
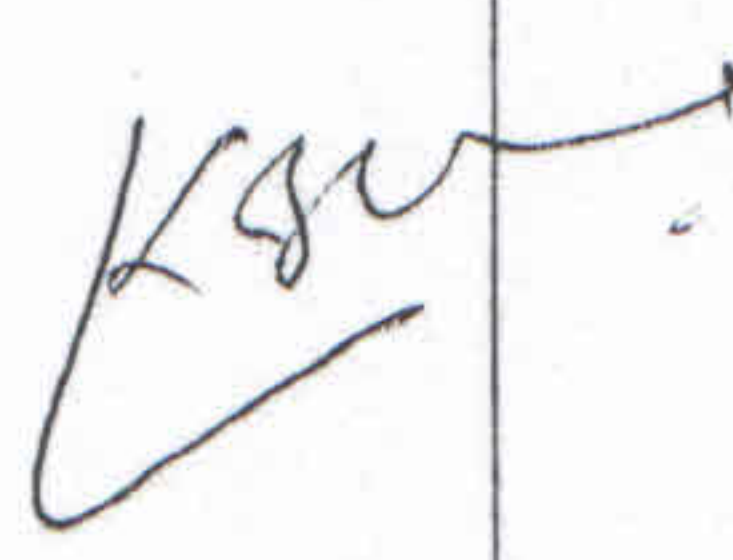



P/C

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company:	Fusion Fittings (I) Limited
2.	Annual financial statements for the year ended	31 March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	<p>To be signed by-</p> <p><input type="checkbox"/> CEO/Managing Director</p> <p><input type="checkbox"/> CFO</p> <p><input type="checkbox"/> Auditor of the company</p> <p><input type="checkbox"/> Audit Committee Chairman</p>	<p>Company does not have any CEO/Managing Director</p> <p>Company does not have any CFO</p> <p>FOR K.K. JAIN & CO. CHARTERED ACC.</p> <p> (R.K. MITTAL) M. NO 95459 (PARTNER)</p> <p></p> <p></p>

**28th Annual Report
2012-13**

FUSION FITTINGS (I) LIMITED

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-110 091
Bankers	Punjab National Bank, Large Corporate Branch, Club Road, Sector-29, Gurgaon Haryana -122 001
Registered Office	106, Vishwadeep Tower, Plot No.4, District Centre, Janakpuri, New Delhi-110 058

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FUSION FITTINGS (I) LIMITED

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the members of the Company will be held on Monday, the 30th day of September, 2013 at 3.00 p.m. at 'Gabrani Farms', Khasra No. 15/21, Village Rewla Khanpur, New Delhi 110 043 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, the Statement of Profit & Loss for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Kulbhushan Arora, Director who retires by rotation and being eligible, offers himself for reappointment.
3. To re-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.

By order of the Board of Directors of
Fusion Fittings (I) Limited

Place : Gurgaon
Date : May 16, 2013

Sd/-
Pawan Kumar
Director

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 September 24, 2013 to September 30, 2013 (both days inclusive).
5. In case you have any query relating to the Annual Accounts of the company you are requested to send the same to Mr. Kulbhushan Arora, Director of the company 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 in a 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. Kulbhushan Arora, aged about 50 years, holds a bachelor's degree in science and is a qualified Chartered Accountant and a Law Graduate from University of Delhi. He has more than 26 years of experience in the field of finance, accounts, audit and taxation.
Kulbhushan Arora & Sons (HUF) holds 100 shares in the Company and Mr. Kulbhushan Arora is one of the coparceners in the HUF. Mr. Kulbhushan Arora is a director on the Board of Tecpro Energy Limited and HIQ Power Associates Private Limited.

FUSION FITTINGS (I) LIMITED

DIRECTORS' REPORT

Dear Members,

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

FINANCIAL HIGHLIGHTS

The financial results of your Company for the year ended March 31, 2013 and March 31, 2012 are set forth below:

(Rs. in lac)

Particulars	Financial Year ended March 31, 2013	Financial Year ended March 31, 2012
Total Revenue	241.54	278.12
Expenses	25.32	27.99
Profit before Interest, Depreciation/ Amortisation & Taxation	216.22	250.13
Interest	0.00	5.43
Depreciation and Amortisation expenses	0.17	0.25
Profit/(Loss) before tax	216.05	244.45
Less: Provision for taxation		
Income Tax for Current Year	-	3.64
Income Tax for Prior Years	0.12	3.45
Deferred Tax Charge/ (Release)	(0.02)	(0.03)
Profit/(Loss) after tax	215.95	237.39
Profit/(Loss) brought forward from the previous year	583.90	346.51
Total reserve and surplus as on Balance Sheet date	799.85	583.90

OPERATIONS

The total income in the Financial Year ended March 31, 2013 was Rs. 241.54 lac and Profit after tax was Rs. 215.95 lac as against total income of Rs. 278.12 lac and Profit after tax of Rs. 237.39 lac in the previous year ended March 31, 2012.

DIVIDEND

Considering the need of funds for the business requirement of the Company, your Directors do not recommend any dividend for the year 2012-13.

DIRECTORS

Mr. Kulbhushan Arora, 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. Kulbhushan Arora, aged about 50 years holds a bachelor's degree in science and is a qualified Chartered Accountant and a Law Graduate from University of Delhi. He has more than 26 years of experience in the field of finance, accounts, audit and taxation.

Kulbhushan Arora & Sons (HUF) holds 100 shares in the Company and Mr. Kulbhushan Arora is one of the coparceners in the HUF. Mr. Kulbhushan Arora is a director on the Board of Tecpro Energy Limited and HIQ Power Associates Private Limited.

SUBSIDIARY

At present your company has one subsidiary in India namely HIQ Power Associates Private Limited.

CONSOLIDATED FINANCIAL STATEMENTS

As per Section 212 of the Companies Act, 1956, the Company is required to attach the Balance Sheet, Statement of Profit and Loss, the Reports of the Board of Directors and Auditors of the subsidiary company with the Balance Sheet of the Company. The Ministry of Corporate Affairs, Government of India vide its circular no. 2/2011 dated February 8, 2011 has provided an exemption to companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in the annual report. Accordingly, the annual report of your Company for the financial year 2012-13 contains the consolidated financial statements of the Company instead of the separate financial statements of its subsidiary and the same is based on the Financial Statements received from its subsidiary, as approved by its Board of directors.

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

INVESTMENT IN SHARES OF JYOTI VIKAS TRADE PRIVATE LIMITED

During the financial year ended March 31, 2013 the Company has acquired 830,500 fully paid up equity shares in Jyoti Vikas Trade Private Limited ("JVTPL") comprising 46% of JVTPL's issued, subscribed and paid-up share capital.

FUSION FITTINGS (I) LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Management Discussion and Analysis Statement is annexed to this Report.

CORPORATE GOVERNANCE REPORT

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

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 observations made in the Auditors Report, read together with the relevant notes thereon, are self explanatory and hence do not call for any comments under section 217 of the Companies Act, 1956.

COMPLIANCE CERTIFICATE

As required under section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001, the Company has obtained a certificate from M/s. Anjani Kumar & Associates, Company Secretaries which is attached with this Report.

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, 2013, therefore, particulars required to be disclosed thereunder have not been given.

PUBLIC DEPOSITS

The Company has neither invited nor accepted any deposits from the public pursuant to section 58A of the Companies Act, 1956 during the year under reference.

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 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, 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 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 or loss 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, 2013 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
of Directors of Fusion Fittings (I) Limited

	Sd/-	Sd/-
Place: Gurgaon	Kulbhushan Arora	Sunil Choudhry
Date: May 16, 2013	Director	Director

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Development

The financial year 2012-13 will be remembered for the economic and political turmoil that engulfed most parts of the world. The year has witnessed the economic decline of Europe and America and a sluggish performance by the BRIC nations which fell short of all optimistic predictions.

India has not been unaffected by this turmoil. Rising fiscal deficits, adverse trade balance and continued inflation resulted in high interest rates and weakening of the Rupee. Uncertain political environment resulting in policy and regulatory delays in implementing reforms slowed down the economic growth. The industrial growth was at 0.9% during April-February 2013, even lower than 2.8% recorded during April-February 2008-09 (the year of financial crisis). In Financial Year 2013 manufacturing grew at 1.9%, mining industry recorded a fall of 2.5% while the auto industry grew only by 3%.

Engineering industry forms the backbone of any economy as it is intensely linked with many other core sectors. The same is true in case of the Indian engineering sector also. In the engineering field India has achieved a markeable landmark. Design engineering is vital for application of engineering knowledge in industry or for the advancement of well-being of mankind. This goes to show that this industry has huge potential in years to come.

