



**26th
Annual Report
2010-11**

FUSION FITTINGS (I) LIMITED

Board of Directors	Kulbhushan Arora Sunil Choudhry Pawan Kumar
Auditors	K. K. Jain & Co., Chartered Accountants, 184A, Garud Apartments, Pocket-IV, Mayur Vihar Phase-I Delhi-110091
Bankers	Punjab National Bank, Pacific Square, Sector 15, Part-II, Gurgaon -122001
Registered Office	106, Vishwadeep Tower, Plot No. 4 District Centre, Janakpuri, New Delhi-110058.

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N O T I C E

Notice is hereby given that the 26th Annual General Meeting of the members of the Company will be held on Saturday, the 27th day of August, 2011 at 9:00 a.m. at 'ASSOCHAM House', 47 Prithviraj Road (Opposite Safdarjung Tomb), New Delhi-110011 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit & Loss account for the year ended on that date and the reports of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Pawan Kumar, Director who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s K. K. Jain & 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:

4. To Consider and if thought fit, to pass with or without modification, the following resolution as a special resolution:

"RESOLVED THAT pursuant to section 372A of the Companies Act, 1956 the consent of the Company be and is hereby accorded to the Corporate Guarantee given by the Company on April 7, 2011 in favour of State Bank of India, Leather & International Branch, Kilpauk, Chennai-600010 ("SBI"), for securing the credit facilities granted by SBI to the tune of Rs.1971.58 crore to Tecpro Systems Limited by way of various fund based and non fund based facilities together with interest, commission, charges or any other amount payable by TSL to SBI in connection with the said credit facilities notwithstanding the fact that the aggregate of the guarantee so far given, securities so far provided, loans/ investments so far made by the Company along with this guarantee exceed 60% of the paid up share capital and free reserves of the Company or 100% of the free reserves of the Company whichever is more.

RESOLVED FURTHER THAT the acts, deeds and things done by the Board of Directors for purpose of the Corporate Guarantee given as above be and are hereby

ratified and the Board of Directors be and is hereby further authorised to do all such acts, deeds and things as may be necessary to give effect to this resolution."

By order of the Board

Sd/-

Mukesh Kumar

Dy. Company Secretary

Place: Gurgaon

Date : July 30, 2011

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK PROXY FORM IS ENCLOSED HERewith AND, IF INTENDED TO BE USED, IT MUST BE SUBMITTED DULY COMPLETED AT COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Annual General Meeting.
3. All the registers/documents as required in terms of the provisions of the Companies Act, 1956, are open for inspection at the registered office of the Company on all working days except Sundays and other holidays, between 11.00 a.m. and 1.00 p.m.
4. The register of members and share transfer book shall remain closed from August 20, 2011 to August 27, 2011 (both days inclusive).
5. In case any query relating to the Annual Accounts of the company members are requested to send the same to the Dy. Company Secretary at the registered office of the company at least 10 days before the date of the Annual General Meeting so as to enable the management to keep the information ready.
6. As a measure of economy, copies of Annual Report will not be distributed at the venue of the meeting. Members/Proxies are, therefore, requested to bring their own copies of the Annual Report to the meeting.
7. Members holding shares in the physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under

section 109A of the Companies Act, 1956, are requested to submit to the Registrar & Transfer Agent of the company an application in prescribed Form 2B.

8. To facilitate trading of shares of the Company in demat form the Company has entered into agreements with National Securities Depository Limited and Central Depository Services (India) Limited. Shareholders in their own interest, can open their demat account and trading account with any of the Depository Participant registered with these depositories and get their shares dematerialized. After dematerialization of the shares, the shareholders in addition to other benefits can transfer their holding in dematerialized form with convenience and cost effective manner.
9. Pursuant to Clause 49 of the Listing Agreement of stock exchanges on Corporate Governance, the information about the director proposed to be re-appointed is given below :

Mr. Pawan Kumar, aged about 52 years, joined as director of the Company on September 29, 2008. He is a Commerce Graduate from the Delhi University. He has more than 30 years of work experience in Administration and Finance. He does not hold any share in the Company. Presently he is a director of Microbase Infosolution Private Limited also.

EXPLANATORY STATEMENT

(Pursuant to the provisions of section 173(2) of the Companies Act, 1956)

The Company had, in past, furnished a Corporate Guarantee of Rs. 460.00 crore in favour of State Bank of India, Leather & International Branch, Kilpauk, Chennai-600010 ("SBI") to secure the credit facilities availed by its susidiary erstwhile Tecpro Astech Limited ("TAL") which was merged with M/s. Tecpro Systems Limited (TSL) on March 31, 2010. Consequent upon the merger of TAL with TSL, the credit facilities being enjoyed by TAL were consolidated with the Credit Facilities of TSL.

After the merger, SBI vide its Sanction Letter Nos. L&IBC/RM-I/ 600A and L&IBC/RM-I/686 dated December 8, 2010 and March 10, 2011("the Sanction Letters") had enhanced the credit facilities to TSL to the extent of Rs 1971.58 crore. The Sanction Letters of SBI stipulated the condition of extension of Corporate Guarantee of your Company for securing the enhanced credit facilities to TSL. Pursuant to the terms of sanction of above facilities, TSL requested your Company to furnish a Corporate Guarantee in favour of SBI, for securing the Credit Facilities to the tune of Rs.1971.58 crore together with interest, commission, charges or any other amount payable by TSL to SBI in connection with the said credit facilities. Considering the need of funds of TSL and other circumstances your Company extended the Corporate Guarantee in favour of SBI by passing a Board Resolution under section 372A of the Companies Act, 1956.

Your Company has a substantial shareholding in TSL and the Corporate Guarantee would assist TSL to further enhance its business, which would ultimately benefit your Company. Therefore, it was decided by the Board of your Company to extend the existing Corporate Guarantee for the enhanced limit. As per section 372A of the Companies Act, 1956, the resolution passed by the Board for giving the Corporate Guarantee is required to be confirmed by the members in a general meeting by way of a special resolution.

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

Your Directors commend the resolution for approval by way of a special resolution.

By order of the Board

Place: Gurgaon
Date : July 30, 2011

Sd/-
Mukesh Kumar
Dy. Company Secretary

D I R E C T O R S ' R E P O R T

Dear Members,

Your Directors have pleasure in presenting the Twenty Sixth Annual Report together with the Audited Annual Accounts for the financial year ended March 31, 2011.

FINANCIAL HIGHLIGHTS

The financial results of your Company for the year ended March 31, 2011 and March 31, 2010 are set forth below:

(Rs. in lac)

Particulars	Financial Year ended March 31, 2011	Financial Year ended March 31, 2010
Income	401.60	181.99
Profit before Interest, Depreciation, Amortization & Taxation	355.72	154.97
Interest	0.00	8.59
Depreciation	0.33	0.03
Profit/(Loss) before tax	355.38	146.35
Less: Provision for taxation		
Fringe benefit tax for earlier year	0.00	0.00
Deferred Tax Charge/(Release)	0.01	38.57
Income Tax for Current Year	23.95	24.87
Income Tax for Earlier Year	0.76	(0.84)
Profit/(Loss) after tax	330.66	83.74
Profit/(Loss) brought forward from the previous year	15.85	(449.81)
Balance carried forward to the Balance Sheet	346.51	(366.07)

OPERATIONS

During the period under report, the Company has shown remarkable performance in comparison to the previous year. The total income in the Financial Year ended March 31, 2011 is Rs. 401.60 lac and Profit after tax is Rs. 330.66 lac as against total income of Rs. 181.99 lac and Profit after tax of Rs. 83.74 lac in the previous year ended March 31, 2010.

