Form B

(Clause 31(a) OF LISTING AGREEMENT)

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	Tecpro Systems Limited
2	Annual financial statements for the year ended	31st March, 2014
3	Type of Audit qualification	Qualified Opinion
4	Frequency of qualification	Appeared for the first time
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	**Observation:-** We refer to Note No.32- regarding possible diminution in value of certain investments aggregating to Rs. 999.18 Lakhs which has not been recognised in the statement of Profit and Loss for the year. The Statutory Auditors of one of the subsidiaries-Tecpro Systems (Singapore) Pte Limited (carrying value of investment Rs.853.97Lakhs) has qualified the financial statements for the year ended March 31,2014 with regard to the going concern assumption adopted by the said subsidiary. The diminution in value of the said investment has not been provided for. Further, possible dimunition on other non-current investments of the company has also not been reckoned in the statement of Profit and Loss for the year, based on assessments of the Company which is dependent on the achievement of certain projections by the said entities. The attached financial statements do not include any adjustments that might result had the above uncertainties been known. This has been mentioned on page no,. 24 of the Annual Report Management Response:- Refer to page no 10 of Annual Report
6	Additional comments from the board/audit committee chair:	Not Applicable
7	To be signed by Managing Director	AMUL GABRANI Vice-Chairman & Managing Director DIN:00016556

Twenty Fourth Annual Report 2013-14

Tecpro Systems Limited

CONTENTS	Page No.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ajay Kumar Bishnoi, Chairman & Managing Director
Amul Gabrani, Vice Chairman & Managing Director
Amar Banerjee, Managing Director
Suresh Kumar Goenka
Brij Bhushan Kathuria
Satvinder Jeet Singh Sodhi
Anunay Kumar
Sakti Kumar Banerjee
Narayanan Krishnan

COMPANY SECRETARY & COMPLIANCE OFFICER

Pankaj Tandon

STATUTORY AUDITORS

M.S. Krishnaswami & Rajan
Chartered Accountants
GB, Anand Apartment,
JP Avenue, 6th Street,
Dr. Radhakrishnan Road, Mylapore,
Chennai-600004.

COST AUDITORS

N.K. Jain And Associates
Cost Accountants
2-D, OCS Apartments
Mayur Vihar, Phase-I
Delhi-110091

SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
44, Community Centre, 2nd Floor
Naraina Industrial Area, Phase-I
Near PVR Naraina
New Delhi-110028

BANKERS

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

REGISTERED OFFICE

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

HEAD OFFICE

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

CORPORATE OFFICE

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

Notice

Dear Members,

Notice is hereby given that the Twenty Fourth Annual General Meeting of Tecpro Systems Limited will be held at 10:00 a.m. on Tuesday, the 30th day of September, 2014, at Hotel Mapple Emerald, National Highway 8, Rajokri, New Delhi 110018, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2014, the Reports of the Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Suresh Kumar Goenka, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Sakti Kumar Banerjee, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditor of the Company and to fix their remuneration and in this regard 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 139 and 142 of the Companies Act, 2013 read with Rule 6 (3) of the Companies (Audit and Auditors) Rules, 2014, M/s M.S. Krishnaswami & Rajan, Chartered Accountants (Firm Registration No. 01554S) be and are hereby appointed as the Statutory Auditors of the Company for a period of four years starting from the end of the 24th Annual General Meeting till the conclusion of 28th Annual General Meeting subject to the ratification by the members in the every Annual General Meeting during the tenure of their office and at such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee."

SPECIAL BUSINESS

5. To make application to the Central Government for waiver of excess remuneration paid to Mr. Amar Banerjee Whole-time Director of the Company during Financial Year 2013-14 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of sections 197 and all other applicable provisions of the Companies Act, 2013 ('the Act'), including Schedule V to the Act or under any other act for the time being in force read with rules made thereunder and any statutory modification or re-enactment thereof, the consent of the Company be and is hereby accorded for waiver of refund of excess remuneration paid to Mr. Amar Banerjee, Whole-time Director during the financial year ended March 31, 2014 and for making application to the Central Government for seeking waiver of refund of such excess remuneration.

   FURTHER RESOLVED THAT the purpose of giving effect to this resolution the committee of directors for and on behalf of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as it may, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and to authorize any official of the Company to sign and execute all the necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

6. To appoint Mr. Amar Banerjee as Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special resolution:

   "RESOLVED THAT pursuant to the provisions of Section 196(3)(a) and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to approval of the Central Government, Mr. Amar Banerjee (DIN: 00475983), Whole-time Director of the Company, be and is hereby appointed as Managing Director of the Company, liable to retire by rotation, for a period of 2 years with effect from June 9, 2014 at the following remuneration:

   Part I - Salary:

   Basic Salary-Rs. 540,000/- per month on the scale of Rs. 5,40,000 – 25,000 –5,65,000.

   Part II - Perquisites:

   a) House rent allowance - 40% of the Basic Salary.

   b) Medical reimbursement of actual expenses limited to one month Basic Salary per year.

   c) Company maintained Car for official use.

   d) Telephone at residence and mobile for official use.

   e) Contribution to Provident Fund, Superannuation or Annuity Fund and Gratuity as per rules of the Company.

   RESOLVED FURTHER THAT the remuneration payable to Mr. Amar Banarjee, Managing Director shall be subject to the overall ceiling laid down in Schedule V of the Companies Act, 2013.

   RESOLVED FURTHER THAT subject to such approvals as may be required including that of the Central Government, the above remuneration be paid as minimum remuneration to Mr. Amar Banarjee, Managing Director in the event of absence or inadequacy of profit in any year during the tenure of his appointment and that the Committee of Directors of the Company be and is hereby authorized to take all such steps and actions as may be required for taking such approvals"

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matter and things in its discretion it may consider necessary, expedient or desirable to give effect to this resolution."

7. To give authority to borrow in accordance with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED THAT in supersession of earlier resolution passed and pursuant to provisions of Section 180 (1)(c) and all other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company, consent of the shareholders be and is hereby accorded to the Board of Directors, to borrow any sum or sums of money (including non-fund based facilities) from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate upto a sum of Rs. 7,000 crores (Rupees Seven Thousand Crores only), notwithstanding the fact that monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the company's bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid up share capital and its free reserves (that is to say, reserves not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

8. To give authority to create mortgage/charge over the property(ies)of the Company in accordance with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED THAT in supersession of earlier resolution passed and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the shareholders of the Company be and is hereby accorded for creation by the Board of Directors on behalf of the Company, of such mortgages/ charges/ hypothecation and floating charges (in addition to the existing mortgages / charges / hypothecation created by the Company in favour of the lenders) in such form and in such manner as may be agreed to between the Board of Directors and the lenders, on all or any of the present and future immovable and / or movable properties of the Company wherever situated, of every nature and kind whatsoever to secure any Indian Rupee or Foreign Currency Loans, Debentures, Advance, Corporate Guarantee and all other moneys payable by the Company to the lenders concerned, subject, however, to an overall limit as approved under section 180(1)(c) of loans or advances already obtained or to be obtained from, in any form including by way of subscription to debentures issued or to be issued by the Company to, any financial institution, bank, body corporate, company, insurer or to the general public."

By Order of the Board
For Tecpro Systems Limited

Sd/-
Ajay Kumar Bishnoi
Chairman & Managing Director
DIN: 00013917

Place : New Delhi
Date : 23 August, 2014

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

   Proxies in order to be valid must be received by the company not less than 48 hours before the scheduled time of the meeting. A proxy form in MGT 11 as required under the Companies Act, 2013 is attached.

2. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting, on their behalf.

3. The Register of Members and Transfer Books of the Company will remain close from 16th September, 2014 to 30th September, 2014 (both days inclusive) in connection with the Annual General Meeting.

4. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business at the meeting, is annexed hereto.

5. Brief resume of Directors including those proposed to be appointed/ reappointed, nature of their expertise in specific functional areas, names of Companies in which they hold directorship and membership/ Chairmanship of Board Committees, Shareholding and relationships between directors inter-se as stipulated under Clause 49

of the Listing Agreement with the Stock Exchange are provided in the Corporate Governance Report forming part of the Annual Report.

6. Members are requested to bring their copies of Annual Report to the Meeting.
7. Entry in the Meeting Hall shall be strictly restricted to Members/Valid Proxies only, carrying the Attendance Slip.
8. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, nominations, power of attorney, change of address, change of name and e-mail address, permanent account number (PAN) etc. to their Depository Participant only and not to the company's registrar and share transfer agents, Link Intime India Private Pvt. Ltd. (RTA) Changes intimated to the Depository Participants will then be automatically reflect in the Company's records which will help the Company and Registrar and Share Transfer Agent to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime India Private Pvt. Ltd., having office at 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi 110028.
9. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Link Intime India Private Pvt. Ltd., for assistance in this regard.
10. Members who hold shares in physical form in multiple form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA, for consolidation into single folio.
11. Members who wish to obtain any information on the Company or view the accounts for the Financial Year ended 31st March, 2014, may visit the Company's corporate website www.tecprosystems.com or send their queries at least 07 days before the Annual General Meeting of the Company, to the Company Secretary at the Corporate Office of the Company.
12. Members holding shares in demat form are requested to submit their Permanent Account Number (PAN) to their respective Depository Participant and those holding shares in physical form are requested to submit their PAN details to the Company / RTA in order to comply with the SEBI guidelines.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address with depository for receiving all communication including Annual Report, Notices, Circulars, etc. for the Company electronically.
14. Pursuant to Section 101 of the Companies Act, 2013, and rules made thereunder, Electronic Copy of Notice of 24th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Annual Report, Attendance Slip and Proxy Form is being sent to all members through an electronic mode on their registered email IDs unless any member has requested for a hard copy of the same. For the members who have not registered their email addresses, physical copies of the Notice of the 24th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Annual Report, Attendance Slip and Proxy Form is being sent in the permitted mode.
15. Members may also note that the Notice of 24th Annual General Meeting of the Company and the Annual Report for 2014 will also be available on the Company's website www.tecprosystems.com for their download. The Physical copies of the aforesaid documents will also be available at the Company's registered office for inspection between 10:00 am to 1:00 pm from Monday to Friday. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any Communication, the shareholder may also send request to the Company's investor email id: investor@ tecprosystems.com.
16. Voting through electronic means:

    In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.
17. The e-Voting process to be followed by the shareholders to cast their votes:

    The Company is pleased to offer e-voting facility for its Members to enable them to cast their votes electronically and the business may be transacted through electronic voting system:-

    The 'Step-by-Step' procedure and instructions for casing your vote electronically are as under:

    (i) Log on to the e-voting website www.evotingindia.com

    (ii) Click on "Shareholders" tab.

    (iii) Now Enter your User ID

    a. For CDSL: 16 digits beneficiary ID,

    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

    c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

    (iv) Next enter the Image Verification as displayed and Click on Login.

    (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

    (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field • Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/ NSDL client id. For example: in case of name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company the number of shares held by you.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant resolution of Tecpro Systems Limited on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.com and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

  In case of members receiving the physical copy:
  Please follow all steps from sl. no. (i) to Sl. no. (xv) above to cast vote.

General

(A) The voting period begins on 24th September, 2014 (10:00 am) and ends on 26th September, 2014 (6:00 pm) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(B) Mr. Himanshu Kumar, Practising, Chartered Accountant, (Membership No. 099953), has been appointed as the Scrutinizer to scrutinize the e-voting process.

(C) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date.

(D) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

I. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the date of AGM.

II. Mr. Himanshu Kumar, Practicing Chartered Accountant (Membership No. 099953), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

III. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

IV. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Himanshu Kumar, Practicing Chartered Accountant (Membership No. 099953), at the Registered Office of the Company not later than Friday, September 26, 2014 (6.00 p.m. IST).

V. Members have the option to request for physical copy of the Ballot Form by sending an e-mail to investor@tecprosystems.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Friday, September 26, 2014 (6.00 p.m. IST).

VI. Ballot Form received after this date will be treated as invalid.

VII. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

VIII. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.tecprosystems.com and on the website of CDSL www.evotingindia.com within two days of the passing of the resolutions at the Twenty-fourth AGM of the Company on September 30, 2014 and communicated to both Stock Exchanges, BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

Mr. Amar Banerjee was re-appointed as Whole-time director of the Company for a period of 2 years on 14th February 2013 w.e.f. 1st April 2013 at the following remuneration:

Part I - Salary:

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

Part II - Perquisites:

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

The approval of the shareholders for his appointment was obtained on September 30, 2013.

During the financial year 2013-14, Mr. Amar Banerjee was paid remuneration as per the resolution approved by the shareholders. However, during the financial year 2013-14 due to slowdown in the industry the turnover of the company came down drastically from Rs. 2,619 crore in the financial year 2012-13 to Rs. 863 crore and due to the steep fall in the turnover and high finance cost the Company reported a loss for the first time in its history. Due to this loss, the remuneration paid to Mr. Amar Banerjee exceeded the remuneration that could be paid to a whole time director in case of losses in a Company in accordance with Schedule V of Companies Act, 2013 and the excess is liable to be refunded unless waived by the shareholders and the Central Government.

On finalization of the balance sheet for the financial year 2013-14 the board of directors decided to seek the approval of shareholders and the Central Government for the waiver of the refund of the excess remuneration paid to Mr. Amar Banerjee. The details of the excess remuneration paid are given in Note 38 of the notes to the audited financial statements for the year ended March 31, 2014. Therefore, it is proposed to make application to the Central Government in terms of Section 197(10)of the Companies Act, 2013 for waiver of refund of the excess remuneration keeping in view the following:

(i) That Mr. Amar Banerjee is neither promoter nor relative of the promoter of the Company;

(ii) He is a professional director having more than 41 years of experience;

(iii) The loss is not directly attributable in any way to his personal negligence;

(iv) His performance has been outstanding during his tenure with the Company since April 2010.

In view of the above and in order to bring back the Company on the growth track, the Board has, subject to the approval of shareholders, appointed Mr. Banerjee as Managing Director of the Company giving him a wider scope of work and has also decided to make application to the Central Government in the prescribed manner for seeking the waiver of refund of excess remuneration paid to him during financial year ended 31st March 2014.

The resolution for obtaining the waiver of refund of remuneration is placed before the shareholders as a Special Resolution.

The information required pursuant to second proviso of Section II of Part II of Scheduled V of the Companies Act, 2013 for making application to the Central Government is given herein below:-

I. General Information:

1. Nature of industry: bulk material handling, ash handling and EPC/BoP for power plants.
2. Date or expected date of commencement of commercial production: Already in operation.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.
4. Financial performance based on given indicators: As per the attached Financial Statements.
5. Foreign investments or collaborations, if any. N.A.

II. Information about the appointee:

1. Background details:

   Mr. Amar Banerjee has a Bachelor of Engineering (Mechanical) Degree from Jadavpur University, Kolkata. He has a distinguished career of over four decades in the Ash handling Industry in varied functions spanning across Manufacturing, Materials, Projects and Marketing.
2. Past remuneration: During the Financial Year ended 31 March 2013, he was working at basic pay of Rs. 5,12,000 and other perquisites as stated above.
3. Recognition or awards: Nil
4. Job profile and his suitability: With his qualification in engineering and long experience of the Ash handling Industry and performance during his tenure with the Company he is most suitable for the position.
5. Remuneration proposed: N.A. since the proposal is for waiver of refund of excess remuneration
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): Taking into consideration the size of the Company, the profile of the appointee, his responsibilities, the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level appointee(s) in other companies in the industry.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any : Nil

III. Other information:

1. Reasons of loss or inadequate profits: Prolonged recession in Industry
2. Steps taken or proposed to be taken for improvement: During the year the Company approached for the corporate debt restructuring ("CDR") and it is expected that after the completion of CDR process the situation of the Company would improve and the Company would be back on the growth track.
3. Expected increase in productivity and profits in measurable terms: N.A.

None of the Director or key managerial personnel of the Company including their relatives except Mr. Amar Banerjee is in any way, concerned or interestedin the resolution.

The Board recommend the Special Resolution set out at item no. 5 of the Notice for approval by the Shareholder.

Item No. 6

Mr. Amar Banerjee, aged about 67 years, was appointed on the Board of the Company on 2 April, 2010 as a Whole-time Director of the Company for a period of 1 year. He was reappointed for a further period of two years and was heading the Ashtech Division of the Company. His term was again extended for a period of 2 years w.e.f. 1st April 2013. Thereafter considering his qualification, expertise in the ash handling activities and contribution in the Ashtech Division of the Company the Board of Directors of your Company, upon the recommendation of the Nomination and Remuneration Committee, had appointed him as Managing Director of the Company with effect from 9th June 2014 for a period of 2 years subject to approval of shareholders.

In terms of Section 196 read with Schedule V to the Companies Act, 2013, the appointment/re-appointment of a Managing Director is required to be approved by the members of the Company in their general meeting, therefore, the resolution is placed before you to be passed by way of Special Resolution.

The information required pursuant to second proviso of Section II of Part II of Scheduled V of the Companies Act, 2013 is givenhereinbelow:-

I. General Information:

Nature of industry: bulk material handling, ash handling and EPC/BoP for power plants.

1. Date or expected date of commencement of commercial production: Already in operation.
2. In case of new companies, expected date of commencement of activities asper project approved by financial institutions appearing in the prospectus: N.A.
3. Financial performance based on given indicators: As per the attached Financial Statements.
4. Foreign investments or collaborations, if any : N.A.

II. Information about the appointee:

1. Background details:

   Mr. Amar Banerjee has a Bachelor of Engineering (Mechanical) Degree from Jadavpur University, Kolkata. He has a distinguished career of over four decades in the Ash handling Industry in varied functions spanning across Manufacturing, Materials, Projects and Marketing.

2. Past remuneration: He was appointed as Whole-time Director w.e.f. 1st April 2013 for a period of two years at the scale of Rs. 5,12,000-25,000-5,37,600 and other perquisites.
3. Recognition or awards: Nil
4. Job profile and his suitability: With his qualification in engineering and long experience of the Ash handling Industry and performance during his tenure with the Company as whole time director he is most suitable for the position of managing director.
5. Remuneration proposed: Pay Scale of Rs. 5,40,000-25,000-5,65,000 and other perquisites as mentioned in the resolution forming part of this notice.
6. Comparative remuneration profile with respect to industry, size of thecompany, profile of the position and person (in case of expatriates therelevant details would be with respect to the country of his origin): Taking into consideration the size of the Company, the profile of the appointee, his responsibilities, the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level appointee(s) in other companies in the industry.
7. Pecuniary relationship directly or indirectly with the company, orrelationship with the managerial personnel, if any : Nil

III. Other information:

1. Reasons of loss or inadequate profits: Prolonged recession in Industry
2. Steps taken or proposed to be taken for improvement: During the year the Company approached for the corporate debt restructuring ("CDR") and it is expected that after the completion of CDR process the situation of the Company would improve and the Company would be back on the growth track.
3. Expected increase in productivity and profits in measurable terms: It is expected that the turnover and profitability shall increase by over 10%.

As the Company has incurred heavy losses for the first time and its may take some time to turn itself into a profit making Company. Therefore during the Financial year ending on 31st March, 2015, the Company is likely to have no profits or inadequate profits. In view of the same, the Company needs to make payment of remuneration to Mr. Banerjee as, mentioned below as minimum remuneration subject to the limits prescribed in Schedule Vof the Companies Act, 2013. Section I of Part II of Schedule V lays down the amount of remuneration payable to a managerial person as monthly remuneration in the event of a company having no profits or if there is inadequacy of profits. For making payment of minimum remuneration the Company is required to take approval of the shareholder by way of special resolution alongwith the approval of the Central Government since due to financial constraint the company has defaulted in repayment of its debts or interest payable thereon for a continuous period of thirty days in the preceding financial year.

None of the Director or key managerial personnel of the Company including their relatives except Mr. Amar Banerjee, the appointee himself is in any way, concerned or interestedin the resolution.

The Board recommend the Special Resolution set out at item no. 6 of the Notice for approval by the Shareholder.

Item No. 7 & 8

The members of the Company had approved the powers of the Board of Directors of the Company under Section 293(1)(d) and Section 293 (1)(a) of the Companies Act, 1956 by way of Ordinary Resolutions on11th October, 2011through Postal Ballot for borrowings over and above the aggregate of paid up share capital and free reserves of the Company, provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of 7,000 Crores (Rupees Seven Thousand crores only) and for creation of mortgages/charge/hypothecation on all present and future properties of the Company in favour of lenders.

Section 180 of the Companies Act, 2013, which is effective from September 12, 2013, requires that the consent of the company should be accorded by way of a special resolution so as to enable the Board of Directors of the Company to borrow money as well as to create mortgage/charge/hypothecation on all present and future property(ies) of the Company in favour of lenders in excess of the company's paid up share capital and free reserves. Further, as per the clarification issued by the Ministry of Corporate Affairs approval granted by the shareholders by way of an ordinary resolution shall be valid for one year from the date Section 180 became effective.

It is, therefore, necessary for the members to pass a Special Resolution under Section1 180(1)(c) and Section 180 (1)(a) of the Companies Act, 2013, as set out at Item No. 7 & 8 of the Notice. The Board recommends these resolutions for approval by the members of the Company.

None of the Directors or key managerial personnel of the Company including their relativesis concerned or interested in the aforementioned resolutions.

The Board recommend the Special Resolution set out at item no. 7 & 8 of the Notice for approval by the Shareholder.

By Order of the Board
For Tecpro Systems Limited

Sd/-
Ajay Kumar Bishnoi
Chairman & Managing Director
DIN:00013917

Place : New Delhi
Date : 23 August, 2014

Directors' Report

Dear Members,

Your Directors have immense pleasure in presenting the **Twenty Fourth Annual Report** together with the Audited Accounts for the financial year ended on 31 March, 2014.

1. FINANCIAL HIGHLIGHTS
The Financial Results for the year under report are summarized as under:

FINANCIAL RESULTS **(Rs. in Lac)**

	2013-14	2012-13
Net Sales and other Income	**86,298.57**	2,61,874.99
Gross Operating Profit	**(5,657.51)**	36,383.65
Less: Interest & Bank Charges	**48,917.07**	30,127.12
Profit before Depreciation and amortization expenses and tax	**(54,574.58)**	6,256.53
Less: Depreciation and amortization expenses	**2,024.70**	1,981.96
PROFIT BEFORE TAX	**(56,599.28)**	4,274.57
Less: Tax expense		
-Current year tax		1,480.62
-Income tax for earlier years		122.95
-Deferred Tax charge/ (credit)	**193,11**	(214.65)
PROFIT AFTER TAX	**(56,792.39)**	2,885.65

2. BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE
During the year under review your company experienced downfall for the first time in its history which was primarily attributable to the slowdown in the project execution because the company did not receive the banking support as expected. Further, due to prolonged recession and shortage of funds, the Company approached for the corporate debt restructuring. The CDR process is in its final stages and it is expected that after the completion of CDR process the situation of the Company would improve and the Company would be back on the growth track.

In the financial year 2013-14, the Income from operations of the Company has come down to Rs. 863 crore from Rs. 2619 crore in the financial year 2012-13 and the Company has incurred as loss of Rs. 567.92 crore in the financial year 2013-14 as against a profit of Rs. 28.86 crore in the financial year 2012-13. The profitability of your Company has been impacted due to steep fall in turnover and also due to exceptionally high finance cost.

3. DIVIDEND
In absence of profit during the current financial year 2013-14, your Board of Directors do not recommend any dividend for the financial year under review.

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

5. CONSOLIDATED FINANCIAL STATEMENTS
As per Section 212 of the Companies Act, 1956, the Company is required to attach the Balance Sheet, the Statement of Profit and Loss, the Reports of the Board of Directors and Auditors of the subsidiary companies with the Balance Sheet of the Company. However, the Ministry of Corporate Affairs, Government of India vide its circular no. 2/2011 dated February 8, 2011 has provided an exemption to companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in the annual report. Accordingly, the annual report of your Company for the financial year 2013-14 contains the audited consolidated financial statements of the Company instead of the separate financial statements of all its subsidiaries and the same are based on the financial statements received from subsidiaries, as approved by their respective Board of Directors. The consolidated financial statements have been prepared in accordance with the Accounting Standard - 21 on 'Consolidated Financial Statements' notified under Section 211 (3C) of the Companies Act, 1956 read with the Companies (Accounting Standards) Rules, 2006, as applicable.

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

6. MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT
Management Discussion and Analysis Statement is annexed to this Report.

7. CORPORATE GOVERNANCE REPORT
The Corporate Governance Report pursuant to clause 49 of the Listing Agreement is annexed to this Report.

8. DIRECTORS
During the period under report, Mr. Aditya Gabrani, Whole-time Director and Mr. Arvind Kumar Bishnoi, Whole-time Director and Mr. Jatinder Pal Singh, Director resigned from their offices w.e.f. 30th September 2013, 12th November 2013 and 12th March 2014 respectively.

Mr. Amar Banerjee, Whole-time Director of the Company was appointed as Managing Director in the Meeting of the Board of Director of the Company held on 9th June 2014. The resolution for his appointment forms part of the notice for convening the Annual General Meeting.

Also, Mr. Suresh Kumar Goenka and Mr. Sakti Kumar Banerjee, Directors of the Company retire by rotation at the forthcoming Annual General Meeting of the Company being considered for reappointment.

9. AUDITORS

The tenure of M/s M. S. Krishnaswami & Rajan, Statutory Auditors of the Company will expire at the forthcoming Annual General Meeting of the Company. It is proposed to re-appoint the retiring auditors for a period of 4 years in view of the Companies Act, 2013 read with Rule 6 (3) of the Companies (Audit and Auditors) Rules, 2014. A requisite consent and certificate as prescribed under second and third proviso of Section 139(1) of the Companies Act, 2013 ("the Act") read with Section 141 of the Act together with the rules prescribed thereunder and furnished by the retiring auditors have already been received by the Company. The approval of the re-appointment of M/s M.S. Krishnaswami & Rajan, Chartered Accountants, as Statutory Auditors of the Company for the period of 4 years starting from the end of the forthcoming 24th Annual General Meeting till the conclusion of the 28th Annual General Meeting by the members is due to be accorded in the ensuing Annual General Meeting and the draft resolution for their re-appointment forms part of the notice for convening the Annual General Meeting.

The Auditors' report and notes to the financial statements are self explanatory and do not call for any further comments except on the qualifications highlighted by the auditors in their Auditor Report. The explanations to the auditors' qualification are given below:

1. Explanations to para 4(i) to the Auditors Report : The Results of the year in respect of entities listed in Note 32 have been affected by liquidity crunch. However, these entities have a healthy order book position and considering the current business plans of these entities, the management is of the view that there is no permanent diminution in value of its investments in these companies. Further, there is a continuous process of assessment of the carrying value and the business plans of all entities in which the company has significant investments and in the event the management decides to shelve, alter or reorganize its plans in these entities, the diminution in value if any, will be reckoned in the Revenue.
2. Explanations to para1(ii) of the annexure to the Auditors Report: The Company has a practice of verifying all its fixed assets but due to resource constraints was not able to complete the said verification at all locations during the year. This has been taken up and completed subsequent to the year-end and no material discrepancy has been noted as compared to the books. The earlier practice of completion of verification of fixed assets and reconciliation with books before the end of the year will be ensured in future.
3. Explanations to para 8 of the annexure to the Auditors Report: With regard to undisputed statutory dues remaining unpaid and the defaults in repayment of dues to banks/financial institution highlighted in the Auditors` Report, this arose mainly due to the liquidity crunch faced by the Company. Once the CDR is approved, there would be sufficient liquidity to ensure complete payment of such dues outstanding as well as prompt payment of the same in future.
4. Explanations to para 12 of the annexure to the Auditors Report : The term loan availed of Rs.30 Crores is also towards reimbursement of expenditure already incurred and therefore, the utilization of the term loan was in accordance with terms governing the same.
5. Explanations to para 13 of the annexure to the Auditors Report: The mismatch is due to significant fall in the collection pertaining to long term projects-retention and running receivables during 2013-14. Further there is an increase in the short term bank borrowing position as on 31.03.2014 contributed for this mismatch of current and non-current utilisation. The company has not made any new investment during the year under review .

