



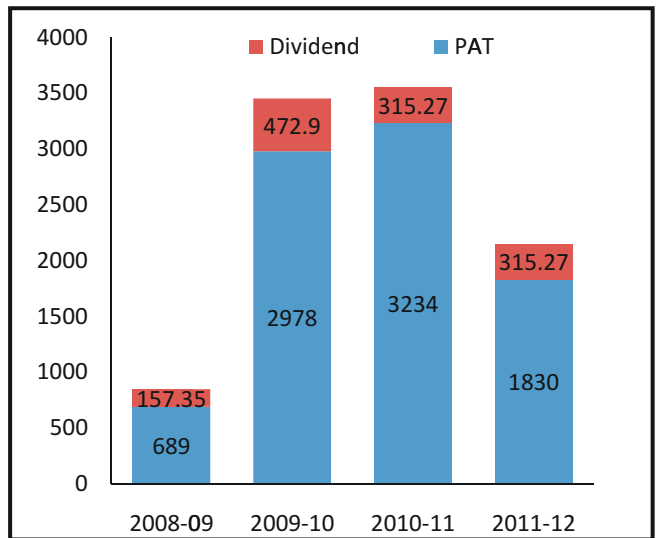
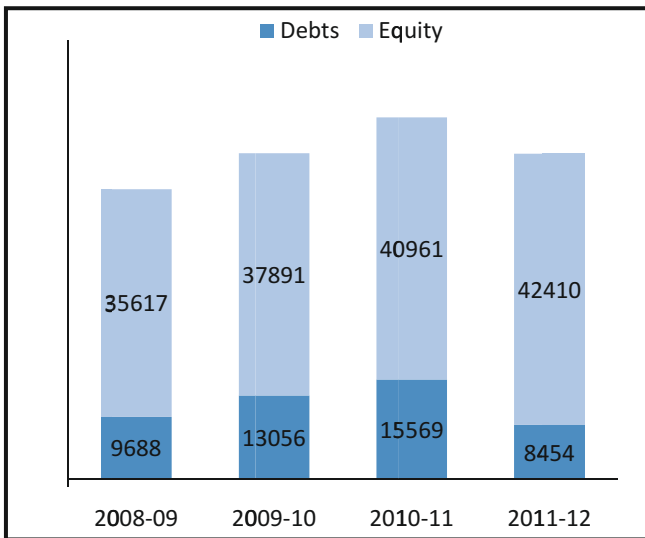
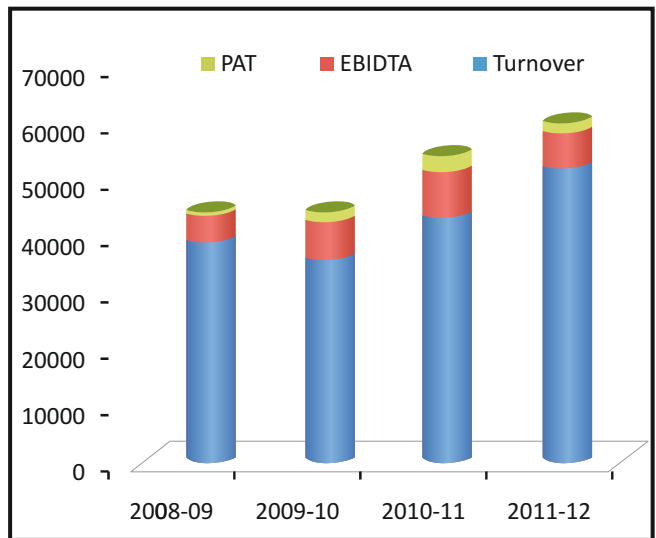
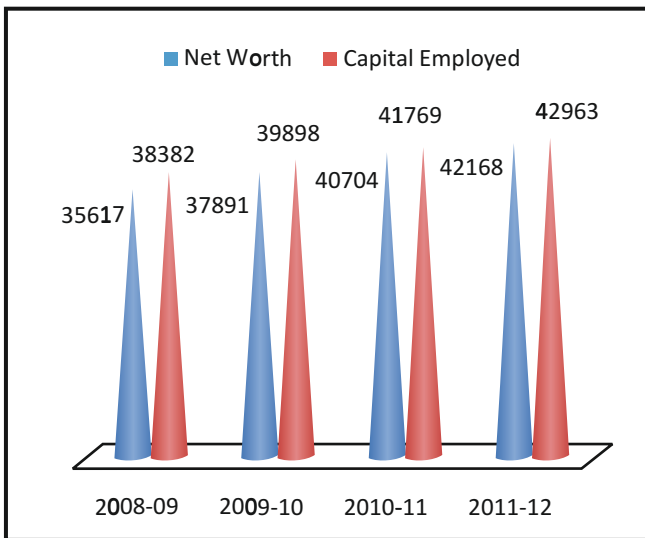
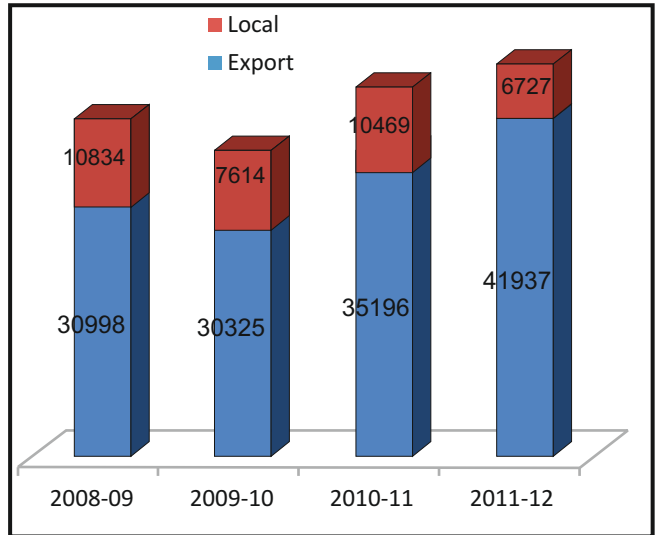
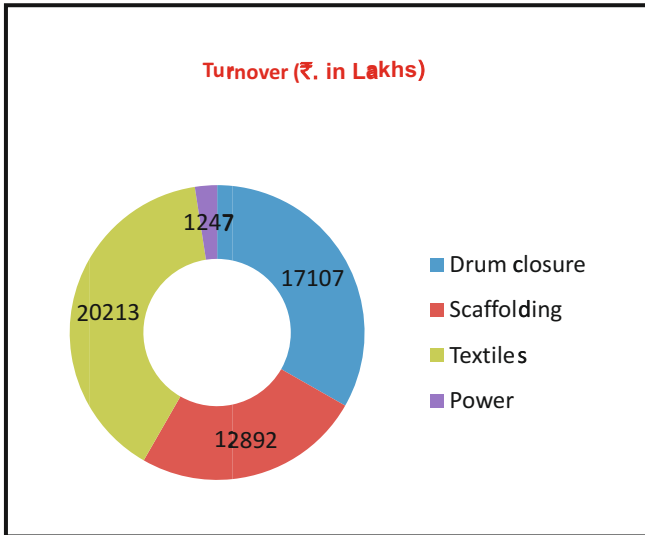
# Technocraft Industries (India) Limited



**Annual Report - 2011-12**



# FINANCIAL SNAPSHOT





## GENERAL INFORMATION

### Board of Directors

Mr. M.D. Saraf	Chairman
Mr. S.K. Saraf	Managing Director
Mr. S.M. Saraf	Managing Director
Mr. Atanu Choudhary	Whole time Director
Mr. S.B. Agarwal	Independent Director
Mr. G.K. Gupta	Independent Director
Mr. Anand Didwania	Independent Director
Mr. Pankaj Toprani	Independent Director

### Senior Management

Mr. Navneet Kumar Saraf	COO
Mr. Ashish Kumar Saraf	CFO
Mr. Subhash Khandelwal	President Mktg.

### Company Secretary & Compliance Officer

Mr. Manoj Jain

### Bankers

Bank of India  
IDBI Bank  
HDFC Bank  
CITI Bank NA

### Auditors

M.L. Sharma & Co.  
Chartered Accountants  
107, First Floor, Chartered House  
297/299, Dr. Cawasji Hormashi Street  
Marine Lines, Mumbai- 400002

### Registrar & Share Registrar Agent

System Support Services  
209, Shivai Industrial Area  
Andheri Kurla Road, Andheri (E)  
Mumbai- 400072

### Registered & Corporate Office

“Technocraft House”  
A-25, MIDC, Marol Industrial Area,  
Road No. 3, Opp. ESIS Hospital,  
Andheri (E), Mumbai- 400093  
Maharashtra, India  
Tel: 022-40982222, Fax No. 022-28356559

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## NOTICE

Notice is hereby given that the **20<sup>th</sup>** Annual General Meeting of the Members of Technocraft Industries (India) Limited will be held on **Friday 28th September, 2012** at **11.00 a.m.** at Technocraft House , A-25, MIDC, Road No. 3, Opp. ESIS Hospital, Andheri (E), Mumbai, 400093 to transact with or without modification (s) as may be permissible, the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, Profit & Loss Account for the year ended on that date together with the report of the Directors and Auditors thereon.
2. To Declare Dividend on 3, 15, 26,750 Equity Shares for the year ended 31st March 2012.
3. To appoint a Director in place of Mr. S.B.Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Anand Didwania, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass, following resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to provision of section 224 and other applicable provision, if any, of the Companies Act, 1956 M/s M.L.Sharma & Co, Chartered Accountants, (Registration No. 109963W) be and is hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting on the remuneration as may be fixed by the Board of Directors of the Company.”

By the Order of Board of Directors  
**For Technocraft Industries (I) Limited**

Mumbai, 09<sup>th</sup> August, 2012

**Manoj Jain**  
Company Secretary

### Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.**
2. The corporate members intended to send their authorised representative to attend the meeting are required to send certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting
3. The Register of members and Share Transfer Register of the Company will remain closed from **Saturday 22nd September 2012** to Friday, 28th September, 2012, both days inclusive. If the final dividend as recommended by the Board of Directors is approved at the meeting, payment of such dividend will be made on or after **28th September, 2012** to all beneficial owners of the shares held in electronic forms as per the data as may be available by the NSDL and CDSL as at the close of business hour on **21st September 2012**.
4. Members are requested to notify immediately any change in their address along with Pin code Number to the Company/ Share Transfer Agent.



## NOTICE

5. The Non Resident –Indian Members are requested to inform the Company's Registrar and Share Transfer Agent immediately:
  - a. The change in the residential status to return to India for permanent settlement
  - b. The particulars of the Bank Account maintained in India with complete name, branch, type of accounts, account numbers and address of the Bank with PIN code no. if not furnished earlier
6. The Company's Equity Shares are listed at National Stock Exchange & Bombay Stock Exchange. Annual listing fee has been paid to the said exchanges in time.
7. Members who wish to seek any further information/clarification at the meeting, on the annual accounts or operation of the Company are requested to send their queries at least one week in advance from the date of the Meeting to the Company Secretary at the registered office.
8. Members may kindly note that their Bank account details, as furnished by their Depositories to the Company, will be printed on their dividend warrant, as per the applicable regulations of the depositories and Company will not entertain any direct request from such members for deletion of or change in bank account details. Members who wish to change such bank account details are therefore requested to advise their depositories participants about such change with complete details of bank accounts.
9. Those shareholders who have not encashed their warrants are requested to immediately return the outdated warrants to the Company or to write to the Company or Company's Registrar to enable the Company to issue Demand Draft in lieu thereof.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Member holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts.
11. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.

By Order of the Board of Directors  
**For Technocraft Industries (India) Limited**

Mumbai, 09<sup>th</sup> August, 2012

**Manoj Jain**  
Company Secretary



## DIRECTORS' REPORT

Dear Members,

Directors of your Company have pleasure in presenting the 20th Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2012.

### FINANCIAL HIGHLIGHTS

(₹. In Lakhs)

Particulars	Standalone		Consolidated	
	2011-12	2010-11	2011-12	2010-11
Gross Turnover and Other Income	57297.34	48900.42	67520.50	59483.35
Profit Before Interest, Depreciation and Taxation (EBIDT)	6581.43	8964.75	7008.75	9329.29
<b>Less: Interest</b>	722.33	789.63	1141.72	867.02
<b>Profit before Depreciation and Taxation (EBDT)</b>	5858.55	8175.14	5867.03	8462.27
Less: Depreciation	2920.44	3515.50	3145.18	3647.46
<b>Profit Before Tax (PBT)</b>	<b>2938.11</b>	<b>4659.63</b>	<b>2721.84</b>	<b>4814.80</b>
Less: Provision for Taxation (including deferred Tax)	1107.65	1315.94	1195.03	1480.34
<b>Net profit for the Year</b>	<b>1830.46</b>	<b>3343.70</b>	<b>1526.81</b>	<b>3334.46</b>
Add: Surplus brought forward from previous year	4964.34	2459.38	4824.96	2609.49
Profit available for Appropriation	6794.80	6026.49	6959.04	6694.81
Appropriation				
Transfer to General Reserve	0.00	80.00	200.00	733.38
Proposed Dividend	315.27	315.27	315.27	315.27
Dividend Distribution Tax	51.14	52.36	51.14	52.36
Balance Carried to Balance Sheet	6428.39	4964.34	6152.13	4824.96

### PERFORMANCE

FY 2011-12 was a challenging year. The global economy, barely a year after recession, witnessed lower economy growth, resulting primarily from the euro zone debts crisis. The European economies stagnated and the US witnessed a downgrade in its credit rating, while the growth engines of the global economy, China and India were forced to tighten liquidity to tame rising inflation.

Despite these constraints and the challenging environment, the Company performed reasonably well. The gross sale and other income for the financial year under review were ₹. 57297.34 Lakhs against ₹. 48900.42 Lakhs for the previous financial year. An increase of 17%. Total PAT for the year stood at ₹.1830.46 Lakhs against ₹.3343.70 Lakhs for the previous year.

On consolidation basis the gross sale and other income for the financial year under review were ₹.67520.50 Lakhs against ₹. 59483.35 Lakhs for the previous financial year. Total PAT for the year stood at ₹. 1526.81 Lakhs against ₹. 3334.46 Lakhs for the previous year.

### DIVIDEND

Your Directors are pleased to recommend dividend of ₹.1 i.e.10% per equity share of ₹. 10/-, subject to the approval of shareholders at their Annual General Meeting. The dividend, if declared as above, would involve an outflow of ₹. 315.27 Lakhs towards dividend and ₹. 51.14 Lakhs towards Dividend Distribution tax, resulting in a total outflow of ₹.. 366.41 Lakhs.





## DEPOSIT

During the year ended on 31<sup>st</sup> March 2012 the Company has not accepted any Fixed Deposits from the public under section 58A and 58AA of the Companies Act, 1956 r/w Companies (Acceptance of Deposit) Rules, 1975.

## DISINVESTMENT

During the year Company sold its entire investment in Technocraft (Hungary) kft, situated in Hungary, for a total sum of ₹. 18.32 Million.

## DIRECTORS

Mr. S.B.Agarwal & Mr. Anand Didwania., Directors, retire from the Board by rotation and eligible have offered them for re-appointment at ensuing Annual General Meetings. The Notice convening Annual General Meeting includes the proposals of re-appointment of Directors.

Brief resume of the above Directors, their expertise in specific functional area, name of the Public Limited companies in which they hold the directorship and their shareholdings in the Company, as stipulated under clause 49 of the Listing Agreement are given in the Report on Corporate Governance forming part of Annual Report.

## STATURORY AUDITORS

The present Statutory Auditors of the Company M/s M.L.Sharma & Co, Chartered Accountants (Registration No. 109963W), Mumbai, retire as statutory auditors at the conclusion of this Annual General Meeting of the Company. They are eligible for re-appointment and Company received a certificate from them that their reappointment, if made, would be within the limit specified under section 224 (1B) of the Companies Act, 1956 and they are not disqualified for such an appointment within the meaning of sub section (3) and (4) of section 226 of the Companies Act, 1956. Their appointment is recommended by the Board.

## AUDITORS' REPORT

The observation made in the Auditors' Report, read together with the relevant notes thereon are self-explanatory and hence, do not call for any comments under section 217(3) of the Companies Act, 1956. The Auditors' Report on consolidated Accounts is also attached. The Consolidated Accounts have been prepared in accordance with the Accounting Standards prescribed by The Institute of Chartered Accountants of India.

## COST AUDIT

In Pursuance to the provisions of Section 233B of the Companies Act, 1956 and with the prior approval of the Central Government, M/s. Kedia & Co., Cost Accountants (Regn. No. 198) were appointed as Cost Auditors to conduct audit of cost records for **Steel Industry** for the financial year 2011-12.

The Cost Audit Report for the Financial year 2011-12 is due to be filed with the Ministry of Corporate Affairs within 180 days from the close of the financial year (i.e. dt: 27.09.2012). Therefore, the completion of Cost Records & Cost Audit of the same is in progress.

## CONSOLIDATED FINANCIALS

The Ministry of Corporate Affairs (MCA) by General Circular No.2/2011 dated 8th February, 2011, issued a direction under section 212(8) of the Companies Act, 1956; that the provision of section 212 shall not apply to companies in relation to their subsidiaries, subject to fulfill certain conditions mentioned in the said circular with immediate effect. The Board of Directors of your companies at the meeting held on 28th May, 2012, approved the Audited Consolidated Financial Statements for the financial year 2011-12 in accordance with the Accounting Standard (AS-21) and other Accounting Standards issued by the Institute of Chartered Accountants of India as well as clause 32 of Listing Agreement, which includes



financial information of all its subsidiaries and forms part of this Annual Report.

The Annual Accounts and financials of all the subsidiaries of your company and related details information shall be made available to members on request and are open for inspection at the registered office of the Company. Your Company has complied with all the conditions as stated mentioned under the circular and accordingly not attached the financial statements of the subsidiaries for the financial year 2011-12. A statements of summarized financials of all the subsidiaries of your company including capital, reserve, total assets, total liabilities, details of investment, turnover etc. pursuant to General Circular issued by the Ministry of Corporate Affairs, forms part of this report.

## CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion & Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

## CORPORATE SOCIAL RESPONSIBILITY

Technocraft has adopted a philosophy of supporting rural development through education and social infrastructure. Technocraft is implementing a very important educational project, The project consist of a world class technical training institute located in a 9 acres plot in collaboration with Nettur Technical Training Foundation (NTTF). The school has already been running and hostel buildings are almost ready.

The School conduction Diploma courses in Mechatronics and Tool and die Making. These are jobs oriented courses and will upgrade the lives of the student substantially.

The Technocraft also maintain emergency health care services and has an ambulance in place for the use of local community. Technocraft is committed to protection of environment and are continuously planting trees and taking all measures for complete and efficient pollution control.

## MANAGEMENT DISCUSSION AND ANALYSIS

The detailed review of operation, performance and future outlook of your company and its business is given in the Management and Discussion Analysis, which forms part of this report.

## PARTICULARS OF EMPLOYEES

Particulars of Employees of the Company, as required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 for the year ended 31st March, 2012.

Employees employed throughout the financial year 2011-2012 and who received remuneration for the financial year in the aggregate of not less than ₹. 60, 00,000/- per annum.

Name	Designation	Age	Qualification	Experience	Date of Commencement of employment	Gross Remuneration
Mr. S.K.Saraf	Managing Director	65	B.Tech.	40 Years	28.10.1992	146.40
Mr.S.M.Saraf	Managing Director	63	B.Tech.	39 Years	28.10.1992	146.40
Mr. Navneet Saraf	Chief Operation Officer	34	B.E.(Mech.)	12 Years	23.12.2006	73.20
Mr. Ashish Saraf	Chief Financial Officer	30	C.A.(Inter)	10Years	23.12.2006	73.20

### Notes:

- Gross Remuneration includes Salary, Bonus, Allowances & Commission.





## **DI RECTORS' RESPONSBI LITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors of the Company confirm that:

1. in the preparation of annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departure;
2. the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the Profit of the Company for the year ended on that date;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act,1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Annual Accounts have been prepared on a 'going concern' basis.

## **ACKNOWLEDGEMENT**

Your Directors would like to thank all Bankers, Central Government, State Government, Reserve Bank of India, Financial Institutions, Share Holders, Customers, Dealers, Suppliers and all other business associates for the continued support given by them to the Company and their confidence in its management. Your Directors also place on record their deep sense of appreciation for the services rendered by the employees of the Company.