2. Opportunities and Threats

Design engineering is the main business activity of the company which constitutes major part of operating income of the Company. 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. Outlook

In order to achieve high GDP growth rate, large amount of investments are expected to be made in diverse sectors of Indian economy. The prospect of the Company to a large extent is dependent on the macroeconomic determinants of the Indian industry. The Company

caters to the design engineering needs of engineering and project execution companies. The work of the Company is dependent on the orders received from these companies. It is expected that the Government of India will take some bold steps to stimulate the rate of economic development of the country. It is expected that in the years to come the Company will be able to fetch more work from the companies using the design engineering services of the Company.

4. 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, electricity lines and related works. The Company largely deals with two groups of services one for erection of electricity towers and another for laying of electricity lines. The development of the Company primarily hinges on the growth plan of its user industries.

The global industrial sluggish performance since last three years affected adversely the Indian industrial performance and engineering industry. Consequently, the demand of the services offered by the Company has reduced materially. The total income of the Company in the Financial Year ended March 31, 2013 is Rs. 241.54 lac and Profit after tax is Rs. 215.95 lac as against total income of Rs. 278.12 lac and Profit after tax is Rs. 237.39 lac in the previous year ended March 31, 2012.

5. Risks and Concerns

The Company is mainly engaged in the business of Design engineering and provides services to other companies. As there has been an economic slowdown in the world and India has also been affected by the same, there has been an adverse affect of the slowdown on Infrastructure Sector of the Country. As your Company provides services to Infrastructure sector, it has also not been left untouched due to the slowdown. The performance of the Company is likely to improve when the Infrastructure Sector recovers from the economic slowdown.

However, the Company has a well-defined Risk Management Policy. The Company on regular basis reviews its Risk Management Policy and takes proactive steps to safeguard and minimize any adversity related

FUSION FITTINGS (I) LIMITED

to the Market, Technology, People, Environment/Regulatory, Financial, Information Technology and Opportunity Risks. Wherever necessary, the Company takes adequate insurance coverage of its assets for safeguarding itself from unforeseen risks.

6. Internal control systems and their adequacy

The Company has an adequate system of internal controls implemented by the management towards achieving efficiency in operations, optimum utilisation of resources and effective monitoring thereof and compliance with applicable laws. The internal audit program is undertaken at regular intervals to ensure the correctness, accuracy, authenticity and reliability of the accounting and financial transactions. Further

a qualified and independent Audit Committee of the Board of Directors reviews the internal audit reports and the adequacy of internal controls to ensure the transparency and proper compliances.

7. Human Resource Development

Your Company recognizes the critical importance of its human capital and believes that the human capital is the key engine for its growth and competitiveness.

Company's Human Resource agenda for the year was focused on strengthening four key areas: building a robust and diverse talent pipeline, enhancing individual and organisational capabilities for future readiness, driving greater employee engagement and strengthening employee relations.

FUSION FITTINGS (I) LIMITED

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 2012-13 five Board meetings were held on 28.05.2012, 13.08.2012, 07.11.2012, 21.01.2013 and 05.02.2013. 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, 2013 and the last Annual General Meeting are given below:

Name of the Director	Category of Director	Attendance at last AGM	Number of Board Meetings attended during the year	No. of other Board / Committee membership / chairmanship			
				Board		Committee	
				Member-ship	Chairman-ship	Member-ship	Chair-manship
Mr. Kulbushan Arora	Non-Executive Director, Independent	Yes	5	2	Nil	Nil	Nil
Mr. Sunil Choudhry	Non-Executive Director, Independent	No	5	2	Nil	Nil	Nil
Mr. Pawan Kumar	Non-Executive Director, Independent	Yes	5	3	Nil	Nil	Nil

None of the director is related to any other director on the Board in terms of the provisions of the Companies Act, 1956.

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

Audit Committee

(a) Major terms of reference:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.

FUSION FITTINGS (I) LIMITED

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Discussion with internal auditors any significant findings and follow up thereon.

(b) 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 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 2012-13, four meetings of Audit Committee were held on 28.05.2012, 13.08.2012, 07.11.2012 and 05.02.2013.

The attendance of members of Audit Committee during 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

Shareholders' Grievance Committee

The Shareholders' Grievance Committee has been constituted to ensure:

- a) Expeditious transfer of shares.
- b) Redressal of shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.
- c) Action on requests of share split, consolidation, re-mat/demat and duplicate share certificates.

During the Financial Year 2012-13, eight meetings of the Shareholders' Grievance Committee were held on 30.04.2012, 15.06.2012, 28.11.2012, 20.12.2012, 10.01.2013, 08.02.2013, 11.03.2013 and 30.03.2013.

The Composition of Shareholders Grievance Committee as on March 31, 2013 and attendance of the members in the meetings of the Committee held during the year are as follows:

Name of the Director	Category	Designation	No. of Meetings attended
Mr. Pawan Kumar	Non-Executive Director, Independent	Chairman	8
Mr. Kulbhushan Arora	Non-Executive Director, Independent	Member	6
Mr. Sunil Choudhry	Non-Executive Director, Independent	Member	4

During the year, the Company received 3 (three) complaints from the shareholders and all the complaints were resolved during the year. No shareholder complaint was pending as on March 31, 2013.

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, 2013. 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 BSE Limited and Delhi Stock Exchange Limited. The Company has implemented an "Insider Trading Policy" in accordance with the Securities and Exchange Board of India (Prohibition of Insider

FUSION FITTINGS (I) LIMITED

Trading) Regulations, 1992, as amended. During the year under review no insider trading was reported in the Company.

Subsidiary Company

In terms of Clause 49 (III) of the Listing Agreement the Company had one material non listed indian subsidiary i.e. HIQ Power Associates Private Limited.

General Body Meetings

The details of last three Annual General Meetings are given below :

Date of Meeting	Time	Venue
30.07.2010	11.00 a.m.	'Gabrani Farms', Khasra No. 15/21, Village Rewla Khanpur, New Delhi-110 043
27.08.2011	09.00 a.m.	'ASSOCHAM HOUSE', 47, Prithviraj Road (Opposite Safdarjung Tomb), New Delhi-110 011
29.09.2012	10.00 a.m.	'ASSOCHAM HOUSE', 47, Prithviraj Road (Opposite Safdarjung Tomb), New Delhi-110 011

One Special Resolution under Section 372A of the Companies Act, 1956 was passed at the annual general meeting of the Company held on September 29, 2012.

One Special Resolution under Section 372A of the Companies Act, 1956 was passed at the annual general meeting of the Company held on August 27, 2011.

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

- (i) Two special resolutions pertaining to providing corporate guarantee to State Bank of India for securing credit facility given to Tecpro Systems Limited by SBI and alteration of the Articles of Association of the Company were passed on April 16, 2012 through postal ballot process. The details of voting pattern of such resolutions are given as under:

Particulars	According consent to the Corporate Guarantee given by the Company in favour of State Bank of India ("SBI"), for securing the credit facilities granted by SBI to the tune of Rs. 2,166.58 Crore to Tecpro Systems Limited	Alteration of Articles of Association of the Company with respect to provision of affixation of Common Seal
Total votes	29,36,200	29,36,200
Total valid votes cast	25,70,700	25,70,700
Total votes cast in favour of the resolution	25,70,700	25,70,700
Total votes cast against the resolution	NIL	NIL
%age of valid votes cast in favour of the resolution	100	100
%age of valid votes cast against the resolution	NIL	NIL

Mr. Kulbhushan Arora, Director of the Company and Mr. Mukesh Kumar, Deputy Company Secretary of the Company were severally authorized to conduct the postal ballot process and Mr. Rajesh Sharma, a Practicing Company Secretary and Mr. Himanshu Kumar, a Practicing Chartered Accountant were appointed as Scrutinizer and Alternate Scrutinizer respectively in terms of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

- (ii) Two special resolutions pertaining to alteration in Object Clause of Memorandum of Association of the Company

FUSION FITTINGS (I) LIMITED

and making investment in the shares of Jyoti Vikas Trade Private Limited were passed on March 01, 2013 through postal ballot process. The details of voting pattern of such resolutions are given as under:

Particulars	Alteration in Object Clause of Memorandum of Association of the Company	Investment in the Shares of Jyoti Vikas Trade Private Limited
Total votes	29,36,200	29,36,200
Total valid votes cast	25,69,910	25,69,910
Total votes cast in favour of the resolution	25,69,910	25,69,910
Total votes cast against the resolution	NIL	NIL
%age of valid votes cast in favour of the resolution	100	100
%age of valid votes cast against the resolution	NIL	NIL

Mr. Kulbhushan Arora and Mr. Pawan Kumar, Directors of the Company were severally authorized to conduct the postal ballot process and Mr. Rajesh Sharma, a Practicing Company Secretary and Mr. Himanshu Kumar, a Practicing Chartered Accountant were appointed as Scrutinizer and Alternate Scrutinizer respectively in terms of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

The Company has followed the procedure laid down in section 192A of the Companies Act, 1956 and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 for postal ballot process.