   As regards other matters which Auditors have drawn attention to in their report:

   a. For reasons explained in this Report, the Company had decided to approach the banks through the corporate debt restructuring (CDR) process for restructuring of its debt. Once, the CDR is approved, there would be sufficient liquidity to enable the Company meet its obligations as and when it falls due and undertake to complete the stalled projects. The spin-off effect will be that all debts highlighted in Note 30(ii) and 30(iii) will be progressively realized since the customers would then become confident of the deliverables. The encashment of Bank guarantees (including performance guarantees) by certain customers has not been followed by cancellation of the orders. In the circumstances, the Company remains confident that the continuous steps / engagement with the customers will result in realization of dues highlighted.
   b. Circularization of balances of Debtors/Vendors is an annual exercise which the Company undertakes. In the exceptional circumstances prevailing, this exercise was started subsequent to the year-end. The company remains confident that the completion of this exercise would not have a material effect on the results of the year.

Pursuant to the provisions under Companies (Audit and Auditors) Rules, 2014 the Company is required to get the cost accounting records of the Company audited by a Cost Auditor for the financial year 2014-15 onwards audited by a Cost Auditor. In view of the above, M/s N. K. Jain And Associates, Cost Accountants, who were also the Cost Auditors of the

Company for the financial year 2013-14, were appointed as the Cost Auditor of the Company for the financial year 2014-15 by the Board of Directors of the Company.

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) that in the preparation of the annual accounts for the financial year ended 31 March, 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31 March, 2014 and of the profit or loss of the Company for that period;

(iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

(iv) that the directors had prepared the annual accounts for the financial year ended 31 March, 2014 on a going concern basis.

11. FIXED DEPOSITS

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

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

13. HUMAN RESOURCES

During the period under review the dedicated employees of the Company supported the company in providing quality services to its clients. The Company believes that it has one of the best teams in the industry. The regular interaction with the employees at all levels helps the Company in maintaining cordial and harmonious industrial relations.

14. PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGEMENT

We thank our bankers for their continued support during the year. We also thank Government of India, State Governments and concerned Government Authorities/Departments for their co-operation. We appreciate and value the support of our customers, vendors, employees and investors and place on record our appreciation for the contribution made by them.

For and on behalf of the Board of
Tecpro Systems Limited

Sd/-	Sd/-
Amul Gabrani	**Ajay Kumar Bishnoi**
Vice Chairman & Managing Director	Chairman & Managing Director
DIN-00016556	DIN-00013917

Place : New Delhi
Date : 23 August, 2014

ANNEXURE–A

Information in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Directors' Report for the year ended 31 March, 2014

A) Conservation of Energy

The Company has been taking all steps to converse the energy at all levels and has been efficiently utilizing the resources of the Company.The requisite particulars under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are provided herein below:

A.	Power and fuel consumption		**2013-14**	2012-13
	a.	Electricity Purchased Total Units (kWh) Total Amount (Rs.) Rate/Unit (Rs.)	 **2,210,811** **13,560,022** **6.13**	 36,73,666 27,123,644 7.38
	b.	Electricity generated through diesel generator Total Units (kWh) Unit per ltr. of diesel oil Cost/Unit (Rs.)	 **189,299** **7.15** **5.57**	 350,602 7.02 7.97
B.	Consumption of electricity (kWh) per unit of production			
	a.	Travelling water screens, Trash cleaning machines	**2689/ Unit**	2693/unit
	b.	Pulleys, Idlers, Rollers and Conveyor systems	**48.79/MT**	52.12/MT
	c.	Casting	**1238/MT**	1,251/MT
	d.	Crushers, Screens, Feeders and Fabricated structures	**210.20/MT**	235.8/MT

B) Technology Absorptions

The Company focuses on value engineering, design improvement, optimization & standardization of the components with proven design calculation methods.

Foreign Exchange Earnings & Out Go

Particulars of Foreign Exchange Earnings and outgo are given in Note No. 48 of the financial statements.

Management Discussion & Analysis

1. **Industry structure and developments.**

During the year 2013 -14, the Economic growth of India could not overcome 5 percent and the Industry and Service sectors had also witnessed slowdown. RBI has indentified five sectors-infrastructure, iron and steel, textiles, aviation and mining as the stressed sectors. Major sector-wise performance of core industries and infrastructure services during 2013-14 showed a mixed trend. While the growth in production of power and fertilizers was comparatively higher than in 2012-13, coal, steel, cement, and refinery production posted comparatively lower growth. Crude oil and natural gas production declined during 2013-14. The performance of the coal sector in the first two years of the Twelfth Plan has been subdued with domestic production at 556 MT in 2012-13 and 566 MT in 2013-14.

Despite various challenges, India's infrastructure sector continues to be a key driver of the nation's economic progress. The government has been taking several initiatives at various levels to maintain the growth of the Indian infrastructure.

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

Power Industry

Total power generation in India grew by 5.4 percent (y-o-y) in March 2014. According to actual data released by Central Electricity Authority (CEA), India generated 84.6 billion units of power in March 2014 as compared to 80.3 billion units in March 2013. All three power segments - thermal, hydel and nuclear - reported a year-on-year rise in generation in March 2014. During the month, nuclear power generation grew by 12.4 per cent. Generation from hydel and thermal power segments increased by 4.5 percent and 5.2 percent, respectively.

Cement Industry

Cement is one of the core industries and plays a vital role in the growth and development of a nation. The cement industry of India is the second largest producer in the world. The production of cement has increased at a compounded annual growth rate of 9.7 percent to reach 272 million tonnes (MT) during FY 06–13. The production capacity is expected to grow to 550 MT by FY 20.

Steel Industry

The Indian iron and steel industry is almost a century old, it was the first core sector to be completely freed from the licensing regime (in 1990-91) and the pricing and distribution controls. The steel industry is expanding worldwide. The National Steel Policy 2005 had envisaged steel production to reach 110 million tonnes by 2019-20. However, based on the assessment of the current ongoing projects, both in greenfield and brownfield, the Working Group on Steel for the 12th Plan has projected that the crude steel capacity in the county is likely to be 140 MT by 2016-17.

2. **Corporate Overview**

Tecpro after starting as a material handling company in 2001 has become a prominent player in bulk material handling, ash handling and EPC/BoP for power plants. The Company designs, engineers, manufactures, sells, commissions and services a range of material handling, ash handling systems and equipments for the core infrastructure and related sectors like power, steel, cement and other industries. Over the years, the company has ventured into various complementary businesses across different divisions of the power sector with a vision to build an integrated business serving the sector - waste heat recovery systems, water systems, solar EPC systems and pollution control equipments.

3. **Review of Business Operations**

FY14 continued to be a challenging year for the infrastructure sector as a whole. Since your company caters to the needs of the power, cement and steel sectors it got impacted the most. This year Tecpro experienced a downfall for the first time in its history which was primarily attributable to the slowdown in the project execution because the company did not receive the expected support from the banking channels and due to the prolonged recession and shortage of funds the business of the company got adversely effected. During the year the Company approached for the corporate debt restructuring ("CDR") and it is expected that after the completion of CDR process the situation of the Company would improve and the Company would be back on the growth track.

4. **Financial Review**

During the year under review, Tecpro recorded revenue of Rs. 862.99 crore with a downfall in revenue by 67% from that of the previous year. The Company has incurred a loss of Rs. 567.92 crore as against a profit of Rs. 28.86 crore in the financial year 2012-13. The loss was due to fall in turnover and exceptionally high finance cost.

5. **Strengths, Opportunities & Threats**

Strengths: The biggest strength of the Company is its presence across the value chain – material handling, ash handling, BoP, waste heat recovery, air pollution control equipment etc. and its manufacturing and project execution track record.

Opportunities: After the stabilized government it is expected that the policy paralysis would come to an end and the infrastructure sector would get back to the growth trajectory. Further there are huge opportunities in BoP space, as ~76 GW of thermal capacity to be added in the XII Plan period (2012-2017)

Threats: The major threat currently being faced by the company internally is shortage of funds for which the company has applied for the restructuring of its debts. Externally the increasing competition from domestic players and Chinese suppliers is a major threat.

6. **Outlook**

The Reserve Bank of India (RBI) has said that the Indian economic growth is poised for a take-off amid signs of economic reforms, fiscal consolidation and projected improvement in investments.

The central bank forecasts the gross domestic product (GDP) to grow around 5.5% in 2014-15 after two painful years of sub-5% growth. With greater political stability and a supportive policy framework investment could turn around. The economy is poised to make a shift to a higher growth trajectory.

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

We believe that once the CDR package of the Company is approved and the Company start getting banking support it shall be able to win back the confidence of its stakeholders be it suppliers, lenders, bankers or shareholders. Tecpro being an experienced player is always at the forefront to avail the benefit of the opportunities available in the market.The Company would consolidate its leadership position in the material and ash handling space.

7. **Risk and concerns**

Like any other business entity, Tecpro is subject to certain risks which are associated with the nature of its business. Working capital is the biggest concern for the companies which are either into the infrastructure space or caters to the needs of the infrastructure sector. Tecpro is also dependent on the working capital support from the banks and is currently expecting its CDR proposal to be accepted. Once this phase is over Tecpro shall bounce back and shall start executing project to its full potential.

8. **Audit & Internal Control System**

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

9. **Human resources**

The employees forms the backbone of any organization. Your company takes pride in the commitment, competence and dedication shown by its employees in all areas. Quality & safety are given high priority. Industrial relations remained harmonious throughout the year.

ANNEXURE TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2013-14

The Company's policies on the Corporate Governance and compliance report on specific areas wherever applicable for the financial year ended 31 March, 2014 are given hereunder:-

I. Company's Philosophy on Corporate Governance

The corporate governance is application of best management practices, compliance of laws and adherence to ethical standards to achieve the organizational goal of enhancing stakeholders' values. The Company believes that with transparency, accountability, responsibility and disclosures the purpose of corporate governance can be achieved and can result in enhancement of the worth of company and its stakeholders.

II. Board of Directors

As on 31 March, 2014, the Board of Directors of the Company comprises of nine directors. The Company has Executive Chairman and number of independent directors are more than fifty percent of the total number of directors on the Board as per the requirement of the listing agreement. During the financial year 2013-14, four Board Meetings were held on 30 May, 2013, 14 August, 2013, 14 November, 2013 and 13 February, 2014. Mr. Aditya Gabrani, Mr. Arvind Kumar Bishnoi, Whole-time Directors of the Company resigned from the Board w.e.f. 30 September, 2013 and 12 November, 2013 respectively. Mr. Jatinder Pal Singh, an independent director of the Company also resigned from the directorship w.e.f. 12 March, 2014. The Board of Directors of the Company had also passed resolutions by circulation on 17 October 2013, 28 January 2014 and 3 March, 2014.

(a) The composition of Board of Directors as on 31 March, 2014 and other details are as follows:

Name of Director	Category of Directors	No. of Board meetings attended during Financial Year 2013-14	Whether attended the last AGM held on 30 September, 2013	Number of other Directorships held as on 31 March, 2014	Number of other Board Committee(s) in which the Director#	
					is a member	is a Chairperson
Mr. Ajay Kumar Bishnoi-CMD	Promoter-Executive	4	No	11	2	--
Mr. Amul Gabrani-VCMD	Promoter-Executive	3	Yes	11	2	--
Mr. Amar Banerjee-WTD##	Professional-Executive	2	No	--	1	--
Mr. Suresh Kumar Goenka	Independent-Non-Executive	4	Yes	2	1	1
Mr. Brij Bhushan Kathuria	Independent-Non-Executive	2	No	9	2	1
Mr. Satvinder Jeet Singh Sodhi	Independent-Non-Executive	2	No	1	1	--
Mr. Anunay Kumar	Independent-Non-Executive	4	No	6	1	--
Mr. Sakti Kumar Banerjee	Independent-Non-Executive	4	No	2	1	--
Mr. Narayanan Krishnan	Nominee Director (Representing State Bank of India)	3	No	--	--	--

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

Has been appointed as Managing Director with effect from June 9, 2014.

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

No director of the Company is related to any other Director on the Board of the Company.

(b) Code of Conduct:

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

(c) Details of remuneration paid to Non-Executive Independent Directors during the financial year 2013-14 and the number of shares held by them as on 31 March, 2014:

Name of the Directors	Sitting fees paid during the year (in Rupees)	Number of shares held as on 31 March, 2014
Mr. Suresh Kumar Goenka	80,000	2,801
Mr. Brij Bhushan Kathuria	40,000	4,350
Mr. Satvinder Jeet Singh Sodhi	40,000	Nil
Mr. Anunay Kumar	80,000	Nil
Mr. Sakti Kumar Banerjee	80,000	Nil
Mr. Narayanan Krishnan	60,000	Nil

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

III. Audit Committee

(a) Major terms of reference as on March 31, 2014:

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

(b) The Audit Committee constituted by the Board of Directors consists of the following members as on 31 March, 2014:

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

All the members of the Audit Committee except Mr. Ajay Kumar Bishnoi and Mr. Amul Gabrani are Non-Executive Directors. All the members of Audit Committee are financially literate and the majority has expertise in accounting and related financial management matters.

(c) During the financial year 2013-14, four Audit Committee Meetings were held on 30 May, 2013, 14 August, 2013, 14 November, 2013 and 13 February, 2014. The attendance of each Audit Committee member was as under:

Name of the Audit Committee Member	Number of meetings attended
Mr. Suresh Kumar Goenka, Chairman	4
Mr. Satvinder Jeet Singh Sodhi	1
Mr. Brij Bhushan Kathuria	2
Mr. Amul Gabrani	3
Mr. Anunay Kumar	4
Mr. Sakti Kumar Banerjee	4
Mr. Ajay Kumar Bishnoi	4

Apart from above, the Audit Committee of the Board of Directors of the Company had passed one resolution by circulation on 16th October 2013 for recommendation of the appointment of statutory auditors to the Board to fill casual vacancy caused by the resignation of statutory auditors of the Company.

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

IV. Remuneration Committee

(a) Terms of reference as on March 31, 2014:

The Committee has been entrusted with the responsibility to formulate Company's policy on specific remuneration packages for executive directors and finalize and fix the remuneration packages including commission, if any of the executive directors of the Company as per the Company's policy.

(b) The Remuneration Committee of the Directors as on 31 March, 2014 consisted of the following members:

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

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

During the financial year 2013-14, one meeting of the Remuneration Committee was held on 30 May, 2013 which was attended by all the members.

(c) Remuneration Policy

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

(d) Details of remuneration of the Executive Directors:

Name of the Executive Director	Designation	Remuneration* (Amount in Rs.)
Mr. Amar Banerjee	Whole-time Director#	9,034,123##

 # appointed as managing director with effect from June 9, 2014
refer note 38 and 47 of the attached financial statements.
**the remuneration includes Basic Salary, HRA, Medical Reimbursement of actual expenses limited to one month Basic Salary per year, Leave Travel Allowance, contribution to Provident fund and Superannuation fund and other benefits as per Company's Policy. No stock option given to any of its directors and also no performance linked incentives are paid. The service contract and notice period are as per the terms of their respective appointments.*

V. Shareholders' Grievance Committee

The Shareholders' Grievance Committee of the Directors of the Company as on 31 March, 2014 consisted of the following members:

1. Mr. Brij Bhushan Kathuria, Chairman;
2. Mr. Amul Gabrani;
3. Mr. Ajay Kumar Bishnoi; and
4. Mr. Amar Banerjee.

During the financial year 2013-14, three meetings of the Shareholders' Grievance Committee of the Company were held on 20 December, 2013, 28 January, 2014, 15 March, 2014. The attendance of the members of the Shareholders' Grievance Committee was as follows:

Name of Shareholders' Grievance Committee Member	Number of meetings attended
Mr. Brij Bhushan Kathuria	--
Mr. Amul Gabrani	1
Mr. Ajay Kumar Bishnoi	3
Mr. Amar Banerjee	3

Name, designation & address of Compliance Officer:

Mr. Pankaj Tandon
General Manager (Corp. Affairs) & Company Secretary
Tecpro Systems Limited
202-204, JMD Pacific Square, Sector 15, Part II, Gurgaon 122001

Investors' Grievances

The following table shows the complaints received from shareholders during 2013-14

Pending as on 1 April, 2013	Received during the year	Replied/ resolved during the year	Pending as on 31 March, 2014
0	3	3	0

Investors' complaints are redressed within thirty days from their lodgment. The Company confirms that there were no shares pending for transfer as on 31 March, 2014.

VI. Other Board Committees

Committee of Directors

The Committee of Directors consists of the following members:

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

During the year, 22 meetings of Committee of Directors were held on 20 April, 2013, 3 June, 2013, 11 June, 2013, 29 June, 2013, 16 July, 2013, 30 July, 2013, 22 August, 2013, 6 September, 2013, 11 September, 2013, 27 September, 2013, 30 September, 2013, 1 October, 2013, 22 October, 2013, 11 November, 2013, 16 December 2013, 24 December 2013, 28 December 2013, 2 January, 2014, 27 January, 2014, 24 February 2014, 11 March 2014, 25 March 2014.

The attendance for each of the members at the Committee of Directors' Meetings during the year ended on 31 March, 2014 was as under:

Name of the Directors	Number of Committee of Directors' Meetings attended
Mr. Ajay Kumar Bishnoi	22
Mr. Amul Gabrani	8
Mr. Arvind Kumar Bishnoi*	13
Mr. Aditya Gabrani#	0
Mr. Amar Banerjee	4

**resigned with effect from 12th November 2013*
#resigned with effect from 30th September 2013

VII. Subsidiary Companies

The Company has the following subsidiaries:

a) Tecpro Energy Limited;
b) Ajmer Waste Processing Company Private Limited;
c) Bikaner Waste Processing Company Private Limited;
d) Eversun Energy Private Limited;
e) Tecpro Systems (Singapore) Pte. Limited; and
f) PT Tecpro Systems Indonesia

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

VIII. General Body Meetings

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

AGM	Day	Date	Time	
21st	Monday	08.08.2011	10.00 a.m.	Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, APS Colony, Delhi Cantt., Delhi 110010
22nd	Monday	13.08.2012	10.00 a.m.	Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, APS Colony, Delhi Cantt., Delhi- 110010
23rd	Monday	30.09.2013	10.00 a.m.	Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, APS Colony, Delhi Cantt., Delhi- 110010

(b) Special Resolutions

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

(c) Procedure for postal ballot

During the year ended 31 March, 2014, the Company has not sought any approval from members by way of postal ballot.

IX. Disclosures

1. All related party transactions have been entered into in the ordinary course of business and were placed periodically before the audit committee in summary form. There were no material individual transactions with related parties which were not in the normal course of business that may have potential conflict with the interest of the Company at large. All transactions with related parties or others were on an arm's length basis.

2. There are no instances of non-compliance by the Company, penalties or strictures imposed by Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets, during the last three financial years except that the the financials statements for the financial year ended March 31, 2014 were approved by the Board of Directors beyond the requisite period of 60 days pursuant to the provisions of clause 41 of the Listing Agreement.
3. There has been no documented whistle blower policy, however, no personnel has been denied access to the audit committee.
5. The Company is complying with the Mandatory requirements of Clause 49 of the Listing Agreement.
6. As of now, the Company is not complying with the Non-mandatory requirements mentioned in Annexure-ID of Clause 49 of the Listing Agreement except the formation of a Remuneration Committee.
6. All the applicable Accounting Standards have been followed in preparation of financial statements and no deviation has been made in following the same.
7. Risk assessment and its minimization procedures have been laid down by the Company and the same have been informed to the Board Members. These procedures would be periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.
8. Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under the provisions of Clause 49 of the Listing Agreement with Stock Exchanges.

X. Means of Communication

The financial results of the Company pursuant to clause 41 of the Listing Agreement are generally published in Business Standard and also displayed on the website of the Company www.tecprosystems.com shortly after its submission to the Stock Exchanges. All earnings call transcripts, press releases and significant events are first intimated to the Stock Exchanges and then posted on the website of the Company. Presentations are made available to institutional investors/research analysts on their specific request(s), if any.

XI. General Shareholder information

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

Particulars	**Reappointment on expiry of tenure**		**Appointment**
	Reappointment	**Reappointment**	
Name of Director	Mr. Suresh Kumar Goenka	Mr. Sakti Kumar Banerjee	Mr. Amar Banerjee
Date of initial appointment	26 July 2006	15 November 2007	2 April, 2010
Brief resume and expertise in specific functional area	An independent director, aged about 58 years, holds a bachelor's degree in commerce and is a chartered accountant. He has more than 25 years of experience in legal, financial, taxation and other commercial matters in India and abroad. In the past he has been associated with Price Waterhouse & Co. Presently, he is pursuing his own practice in Goenka Suresh & Associates.	An independent Director, aged 70 years, holds a bachelor's degree in civil engineering from University of Jadavpur. He was associated with NALCO as its chairman and managing director.	A whole-time Director, aged about 67 years, holds a bachelor's degree in mechanical engineering from Jadhavpur University, Kolkata. He has 41 years of experience in ash handling industry. Before Tecpro, he was working with Mahindra Ashtech Limited and was responsible for marketing, manufacturing and sales divisions.
List of other Directorship held	a) Midas Touch Health Care Private Limited b) Tecpro Engineers Limited	a) PervCom Consulting Private Limited; b) Himadri Chemicals & Industries Limited;	--
Member of the Committees of the Board of other companies#	--	--	--
Shareholding in the Company in case of Non-executive Director	2,801	N.A.	N.A.

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

(b) Annual General Meeting to be held:
Day: Monday
Date: 30 September, 2014
Time: 10.00 a.m.
Venue: Hotel Mapple Emerald, National Highway 8, Rajokri, New Delhi 110018

(c) Financial Year: April to March

(d) Period of Book Closure: 16 September, 2014 to 30 September, 2014

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

Stock Codes:
BSE Limited: 533266
The National Stock Exchange of India Limited: TECPRO
International Securities Identification Number (ISIN): INE904H01010

(f) Market Price Data:
The details of monthly highest and lowest price of the Equity Shares of the Company and its comparison to broad based indices Sensex (BSE) and Nifty (NSE) during the financial year 2013-14 are as under:

Month	BSE - Tecpro Systems Limited		Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2013	113	87.05	19622.68	18144.22
May, 2013	95	69.3	20443.62	19451.26
June, 2013	71.9	42.65	19860.19	18467.16
July, 2013	53.9	29.4	20351.06	19126.82
August, 2013	35.4	15.45	19569.2	17448.71
September, 2013	18.95	13.35	20739.69	18166.17
October, 2013	21.65	16.25	21205.44	19264.72
November, 2013	19.8	14.45	21321.53	20137.67
December, 2013	16.95	13.8	21483.74	20568.7
January, 2014	18.55	12.7	21409.66	20343.78
February, 2014	15.25	11.85	21140.51	19963.12
March, 2014	14.44	10.25	22467.21	20920.98
Month	**NSE - Tecpro Systems Limited**		**Nifty**	
	High (Rs.)	**Low (Rs.)**	**High**	**Low**
April, 2013	113.5	87.55	5962.3	5477.2
May, 2013	95.45	68.35	6229.45	5910.95
June, 2013	72.15	43	6011	5566.25
July, 2013	52.35	29.15	6093.3	5675.75
August, 2013	35.75	15.35	5808.5	5118.85
September, 2013	18.75	13.25	6142.5	5318.9
October, 2013	21.6	16.65	6309.05	5700.95
November, 2013	19.7	14.15	6342.95	5972.45
December, 2013	16.95	13.85	6415.25	6129.95
January, 2014	18.95	12.85	6358.3	6027.25
February, 2014	15.5	11.9	6282.7	5933.3
March, 2014	15.15	10.4	6730.05	6212.25

(g) Registrar and Share Transfer Agents:
Link Intime India Private Limited
44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase –I Near PVR Naraina, New Delhi-110028
Contact Person: Mr. V. M. Joshi, Vice President (North)
Tel No.: 011-41410592/93/94 Fax No.: 011-41410591
Shareholders are requested to correspond with the Registrar and Share Transfer Agent for transfer/transmission of shares, demat, remat, change of address, all queries pertaining to their shareholding, dividend etc. at the address given above.

(h) Share Transfer System:

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

(i) Distribution of Shareholding as on 31 March, 2014:

No. of Share	No. of holders	% of total holders	No. of shares	% of total shares
Upto 500	25,123	93.49	1,51,76,330	3.006
501 - 1,000	820	3.05	67,12,790	1.330
1,001 - 2,000	420	1.56	62,36,360	1.236
2,001 - 3,000	159	0.59	41,13,240	0.815
3,001 - 4,000	77	0.29	27,57,520	0.546
4,001 - 5,000	64	0.24	30,57,950	0.606
5,001 - 10,000	114	0.42	85,86,510	1.701
10,001 & Above	98	0.36	45,80,97,210	90.759
Total	26,873	100.00	5,04,73,791	100.00

(j) Pattern of Shareholding as on 31 March, 2014:

Sl. No.	Category	No. of Holders	No. of Shares
1	Promoters	12	2,66,01,340
2	Mutual Fund/UTI	4	18,62,981
3	Financial Institutions/Banks	2	13,082
4	Venture Capital Funds	1	7,05,557
5	Foreign Institutional Investors	3	18,80,232
6	Foreign Venture Capital Investors	1	51,69,147
7	Bodies Corporate	348	10,86,192
8	Resident Shareholders	24,997	49,10,828
9	Trust	1	31
10	Non Resident Indians	371	11,89,295
11	Clearing Members	45	81,984
12	Hindu Undivided Families	1,394	2,25,738
13	Foreign Bodies Corporate	4	71,00,006
Total		26,873	5,04,73,791

(k) Dematerialization of Shares:

As on 31 March, 2014, 5,04,33,375 shares of the Company's total shares representing 99.92% shares were held in dematerialized form and the balance 40,416 shares representing 0.08% shares were in physical form.

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

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

The details of such equity shares are as follows:

S.No.	Description	Number of Shares/ Shareholders
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e 01.04.2013	46 Shares for 3 Investors
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the year	Nil
3	Number of shareholders to whom shares were transferred from suspense account during the year	Nil
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e 31.03.2014	46 Shares for 3 Investors

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

(l) Plant Locations:

The Company has its manufacturing units at the following locations:

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

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

(m) Address of Correspondence:

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

XII. CEO/CFO Certification

Chairman & Managing Director and Chief Financial Officer have certified to the Board that:

(a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :
  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have not come across any deficiencies in the design or operation of such internal control systems for the financial year ended 31 March, 2014.

(d) They have indicated to the auditors and the Audit committee that there had not been :
  (i) any significant changes in internal control over financial reporting during the financial year ended 31 March, 2014;
  (ii) any significant changes in accounting policies during the financial year ended 31 March, 2014; and
  (iii) any instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

A certificate with respect to the above was placed before the Board Meeting on 9 June, 2014.

Compliance Certificate

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

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

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management, as approved by the Board, for the year ended 31 March, 2014.