## **ENERGY, TECHNOLOGY AND FOREI GN EXCHANGE**

In compliance with the requirement of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the statement showing the particulars in relation to conservation of energy, technology absorption and foreign exchange earnings and outgoing is furnished and form part of this report as per **Annexure-A**

**For & On behalf of the Board**

**M.D.Saraf**  
Chairman

Mumbai, 28<sup>th</sup> May, 2012



## Annexure of Directors' Report

### Power & Fuel Consumption (Division wise Break up)

#### Drum Closure Division

Power and Fuel Consumption	2011-12	2010-11
<b>1. Electricity</b>		
(a) Purchase Unit (KWH)	6573925	2978234
(b) Total Amount (₹.)	42651889	3,48,93,374
(c) Rate per Unit (₹.)	6.48	5.83
<b>2. Through diesel Generator</b>		
(a) Unit generate (Unit)	19715	161899
(b) Unit per ltr of Diesel	14.22	13.28
(c) Cost/unit (₹.)	29.15	24.52

#### Scaffolding Division

<b>1. Electricity</b>		
(a) Purchase Unit (KWH)	4011335	5350932
(b) Total Amount (₹.)	26670190	27637947
(c) Rate per Unit (₹.)	6.65	5.16
<b>2. Through diesel Generator</b>		
(a) Unit generate (Unit)	132836	
(b) Unit per ltr of Diesel	4.58	NA
(c) Cost/unit (₹.)	10.47	
<b>3. Through C.P.P.</b>		
(a) Total Unit	1345800	
(b) Total Amount (₹.)	8813450	NA
(c) Rate per Unit (₹.)	6.55	
<b>4. COAL</b>		
(a) Total quantity (M.Ton)	705.90	954.85
(b) Total Cost (₹.)	2816541	14175467
(c) Average Rate (₹.)	3990.00	4241.83
<b>5. Furnace Oil</b>		
(a) Quantity (M.ton)	333.00	366.00
(b) Total Amount (₹.)	12416244	14175467
(c) Average Rate (₹.)	37286	38730.79

#### Textile Division

<b>1. Electricity</b>		
(a) Purchase Unit (KWH)	20840056	42722632
(b) Total Amount	139732880	28733372
(c) Rate per Unit (₹.)	6.71	6.08
<b>2. Through Diesel G.Set</b>		
(a) Unit generated	685548	NA
(b) Unit per ltr of Diesel	4.13	
(c) Cost per unit (₹.)	6.90	



### Textile Division (contd.)

<b>3. Through CPP</b>		
(a) Unit Purchase (Unit)	22972671	25451659
(b) Unit per kg of Coal	0.91 u/kgs	0.92 u/kg
(c) Rate per unit (₹.)	5.03	5.72
<b>4. Furnace Oil</b>		
(a) Quantity (MT)	166114	1874
(b) Total Amount	4734240	14175467
(c) Average rate	30000	25807.33

### Technical Absorption

- (a) Specific areas in which R & D is carried out by the Company

Company undertakes continuous research and development activities with an objective to reduce operational costs and improve the efficiency of our plants

- (b) Benefits derived as a result of the R&D

Reduction of manufacturing cost and it improves the efficiency and profitability of the Company.

### Future plan of Action

Your Company intends to continue focus on core strength by adding new products, increase the production capacity.

### Technology Absorption, Adoption and Innovation

- (a) Efforts, in brief, made towards technology Absorption, adoption and Innovation

- (b) Benefits derived as a result of the above effort:

To deliver highest possible quality product and solutions that satisfies our customer.

In case of Imported Technology, following Information is furnished:

No imported Technology has used during the year

### Foreign Exchange Earning & Outgo

(₹.In Lakhs)

Particulars	2011-12	2010-11
FOB Value of Export	39519.32	32239.31
CIF Value of Import Raw Material, Packing Material and Store and Spare parts	408.99	790.35
Other Expenditures	758.19	707.13

### Activities relating to Export

Your Company has taken various initiatives to increase export turnover by introducing new products and established foreign subsidiaries worldwide to sell, market and promote the various products of the Company. Further, the management of the Company made continues efforts to explore the new markets for its products. Company also appoints some foreign officers to capture the untapped market for its products.

For and on Behalf of the Board

**M.D. Saraf**  
(Chairman)



## Management Discussion & Analysis Report

### GLOBAL ECONOMIC CONDITIONS

FY 2012 was among the most challenging years. The policy and governance environment impacted the economic scenario. Persistent inflation resulted in the regulator raising the policy rates leading to a high interest rates environment. The global environment remained weak for most part of the year with many European nations sinking into recession, the US showing muted growth and even China witnessing a slowdown from its consistent growth over the past decade.

On positive notes, many advance economies have made good progress in designing and implementing strong medium terms fiscal consolidation programmes. At the same time emerging and developing countries continue to have the benefit to latent demand in their economies and need to continue with reform to maintain growth. However problem could easily flare up again in the Euro area and fiscal policy could tighten very abruptly in the United State in 2013. Consequently, while there will be pockets of growth opportunities there is also Considerable uncertainty in the global economies.

### INDIAN ECONOMY AND OUTLOOK

Lower global demand, domestic policy uncertainty and the cumulative impact of monetary tightening contributed to growth slowing down considerably to the estimated level of 6.5% in 2011-12. All three sectors of the economy – agriculture, industry and services – slowed down. Even though there was moderation in agriculture growth, the year witnessed an all-time high food-grains output. The services sector moderated primarily due to the slowdown in construction, while the disappointing performance of mining and manufacturing subsectors contributed to slackening of industrial growth. GDP growth rates has been a fall in 2011-12 compared to 2010-11

### INDUSTRIAL STRUCTURE AND DEVELOPMENT

#### Drum Closure

The Drum Closure segment is continuously maintaining its growth. The sale of the drum closure during the period was ₹.17107 Lakhs compare to ₹.16553 Lakhs. Almost 100% sales consist Export Sales. The increase of sale is due to improvement in efficiency of Drum Closure manufacturing facilities and addition of new market. Your company is continuing maintaining position of world leader in the segment.

#### Scaffoldings

The performance of Scaffolding segment tremendously improved during the year compare to previous year. The turnover during the year was ₹ 12892 Lakhs compare to previous year of ₹.9285 Lakhs. The growth of 39% compare to previous year. The export turnover was ₹. 8681 lakhs and Domestic sales was ₹. 3286 Lakhs.

#### Textile

The Growth of Textiles has slow down compare to previous year due to lack of demand. In 2011-12 total turnover of Textile segment of the Company was ₹.20213 Lakhs compare to ₹. 21450 Lakhs in 2010-11. Company export of textiles was 90% of total turnover. Apart from rising cost of raw material, the textile and apparel industry is facing upward cost pressure from other parameters as well. Major cost components like power and raw material have been increasing significantly.

Textile industry is a very labour intensive industry. The primary reason why manufacturing jobs in this industry shifted from developed to developing countries was the cost advantage offered by the latter. But rising standard of living and inflations has pushed up labour costs across the textile and manufacturing countries. India saw an average increase of 10% to 15% in labour cost other countries like China and Cambodia saw increase in labour cost ranging from 15% to 35% .



## Risk & Opportunity

### Textile

While there is a formal structure for risk management, which is regularly implemented across the organization, There are certain regular risks and concerns that face in its businesses and the Company has taken several Mitigation measures.

**Raw Material** - The major raw materials for Technocraft is cotton, the global market dynamics continuously affect the Company. Availability and prices of these critical inputs. The price and availability issues are a major risk to the company's business.

**Power & Fuel:** With a share of around 10% in overall costs, power and fuel are major manufacturing costs in the production of textiles. Any increase in these costs therefore has an adverse impact on Technocraft's bottom line. Over the past year, prices for power & fuel have been increasing. The Company's coal base 15MW captive power plant helps to mitigate of the power cost risk

**Market**- Technocraft is Export Oriented Business and growth depend upon the demand in International Market specially USA and UK

### Scaffolding and Drum Closure

The rising inflation, interest rate and tightening of monetary policies may result in the lower spending of infrastructure projects which may reduce the demand for the Drum Closure and Scaffoldings. Apart from this competition for Scaffolding from both, domestic and International may affect the bottom line of the segment.

However inclusion of new products in Scaffolding segment viz Microwave Towers, Roof Top Towers, Ground based towers, narrow base, Angular etc. These towers are use in Telecommunication, Power Transmission, Solar and Wind Mills Energy kinds of Industries.

Towers are designed using latest software based programs taking into account various parameters such as

- Wind load conditions
- Antenna loading
- Conductor load conditions
- Ice load conditions
- Topography factor
- Dynamic effect of wind
- Lights loading
- Factor of safety
- Certification / Standards requirements

Apart from manufacturing towers as per customer designs, Technocraft also undertake design of towers including SERC / IIT's approval and also undertake Civil Foundation, erection of towers at sites including painting.

We also designing, manufacturing, supply, site erection etc. activities and pays quality attention towards its in plant activities

### Internal Control System and their adequacy

The Company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported and applicable statures and corporate policies are duly complied with. The internal control system is supplemented through an independent extensive internal audit program and periodic review by management and audit committee.

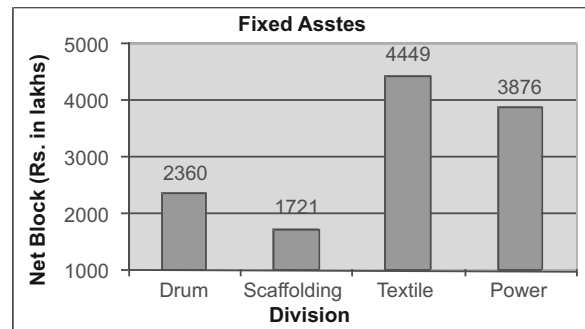
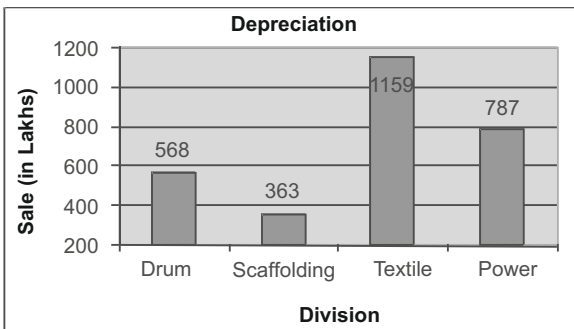
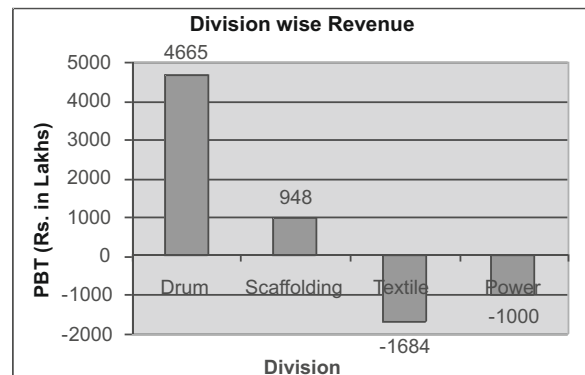
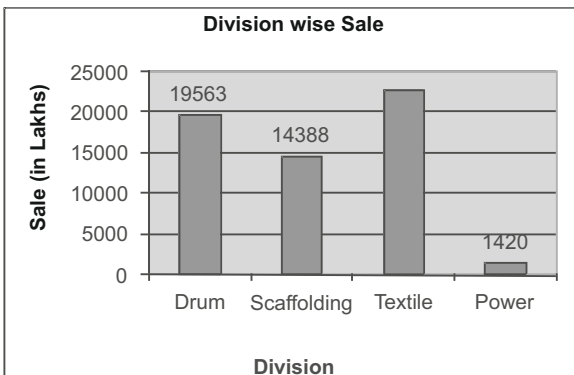


## Segment wise financial performance

The summarized segment-wise performance of the Company for the financial year 2011-2012 is as follows

(₹. In Lakhs)

Business Segment	Drum Closures	Scaffolding	Yarn	Garment	Power	Total
<b>A. Segment Revenue</b>	17107.63	12892.05	17357.60	2856.78	1247.28	<b>51467.34</b>
<b>B. Segment Results (profit and loss before interest)</b>	4520.23	1377.88	(435.35)	197.64	(212.64)	<b>6592.39</b>
<b>Less: i) Interest</b>						<b>693.15</b>
<b>ii) Other unallocable expenditure net of unallocable income</b>						<b>2961.13</b>
<b>Total Profit before tax</b>						<b>2938.11</b>
<b>C. Capital Employed (Segment assets-Segment liabilities)</b>	5727.80	4603.33	7814.95	1129.70	3793.73	<b>23069.51</b>



## Industrial Relation

During the year under review, development of leadership and people capability in the organization continued to be the focus. However, as several companies are witnessing in this economic slowdown reduction in labour cost and other cost cutting measures. This has resulted in some cut.

## Cautionary Statement

Statement made in Management Discussion and Analysis Report describing the Company's objectives, estimates and expectation or predications are "Forward looking Statement" within the meaning of applicable laws and regulations. They are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operation include global and Indian demand- supply condition, raw material availability, trained manpower, changes in Government regulations, tax regimes, economic development within India and the countries within which the company conducts business and other incidental factors.





## Corporate Governance Report for the year 2011-2012

(As required under clause 49 of the Listing Agreements entered into with the Stock Exchanges)

### 1. Company's Philosophy on Corporate Governance

The Company believes that good corporate governance practices enable the management to direct and control the affairs of a company in an efficient manner and to achieve its ultimate goal of maximizing value for all its stakeholders. The Board of Directors supports the Board principles of Corporate Governance and lays strong emphasis on its trusteeship role to align and direct the actions of the organization to achieve its objective of transparency, accountability and integrity. The objective extends, not merely to meet with statutory requirement but also to go beyond them by putting into place procedures and systems which are in accordance with best practices for governance.

### 2. Board of Directors

#### Composition

The Board of Directors Consists of Professional draw from diverse fields. The Board headed by a Non- Executive Chairman. One- half of the Board consist of independent directors

The day to day management of the Company is conducted by the Committee of the Director subject to the supervision and control of Board of Director.

During the year 2011-2012, the Board of Directors met four times on the following dates:

04th May, 2011, 03rd August, 2011, 29th October, 2011, and 14th February, 2012. The gap between any two meetings had been less than four months, thus complying with the Clause 49 requirement. The dates of the meeting were decided well in advance. The information as required under Annexure I to Clause 49 is being made available to the Board.

The Details of composition of the Board, Directors attendance at the Board Meetings and at the last Annual General Meeting, Outside Directorship and the Board Committee Membership as at 31st March, 2012 is tabulated hereunder

Name	Category	No. of Board Meeting attended during 2011-2012	Whether attended last AGM held on 30 <sup>th</sup> Sep. 2011	No of Directorship held in Indian public companies (including TIL) #	No. of Board Committees of other Companies in which a member # #
Mr. M.D.Saraf	Chairman, Non Executive	3/4	Yes	4	1(Chairman)
Mr. S.K.Saraf	Managing Director, Executive	3/4	Yes	5	2(Member)
Mr. S.M.Saraf	Managing Director, Executive	4/4	Yes	4	1(Member)
Mr. Atanu Choudhary	Whole Time Director	3/4	No	1	-
Mr. G.K.Gupta	Non-Executive-Independent	2/4	No	8	1(Member) 1(Chairman)
Mr. S.B.Agarwal	Non Executive-Independent	4/4	Yes	3	1(Chairman) 2(Member)
Mr. Pankaj Toprani	Non Executive – Independent	3/4	No	1	1(Member)
Mr. Anand Didwania	Non-Executive-Independent	4/4	No	2	2(Member)

# excludes alternate directorship in foreign companies, private companies and companies governed by section 25 of the Companies Act, 1956.

## Excludes Committee other than Audit Committee and Shareholder/ Investors Grievance Committee



## CODE OF CONDUCT

The Company had adopted the code of conduct for all Directors and senior management of the Company, which is posted on the company's web-site. Further all directors and senior management personnel (as per clause 49 of the Listing Agreement) have affirmed compliance with the code. A declaration to this effect signed by the CEO is given in this annual report.

## BOARD'S FUNCTIONING AND PROCEDURE

The Technocraft's Board plays a pivotal role in ensuring good governance. Its style of functioning is democratic. The members of the Board have always had complete freedom to express their opinion and decisions are taken on the basis of a consensus arrived at after detail discussion. The Members are also free to bring up any matter for discussion at the Board Meetings with the permission of the Chairman.

The Board's role, function, responsibility and accountability are clear defined. In addition to its primary role of setting corporate goals and monitoring corporate performance it directs and guides the activity of Management towards the set of goal and see the accountability with the view to ensure corporate philosophy and mission.

The items placed at the meeting of the Board include the following:

- Annual operating financial plans and budgets and update
- Corporate performance against the business plan
- The unaudited quarterly/half yearly financial result and the audited annual accounts of the Company, on both stand alone and consolidated basis including segment wise revenue, result and capital employed, for consideration and approval
- Financial statements such as cash flow statements, inventories and debtors
- Internal Audit report and Business risk assessment and step for mitigation risk
- Review compliance of all laws applicable to the company including requirement under listing agreement with the stock exchange and steps taken by the Company to rectify instance of non compliance, if any.
- Material communication from the Government including SCN, demand, prosecution notice and penalty notice, if any.
- Sale of material natures' of Investment, subsidiaries' assets, which is not in normal course of business.
- Opportunities for expansion, modernization, new project, merger, acquisition and divestment;
- Delegation of power of the management
- Information on senior appointment below the board level including the appointment of CFO and the Company Secretary;
- Communication to the stock exchange, the shareholders and the press regarding Company's performance;
- Report on investor grievance, shareholders pattern and Secretarial Audit Report

The Minutes of the Meetings of the Board of Directors are individually given to all directors and confirmed at the subsequent Board Meeting.

Details of Board Meeting held during the financial year and the number of directors present:

Sr. No	Date on which the Board Meeting were held	Total Strength of the Board	No of Directors Present
1	May 04, 2011	8	7
2	August 03, 2011	8	5
3	October 29, 2011	8	7
4	February 14, 2012	8	7

## COMMITTEE OF THE BOARD

### AUDIT COMMITTEE (CONSTITUTED IN 2006)

The Audit Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors. It address itself to matters pertaining to adequacy, accuracy and reliability of financial statements, adequacy of provisioning for liabilities, Working Capital Analysis, time and cost overrun Implementation of projects. The Audit Committee reviews the adequacy and efficacy of Internal Control



System and whether the audit tests for Internal Control Systems are appropriate. The role of audit committee includes the following: -

- Review of Management Discussion and Analysis of Financial Condition and result of operation;
- Statement of significant related party transaction;
- Review with Statutory Auditors and Internal Auditor on the adequacy of Internal Control and steps to be taken for strengthening the areas of the weakness on Internal Controls;
- Review the appointment, terms of remuneration and removal of Internal Auditor;
- Review the Company's financial reporting process and disclosure of its financial information to ensure that financial statements are correct and fair;
- Recommending the appointment, reappointment and removal of Statutory auditor, fixing the audit fees and approval of any other services rendered by the auditors;
- Reviewing with the management, the quarterly/annually financial statements before submission to the board for approval with particular reference to: -
  - (a) matters required to be included in the Directors' Responsibility Statements which form part
  - (b) of the Directors' Report as per section 217(2AA) of the Companies Act, 1956;
  - (c) change, if any, in accounting policies and practices and reasons for the same;
  - (d) significant adjustment made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statement;
  - (f) disclosure of any related party transaction;
  - (g) qualification in draft audit report;
- Reviewing of operation and financial statements of Subsidiary Companies;
- To carry out any other function as mentioned in the terms of reference of the Committee and the Internal Audit character;

The members of the Audit Committee comprised of the following: -

Name of the Member	Category	Qualification
Mr. S.B.Agarwal	Non Executive/Independent	<b>M.Com, M.A. (Eco.) FCA, LLB</b>
Mr. G.K.Gupta	Non Executive/Independent	<b>B.Com</b>
Mr. Anand Didwania	Non Executive/Independent	<b>B.Sc.</b>
Mr. Pankaj Toprani	Non Executive/Independent	<b>ACA, ACS, LLB</b>

The dates on which the Audit Committee Meetings were held and the attendance of the members at the said meetings are as under:

Sr. No.	Date on which ACM were held	Attendance Record of the Members			
		S.B.Agarwal	Pankaj Toprani	G.K.Gupta	Anand Didwania
1	May 04, 2011	Attended	Attended	Attended	Attended
2	August 03, 2011	Attended	Leave of Absence	Leave of Absence	Attended
3	October 29, 2011	Attended	Attended	Leave of Absence	Attended
4	February 14, 2012	Attended	Attended	Attended	Attended

## REMUNERATION COMMITTEE

The Company has formed this Committee to decide and approve the terms, condition and remuneration for appointment of executive directors. The remuneration committee consists of three directors viz. Mr. S.B.Agarwal, Anand Didwania and Mr. G.K.Gupta. All three directors are independent directors.

