	504,737,910	50,473,791	504,737,910
Add: Shares issued / redeemed during the year	-	-	-	-
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>

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 2013		As at 31 March 2012	
	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	7,540,784	14.94
M/s. Avigo Venture Investments Limited	6,819,153	13.51	6,819,153	13.51
M/s. Metmin Investments Holdings Limited	3,994,881	7.91	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) During the five years period ended 31 March 2013 Company has issued equity shares for consideration other than cash as follows :-

- 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 out of securities premium account.
- ii) 16,526,291 (previous year 16,526,291) equity shares of Rs. 10 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 2013

(All amounts are in Rupees)

	As at 31 March 2013	As at 31 March 2012
<b>4. Reserves and surplus</b>		
Capital reserve	38,855,552	38,855,552
Securities premium account	2,991,808,262	2,991,808,262
Revaluation reserve		
Opening balance	70,079,388	71,080,522
Less: amount transferred to the statement of profit and loss on account of additional depreciation on revalued assets	1,001,134	1,001,134
<b>Closing balance</b>	<b>69,078,254</b>	<b>70,079,388</b>
General reserve		
Opening balance	1,000,324,258	874,394,322
Add: appropriations from the statement of profit and loss	-	125,929,936
<b>Closing balance</b>	<b>1,000,324,258</b>	<b>1,000,324,258</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Opening balance	3,136,074,753	2,206,861,523
Profit for the year	268,681,531	1,231,128,871
Appropriations:		
- Proposed equity dividend (amount per share Rs. Nil (previous year Rs. 3))	-	(151,421,373)
- Tax on proposed equity dividend	-	(24,564,332)
- Transferred to general reserve	-	(125,929,936)
<b>Net surplus in the Statement of Profit and Loss</b>	<b>3,404,756,284</b>	<b>3,136,074,753</b>
<b>Total reserves and surplus</b>	<b>7,504,822,610</b>	<b>7,237,142,213</b>

## 5. Long term borrowing

	Non-current portion		Current maturities	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
<b>Secured:</b>				
<b>Term loans</b>				
- Indian rupee loan from banks	380,365,617	557,131,913	176,582,554	464,009,737
- Foreign currency loan from banks	466,796,580	368,326,800	87,022,880	40,925,200
- From financial institutions	9,550,938	70,837,799	71,194,197	35,645,364
	<b>856,713,135</b>	<b>996,296,512</b>	<b>334,799,631</b>	<b>540,580,301</b>
<b>Less:</b>				
Amount disclosed under the head "other current liabilities" (refer to note 10)	-	-	(334,799,631)	(540,580,301)
<b>Net amount</b>	<b>856,713,135</b>	<b>996,296,512</b>	<b>-</b>	<b>-</b>



## Notes to consolidated financial statements for the year ended 31 March 2013

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

Security	Terms of repayment and Default
<p>Amounting to Rs. 50,051,088 is secured by way of equitable mortgage over the leasehold rights of the Company's land at Siruseri, Chennai and building constructed thereon for office and also further secured by the current assets of the Company. Loan is also collaterally secured by:</p> <ol style="list-style-type: none"> <li>Hypothecation of movable fixed assets owned by the Company (excluding assets purchased on loan and specifically charged to the lenders) and equitable mortgage over certain assets of certain directors (includes a relative of a director) of the Company on pari passu basis.</li> <li>Equitable mortgage over certain factory land and buildings located at Bawal, Haryana and Bhiwadi, Rajasthan. The properties are also mortgaged in favour of other bankers on pari passu basis.</li> <li>Corporate guarantee given by Fusion Fittings (I) Limited and pledge of certain shares by certain directors of the Company.</li> <li>Personal guarantees from Mr. Amul Gabrani (Director), Mr. Ajay Kumar Bishnoi (Director) and Mrs. Bhagwanti Gabrani (relative of Director).</li> </ol>	<p>Repayable in 65 monthly installments of Rs. 3,400,000 each 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. 10,800,011 taken for part funding of escalation in cost of construction of Company's office at Siruseri, Chennai is secured by way of extension of charge over entire current assets and fixed assets of the Company (excluding assets purchased on loan and specifically charged to the lenders). It is also collaterally secured by:</p> <ol style="list-style-type: none"> <li>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.</li> <li>Equitable mortgage over certain factory land and buildings located at Bawal, Haryana and Bhiwadi, Rajasthan. The properties are also mortgaged in favour of other bankers on pari passu basis.</li> <li>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.</li> <li>Corporate guarantee given by Fusion Fittings (I) Limited and pledge of certain shares by certain directors of the Company.</li> <li>Personal guarantees from Mr. Amul Gabrani (Director), Mr. Ajay Kumar Bishnoi (Director) and Mrs. Bhagwanti Gabrani (relative of Director).</li> </ol>	<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. 492,000,000 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. Ajay Kumar 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 [currently Bank's Base rate being 10.00% p.a.] payable on a quarterly basis.</p>
<p>Amounting to Rs. 4,097,072 is secured by way of Hypothecation of the respective vehicles.</p>	<p>Repayable in such number of equal monthly installments as specified in the terms &amp; conditions of the respective vehicle finance agreements. The rate of interest are 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. 391,602,960 is secured by exclusive charge on the immovable and movable fixed assets of the Kolkata Office financed out of the facility with a minimum asset cover of 1.25 times. The loan is also secured by personal guarantee of Mr. Ajay Kumar Bishnoi (Director) &amp; 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>
<p>Amounting to Rs. 162,216,500 is secured by first charge on all current assets both present &amp; future of the company and immovable and movable fixed assets other than those specifically funded through respective bank's term loan. The loan is also secured by personal guarantee of Mr. Ajay Kumar Bishnoi (Director), Mr. Amul Gabrani (Director) &amp; Mrs. Bhagwanti Gabrani (relative of Director).</p>	<p>Repayable on due date and carrying an interest rate of applicable EURO/USD/SGD LIBOR plus margin as may be agreed with Bank from time to time.</p>

### Financial institutions (current and non-current portion)

<p>Amounting to Rs. 28,399,002 is secured by way of Hypothecation of the respective vehicles.</p>	<p>Repayable in such number of equal monthly installments as specified in the terms &amp; conditions of the respective vehicle finance agreements. The rate of interest are in the range of 12% p.a. to 15% p.a.</p>
<p>Amounting to Rs. 52,346,133 is secured by First charge on the asset i.e. Land and Building situated at the Industrial Unit at Alwar.</p>	<p>12 equated quarterly installments starting from expiry of twelve months pre-production period and the last of repayment was 1 September 2015 carrying an interest rate of 12% p.a., subsequent to 31 March 2013 this loan has been swapped by term loan of another financial institution which will be repayable in 24 equal quarterly installment commencing from May 2014.</p>

## Notes to consolidated financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

	As at 31 March 2013	As at 31 March 2012
<b>6. Deferred tax (assets) / liability (net)</b>		
<b>Deferred tax liability :</b>		
Excess of Depreciation / amortisation fixed under Income Tax		
Act over depreciation / amortisation provided in accounts	<u>118,768,719</u>	<u>108,379,169</u>
<b>Total deferred tax liability</b>	<b>118,768,719</b>	<b>108,379,169</b>
<b>Deferred tax assets on account of:</b>		
Provision for employee benefits	<u>44,823,128</u>	<u>34,791,752</u>
Provision for estimated losses on incomplete contracts	<u>13,020,393</u>	<u>1,712,123</u>
Provision for bad and doubtful debts	<u>79,129,746</u>	<u>68,269,037</u>
Others	<u>1,068,967</u>	<u>5,867,149</u>
<b>Total deferred tax asset</b>	<b>138,042,234</b>	<b>110,640,061</b>
<b>Net deferred tax liability / (assets)</b>	<b><u>(19,273,515)</u></b>	<b><u>(2,260,892)</u></b>

## 7. Provisions

	Long-term provisions		Short-term provisions	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
<b>Provision for employee benefits</b>				
Gratuity (refer to note 36)	<u>30,889,892</u>	13,661,315	<u>5,866,116</u>	9,028,724
Compensated absences	<u>34,397,637</u>	27,050,255	<u>13,235,545</u>	17,879,585
	<b>65,287,529</b>	40,711,570	<b>19,101,661</b>	26,908,309
<b>Other provisions</b>				
Lease equalisation charges	<u>97,028</u>	2,292,877	-	-
Proposed dividend	-	-	-	151,421,373
Tax on proposed dividend	-	-	-	24,564,332
Provision for estimated losses on incomplete contract (refer to note 38)	-	-	<u>38,306,539</u>	5,277,000
Provision for tax [net of advance tax Rs. Nil (previous year Rs. 1,846,839,280)]	-	-	-	<u>204,286,356</u>
	<u>97,028</u>	2,292,877	<u>38,306,539</u>	<u>385,549,061</u>
	<b>65,384,557</b>	43,004,447	<b>57,408,200</b>	412,457,370



## Notes to consolidated financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

	As at 31 March 2013	As at 31 March 2012
<b>8. Short-term borrowings</b>		
<b>Loans repayable on demand</b>		
<b>From banks (secured)</b>		
- Working capital facility	20,554,573,665	12,027,355,552
<b>Loans repayable on demand (unsecured)</b>		
<b>From banks :</b>		
Short Term Loan	187,832	1,221,184
<b>From others (unsecured)</b>		
- Directors	105,000	5,914,131
- Others	57,183,205	-
	<u>20,612,049,702</u>	<u>12,034,490,867</u>

### Nature of security

Working capital facility comprises cash credit, buyer's credit, export packing credit and bills discounted from banks.

