

2011-12



SCOPE
INDUSTRIES

28TH
ANNUAL
REPORT



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BOARD OF DIRECTORS

Sri Sriram Pavan Kumar Vemuri	:	Chairman & Managing Director
Sri Damaraju Srihari Charan	:	Whole Time Director
Sri Akella Sai Kumar	:	Executive Director
Sri Pattela Srinivas Goutam	:	Non Executive Director
Sri Bobburi Pampapathi	:	Non Executive Director
Sri Tammina Eswara Rao	:	Independent Director
Sri Allama Prabhu Anandwade	:	Independent Director
Sri Niyaz Ahmed	:	Independent Director
Sri Nisar Ahmed	:	Independent Director
Sri Praveen Kumar Chodavarapu	:	Independent Director

STATUTORY AUDITORS:

Ramasamy Koteswara Rao & Co.

Plot No : 238/A, MLA's Colony,
Road No. : 12, Banjara Hills,
Hyderabad-500034

REGISTERED OFFICE:

No. 8-2-293/82/LA Flat No. # 101,
Raj Residency, Plot No. 280/A, Road No. 12,
Banjara Hills, Hyderabad – 500 034

REGISTRARS & TRANSFER AGENTS:

Venture Capital & Corporate Investments (P) Ltd

12-10-167, Bharath Nagar Colony,
HYDERABAD – 500 018

BANKERS:

BANK OF INDIA

Abids, Hyderabad

LISTED AT:

BSE LIMITED

AUDIT COMMITTEE :

Sri Tammina Eswara Rao
Sri Nisar Ahmed
Sri Allama Prabhu Anandwade

REMUNERATION COMMITTEE :

Sri Tammina Eswara Rao
Sri Nisar Ahmed
Sri Allama Prabhu Anandwade

**INVESTORS GRIEVANCE
COMMITTEE :**

Sri Tammina Eswara Rao
Sri Nisar Ahmed
Sri Allama Prabhu Anandwade

ABOUT SCOPE

Scope Industries India Limited was identified by a group of dynamic entrepreneurs who envisioned Scope to explore the complete scope of development and growth in the Infrastructure, Power and Technology verticals.

The company was re-listed on the BSE in 2009, driven by the singular objective of delivering value while keeping a strong focus on sustainable development.

From the onset, the new management of Scope turned the company around strengthening the fundamentals and enhancing the profitability manifold. Starting with a turnover of INR 160 Mn in FY 10-11, the top-line experienced a growth of 300% in FY 11-12 to INR 544 Mn, further accelerating to INR 230 Mn for Q1, with projected annual revenues at INR 1400 Mn

RECENT PROJECTS

- Created value for the stakeholders with the addition of three new industry verticals.
- Completed Canal works in Jalandhar & Ludhiana.
- Undertook road works of over 120 Km since 2010.
- Four Govt. Model School projects underway.
- Experienced top-line and bottom line growth of over 100% year-on-year.
- Set to undertake the biggest private sector lift irrigation project in the history of India.

Construction Sites



MANAGEMENT TEAM

SRIRAM PAVAN KUMAR VEMURI

Brings in a veritable treasure of experience in managing, guiding and mentoring large teams of professionals and motivating them towards achieving the collective goals.

Pavan holds a Post Graduate Diploma in Business Management and a strong lineage when it comes to Infrastructure and constructions that has given Pavan extensive experience and exposure to this vertical from a very young age.

Pavan's leadership is driven by passion, ingenuity, and simplicity - a role model for everyone. He is responsible for the immediate success of Scope Industries from the time he took charge as CMD.



SRIHARI CHARAN DAMARAJU

A successful Banking professional with a proven track record, Charan brings in the advantage of having a true financial strategist on board. With his innovation and his strong financial control as the Executive Director, Finance at Scope he has maximised its top-line and bottomline growth and is poised to do more and do better.

Charan is a Graduate in Statistics and Computer Science and a Masters degree in Business Administration from Osmania University. His intuitive skills and business acumen, combined with a thorough understanding of macro economics have brought him recognition among the banking circles.



SAI KUMAR AKELLA

Sai has executed many a large scale infrastructure projects including Roads, Irrigation projects and Construction. Further more, Sai has extensive experience in building and managing farms, plantations and specifically building large scale infrastructure for the purpose of developing farmland. As the Executive Director – Infrastructure, Sai has been able to leverage his experience spanning a decade and a half, and his reputation in the vertical to create a significantly large pipeline of orders for Scope Industries.

Prior to his specialising in Infrastructure projects, Sai has successfully executed many a residential project in Hyderabad.



GAUTAM SRINIVAS PATTELA

Gautam is a B-Tech from JNTU and has worked extensively with Information Portals as well as Education Technology products. As the Director - Technology, at Scope, he spearheads the Development and Consulting Services divisions.

Gautam has a thorough understanding of Web and E-Commerce technologies and currently manages these projects at Scope.



PAMPAPATHI CHOWDHARY

Pampapathi has executed infrastructure projects right across the length and breadth of India for over 30 years now. Ranging from power projects in Bhutan to completing projects without complexities in some of the regions most prone to disruptions, such as Chattisgarh, Bihar, and Jharkhand, as well as other regions such as Punjab, Haryana, Madhya Pradesh, Karnataka and Goa.

He was felicitated by the Chief Minister of Punjab for the timely completion of the first phase of the Ludhiana canal work. It is this expertise and experience of Pampapathi that helps Scope live up to its promise of quality, consistency and timeliness.



NOTICE

Notice is hereby given that the 28th Annual General Meeting of the members of the company will be held on SATURDAY, 29th SEPTEMBER, 2012 at 11.00 A.M at Hotel Savera Residency, beside big bazaar, Ameerpet, Hyderabad-16 transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit & Loss Account for the financial year ended on that date together, with the report of the Board of Directors and Auditors thereof.
2. To appoint a director in place of Akella Sai Kumar who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Tammina Eswara Rao who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Damaraju Srihari Charan who retires by rotation and being eligible offers himself for re-appointment.
5. To Reappoint Statutory Auditor of the Company to hold the office as such from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix the remuneration.

SPECIAL BUSINESS:**6. APPOINTMENT OF SRI PATTELA SRINIVAS GOUTAM AS DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass, with or without modification(s) the following resolution as an “ORDINARY RESOLUTION”:

“RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 Sri Pattela Srinivas Goutam, who was appointed as an Additional Director in the Board Meeting held on 8th February, 2012 and who holds office as such up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director of the Company under Section 257 of the Companies Act, 1956 along with requisite deposit of Rs.500, be and is hereby appointed as a Director of the Company.”

7. APPOINTMENT OF SRI NIYAZ AHMAD AS DIRECTOR :

To consider and if thought fit, to pass with or without modification(s), the following resolution as an “ORDINARY RESOLUTION”:

“RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 Sri Niyaz Ahmad, who was appointed as an Additional Director in the Board Meeting held on 8th February, 2012 and who holds office as such up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director of the Company under Section 257 of the Companies Act, 1956 along with requisite deposit of Rs.500, be and is hereby appointed as a Director of the Company.”

8. APPOINTMENT OF SRI NISAR AHMED AS DIRECTOR :

To consider and if thought fit, to pass with or without modification(s), the following resolution as an “ORDINARY RESOLUTION”:

“RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 Sri Nisar Ahmed, who was appointed as an Additional Director in the Board Meeting held on 8th February, 2012 and

who holds office as such up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director of the Company under Section 257 of the Companies Act, 1956 along with requisite deposit of Rs.500, be and is hereby appointed as a Director of the Company.”

9. APPOINTMENT OF SRI ALLAMA PRABHU ANANDWADE AS DIRECTOR :

To consider and if thought fit, to pass with or without modification(s), the following resolution as an “ORDINARY RESOLUTION”:

“RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 Sri Allama Prabhu Anandwade, who was appointed as an Additional Director in the Board Meeting held on 16th February, 2012 and who holds office as such up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director of the Company under Section 257 of the Companies Act, 1956 along with requisite deposit of Rs.500, be and is hereby appointed as a Director of the Company.”

10. APPOINTMENT OF SRI BOBBURI PAMPATHI AS DIRECTOR

To consider and if thought fit, to pass with or without modification(s), the following resolution as an “ORDINARY RESOLUTION”:

“RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 Sri Bobburi Pampathi, who was appointed as an Additional Director in the Board Meeting held on 10th May, 2012 and who holds office as such up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director of the Company under Section 257 of the Companies Act, 1956 along with requisite deposit of Rs.500, be and is hereby appointed as a Director of the Company.”