Board terms of reference of the Remuneration committee includes recommendation to the Board of Salary/perquisites, commission and other retirement benefits to the Company Managing Director/Whole Time Director within the board parameters approved by the Board/ Shareholders.

No remuneration is paid to Non executive and Independent Directors except sitting fee @ 10,000 per meeting. The sitting fee paid during the year 2011-2012 is within the limit specified by the Govt. of India and Article of the Company.

There was no Employee Stock Option Scheme during the Financial Year ended 31st March, 2012.



## INVESTOR RELATION & SHARE TRANSFER COMMITTEE

The investor relation and Share Transfer Committee constituted by the Board to consider the Investor Grievance and other issues relating to shareholders including transfer and transmission of shares as well as non- receipt of dividend , Annual Report. In addition, committee looks into systems and procedure followed to track investors' complaints and suggest measures for improvement from time to time. The present members of the Committee are Mr. G.K.Gupta, Mr. Sharad Kumar Saraf and Mr. Sudarshan Kumar Saraf.

The Company secretary acts as Secretary to the Committee. He is compliance officer of the Company and also responsible for redressal of investors complaints.

During the year under review one meeting of the Committee was held on 15th March 2012. Details of attendance by Directors for the Committee are as follows:

Name of Director	Category	No of Meeting	Meeting Attended
G.K.Gupta	Chairman	1	1
Sharad Kumar Saraf	Member	1	1
Sudarshan Kumar Saraf	Member	1	1

Investor grievance received and attended during the year 2011-2012 and pending as on 31.03.12

Received	Attended	Pending
08	08	0

## COMMITTEE OF BOARD

Committee of Board has been constituted on 31st October, 2007, to review day to day operations of the Company. The Committee currently constitutes Mr. S.K.Saraf, Mr. S.M. Saraf and Mr. M.D. Saraf and Mr. G.K.Gupta as its member.

### Composition of Committee of Director

Mr. M.D.Saraf  
Mr. S.K. Saraf  
Mr. S.M.Saraf  
Mr. G.K.Gupta

The Committee has been formed to review the day to day business operation of the Company.

## SUBSIDIARIES COMPANIES

The Company does not have a material non listed subsidiary whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively of the listed holding company and its subsidiaries in the immediately preceding accounting year.

## DISCLOSURE

- All the related transactions have been entered in to 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, required to be placed before the audit committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on an arm's length.
- The Company, during the year, has not entered into transactions of material nature with the directors, promoters and the management that may have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in notes of accounts.
- No penalties, strictures have been imposed on the Company by the Stock Exchanges, SEBI and any other statutory authority on any matter related to capital market during the last three years.
- There was no pecuniary relationship or transaction of the Non Executive Directors vis-à-vis the Company during the financial Year 2011-2012.



- (e) The Company has complied with all the mandatory requirements of clause 49 of Listing Agreement.
- (f) All Accounting Standards mandatory required have been followed in preparation of financial statements except those mentioned in the audit report by the Statutory Auditor of the Company.
- (g) The company follows Secretarial Standards (SS) issued by Institute of Company Secretaries of India.

### GENERAL BODY MEETING

Location and time of General Meeting

Date	Year	Type	Venue	Time
30/09/2011	2010-11	Annual General Meeting	Technocraft House, A-25, Road No.3, MIDC, Marol Industrial Area, Andheri (E), Mumbai- 400 039	11:00 A.M
16/09/2010	2009-10	Annual General Meeting	Technocraft House, A-25, Road No.3, MIDC, Marol Industrial Area, Andheri (E), Mumbai- 400 039	11:00 A.M
30/09/2009	2008-09	Annual General Meeting	Technocraft House, A-25, Road No.3, MIDC, Marol Industrial Area, Andheri (E), Mumbai- 400 039	11:00 A.M

All resolutions moved at the last Annual General Meeting were passed by a show of hands by the requisite majority of members attending the meeting

Court Convene meeting was held for approving the scheme of Re- organization and Amalgamation of Danube Fashions Limited with the Company.

### MEANS OF COMMUNICATION

The unaudited quarterly/ half yearly and audited yearly results are announced within the time stipulated in the Listing Agreement with the Stock Exchanges. The aforesaid financial statements are taken on record by the Board of Directors and are communicated to the Stock Exchange where the Company's shares are listed. Once the Stock Exchange have been intimated these results are given by way of press release to various newspapers and published within 48 hours in two leading daily newspaper- one in English and one in Marathi.

The annual audited result for the year ended on 31st March 2012 was approved on 28th May, 2012. The aforesaid financial results are taken on record by the Board of Directors and are communicated to the Stock Exchanges. The audited annual financial results form a part of the Annual Report which is sent to the shareholders prior to the Annual General Meeting.

The Annual and quarterly results are put on the Company's website: [www.technocraftgroup.com](http://www.technocraftgroup.com)

### GENERAL SHAREHOLDERS INFORMATION

#### UNCLAIMED DIVIDEND:

Section 205 of the Companies Act, 1956, mandates that companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investors Education and Protection Fund (IEPF). Accordingly, the dividend for the year 2007, 2008, 2009, 2010 & 2011, if unclaimed within a period of seven years will be transferred to IEPF. Pursuant to section 205A (5) of the Companies Act, 1956 the unpaid dividends that are due for transfer to the investor Education and Protection Fund are as follow: -

Financial Year Ended	Date of Declaration	Last Date for Claiming Unpaid Dividend	Due Date for Transfer to IEPF
31.03.2007	07.09.2007	12.10.2014	11.11.2014
31.03.2008	14.11.2008	19.12.2015	18.01.2016
31.03.2009	30.09.2009	04.11.2016	03.12.2016
31.03.2010	16.09.2010	21.10.2017	20.11.2017
31.03.2011	30.09.2011	04.11.2018	03.12.2018



In case of non receipt/ non encashment of the dividend warrants, Members are requested to correspond with the Company's Registrar.

#### LISTING OF STOCK EXCHANGE-

The Company's securities are listed on National Stock Exchange of India & the Stock Exchange, Mumbai. Annual Listing fee for the financial year 2012-2013 has been paid to both the Exchanges.

Name of the Stock Exchange	Stock Code
The Bombay Stock Exchange Limited	532804
National Stock Exchange of India Limited	TIIL

#### MARKET PRICE DATE: HIGH & LOW DURING EACH MONTH IN THE LAST FINANCIAL YEAR:

Month	Bombay Stock Exchange			National Stock Exchange		
	High	Low	No of Shares traded during the Month	High	Low	No of Share traded during the Month
April 2011	72.90	55.00	741331	72.90	53.55	861019
May 2011	62.10	52.00	154966	62.15	52.10	156973
June 2011	59.45	49.50	128828	59.40	49.45	172161
July 2011	66.20	51.50	736320	66.20	51.55	1104507
August 2011	53.85	35.55	264124	52.90	35.20	276956
September 2011	44.65	37.00	97131	45.90	37.25	211308
October 2011	40.80	36.20	106545	40.85	36.30	64295
November 2011	40.40	30.10	133575	40.00	30.10	60245
December 2011	33.95	27.40	75052	32.90	26.55	32208
January 2012	37.15	28.70	150724	39.95	28.35	70597
February 2012	44.90	31.10	931735	45.40	33.40	345517
March 2012	38.80	31.00	243678	38.00	33.10	285088

#### REGISTRAR & TRANSFER AGENT:-

System Support Services  
209, Shivai Industrial Area  
Andheri Kurla Road, Andheri (E)  
Mumbai- 400072

Phone No. 022- 2850 0835  
Fax No. 022- 2850 1438  
Email: sysss72@yahoo.com

#### SHARE TRANSFER SYSTEM

Technocraft's investor services are handled by System Support Services. Company's equity shares are traded only in dematerialization form.

As required under clause 47(C) of Listing Agreement entered into by Technocraft Industries(India) Limited and stock exchanges, a certificate is obtained every six month from a practicing Company Secretary, with regard to inter alia, effecting transfer, transmission, subdivision, consolidation, renewal and exchange of equity shares. The Certificate is forwarded to NSE and BSE, where shares are listed, within 24 hours of issuance and also placed before the Board.



**DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2012**

Sr. No	Shares Range		No of Shares	% to Capital	No of Shareholders	% to Total no of Holders
	From	To				
1	1	10	2869	0.009	563	3.399
2	11	25	13590	0.043	634	3.827
3	26	50	59246	0.188	1283	7.745
4	51	100	548777	1.741	7298	44.054
5	101	500	1163767	3.691	5504	33.225
6	501	1000	523189	1.660	642	3.875
7	1001	5000	1139313	3.614	492	2.970
8	5001	10000	562441	1.784	76	0.459
9	10001	10000	1747813	5.544	57	0.344
10	100001	ABOVE	25765745	81.272	17	0.103
	<b>Total</b>		<b>31526750</b>	<b>100</b>	<b>16566</b>	<b>100</b>

**SHAREHOLDING PATTERN AS ON 31ST MARCH 2012**

Category	No of Shares held	% of Holding
Promoters & Promoters Group	23636562	74.97
Bank, Financial Institutions & Insurance Companies	764366	2.42
Private Corporate Bodies	1232230	3.90
Indian Public	5455583	17.30
NRI's/ OCBs	438009	1.38
<b>Total</b>	<b>3,15,26,750</b>	<b>100.00</b>

**SHAREHOLDING OF THE DIRECTORS AS ON 31ST MARCH, 2012**

Name	Category	No of Shares
M.D.Saraf	Promoter-Non Executive Director	94759
S.K. Saraf	Promoter-Executive Director	423080
S.M. Saraf	Promoter-Executive Director	8750652
A.A. Choudhary	Executive Director	0.00
S.B. Agarwal	Independent Director	0.00
G.K. Gupta	Independent Director	0.00
Anand Didwania	Independent Director	0.00
Pankaj Toprani	Independent Director	0.00

**SHAREHOLDERS EXCLUDING PROMOTERS HOLDING MORE THAN 1 % HOLDING AS ON 31ST MARCH, 2012**

Name of the Shareholders	No of Shares	% of total shareholding
HDFC Trustee Company Limited	538745	1.70
INUIT US holding Inc.	385575	1.22
Dipti Vinod Kumar Saboo	336104	1.06
Minal P Patel	472618	1.50



## DISCLOSURE WITH RESPECTS TO SHARES LYING IN SUSPENSE ACCOUNTS

In term of Clause 5A(1) of Listing Agreement, the company report following details in respect of equity shares laying in the suspense account which were issued in Demat form pursuant the public issues of the Company

Particulars	Shareholders	No of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying on 1st April, 2011	17	1382
Number of shareholders who approached to the Company for transfer of shares from suspense account during the year.	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account laying on 31st March,2012	<b>17</b>	<b>1382</b>

## DEMATERIALIZATION OF SHARES & LIQUIDITY

Category	No of Shares	% of shares to Total	No. of Shareholders	% of Total
N.S.D.L.	28985086	91.94	11007	66.44
C.D.S.L.	2541660	08.06	5557	33.54
Physical	4	00.00	2	0.12
<b>Total</b>	<b>31526750</b>	<b>100</b>	<b>16566</b>	<b>100</b>

The Company's shares are regularly traded on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The International Securities Identification Number (ISIN) is INE545H01011

## DESIGNATED E-MAIL ADDRESS FOR INVESTOR SERVICES:

In terms of clause 47(f) of the Listing Agreement, the designated e-mail address for investor complaints is investor@technocraftgroup.com or you may directly mail to manoj.jain@technocraftgroup.com

## FINANCIAL CALENDAR:

Board Meeting for consideration of Accounts for the Financial year ended March, 2012 and recommendation of dividend	28th May 2012
Posting of Annual Report	16th August 2012
Book Closure Date	22th September to 28th September 2012
Last date of receipts of proxy forms	26th September 2012
Date, Time & Venue of the Annual General Meeting	28th September, 2012 At 11.00 a.m. At Registered office of the Company
Dividend Payment Date	12th October 2012
Probable date of dispatch of warrant	12th October 2012
Board Meeting for consideration of unaudited quarterly result for the financial year ended March 2011.	Within forty-five days from the end of the quarter (except last quarter) as stipulated under the Listing Agreement with the Stock Exchanges.

## ADDRESS FOR CORRESPONDENCE

### Manoj Jain

(Company Secretary & Compliance Officer)  
Technocraft House, A-25, Street No.3, MIDC,  
Marol Industrial Area Andheri (E), Mumbai- 400093  
Ph. 022 4098 2222 (B), 4098 2106 (D)  
Fax 022 2835 6559

Email: investor@technocraftgroup.com/manoj.jain@technocraftgroup.com



## WORKS & FACTORIES

- **Drum Closure** : Plot No. C-5, Murbad Industrial Area, Dist: Thane. Tel: 02524-223220
- **Scaffoldings** : Plot No. 4/1, MIDC Murbad, Dist: Thane. Tel: 02524-222823
- **Textile & Power** : Village Dhanivali, Murbad, Dist: Thane. Tel: 02524-22941

## Details of Directors Seeking Appointment/ Reappointment at the forthcoming Annual General Meeting

Particulars	S.B.Agarwal	Anand Didwania
Date of Birth	12th July, 1938	14th March, 1946
Date of Appointment	01st March, 2006	05th June, 2009
Qualification	M.Com, M.A. (Eco.) FCA , LLB	B.Sc.
Expertise in specific functional area	<p>He has been a pioneer in the textile industry. He has been at the helm of affairs at the Aditya Birla Group for almost 35 years as Director -Birla Management Corporation.</p> <p>He is the Founder of SBA Consulting</p>	<p>Over 40 years of experience in Cargo Industries (Ocean and Air) He served as the President of A.C.A.A.I (Air Cargo Agents Association of India) from 1997-1999. It is the only association recognized by the Ministry of Commerce, Ministry of Civil Aviation, Airport Authorities, Customs, etc.</p> <p>He is Chairman and Managing Director of New Global Group.</p>
Directorship held in other public companies ( excluding foreign, private and section 25 companies)	<p>1. Bombay Rayon Fashion Ltd 2. Banswara Syntex Limited</p>	<p>1. Modern India Limited 2. Modern India Property Developer Limited</p>
No of Shares held in the Company	Nil Nil	Nil



## CEO Certification

To the Board of Directors,  
Technocraft Industries (India) Limited

We hereby certify that:

- a) We have reviewed the financial statements and cash flow statement of the Company for the year ended March 31, 2012 and to the best of our knowledge and belief:
  - i) These statements do not contain any material untrue statements 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 affair and are in compliance with the existing accounting standard, applicable laws and regulations, except those as mentioned in Auditor Report.
- b) There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year, are fraudulent, illegal or violate of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed the auditors and audit committee, deficiencies in the design or operation of such internal control, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and audit committee:
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that same have been disclosed in the notes to the financial statements; and
  - iii) Instance of significant fraud of which we have become aware and the involvement therein, if any, of the management or employee having a significant role in the Company's internal control systems over financing reporting.
- e) The disclosures have been received from the senior management personnel relating to the financial and commercial transaction in which they or their relatives may have personnel interest. However, none of these transactions have conflict with the Company.

**For Technocraft Industries (India) Limited**

Sd/-  
**S.K.Saraf**  
(Managing Director)

Mumbai, 28<sup>th</sup> May, 2012



## Declaration regarding compliance by Board Members and Senior management personnel with the Code of Conduct

I, Sudarshan Kumar Saraf, Managing Director of the Company, hereby confirm that all members of the Board of Directors and Senior Management Personnel have affirmed Compliance with the code of conduct, in terms of clause 49 (1)(D) (ii) of the Listing Agreement entered into with the stock exchanges, for the year ended 31st March, 2012.

**For Technocraft Industries (India) Limited**

Sd/-  
**S.K.Saraf**  
(Managing Director)

Mumbai, 28<sup>th</sup> May, 2012

## Auditors' Certificate regarding compliance of condition of Corporate Governance

To  
The Members of  
**Technocraft Industries (India) Limited**

We have examined the compliance of the conditions of Corporate Governance by Technocraft Industries (India) Limited, for the year ended 31st March, 2012 as stipulated in clause 49 of the Listing Agreement(s) of the Company with the Stock Exchange(s) in India

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the Conditions of Corporate Governance. It is neither an audit nor expression of the opinion on the financial statements of the Company

Based on such review, In our opinion and to the best of our information and explanations given to us and the representations made to us, we certify that the Company has complies with the conditions of Corporate Governance as stipulated in the above mentioned in Clause 49 of Listing Agreement.

We state that no investor grievance for a period exceeding one month against the Company as on 31st March, 2012 is pending as per the records maintained by the Company and presented to the Investor/Shareholders Grievance Committee of the Board.

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.

**M.L.Sharma & Co**  
Firm Registration No.109963W  
Chartered Accountants

**C.H.Bandi**  
Partner  
Membership No. 5385

Mumbai, 28<sup>th</sup> May, 2012



## AUDITORS' REPORT

### TO THE MEMBERS OF TECHNOCRAFT INDUSTRIES (INDIA) LIMITED

We have audited the attached Balance Sheet of TECHNOCRAFT INDUSTRIES (INDIA) LIMITED as at **31<sup>st</sup> March, 2012** and also the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. Further we report that:

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto, a statement on the matters specified in Paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of account as required by the Companies Act, 1956(as amended) have been kept by the Company so far as appears from our examination of those Books.
3. The Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement dealt with by the report are in agreement with the Books of Account of the Company.
4. In our opinion, the Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement complies with the Mandatory Accounting standards referred in section 211(3c) of the Companies Act, 1956 **except as otherwise stated in this report.**
5. On the basis of the written representation received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director, in terms of clause (g) of Sub-Section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information, and according to the explanations given to us, the said accounts **Subject to Note no.27(2)(B) Regarding finished goods, and Note no.27(2)(E) Regarding Leave encashment Benefits**, read together with Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the Accounting Principles generally accepted in India :-
  - a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2012;
  - b) In the case of the Statement of Profit & Loss of the PROFIT for the year ended on that date; and
  - c) In the case of Cash Flow statement, of the Cash Flows for the year ended on that date.

**For M.L.SHARMA & CO.**  
Chartered Accountants  
F.R.No.109963W

Place: Mumbai  
Dated: 28th May, 2012

(C.H. Bandi)  
Partner  
Membership No.5385





**Annexure referred to in Paragraph of our Auditors' Report on even date on the Financial Statements for the year ended 31<sup>st</sup> March, 2012 of TECHNOCRAFT INDUSTRIES (INDIA) LIMITED) on the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:-**

- 1 a The Company has generally maintained proper records showing particulars including quantitative details and situation of fixed assets.
- 1 b As explained to us, the said fixed assets have been physically verified by the Management during the year which is reasonable and no material discrepancies have been noticed on such verification.
- 2 a The stock of Finished Goods, Goods-in-Process, Raw Materials and Stores & Spares parts have been physically verified during the year by the Management and is reasonable in view of the nature of products of the Company.
- 2 b As explained to us, the procedure of physical verification of the above stocks followed by the Management is, in our opinion reasonable and adequate in relation to the size of the Company and nature of its business.
- 2 c The Company has maintained proper records of the inventories and the discrepancies noticed between the physical stock and book stock were not significant and the same have been properly dealt with in the Books of Account.
- 3 a In our opinion and according to the information and explanations given to us, the company has granted unsecured loans to 4 parties covered in the Register maintained under section 301 of the Companies Act, 1956. The maximum amount of Loan granted during the year was ₹. 8607.47 Lakhs and the year ended balance of Loan granted to such parties was ₹. 8480.72 lakhs.
- b In our opinion, the rate of interest and other terms and conditions on which Loans have been granted to parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facies, prejudicial to the interest of the company.
- c Payment of Principal amount and interest are regular wherever stipulated.
- d There is no overdue amount of loans granted to Companies, Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- e The Company has not taken any loan, Secured or Unsecured from Companies, firms or other parties covered in the register maintained under section 301 of Companies Act, 1956 and as such provision of sub clause 3(f) & 3 (g) are not applicable.
- 4 On the basis of such checks carried out during the course of Audit and according to the information and explanations given to us, we are of the opinion that there is an adequate internal control system commensurate with the size of the company and nature of its business with regard to purchase of stores, raw materials including components, plant & machinery, equipments and other assets and for sale of goods and services.
- 5 a According to the information and explanation given to us, particulars of contracts or arrangement referred to in Under section 301 of the Companies Act, 1956 have been properly entered in the register required to be maintained under that section;
- b The transaction made in pursuance of such contract or arrangements have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transaction for similar goods, materials or services have been made with other parties.
- 6 The company has not accepted any deposits from the public to which the provisions of section 58A,



58AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply.