The Company has carried forward a profit of Rs. 15.85 lac from the Financial Year ended March 31, 2010, arrived at by adjusting the amount of capital reduction and forfeiture of shares aggregating to Rs. 381.92 lac against the carry forward loss of Rs. 366.07 lac.

DIVIDEND

Considering the need of funds for the business of the Company, your Directors do not propose to recommend any dividend for the year 2010-11.

REVOCATION OF SUSPENSION OF TRADING

During the period under report the suspension of trading of shares of the Company on Bombay Stock Exchange was revoked vide its letter dated July 30, 2010. Earlier, Delhi Stock Exchange had revoked suspension of trading of shares of the Company vide its letter dated January 2, 2009.

Also pursuant to reduction of capital of the Company from Rs. 10/- per share to Re. 1/- per share, the shares of the Company were relisted on the stock exchanges. The shares of the Company are being actively traded on BSE since August 2, 2010.

SHIFTING OF REGISTERED OFFICE

With effect from December 16 2010 the Registered Office of the Company has been shifted from 27/49, Vishwas Nagar, Shahdara, Delhi- 110 032 to 106, Vishwadeep Tower, Plot no. 4, District Centre, Janak Puri, New Delhi-110 058

ACQUISITION OF SHAREHOLDING IN HIQ POWER ASSOCIATES PRIVATE LIMITED

The Company has with effect from April 27, 2011, acquired 85% of total paid up share capital comprising of 34,000 equity shares of Rs. 10/- each in HIQ Power Associates Private Limited ("HIQ"), a company incorporated under the Companies Act, 1956 and having its registered office at No. 7, Wing B, 9th Floor, Parsn Manere, 442, Anna Salai, Chennai- 600 006. Consequent to this acquisition, HIQ became a subsidiary of the Company and in terms of clause 49 of the Listing Agreement, Mr. Kulbhushan Arora, a director of the Company has been nominated as a director on the Board of HIQ.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Management Discussion and Analysis statement is annexed to this Report.

REPORT OF CORPORATE GOVERNANCE

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

DIRECTORS

Mr. Pawan Kumar, a non-executive independent director retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Mr. Pawan Kumar, aged about 52 years, joined as a director of the Company on September 29, 2008. He is a Commerce Graduate from the Delhi University. He has more than 30 years of work experience in Administration and Finance. Presently he is a director of Microbase Infosolution Private Limited also. He does not hold any shares in the Company.

AUDITORS

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

AUDITORS' REPORT AND EXPLANATION

The Auditors' Report and Annexure to the Auditors' Report are self explanatory except point no. 7 of the Annexure to the Auditors' Report with respect to internal audit system. The Board of Directors hereby clarifies that the Company is in the process of developing an internal audit system commensurate with the size of the Company.

EMPLOYEES

The Company did not have any employee drawing salary more than the limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 during the Financial Year ended March 31, 2011, therefore, particulars required to be disclosed thereunder have not been given.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public or its employees during the year under review.

AUDIT COMMITTEE

The Audit Committee consists of Mr. Kulbhushan Arora as Chairman, Mr. Sunil Choudhry and Mr. Pawan Kumar as members of the Committee.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

Since the company is not carrying on any manufacturing activity, no particulars are required to be furnished under the provisions of 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, relating to conservation of energy and technology absorption. There was no foreign exchange earnings and outgo during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) That in the preparation of the Annual Accounts for the financial year ended March 31, 2011, 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 are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review;
- (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; and
- (iv) That the Directors had prepared the annual accounts for the financial year ended March 31, 2011 on a going concern basis.

ACKNOWLEDGEMENT

Your Directors wish to place on record their deep sense of appreciation for the continued cooperation and support the company has received from various departments of the Central and State Governments, bankers, employees and shareholders of the company and expects to receive the same in the future.

For and on behalf of the Board

	Sd/-	Sd/-
Place: New Delhi	Kulbhushan Arora	Sunil Choudhry
Date : May 28, 2011	Director	Director

MANAGEMENT DISCUSSION AND ANALYSIS
1. Industry Structure, Development & Outlook

The Indian economy continued to outperform most emerging markets during 2010-11 retaining its position as the second fastest growing economy, after China, amongst the G-20 countries. GDP growth of India in 2010-11 was 8.5 per cent which was majorly driven by the inherent strength of domestic demand in the country, stimulus packages offered by the Government and the monetary policies of the Reserve Bank of India. However, the high degree of integration with the global economy, recent global macroeconomic developments pose some risks to domestic growth.

According to World Economic Outlook April 2011 published by the International Monetary Fund, world real GDP growth is forecast to be about 4½ percent in 2011 and 2012, down modestly from 5 percent in 2010. Real GDP in advanced economies and emerging and developing economies is expected to expand by about 2½ percent and 6½ percent, respectively in the year 2011.

According to India Brand Equity Foundation (IBEF), India is emerging as an eminent design and engineering destination with numerous firms establishing their centers besides offshoring design tasks to India. According to a study conducted by National Association of Software and Service Companies (NASSCOM) and Booz & Company (a strategy and technology consulting firm), India has the potential to capture US\$ 40-45 billion in engineering R&D services by 2020.

2. Opportunities and Threats

Design engineering is the main business activity of the company which constitutes major part of operating income of the Company during the year under review and it is expect that this trend will continue in the years to come. Your Company expects sustainable industrial growth in the country across several sectors. However, the increase in cost especially the cost of technical personnel required to carry on design engineering activities and competitive market may act as major threats which may have adverse bearing on performance of the Company. Further, the clientele of the Company is limited therefore the profitability of the Company is exposed to greater degree of risk.

3. Segment wise or Product wise performance

Fusion Fittings (I) Limited is a technology led Company,

specialized in process design engineering for various process plants and is primarily engaged in design engineering for electricity tower erection, electricity lines laying and related works and to some extent trading in securities. The Company largely deals with two groups of services one for erection of electricity tower and another for laying of electricity lines. The development of the Company primarily hinges on the growth plan of its user industries.

During the period under report, the Company has shown remarkable performance in comparison to the previous year. The total income in the Financial Year ended March 31, 2011 is Rs. 401.60 lac and Profit after tax is Rs. 330.66 lac as against total income of Rs. 181.99 lac and Profit after tax of Rs. 83.74 lac in the previous year ended March 31, 2010.

4. Risks and Concern

The Company caters the design engineering needs of engineering and project execution companies. The work of the Company is dependent on the order received from these companies. The Company offers quality services of industrial design for structures and equipments for user industries in the power, steel, cement and other sectors. The performance of the Company is exposed to the uncertainties prevailed in these user industries. Further, the micro and macro determinants of economy pose risk to the business of the Company.