Disclosures

1. The Company has disclosed the transactions entered into with the related parties in Note 22 of the Annual Accounts. 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 mandatory 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. The Company is complying with the Mandatory requirements of Clause 49 of the Listing Agreement.
7. 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 is published by the Company in leading newspapers of Delhi/New Delhi and Mumbai viz. the Business Standard, Hindi and English; Financial Express, English and Jansatta, Hindi. 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, certificates, statements 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.

FUSION FITTINGS (I) LIMITED

General Shareholders Information

- (i) The ensuing Annual General Meeting of the Shareholders of the Company shall be held at 3:00 p.m. on Monday, the 30th day of September, 2013 at 'Gabrani Farms', Khasra No. 15/21, Village Rewla Khanpur, New Delhi -110 043.
- (ii) Financial year: April to March next year.
- (iii) Details of Book Closure: 24th September, 2013 to 30th September, 2013 (both days inclusive).
- (iv) Listing of the Shares of the Company

The Shares of the Company are listed at two stock exchanges. The names and addresses of the stock exchanges are as follows:

1. BSE 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-110 002

The Annual Listing fee for the year 2013-14 has been paid by the Company to both the above stock exchanges.

Stock Codes:

1. BSE Limited : 531760

2. Delhi Stock Exchange Limited: ---

International Securities Identification Number (ISIN): INE284L01019

- (v) Registrar and Share Transfer Agents:

The Company has appointed Link Intime India Private Limited as its Registrar and Share Transfer Agent (RTA). Other particulars of the RTA are as follows:

Link Intime India Private Limited

44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, 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 in physical form 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 whereat the shares of the Company are listed.

- (vii) Plant Locations

The Company does not have any manufacturing plant.

- (viii) Market Price Data : High and low market index/price data during each month in last financial year is as under:

Month	BSE Sensex		Fusion Fittings (I) Limited	
	High	Low	High Price (Rs. per share)	Low Price (Rs. per share)
April 2012	17664.10	17010.16	105.00	90.75
May 2012	17432.33	15809.71	90.75	90.75
June 2012	17448.48	15748.98	Not Available	Not Available
July 2012	17631.19	16598.48	90.00	77.10
August 2012	17972.54	17026.97	77.20	44.10

FUSION FITTINGS (I) LIMITED

September 2012	18869.94	17250.80	43.95	35.00
October 2012	19137.29	18393.42	42.00	34.00
November 2012	19372.70	18255.69	52.90	41.75
December 2012	19612.18	19149.03	51.00	44.50
January 2013	20203.66	19508.93	51.00	46.15
February 2013	19966.69	18793.97	45.65	27.45
March 2013	19754.66	18568.43	33.20	27.15

Source : BSE

(ix) Distribution of shareholding (as on March 31, 2013):

No. of equity shares held	No. of shareholders	Shares held in physical mode	Shares held in demat mode	Total shares	% of total shareholding
Upto 2,500	547	235900	49659	285559	9.725
2,501- 5,000	12	13000	29464	42464	1.446
5,001- 10,000	3	NIL	21077	21077	0.718
10,001- 20,000	1	17700	NIL	17700	0.603
20,001 - 30,000	NIL	NIL	NIL	NIL	NIL
30,001 - 40,000	2	69000	NIL	69000	2.350
40,001 - 50,000	NIL	NIL	NIL	NIL	NIL
50,001- 1,00,000	4	NIL	300000	300000	10.217
1,00,001 & Above	2	NIL	2200400	2200400	74.940
Total	571	335600	2600600	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 (NSDL) and Central Depository Services (India) Limited (CDSL). 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, 2013, 88.57% shares of the Company were held in Demat form.

(xi) Address for correspondence

Fusion Fittings (I) Limited,
Tecpro House, 78, Sector- 34, National Highway-8, Gurgaon, Haryana-122 004.

FUSION FITTINGS (I) LIMITED

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 2012-13.

Place : Gurgaon
Date : May 16, 2013

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, 2013 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
Firm Registration No. : 002465N

Place: Gurgaon
Date : May 16, 2013

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

FUSION FITTINGS (I) LIMITED

COMPLIANCE CERTIFICATE

To

The Members,
Fusion Fittings (I) Limited
106, Vishwadeep Tower,
Plot No. 4, District Centre, Janakpuri
New Delhi -110 058

We have examined the registers, records, books and papers of Fusion Fittings (I) Limited (**CINL74899DL1984PLC019605**) (“the Company”) as required to be maintained under the Companies Act, 1956 (“the Act”) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2013. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the above said financial year:

1. The Company has kept and maintained all registers as stated in **Annexure-‘A’** to this certificate as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure-‘B’** to this certificate, as are required to be filed with the Registrar of Companies, Regional Directors, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there-under.
3. The Company, being a public limited Company, has the minimum prescribed paid-up capital.
4. The board of directors duly met 5 (five) times on 28.05.2012, 13.08.2012, 07.11.2012, 21.01.2013 and 05.02.2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. During the financial year 2012-13 the Company has closed its Register of Members and share transfer books from September 22, 2012 to September 29, 2012 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2012 was held on 29th September, 2012 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes book maintained for the purpose.
7. No extra-ordinary general meeting was held during the financial year.
8. The Company has not advanced any loan to its directors and/or persons or firms or companies referred to in the section 295 of the Act.
9. The Company has not entered into any such contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the Register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government, as the case may be.
12. During the financial year the duly constituted Shareholders’ Grievance Committee has approved the issuance of duplicate share certificates.
13. The Company has:
 - (i) delivered all the share certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year;
 - (iii) not posted warrant to any members of the Company as no dividend was declared during the financial year;
 - (iv) has no unpaid/unclaimed dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to required to be transferred to Investor Education and Protection Fund;
 - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. No change in the directorship took place during the financial year.
15. The Company has not appointed any Whole-time Director /Managing Director/Manager during the financial year.
16. The Company has not appointed any sole-selling agent(s) during the financial year.
17. The Company has obtained approvals, whenever required, of the Central Government, Company Law Board, Regional Directors, Registrar or such other authorities as prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there-under.

FUSION FITTINGS (I) LIMITED

19. The Company has not issued any shares/debentures/other securities during the financial year.
20. The Company has not bought back any share during the financial year.
21. There was no redemption of preference shares/debentures during the year.
22. There were no transaction necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of sections 58A during the year.
24. The Company has not made any borrowings during the financial year ended 31st March, 2013.
25. During the financial year the Company had made an investment in Jyoti Vikas Trade Private limited in compliance with the provisions of the Act.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has altered the provisions of the memorandum with respect to the main objects of the Company during the year under scrutiny and complied with provisions of the Act.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect of share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against the Company or show cause notices received by the Company for offences under the Act, and no fines and penalties were imposed on the company during the financial year.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company was not required to deduct and deposit the amount of provident fund under section 418 of the Act during the financial year.

For Anjani Kumar & Associates
Company Secretaries

Sd/-

Anjani Kumar
C.P. No. 8830

Place: New Delhi
Date: May 14, 2013

Annexure-A Records Maintained

- Register of Members u/s 150
- Register of Directors u/s 303
- Register of Directors' shareholding u/s 307
- Register of Share Transfers
- Minutes of the Board Meetings u/s 193
- Minutes of the General Meetings u/s 193
- Register u/s 301
- Books of Accounts u/s 209
- Registrar of loan and investment u/s 372A

Annexure-B

Sl. No.	Form No.	Date of filing	Receipt No. (SRN)
1	Form 23	24.04.2012	B37535291
2	Form 32	17.11.2012	B61930640
3	Form 20B	23.11.2012	Q01407162
4	Form DIN 4	30.11.2012	B6280351
5	Form 62	25.01.2013	B66475641
6	Form 23AC-XBRL & 23ACA-XBRL	14.02.2013	Q06660559
7	Form 23	16.03.2013	B70504311

FUSION FITTINGS (I) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
FUSION FITTINGS (I) LIMITED
NEW DELHI

Report on the Financial Statements

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

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 control 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.

Auditor's 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 control 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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:

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

Report on Other Legal and Regulatory Requirements

1. 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.
2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) 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;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For K.K. Jain & Co.,
Chartered Accountants
Firm Registration No.: 002465N
Sd/-
(R. K. Mittal)

Place: Gurgaon
Date: May 16, 2013
Membership No.: 095459

Annexure to the Auditor's report

Annexure referred to the Auditors' Report of even date to the Members of Fusion Fittings (I) Limited for the year ended 31st March, 2013.