11. APPOINTMENT OF SRI PRAVEEN KUMAR CHODAVARAPU AS DIRECTOR

To consider and if thought fit, to pass with or without modification(s), the following resolution as an “ORDINARY RESOLUTION”:

“RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 Sri Praveen Kumar Chodavarapu, who was appointed as an Additional Director in the Board Meeting held on 10th May, 2012 and who holds office as such up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director of the Company under Section 257 of the Companies Act, 1956 along with requisite deposit of Rs.500, be and is hereby appointed as a Director of the Company.”

12. TO INCREASE THE AUTHORISED SHARE CAPITAL OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as an “ORDINARY RESOLUTION”:

“RESOLVED THAT pursuant to the provisions of Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the provisions of the Memorandum and Articles of Association of the Company the Authorised Share Capital of the Company be and is hereby increased from Rs 1,05,000,000 (Rupees Ten Crore Fifty Lakhs) divided into 10,500,000 (One Crore Five Lakhs) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 1,25,000,000 (Rupees Twelve Crore Fifty Lakhs) divided into 12,500,000 (One Crore Twenty Five Lakhs) equity shares of Rs. 10/- (Rupees Ten) each, ranking pari passu with the existing equity shares.

FURTHER RESOLVED THAT the existing clause V of the Memorandum of Association of the Company be and hereby replaced by the following Clause V

- V. “The Authorised Share Capital of the Company is Rs. 1,25,000,000 (Rupees Twelve Crore Fifty Lakhs) divided into 12,500,000 (One Crore Twenty Five Lakhs) equity shares of Rs. 10/- (Rupees Ten) each, with power to consolidate, convert, subdivide, reduce or increase the capital and to issue any new shares with preferential or special rights and conditions attached thereto subject to the provisions of the Companies Act, 1956.”

13. ALTERATION OF ARTICLE OF ASSOCIATIONS OF THE COMPANY

To consider and if though fit, to pass with or without modification(s), the following resolution as a “SPECIAL RESOLUTION”:

“RESOLVED THAT pursuant to provisions of section 31 of the companies Act, 1956 consent of members be and hereby accorded for alteration of Article no. 3 (a) of Articles of Association by replacing the existing with following new articles:

Article No.3 (a)

“The Authorised Share Capital of the Company is 1,25,000,000 (Rupees Twelve Crore Fifty Lakhs) divided into 12,500,000 (One Crore Twenty Five Lakhs) equity shares of Rs. 10/- (Rupees Ten) each, with power to increase or reduce the same in accordance with the provisions of the Companies Act, 1956.

Place: Hyderabad

Date: 27.08.2012

BY ORDER OF THE BOARD

sd/-

Sriram Pavan Kumar Vemuri
Chairman & Managing Director

NOTES

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. The proxy in order to be effective must be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
- 2) The Register of the members and share transfer register of the Company will remain closed from Tuesday 25th September, 2012 to Saturday, 29th September, 2012 (both days inclusive).
- 3) Members are requested to quote ledger folio number in all their correspondence to avoid delay in communication.
- 4) Members are advised to consolidate their ledger folios where they are holding shares in different folios in the same name/sequence of names
- 5) The relative Explanatory Statement, pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business is Annexed hereto
- 6) Members are requested to:
 - a. Send their queries, if any, to reach the Company's Registered Office at Hyderabad at least 10 days before the date of the meeting so that information can be made available at the meeting.
 - b. Please bring the copy of the attendance slip.

BY ORDER OF THE BOARD

sd/-

Sriram Pavan Kumar Vemuri
Chairman & Managing DirectorPlace: Hyderabad
Date: 27.08.2012

EXPLANATORY STATEMENT
(Pursuant to Section 173(2) of The Companies Act, 1956)

ITEM NO 6

The members may note that Sri Pattela Srinivas Goutam was inducted into the Board as Additional Director of the Company with effect from 8th February, 2012 pursuant to the provisions of Section 260 of the Companies Act, 1956. The said Director holds the said office upto the ensuing Annual General Meeting.

The Company has received notice in writing from a member of the Company along with a deposit of Rs.500/- under Section 257 of the Companies Act, 1956 proposing the candidature of Sri Pattela Srinivas Goutam for the Office of Director,

As per the provisions of Section 257 of the Act, any such proposal needs to be approved by the members in their General Meeting

Hence, the Board recommends the respective resolution for your approval.

None of the Directors, except Sri Pattela Srinivas Goutam is interested in this resolution.

ITEM NO 7

The members may note that Sri Niyaz Ahmad was inducted into the Board as Additional Director of the Company with effect from 8th February, 2012 pursuant to the provisions of Section 260 of the Companies Act, 1956. The said Director holds the said office upto the ensuing Annual General Meeting.

The Company has received notice in writing from a member of the Company along with a deposit of Rs.500/- under Section 257 of the Companies Act, 1956 proposing the candidature of Sri Niyaz Ahmad for the Office of Director,

As per the provisions of Section 257 of the Act, any such proposal needs to be approved by the members in their General Meeting

Hence, the Board recommends the respective resolution for your approval.

None of the Directors, except Sri Niyaz Ahmad is interested in this resolution.

ITEM NO 8

The members may note that Sri Nisar Ahmed, was inducted into the Board as Additional Director of the Company with effect from 8th February, 2012 pursuant to the provisions of Section 260 of the Companies Act, 1956. The said Director holds the said office upto the ensuing Annual General Meeting.

The Company has received notice in writing from a member of the Company along with a deposit of Rs.500/- under Section 257 of the Companies Act, 1956 proposing the candidature of Sri Nisar Ahmed for the Office of Director,

As per the provisions of Section 257 of the Act, any such proposal needs to be approved by the members in their General Meeting

Hence, the Board recommends the respective resolution for your approval.

None of the Directors, except Sri Nisar Ahmed is interested in this resolution.

ITEM NO 9

The members may note that Sri Allama Prabhu Anandwade, was inducted into the Board as Additional Director of the Company with effect from 16th February, 2012 pursuant to the provisions of Section 260 of the Companies Act, 1956. The said Director holds the said office upto the ensuing Annual General Meeting.

The Company has received notice in writing from a member of the Company along with a deposit of Rs.500/- under Section 257 of the Companies Act, 1956 proposing the candidature of Sri Allama Prabhu Anandwade Rao for the Office of Director,

As per the provisions of Section 257 of the Act, any such proposal needs to be approved by the members in their General Meeting

Hence, the Board recommends the respective resolution for your approval.

None of the Directors, except Sri Allama Prabhu Anandwade is interested in this resolution.

ITEM NO 10

The members may note that Sri Bobburi Pampathi, was inducted into the Board as Additional Director of the Company with effect from 10th May, 2012 pursuant to the provisions of Section 260 of the Companies Act, 1956. The said Director holds the said office upto the ensuing Annual General Meeting.

The Company has received notice in writing from a member of the Company along with a deposit of Rs.500/- under Section 257 of the Companies Act, 1956 proposing the candidature of Sri Bobburi Pampathi for the Office of Director,

As per the provisions of Section 257 of the Act, any such proposal needs to be approved by the members in their General Meeting

Hence, the Board recommends the respective resolution for your approval.

None of the Directors, except Sri Bobburi Pampathi is interested in this resolution.

ITEM NO 11

The members may note that Sri Praveen Kumar Chodavarapu was inducted into the Board as Additional Director of the Company with effect from 10th May, 2012 pursuant to the provisions of Section 260 of the Companies Act, 1956. The said Director holds the said office upto the ensuing Annual General Meeting.

The Company has received notice in writing from a member of the Company along with a deposit of Rs.500/- under Section 257 of the Companies Act, 1956 proposing the candidature of Sri Praveen Kumar Chodavarapu for the Office of Director,

As per the provisions of Section 257 of the Act, any such proposal needs to be approved by the members in their General Meeting

Hence, the Board recommends the respective resolution for your approval.

None of the Directors, except Sri Praveen Kumar Chodavarapu is interested in this resolution.

ITEM NO 12

The present authorized share capital of the Company is Rs 1,05,000,000 (Rupees Ten Crore Fifty Lakhs) divided into 10,500,000 (One Crore Five Lakhs) equity shares of Rs. 10/- (Rupees Ten) each. As the company has granted 30,00,000 lacs option Under SCOPE ESOS 2011 Scheme, the Board has proposed, an increase in the authorized share capital to Rs. 1,25,000,000 (Rupees Twelve Crore Fifty Lakhs) divided into 12,500,000 (One Crore Twenty Five Lakhs) equity shares of Rs. 10/- (Rupees Ten) each.

Further Company need to amend clause V of the Memorandum of Association which defines the Capital of the company.

A copy of the Company's Altered Memorandum and Articles of Association is open for inspection during the business hours on any working day at the registered office of the Company.

Pursuant to the provisions of Sections 16, 94 and 97 of the Companies Act, 1956, any amendment in Memorandum and Article of association required approval of members. Hence this resolution is commanded for your approval

None of the directors of the Company is in any way concerned or interested in this resolution, except to the extent of the shareholding held by them.