- 7 In our opinion, the Company has an Internal Audit System commensurate with the size and nature of its Business.
- 8 We have broadly reviewed the books of account and records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act 1956 and are of opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made detailed Examination of the records with view to determining whether they are accurate or complete.
- 9
  - a As per the records of the company & as explained to us, the Company have generally been regular in depositing provident fund dues, state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities and there are no undisputed amounts payable for the same were outstanding as at 31st March, 2012, for a year exceeding six months from the date they became payable.
  - b On the basis of our Examination of the documents and records. the amounts of disputed statutory dues which have not been deposited with the appropriate authorities are as under: -

Name of the Statute	Nature of dues	Amount (in lacs)	Forum where dispute is pending
Income Tax Act, 1961	<b>Income Tax &amp; Interest</b>		
	For A.Y. 2002-2003	75.44	Effect of ITAT & High Court order to be given by the Assessing officer
	For A.Y. 2007-2008	63.80	ITAT
	For A.Y. 2008-2009	15.50	CIT (Appeals)
The Central Excise Act 1944	<b>Excise Duty &amp; Penalty</b>		
	For F.Y 1999-2002 to Sep 2008.	1115.66	CESTAT, West Zonal Branch, Mumbai (Stay Granted by CESTAT from Pre – Deposit of the dues adjudged during the pendency of these appeals)
	For Period before 29-9-2008	195.60	CESTAT, West Zonal Branch, Mumbai (Stay Granted by CESTAT from Pre – Deposit of the dues adjudged during the pendency of these appeals)
	For period before 29-1-2009	266.77	CESTAT, West Zonal Branch, Mumbai (Stay Granted by CESTAT from Pre – Deposit of the dues adjudged during the pendency of these appeals)
	For Period before 29-01-2009	3.04	CESTAT, West Zonal Branch, Mumbai (Stay Granted by Commissioner (Appeals) from the pre-Deposit of the dues adjudged during the pendency of these Appeals)
	<b>Service Tax &amp; Penalty</b>		
	For F.Y 2006-07 & 2007-08	3.03	CESTAT, West Zonal Branch, Mumbai

10. The company has no accumulated losses and has not incurred any cash losses during the financial Year covered by our audit or in the immediately preceding financial year.
- 11 According to information & explanations given to us and the books and records examined by us, the Company has not defaulted in repayment of dues to Banks.



- 12 The company has not granted any loans and advances to any parties on the basis of security by way of pledge of shares, debentures and other securities.
- 13
  - a In respect of investment dealt or traded by the company, proper records are maintained in respect of transaction and contracts and timely entries have been made therein.
  - b According to the information and explanations given to us, the shares and units of mutual fund have been held by the company in its own name.
- 14 In our opinion and according to the information and explanations given to us, the terms and conditions on which the company has given guarantee for cash credit taken by others from banks are not prima facial prejudicial to the interest of the company.
- 15 In our opinion and according to the information and explanations given to us, the term loans taken by the company have been applied for the purpose for which the term loans were obtained.
- 16 According to information & explanations given to us, the company has used its funds properly according to the nature and purposes of the funds.
- 17 The company has not made any preferential allotment of shares to parties and Companies covered in the register maintained u/s. 301 of the Companies Act, 1956.
- 18 The Company has not issued any Debentures during the year.
- 19 According to information and explanations given to us, the company has not raised any money by public issue during the year.
- 20 According to information and explanation given to us, no fraud on or by the Company has been noticed or reported during the period.
- 21 Other provisions of the said order are either Nil or Not Applicable to the Company.

**For M.L.SHARMA & CO.**  
Chartered Accountants  
F.R.No.109963W

Place: Mumbai  
Dated: 28th May, 2012

(C.H. Bandi)  
Partner  
Membership No.5385



## BALANCE SHEET AS AT 31ST MARCH 2012

(₹. In Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2012	AS AT 31.03.2011
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>1. SHAREHOLDER'S FUND</b>			
A. SHARE CAPITAL	1	3,152.68	3,152.68
B. RESERVES & SURPLUS	2	39,257.92	37,809.06
		<u>42,410.60</u>	<u>40,961.74</u>
<b>2. NON-CURRENT LIABILITIES</b>			
A. LONG TERM BORROWINGS	3	695.55	972.36
B. OTHER NON CURRENT LIABILITIES	4	99.69	92.16
		<u>795.24</u>	<u>1,064.52</u>
<b>3. CURRENT LIABILITIES</b>			
A. SHORT TERM BORROWINGS	5	7,658.10	14,505.20
B. TRADE PAYABLE	6	2,768.95	1,916.35
C. OTHER CURRENT LIABILITIES	7	2,640.70	1,683.15
D. SHORT TERM PROVISION	8	720.03	485.93
		<u>13,787.78</u>	<u>18,590.63</u>
	<b>TOTAL</b>	<b><u>56,993.62</u></b>	<b><u>60,616.89</u></b>
<b>II. ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
A. FIXED ASSETS	9		
I. TANGIBLE ASSETS		12,940.20	14,784.20
II. INTANGIBLE ASSETS		167.48	254.29
III. CAPITAL WIP		169.79	292.59
		<u>13,277.47</u>	<u>15,331.08</u>
B. NON CURRENT INVESTMENTS	10	5,759.71	8,208.78
C. DEFERRED TAX ASSET		440.81	282.14
D. LONG TERM LOANS & ADVANCES	11	350.05	253.77
E. OTHER NON CURRENT ASSETS	12	1,030.00	1,030.05
		<u>20,858.04</u>	<u>25,105.82</u>
<b>2. CURRENT ASSETS</b>			
A. INVENTORIES	13	9,157.33	14,416.12
B. TRADE RECEIVABLES	14	13,651.86	10,410.84
C. CASH AND CASH EQUIVALENTS	15	1,056.58	5,207.50
D. SHORT TERM LOANS AND ADVANCES	16	8,496.74	861.49
E. OTHER CURRENT ASSETS	17	3,773.07	4,615.12
		<u>36,135.58</u>	<u>35,511.07</u>
	<b>TOTAL</b>	<b><u>56,993.62</u></b>	<b><u>60,616.89</u></b>
SIGNIFICANT ACCOUNTING POLICIES NOTES FORMING PART OF ACCOUNTS	27		

As per our Report of Even Date  
**For M.L.SHARMA & CO.**  
Firm Reg.No.109963W  
CHARTERED ACCOUNTANTS

**(C.H.BANDI)**  
PARTNER  
(M.No.5385)

Place: MUMBAI  
Date : 28th May, 2012

**For & on Behalf of Board of Directors**

**S.K. SARAF**                      **S.M. SARAF**  
(MANAGING DIRECTOR)      (MANAGING DIRECTOR)

**MANOJ JAIN**  
(COMPANY SECRETARY)



## STATEMENT OF PROFIT & LOSS FOR YEAR ENDED 31ST MARCH 2012

PARTICULARS	NOTE NO.	(₹. In Lakhs)	
		YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
<b>REVENUE</b>			
REVENUE FROM OPERATION (GROSS)	18	56,347.56	47,922.19
LESS: EXCISE DUTY		(1,025.18)	(715.87)
		<u>55,322.38</u>	<u>47,206.32</u>
OTHER INCOME	19	1,974.96	1,694.10
	<b>TOTAL</b>	<b><u>57,297.34</u></b>	<b><u>48,900.42</u></b>
<b>EXPENDITURES</b>			
COST OF MATERIAL CONSUMED	20	30,392.19	27,691.01
PURCHASE FOR TRADING		1,551.94	524.18
CHANGES IN INVENTORIES OF STOCK	21	1,996.74	(3,032.76)
EMPLOYEES BENEFIT EXPENSES	22	3,369.29	2,850.31
FINANCE COSTS	23	722.33	789.63
DEPRECIATION		2,920.44	3,515.50
AMORTISATION OF GOODWILL		121.92	121.92
OTHER EXPENSES	24	13,284.38	11,781.00
	<b>TOTAL</b>	<b><u>54,359.23</u></b>	<b><u>44,240.79</u></b>
<b>PROFIT BEFORE TAXATION</b>		<b>2,938.11</b>	<b>4,659.63</b>
TAX EXPENSES	25		
CURRENT TAX		1,266.32	1,147.66
DEFERRED TAX (NET)		(158.67)	168.27
<b>PROFIT AFTER TAX</b>		<b><u>1,830.46</u></b>	<b><u>3,343.70</u></b>
<b>EARNING PER SHARE -BASIC &amp; DILUTED</b>	26	<b>5.81</b>	<b>10.61</b>
SIGNIFICANT ACCOUNTING POLICIES	27		
NOTES FORMING PART OF ACCOUNTS			

As per our Report of Even Date  
**For M.L.SHARMA & CO.**  
Firm Reg.No.109963W  
CHARTERED ACCOUNTANTS

**(C.H.BANDI)**  
PARTNER  
(M.No.5385)

Place: MUMBAI  
Date : 28th May, 2012

**For & on Behalf of Board of Directors**

**S.K. SARAF**                      **S.M. SARAF**  
(MANAGING DIRECTOR)      (MANAGING DIRECTOR)

**MANOJ JAIN**  
(COMPANY SECRETARY)



## CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31st 2012

PARTICULARS	(₹. In Lakhs)	
	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
NET (LOSS)/PROFIT BEFORE TAX BUT AFTER EXCEPTIONAL/ EXTRA ORDINARY ITEMS	2938.11	4659.64
<b>ADJUSTMENTS FOR:</b>		
DEPRECIATION	2920.44	3515.50
AMORATISATION OF GOODWILL	121.92	121.92
INTEREST EXPENSE	560.64	624.24
INTEREST INCOME	(626.35)	(544.16)
DIVIDEND RECEIVED	(0.02)	(15.62)
RENT RECEIVED	(139.48)	(151.75)
(PROFIT)/LOSS ON FIXED ASSETS SOLD	(21.09)	(81.80)
(PROFIT) ON SALE OF INVESTMENTS	(313.42)	(479.30)
LOSS ON SALE OF INVESTMENT	65.36	155.79
GAIN ON EXCHANGE (NET)	565.13	187.71
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>6071.24</b>	<b>7992.16</b>
<b>ADJUSTMENTS FOR CHANGES IN WORKING CAPITAL :</b>		
- (INCREASE)/DECREASE IN TRADE RECEIVABLES	(3241.02)	(336.46)
- (INCREASE)/DECREASE IN OTHER RECEIVABLES	(6,990.94)	541.89
- (INCREASE)/DECREASE IN INVENTORIES	5258.79	(5785.67)
- INCREASE/(DECREASE) IN TRADE AND OTHER PAYABLES	2052.99	(33.96)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>3151.07</b>	<b>2377.94</b>
- TAXES (PAID) / RECEIVED	(727.65)	(1,639.29)
- GAIN ON EXCHANGE (NET)	(565.13)	(187.71)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>1858.29</b>	<b>550.94</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
PURCHASE OF FIXED ASSETS	(1,233.47)	(7405.19)
(INCREASE)/ DECREASE IN CAPITAL WORK IN PROGRESS	(303.73)	4889.52
PROCEEDS FROM SALE OF FIXED ASSETS	554.35	87.03
NET REALISATION ON SALE OF INVESTMENTS	7,009.80	10,316.38
NET ADDITIONS TO INVESTMENTS :		
IN SUBSIDIARIES	(41.99)	(294.51)
IN OTHERS	(4,270.70)	(10,826.56)
LOAN (GIVEN)/ REPAID TO SUBSIDIARY COMPANY	(457.69)	1,417.65
INTEREST RECEIVED	646.84	521.75
DIVIDEND RECEIVED	0.02	15.62
RENT RECEIVED	139.48	151.75
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>2042.91</b>	<b>(1126.56)</b>



## CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31st 2012

PARTICULARS	(₹. In Lakhs)	
	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
TERM LOANS FROM BANK	(276.81)	(631.06)
NET SHORT TERM BORROWINGS FROM BANKS	(6847.10)	3227.60
INTEREST PAID	(560.64)	(624.24)
DIVIDEND PAID	(315.27)	(472.90)
TAX ON DIVIDEND	(52.36)	(80.37)
<b>NET CASH USED IN FINANCING ACTIVITIES ( C )</b>	<b>(8052.18)</b>	<b>1419.03</b>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+ B+ C)	(4150.97)	843.42
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<b>6,237.55</b>	5394.13
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<b>2086.58</b>	<b>6237.55</b>
CASH AND CASH EQUIVALENTS COMPRISE		
CASH ON HAND	8.57	4.04
BALANCE WITH SCHEDULED BANKS	2078.01	6233.51
BALANCE AS PER BALANCE SHEET	<b>2086.58</b>	<b>6237.55</b>

### NOTES TO THE CASH FLOW STATEMENT

- 1 THE ABOVE CASH FLOW STATEMENT HAS BEEN PREPARED UNDER THE INDIRECT METHOD SETOUT IN AS-3 ISSUED BY THE THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA.
- 2 FIGURES IN BRACKETS INDICATE CASH OUTGO.
- 3 PREVIOUS PERIOD FIGURES HAVE BEEN REGROUPED AND RECAST WHEREVER NECESSARY TO CONFORM TO THE CURRENT PERIOD CLASSIFICATION.
- 4 CASH AND CASH EQUIVALENTS INCLUDES ₹. 5.62 LACS WHICH ARE NOT AVAILABLE FOR USE BY THE COMPANY.

As per our Report of Even Date

**For M.L.SHARMA & CO.**  
Firm Reg.No.109963W  
CHARTERED ACCOUNTANTS

**(C.H.BANDI)**  
PARTNER  
(M.No.5385)

Place: MUMBAI  
Date : 28th May, 2012

**For & on Behalf of Board of Directors**

**S.K. SARAF**                      **S.M. SARAF**  
(MANAGING DIRECTOR)      (MANAGING DIRECTOR)

**MANOJ JAIN**  
(COMPANY SECRETARY)



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(₹. In Lakhs)

	AS AT 31.03.2012	AS AT 31.03.2011
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### NOTE -1

#### SHARE CAPITAL

##### AUTHORISED

4,00,00,000 (P.Y. 4,00,00,000)

EQUITY SHARES OF ₹. 10/- EACH

4,000.00

4,000.00

4,000.00

4,000.00

##### ISSUED, SUBSCRIBED & PAID-UP

3,15,26,750 (P.Y. 3,15,26,750)

EQUITY SHARES OF ₹. 10/- EACH FULLY PAID UP

3,152.68

3,152.68

3,152.68

3,152.68

- 1) THE COMPANY HAS ONLY ONE CLASS OF EQUITY SHARES HAVING A PAR VALUE OF ₹. 10 PER SHARE. EACH SHAREHOLDERS IS ELIGIBLE FOR ONE VOTE PER SHARE
- 2) THE RECONCILIATION OF THE NUMBER OF SHARE OUTSTANDING AT THE YEAR END IS SET OUT BELOW :

PARTICULARS	EQUITY SHARES			
	AS AT 31 MARCH 2012		AS AT 31 MARCH 2011	
	NUMBER	₹.	NUMBER	₹.
SHARES OUTSTANDING AT THE BEGINNING OF THE YEAR	31,526,750	315,267,500	31,526,750	315,267,500
SHARES ISSUED DURING THE YEAR	-	-	-	-
SHARES BOUGHT BACK DURING THE YEAR	-	-	-	-
SHARES OUTSTANDING AT THE END OF THE YEAR	31,526,750	315,267,500	31,526,750	315,267,500

- 3) THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IS SET OUT BELOW :

NAME OF SHAREHOLDERS	EQUITY SHARES			
	AS AT 31 MARCH 2012		AS AT 31 MARCH 2011	
	NO. OF SHARE HELD	% OF HOLDING	NO. OF SHARE HELD	% OF HOLDING
	NUMBER	₹.	NUMBER	₹.
Shakuntala Saraf	6,739,512	21.37%	6,739,512	21.37%
Shantidevi Saraf	2,963,471	9.40%	2,963,471	9.40%
Sharad Kumar Madhoprasad HUF	2,874,946	9.12%	2,874,946	9.12%
Sudarshan Kumar Saraf	8,750,652	27.76%	8,750,652	27.76%





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(₹. In Lakhs)

	YEAR ENDED 31/ 03/ 2012	YEAR ENDED 31/ 03/ 2011
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### 4) OTHER DISCLOSURE PURSUANT TO NOTE NO. 6 OF PART I OF SCHEDULE VI TO THE COMPANIES ACT 1956, IS EITHER NIL OR NOT APPLICABLE TO THE COMPANY

#### NOTE - 2 RESERVES AND SURPLUS

GENERAL RESERVES		
AS PER LAST BALANCE SHEET	25,080.00	25,000.00
ADD : TRANSFER FROM THE SURPLUS OF CURRENT YEAR	-	80.00
	<b>25,080.00</b>	<b>25,080.00</b>
CAPITAL RESERVE		
AS PER LAST BALANCE SHEET	20.51	20.00
ADD: CAPITAL RESERVE ON AMALGAMATION	-	0.51
	<b>20.51</b>	<b>20.51</b>
SECURITIES PREMIUM		
BALANCE AS PER LAST BALANCE SHEET	7,486.84	7,486.84
	<b>7,486.84</b>	<b>7,486.84</b>
REVALUATION RESERVE		
AS PER LAST BALANCE SHEET	257.37	273.61
LESS : DEPRECIATION	15.19	16.24
	<b>242.18</b>	<b>257.37</b>
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
AS PER LAST BALANCE SHEET	4,964.34	2,459.38
ADD : PROFIT FOR THE PERIOD	1,830.46	3,343.70
ADD : DEFERRED TAX ON AMALGAMATION	-	223.41
	6,794.80	6,026.49
LESS: PROPOSED DIVIDEND #	315.27	315.27
LESS: PROV.FOR DIVIDEND DISTRIBUTION TAX	51.14	52.36
LESS: TRANSFERRED TO GENERAL RESERVES	-	80.00
LESS: AMALGAMATION ADJUSTMENT OF TECHNOCRAFT EXPORT	-	614.52
	<b>6,428.39</b>	<b>4,964.34</b>
	<b>39,257.92</b>	<b>37,809.06</b>

# DIVIDEND PROPOSED TO BE DISTRIBUTED TO THE EQUITY SHAREHOLDERS IS RUPEE 1 PER EQUITY SHARE (P.Y.- ₹. 1)

#### NOTE - 3 LONG TERM BORROWING

TERM LOANS		
BANK OF INDIA	695.55	972.36
( TERM OF REPAYMENT - 5 YEARS)		
( RATE OF INTEREST - 14.5%)		
	<b>695.55</b>	<b>972.36</b>

1. TERM LOAN FROM BANK OF INDIA IS SECURED AGAINST HYPOTHECATION OF PLANT & MACHINERY EQUIPMENT PURCHASE OUT OF TERM LOAN AND ALSO AGAINST EQUITABLE MORTGAGE OF SPECIFIC IMMOVABLE PROPERTIES OF YARN DIVISION

#### NOTE - 4 OTHER NON CURRENT LIABILITIES

SUNDRY DEPOSITS	99.69	92.16
	<b>99.69</b>	<b>92.16</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(₹. In Lakhs)

	YEAR ENDED 31/ 03/ 2012	YEAR ENDED 31/ 03/ 2011
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### Note - 5