- 1 (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

FUSION FITTINGS (I) LIMITED

- (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 nor taken any loans, secured or unsecured, to/from 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) In our opinion and according to the information and explanations given to us, there are no transaction that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into register maintained under section 301 of the Companies Act, 1956, paragraph 4(v)(b) of the order is not applicable.
- 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 In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 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, 2013 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 2013. 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 holders.
- 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

Place : Gurgaon

Date : May 16, 2013

Membership No.: 095459

FUSION FITTINGS (I) LIMITED

BALANCE SHEET AS AT 31 MARCH 2013

(All amounts are in Rupees)

	Note	As at 31 March 2013	As at 31 March 2012
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	2,936,200	2,936,200
(b) Reserves and surplus	4	79,985,198	58,389,866
		82,921,398	61,326,066
2. Non-current liabilities			
(a) Deferred tax liabilities (Net)	5	3,169	5,598
		3,169	5,598
3. Current liabilities			
(a) Trade payables	6	68,385	89,705
(b) Other current liabilities	7	262,574	165,536
		330,959	255,241
TOTAL		83,255,526	61,586,905
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8.1	18,047	30,079
(ii) Intangible assets	8.2	5,000	10,000
(iii) Capital work-in-progress		-	-
		23,047	40,079
(b) Non-current investments	9.1	53,535,558	45,027,230
		53,535,558	45,027,230
2. Current assets			
(a) Current investments	9.2	1,661,000	8,508,328
(b) Trade receivables	10	5,648,500	6,448,500
(c) Cash and bank balances	11	606,948	1,322,289
(d) Short-term loans and advances	12	21,780,473	240,479
		29,696,921	16,519,596
TOTAL		83,255,526	61,586,905
Significant accounting policies	2		

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

As per our report attached.

For **K. K. Jain & Co.**

Chartered Accountants

Firm Registration No. 002465N

Sd/-

R. K. Mittal

Partner

Membership No.: 095459

Place : Gurgaon

Date : 16 May 2013

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

Sd/-

Kulbhushan Arora

Director

Place : Gurgaon

Date : 16 May 2013

Sd/-

Sunil Choudhry

Director

FUSION FITTINGS (I) LIMITED

STATEMENT OF PROFIT AND LOSS 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
I	Income			
II	Revenue from operations	14	-	5,000,000
III	Other income	15	24,153,943	22,811,964
IV	Total revenue (II+III)		24,153,943	27,811,964
V	Expenses :			
	Employee benefits expense	16	1,015,953	1,387,926
	Operating, administrative and selling expenses	17	1,515,568	1,411,410
	Expenditure before finance costs and depreciation/amortisation cost		2,531,521	2,799,336
VI	Profit before finance costs, depreciation/ amortisation and tax (IV-V)		21,622,422	25,012,628
VII	Finance costs	18	334	543,272
VIII	Profit before depreciation/amortisation and tax (VI-VII)		21,622,088	24,469,356
IX	Depreciation and amortisation expenses	8.1 & 8.2	17,032	25,052
X	Profit before tax (VIII-IX)		21,605,056	24,444,304
XI	Tax expenses :			
	Current tax		-	363,848
	Income tax for earlier years		12,153	344,833
	Deferred tax charge / (release)		(2,429)	(3,000)
XII	Profit for the year		21,595,332	23,738,623
	Basic and diluted earnings per equity share (in Rs.) [face value Re. 1 each]	13	7.35	8.08
	Significant accounting policies	2		

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

As per our report attached.

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

Sd/-
R. K. Mittal
Partner
Membership No.: 095459

Place : Gurgaon
Date : 16 May 2013

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

Sd/-
Kulbhushan Arora
Director

Place : Gurgaon
Date : 16 May 2013

Sd/-
Sunil Choudhry
Director

FUSION FITTINGS (I) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH 2013

(All amounts are in Rupees)

	For the year ended 31 March 2013	For the year ended 31 March 2012
A. Cash flow from operating activities		
Net profit before tax	21,605,056	24,444,304
Adjustment for		
Depreciation	17,032	25,052
Interest income	(1,531,591)	(236,712)
Finance cost	-	543,129
Dividend income	(22,622,352)	(22,575,252)
Operating profit before working capital changes	(2,531,855)	2,200,521
(Increase) / Decrease in trade and other receivables	800,000	(3,896,680)
(Increase) / Decrease in short term loans and advances and other current assets	(20,556)	29,719
Increase / (Decrease) in trade payables	(21,320)	48,064
(Decrease) / Increase in other current liabilities	97,038	(290,902)
Cash generated from / (used in) operations	(1,676,694)	(1,909,278)
Direct tax paid	(153,159)	(2,145,171)
Net cash flow from / (used in) operating activities	(1,829,853)	(4,054,449)
B. Cash Flow from Investing activities		
Non current Investment in HIQ Power Associates Pvt Ltd.	-	(45,027,230)
Current investment in Jyoti Vikas Trade Pvt Ltd	(1,661,000)	-
Purchase of investments	-	(3,508,328)
Interest received / other income	153,159	236,712
Dividend received	22,622,352	22,575,252
Purchase of fixed and intangible assets	-	(15,000)
Net cash from / (used in) investing activities	21,114,511	(25,738,594)
C. Cash flow from financing activities		
Loans / advances given to other companies	(20,000,000)	-
Loans/advances received back from other companies	-	30,825,534
Finance cost	-	(543,129)
Net cash from / (used in) financing activities	(20,000,000)	30,282,405
Net increase / (decrease) in cash & cash equivalents (A+B+C)	(715,341)	489,362
Opening balance of Cash & Cash equivalents	1,322,289	832,927
Closing balance of Cash & Cash equivalents	606,948	1,322,289
Component of cash & cash equivalents:		
Cash in hand	107,262	25,451
Balances with schedule banks		
- On current accounts	499,686	1,296,838
	606,948	1,322,289

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.

Significant accounting policies

2

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

As per our report attached.

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

Sd/-
R. K. Mittal
Partner
Membership No.: 095459
Place : Gurgaon
Date : 16 May 2013

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

Sd/-
Kulbushan Arora
Director
Place : Gurgaon
Date : 16 May 2013

Sd/-
Sunil Choudhry
Director

FUSION FITTINGS (I) LIMITED

Notes to financial statements for the year ended 31 March 2013

Note 1 Background

Fusion Fittings (I) Limited was initially engaged in the business of all types of sanitary fittings for household and industrial purposes, trading & dealing in mechanical instruments, machines & machine parts and design engineering. However, presently the Company is engaged in the business of design engineering and trading in future and options.

Note 2 Significant Accounting Policies

a. 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.

b. 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.

c. 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.

Intangible asset (web site development) is amortised on a straight line basis over three years.

d. 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.

e. Recognition of Revenue

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

f. 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.

g. Employee Benefits

- i) 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.
- ii) 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.

h. Income Tax

- i) Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.
- ii) 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.

i. Impairments

- i) 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

FUSION FITTINGS (I) LIMITED

future cash flows are discounted to their present value based on the average pre-tax borrowing rate, adjusted for risk specified to the assets.

- ii) A previously recognised impairment loss is increased or decreased depending on changes in circumstances.
- iii) After impairment, depreciation is provided on the assets revised carrying amount over its remaining useful life.

j. Investments

- i) 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.
- ii) Current investments are valued at cost or market price, whichever is lower.

k. Earnings Per Share

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

	As at 31 March 2013	As at 31 March 2012
Note 3. Share capital		
Authorised		
60,000,000 (previous year 60,000,000) equity shares of Rs. 1/- each	<u>60,000,000</u>	<u>60,000,000</u>
Issued, subscribed and fully paid-up		
2,936,200 (previous year 2,936,200) equity shares of Rs. 1/- each fully paid-up	<u>2,936,200</u>	<u>2,936,200</u>
	<u>2,936,200</u>	<u>2,936,200</u>

1. During the current year and in the previous year, there have been no movement in the number of equity shares outstanding.
2. 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.
3. 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
M/s Vasundhra Technologies (India) Private Limited.	1,100,200	37.47	1,100,200	37.47
M/s Experienced Hi- tech Consultancy Services Private Limited.	1,100,200	37.47	1,100,200	37.47

	As at 31 March 2013	As at 31 March 2012
Note 4: Reserves and surplus		
Surplus in the Statement of Profit and Loss		
Opening balance	58,389,866	34,651,243
Profit for the year	21,595,332	23,738,623
Net surplus in the Statement of Profit and Loss	<u>79,985,198</u>	<u>58,389,866</u>
Total reserves and surplus	<u>79,985,198</u>	<u>58,389,866</u>

Note 5: Deferred tax liabilities (net)

Deferred tax liability on account of :

Depreciation	<u>3,169</u>	<u>5,598</u>
Net deferred tax liability/(assets)	<u>3,169</u>	<u>5,598</u>