5. Internal control systems and their adequacy

The Company has effective internal control systems and all the monetary transactions are carried on strictly in accordance with the internal control procedure. The management of the Company had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with sound accounting principles and standards for safeguarding the interest and assets of the Company and for preventing and detecting frauds and other irregularities.

6. Human Resource Development

Your Company considers human resources as its most critical asset and is putting in place various practices to ensure healthy work environment. Industrial relations continued to be cordial and harmonious throughout the year. During the financial year 2010-11 the Company had employed twelve employees.

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Corporate Governance

The company believes in adopting the best practices of Corporate Governance. Corporate Governance is self governance and can be achieved by transparency, integrity, honesty and accountability in the acts and deeds of the management of the Company.

Board of Directors

The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

During the financial year 2010-11, nine Board meetings were held on 03.04.2010, 26.05.2010, 12.07.2010, 01.11.2010, 16.12.2010, 30.12.2010, 28.01.2011, 05.03.2011 and 15.03.2011. The gap between any two consecutive Board meetings did not exceed four months.

Details regarding the category of Directors, attendance of Directors at Board Meetings during the financial year ended March 31, 2010 and the last Annual General Meeting are given below:

Name of the Director	Category	Attendance at last AGM	Number of Board Meetings Attended during the year	No. of other Board/Committee membership / chairmanship			
				Board		Committee	
				Membership	Chairmanship	Membership	Chairmanship
Mr. Kulbhushan Arora	Non-Executive Director, Independent	Yes	9	2	Nil	Nil	Nil
Mr. Sunil Choudhry	Non-Executive Director, Independent	No	9	2	Nil	Nil	Nil
Mr. Pawan Kumar	Non-Executive Director, Independent	Yes	9	1	Nil	Nil	Nil

No sitting fee was paid to the Non-Executive Directors for attending the Board Meetings or Committee Meetings of the Company.

Audit Committee

The Audit Committee constituted by the Board of Directors consists of the following members:

1. Mr. Kulbhushan Arora, Chairman;
2. Mr. Sunil Choudhry; and
3. Mr. Pawan Kumar.

The Audit Committee comprises of three non-executive independent directors and meets the requirements of Section 292A of the Companies Act, 1956 as well as Clause 49 of the Listing Agreement. All the members of the Audit Committee are financially literate and the Chairman of the Audit Committee has expertise in accounting and related financial management matters. During the year 2010-11, four meetings of Audit Committee were held on 26.05.2010, 12.07.2010, 01.11.2010 and 28.01.2011.

The attendance of members of Audit Committee in above mentioned meetings was as under:

Name of the Director	Category	Designation	No. of Meetings attended
Mr. Kulbhushan Arora	Non-Executive Director, Independent	Chairman	4
Mr. Sunil Choudhry	Non-Executive Director, Independent	Member	4
Mr. Pawan Kumar	Non-Executive Director, Independent	Member	4

Mr. Mukesh Kumar, Deputy Company Secretary acts as the Secretary of the Committee.

Shareholders' Grievance Committee

The Shareholders' Grievance Committee has been constituted to look into transfer/transmission of shares, issue of duplicate/split/consolidated share certificates and redressal of investors' complaints etc. The Committee comprises of three non-executive independent directors.

During the Financial Year 2010-11, fourteen meetings of the Shareholders' Grievance Committee were held on 20.07.2010, 26.08.2010, 06.09.2010, 29.09.2010, 13.10.2010, 28.10.2010, 18.11.2010, 02.12.2010, 22.12.2010, 06.01.2011, 21.02.2011, 22.02.2011, 15.03.2011 and 31.03.2011.

The composition of Shareholders Grievance Committee as on March 31, 2011 and attendance of the members in the meetings of the Committee during the year are as follows:

Name of the Director	Category	Designation	No. of Meetings attended
Mr. Pawan Kumar*	Non-Executive Director, Independent	Chairman	14
Mr. Kulbhushan Arora*	Non-Executive Director, Independent	Member	14
Mr. Sunil Choudhry	Non-Executive Director, Independent	Member	8

*The Committee was reconstituted on 01.11.2010 whereby Mr. Pawan Kumar, a member of the committee was designated as Chairman of the Committee in the place of Mr. Kulbhushan Arora.

Mr. Mukesh Kumar, Deputy Company Secretary acts as the Secretary of the Committee.

During the year, the Company did not receive any complaint from the shareholders. No shareholder complaint was pending as on March 31, 2011.

Code of Conduct and Compliance

The Code of Conduct applicable to all the Board members and senior management personnel of the Company has been laid down by the Board. All the Board members and senior management personnel of the Company have affirmed the compliance of Code of Conduct for the financial year ended March 31, 2011. A declaration to this effect is enclosed at the end of this report.

The Code of Conduct is available on the website of the company www.fusionfittings.com.

Insider Trading

The Company's shares are listed at Bombay Stock Exchange Limited, Delhi Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Jaipur Stock Exchange Limited. The company has implemented an "Insider Trading Policy" in accordance with the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 1992, as amended.

General Body Meetings

The details of last three annual general meetings are given below :

Date of Meeting	Time	Venue
29.09.2008	10.30 a.m.	Gabrani Farms, Khasra No. 15/21, Village Rewla Khanpur, New Delhi-110 043
29.09.2009	11.00 a.m.	Gabrani Farms, Khasra No. 15/21, Village Rewla Khanpur, New Delhi-110 043
30.07.2010	11.00 a.m	Gabrani Farms, Khasra No. 15/21, Village Rewla Khanpur, New Delhi-110 043

One special resolution was passed at the annual general meeting of the company held on September 29, 2008.

FUSION FITTINGS (I) LIMITED

Details of the special resolution passed during last financial year through postal ballot are given below:

(i) A special resolution pertaining to providing inter-corporate loan to Hythro Power Corporation Limited and Tecpro Systems Limited for an amount not exceeding Rs. 3.00 crore was passed on December 14, 2010 through postal ballot. The details of voting pattern of such resolution are given as under:

Particulars	Special Resolution for inter-corporate loan under section 372A of the Companies Act, 1956
Total votes	29,36,200
Total valid votes cast	25,72,800
Total votes cast in favour of the resolution	25,72,800
Total votes cast against the resolution	NIL
%age of valid votes cast in favour of the resolution	100
%age of valid votes cast against the resolution	NIL

The Company has followed the procedure laid down in section 192A of the Companies Act, 1956 and the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 for postal ballot process.

Mr. Kulbhushan Arora, Director of the Company and Mr. Mukesh Kumar Deputy Company Secretary of the Company were jointly and severally authorized to conduct the postal ballot process and Mr. Rajesh Sharma, a Practicing Company Secretary was appointed as Scrutinizer in terms of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001.