Sd/-

Place : New Delhi
Date : 23 August 2014

Ajay Kumar Bishnoi
Chairman & Managing Director

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

To the Members of
Tecpro Systems Limited

1. We have examined the compliance with the conditions of Corporate Governance by Tecpro Systems Limited (the Company) for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India, with the relevant records and documents maintained by the Company and furnished to us and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof adopted by the Company for ensuring the said compliance. It is neither an audit nor is this certificate an expression of opinion on the financial statements of the Company.
3. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the said conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. 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 M. S. Krishnaswami & Rajan
Chartered Accountants
Firm Registration No : 01554S

Sd/-
M. S. Murali
Partner
Membership No. 026453

Date : August 23, 2014
Place : New Delhi

Independent Auditor's Report

To the Members of
Tecpro Systems Limited

1. **Report on the Financial Statements**
   We have audited the accompanying financial statements of TECPRO SYSTEMS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. **Management's Responsibility for the Financial Statements**
   Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act,1956 (the "Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. 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.
3. **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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control . An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
4. **Basis for Qualified Opinion**
   1. *We refer to Note No.32- regarding possible diminution in value of certain investments aggregating to Rs. 999.18 lakhs which has not been recognised in the statement of Profit and Loss for the year. The Statutory Auditors of one of the subsidiaries-Tecpro Systems (Singapore) Pte Limited (carrying value of investment Rs.853.97 lakhs) has qualified the financial statements for the year ended March 31,2014 with regard to the going concern assumption adopted by the said subsidiary. The diminution in value of the said investment has not been provided for. Further, possible dimunition on other non-current investments of the company has also not been reckoned in the statement of Profit and Loss for the year, based on assessments of the Company which is dependent on the achievement of certain projections by the said entities.*

      The attached financial statements do not include any adjustments that might result had the above uncertainties been known.
5. **Qualified Opinion**
   In our opinion and to the best of our information and according to the explanations given to us, *except for the effect of the matters described in the Basis for Qualified Opinion paragraph*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
   a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
   b) in the case of the Statement of Profit and Loss, of the loss 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.
6. **Emphasis of Matter**
   We draw attention to
   a) Note No.30(i) regarding assumption of going concern based on Company's proposal for restructuring of debt which has been admitted by the CDR empowered group for Corporate Debt Restructuring.
   b) Note No.30 (iii) regarding a sum of Rs.3,942.68.lakhs recognized as interest income arising from delayed payments made by certain customers pending confirmation from the said customers.
   c) Note 30 (ii) and (iii) regarding certain debts considered realizable based on management`s representation regarding continuous steps / engagement with the customers for realisation of dues and adjustments,if any, arising out of circularization of balances of Debtors/ Vendors as detailed in Note 30 (iv) and providing for liquidated damages as detailed in Note 30 (v)
   d) Note 38 regarding payment of remuneration to a managerial person being in excess of the limits specified by the relevant provisions of Companies Act 1956 by Rs.51.94 lakhs in respect of which the Company will seek approval of the shareholders and the Central Government.

   Our opinion is not qualified in respect of the above matters.
7. **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 purposes of our audit.
   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
   c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d) except for the effect of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs).
   e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **M.S. Krishnaswami & Rajan**
Chartered Accountants
Firm Registration. No. 01554S

Sd/-
M.S. Murali
Partner
Membership No. : 026453

Place : Chennai
Date : June 9, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT
Re: TECPRO SYSTEMS LIMITED

Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

In our opinion and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, the nature of the Company's business/ activities/ results during the year are such that clauses (iii)(e),(iii)(f),(iii)(g), (vi), (xii),(xiii), (xiv), (xviii),(xix) and (xx) of paragraph 4 of the Order are not applicable to the Company. Further, in respect of other clauses, on the basis of such checks as we considered appropriate, we report that:

1. In respect of its fixed assets:
   (i) the Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
   (ii) *the fixed assets were not physically verified by the Management during the year and hence we are unable to comment on the discrepancies, if any, noticed.*
   (iii) substantial part of the fixed assets were not disposed off during the year, in our opinion, and hence the going concern status of the Company is not affected.
2. In respect of its inventories:
   (i) the inventories have been physically verified during the year by the Management at the year end.
   (ii) we were not able to observe the physical verification of such inventory but based on information and explanations given by Management, the procedures of physical verification of the inventory followed appear reasonable and adequate in relation to the size of the Company and the nature of its business.
   (iii) in our opinion and according to the information and explanations given to us, the Company is generally maintaining proper records of its inventories and no material discrepancies were noticed on physical verification.
3. (a) On the basis of our examination of the books of account and as per information and explanations given to us, the Company has during the year given interest-free unsecured Trade Advance (not being a loan) to a party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs.800.35 lakhs and the balance due from such party as at the end of the year was Rs.713.24 lakhs. The said Trade Advance is being repaid regularly.There are no other amounts granted as loans or advance to any other party covered in the register maintained under section 301 of the Companies Act, 1956.
   (b) In our opinion the other terms and conditions of such loans are not prima-facie prejudicial to the interests of the Company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventories at factory and fixed assets, for payment of expenses and for sale of goods and services. With regard to internal control system for purchase of inventories for delivery at site, *the same needs to be strengthened*. Further, on the basis of our examination of the books and records of the Company, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
   a) the particulars of contracts or arrangements referred to in Section 301 of the Act that needed to be entered into the register, maintained under the said section have been so entered.
   b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs. 5 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market

prices at the relevant time except for (i) sale of certain goods which are for the specialised requirements of the buyer and for which suitable alternative sources are not available to obtain comparable quotations and (ii) purchases of certain goods and services which are for the specialised requirements of the Company and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.

6. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
7. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government of India under Section 209(1)(d) of the Act and are of the opinion that, *prima facie*, the prescribed accounts and cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
8. According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:

(i) the Company is not regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues, as applicable, with the appropriate authorities during the year.

(ii) the undisputed amounts payable in respect of such statutory dues outstanding as at March 31, 2014 for a period of more than six months from the date they became payable are as under:

(Rs. in Lakhs)

S.No.	Nature of Dues	Amount
1.	Central Sales Tax	24.10
2.	Provident Fund	54.88
3.	Works Contract Tax	377.19
4	Tax Deducted at Source/Tax Collected at Source	742.63
5.	Customs Duty	3.54
6.	Value Added Tax	557.96
7.	Service Tax	1134.04
8	Entry Tax	3.05
9	Wealth Tax	11.55

(iii) there are no dues of wealth-tax and customs duty which have not been deposited on account of any dispute. Details of dues towards income tax, sales tax, service tax, excise duty and cess that have not been deposited as at March 31, 2014 on account of disputes are as stated below:

Name of the Statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which amount relates	Forum where dispute is pending
Central Sales tax Act, 1956	Sales tax	124.06 49.51	1 April 2001 to 31 March 2002 1 April 2002 to 31 March 2003	Joint Commissioner of Sales tax (Appeals), Pune Joint Commissioner of Sales tax (Appeals), Pune
Central Sales tax Act, 1956	Sales tax	5.81 20.25	1 April 2001 to 31 March 2002 1 April 2000 to 31 March 2001	Commercial tax Officer, Lucknow Commercial tax Officer, Lucknow
West Bengal Sales Tax Act, 1994	Sales tax	14.04	1 April 2005 to 31 March 2006	West Bengal Commercial Taxes Appellate and Revisional board, Kolkata
Central Sales Tax Act, 1956	Sales tax	37.08 185.04	1 April 2005 to 31 March 2006 1 April 2006 to 31 March 2007	West Bengal Commercial Taxes Appellate and Revisional board, Kolkata West Bengal Commercial Taxes Appellate and Revisional board, Kolkata
West Bengal Sales Tax Act, 1994	Sales tax	13.37	1 April 2003 to 31 March 2004	Sales tax Officer Commercial Taxes, West Bengal
Central Sales Tax Act, 1956	Sales tax	1.70	1 April 2003 to 31 March 2004	Sales tax Officer Commercial Taxes, West Bengal
Central Sales Tax Act, 1956	Sales tax	27.21	1 April 2003 to 31 March 2004	Joint Commissioner, Sales tax (Appeals) II, Mumbai
Chapter V of the Finance Act, 1994	Service Tax	65.36	1 July 2003 to 31 May 2007	Additional Commissioner of Excise
Central Sales tax Act, 1956	Sales tax	13.41	1 April 2004 to 31 March 2005	Joint Commissioner of Sales Tax, Pune
Central Sales tax Act, 1956	Sales tax	4.54	1 April 2008 to 31 March 2009	Joint Commissioner Trade Tax, Bikaner
Central Sales tax Act, 1956	Sales tax	5.48	1 April 2008 to 31 March 2009	West Bengal Commercial Taxes Appellate and Revisional Board
Central Sales tax Act, 1956	Sales tax	1.14	1 April 2007 to 31 March 2008	Dy. Commissioner Commercial Tax, Bhawanipore Charge, Kolkata

Central Sales Tax Act, 1956	Sales tax	189.92	1 April 2009 to 31 March 2010	Rajasthan Tax Board, Ajmer
Rajasthan Tax on Entry of Goods into Local Areas Act, 1999	Entry Tax	204.08	1 April 2006 to 31 March 2009	Rajasthan High Court
West Bengal Value Added Tax Act, 2003	Sales tax	48.92	1 April 2009 to 31 March 2010	West Bengal Commercial Taxes Appellate and Revisional Board
Rajasthan Tax on Entry of Goods into Local Areas Act, 1999	Entry Tax	116.59	1 April 2009 to 31 March 2010	Rajasthan High Court
Rajasthan Tax on Entry of Goods into Local Areas Act, 1999	Entry Tax	164.89	1 April 2010 to 31 March 2011	Rajasthan High Court
Income Tax Act,1961	Income tax	2,642.77	Asst.Year 2011-12	Commissioner of Income tax(Appeals)
Income Tax Act,1961	Income tax	2,372.05	Asst.Year 2012-13	Commissioner of Income tax(Appeals)

9. The Company does not have any accumulated losses as at March 31, 2014. It has incurred cash losses in the financial year ended on that date but not in the immediately preceding financial year.
10. In our opinion, the Company has defaulted in repayment of dues to financial institutions and banks as under:

Rs. In Lakhs

S. No.	Dues to	Amount Involved	Nature of Dues	Period of default upto March 31,2014
1.	DBS Bank(DBS) Bill discounting	277.00	Principal	From 34-64 days
	DBS – ECB Loan	480.80	Principal	104 days
		77.20	Interest	104 days
	DBS Short Term Loan	27,414.90	Principal	From 30 – 160 days
		1,193.82	Interest	From 30 – 160 days
	DBS – Long Term Loan	615.00	Principal	180 Days-365 days
		250.87	Interest	180 Days-365 days
	Corporate Guarantee	6009.98	Principal	Less than 30 days
		113.19	Interest	Less Than 30 days
2.	Axis Bank (LC Devolved)	99.89	Principal	From 90 days to 180 days
		0.66	Interest	
3.	ICICI Bank (LC)	3546.80	Principal	Less than 90 days
		16.22	Interest	Less than 90 days
4.	Standard Chartered Bank – Packing Credit	14725.00	Principal	More than 180 days
	Standard Chartered Bank– Bill Discount	675.00	Principal	More than 180 days
	Standard chartered bank- PCFC	2180.00	Principal	Less than 90 days
		1917.00	Principal	From 90 to 180 days
5.	RIICO LTD – Term Loan	386.55	Interest	From 30 to 270 days
6.	Kotak Mahindra Prime Ltd	58.30	Principal	From 30 to 60 days
		3.28	Interest	

There are no debenture holders in the Company.

11. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions, are not, *prima facie*, prejudicial to the interest of the Company.
12. In our opinion and according to the information and explanations given to us, out of the term loan of Rs.3,000 lakhs availed by the Company during the year, *only Rs.1,288.83 lakhs were applied for the purpose for which they were obtained.*
13. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the company has, prima *facie, utilised short term funds raised during the year for purchase of fixed assets to the extent of Rs 2,422.65 lakhs.*
14. To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud of material significance on or by the Company has been noticed or reported during the year.

For **M.S. Krishnaswami & Rajan**
Chartered Accountants
Firm Registration. No. 01554S

Sd/-
M.S. Murali
Partner
Membership No. : 026453

Place : Chennai
Date : June 9, 2014

Balance Sheet as at 31 March 2014

(All amounts are in Rupees)

	Note	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	504,737,910	504,737,910
Reserves and surplus	4	1,704,977,731	7,385,218,306
		2,209,715,641	**7,889,956,216**
Non-current liabilities			
Long-term borrowings	5	1,180,399,799	856,713,135
Trade payables	9	1,100,001,387	1,387,691,892
Long-term provisions	7	1,216,124	65,140,271
		2,281,617,310	**2,309,545,298**
Current liabilities			
Short-term borrowings	8	33,934,122,947	20,031,576,805
Trade payables	9	8,454,921,962	13,145,594,629
Other current liabilities	10	6,757,902,946	6,670,710,310
Short-term provisions	7	166,141,711	57,402,186
		49,313,089,566	**39,905,283,930**
TOTAL		**53,804,422,517**	**50,104,785,444**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	2,737,365,275	2,836,403,404
Intangible assets	12	15,705,381	38,624,331
Capital work-in-progress	11	660,694,805	454,686,192
		3,413,765,461	**3,329,713,927**
Non-current investments	13	176,056,870	176,056,870
Deferred tax assets (net)	6	-	19,311,030
Long-term loans and advances	15	49,701,006	186,488,625
Trade receivables	20	5,497,214,527	4,300,885,879
Other non-current assets	17	1,540,040,953	1,573,156,087
		7,263,013,356	**6,255,898,491**
Current assets			
Current investments	14	1,370,726	1,044,346
Inventories	19	1,958,927,710	1,965,694,124
Trade receivables	20	24,984,926,900	24,996,747,850
Cash and bank balances	21	67,132,732	255,221,053
Short-term loans and advances	16	2,433,389,027	2,247,588,247
Other current assets	18	13,681,896,605	11,052,877,406
		43,127,643,700	**40,519,173,026**
TOTAL		**53,804,422,517**	**50,104,785,444**
Significant accounting policies	2		

The notes referred to above form an integral part of the Financial Statement

As per our report of even date attached

For **M. S .Krishnaswami & Rajan**
Chartered Accountants
Registration No. 01554S

M .S. Murali
Partner
Membership No.: 026453

Place : Chennai
Date : 9th June 2014

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

Ajay Kumar Bishnoi
Chairman & Managing Director
DIN-00013917
Place : Chennai
Date : 9th June 2014

Amar Banerjee
Managing Director
DIN-00475983
Place : Chennai
Date : 9th June 2014

Pankaj Tandon
Company Secretary
FCS-7248
Place : Chennai
Date : 9th June 2014

Statement of Profit and Loss for the year ended 31 March 2014

(All amounts are in Rupees)

		Note	For the year ended 31 March 2014	For the year ended 31 March 2013
I	**Income**			
	Revenue from operations	22	8,625,587,640	26,104,560,725
II	Other income	23	4,269,454	82,938,604
III	**Total revenue**		**8,629,857,094**	**26,187,499,329**
IV	**Expenses**			
	Cost of materials consumed	24	4,525,578,683	13,847,432,742
	Purchases of stock-in-trade	26	748,445,818	2,352,343,353
	Changes in inventories of finished goods, work in progress and stock in trade - project supplies	25	(262,645,330)	247,250,668
	Employee benefits expense	27	927,714,402	1,231,904,277
	Other expenses	28	3,256,514,692	4,870,203,235
	Expenditure before finance costs and depreciation / amortisation expenses		**9,195,608,265**	**22,549,134,275**
V	**Profit/(Loss) before finance costs, depreciation and amortisation expenses and tax**		**(565,751,171)**	**3,638,365,054**
VI	Finance costs	29	4,891,707,158	3,012,711,968
VII	**Profit /(Loss) before depreciation and amortisation expenses and tax from continuing operations**		**(5,457,458,329)**	**625,653,086**
VIII	Depreciation and amortisation expense	11 & 12	202,470,082	198,196,411
IX	**Profit /(Loss) before tax**		**(5,659,928,411)**	**427,456,675**
X	**Tax expense :**			
	Current tax		-	148,062,428
	Income tax for earlier years		-	12,295,105
	Deferred tax charge / (release)		19,311,030	(21,465,060)
XI	**Profit / (Loss) for the year from continuing operations**		**(5,679,239,441)**	**288,564,202**
	Basic and diluted earnings per equity share (in Rs.) [face value Rs. 10 each (previous year Rs. 10 each)]	41	(112.52)	5.72
	Significant accounting policies	**2**		

The notes referred to above form an integral part of the Financial Statement

As per our report of even date attached

For **M. S .Krishnaswami & Rajan**
Chartered Accountants
Registration No. 01554S

M .S. Murali
Partner
Membership No.: 026453

Place : Chennai
Date : 9th June 2014

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

Ajay Kumar Bishnoi
Chairman & Managing Director
DIN-00013917

Place : Chennai
Date : 9th June 2014

Amar Banerjee
Managing Director
DIN-00475983

Place : Chennai
Date : 9th June 2014

Pankaj Tandon
Company Secretary
FCS-7248

Place : Chennai
Date : 9th June 2014

Cash flow statement for the year ended 31 March 2014

(All amounts are in Rupees)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flow from operating activities		
Profit / (loss) before taxation	(5,659,928,411)	427,456,675
Adjusted for :		
Depreciation	202,470,082	198,196,411
Profit on sale of fixed assets	(122,292)	(101,977)
Loss on sale / disposal of fixed assets	2,155,795	6,537,923
Interest income	(3,319,604)	(43,617,413)
Dividend income	(1,719)	(1,493)
Capitalisation of foreign exchange loss	(52,297,440)	(23,950,274)
Interest expense	4,469,590,110	2,506,336,039
Provisions no longer required, written back	(38,222,196)	(36,908,470)
Provision for dimunition in value of investments	(326,380)	-
Bad debts written off during the year	63,401,757	123,436,493
Provision for loss on incomplete contract	10,043,828	34,315,539
Provision for bad and doubtful debts	-	172,185,657
Sundry balance written off	-	5,940,945
Operating profit before following adjustments:	**(1,006,556,470)**	**3,369,826,055**
Increase /(Decrease) in Long term provision	(25,701,951)	22,287,772
(Increase)/ Decrease in Other non current assets	33,115,134	(278,507,150)
Increase /(Decrease) in Trade payables	(4,978,363,171)	(650,626,265)
Increase /(Decrease) in Other current liabilities	12,578,916	1,817,362,239
Increase /(Decrease) in Short-term provisions	98,695,696	(14,730,151)
(Increase) /Decrease in Long term loans and advances	136,787,618	(76,242,083)
(Increase) /Decrease in Inventories	6,766,414	356,594,463
(Increase) / Decrease in Trade receivables	(1,247,909,455)	(6,137,888,665)
(Increase) / Decrease in Short-term loans and advances	(140,161,582)	106,269,258
(Increase) / Decrease in Other current assets	(2,629,019,199)	(4,535,659,936)
Cash used in operations	**(9,739,768,049)**	**(6,021,314,463)**
Income tax paid	(22,684,732)	(412,977,812)
Net cash flow from / (used in) operating activities (A)	**(9,762,452,782)**	**(6,434,292,275)**
Cash flow from investing activities		
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	(242,265,105)	(746,727,937)
Proceeds from sale of fixed assets	5,006,291	3,212,670
Purchase of investments in subsidiaries	-	(35,594,697)
Movement in bank deposits (net) (having original maturity of more than three months)	22,395,732	1,209,896,232
Short-term loans/advances to subsidiaries	(22,954,465)	106,768,712
Dividend received	1,719	1,493
Interest received	3,319,604	60,518,509
Net cash flow from / (used in) investing activities (B)	**(234,496,224)**	**598,074,982**

Cash flow statement (Contd..)

(All amounts are in Rupees)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flows from financing activities		
Refund of share application money	-	(7,152,113)
Long-term borrowings taken (including current maturities)	651,441,982	232,884,775
Long-term borrowings repaid (including current maturities)	(253,135,210)	(560,164,775)
Short term borrowings (net)	13,902,546,142	7,990,938,622
Payment of dividend	(6,387)	(151,286,967)
Tax on dividend	-	(24,564,332)
Interest paid	(4,469,590,110)	(2,496,805,190)
Net cash from / (used in) financing activities (C)	**9,831,256,417**	**4,983,850,020**
Net changes in cash and cash equivalents (A+B+C)	**(165,692,589)**	**(852,367,273)**
Cash and cash equivalents - opening balance	232,669,483	1,083,553,060
Add: on account of amalgamation	-	1,483,696
Cash and cash equivalents - closing balance	**66,976,894**	**232,669,483**
Components of cash and cash equivalents (refer to note 21)		
Cash on hand	5,649,923	2,141,741
With banks:		
In current accounts	61,326,971	230,502,742
In fixed deposit accounts		25,000
	66,976,894	**232,669,483**

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

Significant accounting policies 2

The notes referred to above form an integral part of the Financial Statement

As per our report of even date attached

For **M. S .Krishnaswami & Rajan**
Chartered Accountants
Registration No. 01554S

M .S. Murali
Partner
Membership No.: 026453

Place : Chennai
Date : 9th June 2014

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

Ajay Kumar Bishnoi
Chairman & Managing Director
DIN-00013917

Place : Chennai
Date : 9th June 2014

Amar Banerjee
Managing Director
DIN-00475983

Place : Chennai
Date : 9th June 2014

Pankaj Tandon
Company Secretary
FCS-7248

Place : Chennai
Date : 9th June 2014

Notes to financial statements for the year ended 31 March 2014

1. Company overview

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

2. Significant Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements are prepared on accrual basis under the historical cost convention, modified to include revaluation of certain assets, in accordance with applicable Accounting Standards (AS) specified in the Companies (Accounting Standards) Rules, [read with the General Circular 15/2013 dated 13th September 2013 issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act,2013] issued by the Central Government, the relevant provisions of the Companies Act, 1956 and other accounting principles generally accepted in India, to the extent applicable.

2.2 Use of estimates

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

2.3 Current and non-current classification

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

Assets

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

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

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

Liabilities

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

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

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

Operating cycle

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

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

2.4 Revenue recognition

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

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

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

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

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

2.5 Tangible fixed assets and capital work-in-progress

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

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

2.6 Intangible assets

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

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

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

Notes to financial statements for the year ended 31 March 2014

2.7 Borrowing Cost

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

2.8 Impairment

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

2.9 Depreciation

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

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

* included in buildings in note 11 to the financial statements

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

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

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

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

2.10 Inventories

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

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

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

2.11 Foreign currency transactions

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

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

• used for acquisition of depreciable capital asset, are added to or deducted from the cost of asset and are depreciated over the balance life of asset.

• used for the purpose other than the acquisition of depreciable capital asset, are accumulated in Foreign Currency Monetary Item Translation Difference Account (FCMITDA) and amortized over the balance period of such liability.

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

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

(a) the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and;

(b) the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date.

The company use foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitments and highly probable forecast transactions. The company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in Accounting Standard -30 " Financial Instruments Recognition and measurement" issued by ICAI. Gains and losses on this forward contract designated as "effective Cash flow hedges" are recognized in the "Hedge Reserve Account" till the underlying forecasted transaction occurs. Any ineffective portion however, is recognized immediately in the Statement of profit and loss.

Notes to financial statements for the year ended 31 March 2014

2.12 Provisions and contingencies

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

Onerous contract

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

2.13 Taxation

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

2.14 Employee benefits

a. All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Statement of Profit and Loss in the year in which the employee renders the related service.

b. Provident fund is a defined contribution scheme. Contributions payable to the provident fund are charged to the Statement of Profit and Loss.

c. Superannuation fund is a defined contribution scheme. The Company contributes to schemes administered by the Life Insurance Corporation of India ('LIC') to discharge its superannuation liabilities. The Company's contribution paid/payable under the scheme is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

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

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

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

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

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

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

2.15 Investments

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

2.16 Earnings per share

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

2.17 Leases

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

2.18 Events occurring after the balance sheet date

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

Notes to financial statements for the year ended 31 March 2014

(All amounts are in Rupees)

	As at 31 March 2014	As at 31 March 2013
3. Share capital		
Authorised		
8,11,50,000 (previous year 13,11,50,000) equity shares of Rs.10 each	**811,500,000**	1,311,500,000
50,00,000 (Previous year Nil) preference shares of Rs 100 each	**500,000,000**	Nil
	1,311,500,000	1,311,500,000
Issued, subscribed and fully paid-up		
5,04,73,791 (previous year 5,04,73,791) equity shares of Rs.10 each fully paid-up	504,737,910	504,737,910
	504,737,910	504,737,910

(a) The Authorized Share Capital of the Company has been reclassified and divided into 8,11,50,000 Equity Shares of Rs. 10 each amounting to Rs. 81,15,00,000and 50,00,000 Preference Share of Rs, 100each amounting to Rs.50,00,00,000 during the year.

(b) Reconciliation of shares outstanding and the amount of share capital as at 31 March 2014 and 31 March 2013

Equity shares	As at 31 March 2014		As at 31 March 2013	
	No. of shares	**Amount (Rs.)**	No. of shares	Amount (Rs.)
Number of shares at the beginning	**50,473,791**	**504,737,910**	50,473,791	504,737,910
Add: Shares issued / redeemed during the year	-	-	-	-
Number of shares at the end	**50,473,791**	**504,737,910**	50,473,791	504,737,910

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

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

	As at 31 March 2014		As at 31 March 2013	
Names	**No. of Shares**	**% of shares held**	No. of Shares	% of shares held
Mr. Amul Gabrani	**9,344,342**	**18.51**	9,319,342	18.46
Mr. Ajay Kumar Bishnoi	**9,044,842**	**17.92**	9,019,842	17.87
M/s. Fusion Fittings (I) Limited	**7,540,784**	**14.94**	7,540,784	14.94
M/s. Avigo Venture Investments Limited	**6,819,153**	**13.51**	6,819,153	13.51
M/s. Metmin Investments Holdings Limited	**3,000,000**	**5.94**	3,994,881	7.91

(d) During the five years period ended 31 March 2014 Company has issued equity shares for consideration other than cash as follows:-

1,65,26,291 equity shares of Rs. 10 issued during the year 2009-10 as fully paid-up shares to shareholders of erstwhile Tecpro Ashtech Limited and erstwhile Tecpro Power Systems Limited, pursuant to a scheme of amalgamation, for consideration other than cash.