ITEM NO 13

The present authorized share capital of the Company is increased from Rs 1,05,000,000 (Rupees Ten Crore Fifty Lakhs) divided into 10,500,000 (One Crore Five Lakhs) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 1,25,000,000 (Rupees Twelve Crore Fifty Lakhs) divided into 12,500,000 (One Crore Twenty Five Lakhs) equity shares of Rs. 10/- (Rupees Ten) each.

Further Company need to amend clause 3 (a) of the Articles of Association which defines the capital of the company.

As the company has granted 30,00,000 lacs option Under SCOPE ESOS 2011 Scheme

A copy of the Company's Altered Memorandum and Articles of Association is open for inspection during the business hours on any working day at the registered office of the Company.

Pursuant to the provisions of Sections 31 of the Companies Act, 1956, any amendment in Article of Association required approval of members. Hence this resolution is commanded for your approval.

None of the directors of the Company is in any way concerned or interested in this resolution, except to the extent of the shareholding held by them.

ADDITIONAL INFORMATION ON DIRECTORS APPOINTED AND RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT.

PATTELA SRINIVAS GOUTAM

Goutam Pattela an engineering graduate from JNTU Hyderabad has got rich experience in the Software Industry. His core competency is in the field of providing Education Software to the institutions. Having worked with companies like Core Projects in Mumbai at a senior level, his knowledge and understanding of the business opportunities in this space has made him linchpin of our Software Division. A highly motivated and energetic professional, dedicated to understanding and meeting client needs.

He is Director in Venkateswara Corporate Advisory Services Private Limited, Edplus Information Technology Private Limited & Etracker Mobile Technologies Private Limited.

Shareholding in the Company: 294200 Equity Shares

NIYAZ AHMAD

Mr. Niyaz Ahmad is Professionally an Engineer who is a BE Graduate in the field of Information Technology. He has about more than 5 years of Experience in the field of Information Technology and related field.

He is Director in Geometrix Laser Solutions Private Limited.

Shareholding in the Company: NIL

NISAR AHMED

Mr. Nisar Ahmad is Professionally an Engineer who is a BE Graduate in the field of Information Technology. He has about more than 8 years of Experience in the field of Information Technology and related field

He is Director in Geometrix Laser Solutions Private Limited & Om Shiva Sakthi Power Private Limited

Shareholding in the Company: NIL

ALLAMA PRABHU ANANDWADE

Allama Prabhu Anadwade aged 39 years professional doctor, he has more than 10 years of expereince in this field and he has good experience and interest in finance and other related activities.

Presently he is Director of Your Company.

Shareholding in the Company: NIL

BOBBURI PAMPATHI

Bobburi Pampapathi Choudhary has 30 yrs experience in the space of Infrastructure business and has been involved in many core partnerships with prestigious and leading infrastructure companies across India in executing various projects like Canal Works, Roads, Leveling, Buildings, Railway Contracts in Goa, Chhattisgarh, Punjab, Bihar, and Andhra Pradesh. Canal Work from Durha to Ferozpur Road in Ludhiana, Laying road from Vijayawada to Chilakuluripeta, Four lane road from Nizamabad to Kamareddy and Blasting & Leveling work at Goa Airport are some his works executed successfully. His technical capabilities have placed him as a key decision maker from planning to execution of the projects in the company. His rich experience of working in extreme conditions across the country would give us the impetus to strategize better and therby increase the profitability of the company.

He is Director in BPC Engineers & Contractors Private Limited & Bhageeradha Agritech Private Limited.

Shareholding in the Company: NIL

PRAVEEN KUMAR CHODAVARAPU

CH Praveen Kumar is a graduate in commerce aged 34 years, he has more than 5 years of rich experince in finance and related activities, at present he is handling many projects related to construction and infrastructure.

Presently he is Director of Your Company.

Shareholding in the Company: NIL

DIRECTORS' REPORT

To

The Members,
 Scope Industries (India) Limited

Your Directors have pleasure in presenting herewith the 28th Annual Report of your Company together with the Audited Accounts for the financial year ended 31st March, 2012.

FINANCIAL RESULTS:

(₹ in lakhs)

PARTICULARS	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
Sales	5440.69	1521.59
Other Income	-	2.59
Total	5440.69	1524.18
Expenditure	5294.00	1495.71
Profit before depreciation and Income tax	146.69	28.47
Depreciation	0.24	-
Net profit before tax	146.45	28.47
Provision for taxation		
a. Current tax	29.30	5.95
b. Deferred tax	0.27	-
Profit after tax	116.88	22.52

DIVIDEND :

As a measure of prudence and with a view to conserve resources for funding the business plans of the Company, no dividend on the Equity Shares for the year ended 31st March, 2012 was recommended.

PARTICULARS OF EMPLOYEES:

There are no employees whose particulars are required to be furnished under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975, and as amended from time to time as remuneration of none of the employees is in excess of Rs. 5, 00,000/- per month, if employed for the part of year or Rs.60, 00,000/- per annum during the financial 2011-2012.

DIRECTORS:

Sri Akella Sai Kumar, Sri Tammina Eswar Rao and Sri Damaraju Srihari Charan, Directors of your company retires by rotation at the ensuing Annual General Meeting and being eligible for re-appointment, offers themselves for re-appointment. Pattela Srinivas Goutam, Niyaz Ahmad and Nisar Ahmed were appointed as Additional Directors w.e.f 8th February, 2012, Allama Prabhu Anandwade was appointed on w.e.f 16.02.2012 and Bobburi Pampapathi and Praveen Kumar Chodavarapu were appointed as Additional Directors w.e.f 10th May 2012. The Company has received individual notices from the members of the Company complying with the provisions of the Section 257 of the Act, proposing their respective candidature for the office of Director.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the directors of your company hereby confirm that:

1. In preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any, there from;
2. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2012 and of the profit and loss of the company for that period;
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. The directors have prepared the annual accounts on a going concern basis.

AUDITORS:

M/s S S SRAVAN & ASSOCIATES Chartered Accountants, Statutory Auditors of the Company has resigned from the office of the Statutory Auditors of the Company and in their place M/s. RAMASAMY KOTESWARA RAO & CO Chartered Accountants, was appointed as the Statutory Auditors of the company at the EGM held on 26th April, 2012 who retire at the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The company has received a certificate from the Auditors to the effect that their appointment, if made will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956. The Board recommends their appointment

Reply to Auditors Qualification

1. With regard to the deposit of Amounts to statutory Authorities (Point No. 9 (a) of the Auditors Reports). Your Board would like to bring to your kind notice that the Company is under the process of depositing the same.
2. With regard to unsecured loan taken from the directors, Your board would like bring to your kind notice that these are short terms loans for day to day operations..

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

- A. Conservation of Energy – The present operation of the Company do not involve high energy consumption. However steps being taken to minimize energy consumption where ever possible
- B. Research & Development – Not Applicable
- C. Technology Absorption – Not Applicable
- D. Foreign Exchange Earnings & Outgo: (In Rs. Lakhs)

	2011-2012	2010-11
Foreign Exchange earnings	Nil	Nil
Foreign Exchange outgo	Nil	Nil

CORPORATE GOVERNANCE:

Your Company has complied with the requirements of Clause 49 of the Listing Agreement entered into with the Stock Exchanges. Report on Corporate Governance including Auditor's Certificate on Compliance with the code of Corporate Governance under Clause 49 of the listing agreement is enclosed as **ANNEXURE III** to this report.

EMPLOYEE STOCK OPTION SCHEME:

As members are that the Company has, vide Special Resolution passed at the Extra- ordinary General Meeting held on May 12, 2011, introduced Employees Stock Option Scheme-2011 (Scope ESOS - 2011) to enable the employees of the Company to participate in the future growth and financial successes of the Company. The Board of Directors of your Company, based on the recommendations of the Remuneration Committee granted 30,00,000 stock options to its eligible employees out of which 900000 option were exercised by the employees. The disclosure required under SEBI Guidelines, in this regard, is furnished in the **ANNEXURE. II**

MANAGEMENT DISCUSSION & ANALYSIS

Aspects of Management Discussion and Analysis are enclosed as **ANNEXURE - I** to this report

DEPOSITS:

Your company has not accepted any deposits falling under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules 1975 during the year.

SHARE CAPITAL

Your Company has allotted 1900000 Equity Shares on 10th May, 2012 on preferential basis to promoter and non promoters of the Company

SUBSIDIARY

During the financial year under review your company has incorporated two wholly owned subsidiary M/s Edplus Information Technology Private Limited and M/s Etracker Mobile Technologies Private Limited, these Companies are yet to start the commercial productions.

ACKNOWLEDGEMENTS:

Your directors would like to express their sincere appreciation and gratitude to all Employees, Shareholders, the Suppliers, Customers and various authorities who have extended their immense support to the organization.