#### Short Term Borrowings

##### Secured - From Banks

Bank Of India - Overdraft A/c	359.55	943.13
Bank Of India ( Export Packing Credit Against L/Cs Confirmed Orders)	-	3,733.38
CITI Bank PCFC A/c	1,650.74	1,004.04
Hdfc PCFC A/c	1,491.28	1,221.86
IDBI Overdraft A/c	151.41	251.60
BOI PCFC \$ A/c	3,499.42	1,056.46
SCB - PCFC A/c	-	1,294.73
IDBI PCFC A/c	505.70	-
	<u>7,658.10</u>	<u>9,505.20</u>

##### Unsecured Loans

From Banks		
HDFC Temporary Loan	-	5,000.00
	<u>-</u>	<u>5,000.00</u>

- A. OVERDRAFT ACCOUNT WITH BANK OF INDIA ARE SECURED AGAINST THE FDR OF THE COMPANY.
- B. CASH CREDIT FROM BANK OF INDIA IS SECURED AGAINST THE HYPOTHECATION OF STOCK AND BOOK DEBTS BOTH PRESENT & FUTURE AND FIXED ASSETS & EQUITABLE MORTGAGE OF COMPANIES SPECIFIC IMMOVABLE PROPERTIES.
- EXPORT PACKING CREDIT AGAINST L/CS. CONFIRMED ORDERS FROM BANK OF INDIA ARE SECURED AGAINST THE HYPOTHECATION OF STOCK & BOOK DEBTS BOTH PRESENT & FUTURE AND FIXED ASSETS & EQUITABLE MORTGAGE OF THE COMPANIES SPECIFIC IMMOVABLE PROPERTIES.
- EXPORT PACKING CREDIT AGAINST L/CS. CONFIRMED ORDERS FROM CITI BANK ARE SECURED AGAINST THE HYPOTHECATION OF STOCK & BOOK DEBTS BOTH PRESENT & FUTURE AND FIXED ASSETS & EQUITABLE MORTGAGE OF THE COMPANIES SPECIFIC IMMOVABLE PROPERTIES.
- EXPORT PACKING CREDIT AGAINST L/CS. CONFIRMED ORDERS FROM HDFC BANK ARE SECURED AGAINST THE HYPOTHECATION OF STOCK & BOOK DEBTS BOTH PRESENT & FUTURE AND FIXED ASSETS & EQUITABLE MORTGAGE OF THE COMPANIES SPECIFIC IMMOVABLE PROPERTIES.
- OVERDRAFT ACCOUNT WITH IDBI BANK ARE SECURED AGAINST THE FDR OF THE COMPANY.
- EXPORT PACKING CREDIT AGAINST L/CS. CONFIRMED ORDERS FROM IDBI BANK ARE SECURED AGAINST THE HYPOTHECATION OF STOCK & BOOK DEBTS BOTH PRESENT & FUTURE AND FIXED ASSETS & EQUITABLE MORTGAGE OF THE COMPANIES SPECIFIC IMMOVABLE PROPERTIES.
- EXPORT PACKING CREDIT AGAINST L/CS. CONFIRMED ORDERS FROM BOI PCFC\$ ARE SECURED AGAINST THE HYPOTHECATION OF STOCK & BOOK DEBTS BOTH PRESENT & FUTURE AND FIXED ASSETS & EQUITABLE MORTGAGE OF THE COMPANIES SPECIFIC IMMOVABLE PROPERTIES.
- EXPORT PACKING CREDIT AGAINST L/CS. CONFIRMED ORDERS FROM SCB PCFC ARE SECURED AGAINST THE HYPOTHECATION OF STOCK & BOOK DEBTS BOTH PRESENT & FUTURE AND FIXED ASSETS & EQUITABLE MORTGAGE OF THE COMPANIES SPECIFIC IMMOVABLE PROPERTIES.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

	(₹. In Lakhs)	
	YEAR ENDED 31/ 03/ 2012	YEAR ENDED 31/ 03/ 2011
<b>NOTE-6</b>		
<b>TRADE PAYABLE</b>		
TRADE PAYABLES (OTHER THAN MICRO, SMALL & MEDIUM ENTERPRISES)	2,768.95	1,916.35
	<u><b>2,768.95</b></u>	<u><b>1,916.35</b></u>
<b>NOTE-7</b>		
<b>OTHER CURRENT LIABILITIES</b>		
CURRENT MATURITIES ON LONG TERM DEPOSIT	212.00	175.80
LIABILITIES FOR EXPENSES	1,705.04	1,072.61
TDS PAYABLE	57.50	37.93
UNCLAIMED DIVIDEND	5.62	3.87
ADVANCE FROM CUSTOMERS	503.77	237.98
SBI MURBAD (TEMPORARY OVERDRAWN)	156.77	151.36
CITI BANK (TEMPORARY OVERDRAWN)	-	3.61
	<u><b>2,640.70</b></u>	<u><b>1,683.16</b></u>
<b>NOTE - 8</b>		
<b>SHORT TERM PROVISION</b>		
PROVISIONS FOR EMPLOYEE BENEFITS		
PROVISION FOR GRATUITY	216.87	-
PROVISION FOR LEAVE SALARY ENCASHMENT	136.75	118.30
OTHERS		
PROPOSED DIVIDEND	315.27	315.27
PROV. FOR DIVIDEND DISTRI. TAX	51.14	52.36
	<u><b>720.03</b></u>	<u><b>485.93</b></u>



**SCHEDULES FORMING PART OF ACCOUNTS**  
**Note 9 - FIXED ASSETS**

(₹. In Lakhs)

Description	G R O S S B L O C K					D E P R E C I A T I O N				N E T B L O C K					
	As on 01.04.2011	Revaluation of assets as on 25/07/94	Adjustment due to Foreign Exc. Fluctuation	Addition on Account of Merger	Addition during the period	Sale/ Transfer	As on 31.03.2012	Upto 01.04.2011	On revaluation	Accumulated Depreciation on Merger	On cost	Adjustment	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
<b>I) TANGIBLE ASSETS</b>															
<b>A. LAND AND BUILDING</b>															
1. Leasehold Improvement	11.18	-	-	-	-	-	11.18	-	-	-	-	-	11.18	-	-
2. Land	285.32	-	-	-	7.00	-	292.32	-	-	-	-	-	292.32	285.32	-
3. Leasehold Land	54.41	207.00	-	-	-	-	261.41	2.85	0.66	-	-	-	62.54	198.88	202.39
4. Factory Building	6,518.53	397.60	-	-	193.26	-	7,109.39	6.94	422.67	-	-	-	3,189.69	3,919.71	4,156.06
5. Building	-	-	-	-	33.95	-	33.95	-	0.49	-	-	-	0.49	33.46	-
6. Office Premises	1.61	227.83	-	-	-	-	229.44	4.87	0.02	-	-	-	136.61	92.83	97.72
7. Worker's Quarters	71.13	-	-	-	-	-	71.13	-	1.99	-	-	-	33.37	37.75	39.74
8. Staff Quarters	353.87	20.06	-	-	-	-	373.94	0.43	11.91	-	-	-	139.63	234.31	246.64
9. Car Parking Space	0.01	4.99	-	-	-	-	5.00	0.11	0.00	-	-	-	2.98	2.02	2.13
10. Tube-Well	9.91	-	-	-	1.43	-	11.34	3.99	0.34	-	-	-	4.34	7.01	5.92
11. Shop At Bandra	337.81	-	-	-	-	-	337.81	82.46	12.77	-	-	-	95.23	242.58	255.35
	<b>7,643.79</b>	<b>857.49</b>	-	-	<b>235.64</b>	-	<b>8,736.91</b>	<b>15.19</b>	<b>450.85</b>	-	-	-	<b>3,676.05</b>	<b>5,060.86</b>	<b>5,291.26</b>
<b>B. PLANT &amp; MACHINERY</b>															
1. Plant & Machinery & Pollution equip.	23,686.66	217.64	-	-	868.72	138.31	24,636.71	-	2,313.26	-	-	31.74	17,505.88	7,130.83	8,679.94
2. Electrical Installation	896.76	-	-	-	24.98	-	923.74	414.36	68.84	-	-	-	483.21	440.53	484.40
3. Computers	169.91	-	-	-	15.82	-	185.73	149.14	11.46	-	-	-	160.69	25.13	20.77
4. Air Conditioner & Office Equipments	115.06	-	-	-	12.64	-	127.70	64.27	7.90	-	-	-	72.18	55.52	50.78
5. Motor Car & Vehicles	176.56	-	-	-	18.86	17.48	179.93	119.48	15.39	-	-	15.30	119.57	60.36	59.08
6. Weighing Scale	9.11	-	-	-	0.41	-	9.52	5.21	0.59	-	-	-	5.80	3.71	3.89
7. Forklift	75.67	-	-	-	-	-	75.67	63.92	3.27	-	-	-	67.19	8.49	11.76
8. Generator	939.07	-	-	-	-	-	939.07	861.93	21.46	-	-	-	883.39	55.68	77.14
9. Weighing Bridge	24.86	-	-	-	-	-	24.86	6.40	2.58	-	-	-	8.98	15.88	18.47
10. JCB (Crane)	21.00	-	-	-	-	-	21.00	3.31	3.20	-	-	-	6.51	14.49	17.69
11. Trolley	-	-	-	-	1.10	-	1.10	-	0.03	-	-	-	0.03	1.07	-
	<b>26,118.66</b>	<b>217.64</b>	-	-	<b>942.53</b>	<b>153.80</b>	<b>27,125.03</b>	<b>16,912.38</b>	<b>2,447.99</b>	-	-	<b>47.04</b>	<b>19,313.34</b>	<b>7,811.69</b>	<b>9,423.91</b>
<b>C. FURNITURE &amp; FIXTURES</b>															
	192.37	-	-	-	11.88	-	204.25	123.32	13.28	-	-	-	136.61	67.65	69.05
	<b>192.37</b>	-	-	-	<b>11.88</b>	-	<b>204.25</b>	<b>123.32</b>	<b>13.28</b>	-	-	-	<b>136.61</b>	<b>67.65</b>	<b>69.05</b>
<b>II) INTANGIBLE ASSETS</b>															
1. Navision Software	19.85	-	-	-	-	-	19.85	19.85	-	-	-	-	19.85	-	-
2. Computer Software	18.98	-	-	-	43.42	-	62.40	18.30	8.31	-	-	-	26.61	35.79	0.68
3. Trade Mark	0.49	-	-	-	-	-	0.49	0.49	-	-	-	-	-	-	-
4. GOODWILL	609.62	-	-	-	-	-	609.62	356.01	121.92	-	-	-	477.93	131.69	253.61
	<b>648.94</b>	-	-	-	<b>43.42</b>	-	<b>692.36</b>	<b>394.65</b>	<b>130.23</b>	-	-	-	<b>524.88</b>	<b>167.48</b>	<b>254.29</b>
<b>TOTAL</b>	<b>34,603.75</b>	<b>1,075.12</b>	-	-	<b>1,233.47</b>	<b>153.80</b>	<b>36,758.55</b>	<b>20,640.36</b>	<b>3,042.36</b>	-	-	<b>47.04</b>	<b>23,650.88</b>	<b>13,107.68</b>	<b>15,038.51</b>
<b>Previous Year</b>	27,003.44	1,075.12	-	403.78	7,431.84	235.31	35,678.87	17,092.36	3,637.42	114.50	220.15	20,640.36	15,038.49	11,275.49	
<b>Capital Work in Progress</b>	292.59	-	-	-	303.73	426.53	169.79	-	-	-	-	-	-	169.79	292.36
<b>PREOPERATIVE EXPENSES</b>															

Note - Current year depreciation in case of plant and Machinery includes reversal of depreciation amounting to Rs 21.79 lacs claimed in the year 2010-11.

This reversal is on account of refund of terminal excise duty received during the year 2011-12

\* DEDUCTED FROM REVALUATION RESERVE & NOT CHARGED TO PROFIT & LOSS A/C.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(₹. In Lakhs)

	YEAR ENDED 31/ 03/ 2012	YEAR ENDED 31/ 03/ 2011
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### NOTE - 10

#### NON CURRENT INVESTMENTS : - (AT COST)

##### UNQUOTED INVESTMENT

#### 1. TRADE

##### INVESTMENT IN EQUITY SHARES OF SUBSIDIARY COMPANIES

(A) TECHNOCRAFT INTERNATIONAL LTD (5,00,002 ORDINARY SHARES OF 1 POUND EACH) (P.Y.500002)	381.77	381.77
(B) TECHNOSOFT INFORMATION TECHNOLOGIES (I) LTD (4,99,930 SHARES OF ₹. 10/-) (P.Y. 483263 SHARES)	112.38	70.39
(C) TECHNOCRAFT HUNGARY LTD. (NIL) (P.Y.24000 SHARES OF HUF 5000 EACH)	-	242.79
(D) TECHNOCRAFT TRADING (POLAND) (4,500 SHARES OF PLN 500 EACH) (P.Y.4500 SHARES)	265.07	265.07
(E) TECHNOCRAFT AUSTRALIA PVT. LTD. (2,180,54 SHARES OF AUS \$ 1 EACH) (P.Y.2180.54 SHARES)	93.47	93.47
(F) ANHUI RELIABLE STEEL TEC. CHINA	873.94	873.94
(G) TECHNOCRAFT TABLA FORMWORKS SYS. PVT. LTD. (6,49,995 SHARES OF ₹. 10/- EACH) (P.Y.649995 SHARES)	65.00	65.00
	<u>1,791.63</u>	<u>1,992.43</u>

#### 2. OTHER THAN TRADE

##### 2 A. INVESTMENT IN OTTHERS

(A) 30 (P.Y.30)SHARES OF ₹. 50/- EACH OF MITTAL COURT PREMISES CO-OP. SOCIETY LTD. FULLY PAID UP	0.02	0.02
(B) 15(P.Y.15) SHARES OF ₹. 50/- EACH OF UDIT MITTAL COURT INDUSTRIAL PREMISES CO-OP.SOCIETY LTD.	0.01	0.01
(C) 10 ( P.Y.10) SHARES OF ₹. 50/- EACH OF GODREJ FLAT	0.01	0.01
	<u>0.03</u>	<u>0.03</u>

##### 2 B. INVESTMENT IN DEBENTURE OF OTHERS

(A) CITI FIN.CONS.FIN.I.LTD.NCD-443 (600 DEBENTURES OF ₹.100000/- EACH) (P.Y.600)	600.00	600.00
(B) BENCHMARK AMC PMS A/C BOP SERIES 91 (200 DEBENTURE OF ₹. 100000/- EACH) (P.Y.200)	203.00	203.00
(C) BENCHMARK DEBT PORTFOLIO - STRUCTURED (200 DEBENTURE OF ₹. 100000/- EACH) (P.Y.200)	202.50	202.50
(D) BENCHMARK AMC PMS A/C BDP SERIES115 (35 NON CONV. DEBENTURE OF ₹. 1000000/- EACH) (P.Y.NIL)	354.20	-
	<u>1,359.70</u>	<u>1,005.50</u>
	<u><b>3,151.36</b></u>	<u><b>2,997.96</b></u>

#### QUOTED INVESTMENT OTHER THAN TRADE

##### A. INVESTMENT IN MUTUAL FUND

HDFC EQUITY FUND GROWTH (1,42,187.142 UNITS OF ₹. 246.1545/- EACH) (P.Y.142187.142 UNITS)	350.00	350.00
HDFC MF MONTHLY INCOME PLAN (20,92,317.9680 UNITS OF ₹. 21.50/- EACH) (P.Y.2092317.96)	450.00	450.00
HDFC PRUDENCE FUND (C.Y. NIL ) (P.Y. 462781.068 UNITS)	-	900.00



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

	(₹. In Lakhs)	
	YEAR ENDED 31/ 03/ 2012	YEAR ENDED 31/ 03/ 2011
<b>QUOTED INVESTMENT (CONTD.)</b>		
HDFC TOP 200 GROWTH (1,85,093.63 UNITS OF ₹. 202.609/- EACH) (P.Y.146605.37 UNITS)	375.00	300.00
HDFC GOLD EXCHANGE TRADED FUND (19,000 UNITS OF ₹. 1936.096/- EACH) (P.Y. 37772 UNITS)	367.86	705.82
HDFC FIXED MATURITY PLAN 13M(2) (C.Y. NIL ) (P.Y. 10000000 UNITS)	-	1,000.00
TEMPLETON INDIA INCOME OPP FUND GROWTH (38,85,296.02 UNITS OF ₹. 10.55/- EACH ) (P.Y. 3885296.02 UNITS)	410.00	410.00
TEMPLETON INDIA SHORT TERM INCOME RETAIL ( C.Y. NIL ) (P.Y.9035.04 UNITS)	-	170.00
ICICI PUDENTIAL LONG TERM PLAN PREMIUM CUMULATIVE (14,97,334.74 UNITS OF ₹. 10/- EACH) (P.Y.1497334.74 UNITS)	150.00	150.00
ICICI PUDENTIAL FMP SERIES (C.Y. NIL ) (P.Y.1500000 UNITS)	-	150.00
ICICI PRUDENTIAL DISCOVERY FUND GROWTH (2,70,080.6380 UNITS OF ₹. 48.32/- EACH ) (P.Y.NIL UNITS)	130.50	-
RELIANCE BANKING FUND GROWTH (C.Y. NIL ) (P.Y.81665.45 UNITS)	-	75.00
SUNDARAM FINANCIAL SERVICES OPPURTUNITIES REGULAR (16,97,759.927 UNITS OF ₹. 20.61/- EACH ) (P.Y.1697759.92 UNITS)	350.00	350.00
IDFC SMALL & MIDCAP EQUITY FUND GROWTH (1,38,431.29 UNITS OF ₹. 18.06/- EACH ) (P.Y. NIL)	25.00	-
BENCHMARK S & P CNX 500 FUND (C.Y. NIL ) (P.Y. 1140003.876 UNITS)	-	200.00
	<b>2,608.36</b>	<b>5,210.82</b>
	<b>5,759.71</b>	<b>8,208.78</b>
BOOK AMOUNT OF UNQUOTED INVESTMENT	3,151.36	2,997.96
BOOK AMOUNT OF QUOTED INVESTMENT	2,608.36	5,210.82
<b>MARKET VALUE OF QUOTED INVESTMENT</b>	<b>2,882.11</b>	<b>5,631.09</b>
<b>NOTE-11</b>		
<b>LONG TERM LOANS &amp; ADVANCES</b>		
CAPITAL ADVANCES	170.26	75.03
DEPOSIT WITH GOVERNMENT DEPARTMENTS	179.79	178.74
	<b>350.05</b>	<b>253.77</b>
<b>NOTE-12</b>		
<b>OTHER NON CURRENT ASSETS</b>		
BALANCE WITH SCHEDULED BANKS		
IN FIXED DEPOSIT ACCOUNTS DUE AFTER 12 MONTHS	1,030.00	1,030.05
(FIXED DEPOSIT ARE PLEDGE AGAINST BANK OVERDRAFT ACCOUNT)	<b>1,030.00</b>	<b>1,030.05</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

	(₹. In Lakhs)	
	YEAR ENDED 31/ 03/ 2012	YEAR ENDED 31/ 03/ 2011
<b>NOTE - 13</b>		
<b>INVENTORIES</b>		
(AS TAKEN, VALUED AND CERTIFIED BY MANAGEMENT)		
FINISHED GOODS	1,813.71	4,092.75
RAW MATERIAL	5,798.84	8,942.92
INVENTORIES WIP	467.04	352.17
SCRAP	245.61	144.67
STORES & SPARES	600.79	658.57
PACKING MATERIALS	154.22	140.80
FUEL & OIL	77.12	84.24
	<b>9,157.33</b>	<b>14,416.12</b>
<b>DETAILS OF FINISHED GOODS</b>		
FLANGES/BUNGS/PLUGS	533.67	585.11
CLAMPS	153.16	113.07
CAPSEALS	14.13	18.40
PIPES	128.20	27.57
PIPES SCAFFOLDING & ANGLES(GI)	114.43	145.97
SCAFFOLDING & FORMWORK	239.53	58.46
RUBBER PRODUCTS	11.95	10.76
PLASTIC PRODUCTS	19.28	39.39
PACKED YARN	501.02	2,308.69
GARMENT	95.23	681.76
DYED FABRIC	-	5.99
COTTON YARN AT PARTY FOR JOB	-	91.79
OTHERS	3.11	5.78
	<b>1,813.71</b>	<b>4,092.75</b>
<b>DETAILS OF RAW MATERIAL</b>		
STAINLESS STEEL	2,126.62	2,234.51
LACQUER IMPORT	37.72	-
TIN PLAT	15.85	16.83
ZINC	144.82	105.87
R/M FOR SCAFFOLDING	499.92	366.91
R/M RUBBER & PLASTIC	225.25	228.76
COTTON - LOCAL	991.65	4,498.01
DYEING & BLEACH CHEMICAL	23.76	-
THREAD & TRIM ITEMS	8.25	-
COTTON YARN	49.52	101.78
COAL	243.16	212.19
OTHERS	1,432.32	1,178.05
	<b>5,798.84</b>	<b>8,942.92</b>
<b>NOTE - 14</b>		
<b>TRADE RECEIVABLE</b>		
(UN-SECURED CONSIDERED GOOD BY THE MANAGEMENT )		
DEBTS OUTSTANDING FOR MORE THAN SIX MONTHS	21.24	21.18
OTHER DEBTS	13,630.62	10,389.66
	<b>13,651.86</b>	<b>10,410.84</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