Notes to financial statements for the year ended 31 March 2014

(All amounts are in Rupees)

4. Reserves and surplus

	As at 31 March 2014	As at 31 March 2013
Capital reserve	**38,855,552**	38,855,552
Securities premium account	**2,991,808,262**	2,991,808,262
Revaluation reserve		
Opening balance	**69,078,254**	70,079,388
Less: amount transferred to the Statement of Profit and Loss on account of additional depreciation on revalued assets	**(1,001,134)**	(1,001,134)
Closing balance	**68,077,120**	69,078,254
General reserve		
Opening balance	**730,401,780**	788,224,308
Less: adjustment on account of amalgamation	-	57,822,528
Add: appropriations from the statement of profit and loss	-	-
Closing balance	**730,401,780**	730,401,780
Surplus in the Statement of Profit and Loss		
Opening balance	**3,555,074,458**	3,251,003,775
Profit /(loss)for the year	**(5,679,239,441)**	288,564,202
Adjustment during the year on account of amalgamation	-	15,506,481
Net surplus / (Deficit) in the Statement of Profit and Loss	**(2,124,164,983)**	3,555,074,458
Total reserves and surplus	**1,704,977,731**	7,385,218,306

5. Long term borrowing

	Non-current portion		Current maturities	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Secured:				
Term loans				
- Indian rupee loan from banks	**676,897,371**	378,251,088	**210,691,946**	174,600,011
- Foreign currency loan from banks	**240,399,200**	466,796,580	**144,239,520**	87,022,880
- From financial institutions	**259,487,123**	-	**42,859,010**	52,346,133
-Finance Lease obligations	**3,616,105**	11,665,467	**11,629,262**	20,830,607
	1,180,399,799	856,713,135	**409,419,738**	334,799,631
Less:				
Amount disclosed under the head "other current liabilities" (refer to note 10)	-	-	**409,419,738**	334,799,631
Net amount	**1,180,399,799**	856,713,135	-	-

Notes to financial statements for the year ended 31 March 2014

5.1) Security and term of repayment of Loan liabilities

Security	Terms of repayments
Indian Rupee Loan from banks (Current and Non - Current Portion)	
Amounting to Rs. 94,51,946 is secured by way of equitable mortgage over the leasehold rights of the Company's land at Siruseri, Chennai and building constructed thereon for office and also further secured by the current assets of the Company. Loan is also collaterally secured by: a) Hypothecation of movable fixed assets owned by the Company (excluding assets purchased on loan and specifically charged to the lenders) and equitable mortgage over certain assets of certain directors (includes a relative of a director) of the Company on pari passu basis. b) Equitable mortgage over certain factory land and buildings located at Bawal, Haryana and Bhiwadi, Rajasthan.The properties are also mortgaged in favour of other bankers on pari passu basis. c) Corporate guarantee given by Fusion Fittings (I) Limited and pledge of certain shares by certain directors of the Company. d) Personal guarantees from Mr Amul Gabrani (Director), Mr. Ajay Kumar Bishnoi (Director) and Mrs. Bhagwanti Gabrani (relative of Director).	Repayable in 65 monthly installments of Rs. 34,00,000 each beginning from January 2009 carrying interest rate of 1.25 % above SBAR subject to minimum interest rate of 13.5 % p.a
Amounting to Rs. 40,52,50,000 is exclusive charge on "Tecpro House" Gurgaon, Engineering Centre in Kolkata property , exclusive on the commercial office 3rd and 4th Floor No 07 Sagar Complex , Bhosari Pune and " Tecpro Tower" property at Chennai and Additional Security personal Guarantee of Mr. A K Bishnoi and Mr. Amul Gabrani	Repayable in 24 installments of Rs. 16.20 Millions commencing at the end of 13th month from each drawdown & 23 instalments of Rs. 23.75 millions each commencing at the end of each drawdown & 1 installments of Rs. 14.95 millions at the end of 60th months from each drawdown
Amounting to Rs. 150,00,00,000 is secured by exclusive charge in the retention receivable (50 % Margin on retention receivables). Further, the loan is additionally secured by way of Personal Guarantee of Mr. Ajay Kumar Bishnoi (Director) and Mr. Amul Gabrani (Director) and Mrs. Bhawanti Gabrani and Corporate Guarantee of M/S Fusion Fittings India Ltd	Maximum tenure - 3 years and Repayment in March 2017 as Bullet payment. Rate of interest- 5 % above the base rate at15% pa
Amounting to Rs. 43,05,00,000 is secured by exclusive charge on "Tecpro House" Office in Gurgaon by way of equitable mortgage with a minimum asset cover of 1.25 times during the entire tenancy of the loan. Further, the loan is additionally secured by way of Personal Guarantee of Mr. Ajay Kumar Bishnoi (Director) and Mr. Amul Gabrani (Director).	Repayable in 20 equal quarterly instalments commencing at the end of three months from the date of first drawdown at an interest rate of 270 bps over DBS Bank's Base Rate [currently Bank's Base rate being 10.00% p.a.] payable on a quarterly basis.
Foreign currency loan from banks (current and non-current portion)	
Amounting to Rs.38,46,38,720 is secured by exclusive charge on the immovable and movable fixed assets of the Kolkata Office financed out of the facility with a minimum asset cover of 1.25 times. The loan is also secured by personal guarantee of Mr Ajay Kumar Bishnoi (Director) & Mr Amul Gabrani (Director).	Repayable in 10 equal half yearly installments commencing after 18 months from the first drawdown date i.e., 20 June 2011 carrying an interest rate of applicable EURO/USD/SGD LIBOR plus 2.6 % p.a.
Financial institutions (current and non-current portion)	
Amounting to Rs. 30,23,46,133 is secured by First charge on the asset i.e Land and Building situated at the Industrial Unit at Plot No 203-203(A) MIA, Alwar Rajasthan. Personal guarantee Shri Amul Gabrani and Shri Ajay Kumar Bsihnoi	Repayable in 24 equal quarterly instalments of INR 197.92 Lacs each commencing w.e.f 15 May 2014.
Finance Lease obligations (current and non - Current portion)	
Amounting to Rs.1,52,45,367 is secured by way of Hypothecation of the respective vehicles.	Repayable in such number of equal monthly installments as specified in the terms & conditions of the respective vehicle finance agreements. The rate of interest are in the range of 12% p.a to 15% p.a

Notes to financial statements for the year ended 31 March 2014

5.2) Details of default of loan (Principal and interest)

S. NO	Dues to	Amount (in Lakhs)	Nature of Dues	Overdues Periods
1	DBS Bill discounting	277	Principal	34-64 Days
	DBS – ECB Loan	480.8	Principal	104 days
		77.2	Interest	104 days
	DBS -Short Term Loan	27414.9	Principal	30 days- 160 days
		1193.82	Interest	30 days- 160 days
	DBS – LongTerm Loan	615	Principal	180 days-365 days
		250.87	Interest	180 days-365 days
	Corporate Guarantee	6009.98	Principal	Less than 30 days
		113.19	Interest	Less Than 30 days
2	Axis Bank (LC Devolved)	99.89	Principal	90 days to 180 days
		0.66	Interest	
3	ICICI Bank (LC)	3546.8	Principal	Less than 90 days
		16.22	Interest	Less than 90 days
4	Standard Chartered Bank – Packing Credit	14725	Principal	More than 180 days
	Standard Chartered Bank– Bill Discount	675	Principal	More than 180 days
	Standard chartered bank- PCFC	2180	Principal	Less than 90 days
		1917	Principal	90 days to 180 days
5	RIICO LTD – Term Loan	386.55	Interest	30 days to 270 days
6	Kotak Mahindra Prime Ltd	58.3	Principal	30 days to 60 days
		3.28	Interest	

(All amounts are in Rupees)

6. Deferred tax (assets) / liability (net)

	As at 31 March 2014	As at 31 March 2013
Deferred tax liability :		
Excess of' Depreciation / amortisation under Income Tax Act over depreciation / amortisation provided in accounts	**140,222,778**	118,649,994
Total deferred tax liability	**140,222,778**	118,649,994
Deferred tax assets on account of:		
Provision for employee benefits	**10,726,783**	44,823,128
Provision for estimated losses on incomplete contracts	**16,434,290**	13,020,393
Provision for bad and doubtful debts	**79,048,536**	79,048,536
Unabsorbed Depreciation / Loss	**13,952,140**	-
Others	**20,061,029**	1,068,967
Total deferred tax asset	**140,222,778**	137,961,024
Net deferred tax liability / (assets)	**-**	(19,311,030)

Notes to financial statements for the year ended 31 March 2014

7. Provisions

(All amounts are in Rupees)

	Long-term provisions		Short-term provisions	
	As at 31 March 2014	As at 31 March 2013	**As at 31 March 2014**	As at 31 March 2013
Provision for employee benefits				
Gratuity (refer to note 43)	**-**	30,794,533	**-**	5,865,748
Compensated absences	**-**	34,248,710	**31,558,641**	13,229,899
	-	**65,043,243**	**31,558,641**	**19,095,647**
Others provisions				
Lease equalisation charges	**1,216,124**	97,028	**-**	-
Provision for estimated losses on incomplete contract (refer to note 45)	**-**	-	**48,350,368**	38,306,539
Others	**-**	-	**86,232,702**	-
	1,216,124	97,028	**134,583,070**	38,306,539
	1,216,124	65,140,271	**166,141,711**	57,402,186

8. Short-term borrowings

	As at 31 March 2014	As at 31 March 2013
Loans repayable on demand		
From banks (secured)		
- Working capital facility @	**33,872,464,543**	19,974,393,600
From others (unsecured)	**61,658,404**	57,183,205
	33,934,122,947	20,031,576,805

@ Includes foreign currency short term loan

Nature of security

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

- Working Capital facilities are secured by first charge on the present and future current assets of the company on pari passu basis.
- Cash credit, short term loans and buyers credit from certain banks are further primarily / collaterally secured by way of hypothecation / mortagage of moveable / immoveable fixed assets of the Company on a pari passu basis other than those specifically funded through term loans and charged to State Bank of India and by way of equitable mortgage over certain assets of certain directors (includes a relative of a director) of the Company on pari passu basis.
- Packing Credit loan from DBS Bank is secured by second charge on the current assets and moveable fixed assets of the Company. - The facilities are also secured by personal guarantee of Mr. Amul Gabrani (director), Mr. Ajay Kumar Bishnoi (director) and Mrs. Bhagwanti Gabrani (relative of director, except for facility availed from DBS Bank)
- Further, facilties from SBI are also secured by pledge of certain shares by Mr. Amul Gabrani and Mr. Ajay Kumar Bishnoi (directors of the Company) and the loan from SBI is also secured by corporate guarantee given by Fusion Fittings (I) Limited.

Notes to financial statements for the year ended 31 March 2014

9. Trade payables

(All amounts are in Rupees)

	Non-current		Current	
	As at 31 March 2014	As at 31 March 2013	**As at 31 March 2014**	As at 31 March 2013
Sundry creditors				
- micro and small enterprises	**-**	-	**97,279,894**	107,712,476
- others	**1,100,001,387**	1,387,691,892	**8,357,642,068**	13,037,882,153
	1,100,001,387	1,387,691,892	**8,454,921,962**	13,145,594,629

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

		As at 31 March 2014	As at 31 March 2013
(a)	Principal amount payable to suppliers as at year-end	**97,279,894**	107,712,476
(b)	Interest due thereon as at year-end	**16,394,444**	15,772,337
(c)	Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which interest relates		
(d)	Amount of delayed payments actually made to suppliers during the year	**-**	194,340,799
(e)	Amount of interest due and payable for the year of delay in making payment (which has been paid, but beyond the appointed day during the year) but without adding interest specified under the MSMED Act.	**-**	-
(f)	Interest accrued and remaining unpaid at the end of year	**16,394,444**	3,798,641

10. Other current liabilities

Current maturities of long-term borrowings (also refer to note 5)		**402,041,845**		313,969,024
Current maturities of lease obligation (also refer to note 5)		**7,377,893**		20,830,607
Salaries, wages and bonus payable		**411,884,314**		143,816,841
Interest accrued and due on borrowings		**415,749,498**		-
Interest accrued but not due on borrowings		**55,421,619**		69,863,061
Unpaid dividends		**253,359**		259,746
Book overdraft		**127,481,013**		22,697
Advances from customers (refer to note 40)		**4,520,109,197**		5,290,231,873
Unearned revenue		**32,705,000**		203,454,993
Creditors towards fixed assets		**121,564,287**		230,351,830
Amount due to subsidiaries		**857,196**		-
Statutory dues				
Service tax	**172,623,656**		111,626,238	
Tax deducted at source	**160,866,988**		75,364,127	
Provident fund and other employee related	**44,727,225**		22,691,957	
Sales tax	**109,546,165**	**487,764,034**	179,210,547	388,892,869
Others #		**174,693,691**		9,016,769
		6,757,902,946		6,670,710,310

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

Others includes due to Directors Rs.2,96,00,000.

Notes to financial statements for the year ended 31 March 2014

11. Tangible assets

(All amounts are in Rupees)

Description	Gross block (at cost)				Accumulated depreciation				Net block	
	As at 1 April 2013	Additions during the year	Deletions / adjustments during the year	**As at 31 March 2014**	As at 1 April 2013	For the year	Deletions / adjustments during the year	**As at 31 March 2014**	**As at 31 March 2014**	As at 31 March 2013
Owned										
Freehold land #	34,705,270	-	-	**34,705,270**	-	-	-	**-**	**34,705,270**	34,705,270
Buildings *	1,316,268,661	5,116,101	-	**1,321,384,762**	122,176,461	46,650,318	-	**168,826,779**	**1,152,557,983**	1,194,092,200
Leasehold Improvement	226,775,895	117,140	2,644,927	**224,248,108**	34,982,432	9,517,140	806,514	**43,693,058**	**180,555,050**	191,793,463
Plant and machinery ##	542,262,780	4,468,964	1,134,465	**545,597,279**	95,392,628	28,021,996	298,131	**123,116,493**	**422,480,786**	446,870,152
Office Equipment ##	153,985,808	946,922	9,990	**154,922,740**	69,652,121	23,522,865	2,441	**93,172,545**	**61,750,195**	84,333,687
Furniture and fittings	124,247,466	24,850,975	51,393	**149,047,048**	67,240,466	25,631,793	34,214	**92,838,045**	**56,209,003**	57,007,000
Vehicles	212,361,213	52,437	8,166,306	**204,247,344**	63,272,651	20,058,157	3,825,987	**79,504,821**	**124,742,523**	149,088,562
Computers	66,142,305	418,784	-	**66,561,089**	35,105,377	8,666,584	-	**43,771,961**	**22,789,128**	31,036,928
Total - A	2,676,749,398	35,971,323	12,007,081	**2,700,713,640**	487,822,136	162,068,853	4,967,287	**644,923,702**	**2,055,789,938**	2,188,927,262
Leasehold land	278,243,040	-	-	**278,243,040**	13,451,543	2,396,649	(1,001,134)	**16,849,326**	**261,393,714**	264,791,497
Buildings	394,244,706	52,297,440	-	**446,542,146**	11,560,061	14,800,462	-	**26,360,523**	**420,181,623**	382,684,645
Total - B	672,487,746	52,297,440	-	**724,785,186**	25,011,604	17,197,111	(1,001,134)	**43,209,849**	**681,575,337**	647,476,142
Total - A+B	3,349,237,144	88,268,763	12,007,081	**3,425,498,826**	512,833,740	179,265,964	3,966,153	**688,133,551**	**2,737,365,275**	2,836,403,404
Capital Work in Progress ^^									**660,694,805**	454,686,192

* Additions to Building include loss on foreign exchange fluctuation Rs. 5,22,97,440 (previous year Rs. 1,51,36,058).
^^ Capital Work in Progress include loss on foreign exchange fluctuation Rs. Nil (previous year Rs. 634,448) and borrowing cost capitalised Rs. 2,62,44,596 (previous year Rs. Nil).
** Depreciation aggregating to Rs. 10,01,134 (previous year 10,01,134) for the current year has been utilised through revaluation reserve.
# refer note 31
Figures from previous year's block are regrouped

11. 1 Tangible assets

Description	Gross block (at cost or valuation)					Accumulated depreciation					Net block	
	As at 1 April 2012	Additions during the year	Deletions / adjustments during the year	Added on account of amalgama-tion (refer to note 31)	As at 31 March 2013	As at 1 April 2012	For the year	Deletions / adjustments during the year	Added on account of amalgama-tion (refer to note 31)	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
Owned												
Freehold land	34,705,270	--	-	-	34,705,270	-	-	-	-	-	34,705,270	34,705,270
Buildings	1,093,498,969	223,454,381	684,689	-	1,316,268,661	78,813,501	44,024,692	661,732	-	122,176,461	1,194,092,200	1,014,685,468
Leasehold improvement	167,686,501	60,865,010	1,775,616	-	226,775,895	26,823,892	8,970,026	811,486	-	34,982,432	191,793,463	140,862,609
Plant and machinery	437,332,399	115,002,435	2,307,144	3,091,976	553,119,666	72,873,378	28,841,506	1,286,829	176,058	100,604,113	452,515,553	364,459,021
Office equipment	125,414,050	18,920,563	2,019,498	813,807	143,128,922	42,092,640	23,872,770	1,663,114	138,340	64,440,636	78,688,286	83,321,410
Furniture and fittings	108,435,656	17,103,357	3,784,906	2,493,359	124,247,466	46,960,694	22,255,419	2,452,631	476,984	67,240,466	57,007,000	61,474,962
Vehicles	202,157,623	17,213,269	9,638,356	2,628,677	212,361,213	46,461,301	19,739,724	3,786,727	858,353	63,272,651	149,088,562	155,696,322
Computers	59,478,042	5,583,187	442,417	1,523,493	66,142,305	25,398,690	9,438,974	341,491	609,204	35,105,377	31,036,928	34,079,352
Total (A)	2,228,708,510	458,142,202	20,652,626	10,551,312	2,676,749,398	339,424,096	157,143,111	11,004,010	2,258,939	487,822,136	2,188,927,262	1,889,284,414
Assets taken on finance lease Leasehold land #	247,786,789	30,456,251	-	-	278,243,040	10,062,266	2,388,143	(1,001,134)	-	13,451,543	264,791,497	237,724,523
Buildings *	225,463,072	168,781,634	-	-	394,244,706	680,837	10,879,224	-	-	11,560,061	382,684,645	224,782,235
Total (B)	473,249,861	199,237,885	-	-	672,487,746	10,743,103	13,267,367	(1,001,134)	-	25,011,604	647,476,142	462,506,758
Total (A+B)	2,701,958,371	657,380,087	20,652,626	10,551,312	3,349,237,144	350,167,199	170,410,478	10,002,876	2,258,939	512,833,740	2,836,403,404	2,351,791,172
Capital Work in Progress ^^											454,686,192	315,704,904

* Additions to Building include loss on foreign exchange fluctuation Rs. 1,51,36,058 (previous year Rs.1,68,76,111).
^^ Capital Work in Progress include loss on foreign exchange fluctuation Rs. 6,34,448 (previous year Rs. 87,05,615) and borrowing cost capitalised Rs. Nil (previous year Rs. 13,76,648).
# The gross block of leasehold land includes Rs. 7,60,86,192 (previous year Rs. 7,60,86,192) on account of revaluation of leasehold land belonging to erstwhile Blossom Automotive Private Limited which has been transferred to the Company on amalgamation with effect from 1 April 2008. Consequent to the same, there is an additional charge of depreciation of Rs. 10,01,034 (previous year Rs. 10,01,034) and an equivalent amount has been withdrawn from revaluation reserve. This has no impact on profit for the year.

Notes to financial statements for the year ended 31 March 2014

(All amounts are in Rupees)

12. Intangible asset

Description	Gross block (at cost)				Accumulated depreciation					Net block	
	As at 1 April 2013	Additions during the year	Deletions / adjustments during the year	**As at 31 March 2014**	As at 1 April 2013	For the Year	Deletions / adjustments during the year	Prior period adjustment	**As at 31 March 2014**	**As at 31 March 2014**	As at 31 March 2013
Computers software	96,767,892	285,168	-	**97,053,060**	66,083,286	20,404,118	-		**86,487,404**	**10,565,656**	30,684,606
Technical know-how	19,938,554	-	-	**19,938,554**	14,834,445	1,800,000	-		**16,634,445**	**3,304,109**	5,104,109
Goodwill	5,000,000	-	-	**5,000,000**	2,164,384	1,000,000	-		**3,164,384**	**1,835,616**	2,835,616
Total	121,706,446	285,168	-	**121,991,614**	83,082,115	23,204,118	-		**106,286,233**	**15,705,381**	38,624,331

12.1 Intangible assets

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

(All amounts are in Rupees)

13. Non- Current investments

	As at 31 March 2014	As at 31 March 2013
Trade Investments		
Investments in equity instrument of Subsidiaries (unquoted equity instruments)		
Tecpro Energy Limited [645,000 (previous year 645,000) equity shares of Rs.10 each fully paid up {at cost less provision for other than temporary dimunition in value Rs. 6,450,000 (previous year Rs. 64,50,000)}]	-	-
Tecpro Systems (Singapore) Pte. Ltd. [2,378,800 (previous year 2,378,800) equity shares of 1 Singapore dollar each fully paid up]	**85,397,672**	85,397,672
Ajmer Waste Processing Company Private Limited [49,000 (previous year 49,000) equity shares of Rs.10 each fully paid up]	**490,000**	490,000
Tecpro Trema Limited [Nil (previous year Nil) equity shares of Rs.10 each fully paid up]	-	-
Bikaner Waste Processing Company Private Limited [78,500 (previous year 78,500) equity shares of Rs.10 each fully paid up]	**785,000**	785,000
Ambika Projects (India) Private Limited [Nil (previous year 1,500,000) equity shares of Rs.10 each fully paid up]	-	-
Eversun Energy Private Limited [260,000 (previous year 260,000) equity shares of Rs.10 each fully paid up]	**70,175,000**	70,175,000
PT. Tecpro Systems Indonesia [3,500 (previous year 3500) equity shares of 100 USD each fully paid up]	**19,209,198**	19,209,198
Total	**176,056,870**	176,056,870
Aggregate book value unquoted non current investments :		
- Aggregate book value	**176,056,870**	176,056,870
- Aggregate provision for dimunition in the value of investment	**6,450,000**	6,450,000

Notes to financial statements for the year ended 31 March 2014

(All amounts are in Rupees)

14. Current investments

	As at 31 March 2014	As at 31 March 2013
Current investments (valued at the lower of cost and fair value, unless stated otherwise)		
Investment in equity instrument - Quoted		
Vijaya Bank	**14,400**	14,400
[600 (previous year 600) equity shares of Rs.10 each fully paid up]		
Investments in Government or Trust Securities - Unquoted		
National Savings Certificate *	**25,000**	25,000
Investments in Mutual funds - Quoted		
a. Principal Growth Fund	**486,057**	313,206
[14,355.55 (previous year 14,355.55) units of face value Rs. 10 each]		
b. Principal Large Cap Fund	**200,000**	200,000
[19,559.90 (previous year 19,559.90) units of face value Rs. 10 each]		
c. Principal Dividend Yield Fund	**71,740**	71,740
[5,287.68 (previous year 5,287.68) units of face value Rs. 10 each]		
d. Principal Personal Tax Saver Fund	**53,779**	70,000
[470.06 (previous year 470.06) units of face value Rs. 100 each]		
e. Principal Emerging Blue Chip Fund	**419,750**	250,000
[19,361.16 (previous year 19,361.16) units of face value Rs. 10 each]		
f. Principal Debt Saving Fund (formerly Monthly Income Fund)	**100,000**	100,000
[9,884.45 (previous year 9,884.45) units of face value Rs. 10 each]		
Total	**1,370,726**	1,044,346

* Pledged as security deposit with the Sales Tax Authorities.

Aggregate book value and market value of quoted investments and book value of unquoted investments:		
Mutual funds		
- Aggregate book value	**1,331,326**	1,004,946
- Aggregate net asset value	**2,055,724**	1,656,546
Quoted investments		
- Aggregate book value	**14,400**	14,400
- Aggregate market value	**23,850**	28,140
Unquoted investments		
- Aggregate book value	**25,000**	25,000
- Aggregate provision for dimunition in the value of investment	**-**	-

15. Long-term loans and advances

	As at 31 March 2014	As at 31 March 2013
(Unsecured)		
Considered good:		
Prepaid expenses	**35,993,640**	108,261,732
Security deposits	**13,707,366**	33,321,954
Advance to capital creditors *	-	44,904,939
	49,701,006	186,488,625
Considered doubtful:		
Other loans and advances		
Security deposit	**2,246,092**	2,246,092
Less : Provision for doubtful advances	**(2,246,092)**	(2,246,092)
	49,701,006	186,488,625

* includes advances to related parties amounting to Rs. NIL (previous yearRs. 2,23,47,787)

Notes to financial statements for the year ended 31 March 2014

(All amounts are in Rupees)

16. Short-term loans and advances

(Unsecured, considered good)

	As at 31 March 2014	As at 31 March 2013
Security deposits	**38,499,439**	23,171,680
Others :		
Balances with statutory / government authorities	**504,468,433**	346,105,595
Advance tax [net of provision for tax Rs16,53,14,595 (Previous year Rs. 220,81,36,795]	**74,365,029**	51,680,297
Prepaid expenses	**221,625,287**	332,687,738
Share application money pending allotment (related parties)*	**3,796,724**	224
Advances to vendors ^	**1,241,070,651**	1,230,870,670
Advances to employees	**48,625,428**	15,487,073
Loans / advances to subsidiaries **	**95,992,734**	73,038,269
Due from Directors ##	**7,774,169**	103,825,666
Others @	**197,171,133**	70,721,035
	2,433,389,027	2,247,588,247

* application made for equity shares in Tecpro Systems (Singapore) Pte. Ltd

^ includes advances to related parties amounting to Rs.61,24,87,972 (previous year Rs. 21,09,01,454)

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

@ Includes loans/advance to related parties

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

	As at		Maximum amount outstanding during	
	31 March 2014	31 March 2013	**2013-2014**	2012-2013
Ajmer Waste Processing Company Private Limited	**43,734,100**	43,152,390	**43,734,100**	43,152,390
Bikaner Waste Processing Company Private Limited	**6,404,186**	6,429,186	**6,429,186**	6,429,186
Eversun Energy Private Limited	**45,854,448**	23,456,693	**50,792,453**	55,868,001

17. Other non-current assets

	As at 31 March 2014	As at 31 March 2013
Others :		
Claims and other receivables	**68,696,628**	119,542,970
Unbilled revenue on contracts in progress *	**1,431,741,656**	1,333,913,117
Non current bank balances (refer to note 21)	**39,602,669**	119,700,000
	1,540,040,953	1,573,156,087

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

18. Other current assets

Unbilled revenue on contracts in progress	**13,681,355,831**	11,051,164,061
Interest accrued on deposits and others	**540,774**	1,713,345
	13,681,896,605	11,052,877,406

19. Inventories *

Raw materials	**533,834,510**	803,246,255
Goods purchased for resale - project supplies [includes in transit Rs. 1,90,52,082 (previous year Rs.1,76,67,486)]	**575,271,591**	506,925,982
Finished goods [includes in transit Rs7,92,73,551(previous year Rs. 31,95,838)]	**79,273,551**	3,195,838
Work in progress	**770,548,058**	652,326,049
	1,958,927,710	1,965,694,124

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

Notes to financial statements for the year ended 31 March 2014

(All amounts are in Rupees)

	As at 31 March 2014	As at 31 March 2013
Additional disclosures regarding inventories		
a) Raw materials		
Iron and steel	**229,207,748**	390,270,884
Others (individual items less than 10% of closing stock of raw material)	**304,626,762**	412,975,371
	533,834,510	803,246,255
b) Good purchased for resale - project supplies		
Iron and steel	**132,131,475**	116,433,487
Structures (including structure components)	**9,341,076**	8,231,302
Others (individual items less than 10% of closing stock of goods purchased for resale - project supplies)	**433,799,040**	382,261,193
	575,271,591	506,925,982
c) Work-in-progress		
Pulleys	**88,324,093**	74,772,892
Frames	**111,183,804**	94,125,332
Structures (including structure components)	**268,789,231**	227,550,008
Others (individual items less than 10% of closing stock of work-in-progress)	**302,250,930**	255,877,817
	770,548,058	652,326,049

20. Trade receivables'

Unsecured, considered good unless otherwise stated

		Non current #		Current	
		As at 31 March 2014	As at 31 March 2013	**As at 31 March 2014**	As at 31 March 2013
Outstanding for a period exceeding six months from the date they are due for payment					
Unsecured, considered good		**4,893,350,321**	3,034,222,244	**22,841,399,212**	15,592,169,412
Considered doubtful		**-**	-	**232,564,096**	232,564,096
		4,893,350,321	3,034,222,244	**23,073,963,308**	15,824,733,508
Less: Provision for doubtful debts		**-**	-	**232,564,096**	232,564,096
	(A)	**4,893,350,321**	3,034,222,244	**22,841,399,212**	15,592,169,412
Other receivables					
Unsecured, considered good		**603,864,205**	1,266,663,635	**2,143,527,688**	9,404,578,438
Considered doubtful		-	-	-	-
Less: Provision for doubtful debts		-	-	-	-
	(B)	**603,864,205**	1,266,663,635	**2,143,527,688**	9,404,578,438
Total	(A+B)	**5,497,214,527**	4,300,885,879	**24,984,926,900**	24,996,747,850

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

Notes to financial statements for the year ended 31 March 2014

(All amounts are in Rupees)

21. Cash and bank balances

	Non-current		Current	
	As at 31 March 2014	As at 31 March 2013	**As at 31 March 2014**	As at 31 March 2013
Cash and cash equivalents				
Balances with banks:				
- Current accounts	-	-	**61,063,457**	230,245,503
- Earmarked balance with banks			**263,514**	257,239
Cash on hand	-	-	**5,649,923**	2,141,741
Fixed deposits with banks with maturity period less than 3 months	-	-	-	25,000
	-	-	**66,976,894**	232,669,483
Other bank balances				
Fixed deposits with banks with maturity period more than 3 months but upto 12 months ^	-	-	-	591,809
Margin money accounts *	**39,602,669**	119,700,000	**155,838**	21,959,761
	39,602,669	119,700,000	**155,838**	22,551,570
Amount disclosed under other non-current assets (refer to note 17)	**-39,602,669**	-119,700,000	-	-
	-	-	**67,132,732**	255,221,053

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

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

22. Revenue from operations

	For the year ended 31 March 2014	For the year ended 31 March 2013
Sale of products (gross)	**1,344,673,085**	8,031,306,730
Contract revenue	**6,417,364,411**	17,992,201,580
Sale of services	**514,204,560**	405,654,503
Other operating revenue		
- Sale of scrap	**7,532,184**	39,534,847
- Provisions no longer required, written back	**38,222,197**	36,908,470
- Interest income - Receivable from Customers	**394,268,165**	-
Revenue from operations (gross)	**8,716,264,602**	26,505,606,130
Less: Excise duty	**90,676,962**	401,045,405
Revenue from operations (net)	**8,625,587,640**	26,104,560,725
Break up of contract revenue and sale of products (excluding excise duty recovered)		
Idlers	**40,158,676**	803,169,519
Pulleys	**37,855,460**	854,563,159
Structure *	**99,355,042**	1,212,152,383
Crusher	-	45,285,500
Crusher components	**1,666,188**	54,383,963
Conveyor systems	**102,657,870**	5,751,173
Conveyor components	**20,489,029**	69,546,519
Feeder	-	27,165,418
Feeder components	**528,619**	30,177,323
Screen	-	90,719,400
Screen components	**2,874,423**	62,223,823
Travel water screen	**141,432,622**	14,362,287
Components for ash handling systems	**1,026,499,531**	2,496,205,750
Other project supplies ^	**3,302,467,771**	15,282,732,159
Accrual / (reversal) based on percentage of completion method for contract revenue	**2,895,375,303**	4,574,024,529
	7,671,360,534	25,622,462,905

* Structure includes structure components also.