By order of the Board of Directors

sd/-

Sriram Pavan Kumar Vemuri
Chairman & Managing Director

Place: Hyderabad
Date: 27.08.2012

MANAGEMENT DISCUSSION & ANALYSIS:

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Infrastructure sector in India is set to boom as the country enters a high growth phase. With a growing economy and double digit growth expected over the next four years, the infrastructure sector would witness exponential growth and enormous investments. With the expected average annual compounded growth rate of 8.5%, India's GDP is expected to be USD 1.4 trillion by 2017 and USD 2.8 trillion by 2027.

The construction sector has grown at an annual rate of 12-15% from financial year 2004-2008 and is expected to rise at around 35% during 2009-2013. All infrastructure sub-sectors are set to grow with similar scorching pace.

OPPORTUNITIES AND THREATS

The Infrastructure sector in India is attracting more funds not only from the domestic funds but also from the international arena, even in the form of Public Private Partnership. Other factors including political intent, liquidity position, commodity and crude prices, structural and procedural reforms at various government body levels (like NHAI) are also well-placed to rollout the Indian infrastructure growth story ahead. Moreover, companies in the infrastructure space are backed with strong orders which show strong revenue visibility in coming future. Therefore, looking at the current scenario and future growth potential experts expect Indian Infrastructure Sector to outperform the trends in long term thereby providing excellent investment opportunities in the sector.

Introduction of Public Private Partnerships (PPP): Government has introduced the concept of public-private partnerships in India, to combine the best practices of public and private sectors to efficiently develop and maintain infrastructure facilities.

The construction industry everywhere faces problems and challenges. However, in developing countries like India, these difficulties and challenges are present alongside a general situation of socio-economic stress, chronic resource shortages, institutional weaknesses and a general inability to deal with the key issues. There is also evidence that the problems have become greater in extent and severity in recent years. One of the charges leveled at the construction industry, as at the beginning of the 21st century, is that it has a poor record on innovation, when compared with manufacturing industries such as aerospace or electronics.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

As the members are aware that your Company has newly entered in this segment and is operating at present in single segment of infrastructure and constructions

INDUSTRY OUTLOOK:

Infrastructure remains a vital sector for India's growth story. But, lack of adequate infrastructure is a major constraint in India's growth. Infrastructure, which was the golden sector a few years ago, is battling regulatory bottlenecks, land acquisition delays and credit crunch. Without any dichotomy - the future growth prospects of the Indian economy lingers primarily on the infrastructure investment and timely execution of the projects. The infrastructure sector was one of the thrust areas in Union Budget 2012-13 as a string of measures were announced in the budget.

Manufacturing sector projected to grow at 4.5 per cent. Electricity, automotive, steel and cement sector have shown improvement in the period of April-June. Because of the benefits of the low base, manufacturing sector will show improved performance in the second half of this year.

Construction expected to show some improvement compared to last year as evidenced by the recent increase in the output of steel and cement.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate Internal Control System to ensure that all the assets are safeguarded and protected against any loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly.

The Company's Internal Control System is supported by an adequate programme of internal audit, conducted by the Auditors of the Company, reviewed periodically by the management together with the Audit Committee of the Board. The Management also regularly reviews the operational efficiencies, utilization of fiscal resources and compliance with laws so as to ensure optimum utilization of resources and achieve better efficiencies.

FUTURE OUTLOOK

Infrastructure development is a major input to economic development and sustained growth in an economy. As India continues down its path of development, infrastructure has become increasingly important. Although the Indian Government has been proactive in building necessary infrastructure in the energy, transportation, and urban sectors, additional investment is needed. Like many countries, private-sector involvement will be critical in escalating India's infrastructure beyond meeting basic needs and reaching a level that advances the efficiency with which India's economy operates. Many PPP and BOT Projects have been and will continue to be a growing trend with very large investment plans. Although, the climate for the infrastructure sector in India is strong in the long run, there is a temporary concern of:

- A slowdown in the global economy
- Growth in global competition; and
- Weakening international currencies.

To respond to this, SIIL has embarked on a plan to:

- Take advantage of the growth in global competition and to partner with those companies who compliment SIIL's specialisation, experience and know how, to grow its top line; and
- Increase its bottom line through rigorous receivables management, lean operations management and tight project management practices.
- The Company is equipped to undertake and carryout a reasonable share of the Infrastructure Development for years to come.
- The Company has adequately trained manpower and sophisticated plant, machinery and equipment to withstand the scope of work to the international standard.
- The Company is well equipped to contribute its might in the best interest of infrastructure development and it is poised for further growth and development in germane fields of civil engineering.
- It has built up in-house strength for quality construction scheduled for completion within given time, conforming to rigid technical specifications.

We believe that through the above actions we will be able to navigate through any uncertain times and take advantage of future developments.

Disclosure under Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme) Guidelines 1999

	Particulars	Details
a)	Options Granted	30,00,000
b)	Pricing and Pricing formula	as decided by the Remuneration Committee but shall not be less than Rs.10/- (Rupees Ten Only) per share
c)	Options vested on Date : (31.03.2012)	Nil
d)	Options Exercised (31.03.2012)	Nil
e)	Total No of Shares arising as a result of Exercise of option	30,00,000
f)	Option lapsed	Nil
g)	Variation of terms of options	Nil
h)	Money realized by Exercise of options	Nil
i)	Total No of options in force	Nil
j)	Employee wise details of Options granted to Senior managerial Personal	
ii)	Employees receives a grant of 5% or more of options granted during that year	None
iii)	Employees receives grant of 1% or more Issued Capital	None
K)	Diluted Earnings Per Share(EPS) Pursuant to issue of Shares on Exercise of options calculated in accordance with the Accounting Standard (AS-20) `EPS`	Not Applicable, as amortization will commence in the financial Year in which exercise of Options
L)	Where the Company has calculated the employee Compensation Cost Using the Intrinsic value of Stock options, the difference between the Employee Compensation Cost so computed and Employee Compensation Cost that shall have been recognized if it had used the fair value of the options shall be disclosed.	Not Applicable, as amortization will commence in the financial Year in which exercise of Options
M)	The Impact of this difference on Profits and on EPS of the company shall be Disclosed	Not Applicable, as amortization will commence in the financial Year in which exercise of Options
N)	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	NA
O)	A description of the method and significant assumptions used during the year to estimate fair value of options including following weighted average information	NA
i)	Risk free Interest rate	
ii)	Exercise Price	
iii)	Expected life of the option	
iv)	Expected volatility	
v)	Dividend Yield	
vi)	Price of the underlying share in the market at the time of the option grant.	
vii)	Fair value of the option (Rs)	

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company's philosophy of Corporate Governance is fair and transparent in its dealing with all its stake holders. The Strong emphasis on quality, accountability and integrity while dealing with the stake holders of the Company are the pillars of the Company's Governance Policy. The Company has adopted the Code of Conduct which is applicable to its employees which in line with the best practices and meets all the relevant legal and regulatory requirements. All the employees are bound by a Code of Conduct that sets forth the Company's Policies on all important issues.

2. BOARD OF DIRECTORS:

- **Composition of Board of Directors**

The Present strength of the Board is Ten. The Board Comprises of Executive and Non Executive Directors. The Non Executive Directors bring Independent Judgment in the Board's deliberations and decision. The Board comprises of 3 Executive, 2 Non-Executive Director and 5 Non Executive & Independent Directors

- **Board meeting and attendance**

Seven Board Meetings were held during the Financial Year and the gap between two board meetings did not exceed four months.

The dates on which meeting were held are as follows:

14.04.2011	18.05.2011	13.08.2011	18.11.2011	08.02.2012	17.03.2012	28.03.2012
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The constitution of the Board is given below:

S. No	Director	Category	Attendance at AGM held on 28.09.2010	Attendance in Board Meeting		Other Boards		
				Held	Attended	Directorship	Committee chairman -ship	Committee member -ship
1	Sri Sriram Pavan Kumar Vemuri (Appointed on 13.08.2011)	Chairman & Managing Director	YES	7	5	3	Nil	Nil
2	Sri D Srihari Charan	WholeTime Director	YES	7	7	1	Nil	Nil
3	Sri Akella Sai Kumar (Appointed on 13.08.2011)	Executive Director	YES	7	5	1	Nil	Nil
4	Sri Tammina Eswara Rao (Appointed on 13.08.2011)	Non Executive & Independent Director	YES	7	5	1	Nil	Nil
5	Sri Pattela Srinivas Goutam (Appointed on 08.02.2012)	Non Executive Director	NA	7	3	3	Nil	Nil
6	Sri Niyaz Ahmed (Appointed on 08.02.2012)	Non Executive & Independent Director	NA	7	0	1	Nil	Nil
7	Sri Nisar Ahmad (Appointed on 08.02.2012)	Non Executive & Independent Director	NA	7	0	2	Nil	Nil
8	Sri Bobburi Pampapathi (Appointed on 10.05.2012)	Non Executive Director	NA	7	NA	2	Nil	Nil
9	Sri Praveen Kumar Chodavarapu (Appointed on 10.05.2012)	Non Executive & Independent Director	NA	7	NA	Nil	Nil	Nil
10	Sri Allama Prabhu Anandwade (Appointed on 16.02.2012)	Non Executive & Independent Director	NA	7	2	Nil	Nil	Nil
11	Sri M.Srikanth (Resigned on 08.02.2012)	Non Executive Director	Yes	7	4	2	Nil	Nil
12	Sri Sandadi Suresh Reddy (Appointed on 13.08.2011 and Resigned on 08.02.2012)	Non Executive & Independent Director	YES	7	3	2	Nil	Nil
13	Sri Sandolu John Vesli (Resigned on 08.02.2012)	Non Executive & Independent Director	YES	7	3	Nil	Nil	Nil
14	Sri Maturi Sudhakar (Resigned on 08.02.2012)	Non Executive & Independent Director	YES	7	3	Nil	Nil	Nil
15	PNV Satya Prasad (resigned w.e.f 13.08.2011)	Non Executive Director	NA	7	3	Nil	Nil	Nil
16	B Vijay Kumar (resigned w.e.f 13.08.2011)	Non Executive & Independent Director	NA	7	3	Nil	Nil	Nil

3. AUDIT COMMITTEE:

◆ Brief description of terms of reference

- Review the un-audited quarterly results, half yearly and annual accounts of the company
- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of Statutory auditors, fixation of audit fee and also approval for payment of any other services
- Reviewing with the management, the annual financial statements before submission to the Board focusing primarily on:
 - (i) Any changes in accounting policies and practices
 - (ii) Major accounting entries based on exercise of judgment by management
 - (iii) Qualifications in draft audit reports
 - (iv) Significant adjustments arising out of the audit
 - (v) The going concern assumption
 - (vi) Compliance with accounting standards
- Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relative etc. that may have potential conflict with the interests of the company at large
- Reviewing with management, external and internal auditor's, the adequacy of internal control systems
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with internal auditors any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected of fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
- Discussion with external auditors before the audit commences, on the nature and scope of audit as well as have post-audit discussion to ascertain any areas of concern
- Reviewing the company's financial and risk management policies
- To look into and review the reasons for substantial defaults, if any, in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

The Chairman of the Audit Committee shall be present at the Annual General Meeting of the Company to provide any clarification on queries from shareholders.

◆ Composition

The Audit Committee of the Company comprise of the following Independent Directors:

Name of the Director	Designation
Sri Tammina Eswara Rao	Chairman
Sri Nisar Ahmed	Member
Sri Allama Prabhu Anandwade	Member

◆ Meetings and Attendance during the Financial Year:

MEETINGS:

The Audit committee of the Board met Four times during the year, the meetings was held for approval of Un- Audited Financial Results and Audited Financial results of the Company i.e. on:

18.05.2011	13.08.2011	18.11.2011	08.02.2012
------------	------------	------------	------------

ATTENDANCE:

Name	No of Meetings Held	No of Meetings Attended
Sri Tammina Eswara Rao	4	3
Sri Sandolu John Vesli	4	4
Sri Maturi Sudhakar	4	4
Sri B Vijay Kumar	4	1

The un- audited financial results for each quarter are approved by the Audit Committee before passed on to the Board of Directors for approval and adoption.

4. **REMUNERATION COMMITTEE:**

◆ **Terms of Reference:**

- The Remuneration Committee recommends to the board the compensation terms of the executive directors / non-executive directors
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of our Company and the shareholders.

◆ **Composition**

Remuneration Committee of the Company consists of following Non-Executive & Independent Directors, which is as follows:

Name of the Director	Designation
Sri Tammina Eswara Rao	Chairman
Sri Nisar Ahmed	Member
Sri Allama Prabhu Anandwade	Member

◆ **Remuneration paid to Directors during the Financial Year**

No Remuneration is paid to Board of Directors of the Company

Meetings and Attendance during the Financial Year:

MEETINGS:

The remuneration committee of the Board met Four times during the year,

14.04.2011	18.05.2011	13.08.2011	08.02.2012
------------	------------	------------	------------

ATTENDANCE:

Name	No of Meetings Held	No of Meetings Attended
Sri Tammina Eswara Rao	4	3
Sri Sandolu John Vesli	4	4
Sri Maturi Sudhakar	4	4
Sri B Vijay Kumar	4	1

5. **INVESTORS AND SHAREHOLDERS GRIEVANCE COMMITTEE:**

◆ **Brief description of terms of reference:**

To supervise and ensure:

- (i) Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- (ii) Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- (iii) Issue of duplicate / split / consolidated share certificates;
- (iv) Allotment and listing of shares;
- (v) Review of cases for refusal of transfer / transmission of shares and debentures;
- (vi) Reference to statutory and regulatory authorities regarding investor grievances;
- (vii) And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

◆ **Composition**

The Committee comprises of the following members:

Name of the Director	Designation
Sri Tammina Eswara Rao	Chairman
Sri Nisar Ahmed	Member
Sri Allama Prabhu Anandwade	Member

Name & Designation of the Compliance Officer :
Sri Sriram Pavan Kumar Vemuri : Chairman & Managing Director

No. of shareholders complaints received during the Financial Year : 7
 No. of complaints solved to the satisfaction of the share holders : 7
 No. of pending complaints : 2

6. GENERAL BODY MEETING
LOCATION AND TIME WHERE THE LAST THREE AGMS HELD:

Year	Date	Location	Time (A.M)
2010-11	30th September, 2011	At Sri Thyagaraya Gana Sabha (Kala Subba Rao Kala Vedika), Vivek Nagar, (Chikkadpally), Hyderabad - 20	11.30
2009-10	28th September, 2010	At Hotel Swagath, 2nd Floor, Alluri Trade Centre, Opp KPHB, Kukatpally, Hyderabad 500 072, Andhra Pradesh	11.00
2008-09	30th September, 2009	At Parasbhai Memorial High School (sadhana Mandir School), Bolaram, Secunderabad, Andhra Pradesh	11.00

No Special Resolution is passed in the Previous three Annual General Meeting.

POSTAL BALLOT

No resolution was passed through postal ballot during the year ended 31st March, 2012.

No Special Resolution is proposed to be conducted through Postal ballot at the ensuing Annual General Meeting

7. DISCLOSURES:

- Materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large. – **NIL** –
- Details on non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: – **NIL** –

8. MEANS OF COMMUNICATION:

- The Quarterly results are usually published in the **Business Standard (in English) and Andhra Bhoomi** (in regional language) dailies.
- Website : www.scopeind.com

9. SHAREHOLDER INFORMATION:

- AGM:** The 28th Annual General Meeting of the Company will be held on **Saturday 29TH SEPTEMBER, 2012** at Hotel Savera Residency, beside big bazaar, Ameerpet, Hyderabad-16
- Financial Year: 1st April 2011 to 31st March 2012

CALENDER OF EVENTS:

Event	Dates
First Quarter un-audited (Provisional) Financial Results	Second Week of August, 2012
Second Quarter un-audited (Provisional) Financial Results	Second Week of November, 2012
Third Quarter un-audited (Provisional) Financial Results	Second Week of February, 2013
Fourth Quarter un-audited (Provisional) Financial Results	Second Week of May, 2013

- **Book Closure Date :** Tuesday 25th September, 2012 to Saturday 29th September, 2012 (both days inclusive).