	(₹. In Lakhs)	
	YEAR ENDED 31/ 03/ 2012	YEAR ENDED 31/ 03/ 2011
<b>NOTE - 15</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
<b>BALANCE WITH SCHEDULED BANKS</b>		
IN CURRENT ACCOUNT	858.27	15.47
CASH ON HAND	8.57	4.04
<b>OTHERS</b>		
BALANCE IN UNCLAIMED DIVIDEND ACCOUNTS	5.62	3.87
IN FIXED DEPOSIT A/C'S BETWEEN 3 & 12 MONTHS INITIAL MATURITY	184.12	5,184.12
(FIXED DEPOSIT ARE PLEDGE AGAINST BANK OVERDRAFT ACCOUNT)	<u>1,056.58</u>	<u>5,207.50</u>
<b>NOTE - 16</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
(UN-SECURED CONSIDERED GOOD BY THE MANAGEMENT)		
<b>LOANS &amp; ADVANCE TO SUBSIDIARY COMPANIES</b>		
<b>(REPAYABLE ON DEMAND)</b>		
<b>(RATE OF LOANS GIVEN TO SUSIDIARIES : 9% P.A)</b>		
ANHUI RELIABLE STEEL TEC. CO. L. - LOAN	701.35	450.83
TECHNOCRAFT TABLA FORMWORK SYS. P. L.	228.05	-
TECHNOSOFT INFORMATION TECH.(I) LTD	261.73	282.61
	<u>1,191.13</u>	<u>733.44</u>
<b>LOANS &amp; ADVANCE TO ASSOCIATES COMPANIES</b>		
<b>(RATE OF LOANS GIVEN TO SUSIDIARIES : 9% P.A)</b>		
ASHRIT HOLDINGS LTD.	7,289.60	115.59
<b>OTHERS</b>		
STAFF ADVANCE	16.01	12.45
	<u>8,496.74</u>	<u>861.49</u>
<b>NOTE - 17</b>		
<b>OTHER CURRENT ASSETS</b>		
ADVANCE TAX	10,993.95	10,266.30
LESS : PROVISION FOR TAXATION	10,564.45	9,298.13
	429.50	968.17
BALANCE WITH SALES TAX DEPT.	1,807.76	1,326.23
BALANCE WITH CENTRAL EXCISE DEPT.	785.92	1,235.84
OTHER DEPOSITS	34.44	34.45
PREPAID EXPENSES	63.63	48.66
PREPAID GRATUITY	-	38.61
OTHERS RECEIVABLES	651.82	963.16
	<u>3,773.07</u>	<u>4,615.12</u>
<b>NOTE 18</b>		
<b>REVENUE FROM OPERATION</b>		
SALE OF PRODUCT	49,690.06	43,122.06
SALE OF SERVICES	1,013.20	278.93
OTHER OPERATING REVENUE	5,644.30	4,521.20
	<u>56,347.56</u>	<u>47,922.19</u>





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

	(₹. In Lakhs)	
	YEAR ENDED 31/ 03/ 2012	YEAR ENDED 31/ 03/ 2011
<b>NOTE - 19</b>		
<b>OTHER INCOME</b>		
INTEREST INCOME (GROSS, INCLUSIVE OF TAX DEDUCTED AT SOURCE OF ₹. 64.37 LACS, P.Y. ₹. 54.32 LACS)	626.35	544.16
OTHER NON-OPERATING INCOME DIFF IN FOREIGN CURRENCY	665.82 682.79	963.54 186.40
	<u><b>1,974.96</b></u>	<u><b>1,694.10</b></u>
<b>NOTE - 20</b>		
<b>COST OF MATERIAL CONSUMED</b>		
A. RAW MATERIAL CONSUMED		
OPENING STOCK OF RAW MATERIAL	9,295.07	6,803.52
ADD : PURCHASES	<u>26,363.28</u>	<u>29,355.67</u>
	35,658.35	36,159.19
LESS : CLOSING STOCKS	<u>6,084.51</u>	<u>9,295.09</u>
	<u>29,573.84</u>	<u>26,864.10</u>
B. PACKING MATERIAL CONSUMED	818.35	826.91
	<u><b>30,392.19</b></u>	<u><b>27,691.01</b></u>
<b>NOTE - 21</b>		
<b>CHANGES IN INVENTORIES OF STOCK</b>		
CLOSING STOCKS		
FINISHED GOODS	1,813.72	3,696.37
SCRAP / WASTE	245.61	144.67
SEMI FINISHED GOODS	<u>181.37</u>	<u>396.38</u>
	2,240.70	4,237.42
LESS :		
OPENING STOCKS		
FINISHED GOODS	3,696.37	952.16
SCRAP / WASTE	144.69	58.87
SEMI FINISHED GOODS	<u>396.38</u>	<u>193.63</u>
	4,237.44	1,204.66
	<u><b>1,996.74</b></u>	<u><b>(3,032.76)</b></u>
<b>NOTE - 22</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
SALARIES, WAGES, BONUS ETC.	2,598.87	2,301.06
CONTRIBUTION TO P.F., ESIC ETC.	146.04	136.03
GRATUITY	255.67	49.30
GRATUITY FUND EXPENSES	0.51	-
STAFF WELFARE EXPENSES	<u>75.41</u>	<u>71.12</u>
	<u><b>3,076.49</b></u>	<u><b>2,557.51</b></u>
DIRECTORS REMUNERATION (INCLUDING COMMISSION)	<u>292.80</u>	<u>292.80</u>
	<u><b>3,369.29</b></u>	<u><b>2,850.31</b></u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

	(₹. In Lakhs)	
	YEAR ENDED 31/ 03/ 2012	YEAR ENDED 31/ 03/ 2011
<b>NOTE - 23</b>		
<b>FINANCE COST</b>		
INTEREST PAID		
INTEREST TO OTHERS	0.64	0.90
INTEREST TO BANK	<u>560.00</u>	<u>623.35</u>
	560.64	624.25
FINANCIAL CHARGES		
BANK CHARGES	88.98	74.06
BANK GUARANTEE CHARGES	4.54	14.12
BANK PROCESSING CHARGES	29.64	14.96
STATUS REPORT CHARGES	2.45	0.10
L/C CHARGES	<u>36.08</u>	<u>62.14</u>
	161.69	165.38
	<u><b>722.33</b></u>	<u><b>789.63</b></u>
<b>NOTE - 24</b>		
<b>OTHER EXPENSES</b>		
STORE/ SPARES & OTHER COMPONENTS CONSUMED	2,364.72	2,445.11
FUEL AND OIL CONSUMED	708.27	822.89
POWER & ELECTRICITY	2,097.72	1,246.17
JOB WORK	1,466.52	1,559.91
LABOUR CHARGES	460.38	543.41
WATER CHARGES	35.73	61.17
POWER PLANT OPERATION & MAINT. CHARGES	-	69.95
OTHER MANUFACTURING EXPENSES	1,026.05	883.20
FREIGHT, FORWARDING & OTHER CHARGES ON EXPORT.	2,603.86	2,164.60
ART WORK AND POSITIVES	-	0.48
WAREHOUSE & HANDLING CHARGES AT USA	47.52	64.13
COMMISSION/BROKERAGE	127.75	35.65
ROYALTY	99.40	-
QUALITY CLAIM	175.08	3.30
SALES PROMOTION	96.31	83.41
TRAVELLING & CONVEYANCE EXPENSES	142.38	151.40
VEHICLE EXPS	122.68	115.60
LEGAL & PROFESSIONAL EXPS	93.78	117.81
RENT, RATES & TAXES	86.98	71.69
ADVERTISEMENT	2.53	2.01
INSURANCE (GENERAL)	37.03	28.43
DIRECTOR FEES	2.90	2.60
SECURITIES TRANSACTION TAX	3.03	7.96
ENGINEERING & DESIGN CHARGES	57.81	55.29
PORTFOLIO MANAGEMENT SERVICES FEES	-	3.16
TECHNICAL TRAINING EXPENSES	11.89	9.84
SOFTWARE CHARGES PAID	1.46	1.58
PRINTING & STATIONERY	30.83	28.17
POSTAGE, TELEGRAM & TELEPHONE EXP.	75.32	76.33
MISCELLANEOUS EXPENSES	10.64	11.10
CORPORATE SOCIAL RESPONSIBILITY	250.00	28.00
AUDIT FEES	4.00	4.00
TAX AUDIT FEES	1.00	1.00
CETIFICATION CHARGES/ OUT OF POCKET EXPENSES	0.26	0.24
MACHINE REPAIR	175.31	184.91
BUILDING REPAIR	143.06	150.51
OTHER REPAIRS & MAINTAINENCE	535.24	585.26
LOSS OF SALE OF INVESTMENT	65.36	155.80
LOSS OF SALE OF MOTOR CAR	0.30	-
SUNDRY BALANCEWRITTEN OFF	3.42	0.88
DIFF IN FOREIGN CURR	117.66	-
SALES TAX PAID	-	4.07
AMALGAMATION EXPENSES	0.20	-
	<u><b>13,284.38</b></u>	<u><b>11,781.00</b></u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

	(₹. In Lakhs)	
	YEAR ENDED 31/ 03/ 2012	YEAR ENDED 31/ 03/ 2011
<b>NOTE - 25</b>		
<b>TAX EXPENSES</b>		
CURRENT TAX		
CURRENT INCOME TAX	1,266.32	1,256.75
ADJUSTMENT OF EARLIER YEARS	(0.00)	(109.09)
	<u>1,266.32</u>	<u>1,147.66</u>
<b>DEFERRED TAX</b>	(158.67)	168.27
	<u><b>1,107.65</b></u>	<u><b>1,315.93</b></u>

## **NOTE - 26** **EARNING PER SHARE**

NET PROFIT FOR EQUITY SHAREHOLDERS	1,830.46	3,343.70
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES OUTSTANDING DURING THE YEAR	315.27	315.27
ADJUSTED BASIC & DILUTED EPS (ON NOMINAL VALUE OF ₹.10/- PER SHARE)	5.81	10.61



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### I. SIGNIFICANT ACCOUNTING POLICIES

#### NOTES NO.27

##### A. GENERAL

- These Financial Statement are prepared on the historical cost basis, in accordance with the Generally Accepted Accounting Principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India (except to the extent otherwise stated herein 2(B), 2(E)(1) below) and the provisions of the Companies Act, 1956, adjusted by valuation of certain Fixed Assets and on the accounting principles of a going concern.
- Accounting Principles not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles.

##### B. RECOGNITION OF INCOME AND EXPENDITURE

Incomes and expenditures are recognized on accrual basis except benefits on Special Import License Premium, Sales Tax set off, Duty Drawback and all cash incentives, Claims receivable and Government taxes, which have been accounted on cash basis.

##### C. SALES

- Sales are reported net of trade discounts, returns & rebates, Excise Duty and Sales Tax.
- Sales of Scrap/ Unusable Waste are reported net of Excise duty and Sales Tax.

##### D. INVENTORIES

- Inventories of Raw Materials, Finished Goods, Semi-Finished Goods, Trading Goods, Raw Material Scrap and Stores Spares and other components, Packing Materials, Fuel and Oil are valued at cost or net realizable value, whichever is lower.
- Goods in transit are valued at cost or net realizable value, whichever is lower.
- Cost comprises of all cost of purchases, cost of conversion and other costs incurred in bringing the inventory to their present location and conditions.
- Cost is arrived at on FIFO basis.

##### E. FIXED ASSETS

Fixed Assets are stated at cost of acquisition or construction inclusive of incidental expenses related there to and includes amount added on revaluation less accumulated depreciation & cenvat credit.

##### F. DEPRECIATION

- Depreciation on Fixed Assets has been provided on pro-rata basis on the written down value method at the rates specified in schedule XIV, of the Companies Act, 1956.
- Leasehold Land is amortized over the period of lease.
- Depreciation on Revalued Assets is charged for each period after deducting the amount of depreciation on the revalued cost, transferred from revaluation reserve.

##### G. EXPENDITURE DURING CONSTRUCTION PERIOD

Expenditure during construction period is included under Capital Work in Progress and the same is allocated to the respective Fixed Assets on the completion of its construction.

##### H. DEFERRED REVENUE EXPENDITURE

The expenses disclosed under Miscellaneous Expenditure consists of Preliminary expenses and the same have been amortized over a period of 10 years

##### I. FOREIGN EXCHANGE TRANSACTIONS

- Transactions denominated in foreign currency are normally accounted for at the exchange rate prevailing at the time of transaction.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

- Monetary assets and Liabilities in foreign currency transactions remaining unsettled at the end of the year (other than forward contract transactions) are translated at the year end rates and the corresponding effect is given to the respective account.
- Exchange differences' arising on account of fluctuations in the rate of exchange is recognized in the statement of Profit & Loss.
- Exchange rate difference arising on account of conversion/translation of liabilities incurred for acquisition of Fixed Assets is recognized in the Statement of Profit & Loss.
- Investment & finance (including loans & equity contribution) in foreign subsidiaries are recorded in rupees by applying the exchange rate prevailing at the time of making Investments and Finance.

### **J. GOVERNMENT GRANTS**

- Capital subsidy/government grants are accounted for where it is reasonably certain that the ultimate collection will be made.
- Capital subsidy/government grants in the form of Capital/Investment Incentives received from government/Semi-government authorities are credited to capital reserve account.
- Capital subsidy/government grants related to specific non depreciable assets are credited to capital reserve account.
- Capital subsidy/government grants related to specific depreciable assets are credited to capital reserve account and are recognized as income in profit and loss statement on a systematic and rational basis over the useful life of assets.
- Other Revenue Grants are credited to statement of Profit & Loss under 'Other Income' or deducted from the related Expenses.

### **K. INVESTMENTS**

Long Term Investments are stated at Cost and provision for diminution in value in the perception of the management will only be considered.

### **L. EMPLOYEE BENEFITS**

- The Company makes regular contribution to the Employees' Provident Fund and Employees' Pension Fund Schemes and these contributions are charged to Statement of Profit and Loss.
- Year end liabilities on account of Leave encashment Benefits to employees are accounted for on accrual basis and provision for actual earned leave accrued and provided as per the balance of unclaimed leave at the year end since there is no scheme in the company for leave encashment benefits in line with AS 15 (Revised) "EMPLOYEE BENEFITS".
- The gratuity liability is determined by actuarial valuation, using the Project Unit Credit Method as specified in AS 15 (Revised) "EMPLOYEE BENEFITS" and the liability is fully charged to Statement of Profit & Loss. Actuarial gains and losses arising on such valuation are also recognized immediately in Statement of Profit & Loss.

### **M. BORROWING COST**

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of the assets up to the date the assets are put to use. Other borrowing costs are charged to the Statement of Profit & Loss in the year in which they are incurred.

### **N. LEASES**

Lease rentals in respect of the assets acquired on Lease are charged to Statement of Profit and Loss.

### **O. TAXATION**

Provision for current tax is made on the assessable income at the tax rate applicable to the



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

relevant assessment year. Deferred tax resulting from” timing difference “between book and taxable profit is accounted for using the tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet Date. Deferred tax assets are recognized, only to the extent there is a reasonable certainty of its realization. At each Balance sheet date, the carrying amount of deferred tax assets is reviewed to reassure realization.

### P. INTANGIBLE ASSETS

Intangible Assets are recognized by the Company only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the same can be measured reliably.

Intangible Assets are amortized on a systematic basis over its useful life and the amortization for each period will be recognized as an expense.

### Q. IMPAIRMENT

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

### R. PROVISIONS

A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### S. CONTINGENT LIABILITY

Contingent Liabilities are not accounted for in the Accounts. These are disclosed by way of Notes to the financial Statements to the extent of information available with the Company.

## 2. NOTES FORMING PART OF THE ACCOUNTS

(₹. In Lakhs)

SR	Contingent Liabilities and Commitments not provided For	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
I.	Bank Guarantees aggregating to Euro 17,50,000 and USD 11,00,000 to Banks on behalf of subsidiary Company in Poland.	1552.84	1552.84
II.	Liability in Respect of Trade Finance & Guarantees (UK) aggregating to Pounds 25,00,000 for Technocraft International UK	492.04	492.04
III.	Bank Guarantee aggregating to USD 5,00,000 to Banks on behalf of Fellow Subsidiary Company, Impact Engineering Pvt. Ltd.	224.47	224.47
IV.	Income Tax and Interest Demands For the A.Y.2002-2003 A.Y.2007-2008 A.Y. 2008-2009	75.44/- 63.80/- 15.50/-	75.44/- 63.80/- NIL
V.	Show-Cause Notice for duty issued by Central Excise Department-Rebate of Excise duty paid on Exports goods by utilizing EOU's duty. Duty Rebate Denied (Order No. SB116&117) ( <b>Stay granted by Commissioner (Appeals) from the Pre-Deposit of the dues adjudged during the pendency of these appeals</b> )	3.04/-	NIL



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### A. CONTINGENT LIABILITY (Contd.)

(₹. In Lakhs)

SR	Contingent Liabilities and Commitments not provided For	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
VI.	Show-Cause Notice for duty & Penalty issued by Central Excise Department-Clearance of Cotton waste under Exemption Notification No. 6/97 & 23/03 denied & apportioned Duty (30%) demanded. Duty & Penalty Involved in fuel & raw cotton from Financial Year 1999-2002 to Sep 2008 ( <b>Stay Granted by CESTAT from Pre – Deposit of the dues adjudged during the pendency of these appeals</b> )	1115.66	NIL
VII.	Show-Cause Notice for duty and Penalty issued by Central Excise Department – Rebate of Excise duty paid on Exports goods by utilizing EOU's Duty. Duty Rebate Denied in Unit I of Yarn Division ( <b>Stay Granted by CESTAT from Pre – Deposit of the dues adjudged during the pendency of these appeals</b> )	195.60	NIL
VIII.	Show-Cause Notice for duty and Penalty issued by Central Excise Department – Rebate of Excise duty paid on Exports goods by utilizing EOU's Duty. Duty Rebate Denied in Unit II of Yarn Division. ( <b>Stay Granted by CESTAT from Pre – Deposit of the dues adjudged during the pendency of these appeals</b> )	266.77	NIL
IX.	Demand of Service Tax (including Penalty) on Commission paid to foreign agents for Financial Year 2006-07 & 2007-08.	3.03	NIL
X.	Seven years Warranty beginning with the Financial year 2011-12 given to Spanco Limited against the Erection of the Towers	Amount unascertainable	NIL

B. Excise duty in respect of finished goods is being accounted at the time of clearance of goods as per the practice followed by the Company. Such Excise duty liability as on 31st March 2012 on goods pending clearance, if accounted for, shall not affect the profit for the year.

C. The Company is entitled to receive Subsidy refund of Interest as per the Technology up gradation Fund Scheme of the Government of India, Ministry of Textile and accordingly ₹. 52.10 lakhs has been reduced from Interest to Bank..

D. Provision in respect of reduction in Market Value of Quoted Investments amounting to ₹. 46.03 Lacs /- as at 31st March, 2012 is not made as these Investments are held as long term investments and in the perception of the Management there is no permanent diminution in value of such investments.

### E. RETIREMENT BENEFITS

- The Company has recognizing and accruing the Leave Encashment retirement benefits as per the erstwhile Accounting standard - 15 on "Retirement Benefits".
- In respect of gratuity as per the Revised Accounting standard (AS)- 15 on "Retirement Benefits", the company has charged gratuity liability(net) of ₹. 2,55,66,560/-.