- Working Capital facilities are secured by first charge on the present and future current assets of the company on pari passu basis.
- Cash credit, short term loans and buyer's 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.
- Packing Credit loan from DBS Bank is secured by second charge on the current assets and moveable fixed assets of the Company.
- The facilities are 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 Bank).
- Further, facilities from SBI are also secured by pledge of certain shares by Mr. Amul Gabrani and Mr. Ajay Kumar Bishnoi (directors of the Company) and the loan from SBI is also secured by corporate guarantee given by Fusion Fittings (I) Limited.

## 9. Trade payables

	Non-current		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Sundry creditors				
- micro and small enterprises	-	-	107,712,476	133,429,880
- others	1,387,691,892	903,252,053	13,046,593,249	14,143,618,738
	<u>1,387,691,892</u>	<u>903,252,053</u>	<u>13,154,305,725</u>	<u>14,277,048,618</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 2013	As at 31 March 2012
(a) Principal amount payable to suppliers as at year-end	107,712,476	133,429,880
(b) Interest due thereon as at year-end	15,772,337	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	194,340,799	93,931,379
(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	3,798,641	10,854,478

## Notes to consolidated financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

	As at 31 March 2013	As at 31 March 2012
<b>10. Other current liabilities</b>		
Current maturities of long-term borrowings (also refer to note 5)	334,799,631	540,580,301
Salaries, wages and bonus payable	145,738,508	96,196,429
Interest accrued and due on borrowings	125,095	56,572,418
Interest accrued but not due on borrowings	69,863,061	3,759,794
Unpaid dividends	259,746	125,340
Book overdraft	22,697	1,953,463
Advances from customers * (refer to note 31)	4,793,567,338	3,803,620,382
Unearned revenue	203,454,993	50,138,058
Creditors towards fixed assets	232,430,975	142,749,572
Share application money received for allotment of securities and due for refund - related party	-	10,000
Statutory dues payable		
Service tax payable	111,841,552	148,576,573
Tax deducted at source payable	75,843,793	46,213,201
Provident fund and other employee related payable	22,843,772	12,351,309
Sales tax payable	180,028,971	90,454,241
Excise duty payable	-	5,385
Other payables	8,233,643	12,694,804
	<b>6,179,053,775</b>	<b>5,006,001,270</b>

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

\* Advances from customers

- Due to be settled within 12 months from the reporting date	3,190,294,656	2,058,627,130
- Due to be settled after 12 months from the reporting date	1,603,272,682	1,744,993,252

## 11. Tangible assets

Description	Gross block (at cost or valuation)					Accumulated depreciation					Net block	
	As at 1 April 2012	Additions during the year	Acquired on acquisition of new subsidiaries	Deletions / adjustments during the year	As at 31 March 2013	As at 1 April 2012	Acquired on acquisition of new subsidiaries	For the year	Deletions / adjustments during the year	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
<b>Owned</b>												
Freehold land	34,705,270	-	-	-	34,705,270	-	-	-	-	-	34,705,270	34,705,270
Buildings	1,093,498,969	223,454,381	-	684,689	1,316,268,661	78,813,500	-	44,024,692	661,732	122,176,460	1,194,092,201	1,014,685,469
Leasehold improvement	167,686,501	60,865,010	-	1,775,616	226,775,895	26,823,892	-	8,970,026	811,486	34,982,432	191,793,463	140,862,609
Plant and machinery	432,210,665	115,002,435	-	2,307,144	544,905,956	69,815,114	-	28,377,013	1,286,829	96,905,298	448,000,658	362,395,551
Office equipment	136,013,562	18,247,568	-	2,019,498	152,241,632	46,536,211	-	23,603,377	1,663,114	68,476,474	83,765,158	89,477,351
Furniture and fittings	113,675,522	17,103,357	-	3,784,906	126,993,973	48,604,333	-	22,739,939	2,452,630	68,891,642	58,102,331	65,071,189
Vehicles	203,350,852	19,377,334	-	8,113,674	214,614,512	46,690,673	-	19,837,615	3,044,390	63,483,898	151,130,614	156,660,179
Computers	64,843,961	3,335,293	-	442,417	67,736,837	29,439,988	-	7,110,742	341,491	36,209,239	31,527,598	35,403,973
<b>Total (A)</b>	2,245,985,302	457,385,378	-	19,127,944	2,684,242,736	346,723,711	-	154,663,404	10,261,672	491,125,443	2,193,117,293	1,899,261,591
<b>Assets taken on finance lease</b>												
Leasehold land #	247,786,789	30,456,251	-	-	278,243,040	10,062,266	-	2,388,143	(1,001,134)	13,451,543	264,791,497	237,724,523
Buildings *	225,463,072	168,781,634	-	-	394,244,706	680,837	-	10,879,224	-	11,560,061	382,684,645	224,782,235
<b>Total (B)</b>	473,249,861	199,237,885	-	-	672,487,746	10,743,103	-	13,267,367	(1,001,134)	25,011,604	647,476,142	462,506,758
<b>Total (A+B)</b>	2,719,235,163	656,623,263	-	19,127,944	3,356,730,482	357,466,814	-	167,930,771	9,260,538	516,137,047	2,840,593,435	2,361,768,349
Previous year	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	-

Capital Work in Progress <sup>^^</sup>

502,564,212 337,415,196

\* Additions to Building include loss on foreign exchange fluctuation Rs. 15,136,058 (previous year Rs. 16,876,111).

<sup>^^</sup> Capital Work in Progress include loss on foreign exchange fluctuation Rs. 634,448 (previous year Rs. 8,705,615) and borrowing cost capitalised Rs. Nil (previous year Rs. 13,376,648).

# 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 2013

(All amounts are in Rupees)

### 11.1 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 2012	As at 31 March 2011
<b>Owned</b>												
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	78,813,500	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	26,823,892	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	273,873,753
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	53,833,591
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	34,846,723
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	53,906,463
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	20,923,951
<b>Total (A)</b>	<b>1,358,562,424</b>	<b>787,019,639</b>	<b>10,861,674</b>	<b>21,014,427</b>	<b>2,135,429,310</b>	<b>231,725,182</b>	<b>4,618,605</b>	<b>111,883,376</b>	<b>14,870,192</b>	<b>333,356,971</b>	<b>1,802,072,339</b>	<b>1,126,837,242</b>
<b>Assets taken on finance lease</b>												
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
<b>Total (B)</b>	<b>229,055,831</b>	<b>354,750,022</b>	<b>-</b>	<b>-</b>	<b>583,805,853</b>	<b>13,545,151</b>	<b>-</b>	<b>9,563,558</b>	<b>(1,001,134)</b>	<b>24,109,843</b>	<b>559,696,010</b>	<b>215,510,680</b>
<b>Total (A+B)</b>	<b>1,587,618,255</b>	<b>1,141,769,661</b>	<b>10,861,674</b>	<b>21,014,427</b>	<b>2,719,235,163</b>	<b>245,270,333</b>	<b>4,618,605</b>	<b>121,446,934</b>	<b>13,869,058</b>	<b>357,466,814</b>	<b>2,361,768,349</b>	<b>1,342,347,922</b>

Capital Work in Progress ^

337,415,196 383,026,362

\* Additions to Building include loss on foreign exchange fluctuation Rs. 16,876,111.