Disclosures

1. The Company has disclosed the transactions with related parties in Note 10 of Schedule 14. B of Annual Accounts, which have been entered into with the related parties. During the year, no transaction took place between the Company and any of its Directors or the management. The Audit Committee of the Company reviews the related party transactions at its meetings.
2. There has been no documented whistle blower policy however no personnel has been denied access to the audit committee.
3. All mandatorily required Accounting Standards have been followed in preparation of financial statements and no deviation has been made in following the same.
4. There are no instances of non-compliance by the Company or strictures imposed by Stock Exchanges, SEBI or any other regulatory authority on any matter related to capital markets, during the last three years.
5. Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under the provisions of Clause 49 of the listing agreement with Stock Exchanges.
6. As of now, the Company is not complying with the non-mandatory requirements mentioned in Annexure-ID of Clause 49 of the Listing Agreement.

Means of Communication

Information like quarterly/half yearly financial results and annual financial results are published by the Company in leading newspapers of Delhi/New Delhi viz. the Business Standard, Hindi and English editions. The quarterly shareholding pattern and quarterly/half yearly/yearly results are also sent to all the stock exchanges where the shares of the Company are listed. Requisite reports and returns are also filed with the Stock Exchanges and the Registrar of Companies, NCT of Delhi & Haryana. In addition the information as required under the listing agreement is placed on the website of the company, www.fusionfittings.com.

General Shareholders Information

- (i) The ensuing Annual General Meeting of the members of the Company shall be held at 9:00 a.m. on Saturday, the 27th day of August 2011 at 'ASSOCHAM House, 47 Prithviraj Road (Opp: Safdarjung Tomb), New Delhi-110011.

- (ii) Financial year : April to March next year.
- (iii) Details of Book Closure: Saturday, the 20th August, 2011 to Saturday, the 27th August, 2011 (both days inclusive).
- (iv) Listing of the shares of the Company
 The shares of the Company are listed at four stock exchanges. The names and addresses of the stock exchanges are as follows:
1. Bombay Stock Exchange Limited
 Floor 25, P J Towers, Dalal Street, Mumbai 400 001
 Stock Code: 531760
 2. Delhi Stock Exchange Limited,
 DSE House, 3/1, Asaf Ali Road, New Delhi – 110002
 3. Ahmedabad Stock Exchange Limited
 Kamdhenu Complex, Opp. Sahajanand College, Panjarapole, Ambawadi, Ahmedabad – 380001
 4. Jaipur Stock Exchange Limited
 Stock Exchange Building, JLN Marg, Malviya Nagar, Jaipur – 302017
- The Annual Listing fee for the year 2011-12 has been paid by the Company to all the above stock exchanges.
- (v) Registrar and Share Transfer Agents
 The Company has appointed Link Intime India Private Limited as its Registrar and Share Transfer Agents (RTA). Other particulars of the RTA are as follows:
 Link Intime India Private Limited
 A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110 028.
 Ph. No. : +91 11 41410592-94
 Fax No. : +91 11 41410591
 Contact Person: Mr. V. M. Joshi.
- (vi) Share Transfer System
 Shares received for transfer are registered within a fortnight in case share transfer documents are found in order and complete in all respects. In compliance with the Clause 47 (c) of the Listing Agreement, a practicing Company Secretary audits the system of transfers every six months and a compliance certificate to that effect is issued, which, in turn, is submitted to the stock exchanges.
- (vii) Plant Locations
 The Company does not have any manufacturing plant.
- (viii) Market Price Data : High, Low during each month in last financial year

Month	BSE Sensex		Fusion Fittings (I) Limited	
	High	Low	High Price (Rs. per share)	Low Price (Rs. per share)
Aug-2010	18475.27	17819.99	55.10	24.00
Sep-2010	20267.98	18027.12	68.05	52.20
Oct-2010	20854.55	19768.96	86.75	71.45
Nov-2010	21108.64	18954.82	216.70	90.40
Dec-2010	20552.03	19074.57	214.00	160.65
Jan-2011	20664.80	18038.48	152.65	109.30
Feb-2011	18690.97	17295.62	117.00	100.40
Mar-2011	19575.16	17792.17	95.40	79.85

Source : BSE

Note: As suspension from trading of the shares of the Company was revoked by the Bombay Stock Exchange Limited w.e.f. from July 30, 2010, the data is given for August 2010 onward for the financial year ended March 31, 2011.

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(ix) Distribution of shareholding of the Company as on March 31, 2011:

No. of equity shares held	No. of shareholders	Shares held in physical mode	Shares held in demat mode	Total shares	% of total shareholding
Upto 250	78	6500	5220	11720	0.399
251- 500	112	46200	6300	52500	1.788
501- 1,000	225	191400	11380	202780	6.906
1,001- 2,000	10	17600	-	17600	0.599
2,001 - 3,000	7	8500	7600	16100	0.548
3,001 - 4,000	1	3300	-	3300	0.112
4,001 - 5,000	7	18800	13700	32500	1.107
5,001 -10,000	2	5300	7300	12600	0.429
10,001 & Above	9	2287100	300000	2587100	88.110
Total	451	2584700	351500	2936200	100.000

(x) Dematerialization of shares and liquidity

To facilitate trading in demat form, in India, there are two depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. The Company has entered into agreements with both these depositories. Shareholders can open their accounts with any of the Depository Participants registered with these depositories and get their shares dematerialized.

As on March 31, 2011, 11.97% shares of the Company were held in Demat form.

(xi) Address for correspondence

The Compliance Officer,
Fusion Fittings (I) Limited,
202-204, Pacific Square, Sector-15, Part II,
Gurgaon, Haryana-122 001.

(xii) The Company has complied with mandatory requirements of Clause 49 of the Listing Agreement. Since the present size of the company in terms of business activities and resources etc. is small, the Company did not adopt the non-mandatory requirements of the Clause 49 of the Listing Agreement. However, gradually the Company will resort to adopt the non-mandatory requirements also.

Annual Declaration under Clause 49 I (D) (ii) of the Listing Agreement

It is hereby declared that all the Board members and senior management of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year 2010-11.

Place : New Delhi
Date : 28th May, 2011

Sd/-
Kulbhushan Arora
(Director)

Auditors Certificate on compliance with the conditions of corporate governance under clause 49 of the listing agreement

To the Members of
Fusion Fittings (I) Limited

We have examined the compliance of conditions of corporate governance by **FUSION FITTINGS (I) LIMITED** ("the Company") for the year ended March 31, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management of the Company. Our examination was limited to a review of the 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in clause 49 of the Listing Agreement.

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

For **K. K. Jain & Co.**
Chartered Accountants
FRN : 002465N

Place: Delhi
Date : May 28, 2011

Sd/-
(R. K. Mittal)
Partner
M.No.095459

AUDITORS' REPORT

To the Members of
Fusion Fittings (India) Limited
New Delhi

1. We have audited the attached Balance Sheet of Fusion Fittings (India) Ltd as at 31st March, 2011 together with the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of the books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this Report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of the written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit & Loss Account read with the Schedules and Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **K. K. Jain & Co.**
Chartered Accountants
Firm Registration No. 002465N

Place : Delhi
Date : 28 May, 2011

Sd/-
(R. K. Mittal)
Partner
M. No. 95459

Annexure to the Auditor's report

Annexure referred to in paragraph (3) of the Auditor's Report of even date to the Members of Fusion Fittings (India) Ltd for the year ended 31st March, 2011.

- 1 (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies between the book records and the physical inventory were noticed in respect of the assets physically verified.
- (c) In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the company is not affected.