### Net asset / (liability) recognized in the Balance Sheet

(₹. In Lakhs)

SR	Funded Status	31.03.2012	31.03.2011
a)	Present Value of Defined Benefit Obligation	464.27	223.01
b)	Fair Value of Plan Assets	247.40	261.61
c)	Net Asset/(Liability) Recognized in Balance Sheet	(216.87)	38.60



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Total Expenses recognized in the statement of Profit & Loss for year ended on

(₹. In Lakhs)

SR	Components of employer expenses	31.03.2012	31.03.2011
a)	Current Service Cost	51.53	26.81
b)	Interest Cost	17.55	22.48
c)	Expected return on plan asset	(22.52)	(23.04)
d)	Actuarial Losses/(Gains)	209.11	(89.90)
e)	Total Expenses (Income) recognized in Statement of Profit & Loss	255.67	(63.64)

Reconciliation of Defined Benefit Obligation and fair Value of Assets for the year ending on

(₹. In Lakhs)

A	Change in Defined Benefit Obligation	31.03.2012	31.03.2011
a)	Present Value of DBO at beginning of the year	223.01	291.93
b)	Current Service Cost	51.53	26.81
c)	Interest Cost	17.55	22.48
d)	Actual (Gains)/losses	195.22	(96.57)
e)	Benefits Paid	(23.04)	(21.64)
f)	Present Value of DBO at the end of year	464.27	223.01

B	Change in Fair Value of Assets	31.03.2012	31.03.2011
a)	Plan assets At the Beginning of year	261.61	266.89
b)	Adjustment to Opening Fair Value of Plan Assets	0.19	-
c)	Expected Return on plan assets	22.52	23.04
d)	Actual Company contributions	-	-
e)	Actual Gains/(losses) on plan assets	(13.88)	(6.67)
f)	Benefits paid	(23.04)	(21.64)
g)	Plan assets at the end of year	247.40	261.61

Principal Actuarial Assumptions at the Balance Sheet date

Discount Rate	8.50%	8.30%
Rate Of return on plan Assets	9.00%	9.00%
Rate Of increase salaries	4.00%	4.00%
Expected Average remaining working lives of employees (years)	21.44	21.05





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### F. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS

In compliance with the AS-18 "RELATED PARTY DISCLOSURE", which has become mandatory, the required information are as under:-

#### (I) List of Related Parties over which control exists

Sr. No	Name of the Related Party	Sr. No	Name of the Related Party
I.	<b>Subsidiary Company/ Fellow Subsidiary</b> Technocraft International Ltd, U.K. Technocraft Trading Spolka Z.o.o., Poland Technocraft Australia Pty Limited Technosoft Information Technologies (India) Ltd Technocraft (Hungary) KFT Technocraft Tabla Formwork System Pvt Ltd Impact Engineering Inc. CAE Systems GMBH Anhui Reliable Steel Tec. China	III	<b>Key Management Personnel (KMP)</b> Sharad Kumar Saraf Sudarshan Kumar Saraf Madhoprasad Saraf Navneet Kumar Saraf Ashish Kumar Saraf
		IV	<b>Relatives &amp; Enterprises of KMP</b> Shantidevi Saraf Shakuntala Saraf Suman Saraf Nidhi Saraf Ritu Saraf Priyanka Saraf M.T. Information Technologies
		V	<b>Co- Venturer</b> Tabla Construction Systems
		II.	<b>Associates</b> Ashrit Holdings Ltd B.M.S.Industries Ltd M.D .Saraf Securities Pvt .Ltd.

#### (II) Names of the Related Parties with whom transactions were carried out during year and description of relationship

Sr. No	Related Parties	Sr. No	Related Parties
I.	<b>Subsidiaries/ Fellow Subsidiary</b> Technocraft International Ltd, U.K. Technocraft Trading Spolka Z.o.o, Poland Technosoft Information Technology ltd Technocraft Tabla Formwork system pvt ltd Technocraft Australia Pty Limited Technocraft (Hungary) KFT Anhui Reliable Steel Tec. China Impact Engineering Inc	II	<b>Associates</b> B.M.S.Industries Ltd Ashrit Holdings Ltd
		III	<b>Key Management Personnel (KMP)</b> Sharad Kumar Saraf Sudarshan Kumar Saraf Navneet Kumar Saraf Ashish Kumar Saraf
		IV	<b>Co- Venturer</b> Tabla Construction Systems

#### (III) Disclosure of Related Party transactions

Sr No	Nature of relationship/ Transactions	Subsidiaries/ Fellow subsidiary	Associates	Co-Venturer	KMP & Relatives	(₹.In Lakhs) Total
1	Purchase of Goods & Services	1387.59 (555.90)	1465.97 (1559.90)	34.26 (116.38)	NIL (NIL)	2887.82 (2232.19)
2	Sale of Goods & services	3794.89 (262.20)	191.59 (209.57)	NIL (NIL)	NIL (NIL)	3986.48 (471.77)
3	Interest Received	80.74 (58.81)	193.45 (30.38)	NIL (NIL)	NIL (NIL)	274.19 (89.19)
4	Directors' Remuneration & Commission	NIL (NIL)	NIL (NIL)	NIL (NIL)	292.80 (292.80)	292.80 (292.80)



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### (III) Disclosure of Related Party transactions (contd.)

Sr No	Nature of relationship/ Transactions	Subsidiaries/ Fellow subsidiary	Associates	Co-Venturere	KMP & Relatives	Total (₹.In Lakhs)
5	Salary & Wages	NIL (NIL)	NIL (NIL)	NIL (NIL)	146.40 (146.40)	146.40 (146.40)
6	Reimbursement of Expenses	NIL (0.90)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (0.90)
7	Loan Given	1609.72 (1027.05)	12689.89 (2263.15)	264.48 (NIL)	NIL (NIL)	14564.09 (3290.20)
8	Loan Repaid	1380.08 (1162.55)	5515.88 (3594.82)	36.44 (NIL)	NIL (NIL)	6932.40 (4757.37)
9	Capital Investments	NIL (294.01)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (294.01)

### (IV) Amount due to/ from Related Parties as on 31.03.2012

Sr No	Nature of relationship/ Transactions	Subsidiaries/ Fellow subsidiary	Associates	Co-Venturere	KMP & Relatives	Total (₹.In Lakhs)
1	Trade Receivable/Advance	2275.57 (152.88)	NIL (28.52)	NIL (23.28)	NIL (NIL)	2275.57 (204.68)
2	Trade Payables/ Advance	166.52 (71.78)	211.36 (4.51)	NIL (NIL)	NIL (NIL)	377.88 (76.29)
3	Loans & Advances	1191.13 (733.43)	7289.60 (115.59)	NIL (NIL)	NIL (NIL)	8480.73 (849.02)

- G. In compliance with the Accounting Standard–22 “Accounting for Taxes on Income” which has become mandatory, the company has charged Deferred Tax Assets (net) amounting to ₹. 158.67 lakhs in the Current year and the same has been credited to Statement of profit and loss.

(₹. In Lakhs)

PARTICULARS	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
<b>DEFERRED TAX LIABILITY \ (ASSETS)</b>		
On A/c of difference in Depreciation	(132.23)	(48.75)
On A/c of unabsorbed Losses & unabsorbed Depreciation of Technocraft Export	-	223.42
(On Account of Timing Difference in Share Issue Expenses)	-	8.99
On Account of Timing Difference in Amalgamation Expenses	0.39	0.51
On Account of Timing Difference in Demerger Expenses	0.50	(1.50)
Long term Capital loss	(27.33)	(14.39)
<b>NET IMPACT</b>	<b>(158.67)</b>	<b>168.28</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹. In Lakhs)

<b>POSITION OF DEFERRED TAX ASSETS &amp; LIABILITIES AS ON BALANCE SHEET DATE ARE AS UNDER</b>		
<b>PARTICULARS</b>	<b>For the Year Ended 31.03.2012</b>	<b>For the Year Ended 31.03.2011</b>
Deferred Tax Assets		
(On Account of Timing Difference in depreciation)	390.71	258.48
(On Account of Timing Difference in Amalgamation Expenses)	0.76	1.14
On Account of Timing Difference in Demerger Expenses	1.00	1.50
Long term Capital losses	48.34	21.02
<b>Net Deferred Tax Assets</b>	<b>440.81</b>	<b>282.14</b>

H. In compliance with the Accounting Standard 28 - "Impairment of Assets" which has become mandatory, the Company has considered its Fixed Assets at Cost of Acquisition or cost of construction, less Depreciation as per policies adopted by the Company vide Note No. 1(E), (F) & (G) and none of the Assets has been revalued during the year. Based on the internal and external sources of information available with the Company recoverable amount of fixed Assets are higher than the carrying amount of Fixed Assets, therefore there is no Impairment of Assets.

I. During the year Technocraft Hungary KFT is seized to be subsidiary of the company.

J. The Company is Co- Venturer in Technocraft Tabla Formwork System Pvt Ltd. The following Information is disclosed as per AS-27 – Financial Reporting of Interest in Joint Venture.

1) Details of the Jointly Controlled Entity.

- a) Name of the entity : Technocraft Tabla Formwork System Pvt Ltd.
- b) Address of the entity : A-25, M.I.D.C, Street No 3, Marol Industrial Area, Opp. ESIC Hospital, Andheri (E), Mumbai-400093
- c) Country of Incorporation: India
- d) Proportion Of Ownerships: 65%

2) Aggregate amount of Revenue, Expense, Asset and Liabilities related to the Interest of the company in the Joint- Venture namely Technocraft Tabla Formwork System Pvt Ltd

a) **Revenue**

<b>Particulars</b>	<b>(₹. In Lakhs)</b>
Revenue from Operations	23.99
Other Income	25.86
<b>Total</b>	<b>49.85</b>

b) **Expenses**

<b>Particulars</b>	<b>(₹. In Lakhs)</b>
Cost of Material Consumed	102.64
Changes in Inventories of Stock	(92.38)
Employee Retirement Benefits	15.75
Finance Cost	0.43
Depreciation	0.18
Amortization of Goodwill and Distribution Rights	4.58
Other Expenses	74.19
<b>Total</b>	<b>105.39</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

### c) Assets

Particulars	(₹. In Lakhs)
Intangible Assets	13.73
Tangible Assets	0.40
Deferred Tax Asset	25.15
Inventories	92.38
Trade Receivables	43.69
Cash & Cash Equivalents	0.08
Other Current Assets	18.58
<b>TOTAL</b>	<b>194.01</b>

### d) Equity and Liabilities

Particulars	(₹. In Lakhs)
Share Capital	65.00
Reserves and Surplus	(56.90)
Short Term Borrowings	149.90
Trade Payable	2.59
Other Current Liabilities	32.78
Short Term Provisions	0.64
<b>TOTAL</b>	<b>194.01</b>

3 The Company is also having Joint Venture with Gilcheck Management Inc, Canadian company operating as Tabla Construction system as a Joint control operation in respect of production of Tabla Products.

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

### L. Details of Raw Material Consumed:

(₹. In Lakhs)

Class of Goods	31.3.2012	31.3.2011
Steel Sheets & Others	10307.47	8456.44
Zinc	471.93	762.43
Cotton	14060.29	13995.27
Coal (Consumption includes loss due to flood & trial Run)	1260.09	1509.64
Others *	3474.06	2140.32
<b>Total</b>	<b>29573.84</b>	<b>26864.10</b>

\* Others do not include any individual item valuing more than 10% of total raw material consumed.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

M. Value of Imported and Indigenous Raw Materials, packing materials, Stores, Spares etc. Consumed and % there to Total Consumption: (₹. In Lakhs)

	31.3.2012		31.3.2011	
<b>1) Raw Materials</b>				
Imported	1.28%	379.09	4.75%	1274.93
Indigenous	98.72%	29194.75	95.25%	25589.17
<b>2) Packing Material</b>				
Imported	0.88%	7.19	-	-
Indigenous	99.12%	811.16	100%	826.91
<b>3) Stores and Spare Parts</b>				
Imported	0.96%	22.71	0.77%	18.78
Indigenous	99.04%	2342.01	99.23%	2426.33

N. C.I.F Value of Imports (₹. In Lakhs)

	31.3.2012	31.3.2011
Raw Material	379.09	771.59
Stores & Spares	22.71	18.76
Packing material	7.19	-

O. Earning in Foreign Currency (₹. In Lakhs)

	31.3.2012	31.3.2011
Export F.O.B Value	39519.32	32,239.31

P. Expenditure in Foreign Currency (₹. In Lakhs)

	31.3.2012	31.3.2011
Business Support Service	422.59	407.95
Foreign Travelling	21.49	30.22
Warehousing and Handling Charges	47.52	58.37
Commission/Brokerage	8.10	4.53
Bank Charges	46.33	37.06
Freight on Export	0.79	2.95
Inspection/Testing	6.61	5.47
Clearing charges on Exports	62.65	2.45
Professional Fees	-	7.73
Sales Promotion	0.97	2.91
Exhibition/ Seminar Participation	-	1.72
License & Legal Fees	2.19	4.09
Interest to Bank	78.88	94.74
Quality Claims in Export Sales	59.92	3.30
Bank Processing Charges	-	2.46
Bank Guarantee Charges	-	0.04
L/C Charges	0.15	5.93
Engineering & Design Charges	-	29.34
Consultancy Charges	-	5.31
Outstation Allowances	-	0.58



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

- Q.** Trade Receivables/Advances/Trade Payables/Bank Balances (Partly)/Loans etc. have been taken as per books awaiting respective confirmation and reconciliation.
- R.** The financial statements have been prepared as per revised schedule VI to the Companies Act, 1956 which had a significant impact on presentation. Comparative figures have been regrouped or rearranged where considered necessary.
- S.** Figures in Financial Statements are converted into Lakhs and any discrepancies in any total and the sum of the amounts listed are due to Rounding-Off.
- T.** Additional information pursuant to Part II of Schedule VI of the Companies Act, 1956 are Either NIL of N.A.

Signature to Notes 1 To 27 Attached

**As per our Report of Even Date**

**For & on Behalf of Board of Directors**

**For M.L.SHARMA & CO.**  
Firm Reg.No.109963W  
CHARTERED ACCOUNTANTS

**(C.H.BANDI)**  
PARTNER  
(M.No.5385)

**S.K. SARAF**                      **S.M. SARAF**  
(MANAGING DIRECTOR)      (MANAGING DIRECTOR)

Place: MUMBAI  
Date : 28th May, 2012



(T). In compliance with AS-17 “SEGMENT REPORTING”, which has become mandatory, the required information are as under

#### A. PRIMARY SEGMENT

The Business Segment has been considered as the primary segment for disclosure. The categories included in each of the reported business segments are as follows:-

- i) Drum Closures
- ii) Steel Tubes and Scaffoldings
- iii) 100 % Cotton Yarn
- iv) Garment
- v) Power

The above business segments have been identified considering:

- i) The nature of the product
- ii) The deferring risk and returns
- iii) The internal financial reporting systems

Revenue and expenses have been accounted for based on the basis of their relationship to the operating activities of the segment.

Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have "included under "Unallocable Assets/Liabilities." Inter segment transfer, if any, accounted for at competitive market prices, charged to unaffiliated customers for similar goods"

#### “SEGMENT REPORTING”

(₹. In Lakhs)

Particulars	Drum Closures	Scaffoldings	Cotton Yarn	Garment Division	Power	Inter unit Elimination	Unallocable	Total
<b>SEGMENT REVENUE</b>								
Domestic (net of Excise duty)	565.88	3286.31	1805.65	853.49	212.89		2.96	6727.17
Export	16486.92	8681.07	14767.32	2002.40	0.00	0.00	-	41937.70
(a) External Sale	17052.79	11967.38	16572.97	2855.89	212.89	0.00	2.96	48664.88
(b) Inter-segment Revenue	54.84	924.67	784.63	0.89	1034.38	(2799.41)	-	0.00
<b>Total Revenue</b>	<b>17107.63</b>	<b>12892.05</b>	<b>17357.60</b>	<b>2856.78</b>	<b>1247.28</b>	<b>(2799.41)</b>	<b>2.96</b>	<b>48664.88</b>
<b>SEGMENT REVENUE</b>	<b>17107.63</b>	<b>12892.05</b>	<b>17357.60</b>	<b>2856.78</b>	<b>1247.28</b>	<b>(2,799.41)</b>	<b>2.96</b>	<b>48664.88</b>
	(16553.64)	(9285.97)	(18008.74)	(3442.71)	(2432.82)		(36.23)	(45665.97)
<b>SEGMENT RESULTS</b>	<b>5665.06</b>	<b>1377.68</b>	<b>(435.35)</b>	<b>197.64</b>	<b>(212.64)</b>		<b>(627.62)</b>	<b>5964.78</b>
	(4520.21)	(818.36)	(2784.31)	(49.67)	(198.08)		(103.60)	(8267.52)
<b>Less:</b>								
Interest Expenses	78.42	277.81	196.73	0.56	0.22	0.00	6.90	553.74
	(55.86)	(250.27)	(307.32)	(3.47)	(0.38)		(6.94)	(617.31)
Depreciation	568.83	363.61	1051.31	107.68	787.01	0.00	42.00	2878.44
	(538.08)	(345.09)	(1172.24)	(102.90)	(1315.30)		(41.89)	(3473.61)
Amortisation of Goodwill	0.00	0.00	0.00	0.00	0.00	0.00	121.92	0.00
							(121.92)	
Finance Charges	70.59	34.90	8.96	22.30	2.66	0.00	22.28	139.41
	(83.27)	(31.34)	(9.72)	(15.96)	(3.74)		(21.36)	(144.04)
Directors Remuneration	292.80	0.00	0.00	0.00	0.00	0.00	0.00	292.80
	(292.80)							(292.80)
Auditor's Remuneratin							5.00	0.00
							(5.24)	
Unallocable Expenses								198.11
								(195.64)
<b>Add:</b>								
Other Income								765.86
								(711.53)
Profit/(Loss) on sale of Investment								248.06
								(479.30)
Profit/(Loss) on sale of Fixed Asset								21.90
								(82.15)
<b>Profit before taxation</b>								<b>2938.11</b>
(including Deferred Tax & FBT)								<b>(4659.61)</b>



**“SEGMENT REPORTING” (contd.)**

**(₹. In Lakhs)**

Particulars	Drum Closures	Scaffoldings	Cotton Yarn	Garment Division	Power	Inter unit Elimination	Unallocable	Total
Provision for taxes								1107.65
								(1425.01)
<b>Profit After Tax</b>								<b>1830.46</b>
								(3234.60)
<b>OTHER INFORMATION</b>								
<b>Assets</b>								
Segment Assets	9586.60	10229.45	11191.38	1352.48	4632.17	0.00	0.00	36992.08
	(9487.31)	(13399.13)	(15533.37)	(2569.30)	(5402.09)	-		(46391.19)
Unallocable Assets								20001.55
								(23523.69)
							Total of Assets	<b>56993.62</b>
								(69915.02)
<b>Liabilities</b>								
Segment Liabilities	3858.80	5626.12	3376.43	222.78	838.44			13922.57
	(5284.75)	(8231.75)	(4568.31)	(363.11)	(542.05)			(18989.97)
Unallocable Liabilities								660.45
								(9963.31)
							Total of Liability	<b>14583.03</b>
								(28953.28)
<b>Capital Expenditure</b> (excluding capital WIP)								
Segment Capital	627.98	237.33	81.88	71.16	172.97	0.00	41.38	1232.69
Expenditure	(567.39)	(421.19)	(1188.73)	(183.48)	(5048.05)		(22.99)	(7431.84)
<b>Depreciation</b>								
Segment Depreciation	568.83	363.61	1051.31	107.68	787.01	0.00	0.00	2878.44
	(538.08)	(345.09)	(1,172.24)	(102.90)	(1315.30)			(3,473.61)
Unallocable Depreciation							42.00	42.00
							(41.89)	(41.89)
Amortisation of Goodwill							121.92	121.92
							(121.92)	(121.92)
								<b>3000.37</b>
								(3595.53)
<b>Non Cash Expenses Other than Depreciation</b>								
Segment Non cash Expenditure								
Unallocable								
<b>B. GEOGRAPHICAL SEGMENT</b>								
<b>Sales Revenue</b>								
India	565.88	3286.31	1805.65	853.49	212.89		2.96	6727.17
	(1,503.70)	(1,885.96)	(4,277.60)	(1825.29)	(940.40)		(36.23)	(10,469.18)
Outside India	16486.92	8681.07	14767.32	2002.40	0.00	0.00		41937.70
	(15,035.69)	(6,435.54)	(12,108.14)	(1617.42)	-			(35,196.79)
<b>Sales Revenue</b>	<b>17052.79</b>	<b>11967.38</b>	<b>16572.97</b>	<b>2855.89</b>	<b>212.89</b>		<b>2.96</b>	<b>48664.88</b>
	<b>(16,539.38)</b>	<b>(8,321.50)</b>	<b>(16,385.74)</b>	<b>(3442.71)</b>	<b>(940.40)</b>		<b>(36.23)</b>	<b>(45665.97)</b>
<b>Assets</b>								
India	5712.15	7675.99	6353.63	927.51	4,632.17	-	20001.55	25301.45
	(5,711.22)	(11,092.68)	(13,066.87)	(2011.12)	(5,402.09)	(-)	(23,523.83)	(37,283.98)
Outside India	3874.45	2553.46	4837.75	424.97	0.00	-	-	11690.63
	(3,776.09)	(2,306.44)	(2,466.50)	(558.18)	(-)	(-)	(-)	(9,107.21)
<b>Total Assets</b>	<b>9,586.60</b>	<b>10,229.45</b>	<b>11,191.38</b>	<b>1,352.48</b>	<b>4,632.17</b>	<b>-</b>	<b>20,001.55</b>	<b>36,992.08</b>
	<b>(9,487.31)</b>	<b>(13,399.13)</b>	<b>(15,533.37)</b>	<b>(2569.30)</b>	<b>(5,402.09)</b>	<b>(-)</b>	<b>(23,523.83)</b>	<b>(46,391.19)</b>