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

\*\* The gross block of leasehold land includes 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 and an equivalent amount has been withdrawn from revaluation reserve. This has no impact on profit for the year.

### 12. Intangible assets

Description	Gross block (at cost)				Accumulated depreciation				Net block	
	As at 1 April 2012	Additions during the year	Deletions / adjustments during the year	As at 31 March 2013	As at 1 April 2012	For the year	Deletions / adjustments during the year	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
Computers software	89,376,755	7,418,137	-	96,794,892	43,031,826	23,057,894	-	66,089,720	30,705,172	46,344,929
Technical know-how	19,938,554	-	-	19,938,554	13,034,445	1,810,915	-	14,845,360	5,093,194	6,904,109
Goodwill #	333,714,473	-	-	333,714,473	1,164,384	1,000,000	-	2,164,384	331,550,089	332,550,089
<b>Total</b>	<b>443,029,782</b>	<b>7,418,137</b>	<b>-</b>	<b>450,447,919</b>	<b>57,230,655</b>	<b>25,868,809</b>	<b>-</b>	<b>83,099,464</b>	<b>367,348,455</b>	<b>385,799,127</b>
Previous year	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	

# Includes goodwill arising on consolidation amounting to Rs. 328,714,473 [previous year Rs. 328,714,473]

### 12.1 Intangible assets

Description	Gross block (at cost)				Accumulated depreciation				Net block	
	As at 1 April 2011	Additions during the year	Deletions / adjustments during the year	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
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
<b>Total</b>	<b>290,291,568</b>	<b>152,815,230</b>	<b>77,016</b>	<b>443,029,782</b>	<b>37,659,881</b>	<b>19,647,736</b>	<b>76,962</b>	<b>57,230,655</b>	<b>385,799,127</b>	<b>252,631,687</b>

# Includes goodwill arising on consolidation amounting to Rs. 328,714,473.

## Notes to consolidated financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

	As at 31 March 2013	As at 31 March 2012
<b>13. Current investments</b>		
<b>Current investments (valued at the lower of cost and fair value, unless stated otherwise)</b>		
<b>Investment in equity instrument - Quoted</b>		
Vijaya Bank	14,400	14,400
[600 (previous year 600) equity shares of Rs.10 each fully paid up]		
<b>Investments in Government or Trust Securities - Unquoted</b>		
National Savings Certificate *	25,000	25,000
<b>Investments in Mutual funds - Quoted</b>		
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]		
<b>Total</b>	<b>1,044,346</b>	<b>1,044,346</b>

\* Pledged as security deposit with the Sales Tax Authorities.

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

<b>Mutual funds</b>		
- Aggregate book value	1,004,946	1,004,946
- Aggregate net asset value	1,656,546	1,507,687
<b>Quoted investments</b>		
- Aggregate book value	14,400	14,400
- Aggregate market value	28,140	35,040
<b>Unquoted investments</b>		
- Aggregate book value	25,000	25,000



## Notes to consolidated financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

As at  
31 March 2013      As at  
31 March 2012

### 14. Long-term loans and advances

(Unsecured)

#### Considered good:

Prepaid expenses	108,261,731	37,238,262
Security deposits	34,356,295	28,673,920
Other loans and advances:		
MAT credit entitlement	-	169,946
	<u>142,618,026</u>	<u>66,082,128</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>142,618,026</u>	<u>66,082,128</u>

### 15. Short-term loans and advances

(Unsecured, considered good)

Security deposits	31,174,680	16,903,536
Others:		
Balances with statutory / government authorities	347,250,895	314,045,517
Advance tax [net of provision for tax Rs. 2,211,905,344 (previous year Rs. 2,051,125,636)]	51,391,979	2,280,346
Prepaid expenses	335,053,542	329,432,046
Advances to other	-	3,500,000
Advances to vendors ^ #	1,237,171,555	1,526,453,370
Advances to employees	17,656,248	17,466,977
Advance fringe benefit tax (net of provision)	-	168,300
Due from Directors ##	103,825,666	-
Others	70,721,035	23,232,900
	<u>2,194,245,600</u>	<u>2,233,482,992</u>

^ includes advances to related parties amounting to Rs. 210,901,454 (previous year Rs. 138,000,000)

## Represents excess remuneration paid to the Directors as managerial remuneration and until refunded will be held by the Directors in trust on behalf of the Company.

# Advances to vendors

- Expected to be realised within 12 months from the reporting date	1,110,919,137	1,117,215,696
- Expected to be realised after 12 months from the reporting date	126,252,418	409,237,674

### 16. Other non-current assets

Others:

Claims and other receivables	119,542,970	38,527,689
Unbilled revenue on contracts in progress*	1,333,913,117	1,142,347,193
Non current bank balances (refer to note 20)	121,700,000	152,939,758
Others	-	20,000
	<u>1,575,156,087</u>	<u>1,333,834,640</u>

\* Represents amount that will be returned by the customer as retention money for payment after contract period and not expected to release within 12 months from reporting date.

## Notes to consolidated financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

	As at 31 March 2013	As at 31 March 2012
<b>17. Other current assets</b>		
Unbilled revenue on contracts in progress	11,051,164,061	6,515,388,521
Interest accrued on deposits and others	2,179,327	18,614,442
Amount due from other companies	3,157,552	-
Advance to capital creditors *	44,904,940	11,027,924
	<u>11,101,405,880</u>	<u>6,545,030,887</u>

\* includes advances to related parties amounting to Rs. 22,347,787 (previous year Rs. Nil)

### 18. Inventories \*

Raw materials	803,872,853	920,861,491
Goods purchased for resale - project supplies [includes in transit Rs. 17,667,486 (previous year Rs. 37,710,001)]	506,925,982	711,304,101
Finished goods [includes in transit Rs. 3,195,838 (previous year Rs. 36,436,028)]	3,195,838	36,436,028
Work in progress	670,967,477	671,845,013
	<u>1,984,962,150</u>	<u>2,340,446,633</u>

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

#### Additional disclosures regarding inventories

##### Raw materials

Iron and steel	390,270,884	535,834,293
Others (individual items less than 10% of closing stock of raw material)	413,601,969	385,027,198
	<u>803,872,853</u>	<u>920,861,491</u>

##### Good purchased for resale - project supplies

Iron and steel	116,433,487	183,627,542
Structures (including structure components)	8,231,302	128,414,900
Others (individual items less than 10% of closing stock of goods purchased for resale - project supplies)	382,261,193	399,261,659
	<u>506,925,982</u>	<u>711,304,101</u>

##### Work-in-progress

Pulleys	74,772,892	153,037,225
Frames	94,125,332	103,137,130
Structures (including structure components)	227,550,008	93,818,577
Others (individual items less than 10% of closing stock of work-in-progress)	274,519,245	321,852,081
	<u>670,967,477</u>	<u>671,845,013</u>

## Notes to consolidated financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

### 19. Trade receivables

Unsecured, considered good unless otherwise stated

	Non current #		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>				
Unsecured, considered good	3,034,222,244	4,901,537,883	15,601,612,314	8,175,030,837
Considered doubtful	-	-	232,564,096	210,414,660
	<u>3,034,222,244</u>	<u>4,901,537,883</u>	<u>15,834,176,410</u>	<u>8,385,445,497</u>
Less: Provision for doubtful debts	-	-	(232,564,096)	(210,414,660)
<b>(A)</b>	<b>3,034,222,244</b>	<b>4,901,537,883</b>	<b>15,601,612,314</b>	<b>8,175,030,837</b>
<b>Other receivables</b>				
Unsecured, considered good	1,266,663,635	1,876,214,859	9,421,097,082	8,558,428,864
<b>(B)</b>	<b>1,266,663,635</b>	<b>1,876,214,859</b>	<b>9,421,097,082</b>	<b>8,558,428,864</b>
<b>Total</b>	<b>(A+B) 4,300,885,879</b>	<b>6,777,752,742</b>	<b>25,022,709,396</b>	<b>16,733,459,701</b>

# Non current portion of trade receivables represents amount retained by the customer as retention money to be paid after contract period and not expected to be realised within 12 months from reporting date.