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

Notes to financial statements for the year ended 31 March 2014

(All amounts are in Rupees)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Break up of sale of services		
Drawing and designing	**323,451,146**	258,828,802
Erection and commissioning	**13,663,640**	64,596,203
Operation and Maintenance	**61,266,644**	74,366,817
Other services	**115,823,130**	7,862,681
	514,204,560	405,654,503

23. Other income

Interest income on		
- Fixed deposits	**3,272,698**	25,184,120
- Others	**46,906**	18,433,293
Dividend income from current investments	**1,720**	1,493
Reversal of finance charges	-	23,950,274
Miscellaneous income #	**948,130**	15,369,424
	4,269,454	82,938,604

Includes Profit on sale of fixed assets Rs1,22,292 (Previous year Rs.1,01,971

24. Cost of raw material consumed

Opening stock of raw material	**803,246,255**		902,757,682	
Add: acquired on account of amalgamation	-		9,832,368	
Add: purchases during the year	**4,256,166,938**		13,738,088,947	
Less: closing stock of raw material	**533,834,510**	**4,525,578,683**	803,246,255	13,847,432,742
		4,525,578,683		13,847,432,742

Imported and indigenous raw material and components consumed

	For the year ended 31 March 2014		For the year ended 31 March 2013	
	Value	**% of total consumption**	Value	% of total consumption
Raw material and components				
- Imported	**21,272,067**	**0.5%**	107,356,745	1%
- Indigenous	**4,504,306,616**	**99.5%**	13,740,075,997	99%
	4,525,578,683	**100%**	13,847,432,742	100%

Details of raw materials and components consumed #		
Iron and steel	**2,255,463,494**	6,901,300,634
Others*	**2,270,115,189**	6,946,132,108
	4,525,578,683	13,847,432,742

Includes raw materials consumed by fabricators appointed by the Company.

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

Notes to financial statements for the year ended 31 March 2014

(All amounts are in Rupees)

		For the year ended 31 March 2014		For the year ended 31 March 2013
25. Changes in inventory of finished goods, work in progress and stock in trade-project supplies				
Stock at the end of the year				
Finished goods	**79,273,551**		3,195,838	
Work in progress	**770,548,058**		652,326,049	
Stock in trade (purchased for resale) - project supplies	**575,271,591**	**1,425,093,200**	506,925,982	1,162,447,869
Stock at the beginning of the year				
Finished goods	**3,195,838**		36,436,028	
Work in progress	**652,326,049**		661,958,408	
Stock in trade (purchased for resale)-project supplies	**506,925,982**	**1,162,447,870**	711,304,101	1,409,698,537
(Increase) / decrease in inventory		**(262,645,330)**		247,250,668

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

	For the year ended 31 March 2014	For the year ended 31 March 2013
Components for Ash Handling Systems	**240,931,410**	642,559,775
Waste heat recovery systems	**105,514,569**	331,629,209
Purchased for project supplies- others *	**401,999,839**	1,378,154,369
	748,445,818	2,352,343,353

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

27. Employee benefit expenses

	For the year ended 31 March 2014	For the year ended 31 March 2013
Salaries, wages and bonus	**848,023,685**	1,079,835,467
Contribution to provident and other funds	**66,829,840**	87,329,724
Gratuity (refer to note 43)	**(19,590,710)**	17,206,013
Staff welfare	**32,451,587**	47,533,073
	927,714,402	1,231,904,277

Notes to financial statements for the year ended 31 March 2014

(All amounts are in Rupees)

28. Other expenses

		For the year ended 31 March 2014		For the year ended 31 March 2013
Excise duty expense	92,054,102		405,477,838	
Less: Excise duty recovered	90,676,962	1,377,140	401,045,405	4,432,433
Drawing and design charges		54,919,737		482,301,138
Fabrication and other site related expenses		1,971,922,763		2,026,142,088
Freight and forwarding		167,316,997		604,822,339
Equipment charges		252,319,124		431,966,303
Travel and conveyance		103,354,731		168,222,171
Rent		43,754,851		50,834,106
Power fuel and electricity		46,898,263		70,683,609
Communication		20,658,371		29,173,307
Advertising and marketing		2,727,162		21,072,365
Sales commission		12,238,441		122,508,766
Printing and stationery		8,451,344		19,045,764
Rates and taxes		26,463,523		72,802,370
Legal and professional		67,982,711		160,346,313
Payment to auditors (refer note below)		9,400,000		9,794,500
Exchange loss (net)		187,123,939		22,901,154
Loss on sale / disposal of fixed assets		2,155,795		6,537,923
Repairs and maintenance				
-plant and machinery		1,344,613		5,909,751
-buildings		47,152,531		64,537,154
-others		60,814,059		70,663,462
Sundry balances written off		-		5,940,945
Provision for bad and doubtful debts		-		172,185,657
Bad debts written off		63,401,757		123,436,493
Provision for loss on incomplete contract (refer note 45)		10,043,829		34,315,539
Provision for bad and doubtful debts			150,036,220	
Less: bad debts written off during the year against opening provision		-	-150,036,220	-
Insurance		36,651,981		53,634,906
Miscellaneous expenses #		58,041,030		35,992,679
		3,256,514,692		4,870,203,235

Includes provision for diminution value of Investment Rs. 3,26,380 (Previous Year Rs. Nil)

Disclosures regarding payment to auditors (excluding service tax)

	31 March 2014	31 March 2013
Statutory audit fee	8,700,000	8,700,000
Tax audit fee *	700,000	700,000
Other matters	-	40,000
Out of pocket expenses	-	354,500
	9,400,000	9,794,500

* Represents amount payable to other than Statutory auditor.

Notes to financial statements for the year ended 31 March 2014

(All amounts are in Rupees)

	For the year ended 31 March 2014	For the year ended 31 March 2013
29. Finance costs		
Interest expense on:		
- long term loan	**221,498,178**	131,092,721
- short term loan	**4,020,108,108**	2,184,089,553
- others	**227,983,824**	191,153,764
Bank charges	**422,117,048**	506,375,930
	4,891,707,158	3,012,711,968

30. (i) The Company has incurred a loss during the year and has had to face a very tight liquidity position arising out of, among other things, overall deceleration in the economy, lower industrial growth, delayed decisions at various levels affecting the project progress. With delayed recoveries from customers, the Company was unable to service interest and ensure prompt repayment of principal amount due to bankers. In the circumstances, the board of directors in its meeting held on 28.12.2013 had decided to approach the banks through the corporate debt restructuring (CDR) process for restructuring of the Company's debt. The CDR empowered group in its meeting held on March 29,2014 has admitted the Company's proposal under the CDR which is under consideration. The restructuring of debt under CDR supports the continued assumption of `going concern` in drawing up the financial statements and will ensure that the company meets its obligations as and when it falls due.

(ii) The circumstances of tight liquidity detailed in (i) above has:

(a) Resulted in delays in project execution on account of funding difficulty and increased costs due to stretched time frames. Certain customers have therefore encashed Bank Guarantees of Rs.295,57,00,000 including performance guarantee of Rs.117,27,55,000 for the delays. These are however ,considered realizable based on continuous steps / engagement with the customers for realisation of dues.

(b) Necessitated certain customers to make direct payments to Company`s vendors to avoid delays in deliverables. The Company has initiated steps to obtain confirmation of payment from such vendors for adjustment of payments made by customers.

(iii) Recoverability of debts and Unbilled Revenue including Rs. 165,63,02,000 outstanding for a period of more than three years ,debts for additional supplies/work made upon request by customers outside of the contract, debts from certain customers who have encashed bank guarantees and Rs.39,42,68,165 recognized as interest income arising from delayed payments made by certain customers (included in Note 22) is considered realisable based on interactions with the customers and negotiations/ discussions.

(iv) An exercise of circularization of balances of vendors/Creditors/Debtors and reconciliation of the balances with the books of account has been initiated subsequent to the end of the year and adjustments, if any, will be made upon completion of the said exercise.

(v) In respect of certain contracts, there have been significant delays in completion of the projects beyond the contracted dates. This could lead to levy of liquidated damages by the customers as per the terms of contract with them. Till date the company has not been made aware of significant liquidated damages being levied by its customers and accordingly no provision is considered necessary in this regard by the Management.

31. The gross block of leasehold land includes Rs. 7,60,86,192 (previous year Rs. 7,60,86,192) on account of revaluation of leasehold land belonging to erstwhile Blossom Automotive Private Limited which has been transferred to the Company on amalgamation with effect from 1 April 2008. Consequent to the same, there is an additional charge of depreciation of Rs. 10,01,034 (previous year Rs.10,01,034) and an equivalent amount has been withdrawn from revaluation reserve. This has no impact on profit for the year.

32. Diminution in the Value of Investments

Sl. No.	**Name of the Company**	**Cost of Investment**	**Possible diminution**
i)	Tecpro Systems (Singapore) Pte. Ltd.	85,397,672	85,397,672
ii)	Ajmer Waste Processing Company Private Limited	490,000	490,000
iii)	Bikaner Waste Processing Company Private Limited	785,000	785,000
iv)	PT. Tecpro Systems Indonesia	19,209,198	13,245,000
Total		**105,881,870**	**99,917,672**

Notes to financial statements for the year ended 31 March 2014

(All amounts are in Rupees)

The Company has carried out an impairment test of the above investments. Considering the business plans of these entities and the results of the tests and the fact that all these entities have an healthy order book positions and adequate references in markets, the management is of the view that there is no diminution in the value of its investments in these companies, notwithstanding the turbulent market conditions.

33. Value of imports on CIF basis

	Year ended 31 March 2014	Year ended 31 March 2013
Raw material and components	**419,775,941**	191,823,333
Capital goods	**101,659,002**	59,759,500
	521,434,943	251,582,833

34. Earnings in foreign currency (accrual basis)

FOB value of exports	**35,755,755**	341,586,757
Drawing and designing	**323,451,146**	48,160,936
Erection services	-	26,530,416
Others	-	4,837,270
	359,206,901	421,115,379

35. Expenditure in foreign currency (accrual basis)

Travel	**9,321,641**	11,797,651
Professional fees	**1,000,991**	8,601,920
Commission	-	2,214,172
Drawing and designing charges	**15,527,214**	13,861,744
Interest cost	**55,195,110**	36,623,943
	81,044,956	73,099,430

36. Net dividend remitted in foreign currency

Period to which dividend relates to	-	2011-12
Number of non-resident shareholders (Nos.)	-	1
Number of equity shares held on which dividend was due (Nos.)	-	3,994,881
Amount remitted USD Nil (Previous year USD 213,060)	-	11,987,523

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

	As at 31 March 2014	As at 31 March 2013
(i) Claims against the company not acknowledged as debt : Sales tax matters	**242,844,937**	242,844,937
(ii) Claims against the company not acknowledged as debt : Entry tax matters	**48,556,771**	48,556,771
(iii) Claims against the company not acknowledged as debt : Central excise matters	**1,049,990**	1,049,990
(iv) Claims against the company not acknowledged as debt : Service tax matters	**6,536,536**	6,536,536
(v) Claims against the company not acknowledged as debt : Others	**197,561,000**	-
(vi) Demand for additional price/ enhancement cost in respect of factory plots situated in Bawal *	**9,885,115**	9,885,115
(vii) Sales tax liability against which forms to be collected	**2,817,994,489**	3,227,603,543
(viii) Income tax laibility disputed (refer Note 39)	**501,400,000**	-

* The Company had received notices dated 4 December 2007 and 29 December 2007 from HSIIDCL for additional price/ enhancement cost amounting to Rs.98,85,115 (previous year Rs. 98,85,115 {including interest}) , in respect of factory plots situated in Bawal. The Company filed a writ petition in the Punjab and Haryana High Court on 8 January 2008 and obtained a stay order on 9 January 2008. This matter is under adjudication. Pursuant to above, Rs.98,85,115 (previous year Rs. 98,85,115) have been disclosed as 'Contingent liability' in the notes to the accounts.

38. The company has paid remuneration to a managerial person in excess of limits specified in provisions of Companies Act 1956 by Rs. 51,94,660. Pending the approval from the shareholders and the Central Government the excess remunaration paid has been included under Note 16

39. On March 6,2012 search proceedings under Section 132 of the Income Tax Act, 1961("the Act") were undertaken in respect of the Company . The search proceedings were effectively concluded vide last Panchnama drawn on May 3,2012. The Company had furnished during the earlier year return of income for six assessment years beginning from assessment year 2006-07

Notes to financial statements for the year ended 31 March 2014

(All amounts are in Rupees)

pursuant to notices received from the Income Tax Department. Tax assessments upto 2010-11 was completed with no additional demand. As regards Assessment Years 2011-12 and 2012-13 the assessments have been completed and a demand of Rs 50,14,00,000 has been raised on the Company. This demand is being disputed and has accordingly been disclosed under contingent liability.

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

	As at 31 March 2014	As at 31 March 2013
Contract revenue recognised for the year	**6,417,364,411**	17,992,201,580
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) upto the Balance sheet date for all contracts in progress as at that date.	**16,066,103,659**	54,875,021,400
Amount of customer advances outstanding for contracts in progress as at Balance sheet date	**3,287,688,944**	3,688,408,317
Retention amounts due from customers for contracts in progress	**6,112,728,078**	5,609,019,913
Gross amount due from customers for contract work	**9,410,962,958**	12,385,077,178
Gross amount due to customers for contract work	**201,078,324**	203,454,993

41. Earnings per equity share (EPS)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Net profit after tax as per Statement of Profit and Loss	**(5,679,239,441)**	288,564,202
Number of equity shares of Rs.10 each at the beginning of the year	**50,473,791**	50,473,791
Weighted average number of equity shares issued during the year	-	-
Weighted average number of equity shares of Rs. 10 each outstanding during the year	**50,473,791**	50,473,791
Weighted average number of equity shares of Rs.10 each at the end of the year for calculation of basic and diluted EPS	**50,473,791**	50,473,791
Basic and diluted earnings per share (in Rs.) (Per share of Rs 10 each)	**(112.52)**	5.72

42. The Company has adopted the principles of Accounting Standard 30 – Financial instruments: Recognition and measurement, issued by the Institute of Chartered Accountants of India, with effect from April 1, 2013, in respect of designated contracts meeting necessary criteria as "Cash flow hedges". The gain and losses on effective Cash flow hedges are recognised in Hedge Reserve Account till the underlying forecasted transaction occurs. This is different from the earlier year practice of reckoning all gains and losses on such contracts in the Statement of Profit and Loss. However, there is no impact due to the aforesaid change on the results for the year ended March 31,2014 due to the ineffectiveness of the hedges.

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

(a) Defined Contribution Plans: Amount of Rs.6,68,29,840 (previous year Rs. 8,73,29,724) pertaining to employers' contribution to Provident Fund, Employees State Insurance fund and superannuation fund is recognised as an expense and included in "Employee benefit expenses" in note 27.

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

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

Particulars	**As at 31 March 2014**	As at 31 March 2013
Present value of obligation at the beginning of the year	**78,054,216**	59,894,728
Add: Present value of obligation at the beginning of year added on account of amalgamation	-	120,956
Interest cost	**6,149,922**	4,787,176
Past service cost	-	-
Current service cost	**10,732,078**	15,470,145
Benefits paid	**(2,360,393)**	(2,329,089)
Actuarial (gain)/loss on obligation	**(32,212,857)**	110,300
Present value of obligation at the end of the year	**60,362,966**	78,054,216

Notes to financial statements for the year ended 31 March 2014

(All amounts are in Rupees)

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

Particulars	**As at 31 March 2014**	As at 31 March 2013
Fair value of plan assets at the beginning of the year	**41,393,935**	37,325,645
Expected return on plan assets	**4,308,313**	3,165,294
Contributions	**22,880,133**	1,016,732
Benefits paid	**(2,360,393)**	(110,050)
Actuarial gain/(loss) on plan assets	**(48,460)**	(3,686)
Fair value of plan assets at the end of the year	**66,173,528**	41,393,935

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

Particulars	**For the year ended 31 March 2014**	For the year ended 31 March 2013
Actuarial loss for the year - obligation	**(32,212,857)**	(110,300)
Actuarial gain for the year - plan assets	**(48,460)**	(3,686)
Total loss for the year	**(32,261,317)**	(113,986)
Actuarial loss recognised in the year	**(32,261,317)**	(113,986)
Unrecognized actuarial gains (losses) at the end of year	**-**	-

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

Particulars	**As at 31 March 2014**	As at 31 March 2013
Present value of obligation as at the end of the year	**60,362,966**	78,054,216
Fair value of plan assets as at the end of the year	**66,173,528**	41,393,935
Funded/(unfunded) status	**5,810,562**	(36,660,281)
Excess of actual over estimated	**-**	(3,686)
Net assets/(liability) recognized in balance sheet	**5,810,562**	(36,660,281)

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

Particulars	**For the year ended 31 March 2014**	For the year ended 31 March 2013
Current service cost	**10,732,078**	15,470,145
Past service cost	**-**	-
Interest cost	**6,149,922**	4,787,176
Expected return on plan assets	**(4,308,313)**	(3,165,294)
Net actuarial (gain)/loss recognized in the year	**(32,164,397)**	113,986
Expenses recognised in the statement of profit and losses	**(19,590,710)**	17,206,013

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

A. Economic assumptions

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

Particulars	**For the year ended 31 March 2014**	For the year ended 31 March 2013
Discount rate	**8.00%**	8.00%
Expected rate of return on plan assets	**8.25%**	8.25%
Salary growth rate	**7.00%**	7.00%

Notes to financial statements for the year ended 31 March 2014

(All amounts are in Rupees)

B. Demographic assumptions

Particulars	**For the year ended 31 March 2014**	For the year ended 31 March 2013
Retirement Age	**60 Years**	60 Years
Mortality table	**IALM (2006-08) Ultimate**	LIC (1994-96) duly modified
Withdrawal Rates - Ages		
Upto 30 Years	**8%**	8%
Upto 44 Years	**7%**	7%
Above 44 Years	**6%**	6%

(vii) General description of gratuity plan:
Gratuity Plan (Defined benefit plan)

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefits vests after five years of continuous service. The Company has set a limit of Rs. 10,00,000 (previous year Rs. 10,00,000) per employee.

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

Particulars	**For the year ended 31 March 2014**	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
On plan projected benefit obligation	**(21,988,991)**	1,445,763	(10,378,527)	(56,159)	(1,194,262)
On plan assets	**(48,460)**	(349,412)	31,571	12,226	(101,308)

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

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

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

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

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

b) Lease rent charged to the statement of profit and loss on account of Minimum lease rentals Rs. 25,23,31,549 (previous year Rs. 44,09,77,858).

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

	As at 31 March 2014	As at 31 March 2013
Payable within one year	**2,797,425**	8,918,899
Payable between one and five years	**3,570,750**	34,932,356
Payable after five years	-	-
Total	**6,368,175**	43,851,255

Notes to financial statements for the year ended 31 March 2014

(All amounts are in Rupees)

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

Provision relating to	Opening balance as at 1 April 2013	Created during the year	Write back during the year	**Closing balance as at 31 March 2014**
Estimated losses on incomplete contracts	38,306,539	10,043,829	-	**48,350,368**
	(52,77,000)	(3,43,15,539)	(12,86,000)	**(3,83,06,539)**

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

Figures in bracket refer to previous year ending 31 March 2013.

46. Segment reporting

The Company's primary segment is identified as business segment based predominantly on nature of product and services and secondary segment is identified based on the geographical location of the customer as per Accounting Standard 17. The revenue from individual segments is less than 10% of total revenue from external sales and inter-segment sales and therefore there are no reportable segments for the current and previous year.

47. Related party disclosures

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

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

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

Subsidiaries	Tecpro Energy Limited Ajmer Waste Processing Company Private Limited Tecpro Systems (Singapore) Pte. Ltd. Bikaner Waste Processing Company Private Limited Eversun Energy Private Limited PT. Tecpro Systems Indonesia
Key management personnel	Ajay Kumar Bishnoi Amul Gabrani Arvind Kumar Bishnoi (resigned w.e.f 14.11.2013) Aditya Gabrani (resigned w.e.f 30.09.2013) Amar Banerjee
Relatives of key management personnel	Bhagwanti Gabrani Amita Bishnoi Goldie Gabrani Rashmi Singh
Enterprises over which key management personnel exercise significant influence	Tecpro Engineers Limited T & H Education Private Limited Hythro Power Corporation Limited Fusion Fittings (I) Limited Shriram Cement Limited Tecpro Infra Projects Limited G.E.T. Power Limited HIQ Power Associates Private Limited Avadh Transformers Private Limited Tecpro Infastructures Private Limited Tecpro Infotech Private Limited Experienced Hi-Tech Consultancy Services Private Limted

Notes to financial statements for the year ended 31 March 2014

(All amounts are in Rupees)

47 (2) Notes to financial statements for the year ended 31 March 2014 (Continued)

b) Transactions during the current year

	Subsidiaries	Key management personnel (Including relatives)	Enterprises over which Key management personnel (including relatives) exercise significant influence
Remuneration	-	9034123	-
	(-)	(48,161,862)	(-)
Rent expenses	-	14,945,073	-
	(-)	(14,979,292)	(-)
Investment in equity shares	233560	-	-
	(35,025,378)	(-)	(-)
Share application money paid, pending allotment	3796500	-	-
	(224)	(-)	(-)
Business Advance given		-	2,793,308,258
	(-)	(-)	(1,850,882,405)
Business Advance Received	8384312	-	218,661,503
	(682,267,400)	(-)	(-)
Recovery of Business Advance given		-	2,672,704,193
	(-)	(-)	(1,824,248,610)
Loan /Advance given	11,208,590	-	290,091,687
	(74,178,824)	(-)	(54,000,200)
Interest income on above loan	-	-	-
	(4,317,808)	(-)	(2,478,038)
Recovery of loan / Advance given	729,169	-	1,519,938
	(79,204,131)	(-)	(-)
Rent income	-	-	4,119,468
	(-)	(-)	(8,092,624)
Recovery of expenses	1,800,386	-	-
	(-)	(-)	(4,633,633)
Purchase of goods	-	-	245,073,974
	(-)	(-)	(612,468,328)
Purchase of fixed assets	-	-	-
	(242,271)	(-)	(29,789,600)
Professional charges	-	-	-
	(-)	(-)	(419,003,931)
Job work charges	-	-	56,556,508
	(-)	(-)	(161,504,738)
Equipments hire charges	-	-	
	(-)	(-)	(2,526,729)
Repair and maintenance expenses	-	-	
	(-)	(-)	(169,675)
Fabrication charges	-	-	-
	(-)	(-)	(60,747,894)
Sale of goods	34,152,513	-	15,292,316
	(14,182,194)	(-)	(4,420,098)
Amount paid by other party on behalf of company	-	-	10,102,655
	(-)	(-)	(415,356)
Services received	-	-	5,683,554
	(-)	(-)	(-)
Payment made for Bank Guarantee Encashment	417,874,070		
	(-)	(-)	(-)
Corporate Guarantee Encashment	600,998,000		
	(-)	(-)	(-)
Amount incurred on behalf of related parties	-	-	-
	(-)	(-)	(1,943,245)

Notes to financial statements for the year ended 31 March 2014

(All amounts are in Rupees)

	Subsidiaries	Key management personnel (Including relatives)	Enterprises over which Key management personnel (including relatives) exercise significant influence
c) Outstanding balance as at year-end			
Share application money, pending allotment	4,030,284 (224)	- (-)	- (-)
Loan/ Advance recoverable	37,173,110 (60,098,093)	264,982 (136,830)	54,940,331 (44,978,567)
Interest recoverable on the above loan	12,965,176 (12,965,176)	- -	- (751,867)
Business Advances recoverable	486,174,288 (-)	- (-)	368,140,995 (175,459,433)
Business Advances payable	- (676,618,142)	- (-)	222,314,459 (-)
Rent receivable	- (-)	- (-)	21,711,372 (7,425,741)
Rent payable	- (-)	9,894,464 (102,060)	- (-)
Due from directors	- (-)	7,774,169 (103,825,666)	- (-)
Share application money payable	857,196 (1,090,756)	- (-)	- (-)
Trade receivable	63,263,432 (31,602,912)	- (-)	277,261,496 (80,246,232)
Trade payable	242,271 (242,271)	- (-)	557,816,632 (512,962,103)
Creditors for capital goods	- (-)	- (-)	- (-)
Amount receivable by the Company on account of the expenses incurred on behalf of related parties	- (-)	- (-)	- (4,633,633)
Comfort letter given by Company on behalf of other party	- (-)	- (-)	# (#)
Guarantees/security given by other parties on behalf of the Comapany	- (-)	## (##)	^ (^)
Shares pledged by certain directors for credit facilities taken by Comapany	- (-)	@ (@)	- (-)

Company has given a letter of comfort for various facilities taken by Hythro Power Corporation Limited from a bank with limit of Rs. Nil (previous year Rs. 32,00,00,000)

Guarantees and collateral security given by Ajay Kumar Bishnoi and Amul Gabrani for various facilities taken by the Company from banks with a limit of Rs. 5273,18,00,000 (previous year Rs. 4903,08,00,000 and Bhagwanti Gabrani (relative of a Director) for various faciltles taken by the Company from banks with a limit of Rs. 5056,00,00,000 (previous year Rs.4471,58,00,000).