FUSION FITTINGS (I) LIMITED

Notes to financial statements for the year ended 31 March 2013

(All amounts are in Rupees)

Note 6: Trade payables

	As at 31 March 2013	As at 31 March 2012
Sundry creditors		
- micro and small enterprises (refer note 20)	-	-
- others	68,385	89,705
	68,385	89,705

Note 7: Other current liabilities

Salaries, wages and bonus payable	106,670	87,396
Other expenses payable	141,550	66,000
Statutory dues payable	14,354	12,140
	262,574	165,536

Note 8.1 Fixed Assets - Tangible assets

As at 31 March 2013

Asset description	Gross block (at cost)				Accumulated depreciation				Net block	
	As at 1 April 2012	Additions during the year	Deletion / adjustments during year	As at 31 March 2013	As at 1 April 2012	For the year	In respect of disposals/ adjustments	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
Computers	86,600	-	-	86,600	56,521	12,032	-	68,553	18,047	30,079
Total	86,600	-	-	86,600	56,521	12,032	-	68,553	18,047	30,079

As at 31 March 2012

Asset description	Gross block (at cost)				Accumulated depreciation				Net block	
	As at 1 April 2011	Additions during the year	Deletion / adjustments during year	As at 31 March 2012	As at 1 April 2011	For the year	In respect of disposals/ adjustments	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011
Computer	86,600	-	-	86,600	36,469	20,052	-	56,521	30,079	50,131
Total	86,600	-	-	86,600	36,469	20,052	-	56,521	30,079	50,131

Note 8.2 Fixed assets - Intangible assets

As at 31 March 2013

Asset description	Gross block (at cost)				Accumulated depreciation				Net block	
	As at 1 April 2012	Additions during the year	Deletion / adjustments during year	As at 31 March 2013	As at 1 April 2012	For the year	In respect of disposals/ adjustments	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
Website development	15,000	-	-	15,000	5,000	5,000	-	10,000	5,000	10,000
Total	15,000	-	-	15,000	5,000	5,000	-	10,000	5,000	10,000

As at 31 March 2012

Asset description	Gross block (at cost)				Accumulated depreciation				Net block	
	As at 1 April 2011	Additions during the year	Deletion / adjustments during year	As at 31 March 2012	As at 1 April 2011	For the year	In respect of disposals/ adjustments	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011
Website development	-	15,000	-	15,000	-	5,000	-	5,000	10,000	-
Total	-	15,000	-	15,000	-	5,000	-	5,000	10,000	-

FUSION FITTINGS (I) LIMITED

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
Note 9.1 Non-current investments (trade investment)		
Long-term investments (at cost less diminution)		
Investments in subsidiaries (unquoted equity instruments)		
HIQ Power Associates Private Limited [34,000 (previous year 34,000) equity share of Rs. 10 each fully paid up]	45,027,230	45,027,230
Investment in equity instrument (Quoted)		
Tecpro Systems Limited [7,540,784 (previous year Nil) equity shares of Rs.10 each fully paid up]	8,508,328	#
	<u>53,535,558</u>	<u>45,027,230</u>

#Considering the nature of investment and its probable holding period, the Investment of Rs. 8,508,328 held by the Company in 7,540,784 equity shares of Tecpro Systems Limited has been re-classified from "Current Investment" as on March 31, 2012 to "Non-Current Investment" as on March 31, 2013.

Note 9.2 Current investments

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

Investment in equity instrument (Quoted)

Tecpro Systems Limited [Nil (previous year 7,540,784) equity shares of Rs.10 each fully paid up]	#	8,508,328
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Investment in equity instrument (Unquoted)

Jyoti Vikas Trade Private Limited [830,500 (previous year Nil) equity shares of Rs.10 each fully paid up acquired during the year]	1,661,000	-
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Total	<u>1,661,000</u>	<u>8,508,328</u>
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Additional disclosures for non current investments:

	As at 31 March 2013		As at 31 March 2012	
	Aggregate Book Value	Market Value	Aggregate Book Value	Market Value
Quoted investments				
-Equity shares	8,508,328	700,161,794	8,508,328	1,281,933,280
	<u>8,508,328</u>	<u>700,161,794</u>	<u>8,508,328</u>	<u>1,281,933,280</u>

#Considering the nature of investment and its probable holding period, the Investment of Rs. 8,508,328 held by the Company in 7,540,784 equity shares of Tecpro Systems Limited has been re-classified from "Current Investment" as on March 31, 2012 to "Non-Current Investment" as on March 31, 2013.

Note 10: Current trade receivables

Unsecured, considered good unless stated otherwise

Outstanding for a period exceeding six months from the date they are due for payment

Unsecured, considered good	5,648,500	6,448,500
(A)	<u>5,648,500</u>	<u>6,448,500</u>

Other receivables

Unsecured, considered good

Unsecured, considered good	-	-
(B)	<u>-</u>	<u>-</u>

Total (A + B)	<u>5,648,500</u>	<u>6,448,500</u>
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FUSION FITTINGS (I) LIMITED

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
Note 11: Cash and bank balances		
Cash and cash equivalents		
Balances with banks:		
- Current accounts	499,686	1,296,838
Cash on hand	107,262	25,451
	606,948	1,322,289

Note 12 : Short-term loans and advances

(Unsecured, considered good)

Service tax recoverable	36,016	15,460
Advance tax (net of income tax provision)	366,025	225,019
Loan/advances to other company *	21,378,432	-
Advances to vendors	-	-
	21,780,473	240,479

* Loan given to Hythro Power Corporation Limited [company under the same management as defined under section 370(1-B) of the Companies Act,1956].

Note 13 - Earnings per equity share (EPS)

Net profit after tax as per Statement of Profit and Loss	21,595,332	23,738,623
Number of equity shares of Rs. 1 each at the beginning of the year	2,936,200	2,936,200
Number of equity shares of Rs. 1 each at the end of the year	2,936,200	2,936,200
Weighted average number of equity shares of Rs. 1 each at the end of the year for calculation of basic and diluted EPS	2,936,200	2,936,200
Basic and diluted earnings per share (in Rs.) (Per share of Rs.1 each)	7.35	8.08

	For the year ended 31 March 2013	For the year ended 31 March 2012
Note 14 - Revenue from operations (gross)		
Sale of services	-	5,000,000
	-	5,000,000

Note 15 - Other Income

Interest income		
- From others	1,531,591	236,712
Dividend income from non-current investment	22,622,352	22,575,252
	24,153,943	22,811,964

Note 16 - Employee benefits expenses

Salaries, wages and bonus	1,015,953	1,384,426
Staff welfare	-	3,500
	1,015,953	1,387,926

FUSION FITTINGS (I) LIMITED

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
Note 17 - Operating, Administrative and Selling expenses		
Travel and conveyance	300,000	300,764
Rent	126,312	126,312
Communication	11,902	14,938
Advertising and marketing	304,270	218,361
Printing and stationery	18,736	25,463
Rates and taxes	5,196	5,084
Auditor's remuneration	40,000	44,120
Legal and professional	630,395	606,325
Listing fees	46,652	46,690
Miscellaneous expenses	32,105	23,353
	<u>1,515,568</u>	<u>1,411,410</u>
Note 18 - Finance costs		
Interest on short term borrowings	-	526,027
Interest others	-	17,102
Other borrowing costs	334	143
	<u>334</u>	<u>543,272</u>

19. Contingent Liabilities not provided for

	As at 31 March 2013	As at 31 March 2012
Guarantees issued by the company on behalf of other body corporate	21,665,800,000	21,665,800,000

20. 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

21. Segment Reporting

In current Financial year 2012-13, the Company does not have any reportable segment but in financial year 2011-12 company had only one reportable segment namely Design engineering services. Therefore, disclosures for primary segment and secondary segment as required under Accounting Standard 17 "Segment Reporting" have not been given.