### 20. Cash and bank balances

	Non current		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
<b>Cash and cash equivalents</b>				
Balances with banks:				
- Current accounts	-	-	238,648,481	672,962,723
Cash on hand	-	-	2,370,285	1,427,211
Fixed deposits with banks with maturity period less than 3 months	-	-	25,000	415,062,916
	-	-	<u>241,043,766</u>	<u>1,089,452,850</u>
<b>Other bank balances</b>				
Fixed deposits with banks with maturity period more than 12 months	-	-	578,884	4,724,383
Fixed deposits with banks with maturity period more than 3 months but upto 12 months <sup>^</sup>	-	-	591,809	356,339,691
Margin money accounts *	121,700,000	152,939,758	27,146,066	845,552,688
	<u>121,700,000</u>	<u>152,939,758</u>	<u>28,316,759</u>	<u>1,206,616,762</u>
<b>Amount disclosed under non-current assets (refer to note 16)</b>	<b>(121,700,000)</b>	<b>(152,939,758)</b>	<b>-</b>	<b>-</b>
	<u>-</u>	<u>-</u>	<u>269,360,525</u>	<u>2,296,069,612</u>

<sup>^</sup> 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 2013

(All amounts are in Rupees)

	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>21. Revenue from operations</b>		
Sale of products (gross)	8,087,225,379	6,955,440,140
Contract revenue	17,992,201,580	17,763,077,580
Sale of services	410,469,361	867,036,729
Other operating revenue		
- Sale of scrap	39,534,847	29,577,790
- Provisions no longer required, written back	36,908,470	18,149,016
Revenue from operations (gross)	26,566,339,637	25,633,281,255
Less: Excise duty	401,045,405	265,175,387
Revenue from operations (net)	26,165,294,232	25,368,105,868
<b>Break up of contract revenue and sale of products (excluding excise duty recovered)</b>		
Idlers	803,169,519	584,001,663
Pulley	854,563,159	485,786,631
Structure *	1,197,995,688	723,222,681
Crusher	45,285,500	81,923,300
Crusher components	54,383,963	55,327,226
Conveyor systems	5,751,173	626,044
Conveyor components	69,530,019	978,469,112
Feeder	27,165,418	53,970,089
Feeder components	30,177,323	3,300,868
Screen	90,719,400	96,379,500
Screen components	62,223,823	584,055,699
Travel water screen	14,362,287	-
Components for ash handling systems	2,496,205,750	3,560,454,958
Other project supplies ^	15,352,824,003	13,066,094,871
Accrual /(reversal) based on percentage of completion method for contract revenue	4,574,024,529	4,179,729,691
	25,678,381,554	24,453,342,333
* 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.		
<b>Break up of sale of services</b>		
Drawing and designing	258,828,802	737,312,706
Erection and commissioning	69,411,061	59,249,309
Operation and maintenance	74,366,817	-
Other services	7,862,681	70,474,714
	410,469,361	867,036,729
<b>22. Other income</b>		
Interest income on		
- Fixed deposits	25,073,340	87,753,328
- Others	14,115,485	13,001,136
Dividend income from current investments	1,493	114,360
Reversal of finance charges (refer note 35)	23,950,274	-
Miscellaneous income	17,479,408	8,938,583
	80,620,000	109,807,407

**Notes to consolidated financial statements for the year ended 31 March 2013**

(All amounts are in Rupees)

	For the year ended 31 March 2013		For the year ended 31 March 2012	
<b>23. Cost of raw material consumed</b>				
Opening stock of raw material	920,861,491		793,172,165	
Add: Stock on account of acquisition (refer note 1)	-		26,582,568	
Add: purchases during the year	13,771,477,531		12,866,368,741	
Less: closing stock of raw material	<u>810,077,457</u>	<u>13,882,261,565</u>	<u>920,861,491</u>	<u>12,765,261,983</u>
		<u>13,882,261,565</u>		<u>12,765,261,983</u>
<b>Details of raw materials and components consumed #</b>				
Iron and steel		6,901,300,634		5,863,278,197
Others*		<u>6,980,960,931</u>		<u>6,901,983,786</u>
		<u>13,882,261,565</u>		<u>12,765,261,983</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.

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

<b>Stock at the end of the year</b>				
Finished goods	3,195,838		36,436,028	
Work in progress	670,967,477		671,845,013	
Stock in trade (purchased for resale)				
-project supplies	<u>506,925,982</u>	<u>1,181,089,297</u>	<u>711,304,101</u>	1,419,585,142
<b>Stock at the beginning of the year</b>				
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>	605,766,222
<b>(Increase) / decrease in inventory</b>		<u>238,495,845</u>		<u>(813,818,920)</u>

**25. Details of purchase of finished goods for projects supplies dealt with by the Company**

Components for Ash Handling Systems	642,559,775		821,387,263	
Waste heat recovery systems	331,629,209		564,449,196	
Purchased for project supplies- others *	<u>1,378,154,369</u>		<u>1,943,870,592</u>	
		<u>2,352,343,353</u>		<u>3,329,707,051</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.

## Notes to consolidated financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>26. Employee benefit expenses</b>		
Salaries, wages and bonus	1,099,181,970	1,104,473,180
Contribution to provident and other funds	88,734,335	74,931,069
Gratuity (refer to note 36)	17,301,740	22,522,909
Staff welfare	47,287,738	40,806,391
	<u>1,252,505,783</u>	<u>1,242,733,549</u>
<b>27. Other expenses</b>		
Excise duty expense	405,477,838	281,083,297
Less: Excise duty recovered	<u>401,045,405</u>	<u>4,432,433</u> 265,175,387
Drawing and design charges	482,301,138	15,907,910
Fabrication and other site related expenses	2,012,103,155	31,878,133
Freight and forwarding	603,896,362	2,636,313,562
Equipment charges	431,905,903	699,670,569
Travel and conveyance	179,075,886	303,859,719
Rent	52,704,711	145,287,558
Power fuel and electricity	70,246,656	57,955,149
Communication	29,822,970	54,984,437
Advertising and marketing	23,380,758	29,411,311
Sales commission	123,568,854	18,124,528
Printing and stationery	19,257,998	102,491,218
Rates and taxes	73,763,141	18,256,259
Legal and professional	161,582,806	78,991,347
Payment to auditors (refer note below)	9,794,500	276,361,644
Exchange loss (net)	37,341,723	10,848,589
Loss on sale / disposal of fixed assets	5,920,578	31,264,547
Repairs and maintenance		2,727,563
- plant and machinery	5,909,751	6,159,792
- buildings	64,016,709	38,011,453
- others	72,311,083	42,535,933
Sundry balances written off	5,940,945	19,252,133
Provision for bad and doubtful debts	172,185,657	141,810,238
Bad debts written off	123,436,493	53,252,412
Provision for loss on incomplete contract	34,315,539	-
Provision for bad and doubtful debts	150,036,220	90,000,000
Less: bad debts written off during the year against opening provision	<u>(150,036,220)</u>	<u>(90,000,000)</u>
Insurance	53,899,473	44,354,345
Miscellaneous expenses	41,277,480	53,955,961
	<u>4,894,392,702</u>	<u>4,913,666,310</u>

**Notes to consolidated financial statements for the year ended 31 March 2013**

(All amounts are in Rupees)

	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Disclosures regarding payment to auditors (excluding service tax)</b>		
Statutory audit fee	8,989,542	9,009,544
Tax audit fee *	730,000	730,000
Other matters	40,000	697,540
Out of pocket expenses	354,500	411,505
	<u>10,114,042</u>	<u>10,848,589</u>

\* Represents amount payable to other than Statutory auditor.

**28. Finance costs**

Interest expense on:

- long term loan	131,092,721	97,188,470
- short term loan	2,194,310,579	488,888,080
- others	187,701,829	1,036,140,309
Bank charges	506,561,660	325,835,254
Exchange difference to the extent considered as an adjustment to borrowing costs (refer to note 35)	-	23,950,274
	<u>3,019,666,789</u>	<u>1,972,002,387</u>

29. 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.

**30. Contingent liabilities and commitments (to the extent not provided for)**

	As at 31 March 2013	As at 31 March 2012
(i) Claims against the company not acknowledged as debt: Sales tax matters	242,844,937	81,602,639
(ii) Claims against the company not acknowledged as debt: Entry tax matters	48,556,771	20,408,275
(iii) Claims against the company not acknowledged as debt: Central excise matters	1,049,990	-
(iv) Claims against the company not acknowledged as debt: Service tax matters	6,536,536	6,536,536
(v) Demand for additional price/ enhancement cost in respect of factory plots situated in Bawal *	9,885,115	9,207,821
(vi) Sales tax liability against which forms to be collected	3,227,603,543	2,102,176,396

\*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) dated 23 January 2004 and 9 July 2004.