^ Guarantees given by Fusion Fittings (I) Limited for various facilities taken by the Company from a bank with a limit of Rs. 2201,64,00,000 (previous year Rs. 2166,58,00,000)

@ Ajay Kumar Bishnoi and Amul Gabrani have pledged their shares in the Company with a bank for credit facilities taken by the Company with a limit of Rs. 2201,64,00,000 (previous year Rs. 2166,58,00,000)

Figures in bracket refer to previous year 31 March 2013

Notes to financial statements for the year ended 31 March 2014

(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 2014**	Year ended 31 March 2013
Ajay Kumar Bishnoi	Rent expenses	**7,474,227**	6,813,646
Amul Gabrani	Rent expenses	**7,470,846**	6,813,646
Ajay Kumar Bishnoi	Remuneration	**-**	15,126,444
Amul Gabrani	Remuneration	**-**	15,126,444
Amar Banerjee	Remuneration #	**9,034,123**	10,744,500
Ajmer Waste Processing Company Private Limited	Interest income	**-**	4,317,808
Ajmer Waste Processing Company Private Limited	Loan/advance given	**626,710**	-
Tecpro Systems (Singapore) Pte Ltd.	Investment in equity shares	-	16,387,388
Tecpro Systems (Singapore) Pte Ltd.	Share application money paid	**3,796,500**	-
Tecpro Systems (Singapore) Pte Ltd.	Corporate Guarantee Encashment	**600,998,000**	
Tecpro Systems (Singapore) Pte Ltd.	Sales	**34,152,513**	14,123,145
Tecpro Systems (Singapore) Pte Ltd.	Payment made for Bank Guarantee Encashment	**417,874,070**	-
Tecpro Systems (Singapore) Pte Ltd.	Business advance received	**8,384,312**	682,267,400
G.E.T. Power Limited	Amount incurred on behalf of others	-	1,943,245
G.E.T. Power Limited	Business Advance given	**1,458,308,336**	303,333,501
G.E.T. Power Limited	Interest income	-	835,408
G.E.T. Power Limited	Loans /Advance given	-	16,500,200
G.E.T. Power Limited	Professional charges	-	133,499,466
G.E.T. Power Limited	Recovery of Business advance given	**1,681,122,795**	351,333,501
G.E.T. Power Limited	Purchase of goods	**226,324,616**	592,075,653
HIQ Power Associates Private Limited	Amount paid on Behalf of company	-	415,356
HIQ Power Associates Private Limited	Services received	**5,683,554**	-
HIQ Power Associates Private Limited	Rent income	**1,510,116**	-
Tecpro Engineers Limited	Business Advance given	**140,722,308**	410,351,336
Tecpro Engineers Limited	Rent income	**681,252**	-
Tecpro Engineers Limited	Recovery of Business advance given	**111,760,440**	419,159,739
Tecpro Stones Private Limited	Equipments hire charges	-	1,820,000
Tecpro Stones Private Limited	Loans /Advance given	**2,929,831**	169,675
Tecpro Stones Private Limited	Rent Income	**107,868**	-
Tecpro Stones Private Limited	Recovery of Loans /advance given	**1,519,938**	-
Tecpro Infra Projects Limited	Business Advance given	**1,191,347,783**	1,114,028,479
Tecpro Infra Projects Limited	Equipments hire,job work charges and other charges incurred on behalf of TSL	**56,556,508**	158,735,508
Tecpro Infra Projects Limited	Recovery of Business advance given	**879,820,958**	1,043,255,370
Hythro Power Corporation Limited	Sale of goods	**4,902,661**	-
Hythro Power Corporation Limited	Fabrication charges paid on behalf of TSL	-	7,273,080
Hythro Power Corporation Limited	Loans /Advance given	**233,831,418**	37,500,000
Hythro Power Corporation Limited	Interest income	-	1,642,630
Hythro Power Corporation Limited	Purchase of goods	**18,749,358**	-
Hythro Power Corporation Limited	Rent Income	**1,820,232**	6,480,000
Hythro Power Corporation Limited	Business Advance Received	**214,750,000**	
Hythro Power Corporation Limited	Purchase of fixed assets	-	18,868,518
Hythro Power Corporation Limited	Recovery of Expenses	-	4,633,633
Avadh Transformers Private Limited	Fabrication charges	-	52,000,000

Notes to financial statements for the year ended 31 March 2014

(All amounts are in Rupees)

Avadh Transformers Private Limited	Professional charges	-	265,999,288
PT. Tecpro Systems Indonesia	Investment in equity shares	**233,560**	18,637,990
Shriram Cement Limited	Sale of goods	**10,389,655**	4,219,836
Shriram Cement Limited	Purchase of fixed assets	-	10,921,082
Shriram Cement Limited	Purchase of goods	**445,209**	-
Shriram Cement Limited	Loans /Advance given	**53,330,438**	-
Shriram Cement Limited	Business Advance Received	**810,000**	-
Eversun Energy Private Limited	Recovery of Loan/advance given	**729,169**	79,204,131
Eversun Energy Private Limited	Loan/advance given	**10,581,880**	69,617,824
Eversun Energy Private Limited	Expenses incurred	**1,800,386**	-
Tecpro Infotech pvt Limited	Expenses incurred on behalf of TSL	**10,102,655**	-
Tecpro Infotech pvt Limited	Business Advance Received	**2,000,000**	
Experienced Hi -Tech Consultancy Services Pvt Ltd	Business Advance Received	**1,101,503**	

Includes Leave encashment and Leave Travel allowances

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

Particulars	**As at 31 March 2014**	As at 31 March 2013
Assets		
USD 1,54,53,134 (previous year USD 67,53,406)	**928,730,886**	367,310,763
Euro3,45,187 (previous year Euro 9,65,805)	**28,505,437**	67,165,763
GBP 4,36,366 (previous year GBP 3,760)	**43,571,122**	265,826
Liabilities		
USD2,82,21,333 (previous year USD 5,40,30,232)	**1,696,096,911**	2,896,676,030
Euro 27,50,702 (previous year Euro 54,48,890)	**227,151,944**	378,936,521
GBP NIL(previous year GBP 864)	-	72,021

49. Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances of Rs. NIL (previous year Rs. 5,46,12,843)] is Rs. NIL- (previous year Rs. 10,22,81,190).

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

51. The figures for the previous year are drawn from accounts audited by a different firm of chartered accountants.

The notes referred to above form an integral part of the Financial Statement

As per our report of even date attached

For **M. S .Krishnaswami & Rajan**
Chartered Accountants
Registration No. 01554S

M .S. Murali
Partner
Membership No.: 026453

Place : Chennai
Date : 9th June 2014

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

Ajay Kumar Bishnoi
Chairman & Managing Director
DIN-00013917

Place : Chennai
Date : 9th June 2014

Amar Banerjee
Managing Director
DIN-00475983

Place : Chennai
Date : 9th June 2014

Pankaj Tandon
Company Secretary
FCS-7248

Place : Chennai
Date : 9th June 2014

Independent Auditor's Report

TO THE BOARD OF DIRECTORS OF TECPRO SYSTEMS LIMITED

1. **Report on the Consolidated Financial Statements**

   We have audited the accompanying consolidated financial statements of **Tecpro Systems Limited** (the "company"), its subsidiaries (the Company, and its subsidiaries constitute "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. **Management's Responsibility for the Consolidated Financial Statements**

   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. 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.

3. **Auditor's Responsibility**

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

   An audit involves performing procedures to obtain audit evidence about the amounts and 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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.

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

4. **Basis for Qualified Opinion**

   We refer to Note No.31 wherein the management has represented that no impairment in value of goodwill aggregating Rs. 2,672.49 lakhs needs to be reckoned in the Consolidated Statement of Profit and Loss. However, the statutory auditors of one of the subsidiaries Tecpro systems (Singapore) Pte Limited have qualified the financial statement for the year ended March 31,2014 with regard to the going concern assumption adopted by the said subsidiary. The net worth of the two subsidiaries is also negative and they have continued to incur losses during the year.

   The attached financial statements do not include any adjustments that might result had the above uncertainties been known.

5. **Qualified Opinion**

   In our opinion and to the best of our information and according to the explanations given to us, *except for the effect of the matters described in the Basis for Qualified Opinion paragraph*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

   b) in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and

   c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

6. **Emphasis of Matter**

   We draw attention to

   a) Note No. 29(i) regarding assumption of going concern based on Company's proposal for restructuring of debt which has been admitted by the CDR empowered group for Corporate Debt Restructuring.

   b) Note No. 29 (iii) regarding a sum of Rs. 3,942.68 lakhs recognized as interest income arising from delayed payments made by certain customers, pending confirmation from the said customers.

   c) Note No. 29 (ii) and (iii) regarding certain debts considered realizable based on management`s representation regarding continuous steps / engagement with the customers for realisation of dues and adjustments, if any, arising out of circularization of balances of Debtors/ Vendors as detailed in Note 29 (iv)and providing for liquidated damages as detailed in Note 29 (v).

d) Note 33 regarding payment of remuneration to a managerial person being in excess of the limits specified by the relevant provisions of Companies Act 1956 by Rs. 51.94 lakhs in respect of which the Company will seek approval of the shareholders and the Central Government.

Our opinion is not qualified in the respect of above matters.

7. Other Matters

1. We did not audit the financial statements of Tecpro Systems (Singapore) Pte. Ltd., Singapore and Eversun Private Limited, whose financial statements reflect total assets (net) of Rs. 5,660.63 Lakhs as at 31st March 2014, total revenues of Rs. 4,265.70 lakhs and net cash flows amounting to Rs. (65.26 Lakhs) for the year ended on that date, as considered in the Consolidated Financial Statements.

   These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

2. The Consolidated Financial Statements include the unaudited financial statements of four subsidiaries whose financial statements reflect total assets (net) of Rs. 603.24 lakhs as at March 31, 2014, total revenue of Rs. 21.91 lakhs and net cash flows amounting to Rs. (8.18) lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. Our opinion, in so far as it relates to the amounts included in respect of these subsidiaries is based solely on such unaudited financial statements.

Our opinion is not qualified in respect of these matters.

For **M.S. Krishnaswami & Rajan**
Chartered Accountants
Registration No. 01554S

Sd/-
M.S Murali
Partner
Membership No. 026453

Date : June 9, 2014
Place : Chennai

Consolidated Balance Sheet as at 31 March 2014

(All amounts are in Rupees)

	Note	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	**504,737,910**	504,737,910
Reserves and surplus	4	**1,815,717,393**	7,504,822,610
		2,320,455,303	8,009,560,520
Non-current liabilities			
Long-term borrowings	5	**1,180,399,799**	856,713,135
Deferred tax liabilities (net)	6	**47,063**	-
Trade payables	9	**1,099,759,116**	1,387,691,892
Long-term provisions	7	**1,321,018**	65,384,557
		2,281,526,996	2,309,789,584
Current liabilities			
Short-term borrowings	8	**34,653,914,850**	20,612,049,702
Trade payables	9	**8,658,055,664**	13,154,305,725
Other current liabilities	10	**6,346,755,685**	6,179,053,775
Short-term provisions	7	**166,636,140**	57,408,200
		49,825,362,339	40,002,817,402
Minority interest		-	-
TOTAL		**54,427,344,638**	50,322,167,506
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	**2,738,067,989**	2,840,593,435
Intangible assets	12	**344,425,646**	367,348,455
Capital work-in-progress	11	**712,473,385**	502,564,212
		3,794,967,020	3,710,506,102
Deferred tax assets (net)	6	-	19,273,515
Long-term loans and advances	14	**54,543,565**	142,618,026
Trade receivables	19	**5,497,214,527**	4,300,885,879
Other non-current assets	16	**1,542,707,174**	1,575,156,087
		7,094,465,266	6,037,933,507
Current assets			
Current investments	13	**1,370,726**	1,044,346
Inventories	18	**1,984,727,209**	1,984,962,150
Trade receivables	19	**25,174,821,807**	25,022,709,396
Cash and bank balances	20	**77,712,422**	269,360,525
Short-term loans and advances	15	**2,346,625,743**	2,194,245,600
Other current assets	17	**13,952,654,445**	11,101,405,880
		43,537,912,352	40,573,727,897
TOTAL		**54,427,344,638**	50,322,167,506
Significant accounting policies	2		

The notes referred to above form an integral part of the Consolidated Financial Statement

As per our report of even date attached

For **M. S .Krishnaswami & Rajan**
Chartered Accountants
Registration No. 01554S

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

M .S. Murali
Partner
Membership No.: 026453
Place : Chennai
Date : 9th June 2014

Ajay Kumar Bishnoi
Chairman & Managing Director
DIN-00013917
Place : Chennai
Date : 9th June 2014

Amar Banerjee
Managing Director
DIN-00475983
Place : Chennai
Date : 9th June 2014

Pankaj Tandon
Company Secretary
FCS-7248
Place : Chennai
Date : 9th June 2014

Consolidated Statement of Profit and Loss for the year ended 31 March 2014

(All amounts are in Rupees)

		Note	For the year ended 31 March 2014	For the year ended 31 March 2013
I	**Income**			
	Revenue from operations	21	**9,000,605,240**	26,165,294,232
II	**Other income**	22	**58,013,581**	80,620,000
III	**Total revenue**		**9,058,618,821**	26,245,914,232
IV	**Expenses**			
	Cost of materials consumed	23	**4,851,706,329**	13,882,261,565
	Purchases of stock-in-trade	25	**765,842,686**	2,352,343,353
	Changes in inventories of finished goods, work in progress and stock in trade - project supplies	24	**(268,966,465)**	238,495,845
	Employee benefits expense	26	**966,305,036**	1,252,505,783
	Other expenses	27	**3,277,467,438**	4,894,392,702
	Expenditure before finance costs and depreciation / amortisation expenses		**9,592,355,024**	22,619,999,248
V	**Profit/(Loss) before finance costs, depreciation and amortisation expenses and tax**		**(533,736,203)**	3,625,914,984
VI	Finance costs	28	**4,930,870,301**	3,019,666,789
VII	**Profit/(Loss) before depreciation and amortisation expenses and tax**		**(5,464,606,504)**	606,248,195
VIII	Depreciation and amortisation expense	11 & 12	**203,779,000**	193,799,579
IX	**Profit/(Loss) before tax**		**(5,668,385,504)**	412,448,616
X	**Tax expense :**			
	Current tax		**398,000**	148,971,603
	Income tax for earlier years		-	11,808,105
	Deferred tax charge / (release)		**19,320,579**	(17,012,623)
XI	**Profit/(Loss) for the year from continuing operations**		**(5,688,104,083)**	268,681,531
	Basic and diluted earnings per equity share (in Rs.) [face value Rs. 10 each]	36	**(112.69)**	5.32
	Significant accounting policies	2		

The notes referred to above form an integral part of the Consolidated Financial Statement

As per our report of even date attached

For **M. S .Krishnaswami & Rajan**
Chartered Accountants
Registration No. 01554S

M .S. Murali
Partner
Membership No.: 026453

Place : Chennai
Date : 9th June 2014

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

Ajay Kumar Bishnoi
Chairman & Managing Director
DIN-00013917

Place : Chennai
Date : 9th June 2014

Amar Banerjee
Managing Director
DIN-00475983

Place : Chennai
Date : 9th June 2014

Pankaj Tandon
Company Secretary
FCS-7248

Place : Chennai
Date : 9th June 2014

Consolidated Cash flow statement for the year ended 31 March 2014

(All amounts are in Rupees)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flow from operating activities		
Profit/Loss before taxation	**(5,668,385,504)**	412,448,616
Adjusted for :		
Depreciation (Includes impairment charge)	**205,961,256**	193,799,579
Loss on sale / disposal of fixed assets	**2,155,795**	5,920,578
Interest income	**(4,266,757)**	(39,188,825)
Dividend income	**(1,719)**	(1,493)
Capitalisation of foreign exchange loss	**(52,297,440)**	(23,950,274)
Interest expense	**4,481,156,061**	2,513,105,129
Provision for loss on incomplete contract	**10,043,829**	34,315,539
Provision no longer required written back	**(38,222,196)**	(36,908,470)
Bad debts written off during the year	**63,401,757**	123,436,493
Provision for dimunition in value of investments	**(326,379)**	-
Provision for bad and doubtful debts	-	172,185,657
Sundry balances written off	-	5,940,945
Operating profit before following adjustments:	**(1,000,781,296)**	3,361,103,474
Decrease / (Increase) in inventories	**234,940**	355,484,483
Decrease / (Increase) in trade receivables	**(1,411,842,816)**	(6,108,004,982)
Decrease / (Increase) in short term loans and advances	**(128,608,089)**	88,349,025
Decrease / (Increase) in other current assets	**(2,851,248,564)**	(4,538,933,092)
Decrease / (increase) in long term loans and advances	**88,074,461**	(76,535,898)
Decrease / (Increase) in other non current assets	**32,448,913**	(278,502,150)
Increase / (Decrease) in trade payables	**(4,784,182,838)**	(637,647,502)
Increase / (Decrease) in other current liabilities	**167,708,297**	1,314,312,357
Increase / (Decrease) in long term provisions	**(25,841,342)**	22,380,110
Increase / (Decrease) in short term provisions	**98,786,110**	(7,806,648)
Cash used in operations	**(9,815,252,224)**	(6,505,800,823)
Income tax paid	**(23,772,052)**	(414,177,697)
Net cash flow from / (used in) operating activities (A)	**(9,839,024,276)**	(6,919,978,520)
Cash flows from investing activities		
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	**(246,165,665)**	(765,206,261)
Proceeds from sale of fixed assets	**4,883,999**	2,945,694
Movement in bank deposits (net) (having original maturity of more than three months)	**18,611,182**	1,209,539,761
Dividend received	**1,719**	1,493
Interest received	**4,266,757**	55,623,939
Net cash from / (used in) investing activities (B)	**(218,402,008)**	502,904,626

Consolidated Cash flow statement (contd.)

(All amounts are in Rupees)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flows from financing activities		
Long-term borrowings taken (including current maturities)	**653,039,337**	220,703,521
Long-term borrowings repaid (including current maturities)	**(254,732,567)**	(550,297,062)
Short term borrowings (net)	**13,967,245,041**	8,577,558,835
Payment of dividend	**(6,387)**	(151,286,967)
Tax on dividend	-	(24,564,332)
Interest paid	**(4,481,156,061)**	(2,503,449,185)
Net cash flow from / (used in) financing activities (C)	**9,884,389,363**	5,568,664,810
Net changes in cash and cash equivalents (A+B+C)	**(173,036,921)**	(848,409,084)
Cash and cash equivalents - opening balance	**241,043,766**	1,089,452,850
Cash and cash equivalents - closing balance	**68,006,845**	241,043,766
Components of cash and cash equivalents (refer to note 20)		
Cash on hand	**5,679,463**	2,370,285
With banks:		
In current accounts	**62,327,382**	238,648,481
In fixed deposit accounts	-	25,000
	68,006,845	241,043,766

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

Significant accounting policies 2

The notes referred to above form an integral part of the Consolidated Financial Statement

As per our report of even date attached

For **M. S .Krishnaswami & Rajan**
Chartered Accountants
Registration No. 01554S

M .S. Murali
Partner
Membership No.: 026453

Place : Chennai
Date : 9th June 2014

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

Ajay Kumar Bishnoi
Chairman & Managing Director
DIN-00013917

Place : Chennai
Date : 9th June 2014

Amar Banerjee
Managing Director
DIN-00475983

Place : Chennai
Date : 9th June 2014

Pankaj Tandon
Company Secretary
FCS-7248

Place : Chennai
Date : 9th June 2014

Notes to Consolidated Financial Statements for the year ended 31 March 2014

1. Principles of Consolidation

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

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

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

Name of the Company	% Shareholding	Country of incorporation
Tecpro Energy Limited	98.02	India
Tecpro Trema Limited *	100.00	India
Ajmer Waste Processing Company Private Limited#	49.00	India
Tecpro Systems (Singapore) Pte. Limited	100.00	Singapore
Bikaner Waste Processing Company Private Limited	100.00	India
Ambika Projects (India) Private Limited *	100.00	India
Eversun Energy Private Limited	100.00	India
PT. Tecpro Systems	100.00	Indonesia

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

Subsidiary through control

2. Significant Accounting Policies

2.1 Basis of preparation of financial statements

These consolidated financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956. Pursuant to Circular 15/ 2013 dated 13th September, 2013 read with circular 08/ 2014 dated 4th April, 2014, till the standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and in particular Accounting Standard 21 (AS 21) - 'Consolidated Financial Statements'.

The financial statements of the Company, and its subsidiaries, have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra group balances and intra group transactions and resulting unrealised profits are eliminated in full. Unrealised losses resulting from intra group transactions are also eliminated unless cost cannot be recovered.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

2.2 Use of estimates

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

2.3 Revenue recognition

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

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

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

Revenue from long-term construction contracts in

Notes to Consolidated Financial Statements for the year ended 31 March 2014

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

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

2.4 Tangible fixed assets and capital work-in-progress

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

2.5 Intangible assets

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

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

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

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

2.6 Borrowing cost

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

2.7 Impairment

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

2.8 Depreciation

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

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

* included in buildings in note 11-12 to the Consolidated Financial Statements

** included in plant and machinery in note 11-12 to the Consolidated Financial Statements

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

Notes to Consolidated Financial Statements for the year ended 31 March 2014

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

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

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

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

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

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

2.9 Inventories

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

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

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

2.10 Foreign currency transactions

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

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

• used for acquisition of depreciable capital asset, are added to or deducted from the cost of asset and are depreciated over the balance life of asset.

• used for the purpose other than the acquisition of depreciable capital asset, are accumulated in Foreign Currency Monetary Item Translation Difference Account (FCMITDA) and amortized over the balance period of such liability.

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

(a) the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and;

(b) the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date.

The company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitments and highly probable forecast transactions. The company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in Accounting Standard -30 " Financial Instruments Recognition and measurement" issued by ICAI. Gains and losses on these forward contract designated as "effective Cash flow hedges" are recognized in the "Hedge Reserve Account" till the underlying forecasted transaction occurs. Any ineffective portion however, is recognized immediately in the Statement of Profit and Loss .

2.11 Provisions and contingencies

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

2.12 Taxation

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

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are

Notes to Consolidated Financial Statements for the year ended 31 March 2014

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

2.13 Employee benefits

1. All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Consolidated Statement of Profit and Loss in the year in which the employee renders the related service.
2. Provident fund is a defined contribution scheme. Contributions payable to the provident fund are charged to the Consolidated Statement of Profit and Loss.
3. Superannuation fund is a defined contribution scheme. The Company contributes to schemes administered by the Life Insurance Corporation of India ('LIC') to discharge its superannuation liabilities. The Company's contribution paid/payable under the scheme is recognised as an expense in the Consolidated Statement of Profit and Loss during the year in which the employee renders the related service.
4. Gratuity costs are defined benefits plans. The present value of obligations under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

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

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

   The fair value of plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis. Actuarial gains and losses are recognised immediately in the Consolidated Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.
5. Benefits under the Company's leave encashment scheme constitute other long term employee benefits. The obligation in respect of leave encashment is provided on the basis on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

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

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

2.14 Investments

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

2.15 Earnings per share

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

2.16 Leases

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

2.17 Events occurring after the balance sheet date

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

Notes to Consolidated Financial Statements for the year ended 31 March 2014

(All amounts are in Rupees)

	As at 31 March 2014	As at 31 March 2013
3. Share capital		
Authorised		
8,11,50,000 (previous year 13,11,50,000) equity shares of Rs.10 each	**811,500,000**	1,311,500,000
50,00,000 (Previous year Nil) preference shares of Rs 100 each	**500,000,000**	Nil
	1,311,500,000	1,311,500,000
Issued, subscribed and fully paid-up		
5,04,73,791 (previous year 5,04,73,791) equity shares of Rs.10 each fully paid-up	504,737,910	504,737,910
	504,737,910	504,737,910

(a) The Authorized Share Capital of the Company has been reclassified and divided into 8,11,50,000 Equity Shares of Rs. 10 each amounting to Rs. 81,15,00,000and 50,00,000 Preference Share of Rs. 100 each amounting to Rs.50,00,00,000 during the year.

(b) Reconciliation of shares outstanding and the amount of share capital as at 31 March 2014 and 31 March 2013

Equity shares	As at 31 March 2014		As at 31 March 2013	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Number of shares at the beginning	**50,473,791**	**504,737,910**	50,473,791	504,737,910
Add: Shares issued / redeemed during the year	-	-	-	-
Number of shares at the end	**50,473,791**	**504,737,910**	50,473,791	504,737,910

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

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

	As at 31 March 2014		As at 31 March 2013	
Names	No. of Shares	% of shares held	No. of Shares	% of shares held
Mr. Amul Gabrani	**9,344,342**	**18.51**	9,319,342	18.46
Mr. Ajay Kumar Bishnoi	**9,044,842**	**17.92**	9,019,842	17.87
M/s. Fusion Fittings (I) Limited	**7,540,784**	**14.94**	7,540,784	14.94
M/s. Avigo Venture Investments Limited	**6,819,153**	**13.51**	6,819,153	13.51
M/s. Metmin Investments Holdings Limited	**3,000,000**	**5.94**	3,994,881	7.91

(d) During the five years period ended 31 March 2014 Company has issued equity shares for consideration other than cash as follows:-

1,65,26,291 equity shares of Rs. 10 issued during the year 2009-10 as fully paid-up shares to shareholders of erstwhile Tecpro Ashtech Limited and erstwhile Tecpro Power Systems Limited, pursuant to a scheme of amalgamation, for consideration other than cash.

Notes to Consolidated Financial Statements for the year ended 31 March 2014

(All amounts are in Rupees)

4. Reserves and surplus

	As at 31 March 2014	As at 31 March 2013
Capital reserve	**38,855,552**	38,855,552
Securities premium account	**2,991,808,262**	2,991,808,262
Revaluation reserve		
Opening balance	**69,078,254**	70,079,388
Less: amount transferred to the Statement of Profit and Loss on account of additional depreciation on revalued assets	**(1,001,134)**	(1,001,134)
Closing balance	**68,077,120**	69,078,254
General reserve	**1,000,324,258**	1,000,324,258
Surplus/(Deficit) in the Statement of Profit and Loss		
Opening balance	**3,404,756,284**	3,136,074,753
Profit/(Loss) for the year	**(5,688,104,083)**	268,681,531
Adjustment during the year on account of amalgamation		-
Appropriations:		
- Proposed equity dividend	-	-
- Tax on proposed equity dividend	-	-
- Transferred to general reserve	-	-
Net surplus/(Deficit) in the Statement of Profit and Loss	**(2,283,347,799)**	3,404,756,284
Total reserves and surplus	**1,815,717,393**	7,504,822,610

5. Long term borrowings

	Non-current portion		Current maturities	
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
Secured:				
Term loans				
- Indian rupee loan from banks	**676,897,371**	380,365,617	**210,691,946**	176,582,554
- Foreign currency loan from banks	**240,399,200**	466,796,580	**144,239,520**	87,022,880
- From financial institutions	**259,487,123**	9,550,938	**42,859,010**	71,194,197
-Finance Lease obligations	**3,616,105**	-	**11,629,262**	-
	1,180,399,799	856,713,135	**409,419,738**	334,799,631
Less:				
Amount disclosed under the head “other current liabilities” (refer to note 10)	-	-	**(409,419,738)**	(334,799,631)
Net amount	**1,180,399,799**	856,713,135	-	-

Notes to Consolidated Financial Statements for the year ended 31 March 2014

5.1) Security and term of repayment of Loan liabilities

Security	Terms of repayments
Indian Rupee Loan from banks (Current and Non - Current Portion)	
Amounting to Rs. 94,51,946 is secured by way of equitable mortgage over the leasehold rights of the Company's land at Siruseri, Chennai and building constructed thereon for office and also further secured by the current assets of the Company. Loan is also collaterally secured by: a) Hypothecation of movable fixed assets owned by the Company (excluding assets purchased on loan and specifically charged to the lenders) and equitable mortgage over certain assets of certain directors (includes a relative of a director) of the Company on pari passu basis. b) Equitable mortgage over certain factory land and buildings located at Bawal, Haryana and Bhiwadi, Rajasthan.The properties are also mortgaged in favour of other bankers on pari passu basis. c) Corporate guarantee given by Fusion Fittings (I) Limited and pledge of certain shares by certain directors of the Company. d) Personal guarantees from Mr Amul Gabrani (Director), Mr. Ajay Kumar Bishnoi (Director) and Mrs. Bhagwanti Gabrani (relative of Director).	Repayable in 65 monthly installments of Rs. 34,00,000 each beginning from January 2009 carrying interest rate of 1.25 % above SBAR subject to minimum interest rate of 13.5 % p.a
Amounting to Rs. 40,52,50,000 is exclusive charge on "Tecpro House" Gurgaon, Engineering Centre in Kolkata property, exclusive on the commercial office 3rd and 4th Floor No 07 Sagar Complex , Bhosari Pune and " Tecpro Tower" property at Chennai and Additional Security personal Guarantee of Mr. A K Bishnoi & Mr. Amul Gabrani	Repayable in 24 installments of Rs. 16.20 Millions commencing at the end of 13th months from each drawdown & 23 instalments of Rs. 23.75 millions each commencing at the end of each drawdown & 1 instalments of Rs. 14.95 millions at the end of 60th month from each drawdown
Amounting to Rs. 150,00,00,000 is secured by exclusive charge in the retention receivable (50 % Margin on retention receivables). Further, the loan is additionally secured by way of Personal Guarantee of Mr. Ajay Kumar Bishnoi(director) and Mr. Amul Gabrani (Director) and Mrs. Bhawanti Gabrani and Corporate Guarantee of M/S Fusion Fittings India Ltd	Maximum tenure - 3 years and Repayment in March 2017 as Bullet payment. Rate of interest- 5 % above the base rate at15% pa
Amounting to Rs. 43,05,00,000 is secured by exclusive charge on "Tecpro House" Office in Gurgaon by way of equitable mortgage with a minimum asset cover of 1.25 times during the entire tenancy of the loan. Further, the loan is additionally secured by way of Personal Guarantee of Mr. Ajay Kumar Bishnoi (Director) and Mr. Amul Gabrani (Director).	Repayable in 20 equal quarterly instalments commencing at the end of three months from the date of first drawdown at an interest rate of 270 bps over DBS Bank's Base Rate [currently Bank's Base rate being 10.00% p.a.] payable on a quarterly basis.
Foreign currency loan from banks (current and non-current portion)	
Amounting to Rs.38,46,38,720 is secured by exclusive charge on the immovable and movable fixed assets of the Kolkata Office financed out of the facility with a minimum asset cover of 1.25 times. The loan is also secured by personal guarantee of Mr Ajay Kumar Bishnoi (Director) & Mr Amul Gabrani (Director).	Repayable in 10 equal half yearly installments commencing after 18 months from the first drawdown date i.e., 20 June 2011 carrying an interest rate of applicable EURO/USD/SGD LIBOR plus 2.6 % p.a.
Financial institutions (current and non-current portion)	
Amounting to Rs. 30,23,46,133 is secured by First charge on the asset i.e Land and Building situated at the Industrial Unit at Plot No 203-203(A) MIA, Alwar Rajasthan. Personal guarantee of Shri Amul Gabrani and Shri Ajay Kumar Bsihnoi	Repayable in 24 equal quarterly instalments of INR 197.92 Lacs each commencing w.e.f 15 May 2014.
Finance Lease obligations (current and non - Current portion)	
Amounting to Rs.1,52,45,367 is secured by way of Hypothecation of the respective vehicles.	Repayable in such number of equal monthly installments as specified in the terms & conditions of the respective vehicle finance agreements. The rate of interest are in the range of 12% p.a to 15% p.a