- **Listing on Stock Exchanges :** The shares of the Company are listed at

BSE LIMITED

Listing fee for the Financial Year 2012-13 has been paid to Bombay Stock Exchange Limited

- **Dividend Payment Date :** NA

- **Stock Code:**

Name of the Stock Exchange	Stock Code
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Bombay Stock Exchange Limited	531886
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- **Market Price Data :** During the last financial year 2011-12

Month	Bombay Stock Exchange Limited	
	High (Rs)	Low (Rs)
April, 2011	62.45	48.35
May, 2011	69.45	56.00
June, 2011	61.50	18.10
July, 2011	21.75	17.75
August, 2011	19.00	13.70
September, 2011	27.30	16.20
October, 2011	27.80	22.95
November, 2011	27.35	21.90
December, 2011	25.45	14.45
January, 2012	18.70	11.30
February, 2012	18.20	10.25
March, 2012	16.00	10.66

- **Registrar and Transfer Agents:** **M/s Venture Capital & Corporate Investments Limited**
12-10-134, Bharath Nagar Colony, Hyderabad.
Phone: 040-23712257 / 50

- **Demat ISIN Number**

Under the Depository System the International Securities Identification Number (ISIN) allotted to the Company's Equity Shares by NSDL & CDSL INE 747C01014

- Share Transfer System:**

The transfer of shares in physical form is maintained by M/s Venture Capital & Corporate Investments Limited (Registrar and Transfer Agents), and the share certificates are duly transferred and dispatched to the shareholder within a maximum period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. All share transfers are approved by the Share Transfer Committee, which meets every fortnight. The Company's shares are being traded in compulsory Demat form. The company has already entered into tripartite agreement with both the depositories i.e. NSDL and CDSL, for dematerialization of shares, which enables the shareholders to hold and transfer shares in electronic form

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2012

Sl. No.	Category From - To (Nominal Value)	No. of Holders	% of Holders	Amount (in Rs)	% to Total
1	Upto - 5000	657	46.07	1553380	2.09
2	5001 - 10000	390	27.35	3458830	4.65
3	10001 - 20000	150	10.52	2519880	3.38
4	20001 - 30000	40	2.81	1082340	1.45
5	30001 - 40000	31	2.17	1125700	1.51
6	40001 - 50000	20	1.40	940920	1.26
7	50001 - 100000	46	3.23	3552390	4.77
8	100001 and above	92	6.45	60229560	80.89
	TOTAL	1426	100.00	74463000	100.00

- Dematerialization of shares and liquidity: Since the Company has already entered into agreement with both the depositories, viz., NSDL and CDSL for dematerialization of its shares, the shareholders are free to dematerialize their shares and keep them in dematerialized form with any of the Depository Participant.
- Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity:
Not Issued

SHAREHOLDING PATTERN AS ON 31st MARCH 2012:

Sl no	Category	No. of Shares Held	% of Shareholding
A1	SHAREHOLDING OF PROMOTERS & PROMOTER GROUP INDIAN Individuals/Hindu Undivided Family Central Government /State Government(s) Bodies Corporate Financial Institutions/Banks	1301101	17.47
	Sub Total of A1	1301101	17.47
A1	FOREIGN Individuals (Non-Residents) Bodies Corporate Institutions Any Other (Specify)		
	Sub Total of A2		
	TOTAL PROMOTERS SHAREHOLDING (A1 +A2)	1301101	17.47
B 1.	Public Shareholdings Institutions Mutual Funds and UTI Banks/Financial Institutions Central Government/State Government Venture Capital Funds Insurance Companies Foreign Institution Investor Foreign Venture Capital Investors Any Other (Specify)	- - - - - - - -	- - - - - - -
	Sub Total B1	-	-
B 2.	Non Institutions A) Bodies Corporate B) Individuals B-i) Individual Shareholders Holding Nominal Share Capital up to Rs 1 Lakh. B-ii) Individual Shareholders Holding Nominal Share Capital excess of Rs 1 lakh Any Other (Specify) NRIs/OCBs Foreign Collaborators Clearing Members	1277065 1265125 3012705 136702 - 453602	17.15 16.99 40.46 1.84 - 6.09
	Sub Total B2	6145199	82.53
	TOTAL OF PUBLIC SHAREHOLDING (B1+B2)	6145199	82.53
C	Shares held by Custodian and against which Depository Receipts have been issued	-	-
	TOTAL A+B+C	7446300	100.00

ADDRESS FOR CORRESPONDENCE : **Sriram Pavan Kumar Vemuri**
Chairman & Managing Director
101, Plot No. 280/A, Raj Residency,
Road No. 12, Banjara Hills,
Hyderabad- 500034
Tel : 040 - 23555678, Fax : 040-23559955
E.mail : cs@scopeind.com

CEO & CFO CERTIFICATION: : The Chairman & Managing Director of the
Company give annual certificates on financial
reporting and internal controls to the board
In terms of clause 49.

DECLARATION OF MANAGING DIRECTOR ON COMPLIANCE WITH CODE OF CONDUCT AND ETHICS

Scope Industries (India) Limited has adopted Code of Business Conduct and Ethics (“the code”) which applied to all the employees and Director of the Company. Under the Code, it is responsibility of all employees and Directors to familiarize themselves with the Code and comply with its Standards.

I Sriram Pavan Kumar Vemuri, Chairman & Managing Director of the Company hereby certify that the Board members and senior management personnel of Scope Industries (India) Limited have affirmed compliance with the Code of conduct for the Financial Year 2011-12.

Place: Hyderabad
Date: 27.08.2012

sd/-
Sriram Pavan Kumar Vemuri
Chairman & Managing Director

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To,
The Members

We have examined the compliance of conditions of Corporate Governance by M/s Scope Industries (India) Limited for the year ended 31st March, 2012 as stipulated in The Clause 49 of the Listing Agreement of the said company with Stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure 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 knowledge and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of Investor grievances received during the year ended March 31st 2012, no investor grievances except two are pending for a period exceeding one month against the Company as per the records maintained by Company. 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 Ramasamy Koteswara Rao & Co.

Chartered Accountants

Sd/-

(C V Koteswara Rao)

Partner

Membership No. 028353

Place: Hyderabad
Date: 27.08.2012

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certificates:

I, Sriram Pavan Kumar Vemuri, chairman & Managing Director of M/s Scope Industries (India) Limited to the best of our knowledge and belief, certify that:

1. I have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and notes on accounts as well as the Cash Flow Statement for the year ended 31.03.2012
2. **To the best of our knowledge and belief:**
 - a) These statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading.
 - b) The financial statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws and regulations.
3. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
4. I accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
5.
 - a) There has not been any significant change in internal control over financial reporting during the year under reference;
 - b) There has not been any significant changes in accounting policies during the year under reference; and
 - c) We are not aware of any instances during the year of significant fraud, with involvement there in of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad
Date: 27.08.2012

Sriram Pavan Kumar Vemuri
Chairman & Managing Director

AUDITOR'S REPORT

To the Members of
 SCOPE INDUSTRIES (INDIA) LIMITED
 HYDERABAD.

1. We have audited the attached Balance Sheet of **SCOPE INDUSTRIES (INDIA) LIMITED**, as at March 31, 2012, and the relating profit and loss account and the Cash flow statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, and amendment thereto by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of 'The Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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;
 - (iii) The Balance Sheet and the Profit and Loss Account and Cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and the Profit and Loss Account and Cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) 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, prescribed the manner in which such cess is to be paid, no cess is due and payable by the Company

(vii) In our opinion and to the best of our information and according to the explanations given to us, they said accounts together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012; and
- (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
- (c) In the case of the cash flow statement, of the cash flows of the company for the year ended on that date.

For Ramasamy Koteswara Rao & Co;

Chartered Accountants

FRN:010396S

Sd/-

(C V Koteswara Rao)

Partner

Membership No. 028353

Place: Hyderabad
Date: 27-08-2012

SCOPE
INDUSTRIES

Annexure to the Auditors' Report to the Members of
SCOPE INDUSTRIES (INDIA) LIMITED
 for the year ended March 31, 2012
 (Referred to in paragraph 3 of our Report of even date)

- (i)
- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Fixed assets have been physically verified by the management during the year in accordance with a phased program of verification which, in our opinion is reasonable having regard to the size of the company and the nature of its assets, According to the information furnished to us , no material discrepancies have been noticed on such verification.
 - (c) No substantial part fixed assets have been disposed off by the company during the year.
- (ii)
- (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is responsible.
 - (b) The procedures for the physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company has maintained proper records of inventory and there are no discrepancies noticed on verification between the physical stocks and the book of records.
- (iii)
- (a) The company has not granted any loans to/ from parties covered in the register maintained under section 301 of the companies Act, 1956. In view of clause (iii) (a) above, the clauses (iii) (b), (iii) (c) (iii) (d) are not applicable.
 - (e) According to the information and explanations given to us, the company was taken loans from the two parties covered in the register maintained under section 301 of the Companies Act 1956. The maximum amount outstanding during the year was Rs 19, 05,000 and the yearend balance of such loan was Rs 19, 05,000.
 - (f) In our opinion, the rate of interest and other terms and conditions on which the loan has been taken from parties covered in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
 - (g) Since, the periods of payment of interest and repayment of principle have not been stipulated in the agreement, we are unable to comment whether the payment of interest and repayment of principle are regular or not.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, with regard to purchase of 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 controls system.
- (v) According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Act.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- (vii) In our opinion the company has an internal audit system commensurate with its size and the nature of its business.
- (viii) According to the information and explanations given to us, maintenance of cost records has not been prescribed by the central government under the clause (d) of sub-section (1) of section 209 of the Act.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, except for certain cases of tax deducted at source (amounting Rs.2436900) and Professional tax (Amounting Rs 32,320) where there have been delays for more than 180 days.
- (b) According to the information and explanation given to us, there are no due of income-tax, wealth- tax, sales-tax, and cess, which have not been deposited on account of any dispute.
- (x) The company has been registered for a period of not less than five years and the accumulated losses of the company at the end of the financial year is more than fifty percent of its Net worth and the Company has not incurred any cash losses during the year and immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanation given to us, we are of the opinion the company has not defaulted in the payment of any dues.
- (xii) According to the information explanation given to us, the company has not granted any loans and advances on the basis of security by way pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or nidhi/mutual benefit fund/society. Accordingly, the provisions of clause 4 (xiii) of the said order are not applicable to the company.
- (xiv) The Company does not deal or trade in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) The company has not raised any new term loans during the year hence the question of reporting on these clause is not required.
- (xvii) According to the information and explanations given to us, and on overall examination of the Balance Sheet of the company, in our opinion, the funds raised on short-term basis have not been used for long-term investments.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, the question of reporting on whether the price at which such shares have been issued is prejudicial to the interest of the company does not arise.
- (xix) The company has not issued any debentures. Accordingly, the question of creating security or charge for such debentures does not arise.
- (xx) The company has not raised any money by public issues during the year. Accordingly, the question of disclosure of end use of such monies does not arise.
- (xxi) Accordingly to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Ramasamy Koteswara Rao & Co;
Chartered Accountants
FRN:010396S