22. Related Party Disclosure:

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

	Year ended 31 March 2013	Year ended 31 March 2012
Subsidiary	HIQ Power Associates Private Ltd	HIQ Power Associates Private Ltd
Key Management personnel	Mukesh Kumar up to 31 Aug 2012	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

Notes to financial statements for the year ended 31 March 2013

(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 up to 31 Aug 2012	Mukesh Kumar
Enterprises over which Individuals	Tecpro Systems Limited	Tecpro Systems Limited
owing directly or indirectly, an	Hythro Power Corporation Limited	Hythro Power Corporation Limited
interest in voting power and		
significant influence over the		
company, exercise significant		
influence		

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	280,119	-
	(573,450)	(-)
Rent paid	-	126,312
	(-)	(126,312)
Loan given	-	20,000,000
	(-)	(-)
Recovery of loan given	-	-
	(-)	(30,000,000)
Service income	-	-
	(-)	(5,000,000)
Dividend received	-	22,622,352
	(-)	(22,575,252)
Interest received	-	1,531,591
	(-)	(236,712)
Guarantee given by Company on behalf of other party (figures in bracket refer to previous year)	-	-
	(-)	(16,065,800,000)

c. Balance outstanding at the end of year

Remuneration payable	-	-
	(34,322)	(-)
Loan given	-	20,000,000
	(-)	(-)
Service income	-	5,648,500
	(-)	(6,448,500)
Interest receivable	-	1,378,432
	(-)	(-)
Guarantee given by Company on behalf of other party	-	21,665,800,000
	(-)	(21,665,800,000)
(figures in bracket refer to previous year)		

FUSION FITTINGS (I) LIMITED

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 31 March 2013	Year ended 31 March 2012
Mukesh Kumar	Remuneration paid	280,119	573,450
Tecpro Systems Limited	Rent paid	126,312	126,312
Hythro Power Corporation Limited	Loan given	20,000,000	-
Hythro Power Corporation Limited	Recovery of loan given	-	30,000,000
Hythro Power Corporation Limited	Sale of services	-	5,000,000
Tecpro Systems Limited	Dividend received	22,622,352	22,575,252
Hythro Power Corporation Limited	Interest received	1,531,591	236,712
Tecpro Systems Limited	Guarantee given by Company on behalf of other party	-	16,065,800,000

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

24. Previous year figures have been regrouped / recast wherever necessary to conform to the current year's classification/presentation.

For **K. K. Jain & Co.**
Chartered Accountants
Firm Registration No. 002465N
Sd/-
R. K. Mittal
Partner
Membership No.: 095459
Place : Gurgaon
Date : 16 May 2013

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

Sd/-
Kulbhushan Arora
Director

Sd/-
Sunil Choudhry
Director

Place : Gurgaon
Date : 16 May 2013

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF
FUSION FITTINGS (I) LIMITED
New Delhi

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Fusion Fittings (I) Limited ("the Company"), and its subsidiary's HIQ Power Associates Private Limited ("the Group") which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, a the summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's 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 including Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

3. 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.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 control relevant to the Company'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 the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, below in the Other matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- in the case of the Consolidated Statement of Profit & Loss, of the profit for the year ended on that date; and
- In the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

Other Matters

7. We did not audit the financial statements of subsidiary whose financial statement reflect the group share of total assets of Rs. 2,85,60,303/- as at 31st March, 2013, and the Group's share of total revenues of Rs. 2,99,00,841/- for the year ended on that date, and net cash inflow amounting to Rs. 7,89,048/- for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditor, whose reports have been furnished to us, our opinion, in so fare as it relates to the amounts, disclosures included in respect of these subsidiary, is based solely on the reports of the other auditor our opinion is not qualified in respect of this matter.

For **K. K. JAIN & CO.**
Chartered Accountants
Firm Registration No.: 002465N

Place : Gurgaon
Date : May 16, 2013

Sd/
(R. K. MITTAL)
Partner
Membership No.: 095459

FUSION FITTINGS (I) LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2013

(All amounts are in Rupees)

	Note	As at 31 March 2013	As at 31 March 2012
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	2	2,936,200	2,936,200
(b) Reserves and surplus	3	88,898,705	61,035,182
		91,834,905	63,971,382
2. Minority interest			
		4,067,721	2,961,570
3. Non-current liabilities			
(a) Deferred tax liabilities (Net)	4	260,195	303,218
		260,195	303,218
4. Current liabilities			
(a) Short-term borrowings	5	-	4,314
(b) Trade payables	6	412,067	724,908
(c) Other current liabilities	7	1,104,027	165,536
		1,516,094	894,758
TOTAL		97,678,915	68,130,928
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8.1	6,034,986	6,310,912
(ii) Intangible assets	8.2	31,653,417	31,542,105
(iii) Capital work-in-progress		-	-
		37,688,403	37,853,017
(b) Non-current investments	9.1	9,008,328	500,000
(c) Long-term loans and advances	10.1	60,262	44,262
(d) Other non-current assets	11	25,000	25,000
		9,093,590	569,262
2. Current assets			
(a) Current investments	9.2	1,661,000	8,508,328
(b) Trade receivables	12	17,396,264	11,062,240
(c) Cash and bank balances	13	9,555,497	9,481,791
(d) Short-term loans and advances	10.2	22,284,161	656,290
		50,896,922	29,708,649
TOTAL		97,678,915	68,130,928
Significant accounting policies	1		

The notes referred to above form an integral part of the consolidated balance sheet.
As per our report attached.

For **K. K. Jain & Co.**

Chartered Accountants

Firm Registration No. 002465N

Sd/-

R. K. Mittal

Partner

Membership No.: 095459

Place: Gurgaon

Date : 16 May 2013

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

Sd/-

Kulbhushan Arora

Director

Place : Gurgaon

Date : 16 May 2013

Sd/-

Sunil Choudhry

Director

FUSION FITTINGS (I) LIMITED

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
I Income			
II Revenue from operations	15	29,170,538	24,125,197
III Other income	16	24,884,246	23,400,546
IV Total revenue (II+III)		54,054,784	47,525,743
V Expenses :			
Employee benefit expenses	17	14,309,868	12,172,603
Operating, administrative and selling expenses	18	6,781,735	4,767,839
Expenditure before finance costs and depreciation/ amortisation cost		21,091,603	16,940,442
VI Profit before finance costs, depreciation/ amortisation and tax (IV-V)		32,963,181	30,585,301
VII Finance costs	19	31,233	606,576
VIII Profit before depreciation/amortisation and tax (VI-VII)		32,931,948	29,978,725
IX Depreciation and amortisation expenses	8.1 & 8.2	661,143	538,953
X Profit before tax (VIII-IX)		32,270,805	29,439,772
XI Tax expenses			
Current tax		3,332,000	2,298,848
Income tax for earlier years		12,153	344,833
Deferred tax charge / (release)		(43,022)	(54,668)
XII Profit for the year		28,969,674	26,850,759
Minority share in profit		(1,106,151)	(466,820)
XIII Profit for the year		27,863,523	26,383,939
Basic and diluted earnings per equity share (in Rs.)		9.49	8.99
[face value Re. 1 each]	14		
Significant accounting policies	1		

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

As per our report attached.

For K. K. Jain & Co.

Chartered Accountants

Firm Registration No. 002465N

Sd/-

R. K. Mittal

Partner

Membership No.: 095459

Place: Gurgaon

Date : 16 May 2013

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

Sd/-

Kulbhushan Arora

Director

Place : Gurgaon

Date : 16 May 2013

Sd/-

Sunil Choudhry

Director

FUSION FITTINGS (I) LIMITED

CONSOLIDATED CASH FLOW STATEMENT AS AT 31 MARCH 2013

(All amounts are in Rupees)

	For the year ended 31 March 2013	For the year ended 31 March 2012
A. Cash flow from operating activities		
Net profit before tax	32,270,805	29,439,772
Adjustment for		
Depreciation	661,143	538,953
Interest income	(2,195,913)	(799,313)
Loss on discard / disposal of fixed asset	5,046	8,869
Bad debts written off	-	63,829
Interest /Financial expenses	613	567,061
Dividend income	(22,648,333)	(22,601,233)
Operating profit before working capital changes	8,093,361	7,217,938
(Increase) / decrease in trade and other receivables	(6,334,024)	(8,574,249)
(Increase) / decrease in short term loans and advances and other current assets	(20,556)	29,719
Decrease / (increase) in long term loans and advances	(16,000)	(44,262)
(Increase) / decrease in other non current assets	-	(25,000)
Increase / (decrease) in trade payables	(312,841)	683,267
(Decrease) / increase in other current liabilities	938,491	2,553,136
Cash generated from operations	2,348,431	1,840,549
Direct tax paid	(3,573,036)	(4,495,982)
Net cash flow from operating activities	(1,224,604)	(2,655,433)
B. Cash Flow from Investing activities		
Purchase of investments	(1,661,000)	(4,008,328)
Interest received/other income	817,481	799,313
Dividend received	22,648,333	22,601,233
Purchase of fixed and intangible assets	(505,575)	(38,366,523)
Sale of fixed and intangible assets	4,000	15,815
Net cash from investing activities	21,303,238	(18,958,490)
C. Cash flow from financing activities		
Loans/advances given	(20,000,000)	-
Short term borrowings (net)	(4,314)	4,314
Loans/advances received back from other companies	-	30,825,534
Interest /Financial expenses	(613)	(567,061)
Net cash flow from financing activities	(20,004,927)	30,262,787
Net increase / (Decrease) in cash & cash equivalents (A+B+C)	73,707	8,648,864
Opening balance of Cash & Cash equivalents	9,481,791	832,927
Closing balance of Cash & Cash equivalents	9,555,497	9,481,792
Component of cash & cash equivalents:		
Cash in hand	197,769	185,186
Balances with schedule banks		
- On current accounts	662,249	1,999,849
Fixed deposits with banks	8,695,479	7,296,756
	9,555,497	9,481,791

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 attached.