The Company had received notices dated 4 December 2007 and 29 December 2007 from HSIIDCL for additional price/ enhancement cost amounting to Rs. 9,885,115 {including interest} (previous year Rs. 9,207,821 {including interest}), in respect of factory plots situated in Bawal. The Company filed a writ petition in the Punjab and Haryana High Court on 8 January 2008 and obtained a stay order on 9 January 2008. This matter is under adjudication. Pursuant to above, Rs. 9,885,115 (previous year Rs. 9,207,821) have been disclosed as 'Contingent liability' in the notes to the accounts.

## Notes to consolidated financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

31. In the previous year, the operating cycle was determined to be 12 months in view of the varying nature of contracts, customers, payment terms, project duration etc. Basis further analysis and considering additional guidance / clarity available related to implementation of revised schedule VI, the management is of the view that the Company has multiple operating cycles which are determined on the basis of the distinguishing features and characteristics of various categories of contracts.

Due to change in operating cycle during the current year, figures for the previous year have been regrouped for meaningful comparison of current and previous year classification. The impact of regrouping on significant financial statement items is summarized below:

Grouping per audited financial statements for the year ended 31 March 2012		Regrouping of previous year numbers in the current year due to change in operating cycle	
<b>Advance from customer</b>		<b>Advance from customer</b>	
- Other long term liabilities	1,744,993,252	- Other long term liabilities	-
- Other current liabilities	2,056,098,803	- Other current liabilities	3,801,092,055
<b>Total advance from customer</b>	<b>3,801,092,055</b>	<b>Total advance from customer</b>	<b>3,801,092,055</b>
<b>Advance to vendors</b>		<b>Advance to vendors</b>	
- Long term loans and advances	404,152,929	- Long term loans and advances	-
- Short term loans and advances	1,105,400,261	- Short term loans and advances	1,509,553,190
<b>Total advance to vendors</b>	<b>1,509,553,190</b>	<b>Total advance to vendors</b>	<b>1,509,553,190</b>

32. 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. During the year the Company has furnished the return of income of six assessment years beginning from assessment year 2006-2007 pursuant to notices received from the Income Tax Department. At this stage, no tax demand has been determined pursuant to the present search proceedings.

33. Disclosures pursuant to Accounting Standard (AS) 7 "Construction Contracts" (Revised) are given below:-

	As at 31 March 2013	As at 31 March 2012
Contract revenue recognised for the year	17,992,201,580	17,763,077,580
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.	54,875,021,400	36,882,819,819
Amount of customer advances outstanding for contracts in progress as at Balance sheet date	3,688,408,317	3,132,181,987
Retention amounts due from customers for contracts in progress	5,609,019,913	3,769,966,376
Gross amount due from customers for contract work	12,385,077,178	8,101,193,351
Gross amount due to customers for contract work	203,454,993	506,189,376

34. Earnings per equity share (EPS)

	For the year ended 31 March 2013	For the year ended 31 March 2012
Net profit after tax as per Statement of Profit and Loss	268,681,531	1,231,128,871
Number of equity shares of Rs.10 each at the beginning of the year	50,473,791	50,473,791
Weighted average number of equity shares issued during the year	-	-
Weighted average number of equity shares of Rs. 10 each outstanding during the year	50,473,791	50,473,791
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	50,473,791
Basic and diluted earnings per share (in Rs.) (Per share of Rs. 10 each)	5.32	24.39

## Notes to consolidated financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

35. Till the previous year, the exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost, were treated as borrowing cost in terms of the AS – 16, “Borrowing Costs”. Pursuant to a clarification dated 9 August 2012 from the MCA, the Company has changed the accounting policy, w.e.f. from 1 April 2011, to treat the same as “foreign exchange fluctuation” accounted as per AS – 11 “Effect of Changes in Foreign Exchange Rates” instead of the “borrowing costs”. This has resulted into reversal of finance costs of Rs. 23,950,274 for the year ended 31 March 2012 and higher depreciation by Rs. 312,292 for the year ended 31 March 2012. The aforesaid reversal of finance cost of Rs. 23,950,274 has been included in ‘Other income’ in the current year financial statements.

### 36. 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. 88,734,335 (previous year Rs. 74,931,069) 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 26.

(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 2013	As at 31 March 2012
Present value of obligation at the beginning of the year	60,015,684	36,489,893
Add: Present value of obligation at the beginning of year added on account of amalgamation	120,956	-
Interest cost	4,787,176	2,895,781
Past service cost	-	(1,696,868)
Current service cost	15,565,872	13,429,431
Benefits paid	(2,329,089)	(1,478,089)
Actuarial (gain)/loss on obligation	110,300	10,375,536
Present value of obligation at the end of the year	78,270,899	60,015,684

(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 2013	As at 31 March 2012
Fair value of plan assets at the beginning of the year	37,325,645	26,753,748
Expected return on plan assets	3,165,294	2,460,508
Contributions	1,016,732	8,676,176
Benefits paid	(110,050)	(585,250)
Actuarial gain/(loss) on plan assets	(3,686)	20,463
Fair value of plan assets at the end of the year	41,393,935	37,325,645

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

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Actuarial loss for the year - obligation	(110,300)	(10,375,536)
Actuarial gain for the year - plan assets	(3,686)	20,463
Total loss for the year	(113,986)	(10,355,073)
Actuarial loss recognised in the year	(113,986)	(10,355,073)
Unrecognized actuarial gains/(losses) at the end of year	-	-

## Notes to consolidated financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

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

Particulars	As at 31 March 2013	As at 31 March 2012
Present value of obligation as at the end of the year	78,270,899	60,015,684
Fair value of plan assets as at the end of the year	41,393,935	37,325,645
Funded/(unfunded) status	(36,876,964)	(22,690,039)
Excess of actual over estimated	(3,686)	20,463
Net assets/(liability) recognized in balance sheet	(36,876,964)	(22,690,039)

(v) The amounts recognised in the statement of profit and loss are as follows:

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Current service cost	15,565,872	13,429,431
Past service cost	-	(1,696,868)
Interest cost	4,787,176	2,895,781
Expected return on plan assets	(3,165,294)	(2,460,508)
Net actuarial (gain)/loss recognized in the year	113,986	10,355,073
Expenses recognised in the statement of profit and losses	17,301,740	22,522,909

(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 2013	For the year ended 31 March 2012
Discount rate	8.00%	8.00%
Expected rate of return on plan assets	8.25%	9.30%
Salary growth rate	7.00%	7.00%

B. Demographic assumptions

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Retirement Age	60 Years	60 Years
Mortality table	LIC (1994-96) duly modified	LIC (1994-96) duly modified
Withdrawal Rates - Ages		
Upto 30 Years	8%	3%
Upto 44 Years	7%	2%
Above 44 Years	6%	1%

**Notes to consolidated financial statements for the year ended 31 March 2013**

(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 2013	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	1,445,763	(10,375,536)	(19,494)	(1,104,626)	(1,188,565)
On plan assets	(349,412)	31,571	12,226	(101,308)	16,817

**37. 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 three 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. 445,061,288 (previous year Rs. 341,318,957).

## 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 2013	As at 31 March 2012
Payable not later than one year	8,918,899	10,913,283
Payable later than one year and not later than five years	34,932,356	19,792,434
Payable later than five years	-	-
<b>Total</b>	<b>43,851,255</b>	<b>30,705,717</b>

**38. 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 2012	Created during the year	Write back during the year	Closing balance as at 31 March 2013
Estimated losses on incomplete contracts	5,277,000	34,315,539	1,286,000	38,306,539
	(5,414,000)	(-)	(137,000)	(5,277,000)

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 ending 31 March 2012.