Notes to Consolidated Financial Statements for the year ended 31 March 2014

(All amounts are in Rupees)

5.2) Details of default of loan (Principal and interest)

S. NO	Dues to	Amount (in Lakhs)	Nature of Dues	Overdues Periods
1	DBS Bill discounting	277	Principal	34-64 days
	DBS – ECB Loan	480.8	Principal	104 days
		77.2	Interest	104 days
	DBS -Short Term Loan	27414.9	Principal	30 Days- 160 days
		1193.82	Interest	30 days- 160 days
	DBS – LongTerm Loan	615	Principal	180 Days-365 days
		250.87	Interest	180 days-365 days
	Corporate Guarantee	6009.98	Principal	Less than 30 days
		113.19	Interest	Less Than 30 days
2	Axis Bank (LC Devolved)	99.89	Principal	90 days to 180 days
		0.66	Interest	
3	ICICI Bank (LC)	3546.8	Principal	Less than 90 days
		16.22	Interest	Less than 90 days
4	Standard Chartered Bank – Packing Credit	14725	Principal	More than 180 days
	Standard Chartered Bank– Bill Discount	675	Principal	More than 180 days
	Standard chartered bank- PCFC	2180	Principal	Less than 90 days
		1917	Principal	90days to 180 days
5	RIICO LTD – Term Loan	386.55	Interest	30 days to 270 days
6	Kotak Mahindra Prime Ltd	58.3	Principal	30 Days to 60 Days
		3.28	Interest	

(All amounts are in Rupees)

6. Deferred tax (assets) / liability (net)

	As at 31 March 2014	As at 31 March 2013
Deferred tax liability :		
Excess of Depreciation / amortisation fixed under Income Tax Act over depreciation / amortisation provided in accounts	**140,269,841**	118,768,719
Total deferred tax liability	**140,269,841**	118,768,719
Deferred tax assets on account of:		
Provision for employee benefits	**10,726,783**	44,823,128
Provision for estimated losses on incomplete contracts	**16,434,290**	13,020,393
Provision for bad and doubtful debts	**79,048,536**	79,129,746
Unabsorbed Depreciation / Loss	**13,952,140**	-
Others	**20,061,029**	1,068,967
Total deferred tax asset	**140,222,778**	138,042,234
Net deferred tax liability / (assets)	**47,063**	(19,273,515)

Notes to Consolidated Financial Statements for the year ended 31 March 2014

(All amounts are in Rupees)

7. Provisions

	Long-term provisions		Short-term provisions	
	As at 31 March 2014	As at 31 March 2013	**As at 31 March 2014**	As at 31 March 2013
Provision for employee benefits				
Gratuity (refer to note 38)	**54,472**	30,889,892	**158**	5,866,116
Compensated absences	**50,422**	34,397,637	**31,560,992**	13,235,545
	104,894	65,287,529	**31,561,150**	19,101,661
Other provisions				
Lease equalisation charges	**1,216,124**	97,028	-	-
Provision for estimated losses on incomplete contract (refer to note 40)	**-**	-	**48,350,368**	38,306,539
Provision for tax [net of advance tax Rs.Nil (Previous year Rs.184,68,39,280)	**-**	-	**491,920**	-
Provision for Design & Engineering A/C			**15,658,146**	
Provision for Superannuation Expenses			**70,574,556**	
Others			**-**	-
	1,216,124	97,028	**135,074,990**	38,306,539
	1,321,018	65,384,557	**166,636,140**	57,408,200

8. Short-term borrowings

	As at 31 March 2014	As at 31 March 2013
Loans repayable on demand		
From banks (secured)		
- Working capital facility #	**34,013,015,770**	20,554,573,665
Loans repayable on demand (unsecured)		
From banks :		
Short Term Loan	-	187,832
From others (unsecured)		
- Directors	**100,000**	105,000
- Others	**640,799,080**	57,183,205
	34,653,914,850	20,612,049,702

includes foreign currency short term loan

Nature of security

- Working capital facility availed by the company comprises cash credit, buyer's credit, export packing credit and bills discounted from banks.
- Working capital facilities availed by the company are secured by first charge on the present and future current assets of the company on pari passu basis.
- Cash credit, short term loans and buyers credit from certain banks are further primarily / collaterally secured by way of hypothecation / mortagage of moveable / immoveable fixed assets of the Company on a pari passu basis other than those specifically funded through term loans and charged to State Bank of India and by way of equitable mortgage over certain assets of certain directors (includes a relative of a director) of the Company on pari passu basis.
- Packing Credit loan availed by the company from DBS Bank is secured by second charge on the current assets and moveable fixed assets of the Company.
- The facilities are also secured by personal guarantee of Mr. Amul Gabrani (director), Mr. Ajay Kumar Bishnoi (director) and Mrs. Bhagwanti Gabrani (relative of director, except for facility availed from DBS Bank)
- Further, facilties from SBI are also secured by pledge of certain shares by Mr. Amul Gabrani and Mr. Ajay Kumar Bishnoi (directors of the Company) and the loan from SBI is also secured by corporate guarantee given by Fusion Fittings (I) Limited.
- 'Working capital facilities availed by a subsidiary indicates Cash Credit from Vijaya Bank which is secured by way of Exclusive first charge by way of hypothecation of the entire current assets of the firm consisting of stock in trade of raw materials, semi finished, finished goods, consumables and personal guarantee's of Promotors of the Company"

Notes to Consolidated Financial Statements for the year ended 31 March 2014

(All amounts are in Rupees)

9. Trade payables

	Non-current		Current	
	As at 31 March 2014	As at 31 March 2013	**As at 31 March 2014**	As at 31 March 2013
Sundry creditors				
- micro and small enterprises	-	-	**98,667,687**	107,712,476
- others	**1,099,759,116**	1,387,691,892	**8,559,387,977**	13,046,593,249
	1,099,759,116	1,387,691,892	**8,658,055,664**	13,154,305,725

10. Other current liabilities

Current maturities of long-term borrowings (also refer to note 5)		**402,041,845**		334,799,631
Current maturity of lease obligation (also refer to note 5)		**7,377,893**		-
Salaries, wages and bonus payable		**433,257,543**		145,738,508
Interest accrued and due on borrowings		**415,749,498**		125,095
Interest accrued but not due on borrowings		**55,421,619**		69,863,061
Unpaid dividends		**253,359**		259,746
Book overdraft		**127,481,013**		22,697
Advances from customers		**4,079,923,487**		4,793,567,338
Unearned revenue		**32,705,000**		203,454,993
Creditors towards fixed assets		**123,597,022**		232,430,975
Statutory dues payable				
-Service tax	**173,830,326**		111,841,552	
-Tax deducted at source	**161,453,849**		75,843,793	
-Provident fund and other employee related dues	**44,727,225**		22,843,772	
-Sales tax	**111,321,780**		180,028,971	
Excise duty	**175,027,404**	**666,360,584**	-	390,558,088
Other payables		**2,586,821**		8,233,643
		6,346,755,685		6,179,053,775

Notes to Consolidated Financial Statements for the year ended 31 March 2014

11. Tangible assets

(All amounts are in Rupees)

Description	Gross block (at cost or valuation)				Accumulated depreciation				Net block	
	As at 1 April 2013	Additions during the year	Deletions / adjustments during the year	**As at 31 March 2014**	As at 1 April 2013	For the year	Deletions / adjustments during the year	**As at 31 March 2014**	**As at 31 March 2014**	As at 31 March 2013
Owned										
Freehold land	34,705,270	-	-	**34,705,270**	-	-	-	-	**34,705,270**	34,705,270
Buildings	1,316,268,661	5,116,101	-	**1,321,384,762**	122,176,460	46,650,318	-	**168,826,778**	**1,152,557,984**	1,194,092,201
Leasehold improvement	226,775,895	117,140	2,644,927	**224,248,108**	34,982,432	9,517,140	806,514	**43,693,058**	**180,555,050**	191,793,463
Plant and machinery ## $	534,049,070	4,468,964	1,134,465	**537,383,569**	91,693,813	28,064,775	298,131	**119,460,457**	**417,923,112**	442,355,257
Office equipment ## $	163,098,518	946,922	9,990	**164,035,450**	73,687,959	23,631,642	2,441	**97,317,160**	**66,718,290**	89,410,559
Furniture and fittings	126,993,973	24,850,975	51,393	**151,793,555**	68,891,642	26,443,186	34,214	**95,300,614**	**56,492,941**	58,102,331
Vehicles $	214,614,512	52,437	8,166,306	**206,500,643**	63,483,898	22,100,210	3,825,987	**81,758,121**	**124,742,522**	151,130,614
Computers	67,736,837	418,784	-	**68,155,621**	36,209,239	9,148,898	-	**45,358,137**	**22,797,484**	31,527,598
Total (A)	2,684,242,736	35,971,323	12,007,081	**2,708,206,978**	491,125,443	165,556,169	4,967,287	**651,714,325**	**2,056,492,653**	2,193,117,293
Assets taken on finance lease										
Leasehold land #	278,243,040	-	-	**278,243,040**	13,451,543	2,396,649	(1,001,134)	**16,849,326**	**261,393,714**	264,791,497
Buildings *	394,244,706	52,297,440	-	**446,542,146**	11,560,061	14,800,463	-	**26,360,524**	**420,181,622**	382,684,645
Vehicles	-	-	-	**-**	-	-	-	**-**	**-**	-
Total (B)	672,487,746	52,297,440	-	**724,785,186**	25,011,604	17,197,112	(1,001,134)	**43,209,850**	**681,575,336**	647,476,142
Total (A+B)	3,356,730,482	88,268,763	12,007,081	**3,432,992,164**	516,137,047	182,753,281	3,966,153	**694,924,175**	**2,738,067,989**	2,840,593,435
Capital Work in Progress ^^									712,473,385	502,564,212

* Additions to Building include loss on foreign exchange fluctuation Rs. 5,22,97,440 (previous year Rs. 1,51,36,058).

^^ Capital Work in Progress include loss on foreign exchange fluctuation Rs. Nil (previous year Rs. 634,448) and borrowing cost capitalised Rs. 2,62,44,596 (previous year Rs. Nil).

The gross block of leasehold land includes Rs. 7,60,86,192 (previous year Rs. 7,60,86,192) on account of revaluation of leasehold land belonging to erstwhile Blossom Automotive Private Limited which has been transferred to the Company on amalgamation with effect from 1 April 2008. Consequent to the same, there is an additional charge of depreciation of Rs. 10,01,034 (previous year Rs. 10,01,034) and an equivalent amount has been withdrawn from revaluation reserve. This has no impact on profit for the year.

$ includes impairment of Rs 22,82,258 grouped under Other Expenses

Figures from previous year's block are regrouped

11. 1 Tangible assets

Description	Gross block (at cost or valuation)					Accumulated depreciation					Net block	
	As at 1 April 2012	Additions during the year	Added on account of amalgamation (refer to note 31)	Deletions / adjustments during the year	As at 31 March 2013	As at 1 April 2012	Acquired on acquisition of new subsidiaries (refer to note 1)	For the year	Deletions / adjustments during the year	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
Owned												
Freehold land	34,705,270	-	-	-	34,705,270	-	-	-	-	-	34,705,270	34,705,270
Buildings	1,093,498,969	223,454,381	-	684,689	1,316,268,661	78,813,500	-	44,024,692	661,732	122,176,460	1,194,092,201	1,014,685,469
Leasehold improvement	167,686,501	60,865,010	-	1,775,616	226,775,895	26,823,892	-	8,970,026	811,486	34,982,432	191,793,463	140,862,609
Plant and machinery	432,210,665	115,002,435	-	2,307,144	544,905,956	69,815,114	-	28,377,013	1,286,829	96,905,298	448,000,658	362,395,551
Office equipment	136,013,562	18,247,568	-	2,019,498	152,241,632	46,536,211	-	23,603,377	1,663,114	68,476,474	83,765,158	89,477,351
Furniture and fittings	113,675,522	17,103,357	-	3,784,906	126,993,973	48,604,333	-	22,739,939	2,452,630	68,891,642	58,102,331	65,071,189
Vehicles	203,350,852	19,377,334	-	8,113,674	214,614,512	46,690,673	-	19,837,615	3,044,390	63,483,898	151,130,614	156,660,179
Computers	64,843,961	3,335,293	-	442,417	67,736,837	29,439,988	-	7,110,742	341,491	36,209,239	31,527,598	35,403,973
Total (A)	2,245,985,302	457,385,378		19,127,944	2,684,242,736	346,723,711		154,663,404	10,261,672	491,125,443	2,193,117,293	1,899,261,591
Assets taken on finance lease												
Leasehold land #	247,786,789	30,456,251	-	-	278,243,040	10,062,266	-	2,388,143	(1,001,134)	13,451,543	264,791,497	237,724,523
Buildings *	225,463,072	168,781,634	-	-	394,244,706	680,837	-	10,879,224	-	11,560,061	382,684,645	224,782,235
Total (B)	473,249,861	199,237,885		-	672,487,746	10,743,103		13,267,367	(1,001,134)	25,011,604	647,476,142	462,506,758
Total (A+B)	2,719,235,163	656,623,263		19,127,944	3,356,730,482	357,466,814		167,930,771	9,260,538	516,137,047	2,840,593,435	2,361,768,349
Previous year	1,587,618,255	1,141,769,661	10,861,674	21,014,427	2,719,235,163	245,270,333	4,618,605	121,446,934	13,869,058	357,466,814	2,361,768,349	
Capital Work in Progress ^^											502,564,212	337,415,196

* Additions to Building include loss on foreign exchange fluctuation Rs. 1,51,36,058 (previous year Rs. 1,68,76,111).

^^ Capital Work in Progress include loss on foreign exchange fluctuation Rs. 634,448 (previous year Rs. 87,05,615) and borrowing cost capitalised Rs. Nil (previous year Rs. 1,33,76,648).

The gross block of leasehold land includes Rs. 7,60,86,192 (previous year Rs. 7,60,86,192) on account of revaluation of leasehold land belonging to erstwhile Blossom Automotive Private Limited which has been transferred to the Company on amalgamation with effect from 1 April 2008. Consequent to the same, there is an additional charge of depreciation of Rs. 10,01,034 (previous year Rs. 10,01,034) and an equivalent amount has been withdrawn from revaluation reserve. This has no impact on profit for the year.

Notes to Consolidated Financial Statements for the year ended 31 March 2014

12. Intangible asset

(All amounts are in Rupees)

Description	Gross block (at cost)				Accumulated depreciation				Net block	
	As at 1 April 2013	Additions during the year	Deletions / adjustments during the year	As at 31 March 2014	As at 1 April 2013	For the Year	Deletions / adjustments during the year	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013
Computers software	96,794,892	285,168	-	97,080,060	66,089,720	20,407,977	-	86,497,697	10,582,363	30,705,172
Technical know-how	19,938,554	-	-	19,938,554	14,845,360	1,800,000	-	16,645,360	3,293,194	5,093,194
Goodwill #	333,714,473	-	-	333,714,473	2,164,384	1,000,000	-	3,164,384	330,550,089	331,550,089
Total	450,447,919	285,168	-	450,733,087	83,099,464	23,207,977	-	106,307,441	344,425,646	367,348,455
Previous year	443,029,782	7,418,137	-	450,447,919	37,659,881	25,868,809	-	83,099,464	367,348,455	

Includes goodwill arising on consolidation amounting to Rs. 32,87,14,473 [previous year Rs. 32,87,14,473]

Description	Gross block (at cost)				Accumulated depreciation				Net block	
	As at 1 April 2012	Additions during the year	Deletions / adjustments during the year	As at 31 March 2013	As at 1 April 2012	For the Year	Deletions / adjustments during the year	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
Intangible assets										
Computers software	89,376,755	7,418,137	-	96,794,892	43,031,826	23,057,894	-	66,089,720	30,705,172	46,344,929
Technical know-how	19,938,554	-	-	19,938,554	13,034,445	310,915	-	13,345,360	6,593,194	6,904,109
Goodwill #	333,714,473	-	-	333,714,473	1,164,384	-	-	1,164,384	332,550,089	332,550,089
Total	443,029,782	7,418,137	-	450,447,919	57,230,655	23,368,809	-	80,599,464	369,848,455	385,799,127

Includes goodwill arising on consolidation amounting to Rs. 32,87,14,473

13. Non- Current investments

	As at 31 March 2014	As at 31 March 2013
Current investments (valued at the lower of cost and fair value, unless stated otherwise)		
Investment in equity instrument - Quoted		
Vijaya Bank	**14,400**	14,400
[600 (previous year 600) equity shares of Rs.10 each fully paid up]		
Investments in Government or Trust Securities - Unquoted		
National Savings Certificate *	**25,000**	25,000
Investments in Mutual funds - Quoted		
a. Principal Growth Fund	**486,057**	313,206
[14,355.55 (previous year 14,355.55) units of face value Rs. 10 each]		
b. Principal Large Cap Fund	**200,000**	200,000
[19,559.90 (previous year 19,559.90) units of face value Rs. 10 each]		
c. Principal Dividend Yield Fund	**71,740**	71,740
[5,287.68 (previous year 5,287.68) units of face value Rs. 10 each]		
d. Principal Personal Tax Saver Fund	**53,779**	70,000
[470.06 (previous year 470.06) units of face value Rs. 100 each]		
e. Principal Emerging Blue Chip Fund	**419,750**	250,000
[19,361.16 (previous year 19,361.16) units of face value Rs. 10 each]		
f. Principal Debt Saving Fund (formerly Monthly Income Fund)	**100,000**	100,000
[9,884.45 (previous year 9,884.45) units of face value Rs. 10 each]		
Total	**1,370,726**	1,044,346

* Pledged as security deposit with the Sales Tax Authorities.

	As at 31 March 2014	As at 31 March 2013
Aggregate book value and market value of quoted investments and book value of unquoted investments:		
Mutual funds		
- Aggregate book value	**1,331,326**	1,004,946
- Aggregate net asset value	**2,055,724**	1,507,687
Quoted investments		
- Aggregate book value	**14,400**	14,400
- Aggregate market value	**23,850**	28,140
Unquoted investments		
- Aggregate book value	**25,000**	25,000

Notes to Consolidated Financial Statements for the year ended 31 March 2014

(All amounts are in Rupees)

14. Long-term loans and advances

	As at 31 March 2014	As at 31 March 2013
(Unsecured)		
Considered good:		
Prepaid expenses	**35,993,640**	108,261,731
Security deposits	**18,549,925**	34,356,295
	54,543,565	142,618,026
Considered doubtful:		
Other loans and advances		
Security deposit	**2,246,092**	2,246,092
Less : Provision for doubtful advances	**(2,246,092)**	(2,246,092)
	-	-
	54,543,565	142,618,026

15. Short-term loans and advances

(Unsecured, considered good)

	As at 31 March 2014	As at 31 March 2013
Security deposits	**38,738,511**	31,174,680
Others :		
Balances with statutory / government authorities	**510,083,633**	347,250,895
Advance tax [net of provision for tax]	**75,164,031**	51,391,979
Prepaid expenses	**224,089,577**	335,053,542
Advances to vendors ^	**1,241,997,830**	1,237,171,555
Advances to employees	**49,628,549**	17,656,248
Due from Directors ##	**7,774,169**	103,825,666
Others*	**199,149,443**	70,721,035
	2,346,625,743	2,194,245,600

^ includes advances to related parties amounting to Rs. 61,24,87,972 (previous year Rs. 21,09,01,454)

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

* Include Rs.7,75,78,367 to related parties

16. Other non-current assets

	As at 31 March 2014	As at 31 March 2013
Others :		
Claims and other receivables	**68,696,628**	119,542,970
Unbilled revenue on contracts in progress*	**1,431,741,656**	1,333,913,117
Non current bank balances (refer to note 20)	**41,602,669**	121,700,000
Others	**666,221**	-
	1,542,707,174	1,575,156,087

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

Notes to Consolidated Financial Statements for the year ended 31 March 2014

(All amounts are in Rupees)

	As at 31 March 2014	As at 31 March 2013
17. Other current assets		
Unbilled revenue on contracts in progress	**13,681,355,830**	11,051,164,061
Interest accrued on deposits and others	**540,773**	2,179,327
Amount due from other companies	**270,757,842**	3,157,552
Advance to capital creditors *	-	44,904,940
	13,952,654,445	11,101,405,880

* includes advances to related parties amounting to Rs NIL (previous year Rs. 2,23,47,787)

	As at 31 March 2014	As at 31 March 2013
18. Inventories *		
Raw materials	**534,671,447**	803,872,853
Goods purchased for resale - project supplies [includes in transit Rs.1,90,52,082 (previous year Rs. 1,76,67,486]	**575,271,653**	506,925,982
Finished goods [includes in transit Rs.7,92,73,551 (previous year Rs. 31,95,838)]	**79,273,551**	3,195,838
Work in progress	**795,510,558**	670,967,477
	1,984,727,209	1,984,962,150

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

	Non current #		Current	
	As at 31 March 2014	As at 31 March 2013	**As at 31 March 2014**	As at 31 March 2013
19. Trade receivables'				
Unsecured, considered good unless otherwise stated				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	**4,893,350,321**	3,034,222,244	**22,841,399,212**	15,601,612,314
Considered doubtful	-	-	**232,564,096**	232,564,096
	4,893,350,321	3,034,222,244	**23,073,963,308**	15,834,176,410
Less: Provision for doubtful debts	-	-	**(232,564,096)**	(232,564,096)
(A)	**4,893,350,321**	3,034,222,244	**22,841,399,212**	15,601,612,314
Other receivables				
Unsecured, considered good	**603,864,206**	1,266,663,635	**2,333,422,595**	9,421,097,082
Considered doubtful	-	-	-	-
(B)	**603,864,206**	1,266,663,635	**2,333,422,595**	9,421,097,082
Total (A+B)	**5,497,214,527**	4,300,885,879	**25,174,821,807**	25,022,709,396

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

Notes to Consolidated Financial Statements for the year ended 31 March 2014

(All amounts are in Rupees)

20. Cash and bank balances

	Non-current		Current	
	As at 31 March 2014	As at 31 March 2013	**As at 31 March 2014**	As at 31 March 2013
Cash and cash equivalents				
Balances with banks:				
- Current accounts	-	-	**62,063,868**	238,648,481
- Earmarked balance with banks			**263,514**	
Cash on hand	-	-	**5,679,463**	2,370,285
Fixed deposits with banks with maturity period less than 3 months	-	-	-	25,000
	-	-	**68,006,845**	241,043,766
Other bank balances				
Fixed deposits with banks with maturity period more than 12 months	-	-	**628,876**	578,884
Fixed deposits with banks with maturity period more than 3 months but upto 12 months ^	-		591,809	
Margin money accounts *	**41,602,669**	121,700,000	**9,076,701**	27,146,066
	41,602,669	121,700,000	**9,705,577**	28,316,759
Amount disclosed under non-current assets (refer to note 16)	**(41,602,669)**	(121,700,000)	-	-
	-	-	**77,712,422**	269,360,525

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

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

21. Revenue from operations

	For the year ended 31 March 2014	For the year ended 31 March 2013
Sale of products (gross)	**1,719,690,685**	8,087,225,379
Contract revenue	**6,417,364,411**	17,992,201,580
Sale of services	**514,204,560**	410,469,361
Other operating revenue		
- Sale of scrap	**7,532,184**	39,534,847
- Provisions no longer required, written back	**38,222,197**	36,908,470
- Interest income-Receivable from customers	**394,268,165**	
Revenue from operations (gross)	**9,091,282,202**	26,566,339,637
Less: Excise duty	**90,676,962**	401,045,405
Revenue from operations (net)	**9,000,605,240**	26,165,294,232
Break up of contract revenue and sale of products (excluding excise duty recovered)		
Idlers	**40,158,676**	803,169,519
Pulley	**37,855,460**	854,563,159
Structure *	**99,355,042**	1,197,995,688
Crusher	-	45,285,500
Crusher components	**1,666,188**	54,383,963
Conveyor systems	**102,657,870**	5,751,173
Conveyor components	**20,489,029**	69,530,019
Feeder	-	27,165,418
Feeder components	**528,619**	30,177,323
Screen	-	90,719,400
Screen components	**2,874,423**	62,223,823
Travel water screen	**141,432,622**	14,362,287
Components for ash handling systems	**1,026,499,531**	2,496,205,750
Other project supplies ^	**3,677,485,372**	15,352,824,003
Accrual/(reversal) based on percentage of completion method for contract revenue	**2,895,375,303**	4,574,024,529
	8,046,378,135	25,678,381,554

* Structure includes structure components also.