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

Sd/-
R. K. Mittal
Partner
Membership No.: 095459

Place : Gurgaon
Date : 16 May 2013

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

Sd/-
Kulbhushan Arora
Director

Place : Gurgaon
Date : 16 May 2013

Sd/-
Sunil Choudhry
Director

FUSION FITTINGS (I) LIMITED

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

Note 1-Significant Accounting Policies

a. Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Companies Act, 1956 and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable.

b. Principles of Consolidation

- i. The consolidated financial statements relate to Fusion Fittings (I) Limited, the Parent Company, and its majority owned subsidiary viz. HIQ Power Associates Private Limited (collectively referred to as the Group). The consolidation of accounts of the Company with its subsidiary has been prepared in accordance with Accounting Standard (AS) 21-Consolidated Financial Statements and Accounting for Investments in Subsidiaries in Separate Financial Statements. The financial statements of the parent and its subsidiary are combined on a line by line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated.
- ii. The financial statements of the subsidiary, used in the consolidation are drawn up to the same reporting date as of the Company i.e. up to March 31, 2013.
- iii. Accordingly, the consolidated financial statements include the results of the subsidiary for the year ended March 31, 2013 and its assets and liabilities as on the Balance Sheet date.
- iv. Goodwill reflects the excess of cost of acquisition over the book value of net assets acquired of the subsidiary on the date of acquisition.
- v. Minority interest in the net assets of the subsidiary consists of the amounts of equity attributable to the minority shareholders at the date on which investment are made by the company in the subsidiary company and future movement in their share in the equity, subsequent to the date of investment.

c. Other Significant Accounting Policies

- i. These are set out in the separate financial statements of Fusion Fittings (I) Limited and its subsidiary.
- ii. Goodwill arising on the consolidation is not amortised but is tested for impairment on an annual basis.

(All amounts are in Rupees)

	As at 31 March 2013	As at 31 March 2012
Note 2-Share capital		
Authorised		
60,000,000 (previous year 60,000,000) equity shares of Rs. 1/- each	60,000,000	60,000,000
Issued, subscribed and fully paid-up		
2,936,200 (previous year 2,936,200) equity shares of Rs. 1/- each fully paid-up	2,936,200	2,936,200
	2,936,200	2,936,200

1. During the current year and in the previous year, there have been no movements in the number of equity shares outstanding.
2. 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.
3. 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
M/s Vasundhra Technologies (India) Pvt. Ltd.	1,100,200	37.47	1,100,200	37.47
M/s Experienced Hi- tech Consultancy Services Pvt Ltd.	1,100,200	37.47	1,100,200	37.47

FUSION FITTINGS (I) LIMITED

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
Note 3-Reserves and surplus		
Surplus in the Statement of Profit and Loss		
Opening balance	61,035,182	34,651,243
Profit for the year	27,863,523	26,383,939
Net surplus in the Statement of Profit and Loss	88,898,705	61,035,182
Total reserves and surplus	88,898,705	61,035,182
Note 4-Deferred tax assets (net)		
Deferred tax liability on account of :		
Depreciation	260,195	303,218
Net deferred tax liability/(assets)	260,195	303,218
Note 5-Short-term borrowings		
Loans repayable on demand (Secured)		
From banks :		
Short term loan	-	4,314
	-	4,314
The above amount includes		
Secured borrowings	-	4,314
	-	4,314
Note 6-Trade payables		
Sundry creditors		
- micro and small enterprises (refer note 23)	-	-
- others	412,067	724,908
	412,067	724,908
Note 7-Other current liabilities		
Salaries, wages and bonus payable	106,670	87,396
Advances received	505,833	-
Expense payable	203,997	66,000
Statutory dues payable	287,527	12,140
	1,104,027	165,536
Note 8.1-Fixed Assets - Tangible assets		

As at 31 March 2013

Asset description	Gross block (at cost)					Accumulated depreciation					Net block	
	As at 1 April 2012	Additions during the year	Added on acquisition	Deletion / adjustments during the year	As at 31 March 2013	As at 1 April 2012	Added on acquisition	For the year	Deletion / adjustments during the year	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
Land	4,486,231	-	-	-	4,486,231	-	-	-	-	-	4,486,231	4,486,231
Building	861,903	-	-	-	861,903	118,354	-	14,049	-	132,403	729,500	743,549
Furniture & Fixtures	649,806	-	-	-	649,806	183,286	-	36,553	-	219,839	429,967	466,520
Computers	1,804,527	48,050	-	-	1,852,577	1,384,360	-	293,794	-	1,678,154	174,423	420,167
Office equipments	266,242	27,000	-	-	293,242	82,221	-	14,602	-	96,823	196,419	184,021
Vehicles	14,500	19,000	-	14,500	19,000	4,076	-	1,932	5,454	554	18,446	10,424
Total	8,083,209	94,050	-	14,500	8,162,759	1,772,297	-	360,930	5,454	2,127,773	6,034,986	6,310,912

FUSION FITTINGS (I) LIMITED

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

(All amounts are in Rupees)

As at 31 March 2012

Asset description	Gross block (at cost)					Accumulated depreciation					Net block	
	As at 1 April 2011	Additions during the year	Added on acquisition	Deletion / adjustments during the year	As at 31 March 2012	As at 1 April 2011	Added on acquisition	For the year	Deletion / adjustments during the year	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011
Land	-	-	4,486,231	-	4,486,231	-	-	-	-	-	4,486,231	-
Building	-	-	861,903	-	861,903	-	105,291	13,063	-	118,354	743,549	-
Furniture & Fixtures	-	150,401	499,405	-	649,806	-	150,427	32,859	-	183,286	466,520	-
Computers	86,600	214,100	1,503,827	-	1,804,527	36,469	1,087,764	260,127	-	1,384,360	420,167	50,131
Office equipments	-	56,299	242,393	32,450	266,242	-	77,499	12,488	7,766	82,221	184,021	-
Vehicles	-	-	14,500	-	14,500	-	2,793	1,283	-	4,076	10,424	-
Total	86,600	420,800	7,608,259	32,450	8,083,209	36,469	1,423,774	319,820	7,766	1,772,297	6,310,912	50,131

Note 8.2 Fixed assets - Intangible assets

As at 31 March 2013

Asset description	Gross block (at cost)					Accumulated depreciation					Net block	
	As at 1 April 2012	Additions during the year	Added on acquisition	Deletion / adjustments during the year	As at 31 March 2013	As at 1 April 2012	Added on acquisition	For the year	Deletion / adjustments during the year	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
Computers software	1,424,657	411,525	-	-	1,836,182	772,867	-	300,213	-	1,073,080	763,102	651,790
Goodwill	30,890,315	-	-	-	30,890,315	-	-	-	-	-	30,890,315	30,890,315
Total	32,314,971	411,525	-	-	32,726,497	772,867	-	300,213	-	1,073,080	31,653,417	31,542,105

As at 31 March 2012

Asset description	Gross block (at cost)					Accumulated depreciation					Net block	
	As at 1 April 2011	Additions during the year	Added on acquisition	Deletion / adjustments during the year	As at 31 March 2012	As at 1 April 2011	Added on acquisition	For the year	Deletion / adjustments during the year	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011
Computers software	-	179,779	1,244,878	-	1,424,657	-	553,734	219,133	-	772,867	651,790	-
Goodwill	-	-	30,890,315	-	30,890,315	-	-	-	-	-	30,890,315	-
Total	-	179,779	32,135,193	-	32,314,972	-	553,734	219,133	-	772,867	31,542,105	-

As at 31 March 2013 **As at 31 March 2012**

Note 9.1 Non-current investments (other than trade)

Investment in Mutual funds

500,000 500,000

Investment in equity instrument (Quoted)

Tecpro Systems Ltd.

8,508,328 #

[7,540,784 (previous year 7,540,784) equity shares of Rs.10 each fully paid up]

9,008,328 **500,000**

#Considering the nature of investment and its probable holding period, the Investment of Rs. 8,508,328 held by the Company in 7,540,784 equity shares of Tecpro Systems Limited has been re-classified from "Current Investment" as on March 31, 2012 to "Non-Current Investment" as on March 31, 2013.