## Notes to consolidated financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

### 39. 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 segment (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 2013

For the year ended 31 March 2013

### A Primary Segment (Business Segment)

(All amounts are in Rupees)

	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 2013	For the year ended 31 March 2013	For the year ended 31 March 2013	For the year ended 31 March 2013	For the year ended 31 March 2013	For the year ended 31 March 2013
<b>Revenue</b>						
External sales (net)	26,102,646,646	62,647,586	-	-	-	26,165,294,232
Inter segment sales	-	-	-	-	-	-
<b>Total</b>	<b>26,102,646,646</b>	<b>62,647,586</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,165,294,232</b>
<b>Results</b>						
<b>Segment results profit/(loss) (before interest and taxes)</b>	<b>2,978,032,186</b>	<b>(87,567,604)</b>	<b>(117,497)</b>	<b>(99,276)</b>	<b>-</b>	<b>2,890,247,809</b>
Unallocable other income (excluding interest income)						35,030,318
Interest income						39,188,825
Interest expenses						(2,513,105,129)
Unallocable expenses						(38,913,207)
<b>Profit before taxes</b>						<b>412,448,616</b>
Income taxes						160,779,708
- Current tax						(17,012,623)
- Deferred tax						-
- Fringe benefit tax						-
<b>Profit after taxation and before minority interest</b>						<b>268,681,531</b>
<b>Other Information</b>						
<b>Assets</b>						
Segment assets	49,293,500,802	91,227,765	48,398,362	-	-	49,433,126,929
Unallocated assets						889,040,577
<b>Total assets</b>						<b>50,322,167,506</b>
<b>Liabilities</b>						
Segment liabilities	20,421,372,803	15,038,677	2,286,762	75,674	-	20,438,773,916
Unallocated liabilities						21,873,833,070
Minority Interest						-
Share capital (including reserves and surplus)						8,009,560,520
<b>Total liabilities</b>						<b>50,322,167,506</b>
<b>Other Information</b>						
Capital expenditure	761,982,376	73,300	3,150,585	-	-	829,190,416
Depreciation and amortisation	193,473,028	326,551	-	-	-	193,799,579
Non-cash expenses other than depreciation and amortisation included in segment expenses	304,890,742	20,000	-	-	-	304,910,742

### B Secondary Segment (Geographical Segment)

	Domestic	Export	Total for the year ended 31 March 2013
Revenue	25,736,175,593	429,118,639	26,165,294,232
Sundry debtors	28,920,763,762	402,831,513	29,323,595,275
Capital expenditure	826,821,364	2,369,052	829,190,416

## Notes to consolidated financial statements for the year ended 31 March 2013

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	Waste Processing	Power generation and distribution	Inter segment elimination	Total
	For the year ended 31 March 2012	For the year ended 31 March 2012	For the year ended 31 March 2012	For the year ended 31 March 2012	For the year ended 31 March 2012	For the year ended 31 March 2012
<b>Revenue</b>						
External sales (net)	25,310,305,450	57,800,418	-	-	-	25,368,105,868
Inter segment sales	-	-	-	-	-	-
<b>Total</b>	<b>25,310,305,450</b>	<b>57,800,418</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,368,105,868</b>
<b>Results</b>						
<b>Segment results profit/(loss) (before interest and taxes)</b>	<b>3,441,566,381</b>	<b>8,801,727</b>	<b>(119,528)</b>	<b>(128,791)</b>	<b>-</b>	<b>3,450,119,789</b>
Unallocable other income (excluding interest income)						163,312
Interest income						100,754,464
Interest expenses						(1,622,216,860)
Unallocable expenses						(1,554,460)
<b>Profit before taxes</b>						<b>1,927,266,245</b>
Income taxes						673,616,148
- Current tax						22,521,226
- Deferred tax						-
- Fringe benefit tax						-
<b>Profit after taxation and before minority interest</b>						<b>1,231,128,871</b>
<b>Other Information</b>						
<b>Assets</b>						
Segment assets	38,267,649,792	188,524,044	37,494,217	-	-	38,493,668,053
Unallocated assets						2,920,779,200
<b>Total assets</b>						<b>41,414,447,253</b>
<b>Liabilities</b>						
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
<b>Total liabilities</b>						<b>41,414,447,253</b>
<b>Other Information</b>						
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 2013**

(All amounts are in Rupees)

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

Key management personnel	Ajay Kumar Bishnoi
	Amul Gabrani
	Arvind Kumar Bishnoi
	Aditya Gabrani
	Amar Banerjee

**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
	Arvind Kumar Bishnoi
	Aditya Gabrani
	Amar Banerjee
Relatives of key management personnel	Bhagwanti Gabrani
	Amita Bishnoi
	Goldie Gabrani
	Rashmi Singh
Enterprises over which key management personnel exercise significant influence	Tecpro Engineers Limited
	T&H Education Private Limited
	Hythro Power Corporation Limited
	Tecpro Stones Private Limited
	Fusion Fittings (I) Limited
	Shriram Cement Limited
	Tecpro Infra-Projects Limited
	G.E.T. Power Limited
	HIQ Power Associates Private Limited (w.e.f. 27 April 2011)
	Avadh Transformers Private Limited

**b) Transactions during the current year**

	Key management personnel (Including relatives)	Enterprises over which Key management personnel (including relatives) exercise significant influence
Remuneration	48,161,862	-
	(173,697,216)	(-)
Dividend paid on equity shares	-	-
	(56,933,268)	(22,575,252)
Rent expenses	14,979,292	-
	(13,824,492)	(-)
Advance given	-	1,850,882,405
	(-)	(331,098,070)
Advance given and adjusted	-	-
	(-)	(55,000,000)

## Notes to consolidated financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

	Key management personnel (Including relatives)	Enterprises over which Key management personnel (including relatives) exercise significant influence
<b>b) Transactions during the current year (contd.)</b>		
Recovery of advance given	-	1,824,248,610
	(-)	(193,032,232)
Loan given	-	54,000,200
	(-)	(-)
Interest income on above loan	-	2,478,038
	(-)	(-)
Rent income	-	8,092,624
	(-)	(3,963,364)
Recovery of expenses	-	4,633,633
	(-)	(1,470,701)
Purchase of goods	-	612,468,328
	(-)	(132,077,151)
Purchase of fixed assets	-	29,789,600
	(-)	(4,786,677)
Professional charges	-	419,003,931
	(-)	(46,684,286)
Job work charges	-	161,504,738
	(-)	(95,738,143)
Equipments hire charges	-	2,526,729
	(-)	(8,190,000)
Repair and maintenance expenses	-	169,675
	(-)	(1,711,505)
Investment written off	-	-
	(-)	(-)
Fabrication charges	-	60,747,894
	(-)	(2,306,465)
Comfort letter given by company on behalf of other party	-	-
	(-)	(#)
Guarantees/security given by other parties on behalf of the company	-	-
	(##)	(^)
Sale of goods	-	4,420,098
	(-)	(74,189,473)
Sale of fixed assets	-	-
	(-)	(397,104)
Shares pledged by certain directors for credit facilities taken by company	-	-
	(@)	(-)
Amount paid by other party on behalf of company	-	415,356
	(-)	(-)
Amount incurred on behalf of related parties	-	5,100,797
	(-)	(-)



## Notes to consolidated financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

	Key management personnel (Including relatives)	Enterprises over which Key management personnel (including relatives) exercise significant influence
<b>c) Outstanding balance as at year-end</b>		
Loan recoverable	136,830	44,978,567
	(-)	(-)
Interest recoverable on the above loan	-	751,867
	(-)	(-)
Advances recoverable	-	175,459,433
	(-)	(138,000,000)
Rent receivable	-	7,425,741
	(-)	(21,114)
Rent payable	102,060	-
	(-)	(-)
Remuneration payable	-	-
	(4,431,668)	(-)
Due from directors	103,825,666	-
	(-)	(-)
Trade receivables	-	80,246,232
	(-)	(89,229,687)
Trade payables	-	512,962,103
	(-)	(33,040,242)
Creditors for capital goods	-	-
	(-)	(3,293,543)
Amount receivable by the Company on account of the expenses incurred on behalf of related parties	-	7,791,185
	(-)	(-)
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 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. 49,030,800,000 and USD 48,560,000 (previous year Rs. 49,420,800,000 and USD 8,000,000) and Bhagwanti Gabrani (relative of a Director) for various facilities taken by the Company from banks with a limit of Rs. 44,715,800,000 and USD 25,000,000 (previous year Rs. 45,005,800,000 and USD Nil)

^ 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. 21,665,800,000)

@ 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. 21,665,800,000)