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

Notes to Consolidated Financial Statements for the year ended 31 March 2014

(All amounts are in Rupees)

Break up of sale of services

	For the year ended 31 March 2014	For the year ended 31 March 2013
Drawing and designing	**323,451,146**	258,828,802
Erection and commissioning	**13,663,640**	69,411,061
Operation and maintenance	**61,266,644**	74,366,817
Other services	**115,823,130**	7,862,681
	514,204,560	410,469,361

22. Other income

Interest income on		
- Fixed deposits	**4,219,851**	25,073,340
- Others	**46,906**	14,115,485
Dividend income from current investments	**1,720**	1,493
Reversal of finance charges	-	23,950,274
Miscellaneous income	**53,745,104**	17,479,408
	58,013,581	80,620,000

23. Cost of raw material consumed

Opening stock of raw material	**810,077,457**		920,861,491	
Add: purchases during the year	**4,582,504,986**		13,771,477,531	
Less: closing stock of raw material	**540,876,114**	**4,851,706,329**	810,077,457	13,882,261,565
		4,851,706,329		13,882,261,565

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

Stock at the end of the year				
Finished goods	**79,273,551**		3,195,838	
Work in progress	**795,510,558**		670,967,477	
Stock in trade (purchased for resale)-project supplies	**575,271,653**	**1,450,055,762**	506,925,982	1,181,089,297
Stock at the beginning of the year				
Finished goods	**3,195,838**		36,436,028	
Work in progress	**670,967,477**		671,845,013	
Stock in trade (purchased for resale) - project supplies	**506,925,982**	**1,181,089,297**	711,304,101	1,419,585,142
(Increase) / decrease in inventory		**(268,966,465)**		238,495,845

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

Components for Ash Handling Systems	**240,931,410**	642,559,775
Waste heat recovery systems	**105,514,569**	331,629,209
Purchased for project supplies- others *	**419,396,707**	1,378,154,369
	765,842,686	2,352,343,353

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

Notes to Consolidated Financial Statements for the year ended 31 March 2014

(All amounts are in Rupees)

		For the year ended 31 March 2014		For the year ended 31 March 2013
26. Employee benefit expenses				
Salaries, wages and bonus		**885,087,260**		1,099,181,970
Contribution to provident and other funds		**68,250,261**		88,734,335
Gratuity (refer to note 38)		**(19,631,807)**		17,301,740
Staff welfare		**32,599,322**		47,287,738
		966,305,036		1,252,505,783
27. Other expenses				
Excise duty expense	**92,054,102**		405,477,838	
Less: Excise duty recovered	**90,676,962**	**1,377,140**	401,045,405	4,432,433
Drawing and design charges		**54,919,737**		482,301,138
Fabrication and other site related expenses		**1,971,922,763**		2,012,103,155
Freight and forwarding		**167,316,997**		603,896,362
Equipment charges		**252,319,124**		431,905,903
Travel and conveyance		**107,038,423**		179,075,886
Rent		**46,751,476**		52,704,711
Power fuel and electricity		**46,898,263**		70,246,656
Communication		**20,785,220**		29,822,970
Advertising and marketing		**2,752,312**		23,380,758
Sales commission		**13,074,982**		123,568,854
Printing and stationery		**8,545,356**		19,257,998
Rates and taxes		**26,611,345**		73,763,141
Legal and professional		**68,463,461**		161,582,806
Payment to auditors		**9,410,000**		9,794,500
Exchange loss (net)		**187,123,939**		37,341,723
Loss on sale / disposal of fixed assets		**2,155,795**		5,920,578
Repairs and maintenance				
-plant and machinery		**1,344,613**		5,909,751
-buildings		**47,152,531**		64,016,709
-others		**60,839,573**		72,311,083
Sundry balances written off		-		5,940,945
Provision for bad and doubtful debts		-		172,185,657
Bad debts written off		**63,401,757**		123,436,493
Provision for loss on incomplete contract (refer note No 40)		**10,043,829**		34,315,539
Provision for bad and doubtful debts			150,036,220	
Less: bad debts written off during the year against opening provision		-	(150,036,220)	-
Insurance		**37,228,961**		53,899,473
Miscellaneous expenses#		**69,989,841**		41,277,480
		3,277,467,438		4,894,392,702

#includes provisions for diminution value of investment Rs. 3,26,380 (Previous year : Nil)

28. Finance costs		
Interest expense on:		
- long term loan	**221,498,178**	131,092,721
- short term loan	**4,020,108,108**	2,194,310,579
- others	**239,549,775**	187,701,829
Bank charges	**449,714,240**	506,561,660
	4,930,870,301	3,019,666,789

Notes to Consolidated Financial Statements for the year ended 31 March 2014

(All amounts are in Rupees)

29 (i) The Company has incurred a loss during the year and has had to face a very tight liquidity position arising out of, among other things, overall deceleration in the economy, lower industrial growth, delayed decisions at various levels affecting the project progress. With delayed recoveries from customers, the Company was unable to service interest and ensure prompt repayment of principal amount due to bankers. In the circumstances, the board of directors in its meeting held on 28.12.2013 had decided to approach the banks through the corporate debt restructuring (CDR) process for restructuring of the Company's debt. The CDR empowered group in its meeting held on March 29, 2014 has admitted the Company's proposal under the CDR which is under consideration. The restructuring of debt under CDR supports the continued assumption of `going concern` in drawing up the financial statements and will ensure that the company meets its obligations as and when it falls due.

(ii) The circumstances of tight liquidity detailed in (i) above has:

(a) Resulted in delays in project execution on account of funding difficulty and increased costs due to stretched time frames. Certain customers have therefore encashed Bank Guarantees (Rs. 295,57,00,000) including performance guarantee (Rs.117,27,55, 000) for the delays. These are however, considered realizable based on continuous steps / engagement with the customers for realisation of dues.

(b) necessitated certain customers to make direct payments to Company`s vendors to avoid delays in deliverables. The Company has initiated steps to obtain confirmation of payment from such vendors for adjustment of payments made by customers.

(iii) Recoverability of debts and Unbilled Revenue including Rs. 1,65,63,02,000 outstanding for a period of more than three years, debts for additional supplies/work made upon request by customers outside of the contract, debts from certain customers who have encashed bank guarantees and Rs. 39,42,68,165 recognized as interest income arising from delayed payments made by certain customers (included in Note 19) is considered realisable based on interactions with the customers and negotiations/ discussions.

(iv) An exercise of circularization of balances of vendors/Creditors/Debtors and reconciliation of the balances with the books of account has been initiated subsequent to the end of the year and adjustments, if any, will be made upon completion of the said exercise.

(v) In respect of certain contracts, there have been significant delays in completion of the projects beyond the contracted dates. This could lead to levy of liquidated damages by the customers as per the terms of contract with them. Till date the company has not been made aware of significant liquidated damages being levied by its customers and accordingly no provision is considered necessary in this regard by the Management.

30. The gross block of leasehold land includes Rs. 7,60,86,192 (previous year Rs. 7,60,86,192) on account of revaluation of leasehold land belonging to erstwhile Blossom Automotive Private Limited which has been transferred to the Company on amalgamation with effect from 1 April 2008. Consequent to the same, there is an additional charge of depreciation of Rs. 10,01,034 (previous year Rs.10,01,034) and an equivalent amount has been withdrawn from revaluation reserve. This has no impact on profit for the year.

31 Three subsidiaries of the Company have incurred losses during the year and have accumulated losses exceeding their free reserves. The said Companies have drawn up plans to increase revenue and consequently profitability and net worth. Accordingly the financials statements of these subsidiary companies which have been prepared on "Going Concern" basis, are considered for consolidation. The said subsidiary companies are confident of achieving the targets and in the opinion of the management, the carrying value of Goodwill arising on consolidation of the companies aggregating Rs. 26,72,49 ,000 as at 31.3.2014 represents its recoverable amount and in the opinion of the management no provision for impairment is required in respect thereof.

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

		As at 31 March 2014	As at 31 March 2013
(i)	Claims against the company not acknowledged as debt : Sales tax matters	**242,844,937**	242,844,937
(ii)	Claims against the company not acknowledged as debt : Entry tax matters	**48,556,771**	48,556,771
(iii)	Claims against the company not acknowledged as debt : Central excise matters	**1,049,990**	1,049,990
(iv)	Claims against the company not acknowledged as debt : Service tax matters	***6,536,536***	6,536,536
(v)	Claims against the company not acknowledged as debt : Others	**197,561,000**	-
(vi)	Demand for additional price/ enhancement cost in respect of factory plots situated in Bawal *	**9,885,115**	9,885,115
(vii)	Sales tax liability against which forms to be collected	**2,817,994,489**	3,227,603,543
(viii)	Income tax liability disputed (refer Notes No 34)	**501,400,000**	-

Notes to Consolidated Financial Statements for the year ended 31 March 2014

(All amounts are in Rupees)

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

The Company had received notices dated 4 December 2007 and 29 December 2007 from HSIIDCL for additional price/ enhancement cost amounting to Rs. 98,85,115 (previous year Rs. 98,85,115 {including interest}), in respect of factory plots situated in Bawal. The Company filed a writ petition in the Punjab and Haryana High Court on 8 January 2008 and obtained a stay order on 9 January 2008. This matter is under adjudication. Pursuant to above, Rs. 98,85,815 (previous year Rs. 98,85,115) have been disclosed as 'Contingent liability' in the notes to the accounts.

33. The company has paid remuneration to a managerial person in excess of limits specified in provisions of Companies Act 1956 by Rs 5,194,660. Pending the approval from shareholders and the Central Government the excess remuneration paid has been included under note 15.

34. On March 6,2012 search proceedings under Section 132 of the Income Tax Act, 1961("the Act") were undertaken in respect of the Company. The search proceedings were effectively concluded vide last Panchnama drawn on May 3,2012. The Company had furnished during the earlier year return of income for six assessment years beginning from assessment year 2006-07 pursuant to notices received from the Income Tax Department. Tax assessments upto 2010-11 was completed with no additional demand. As regards Assessment Years 2011-12 and 2012-13 the assessments have been completed and a demand of Rs 50,14,00,000 has been raised on the Company. This demand is being disputed and has accordingly been disclosed under contingent liability.

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

	As at 31 March 2014	As at 31 March 2013
Contract revenue recognised for the year	**6,417,364,411**	17,992,201,580
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) upto the Balance sheet date for all contracts in progress as at that date.	**16,066,103,659**	54,875,021,400
Amount of customer advances outstanding for contracts in progress as at Balance sheet date	**3,287,688,944**	3,688,408,317
Retention amounts due from customers for contracts in progress	**6,112,728,078**	5,609,019,913
Gross amount due from customers for contract work	**9,410,962,958**	12,385,077,178
Gross amount due to customers for contract work	**201,078,324**	203,454,993

36. Earnings per equity share (EPS)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Net profit after tax as per Statement of Profit and Loss	**(5,688,104,083)**	268,681,531
Number of equity shares of Rs.10 each at the beginning of the year	**50,473,791**	50,473,791
Weighted average number of equity shares of Rs. 10 each outstanding during the year	**50,473,791**	50,473,791
Weighted average number of equity shares of Rs.10 each at the end of the year for calculation of basic and diluted EPS	**50,473,791**	50,473,791
Basic and diluted earnings per share (in Rs.) (Per share of Rs 10 each)	**(112.69)**	5.32

37. The Company has adopted the principles of Accounting Standard 30 – Financial instruments: Recognition and measurement, issued by the Institute of Chartered Accountants of India, with effect from April 1, 2013, in respect of designated contracts meeting necessary criteria as "Cash flow hedges". The gain and losses on effective Cash flow hedges are recognised in Hedge Reserve Account till the underlying forecasted transaction occurs. This is different from the earlier year practice of reckoning all gains and losses on such contracts in the Statement of Profit and Loss. However, there is no impact due to the aforesaid change on the results for the year ended March 31,2014 due to the ineffectiveness of the Cash Flow hedges.

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

(a) Defined Contribution Plans: Amount of Rs. 6,68,29,840 (previous year Rs. 8,73,29,724) pertaining to employers' contribution to Provident Fund, Employees State Insurance fund and superannuation fund is recognised as an expense and included in "Employee benefit expenses" in note 26.

Notes to Consolidated Financial Statements for the year ended 31 March 2014

(All amounts are in Rupees)

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

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

Particulars	**As at 31 March 2014**	As at 31 March 2013
Present value of obligation at the beginning of the year	**78,270,899**	60,015,684
Add: Present value of obligation at the beginning of year added on account of amalgamation	-	120,956
Interest cost	**6,149,922**	4,787,176
Past service cost	-	-
Current service cost	**10,690,981**	15,565,872
Benefits paid	**(2,360,393)**	(2,329,089)
Actuarial (gain)/loss on obligation	**(32,212,857)**	110,300
Present value of obligation at the end of the year	**60,538,552**	78,270,899

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

Particulars	**As at 31 March 2014**	As at 31 March 2013
Fair value of plan assets at the beginning of the year	**41,393,935**	37,325,645
Expected return on plan assets	**4,308,313**	3,165,294
Contributions	**22,880,133**	1,016,732
Benefits paid	**(2,360,393)**	(110,050)
Actuarial gain/(loss) on plan assets	**(48,460)**	(3,686)
Fair value of plan assets at the end of the year	**66,173,528**	41,393,935

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

Particulars	**For the year ended 31 March 2014**	For the year ended 31 March 2013
Actuarial loss for the year - obligation	**(32,212,857)**	(110,300)
Actuarial gain for the year - plan assets	**(48,460)**	(3,686)
Total loss for the year	**(32,261,317)**	(113,986)
Actuarial loss recognised in the year	**(32,261,317)**	(113,986)
Unrecognized actuarial gains (losses) at the end of year	-	-

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

Particulars	**As at 31 March 2014**	As at 31 March 2013
Present value of obligation as at the end of the year	**60,538,552**	78,270,899
Fair value of plan assets as at the end of the year	**66,173,528**	41,393,935
Funded/(unfunded) status	**5,634,976**	(36,876,964)
Excess of actual over estimated	-	(3,686)
Net assets/(liability) recognized in balance sheet	**5,634,976**	(36,876,964)

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

Particulars	**For the year ended 31 March 2014**	For the year ended 31 March 2013
Current service cost	**10,690,981**	15,565,872
Past service cost	-	-
Interest cost	**6,149,922**	4,787,176
Expected return on plan assets	**(4,308,313)**	(3,165,294)
Net actuarial (gain)/loss recognized in the year	**(32,164,397)**	113,986
Expenses recognised in the statement of profit and losses	**(19,631,807)**	17,301,740

Notes to Consolidated Financial Statements for the year ended 31 March 2014

(All amounts are in Rupees)

38. Disclosure in respect of employee benefits under Accounting Standard (AS) – 15 (Contd.)

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

A. Economic assumptions

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

Particulars	**For the year ended 31 March 2014**	For the year ended 31 March 2013
Discount rate	**8.00%**	8.00%
Expected rate of return on plan assets	**8.25%**	8.25%
Salary growth rate	**7.00%**	7.00%

B. Demographic assumptions

Particulars	**For the year ended 31 March 2014**	For the year ended 31 March 2013
Retirement Age	**60 Years**	60 Years
Mortality table	**IALM (2006-08) Ultimate**	LIC (1994-96) duly modified
Withdrawal Rates - Ages		
Upto 30 Years	**8%**	8%
Upto 44 Years	**7%**	7%
Above 44 Years	**6%**	6%

(vii) General description of gratuity plan:

Gratuity Plan (Defined benefit plan)

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

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

Particulars	**For the year ended 31 March 2014**	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
On plan projected benefit obligation	**(21,988,991)**	1,445,763	(10,375,536)	(19,494)	(1,104,626)
On plan assets	**(48,460)**	(349,412)	31,571	12,226	(101,308)

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

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

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

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

- agreements for most of the premises may generally be terminated by the lessee or either party by serving one to six month's notice or by paying the notice period rent in lieu thereof.

- the lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement.

- the Company shall not sublet, assign or part with the possession of the premises without prior written consent of the lessor.

b) Lease rent charged to the statement of profit and loss on account of Minimum lease rentals Rs.252,331,549 (previous year Rs. 440,977,858).

Notes to Consolidated Financial Statements for the year ended 31 March 2014

(All amounts are in Rupees)

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

	As at 31 March 2014	As at 31 March 2013
Payable within one year	**2,797,425**	8,918,899
Payable between one and five years	**3,570,750**	34,932,356
Payable after five years	**-**	-
Total	**6,368,175**	43,851,255

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

Provision relating to	**Opening balance as at 1 April 2013**	**Created during the year**	**Write back during the year**	**Closing balance as at 31 March 2014**
Estimated losses on incomplete contracts	38,306,539	10,043,829	-	48,350,368
	(5,277,000)	(34,315,539)	(1,286,000)	(38,306,539)

Provision for estimated losses on incomplete contracts relates to provision made for expected losses wherein, the total cost of the incompleted construction contract, based on the technical and other estimates, is expected to exceed the corresponding contract value. Accodingly, such excess is provided during the year.
Figures in bracket refer to previous year ending 31 March 2013.

41 Segment reporting

The Company's primary segment is identified as business segment based predominantly on nature of product and services and secondary segment is identified based on the geographical location of the customer as per Accounting Standard 17. The revenue from individual segments is less than 10% of total revenue from external sales and inter-segment sales and therefore there are no reportable segments for the current and previous year.

42 Related party disclosures

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

Key management personnel	Ajay Kumar Bishnoi Amul Gabrani Arvind Kumar Bishnoi (resigned w.e.f 14.11.2013) Aditya Gabrani (resigned w.e.f(30.09.2013) Amar Banerjee
Relatives of key management personnel	Bhagwanti Gabrani Amita Bishnoi Goldie Gabrani Rashmi Singh
Enterprises over which key management personnel exercise significant influence	Tecpro Engineers Limited T & H Education Private Limited Hythro Power Corporation Limited Fusion Fittings (I) Limited Shriram Cement Limited Tecpro Infra Projects Limited G.E.T. Power Limited HIQ Power Associates Private Limited Avadh Transformers Private Limited Tecpro Infastructures Private Limited Tecpro Infotech Private Limited Experienced Hi-Tech Consultancy Services Private Limted

Notes to Consolidated Financial Statements for the year ended 31 March 2014

(All amounts are in Rupees)

b) Transactions during the current year

	Key management personnel (Including relatives)	**Enterprises over which Key management personnel (including relatives) exercise significant influence**
Remuneration	9,034,123	-
	(48,161,862)	(-)
Rent expenses	14,945,073	-
	(14,979,292)	(-)
Advance given	-	2,793,308,258
	(-)	(1,850,882,405)
Business Advance Received	-	218,661,503
	(-)	(-)
Recovery of advance given	-	2,672,704,193
	(-)	(1,824,248,610)
Loan given	-	290,091,687
	(-)	(54,000,200)
Interest income on above loan	-	-
	(-)	(2,478,038)
Recovery of loan/advance given	-	1,519,938
	(-)	(-)
Rent income	-	4,119,468
	(-)	(8,092,624)
Recovery of expenses	-	-
	(-)	(4,633,633)
Purchase of goods	-	245,073,974
	(-)	(612,468,328)
Purchase of fixed assets	-	-
	(-)	(29,789,600)
Professional charges	-	-
	(-)	(419,003,931)
Job work charges	-	56,556,508
	(-)	(161,504,738)
Equipments hire charges	-	-
	(-)	(2,526,729)
Repair and maintenance expenses	-	-
	(-)	(169,675)
Fabrication charges	-	-
	(-)	(60,747,894)
Sale of goods	-	15,292,316
	(-)	(4,420,098)
Amount paid by other party on behalf of company	-	10,102,655
	(-)	(415,356)
Services received	-	5,683,554
	(-)	(-)
Amount incurred on behalf of related parties	-	-
	(-)	(1,943,245)
Loan recoverable	264,982	99,044,639
	(136,830)	(44,978,567)
Interest recoverable on the above loan	-	-
	(-)	(751,867)
Business Advances recoverable	-	368,140,995
	(-)	(175,459,433)
Business Advances payable	-	222,314,459
	(-)	(-)

Notes to Consolidated Financial Statements for the year ended 31 March 2014

(All amounts are in Rupees)

c) Outstanding balance as at year-end

	Key management personnel (Including relatives)	**Enterprises over which Key management personnel (including relatives) exercise significant influence**
Rent receivable	-	21,711,372
	(-)	(7,425,741)
Rent payable	9,894,464	-
	(102,060)	(-)
Due from directors	7774169	-
	(103,825,666)	(-)
Trade receivable	-	277,261,496
	(-)	(80,246,232)
Trade payable	-	557,816,632
	(-)	(512,962,103)

Company has given a letter of comfort for various facilities taken by Hythro Power Corporation Limited from a bank with limit of Rs.Nil (previous year Rs. 32,00,00,000)

Guarantees and collateral security given by Ajay Kumar Bishnoi and Amul Gabrani for various facilities taken by the Company from banks with a limit of Rs. 5273,18,00,000 (previous year Rs.4903,08,00,000 and Bhagwanti Gabrani (relative of a Director) for various facilties taken by the Company from banks with a limit of Rs.5056,00,00,000 (previous year Rs. 4471,58,00,000).

^ Guarantees given by Fusion Fittings (I) Limited for various facilities taken by the Company from a bank with a limit of Rs. 2201,64, 00,000 (previous year Rs. 2166,58,00,000)

@ Ajay Kumar Bishnoi and Amul Gabrani have pledged their shares in the Company with a bank for credit facilities taken by the Company with a limit of Rs. 2201,64,00,000 (previous year Rs. 2166,58,00,000)

Figures in bracket refer to previous year 31 March 2013

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 2014**	Year ended 31 March 2013
Ajay Kumar Bishnoi	Rent expenses	**7,474,227**	6,813,646
Amul Gabrani	Rent expenses	**7,470,846**	6,813,646
Ajay Kumar Bishnoi	Remmuneration	-	15,126,444
Amul Gabrani	Remmuneration	-	15,126,444
Amar Banerjee	Remmuneration #	**9,034,123**	10,744,500
G.E.T. Power Limited	Amount incurred on behalf of others	-	1,943,245
G.E.T. Power Limited	Business Advance given	**1,458,308,336**	303,333,501
G.E.T. Power Limited	Interest income	-	835,408
G.E.T. Power Limited	Loans /Advance given	-	16,500,200
G.E.T. Power Limited	Professional charges	-	133,499,466
G.E.T. Power Limited	Recovery of Business advance given	**1,681,122,795**	351,333,501
G.E.T. Power Limited	Purchase of goods	**226,324,616**	592,075,653
HIQ Power Associates Private Limited	Amount paid on Behalf of company	-	415,356
HIQ Power Associates Private Limited	Services received	**5,683,554**	-
HIQ Power Associates Private Limited	Rent income	**1,510,116**	-
Tecpro Engineers Limited	Business Advance given	**140,722,308**	410,351,336
Tecpro Engineers Limited	Rent income	**681,252**	-
Tecpro Engineers Limited	Recovery of Business advance given	**111,760,440**	419,159,739
Tecpro Stones Private Limited	Equipments hire charges	-	1,820,000
Tecpro Stones Private Limited	Loans /Advance given	**2,929,831**	169,675
Tecpro Stones Private Limited	Rent Income	**107,868**	-
Tecpro Stones Private Limited	Recovery of Loans /advance given	**1,519,938**	-
Tecpro Infra Projects Limited	Business Advance given	**1,191,347,783**	1,114,028,479

Notes to Consolidated Financial Statements for the year ended 31 March 2014

(All amounts are in Rupees)

Tecpro Infra Projects Limited	Equipments hire,job work charges and other charges incurred on behalf of TSL	**56,556,508**	158,735,508
Tecpro Infra Projects Limited	Recovery of Business advance given	**879,820,958**	1,043,255,370
Hythro Power Corporation Limited	Sales of goods	**4,902,661**	-
Hythro Power Corporation Limited	Fabrication charges paid on behalf of TSL	-	7,273,080
Hythro Power Corporation Limited	Loans /Advance given	**233,831,418**	37,500,000
Hythro Power Corporation Limited	Interest income	-	1,642,630
Hythro Power Corporation Limited	Purchase of goods	**18,749,358**	-
Hythro Power Corporation Limited	Rent Income	**1,820,232**	6,480,000
Hythro Power Corporation Limited	Business Advance Received	**214,750,000**	-
Hythro Power Corporation Limited	Purchase of fixed assets	-	18,868,518
Hythro Power Corporation Limited	Recovery of Expenses	-	4,633,633
Avadh Transformers Private Limited	Fabrication charges	-	52,000,000
Avadh Transformers Private Limited	Professional charges	-	265,999,288
Shriram Cement Limited	Sale of goods	**10,389,655**	4,219,836
Shriram Cement Limited	Purchase of fixed assets	-	10,921,082
Shriram Cement Limited	Purchase of goods	**445,209**	-
Shriram Cement Limited	Loans /Advance given	**53,330,438**	-
Shriram Cement Limited	Business Advance Received	**810,000**	-
Tecpro Infotech pvt Limited	Expenses incurred on behalf of TSL	**10,102,655**	-
Tecpro Infotech pvt Limited	Business Advance Received	**2,000,000**	-
Experienced Hi -Tech Consultancy Services Pvt Ltd	Business Advance Received	**1,101,503**	-

Includes Leave encashment and Leave Travel allowances

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

Particulars	**As at 31 March 2014**	As at 31 March 2013
Assets		
USD 1,54,53,134 (previous year USD 67,53,406)	**928,730,886**	367,310,763
Euro345,187 (previous year Euro 965,805)	**28,505,437**	67,165,763
GBP 436,366 (previous year GBP 3,760)	**43,571,122**	265,826
Liabilities		
USD 2,82,21,333 (previous year USD 5,40,30,232)	**1,696,096,911**	2,896,676,030
Euro 27,50,702 (previous year Euro 54,48,890)	**227,151,944**	378,936,521
GBP NIL(previous year GBP 864)	-	72,021

44 Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances of Rs. Nil (previous year Rs. 5,46,12,843)] is Rs. Nil (previous year Rs. 10,22,81,190).

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

(b) The figures for the previous year are drawn from accounts audited by a different firm of chartered accountants.

For **M. S .Krishnaswami & Rajan**	**For and on behalf of the Board of Directors of Tecpro Systems Limited**		
Chartered Accountants			
Registration No. 01554S			
M .S. Murali	**Ajay Kumar Bishnoi**	**Amar Banerjee**	**Pankaj Tandon**
Partner	*Chairman* & Managing Director	Managing Director	*Company Secretary*
Membership No.: 026453	DIN-00013917	DIN-00475983	FCS-7248
Place : Chennai	Place : Chennai	Place : Chennai	Place : Chennai
Date : 9th June 2014	Date : 9th June 2014	Date : 9th June 2014	Date : 9th June 2014

Tecpro Systems Limited

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

CIN: L74899DL1990PLC041985

TWENTY FOURTH ANNUAL GENERAL MEETING

ADMISSION SLIP

FOLIO NO. / DP ID & CLIENT ID NO...............................

(to be filled in by the shareholders)

I declare that I am a Registered Shareholder of the Company and hold ________________ Shares.

Member's Signature

NOTE :

1. A member intending to appoint a proxy should complete the Proxy Form below and deposit it at the Company's Registered Office, not later than 48 hours before the commencement of the meeting.
2. A member proxy attending the meeting must complete this Admission Slip and hand it over at the entrance. Name of the Proxy in BLOCK LETTERS Proxy's Signature. Kindly bring your copy of the Annual Report at the Annual General Meeting, as copies of the Report will not be distributed at the Meeting

Tecpro Systems Limited

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

CIN: L74899DL1990PLC041985

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):		Email Id:	
Registered address:		Folio No./Client Id:	
		DP Id:	

I/We, being the member(s) of …….......................................… shares of the above named Company hereby appoint:

1) ______________________________ of _______________________ having email id___________________ or failing him

2) ______________________________ of _______________________ having email id___________________ or failing him

3) ______________________________ of _______________________ having email id___________________ or failing him

and whose signature (s) are appended below as my / our proxy to attend and vote (on poll) for me/us and on my/our behalf at the Twenty Fourth Annual General Meeting of the Company, to be held on Tuesday, 30th day of September, 2014 at 10.00 p.m. at Hotel Mapple Emerald, National Highway 8, Rajokri, New Delhi 110018 and at any adjournment thereof in respect of such resolutions as are indicated below:

**I wish my above proxy to note in the manner as indicated in the box below:

Resolutions:		For	Against
1.	Adoption of the Audited Standalone and Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2014, the Reports of the Directors and the Auditors thereon		
2.	Appointment of director in place of Mr. Suresh Kumar Goenka, who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Appointment of director in place of Mr. Sakti Kumar Banerjee, who retires by rotation and being eligible, offers himself for re-appointment.		
4.	Appointment Statutory Auditor of the Company and to fix their remuneration		
5.	Approval for making application to the Central Government for waiver of excess remuneration paid to Mr. Amar Banerjee Whole-time Director of the Company during Financial Year 2013-14		
6.	Appointment of Mr. Amar Banerjee as Managing Director		
7.	Authority to borrow in accordance with the Companies Act, 2013		
8.	Authority to create mortgage/charge over the property(ies) of the Company in accordance with the Companies Act, 2013		

Signed this …………………….. day of ……………………2014.

Affix revenue stamp of not less than ₹0.15

……………………….. ……………………………….

Signature of member Signature of proxy holder(s)

Notes:

1. **This form, in order to be effective, should be duly stamped, completed, signed, deposited at the registered office of the Company, not less than 48 hours before the meeting.**
2. **A proxy need not be a member of the Company.**
3. Appointing a proxy does not prevent a member from attending the meeting in person, if he so wishes.

4.** This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Tecpro Systems Limited
Tecpro House
78, Sector 34, N.H. 8,
Gurgaon-122004, Haryana, India

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