FUSION FITTINGS (I) LIMITED

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
Note 9.2-Current investments		
Current investments (at the lower of cost and fair value, unless stated otherwise)		
Investment in equity instrument (Quoted)		
Tecpro Systems Ltd.		
[7,540,784 (previous year 7,540,784) equity shares of Rs.10 each fully paid up]	#	8,508,328
Investment in equity instrument (Unquoted)		
Jyoti Vikas Trade Pvt Limited	1,661,000	-
[830,500 (previous year NIL) equity shares of Rs.10 each fully paid up acquired during the year]		
Total	1,661,000	8,508,328

Additional disclosures for current investments:

	As at 31 March 2013		As at 31 March 2012	
	Aggregate Book Value	Market Value	Aggregate Book Value	Market Value
Quoted investments				
-Equity shares	8,508,328	700,161,794	8,508,328	1,281,933,280
	8,508,328	700,161,794	8,508,328	1,281,933,280

#Considering the nature of investment and its probable holding period, the Investment of Rs. 8,508,328 held by the Company in 7,540,784 equity shares of Tecpro Systems Limited has been re-classified from "Current Investment" as on March 31, 2012 to "Non-Current Investment" as on March 31, 2013.

	As at 31 March 2013	As at 31 March 2012
Note 10.1-Long-term loans and advances		
(Unsecured)		
Considered good :		
Security deposits	60,262	44,262
	60,262	44,262
Note 10.2-Short-term loans and advances		
(Unsecured)		
Considered good :		
Service Tax recoverable	36,016	15,460
Advance tax (net of income tax provision)	869,713	640,830
Loan/advances to other company*	21,378,432	-
	22,284,161	656,290

* Loan given to Hythro Power Corporation Limited [company under same management as defined under section 370(1-B) of the Companies Act, 1956].

Note 11-Other non-current assets

Others :		
Others assets	25,000	25,000
	25,000	25,000

FUSION FITTINGS (I) LIMITED

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
Note 12-Trade receivables		
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	8,298,409	7,347,274
(A)	8,298,409	7,347,274
Other receivables		
Unsecured, considered good		
Unsecured, considered good	9,097,855	3,714,966
(B)	9,097,855	3,714,966
Total (A + B)	17,396,264	11,062,240
Note 13-Cash and bank balances		
Cash and cash equivalents		
Balances with banks:		
- Current accounts	662,249	1,999,849
Cash on hand	197,769	185,186
Fixed deposits with banks	8,695,479	7,296,756
	9,555,497	9,481,791
Note 14-Earnings per equity share (EPS)		
Net profit after tax as per Statement of Profit and Loss	27,863,523	26,383,939
Number of equity shares of Re. 1 each at the beginning of the year	2,936,200	2,936,200
Number of equity shares of Rs. 1 each at the end of the year	2,936,200	2,936,200
Weighted average number of equity shares of Rs. 1 each at the end of the year for calculation of basic and diluted EPS	2,936,200	2,936,200
Basic and diluted earnings per share (in Rs.) (Per share of Rs. 1 each)	9.49	8.99
	For the year ended 31 March 2013	For the year ended 31 March 2012
Note 15 - Revenue from operations (gross)		
Sale of services	29,170,538	24,125,197
Note 16 - Other Income		
Interest income		
- From fixed deposits	664,322	562,601
- From others	1,531,591	236,712
Dividend income from non-current investment	22,648,333	22,601,233
Other non operating Incomes	40,000	-
	24,884,246	23,400,546
Note 17 - Employee benefit expenses		
Salaries, wages and bonus	13,440,786	11,504,768
Contributions to Provident and other fund	478,875	376,013
Gratuity	106,380	128,826
Staff welfare	283,827	162,996
	14,309,868	12,172,603

FUSION FITTINGS (I) LIMITED

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
Note 18 - Operating, administrative and selling expenses		
Contract Services	1,752,375	816,125
Travel and conveyance	902,230	1,248,829
Rent	910,312	156,312
Electricity	332,719	237,948
Communication	192,635	212,691
Advertising and marketing	312,228	220,961
Printing and stationery	171,101	117,177
Rates and taxes	77,982	76,854
Auditor's remuneration	90,000	94,120
Legal and professional	751,395	1,067,802
Listing fees	46,652	46,690
Repair and maintenance		
-buildings	62,108	22,385
-others	801,043	171,980
Bad debts written off during the year	-	63,829
Loss on sale of fixed assets	5,046	8,869
Insurance	51,602	31,258
Miscellaneous expenses	322,307	174,009
	6,781,735	4,767,839
Disclosures regarding payment to auditors (excluding service tax)		
Statutory audit fee	40,000	40,000
	40,000	40,000
Note 19 - Finance costs		
Interest on short term borrowings	-	526,027
Interest others	613	41,034
Other borrowing costs	30,620	39,515
	31,233	606,576

20. The Company holds 85% shares of HIQ Power Associates Private Limited. These shares were acquired in the financial year 2011-12.

21. The cash credit limit of Rs. 2 lacs and bank guarantee of Rs. 20 lacs with interchangeability from State Bank of India is secured by way of hypothecation of book debts and immovable property.

22. Contingent liabilities not provided for:

	As at 31 March 2013	As at 31 March 2012
Guarantees issued by the company on behalf of other body corporate	21,665,800,000	21,665,800,000

23. 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.

24. Fusion Fittings (I) Limited and its subsidiary HIQ Power Associates Private Limited provide design and engineering services, which constitutes one business segment, during the current and previous year the Company and its subsidiary has not made any export sales /service. Accordingly there is only one geographical segment. Hence the requirement of disclosure of segment information is not applicable.

FUSION FITTINGS (I) LIMITED

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

25. Related Party Disclosure:

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

	Year ended 31 March 2013	Year ended 31 March 2012
Key Management personnel	Mukesh Kumar up to 31 Aug 2012 P.V. Ramakrishnan	Mukesh Kumar P.V. Ramakrishnan Kanathi Saravanan (resigned w.e.f. 06.05.2011)
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

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

Key Management personnel	Mukesh Kumar up to 31 Aug 2012 P.V. Ramakrishnan	Mukesh Kumar P.V. Ramakrishnan Kanathi Saravanan (resigned w.e.f. 06.05.2011)
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	3,299,594 (3,625,669)	- (-)
Rent paid	-	910,312
Service income	(-)	(126,312)
Dividend received	-	19,745,177
Interest received	(-)	(15,924,985)
Amount paid on behalf of other Company	-	22,622,352
Repayment of loan given	(-)	(22,575,252)
Loan given	-	1,531,591
Guarantee given by Company on behalf of other party	-	(236,712)
	(-)	415,356
	-	(-)
	(-)	-
	-	(30,000,000)
	(-)	20,000,000
	-	(-)
	(-)	-
	-	16,065,800,000

FUSION FITTINGS (I) LIMITED

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

c. Balance outstanding at the end of year

Remuneration payable	-	-
	(34,322)	(-)
Service income	-	14,143,982
	(-)	(8,292,549)
Loan receivable	-	21,378,432
	(-)	(-)
Rent payable	-	792,813
	(-)	(-)
Guarantee given by Company on behalf of other party	-	21,665,800,000
	(-)	(21,665,800,000)

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

Name of Related Party	Nature of Transaction	Year ended 31 March 2013	Year ended 31 March 2012
P.V. Ramakrishnan	Remuneration paid	3,019,475	2,438,219
Tecpro Systems Limited	Rent paid	910,312	126,312
Tecpro Systems Limited	Sale of services	19,745,177	10,924,985
Tecpro Systems Limited	Amount paid on behalf of other Company	415,356	-
Hythro Power Corporation Limited	Sale of services	-	5,000,000
Hythro Power Corporation Limited	Loan given	20,000,000	-
Hythro Power Corporation Limited	Recovery of loan given	-	30,000,000
Tecpro Systems Limited	Dividend received	22,622,352	22,575,252
Hythro Power Corporation Limited	Interest received	1,531,591	236,712
Tecpro Systems Limited	Guarantee given by Company on behalf of other party	-	16,065,800,000

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

27. Previous year figures have been regrouped / recast wherever necessary to conform to the current year's classification/presentation.

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

Sd/-
R. K. Mittal
Partner
Membership No.: 095459
Place : Gurgaon
Date : 16 May 2013

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

Sd/-
Kulbhushan Arora
Director
Place : Gurgaon
Date : 16 May 2013

Sd/-
Sunil Choudhry
Director

FUSION FITTINGS (I) 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 Fusion Fittings (I) 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 Eighth Annual General Meeting** of the Company to be
held on **Monday, the 30th day of September, 2013 at 3.00 P. M.** at 'Gabrani Farms', Khasra No. 15/21, Village
Rewla Khanpur, New Delhi 110 043, 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.

FUSION FITTINGS (I) 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 Eighth Annual General Meeting** of Fusion Fittings (I) Limited held on **Monday, the 30th day of September, 2013 at 3.00 P.M.** at 'Gabrani Farms', Khasra No. 15/21, Village Rewla Khanpur, New Delhi 110 043.

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.