Figures in bracket refer to previous year 31 March 2012

## Notes to consolidated financial statements for the year ended 31 March 2013

(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	Year ended
		31 March 2013	31 March 2012
Ajay Kumar Bishnoi	Rent expenses	6,813,646	6,341,046
Amul Gabrani	Rent expenses	6,813,646	6,341,046
Ajay Kumar Bishnoi	Remuneration	15,126,444	67,340,004
Amul Gabrani	Remuneration	15,126,444	67,340,004
Amar Banerjee	Remuneration	10,744,500	-
Ajay Kumar Bishnoi	Dividend paid on equity shares	-	27,059,526
Amul Gabrani	Dividend paid on equity shares	-	27,958,026
G.E.T. Power Limited	Amount incurred on behalf of related parties	1,943,245	-
G.E.T. Power Limited	Advance given	303,333,501	166,000,000
G.E.T. Power Limited	Interest income	835,408	-
G.E.T. Power Limited	Loan given	16,500,200	-
G.E.T. Power Limited	Professional charges	133,499,466	-
G.E.T. Power Limited	Recovery of advance given	351,333,501	118,000,000
G.E.T. Power Limited	Sale of fixed assets	-	171,477
G.E.T. Power Limited	Purchase of goods	592,075,653	-
HIQ Power Associates Private Limited	Professional charges	-	10,684,286
HIQ Power Associates Private Limited	Amount paid on behalf of Company	415,356	-
Tecpro Engineers Limited	Rent income	-	501,052
Tecpro Engineers Limited	Advance given	410,351,336	90,000,000
Tecpro Stones Private Limited	Equipments hire charges	1,820,000	8,190,000
Tecpro Infra-Projects Limited	Advance given	1,114,028,479	75,098,070
Tecpro Infra-Projects Limited	Equipments hire charges	706,729	-
Tecpro Infra-Projects Limited	Job work charges	158,735,508	64,238,143
Tecpro Infra-Projects Limited	Purchase of fixed assets	-	1,264,609
Tecpro Infra-Projects Limited	Recovery of advance given	1,043,255,370	75,032,232
Hythro Power Corporation Limited	Sales of goods	-	25,884,253
Hythro Power Corporation Limited	Fabrication charges	7,273,080	2,306,465
Hythro Power Corporation Limited	Loan given	37,500,000	-
Hythro Power Corporation Limited	Advance given and adjusted	-	55,000,000
Hythro Power Corporation Limited	Interest income	1,642,630	-
Hythro Power Corporation Limited	Professional charges	-	36,000,000
Hythro Power Corporation Limited	Job work charges	-	31,500,000

## Notes to consolidated financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

Hythro Power Corporation Limited	Sale of fixed assets	-	225,627
Hythro Power Corporation Limited	Purchase of goods	-	132,077,151
Hythro Power Corporation Limited	Recovery of expenses	<b>4,633,633</b>	1,470,701
Hythro Power Corporation Limited	Repair and maintenance expenses	-	1,015,850
Hythro Power Corporation Limited	Rent Income	<b>6,480,000</b>	3,240,000
Hythro Power Corporation Limited	Purchase of fixed assets	<b>18,868,518</b>	-
Avadh Transformers Private Limited	Fabrication charges	<b>52,000,000</b>	-
Avadh Transformers Private Limited	Professional charges	<b>265,999,288</b>	-
Shriram Cement Limited	Sale of goods	<b>4,219,836</b>	48,305,220
Shriram Cement Limited	Purchase of fixed assets	<b>10,921,082</b>	-
Tecpro Stones Private Limited	Purchase of fixed assets	-	3,293,543
Tecpro Stones Private Limited	Repair and maintenance expenses	<b>169,675</b>	694,655
Tecpro Engineers Limited	Recovery of advance given	<b>419,159,739</b>	-

41. 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 2013	As at 31 March 2012
<b>Assets</b>		
USD 6,753,406 (previous year USD 6,736,665)	<b>367,310,763</b>	344,870,334
Euro 965,805 (previous year Euro 1,543,267)	<b>67,165,763</b>	105,406,850
GBP 3,760 (previous year GBP Nil)	<b>265,826</b>	-
<b>Liabilities</b>		
USD 54,030,232 (previous year USD 20,868,107)	<b>2,896,676,030</b>	1,074,867,409
Euro 5,448,890 (previous year Euro 8,272,495)	<b>378,936,521</b>	565,975,909
GBP 864 (previous year GBP Nil)	<b>72,021</b>	-

42. 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.

## Notes to consolidated financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

### For the year ended 31 March 2013

Particulars	Ajmer Waste Processing Company Private Limited	Bikaner Waste Processing Company Private Limited	Tecpro Energy Limited	Eversun Energy Private Limited	PT. Tecpro Systems Indonesia
a) Capital	1,000,000	785,000	6,580,000	2,600,000	18,637,990
b) Reserves	(14,772,942)	(7,202,056)	(5,820,342)	12,552,230	(12,599,440)
c) Total Assets	54,544,662	97,270	935,332	97,101,946	6,038,550
d) Total Liabilities	68,317,604	6,514,326	175,674	81,949,716	-
e) Details of Investment (Except in Case of Investment in Subsidiaries)	-	-	-	-	-
f) Turnover	-	-	49,838	63,407,986	161,022
g) Profit before tax	(1,369,736)	(55,527)	(49,438)	2,075,944	(12,599,440)
h) Provision for taxation	-	-	(487,000)	785,515	-
i) Profit after taxation	(1,369,736)	(55,527)	437,562	1,290,429	(12,599,440)
j) Proposed dividend	-	-	-	-	-
Cash Inflows	(50,304)	(14,291)	291,267	5,172,346	690,627

### For the year ended 31 March 2012

Particulars	Ajmer Waste Processing Company Private Limited	Bikaner Waste Processing Company Private Limited	Tecpro Trema Limited	Tecpro Energy Limited	Ambika Projects (India) Private Limited	Eversun Energy Private Limited
a) Capital	1,000,000	785,000	1,500,000	6,580,000	15,000,000	2,600,000
b) Reserves	(13,403,206)	(7,146,529)	(990,660)	(5,770,904)	(10,181,376)	11,261,800
c) Total Assets	48,471,611	111,561	22,534,376	984,098	172,812,476	96,465,640
d) Total Liabilities	60,874,817	6,473,090	22,025,036	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	76,696	29,936,647	158,478,738
g) Profit before tax	(1,350,332)	(530,360)	(11,814,223)	(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)	(55,862)	(20,190,391)	8,008,022
j) Proposed dividend	-	-	-	-	-	-
Cash Inflows	496,919	9,830	(1,074,516)	(323,952)	(44,058)	(370,566)



## Notes to consolidated financial statements for the year ended 31 March 2013

43. Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances of Rs. 54,612,843 (previous year Rs. 11,027,924)] is Rs. 103,216,300 (previous year Rs. 381,365,647).

44. Previous year figures in balance sheet have been regrouped / recast wherever necessary to conform to the current year's classification/presentation.

### For B S R & Co.

*Chartered Accountants*

Registration no. 101248W

Sd/-

**Jiten Chopra**

*Partner*

Membership No.: 092894

Place : Gurgaon

Date : 30 May 2013

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

Sd/-

**Ajay Kumar Bishnoi**

*Chairman &*

*Managing Director*

Place : Chennai

Date : 30 May 2013

Sd/-

**Amul Gabrani**

*Vice Chairman &*

*Managing Director*

Place : Gurgaon

Date : 30 May 2013

Sd/-

**Pankaj Tandon**

*Company Secretary*

Place : Chennai

Date : 30 May 2013





TECPRO SYSTEMS LIMITED

Tecpro House,  
78, Sector 34, N.H. -8,  
Gurgaon-122004, Haryana, India  
Tel: +91 124 4880100  
Fax: +91 124 4880110  
Email: [investors@tecprosystems.com](mailto:investors@tecprosystems.com)  
[www.tecprosystems.com](http://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 Third Annual General Meeting of the Members of Tecpro Systems Limited will be held on Monday, the 30th day of September, 2013 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 31 March, 2013, the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Aditya Gabrani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Anunay Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Satvinder Jeet Singh Sodhi, who retires by rotation and being eligible, offers himself for re-appointment.
5. 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 resolutions as Ordinary Resolutions:**

**6. To re-appoint Mr. Amar Banarjee, as a 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 and as recommended by the Remuneration Committee of the Company, Mr. Amar Banarjee be and is hereby re-appointed as a Whole-time Director of the Company liable to retire by rotation for a period of 2 years with effect from 1 April, 2013 at the following remuneration:

**Part I - Basic Salary:**

Basic Salary Rs. 5,12,000 per month on the scale of Rs. 5,12,000 – 25,600 – 5,37,600.