Sd/-

(C V Koteswara Rao)

Partner

Membership No. 028353

Place:Hyderabad
Date: 27-08-2012

Balance Sheet as at 31st March 2012

Particulars	Note No.	Current Year As at 31.03.2012	Previous Year As at 31.03.2011
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	1	74,463,000	61,084,700
(b) Reserves and surplus	2	(47,317,567)	(59,072,431)
(c) Money received against share warrants			
Non-current liabilities			
(a) Long-term borrowings	3	8,143,150	7,738,150
(b) Deferred Tax Liability		26,678	-
Current liabilities			
(a) Other current liabilities	4	17,465,259	9,513,286
(b) Short term Borrowings	5	2,300,000	
(c) Short-term provisions	6	3,719,983	595,127
TOTAL		58,800,503	19,858,832
ASSETS			
Non-current assets			
(a) Fixed assets	7		
(i) Tangible assets		435,743	-
Current assets			
(a) Inventories	8	9,178,594	-
(b) Cash and cash equivalents	9	2,151,686	3,907,952
(c) Short-term loans and advances	10	33,672,876	12,818,226
(d) Other current assets	11	13,361,605	3,132,654
TOTAL		58,800,503	19,858,832

Schedules form an integral part of Financial Statements In terms of our report of even date.

for Ramasamy Koteswara Rao & Co;

Chartered Accountants

Firm Regn. No. 010396S

Sd/-

(C V Koteswara Rao)

Partner

M No: 028353

for and on behalf of the Board of Directors of

Scope Industries (India) Limited

Sd/-

Sriram Pavan Kumar Vemuri
Chairman and Managing Director

Sd/-

Damaraju Srihari Charan
Director

Place : Hyderabad

Date :27.08.2012

Profit and loss statement for the year ended 31st March 2012

Particulars	Note No. 2	Current Year As at 31.03.2012 3	Previous Year As at 31.03.2011 4
Revenue from operations	12	544068961	152159384
Other income	13	-	259,422.00
Total Revenue		544068961	152418806
Expenses:			
Contract Expenses	14	533421173	147395414
Increase or Decrease in Capital Work in Progress	15	-9178594	0
Employee benefits expense	16	3040342	454560
Finance costs	17	488247	152579
Depreciation and amortization expense	6	24957	0
Administrative Expenses	18	1628595	1569210
Total expenses		529424721	149571763
Profit before tax		14644240	2847043
Tax expense:			
(1) Current tax(MAT)		2929983	595127
(2) Deferred tax Liability		26,678	0
Profit (Loss) for the period from continuing operations		11687579	2251916
Profit/(loss) from discontinuing operations		0	0
Profit (Loss) for the period		11687579	2251916

Schedules form an integral part of Financial Statements In terms of our report of even date.

for Ramasamy Koteswara Rao & Co;

Chartered Accountants

Firm Regn. No. 010396S

for and on behalf of the Board of Directors of

Scope Industries (India) Limited

Sd/-

(C V Koteswara Rao)

Partner

M No: 028353

Sd/-

Sriram Pavan Kumar Vemuri
Chairman and Managing Director

Sd/-

Damaraju Srihari Charan
Director

Place : Hyderabad

Date :27.08.2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
A. Cash Flows from Operating Activities		
Net profit before Tax and extraordinary items	14,644,240	2,847,043
Adjustments for :		
Depreciation	24,957	-
Provision for Tax	2,929,983	595,127
Operating Profit Before Working Capital Changes	11,739,215	2,251,916
Changes in Inventories	(9,178,594)	-
Changes in Trade and Other Receivables	(21,016,316)	(12,412,240)
Changes in Sundry Creditors and Current Liabilities	11,076,829	9,826,931
Cash Generated from Operations	(7,378,867)	(333,393)
Taxes (Paid)/Received (Net of TDS)		
Net Cash Used for Operating Activities	<u>(7,378,867)</u>	<u>(333,393)</u>
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(460,700)	-
Long Term Investment	(10,000,000)	(3,500,000)
Net Cash Used for Investing Activities	<u>(10,460,700)</u>	<u>(3,500,000)</u>
C. Cash Flows from Financing Activities		
Proceeds against calls in arrears- Issue of Share Capital	13,378,300	-
Proceeds from Long term borrowings	405,000	7,738,150
Proceeds from Short term borrowings	2,300,000	-
Net Cash Flow from Financing Activities	<u>16,083,300</u>	<u>7,738,150</u>
Increase in Cash and Cash Equivalents during the period	<u>(1,756,267)</u>	<u>3,904,757</u>
Cash and Cash equivalents at the beginning of the period	3,907,952	3,195
Cash and Cash equivalents at the end of the period	<u>2,151,686</u>	<u>3,907,952</u>
	<u>(1,756,266)</u>	<u>3,904,757</u>

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' set out in AS - 3 issued by The Institute of Chartered Accountants of India
- Figures in brackets indicate cash outflow.
- Previous year's figures have been regrouped and recast wherever necessary to confirm the current period classification.

This is the Cash Flow Statement referred to in our report of even date

for Ramasamy Koteswara Rao & Co;

Chartered Accountants
Firm Regn. No. 010396S

for and on behalf of the Board of Directors of
Scope Industries (India) Limited

Sd/-
(C V Koteswara Rao)
Partner
M No: 028353

Sd/-
Sriram Pavan Kumar Vemuri
Chairman and Managing Director

Sd/-
Damaraju Srihari Charan
Director

Place : Hyderabad
Date :27.08.2012

Note 1
Share capital

Share Capital	2011-12		2010-11	
	Number	Amount	Number	Amount
Authorised Equity Shares of 10/- each	10,500,000	105,000,000	7,500,000	75,000,000
Issued Equity Shares of RS10/- each	7,446,300	74,463,000	7,446,300	74,463,000
Subscribed & Paid up Equity Shares of 10/-each fully paid	7,446,300	74,463,000	7,446,300	74,463,000
Less: Calls in Arrears	-	-	-	13,378,300
Total	7,446,300	74,463,000	7,446,300	61,084,700

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	2011-12		2010-11	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	7,446,300	74,463,000	7,446,300	61,084,700
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	7,446,300	74,463,000	7,446,300	61,084,700

Shares in the company held by each shareholder holding more than 5 percent shares

Name of Shareholder	2011-12		2010-11	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. P N V S Prasad	645,698	9	645,698	9
2. Damaraju Haricharan	652,403	9	652,403	9
3. Appar Finance and Investment Ltd	400,008	6	400,008	6
4. Srinivas Karrothi	494,981	7	494,981	7

Note 2
Reserves and surplus

	2011-12	2010-11
a. Capital Reserves		
Opening Balance	35,007,489	35,007,489
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	35,007,489	35,007,489

	2011-12	2010-11
e. Other Reserve		
Reserves and Surplus	1,500,441	1,500,441
Closing Balance	1,500,441	1,500,441
h. Surplus		
Opening balance	(95,580,361)	(97,832,277)
(+) Net Profit/(Net Loss) For the current year	11,687,579	2,251,916
(+) Excess Provision for Tax made in PY	67,285	-
Closing Balance	(83,825,497)	(95,580,361)
Total	(47,317,567)	(59,072,431)

Note 3 Long Term Borrowings

	2011-12	2010-11
Unsecured		
(a) Loans and from related parties	105,000	105,000
(a) From others	8,038,150	7,633,150
	8,143,150	7,738,150

Note 4 Other Current Liabilities

	2011-12	2010-11
(a) Others		
Sundry Creditors	40,000	-
Advance From Customers	6,105,684	6,229,270
Rent Payble	28,000	-
Audit Fee Payable	101,124	-
Lease Rent Payable	245,000	-
Professional Fee Payable	121,349	-
Professional Tax Payable	47,560	21,940
Outstanding Liabilities	-	147,324
Tds Payble	10,776,542	3,114,752
Total	17,465,259	9,513,286