- 2 The company had no inventory.
- 3 The company has not granted or taken any loans, secured or unsecured, to any company, firm or other party covered in the register maintained under section 301 of the Companies Act, 1956.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- 5 (a) According to the information and explanations given to us, we are of the opinion, that the transactions that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of Rupees five lakhs in respect of any party during the year have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.
- 6 The Company has not accepted any deposits from the public to which the provisions of Section 58A & Section 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under apply.
- 7 *The Company did not have any internal audit system.*
- 8 To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.
- 9 (i) Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess have been regularly deposited with the appropriate authorities.
- (ii) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were outstanding at the year end for a period of more than six months from the date they became payable.
- (iii) According to the record of the company and information and explanation given to us, there were no disputed dues outstanding as at 31st March, 2011 in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess.
- 10 The company has no accumulated losses as at 31st March 2011. The company has not incurred cash losses during the year nor in the immediately preceding financial year.
- 11 In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to financial institutions, bank or debenture holder.
- 12 According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 14 In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 15 In our opinion and according to the information and explanation given to us, the term and conditions on which the company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.
- 16 The company has not raised any term loan during the year.
- 17 According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the company, we report that no funds raised on short-term basis have been used for long term investments.
- 18 The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year.
- 19 No secured debenture were issued by the company. Therefore, no securities have been created.
- 20 The company has not raised any money by a public issue during the year.
- 21 According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For **K. K. Jain & Co.**
Chartered Accountants
Firm Registration No. 002465N

Sd/-

(R. K. Mittal)
Partner
M. No. 95459

Place : Delhi
Date : 28 May, 2011

BALANCE SHEET AS AT 31ST MARCH 2011

(All amounts are in Rupees)

	Schedule No.	As at 31 March 2011	As at 31 March 2010
SOURCES OF FUNDS			
Shareholder's funds			
Share capital	1	2,936,200	2,936,200
Reserves & surplus	2	34,651,243	1,584,932
Deffered tax liability	3	8,598	7,794
Loan funds			
Unsecured loans	4	—	97,156
		37,596,041	4,626,082
APPLICATION OF FUNDS			
Fixed assets			
Gross block	5	86,600	86,600
Less: Accumulated depreciation		36,469	3,049
Net block		50,131	83,551
Investments	6	5,000,000	5,000,000
Current assets, loans & advances			
Sundry debtors	7	2,551,820	4,164
Cash & bank balances	8	832,927	92,100
Loans & advances	9	30,881,249	515,307
		34,265,996	611,571
Less : Current liabilities & provisions			
Current liabilities	10 (a)	498,079	435,625
Provisions	10 (b)	1,222,007	633,415
		1,720,086	1,069,040
Net current assets/ (liabilities)		32,545,910	(457,469)
		37,596,041	4,626,082
Significant accounting policies & notes on accounts	14		

The accompanying schedules from an integral part of the financial statements

As per our report of date, attached

For K. K. Jain & Co.

Chartered Accountants

F.R. No. 002465N

For and on behalf of the Board of Fusion Fittings (I) Limited

Sd/-

R. K. Mittal

(Partner)

M. No. 95459

Place : New Delhi

Date : 28 May 2011

Sd/-

Kulbushan Arora

Director

Place : New Delhi

Date : 28 May 2011

Sd/-

Sunil Choudhry

Director

Sd/-

Mukesh Kumar

Dy. Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(All amounts are in Rupees)

	Schedule No.	For the year ended 31 March 2011	For the year ended 31 March 2010
INCOME			
Sales / services		9,800,000	16,206,618
Other operating income		6,837,261	638,234
Other Income	11	23,523,212	1,353,975
		40,160,473	18,198,827
EXPENDITURE			
Personnel and administrative expenses	12	4,584,152	2,687,879
Financial expenses	13	4,570	873,116
Depreciation	5	33,420	3,049
		4,622,142	3,564,044
Profit/(Loss) before taxes		35,538,331	14,634,783
Provision for taxation:			
- Fringe benefit tax for earlier year		—	110
- Deffered tax charge/ (release)		804	3,856,949
- Income tax for current year		2,394,673	2,487,181
- Income tax for earlier year		76,543	(83,914)
Profit/(Loss) after taxes		33,066,311	8,374,457
Balance brought forward from the last year		1,584,932	(44,981,075)
Profit and (loss) account balance carried forward to Balance Sheet		34,651,243	(36,606,618)
Earning Per Share at face value of Rupee 1 each			
Basic		11.26	2.85
Diluted		11.26	2.85
Significant accounting policies & notes on accounts	14		

The accompanying schedules from an integral part of the financial statements

As per our report of date, attached

For K. K. Jain & Co.
Chartered Accountants
F.R. No. 002465N

For and on behalf of the Board of Fusion Fittings (I) Limited

Sd/-
R. K. Mittal
(Partner)
M. No. 95459

Sd/-
Kulbhushan Arora
Director

Sd/-
Sunil Choudhry
Director

Sd/-
Mukesh Kumar
Dy. Company Secretary

Place : New Delhi
Date : 28 May 2011

Place : New Delhi
Date : 28 May 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2011

(All amounts are in Rupees)

	For the year ended 31 March 2011	For the year ended 31 March 2010
A. Cash flow from operating activities		
Net profit before tax	35,538,331	14,634,783
Adjustment for		
Depreciation	33,420	3,049
Interest income	(947,960)	(5,753)
Interest /Financial expenses	4,570	873,116
Dividend income	(22,575,252)	—
Other Income	—	(638,234)
Other provisions and liability written back	—	(1,348,222)
Operating profit before working capital changes	12,053,109	13,518,739
(Increase) / decrease in trade and other receivables	(2,547,656)	303,000
(Increase) / decrease in loans & advances	(668,815)	(185,766)
Increase / (decrease) in trade payables	62,454	(233,501)
Cash generated from operations	8,899,092	13,402,472
Direct tax paid	(1,579,750)	(1,978,736)
Fringe benefit tax	—	(2,703)
Net cash flow from operating activities	7,319,342	11,421,033
B. Cash Flow from Investing activities		
Interest received/other income	947,960	672,216
Dividend received	22,575,252	—
Purchase of fixed and intangible assets	—	(86,600)
Sale of fixed assets	—	—
Net cash from investing activities	23,523,212	585,616
C. Cash flow from financing activities		
Repayment of loans	(97,156)	(11,656,330)
Loans/advances given	(30,000,000)	—
Interest /Financial expenses	(4,570)	(873,116)
Proceeds from loans/others	—	—
Net cash flow from financing activities	(30,101,726)	(12,529,446)
Net increase / (Decrease) in cash & cash equivalents (A+B+C)	740,828	(522,797)
Opening balance of Cash & Cash equivalents	92,100	614,897
Closing balance of Cash & Cash equivalents	832,928	92,100
Component of cash & cash equivalents		
Cash in hand	22,104	1,094
Balances with schedule banks		
- On current accounts	810,823	91,006
	832,927	92,100

The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard - 3 "Cash Flow Statement" prescribed by the Companies (Accounting Standards) Rules, 2006.