**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) Leave Travel Allowance as per Company's Policy.
- f) Contribution to Provident Fund, Superannuation or Annuity Fund and Gratuity as per rules of the Company.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Amar Banarjee, 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. Amar Banarjee, Whole-time Director in the event of absence or inadequacy of profit in any year during the tenure of his appointment.”

**7. Alteration of the Capital Clause of the Memorandum of Association of the Company.**

**“RESOLVED THAT** pursuant to the provisions of Section 94, 95 & other applicable provisions, if any, of the Companies Act, 1956, the existing Authorized Share Capital of the Company be and is hereby re-classified in the following manner:

“5,00,00,000 Equity Shares of Rs. 10 each amounting to Rs. 50,00,00,000 (Rupees Fifty Crore Only), out of the entire equity share capital, stand cancelled and 50,00,000 Preference Shares of Rs. 100 each amounting to Rs. 50,00,00,000 (Rupees Fifty Crore Only) be created within the present Authorized Share Capital of the Company.”

**RESOLVED FURTHER THAT** Clause V of the Memorandum of Association of the Company be and is hereby substituted by the following:

“V. The Authorized Share Capital of the Company is Rs. 1,31,15,00,000 (Rupees One Hundred Thirty One Crore Fifteen Lakh Only) divided into 8,11,50,000 (Eight Crore Eleven Lakh Fifty Thousand) Equity Shares of Rs. 10 (Rupees Ten Only) each amounting to Rs. 81,15,00,000 (Rupees Eighty One Crore Fifteen Lakh Only) and 50,00,000 (Fifty Lakh) Preference Shares of Rs. 100 (Rupees One Hundred Only) each amounting to Rs. 50,00,00,000 (Rupees Fifty Crore Only).”

**RESOLVED FURTHER THAT** Mr. Amul Gabrani, Vice Chairman & Managing Director and Mr. Pankaj Tandon, General Manager (Corp. Affairs) & Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be required to give effect to the above including but not limited to filing of necessary form with the Registrar of Companies.”

By order of the Board of Directors of  
Tecpro Systems Limited

Sd/-

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

Date : 14 August, 2013  
Place: Gurgaon

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**

**Item No. 6:**

Mr. Amar Banerjee, aged about 66 years, was appointed on the Board of the Company on 2 April, 2010 as a Whole-time Director of the Company for a period of 1 year and subsequently reappointed for a further period of two years. Mr. Banerjee has been looking after the Ashtech Division of the Company. Considering his qualification, expertise in the ash handling activities, contribution in the Ashtech Division of the Company and the volume of activities in ash handling business, the Board of Directors of your Company in their meeting held on 14 February, 2013, reappointed Mr. Banerjee for a further period of 2 years w.e.f. 1 April, 2013 and authorized the Remuneration Committee of the Company to fix his remuneration which thereafter fixed his remuneration in its meeting held on 30 May, 2013.

In terms of Section 269 read with Schedule XIII to the Companies Act, 1956, the appointment/re-appointment of a Whole time Director is required to be approved by the members of the Company in their general meeting, therefore, the resolution is placed before you to be passed by way of an ordinary 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. Amar Banerjee under Section 302 of the Companies Act, 1956.

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

None of the Directors except Mr. Amar Banerjee himself is interested in the resolution.

**Item No. 7:**

The Board of Directors in their meeting held on 30 May, 2013 has considered raising of funds through issuance of Preference Shares in order to meet working capital requirements.

Further, in order to issue Preference Shares, the existing Authorized Share Capital of the Company has to be re-classified so as to include the Preference Share Capital. The present Authorized Share Capital of the Company includes 13,11,50,000 Equity Shares of Rs. 10 each amounting to Rs. 1,31,15,00,000 (Rupees One Hundred Thirty One Crore Fifteen Lakh Only). The Board of your Company in their meeting held on 30 May, 2013 has decided to reclassify the Capital Clause of the Memorandum of Association of the Company by canceling the unissued 5,00,00,000 Equity Shares of Rs. 10 each amounting to Rs. 50,00,00,000 (Rupees Fifty Crore Only) and creating 50,00,000 Preference Shares of Rs. 100 each amounting to Rs. 50,00,00,000 (Rupees Fifty Crore Only) so that Preference Shares may be issued as and when required.

Pursuant to the provisions of sections 94 and 95 of the Companies Act, 1956 ("the Act") and other applicable provisions of the Act, the Capital Clause of the Memorandum of Association of the Company can be reclassified with the approval of the members of the Company by way of passing of an ordinary resolution.

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

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

By order of the Board of Directors of  
Tecpro Systems Limited

Sd/-

Date : 14 August, 2013

Place: Gurgaon

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

**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 in case of shares held in physical form and related correspondence should be addressed to the RTA of the Company, Link Intime India Pvt. Ltd. at 44, Community Centre, 2<sup>nd</sup> Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi - 110028.
7. All the relevant documents as mentioned in the notice including Memorandum and Articles of Association are available for inspection by the shareholders during office hours at the registered office of the Company on any working day during the business hours upto the date of the meeting.
8. Nomination: In terms of Section 109A of the Companies Act, 1956, individual shareholders holding shares in the Company in physical form either singly or jointly may nominate an individual to whom all the rights in the shares on the Company vest in the event of death of the sole/ all joint shareholders, if any.

9. The information of Directors in terms of Clause 49 of the Listing Agreement seeking appointment or reappointment at the ensuing Annual General Meeting is as under:

Particulars	Retiring by Rotation			Reappointment on expiry of tenure
	Reappointment	Reappointment	Reappointment	
Name of the Director	Mr. Aditya Gabrani	Mr. Anunay Kumar	Mr. Satvinder Jeet Singh Sodhi	Mr. Amar Banerjee
Date of initial appointment	10 November, 2010	20 June, 2007	20 June, 2007	2 April, 2010
Brief resume and expertise in specific functional area	A Whole-time Director, aged about 26 years, holds a bachelor's degree in engineering from Delhi College of Engineering, University of Delhi.	An Independent Director, aged 67 years, holds a bachelor's degree in mechanical engineering from the University of Ranchi and also holds a diploma in management from the All India Management Association, New Delhi. He has more than 45 years of work experience in the steel industry in India and abroad. In the past he has been associated with various companies such as Mecon Limited and retired as its Director (Technology) in 2004.	An Independent Director, aged 60 years, holds a bachelor's degree in commerce and is a management accountant, chartered accountant and a law graduate from University of Delhi. He has served as a civil service officer and in the past held various senior key positions in government departments. He also served as the Joint Commissioner of Industries, General Manager – Delhi Finance Corporation and the Chief Executive Officer of certain public sector enterprises. He earlier worked as the executive director of the Delhi Stock Exchange Limited and has also been associated with committees of various ministries.	A Whole-time Director, aged 66 years, holds a bachelor's degree in mechanical engineering from JadHAVpur University, Kolkata. He has 41 years of experience in ash handling industry. He was previously working with Mahindra Ashtech Limited and was responsible for marketing, manufacturing and sales divisions.
List of other Directorships held	a) Hythro Power Corporation Limited b) Atihana Infrastructures Private Limited c) Vasundhra Technologies (India) Private Limited d) Gabrani Infrastructures Private Limited e) Eversun Energy Private Limited	a) JSW Aluminium Limited b) DESCON Limited c) Kansortium Process Teknologies Private Limited d) JSW Techno Projects Management Limited e) JSW Jharkhand Steel Limited f) AVH Private Limited	HS Healthcare Private Limited	--
Member of the Committees of the Board of other companies#	--	JSW Aluminium Limited	--	--
Shareholding in the Company in case of Non-executive Director	N.A.	--	--	N.A.

# Only Audit 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.

10. The Register of Members and share transfer book shall remain closed from 24 September, 2013 to 30 September, 2013 (both days inclusive).
11. The Shareholders are required to intimate their bank details to the Company so that the dividend, whenever declared, can be transferred by electronic mode.



# Tecpro Systems Limited

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

## PROXY FORM

I/We ..... r/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 Third Annual General Meeting** of the Company to be  
 held on **Monday, the 30th day of September, 2013 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 .....2013

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.



# Tecpro Systems Limited

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

## 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 Third Annual General Meeting** of Tecpro Systems Limited held on  
**Monday, the 30th day of September, 2013 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.