Note 5
Short Term Borrowings

	2011-12	2010-11
(a) Loans repayable on demand from other parties	500,000	-
(b) Loans and advances from related parties	1,800,000	-
	2,300,000	-

Note 6
Short Term Provisions

	2011-12	2010-11
(a) Provision for employee benefits Salaries Payable	790,000	-
(b) Other Provisions Provision for Income Tax	2,929,983	595,127
	3,719,983	595,127

Note 8
Inventories

	2011-12	2010-11
Closing Work in progress	(9,178,594)	-
	(9,178,594)	-

Note 9
Cash and cash equivalents

	2011-12	2010-11
a. Balances with banks-Current Accounts	2,116,615	8,296
b. Cash on hand	35,071	3,899,656
	2,151,686	3,907,952

Note 10
Short-term loans and advances

	2011-12	2010-11
Others		
Unsecured, considered good	138,640	138,640
Advances to Suppliers	20,029,236	9,174,586
Share Application money with Mangalam Vintrade Pvt Ltd	13,505,000	3,505,000
	33,672,876	12,818,226
	33,672,876	12,818,226

Note 11
Other Current Assets

Particulars	2011-12	2010-11
TDS Receivable(194C) FY 10 11	2,480,226	3,132,654
TDS Receivable(194C) FY 11 12	10,881,379	-
	13,361,605	3,132,654

Note 12
Revenue from operations

Particulars	2011-12	2010-11
Contract Receipts	544,068,961	152,159,384
Total	544,068,961	152,159,384

Note 13
Other income

Particulars	2011-12	2010-11
Interest Income (in case of a company other than a finance company)	-	259,422
Total	-	259,422

Note 14
Contract Expenses

Particulars	2011-12	2010-11
Contract Expenses	533,421,173	147,395,414
Total	533,421,173	147,395,414

Note 15
Changes in inventories of finished goods work-in-progress and Stock-in-Trade

Particulars	2011-12	2010-11
Opening Stock :		
Work-in-Process	-	-
Finished Goods	-	-
Traded Items	-	-
Closing Stock :		
Work-in-Process	9,178,594	-
Finished Goods	-	-
Traded Items	-	-
Total	(9,178,594)	-

Note 16
Employee Benefits Expense

	2011-12	2010-11
(a) Salaries and incentives	3,025,620	450,000
(b) Staff welfare expenses	14,722	4,560
Total	3,040,342	454,560

Note 17
Finance costs

Particulars	2011-12	2010-11
Interest expense	-	147,945
Bank Charges	38,247	4,634
Interest on un Secured Loan	450,000	
Total	488,247	152,579

Note 18
Other expenses

Particulars	2011-12	2010-11
Audit fee	112,360	55,150
Advertisement Expenses	12,601	9,764
Annual Meeting Expenses	2,000	-
Business Promotion Expenses	17,500	-
Computer Maintenance	1,259	15,000
Conveyance Expenses	12,595	-
Demat account Charges	82,725	75,373
Directors Sitting fee	-	220,000
Electricity Charges	17,248	7,510
General Meeting Expenses	-	20,000
Internet Charges	2,600	-
Interest on TDS	235,682	-
Listing Fee	27,725	16,545
Books & Periodicals	5,398	-
Office Maintenance	143,497	-
Pooja Expenses	11,211	-
Postage & Courier Expenses	20,410	29,220
Printing & Stationery Expenses	125,734	28,900
Professional & Consultancy Expenses	144,550	284,442
Rates and Taxes	-	557,500
Rent.	420,000	170,000
Repairs & Maintenance	90,290	8,970
Telephone Expenses	22,881	15,736
Travelling Expenses	92,696	55,100
Web Site Hosting & Designing Charges	27,633	-
Total	1,628,595	1,569,210

MEASUREMENT AND DISCLOSURES AS PER ACCOUNTING STANDARDS**1 Significant Accounting Policies – (AS-1):****(a) Basis of Preparation of Financial Statements:**

Financial statements have been prepared and presented under historical cost convention in accordance with the accounting principles generally accepted in India having due regard to fundamental accounting assumptions of going concern, consistency and accrual and comply with the Accounting Standards referred to in Sec.211 (3C) of the Companies Act, 1956 as applicable and with the relevant provisions of the Companies Act, 1956.

(b) Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

(c) Revenue Recognition:

Revenue from construction contracts is recognized on the percentage of completion method as mentioned in accounting standard (AS) 7 “ Construction contracts” notified by the companies accounting standard rules 2006. Percentage of completion method is determined on the basis of actual project cost incurred as compared to the total cost estimated to be incurred on the projects.

(d) Fixed Assets and Depreciation

Fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of fixed assets includes purchase price, non-refundable taxes, duties, freight, and other incidental expenses related to the acquisition and installation of the respective assets.

Depreciation on fixed assets is provided using straight line method at the rates specified in Schedule XIV to the Companies Act, 1956.

(k) Tax Expense:

Income tax expense comprises current tax, deferred tax, Minimum alternative Tax.

Current tax

The current change for income tax is calculated in accordance with the relevant tax regulations applicable to the company.

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the year. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have enacted or substantially enacted by the balance sheet date. Deferred tax asset is recognized only to the extent there is reasonable certainty that the assets can be realized in future.

(n) Provisions:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

(o) Earnings per Share:

The basic Earnings Per Share (“EPS”) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year.

2. Notes to accounts forming part of the Balance Sheet

a) Deferred Tax Liability:	For the year ended 31 March 2012	For the year ended 31 March 2011
Deferred Tax Liability	26,678	Nil

b) Earnings per share(EPS):	For the year ended 31 March 2012	For the year ended 31 March 2011
Net Profit for the year attributed to Share holders	11687579	2251916
Shares		
Weighted average no of Equity shares outstanding during the year	7446300	7446300
Earnings per share	1.57	0.3

c) **Related Party Disclosures:**
 Unsecured Loans from Directors

SI NO	Name of the party	Relationship	As at 31.03.2012	As at 31.03.2011
1.	D.Srihari Charan	Director	1,05,000	1,0,5000
2.	Srinivas Goutam Pattela	Director	18,00,000	Nil

d) **Auditor's Remuneration(Excluding Service tax)**

Details of payments to Auditors:

	For the period ended 31 March 2012	For the period ended 31 March 2011
As auditors	1,00,000	50,000
For Taxation matters	0	0
For Management Services	0	0
Total	1,00,000	50,000

For Ramasamy Koteswara Rao & Co;

Chartered Accountants

FRN:010396S

Sd/-

(C V Koteswara Rao)

Partner

M No: 028353

for and on behalf of the Board of Directors of

Scope Industries (India) Limited

Sd/-

Sriram Pavan Kumar Vemuri
 Chairman and Managing Director

Sd/-

Damaraju Srihari Charan
 Director

Place : Hyderabad

Date : 27.08.2012

Scope Industries (India) Limited

No. 8-2-293/82/LA, Flat No. # 101, Raj Residency, Plot No. 280/A, Road No. 12,
Banjara Hills, Hyderabad – 500 034

ATTENDANCE SLIP

(Please present this slip at the Meeting Venue)

Regd. Folio No. :

No. of Shares Held:

Client ID No. :

DP ID No. :

I hereby record my presence at the 28th Annual General Meeting of the members of the Company held on Saturday 29th SEPTEMBER, 2012 at 11.00 A.M at Hotel Savera Residency, beside big bazaar, Ameerpet, Hyderabad-16

.....
Name of the Shareholder / Proxy

.....
Signature of Member / Proxy

Note: Members are requested to bring their copies of Annual Report to the meeting

Scope Industries (India) Limited

No. 8-2-293/82/LA, Flat No. # 101, Raj Residency, Plot No. 280/A, Road No. 12,
Banjara Hills, Hyderabad – 500 034

PROXY FORM

Regd. Folio No. :

No. of Shares Held:

Client ID No. :

DP ID No. :

I/We.....being a member/members of Scope Industries (India) Limited hereby appoint..... in the District ofas my/our proxy to attend and vote for me/us and on my/our behalf at the 28th Annual General Meeting of the Company to be held Saturday 29th SEPTEMBER, 2012 at 11.00 A.M at Hotel Savera Residency, beside big bazaar, Ameerpet, Hyderabad-16 and at any adjournment thereof :

Singed this Day of 2012
(Member)

Signature
(Proxy)

Re 1/-
Revenue
Stamp

Note: This Proxy Form duly completed should be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before the time fixed for holding the meeting.



If undelivered please return to :

SCOPE INDUSTRIES (INDIA) LIMITED

No. 8-2-293/82/LA Flat No. # 101,

Raj Residency, Plot No. 280/A, Road No. 12,

Banjara Hills, Hyderabad – 500 034