As per our report of date, attached

For K. K. Jain & Co.
Chartered Accountants
F.R. No. 002465N

Sd/-
R. K. Mittal
(Partner)
M. No. 95459

Place : New Delhi
Date : 28 May 2011

For and on behalf of the Board of Fusion Fittings (I) Limited

Sd/-
Kulbhushan Arora
Director

Place : New Delhi
Date : 28 May 2011

Sd/-
Sunil Choudhry
Director

Sd/-
Mukesh Kumar
Dy. Company Secretary

SCHEDULES FORMING PART OF ACCOUNTS

(All amounts are in Rupees)

	As at 31 March, 2011	As at 31 March, 2010
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
60,000,000 (previous year 60,000,000) equity shares of Re. 1/- each	<u>60,000,000</u>	<u>60,000,000</u>
	<u>60,000,000</u>	<u>60,000,000</u>
Issued , subscribed and paidup		
2,936,200 (previous year 2,936,200) equity shares of Re. 1/- each	<u>2,936,200</u>	<u>2,936,200</u>
	<u>2,936,200</u>	<u>2,936,200</u>

Notes:

- Pursuant to the scheme of capital reduction as approved by the Hon'ble Delhi High Court vide order dated December 15, 2009, the face and paid up value of each share of the company has been reduced by 90%, i.e., from Rs. 10 per share to Re. 1 per share. Further, the balance lying in the share forfeiture account also stands cancelled as per the terms of the scheme of capital reduction.
- Out of the above 30,500 equity shares were allotted on 30.09.1993 as fully paid up shares for consideration other than in cash pursuant to a contract.

**SCHEDULE - 2
RESERVES & SURPLUS**

Profit & Loss account		
Balance carried forward	1,584,932	(44,981,075)
Amount used to reduce paid up equity share capital	—	26,425,800
Amount used to write off share forfeiture account	—	11,765,750
Profit during the year	<u>33,066,311</u>	<u>8,374,457</u>
	<u>34,651,243</u>	<u>1,584,932</u>

**SCHEDULE - 3
DEFERRED TAX ASSETS/ (LIABILITY)**

Balance at the beginning of the year	(7,794)	3,849,155
Add: Additions/(deletion) during the year	<u>(804)</u>	<u>(3,856,949)</u>
	<u>(8,598)</u>	<u>(7,794)</u>

**SCHEDULE - 4
UNSECURED LOANS**

From Bodies corporate *	—	97,156
	<u>—</u>	<u>97,156</u>

* Including interest on loan amounting to Rs. Nil (previous year Rs. 97,156)

SCHEDULES FORMING PART OF ACCOUNTS**SCHEDULE - 5
FIXED ASSETS**

(All amounts are in Rupees)

S. No.	Particulars	Gross Block			Depreciation			Net Block			
		As at 01.04.2010	Additions	Deletion	As at 31.03.2011	As at 01.04.2010	For the year	Adjustments	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
1.	Tangible Assets Computer	86,600	-	-	86,600	3,049	33,420	-	36,469	50,131	83,551
	Total	86,600	-	-	86,600	3,049	33,420	-	36,469	50,131	83,551
	Previous Year	-	86,600	-	86,600	-	3,049	-	3,049	83,551	-

**SCHEDULE - 6
INVESTMENTS**

Long term

Investment -quoted*

(Investments in Tecpro Systems Ltd.)

(75,25,084 Equity shares of Rs. 10 each fully paid)

**As at
31 March 2011** As at
31 March 2010

	5,000,000	5,000,000
	5,000,000	5,000,000

* In previous year shares of Tecpro Systems Limited were unquoted

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

Quoted investments

- Aggregate book value

- Aggregate market value

Unquoted investments

- Aggregate book value

	5,000,000	—
	2,056,981,711	—
	—	5,000,000

**SCHEDULE - 7
SUNDRY DEBTORS**

Sundry debtors

(Unsecured, considered good)

Outstanding for a period exceeding six months

Other debts*

	—	4,164
	2,551,820	-
	2,551,820	4,164

* due from Hythro Power Corporation Limited, [companies under the same management as defined under section 370(1-B) of the Companies Act, 1956]

**SCHEDULE - 8
CASH AND BANK BALANCES**

Cash in hand

Balances with scheduled banks

On current account

	22,104	1,094
	810,823	91,006
	832,927	92,100

SCHEDULES FORMING PART OF ACCOUNTS

(All amounts are in Rupees)

	As at 31 March, 2011	As at 31 March, 2010
SCHEDULE - 9		
LOANS AND ADVANCES		
(Unsecured and considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received *	30,864,573	200,000
Balance with government authorities	16,676	315,307
	30,881,249	515,307

* Includes Rs. 30,825,534 (previous year Rs. Nil) from Hythro Power Corporation Limited, [companies under the same management as defined under section 370(1-B) of the Companies Act, 1956]. Maximum amount due during the year Rs. 30,825,534 (previous year Rs. Nil)

SCHEDULE - 10
CURRENT LIABILITIES & PROVISIONS

(a) Current liabilities		
Sundry creditors	—	—
Total dues of micro and small enterprises	—	—
Total dues of creditors other than micro and small enterprises	41,641	74,603
Expenses payable	316,572	331,692
Other liabilities	139,866	29,330
	498,079	435,625
(b) Provisions		
Provision for income tax [net of advance tax Rs.1,172,666 (previous year Rs. 1,853,766)]	1,222,007	633,415
	1,222,007	633,415

For the year ended For the year ended
31 March 2011 31 March 2010

SCHEDULE - 11
OTHER INCOME

Dividend Income	22,575,252	—
Interest income	917,260	5,753
Interest on income tax refund	30,700	—
Provision/ Balances written back	—	1,348,222
	23,523,212	1,353,975

SCHEDULES FORMING PART OF ACCOUNTS

(All amounts are in Rupees)

	For the year ended 31 March, 2011	For the year ended 31 March, 2010
SCHEDULE - 12		
PERSONNEL & ADMINISTRATIVE EXPENSES		
Salaries & allowances	2,225,576	983,929
Staff welfare	14,408	3,000
Share Transaction Exp	12,876	—
Meeting expenses	3,018	2,275
Auditor's remuneration	40,000	18,000
Rent	92,704	62,500
Legal & professional charges	1,075,997	877,823
Listing fees	49,105	50,995
Telephone and postage	16,668	22,992
General expenses	4,421	463,701
Printing & stationery	60,026	16,971
Advertisement expenses	81,689	102,860
Rates & taxes	557,979	5,340
Travelling & conveyance	349,685	77,493
	<u>4,584,152</u>	<u>2,687,879</u>
SCHEDULE - 13		
FINANCIAL EXPENSES		
Financial expenses		
Bank charges	4,514	13,707
Interest on unsecured loan	—	852,658
Interest others	56	6,751
	<u>4,570</u>	<u>873,116</u>

SCHEDULE -14**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011.****A. Significant Accounting Policies**

1. Basis of Accounting

The Accounts are prepared on historical cost conventions on a going concern basis. All expenditure and income are accounted on accrual basis. These statements have been prepared in accordance with applicable mandatory Accounting Standards. Accounting Policies not specifically referred to otherwise are consistent and in consonance with Generally Accepted Accounting Policies.

2. Fixed Assets

Fixed assets are stated at historical cost, which includes expenditure incurred in acquisition or construction and other related preoperative expenses up to the commissioning/installation of the assets. Finance cost such as interest up to the date of commissioning of the assets on borrowed funds attributable to the acquisition of assets is also capitalized to relevant assets.

3. Depreciation

Depreciation is provided as per written down value method as per rates given in Schedule XIV of the

Companies Act, 1956. Depreciation on addition/ deletion of assets has been calculated on pro-rata basis from the date of addition or up to the date of sale/discarding of assets. Lease hold land is capitalized on cash price basis and no writes off is being made on it, as lease is perpetual and long term.

4. 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.

5. Recognition of Revenue

- a) Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership in the goods to the customer.
- b) Service income is recognized as per the terms of contracts with customers when the related services are performed or the agreed milestones are achieved.
- c) All other miscellaneous receipts are recognized when the amounts are actually received or the realisability is certain.

6. Provisions and Contingent liabilities

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed, while Contingent Assets are neither recognised nor disclosed, in the financial statements.

7. Employee Benefits

- a) All employee benefits payable within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognized in the profit & loss account in the period in which the employee renders the related service.
- b) Provision of Gratuity and Provident fund act are not applicable to the Company as the total numbers of employees on roll of the Company are below threshold limit specified in the relevant statutes.

8. Income Tax

- a) Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.
- b) Deferred taxes are recognized, on timing differences between taxable income and accounting income/ expenditure that originate in one period and are capable of reversal in one or more subsequent period. Deferred Tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

9. Impairments

- a) The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any indications exist, the assets recoverable amount is estimated. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on the average pre-tax borrowing rate, adjusted for risk specified to the assets.
- b) A previously recognised impairment loss is increased or decreased depending on changes in circumstances.
- c) After impairment, depreciation is provided on the assets revised carrying amount over its remaining useful life.

10. Investments

- a) Long term investments are valued at their cost including brokerage, fees and duty. However, if there is decline in value of investment, other than temporary, the carrying amount of investment is reduced recognizing the decline in value of each investment.
- b) Short term investments are valued at cost or market price, whichever is lower.

FUSION FITTINGS (I) LIMITED

11. Earning Per Share (All amounts are in Rupees)

In accordance with the Accounting Standard-20 (AS-20) "Earning Per Share" issued by The Institute of Chartered Accountants of India, Basic & Diluted Earning Per Share is computed using the weighted average number of shares outstanding during the period.

B. Notes on Accounts:

1. Contingent Liabilities not provided for

	As at	As at
	31 March 2011	31 March 2010
Guarantees issued by the company on behalf of other corporate	5,600,000,000	5,600,000,000

2. As resolved the assumption of going concern for foreseeable future as per satisfactory financial result as on 31.3.2011 and operational activities in the next year, the accounts have been prepared on a 'going concern basis'.

3. Amount paid/payable to Auditors :-

	Year ended	Year ended
	31 March 2011	31 March 2010
Statutory Audit Fee (excluding service tax)	40,000	18,000

4. The mandatory reference made to the Board of Industrial and Financial Reconstruction under section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 in February 2005 had been rejected. The company had filed an appeal with A.A.I.F.R. in September 2006, which is pending as at 31 March 2011.

5. The Company has changed the method of valuation of inventories from "Cost on first in first out basis" to "Lower of cost and realisable value on first in first out basis". Consequently inventories and profit for the year have not been effected.

6. The breakup of deferred tax assets and deferred tax liabilities into major components of the respective balances is stated below:

	As at	As at
	31 March 2011	31 March 2010
Deferred Tax Liabilities:		
Depreciation	8,598	7,794

7. Additional information pursuant to the provisions of paragraph 3 & 4 of Part – II of Schedule VI to the Companies Act, 1956 (to the extent applicable):

	Year ended	Year ended
	31 March 2011	31 March 2010
a. Quantitative information in respect of goods sold and stock (as compiled and certified by the management).	Nil	Nil
b. Others		
i. Remittance on account of dividend to non-resident shareholders	Nil	Nil
ii. Value of imports on CIF basis of Raw Material	Nil	Nil
iii. Expenditure in Foreign Currency	Nil	Nil
iv. Earning in Foreign Currency	Nil	Nil
v. Value of Export of FOB basis	Nil	Nil

8. Based on the information available with the company, it did not owe any sum to any party identified as supplier within the meaning of Micro, Small and Medium Enterprises Development Act, 2006

9. Segment Reporting

In accordance with the paragraph 27 of AS-17, Segment whose total revenue/profit from external sales and inter segment sales is 10% or more of the total revenue / profit of all segments, external and internal should be identified as reportable segments. Therefore segment (A.) Design engineering services and (B.) Trading in future option are reportable segment.

A. Business Segment (Primary) (All amounts are in Rupees)

	Design engineering Services	Trading in future option	Total
Segment Revenue			
Sales and Other Income	9,800,000	6,837,261	16,637,261
Total Revenue	9,800,000	6,837,261	16,637,261
Segment Result	6,841,421	6,824,386	13,665,807
Unallocated Expenses			1,650,688
Operating Profit			12,015,119
Interest Expenses			-
Interest Income			947,960
Dividend Income			22,575,252
Income Tax			2,471,216
Deferred Tax			804
Profit after tax			33,066,311
Segment Assets	2,601,951	39,039	2,640,990
Unallocated Assets			36,675,137
Total Assets			39,316,127
Segment Liabilities	349,545	-	349,545
Unallocated Liabilities			1,370,540
Total Liabilities			1,720,085
Capital Expenditure			-
Depreciation			33,420

- i) Unallocated liabilities include tax provision.
- ii) Segment assets include net block, current assets and loans & advances.
- iii) Revenue and expenses have been identified to segment on basis of their relationship to the operating activities of the segment. Revenue and expenses which relate to the enterprise a whole and are not allocable to segment on a reasonable basis, have been included under "Unallocated expenses"

B. All operations of the company and customer are located in India therefore geographical segment disclosure is not required.

10. Related Party Disclosure:

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

	Year ended 31 March 2011	Year ended 31 March 2010
Subsidiary	-	Tecpro Ashtech Limited (up to 30 th March 2010)
Key management personnel	Mukesh Kumar	Mukesh Kumar
Individuals owing directly or indirectly, an interest in voting power and significant influence over the enterprise (including relatives of such individual)	Amul Gabrani Amita Bishnoi	Amul Gabrani Amita Bishnoi
Enterprises over which such individuals exercise significant influence	Tecpro Systems Limited Hythro Power Corporation Limited	Tecpro Systems Limited Hythro Power Corporation Limited

FUSION FITTINGS (I) LIMITED

(All amounts are in Rupees)

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

Key management personnel	Mukesh Kumar	Mukesh Kumar
Enterprises over which Individuals owing directly or indirectly, an interest in voting power and significant influence over the company, exercise significant influence	Tecpro Systems Limited Hythro Power Corporation Limited	Tecpro Systems Limited Hythro Power Corporation Limited

b. Transactions during the year

	Key management personnel	Enterprises over which individuals owing directly or indirectly, an interest in voting power exercise significant influence
Remuneration Paid	490,760 (378,523)	- (-)
Rent Paid	- (-)	42,104 (-)
Loan given	- (-)	30,000,000 (-)
Service income	- (-)	6,600,000 (16,206,618)
Dividend Received	- (-)	22,575,252 (-)
Interest Received	- (-)	917,260 (-)
Equity shares received as per scheme of amalgamation*	- (-)	- (5,000,000)
Guarantee given by Company on behalf of other party	- (-)	- (5,600,000,000)

* Consequent to the merger of Tecpro Ashtech Limited with Tecpro Systems Limited, the company had been allotted 7,525,084 fully paid up equity shares of Tecpro Systems Limited against 22,500,000 equity shares of Tecpro Ashtech Limited

c. Balance outstanding at the end of year debit / (credit)

Remuneration payable	27,985 (23,208)	- (-)
Loan given	- (-)	30,000,000 (-)
Service income	- (-)	2,551,820 (-)
Interest Receivable	- (-)	825,534 (-)
Guarantee given by Company on behalf of other party	- (-)	5,600,000,000 (5,600,000,000)

(figures in bracket refer to previous year)

(All amounts are in Rupees)

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

Name of Related Party	Nature of Transaction	Year ended 31 March 2011	Year ended 31 March 2010
Mukesh Kumar	Remuneration Paid	490,760	378,523
Tecpro Systems Limited	Rent Paid	42,104	-
Hythro Power Corporation Limited	Loan given	30,000,000	-
Hythro Power Corporation Limited	Sale of services	6,600,000	16,206,618
Tecpro Systems Limited	Dividend Received	22,575,252	-
Hythro Power Corporation Limited	Interest Received	917,260	-
Tecpro Systems Limited	Equity shares received	-	5,000,000
Tecpro Systems Limited	Guarantee given by Company on behalf of other party	-	5,600,000,000

11. Expenses amounting to Rs. Nil relating to earlier years (Previous year Rs.0.60 Lacs) have been accounted for under their respective heads.

12. Earning Per Share

Earning per share has been computed as under:

	Year ended 31 March 2011	Year ended 31 March 2010
Total Number of Equity Shares at the beginning of the year	2,936,200	2,936,200
Total Number of equity shares outstanding at the end of the year	2,936,200	2,936,200
Weighted Average number of equity shares	2,936,200	2,936,200
Profit after Tax	33,066,311	8,374,457
Earning per share on profit after taxation		
Basic	11.26	2.85
Diluted	11.26	2.85

13. Figures have been rounded off to the nearest rupee.

14. Schedules 1 to 14 are annexed to and form part of the Statements of Accounts.

As per our report of date, attached

For K. K. Jain & Co.
Chartered Accountants
F.R. No. 002465N

For and on behalf of the Board of Fusion Fittings (I) Limited

Sd/-
R. K. Mittal
(Partner)
M. No. 95459

Sd/-
Kulbushan Arora
Director

Sd/-
Sunil Choudhry
Director

Sd/-
Mukesh Kumar
Dy. Company Secretary

Place : New Delhi
Date : 28 May 2011

Place : New Delhi
Date : 28 May 2011

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

(As per Schedule VI, Part (iv) of The Companies Act, 1956)

I. Registration details

Registration no.	19605	State code	55
Balance Sheet date	31	March	2011
	Date	Month	Year

II. Capital raised during the year (Amount in Rs. thousands)

Public Issue	-	Rights issue	-
Bonus Issue	-	Private placement	-

III. Position of mobilization and deployment of funds (Amount in Rs. thousands)

Total liabilities	39,316.13	Total assets	39,316.13
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Sources of funds

Paid - up capital	2,936.20	Reserves & surplus	34,651.24
Secured loans	-	Unsecured loans	-
Deferred tax liability (net)	8.60	Share application money, pending allotment	-

Application of funds

Net fixed assets	50.13	Investments	5,000.00
Net current assets	32,545.91	Miscellaneous expenditure	-
Accumulated losses	-	Deferred tax assets (net)	-

IV. Performance of Company (Amount in Rs. thousands)

Turnover	40,160.47	Total expenditure	4,622.14
Profit before tax	35,538.33	Profit after tax	33,066.31

V. Generic names of three principal products /**Services of Company (As per monetary terms)**

Item code	-	Product description	-
(ITC code)	-		-
	-		-

For and on behalf of the Board of Fusion Fittings (I) Limited

Sd/- Kulbushan Arora Director	Sd/- Sunil Choudhry Director	Sd/- Mukesh Kumar Dy. Company Secretary
--------------------------------------------	-------------------------------------------	------------------------------------------------------

Place : New Delhi
Date : 28 May 2011

FUSION FITTINGS (I) LIMITED

106, Vishwadeep Tower, Plot No. 4, District Centre, Janakpuri, New Delhi 110058
Phone: + 91-11-45038735, Fax: +91-11-45038734 www.fusionfittings.com

Dear Shareholder,

Sub: Service of documents through email

As a part of "Green Initiatives in the Corporate Governance" the Ministry of Corporate Affairs ("MCA") vide Circulars No. 17/2011 dated 21.04.2011 & No. 18/2011 dated 29.04.2011, has allowed service of documents to its members by a company through electronic mode.

Accordingly, the Company is now permitted to send documents like notice calling the General Meeting, Corporate Governance Report, Directors' Report, Audited Financial Statements, Auditors' Report or any other document to its members in electronic form at the email address provided by the members and/or available with their Depositories. Please note that these documents shall be available at the Company's website www.fusionfittings.com for download.

In case you have not registered your e-mail id or you wish to change your already registered e-mail id, you may get the same registered /updated either with the Company or with your depository.

Please note that as a member of the Company, you are always entitled to receive upon request, free of cost, all communications including printed copy of the balance sheet of the Company along with all other documents required by law to be attached thereto including the profit and loss account and auditors' report.

We are sure that you would appreciate the "Green Initiative" taken up by MCA to save our environment and your company's desire to participate in such initiative.

Thanking you.

Yours faithfully

For Fusion Fittings (I) Limited

Sd/-

Mukesh Kumar

Dy. Company Secretary & Compliance Officer

FUSION FITTINGS (I) LIMITED

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

PROXY FORM

I/We.....r/obeing a member/members of M/s Fusion Fittings (I) Ltd., 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 Sixth Annual General Meeting** of the Company to be held on **Saturday, the 27 August 2011 at 9.00 A M** at "ASSOCHAM House", 47 Prithviraj Road (Opposite Safdarjung Tomb), New Delhi- 110011, and at any adjournment thereof.

Signed thisday of 2011

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.

FUSION FITTINGS (I) LIMITED

Registered 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 Sixth Annual General Meeting** of Fusion Fittings (I) Ltd. on **Saturday, the 27 August 2011 at 9.00 A M** at 'ASSOCHAM House', 47 Prithviraj Road (Opposite Safdarjung Tomb), New Delhi- 110011

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.

BOOK-POST

If undelivered please return to:
FUSION FITTINGS (I) LIMITED
202-204, Pacific Square, Sector-15, Part-II,
Gurgaon-122 001, Haryana, India