## AUDITORS REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### TO THE BOARD OF DIRECTORS OF TECHNOCRAFT INDUSTRIES (INDIA) LIMITED

1. We have audited the attached Consolidated Balance Sheet of TECHNOCRAFT INDUSTRIES (INDIA) LIMITED AND ITS SUBSIDIARY as at 31st March, 2012 and also the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3.
  - A. We have also conducted the audit of the Financial Statement of Indian Subsidiaries, whose Financial Statements reflect total assets of ₹.2393.60 lacs as at 31st March 2012, total revenues of ₹.1575.86 lacs for the year then ended.
  - B. We have also conducted the audit of the Financial Statement of Indian Joint Venture whose Financial Statements reflect total assets of ₹.194.01 lacs as at 31st March 2012, total revenues of ₹.49.85 lacs for the year then ended. The total assets & total revenue have been considered only to the extent of the shares of Technocraft Industries (India) Ltd i.e. 65% in the Joint Venture.
  - C. The Financial Statements of Technocraft International Limited UK, foreign subsidiary, reflects total assets of ₹.2105.54 lacs as at 31st December 2011 total revenues of ₹. 2016.80 lacs for the year then ended. These financial statements and other financial information have been AUDITED by the other auditors whose reports have been furnished to us, and our opinion, is based solely on the report of other auditors.
  - D. The Financial Statements of Technocraft Trading Sp. Z o o., foreign subsidiary reflects total assets of ₹. 2843.49 lacs as at 31st December 2011, total revenues of ₹.886.68 lacs for the year then ended. These financial statements and other financial information have been AUDITED by the other auditors whose reports have been furnished to us, and our opinion, is based solely on the report of other auditors.
  - E. The Financial Statements of Technocraft Australia PTY Ltd, foreign subsidiary reflects total assets of ₹.1266.18 lacs as at 31st March 2012, total revenues of ₹.2732.75 lacs for the year then ended. These financial statements and other financial information are based on the Management's estimates and are therefore UNAUDITED.
  - F. The Financial Statements of Anhui Reliable steel company Ltd, foreign subsidiary reflects total assets of ₹.4428.70 lacs as at 31st December 2011, total revenues of ₹.3729.58 lacs for the year then ended. These financial statements and other financial information have been AUDITED by the other auditors whose reports have been furnished to us, and our opinion, is based solely on the report of other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21 on "Consolidated Financial Statements", issued by The Institute of Chartered Accountants of India.
5. Based on our audit and on the consideration of the reports of the other auditors on separate financial statements and on the basis of the information and explanations given to us and Subject to note no. 27 (1)(3) & 27 (1)(4) , we are of the opinion that;
  - a) The consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of the company and its subsidiary as at 31st March, 2012;
  - b) The Consolidated Statement of Profit & Loss gives a true and fair view of the consolidated results of operations of the Company and its subsidiary for the year then ended; and
  - c) The Consolidated Cash Flow Statement gives a true and fair view of the cash flow of the Company and its subsidiary for the year ended on that date.

**For M. L. SHARMA & CO.**  
CHARTERED ACCOUNTANTS  
Firm Reg No 109963W

**(C. H. BANDI)**  
PARTNER  
M. No. 5385

PLACE: MUMBAI  
DATED: 28th May, 2012



## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

(₹. In Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2012	AS AT 31.03.2011
<b>I. EQUITIES &amp; LIABILITIES</b>			
<b>1. SHAREHOLDER'S FUND</b>			
A. SHARE CAPITAL	1	3,152.68	3,152.68
B. RESERVES AND SURPLUS	2	40,572.15	39,062.02
C. CAPITAL RESERVES ON CONSOLIDATION		6.37	(1.90)
D. MINORITY INTEREST		199.55	211.36
		<b>43,930.75</b>	<b>42,424.16</b>
<b>2. NON-CURRENT LIABILITIES</b>			
A. LONG TERM BORROWINGS	3	828.85	1,902.59
B. OTHER NON CURRENT LIABILITIES	4	99.68	92.16
		<b>928.54</b>	<b>1,994.75</b>
<b>3. CURRENT LIABILITIES</b>			
A. SHORT TERM BORROWINGS	5	9,343.58	14,811.20
B. TRADE PAYABLE	6	3,884.21	4,652.56
C. OTHER CURRENT LIABILITIES	7	5,649.99	3,659.14
D. SHORT TERM PROVISION	8	729.46	495.34
		19,607.25	23,618.23
	<b>TOTAL</b>	<b>64,466.53</b>	<b>68,037.14</b>
<b>II. ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
A. FIXED ASSETS	9		
TANGIBLE ASSETS		16339.44	16888.00
INTANGIBLE ASSETS		381.45	434.77
CAPITAL W.I.P.		170.56	655.95
		<b>16,891.45</b>	<b>17,978.72</b>
B. NON CURRENT INVESTMENTS	10	4,757.92	7,055.90
C. DEFERRED TAX ASSET		488.58	372.42
D. LONG TERM LOANS & ADVANCES	11	350.05	253.77
E. OTHER NON CURRENT ASSETS	12	1,033.34	1,000.05
		<b>6,629.89</b>	<b>8,682.14</b>
<b>2. CURRENT ASSETS</b>			
A. INVENTORIES	13	11,858.09	16,929.45
B. TRADE RECEIVABLES	14	15,212.87	13,450.79
C. CASH & CASH EQUIVALENT	15	2,226.30	6,102.19
D. SHORT TERM LOANS & ADVANCES	16	7,758.07	118.27
E. OTHER CURRENT ASSETS	17	3,889.87	4,775.58
		<b>40,945.19</b>	<b>41,376.28</b>
	<b>TOTAL</b>	<b>64,466.53</b>	<b>68,037.14</b>
NOTES FORMING PART OF ACCOUNTS	21		

As per our Report of Even Date  
**For M.L.SHARMA & CO.**  
Firm Reg.No.109963W  
CHARTERED ACCOUNTANTS

**(C.H.BANDI)**  
PARTNER  
(M.No.5385)

Place: MUMBAI  
Date : 28th May, 2012

**For & on Behalf of Board of Directors**

**S.K. SARAF**                      **S.M. SARAF**  
(MANAGING DIRECTOR)      (MANAGING DIRECTOR)

**MANOJ JAIN**  
(COMPANY SECRETARY)



## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	NOTE NO.	(₹. In Lakhs)	
		AS AT 31.03.2012	AS AT 31.03.2011
<b>1. REVENUE</b>			
REVENUE FROM OPERATION (GROSS)	18	66,525.59	58,113.99
LESS: EXCISE DUTY		(1,025.18)	(715.87)
		<u>65,500.41</u>	<u>57,398.13</u>
OTHER INCOME	19	2,044.39	2,114.64
FOREX DIFFERENCE ON CONVERSION		(24.29)	(29.41)
<b>TOTAL</b>		<b><u>67,520.50</u></b>	<b><u>59,483.35</u></b>
<b>2. EXPENSES</b>			
TRADING PURCHASES		6,071.28	7,728.00
COST OF MATERIAL CONSUMED	20	32,232.66	28,463.94
CHANGES IN INVENTORIES OF STOCK	21	2,071.18	(3,200.35)
EMPLOYEE RETIREMENT BENEFITS	22	4,780.63	4,049.90
FINANCE COST	23	1,141.72	867.02
DEPRECIATION		3,145.18	3,647.46
AMORTISATION OF GOODWILL & DISTRIBUTION EXPENSES		126.50	168.97
PROVISION FOR DIMINUTION IN VALUE OF INVESTMENT		32.17	-
OTHER EXPENSES	24	15,197.34	12,937.00
PRELIMINARY EXPENSES WRITTEN OFF		-	6.62
<b>TOTAL</b>		<b><u>64,798.66</u></b>	<b><u>54,668.56</u></b>
PROFIT/(LOSS) BEFORE TAXATION		<b><u>2,721.84</u></b>	<b><u>4,814.80</u></b>
TAX EXPENSES	25		
CURRENT TAX		1,361.95	1,306.60
DEFERRED TAX (NET)		(166.92)	173.74
PROFIT AFTER TAX		<u>1,526.81</u>	<u>3,334.46</u>
ADJUSTED EARNING PER SHARE -BASIC &DILUTED	26	4.84	10.58
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	27		

As per our Report of Even Date  
**For M.L.SHARMA & CO.**  
Firm Reg.No.109963W  
CHARTERED ACCOUNTANTS

**(C.H.BANDI)**  
PARTNER  
(M.No.5385)

Place: MUMBAI  
Date : 28th May, 2012

**For & on Behalf of Board of Directors**

**S.K. SARAF**                      **S.M. SARAF**  
(MANAGING DIRECTOR)      (MANAGING DIRECTOR)

**MANOJ JAIN**  
(COMPANY SECRETARY)



## CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31-3-2012

PARTICULARS	(₹. In Lakhs)	
	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
NET (LOSS)/PROFIT BEFORE TAX BUT AFTER EXCEPTIONAL/ EXTRA ORDINARY ITEMS	2,721.84	4,814.80
<b>ADJUSTMENTS FOR:</b>		
DEPRECIATION	3,145.18	3,647.46
INTEREST EXPENSE	957.59	708.88
INTEREST INCOME	(576.91)	(529.39)
DIVIDEND RECEIVED	(0.02)	(15.62)
RENT RECEIVED	(139.48)	(331.66)
(PROFIT)/LOSS ON FIXED ASSETS SOLD	(21.09)	(81.98)
(PROFIT)/LOSS ON SALE OF INVESTMENTS	(315.50)	(481.69)
LOSS ON SALE OF INVESTMENT	65.36	154.79
PRELIMINARY EXPENDITURE WRITTEN OFF		6.62
GAIN ON EXCHANGE (NET)	684.00	(185.20)
AMORTISATION OF GOODWILL	126.50	164.39
PROVISION FOR DIMUNITION IN VALUE OF INVESTMENT	-	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>6,647.47</b>	<b>7,871.40</b>
<b>ADJUSTMENTS FOR CHANGES IN WORKING CAPITAL :</b>		
- (INCREASE)/DECREASE IN TRADE RECEIVABLE	(1,762.09)	(1,508.09)
- (INCREASE)/DECREASE IN OTHER RECEIVABLES	(7,459.73)	1056.05
- (INCREASE)/DECREASE IN INVENTORIES	5071.36	(6,270.36)
- INCREASE/(DECREASE) IN TRADE AND OTHER PAYABLES	1864.54	1942.96
<b>CASH GENERATED FROM OPERATIONS</b>	<b>4,361.55</b>	<b>3,091.96</b>
- TAXES (PAID) / RECEIVED	(778.49)	(1,638.56)
- GAIN ON EXCHANGE (NET)	(684.00)	185.20
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>2,899.06</b>	<b>1,638.60</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
PURCHASE OF FIXED ASSETS	(2,466.88)	(7,266.26)
(INCREASE)/ DECREASE IN CAPITAL WORK IN PROGRESS	-	4,789.07
PROCEEDS FROM SALE OF FIXED ASSETS	303.56	87.03
NET REALISATION ON SALE OF INVESTMENTS	7,094.14	10,316.38
NET ADDITIONS TO INVESTMENTS :	(4,546.02)	(11,015.71)
INTEREST RECEIVED	597.28	506.55
DIVIDEND RECEIVED	0.02	15.62
BUSINESS SERVICE/ RENT INOME RECEIVED	139.48	331.66
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>1,121.58</b>	<b>(2,235.67)</b>



## CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31-3-2012

PARTICULARS	(₹. In Lakhs)	
	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
TERM LOANS FROM BANK	(1,073.74)	(1,459.91)
NET SHORT TERM BORROWINGS FROM BANKS	(5,467.62)	4,274.56
INTEREST PAID	(957.59)	(708.88)
DIVIDEND PAID	(315.27)	(472.90)
DIVIDEND DISTRIBUTION TAX PAID	(52.36)	(80.37)
MISCELLANEOUS EXPENDITURE		
<b>NET CASH USED IN FINANCING ACTIVITIES ( C )</b>	<b>(7,866.58)</b>	<b>1,552.49</b>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+ B+ C)	(3,845.94)	955.42
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	7,102.24	6,146.82
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<b>3,256.30</b>	<b>7,102.24</b>
CASH AND CASH EQUIVALENTS COMPRISE		
CASH ON HAND	15.73	10.18
BALANCE WITH SCHEDULED BANKS	3,240.57	7,092.07
BALANCE AS PER BALANCE SHEET	<b>3,256.30</b>	<b>7,102.24</b>

### NOTES TO THE CASH FLOW STATEMENT

- 1 THE ABOVE CASH FLOW STATEMENT HAS BEEN PREPARED UNDER THE INDIRECT METHOD SET OUT IN AS-3 ISSUED BY THE THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA.
- 2 FIGURES IN BRACKETS INDICATE CASH OUTGO.
- 3 PREVIOUS PERIOD FIGURES HAVE BEEN REGROUPED AND RECAST WHEREVER NECESSARY TO CONFORM TO THE CURRENT PERIOD CLASSIFICATION.
- 4 CASH AND CASH EQUIVALENTS INCLUDES ₹. 5.62 LACS WHICH ARE NOT AVAILABLE FOR USE BY THE COMPANY.

As per our Report of Even Date  
**For M.L.SHARMA & CO.**  
Firm Reg.No.109963W  
CHARTERED ACCOUNTANTS

**(C.H.BANDI)**  
PARTNER  
(M.No.5385)

Place: MUMBAI  
Date : 28th May, 2012

**For & on Behalf of Board of Directors**

**S.K. SARAF**                      **S.M. SARAF**  
(MANAGING DIRECTOR)      (MANAGING DIRECTOR)

**MANOJ JAIN**  
(COMPANY SECRETARY)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(₹. In Lakhs)

	AS ON 31.03.2012	AS ON 31.03.2011
<b>NOTE NO. 1 SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
4,00,00,000 EQUITY SHARES OF ₹.10/- EACH ( PREVIOUS YEAR 4,00,00,000 )	4,000.00 <u>4,000.00</u>	4,000.00 <u>4,000.00</u>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b>		
3,15,26,750 EQUITY SHARES OF ₹. 10/- EACH (FULLY PAID UP) ( PREVIOUS YEAR 3,15,26,750 )	3,152.68 <u>3,152.68</u>	3,152.68 <u>3,152.68</u>

OF THE ABOVE EQUITY SHARES :-

- 1) THE COMPANY HAS ONLY ONE CLASS OF EQUITY SHARES HAVING A PAR VALUE OF RS. 10 PER SHARE. EACH SHAREHOLDERS IS ELIGIBLE FOR ONE VOTE PER SHARE
- 2) THE RECONCILIATION OF THE NUMBER OF SHARE OUTSTANDING AT THE YEAR END IS SET OUT BELOW :

PARTICULARS	EQUITY SHARES			
	AS AT 31 MARCH 2012		AS AT 31 MARCH 2011	
	NUMBER	(₹.In Lakhs)	NUMBER	(₹.In Lakhs)
SHARES OUTSTANDING AT THE BEGINNING OF THE YEAR	31,526,750	3,153	31,526,750	3,153
SHARES ISSUED DURING THE YEAR	-	-	-	-
SHARES BOUGHT BACK DURING THE YEAR	-	-	-	-
SHARES OUTSTANDING AT THE END OF THE YEAR	31,526,750	3,153	31,526,750	3,153

- 3) THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IS SET OUT BELOW :

NAME OF SHAREHOLDERS	% OF HOLDING	NO. OF SHARE HELD	% OF HOLDING	NO. OF SHARE HELD
		NUMBER		NUMBER
SHAKUNTALA SARAF	21.37%	6,739,512	21.37%	6,739,512
SHANTIDEVI SARAF	9.40%	2,963,471	9.40%	2,963,471
SHARAD KUMAR MADHOPRASAD HUF	9.12%	2,874,946	9.12%	2,874,946
SUDARSHAN KUMAR SARAF	27.76%	8,750,652	27.76%	8,750,652



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(₹. In Lakhs)

	YEAR ENDED 31/ 03/ 2012	YEAR ENDED 31/ 03/ 2011
<b>4) OTHER DISCLOSURE PURSUANT TO NOTE NO. 6 OF PART I OF SCHEDULE VI TO THE COMPANIES ACT, 1956 IS EITHER NIL OR NOT APPLICABLE TO THE COMPANY.</b>		
<b>NOTES NO.2 - RESERVE &amp; SURPLUS</b>		
<b>GENERAL RESERVES</b>		
AS PER LAST BALANCE SHEET	26,355.00	25,621.62
ADD : TRANSFER FROM SURPLUS OF CURRENT YEAR	200.00	733.38
	<b>26,555.00</b>	<b>26,355.00</b>
<b>CAPITAL RESERVE</b>		
AS PER LAST BALANCE SHEET	22.36	22.36
LESS : CAPITAL RESERVE OF HUNGARY	1.85	-
	20.51	22.36
<b>CAPITAL REDEMPTION RESERVE</b>		
	2.50	2.50
<b>REVALUATION RESERVE</b>		
AS PER LAST BALANCE SHEET	257.38	273.61
LESS : DEPRECIATION	15.19	16.24
	242.19	257.38
<b>SECURITIES PREMIUM</b>		
AS PER LAST BALANCE SHEET	<b>7,599.83</b>	<b>7,599.83</b>
<b>SURPLUS IN STATEMENT OF PROFIT AND LOSS</b>		
AS PER LAST BALANCE SHEET	4,824.96	2,609.49
ADD: PROFIT/(LOSS) FOR THE PERIOD	1,526.81	3,334.46
ADD: DEFERRED TAX ON AMALGMATION	-	223.41
ADD: MINORITY INTEREST & PRE- ACQUISITION PROFIT AS DEBITED LAST YEAR	224.52	-
ADD: ADJUSTMENT OF UNREALISED PROFITS ON STOCK	382.75	527.45
	6,959.04	6,694.81
LESS : PROPOSED DIVIDEND #	315.27	315.27
LESS : PROV. FOR DIVIDEND DISTRIBUTION TAX	51.14	52.36
LESS : TRANSFERRED TO GENERAL RESERVES	200.00	733.38
LESS : AMALGAMATION ADJUSTMENT OF TECHNOCRAFT EXPORT	-	614.52
LESS : PROFITS OF TECHNOCRAFT HUNGARY, NOT CONSOLIDATED	88.19	-
LESS : ADJUSTMENT OF LAST YEARS PROFITS (ANHUI)	(110.65)	(70.19)
LESS : MINORUTY INTEREST	194.21	204.35
LESS : ADJUSTMENT OF PRE-ACQUISITION SHARES OF SUBSIDIARIES	68.76	20.17
	806.91	1,869.86
	6,152.13	4,824.96
<b>TOTAL</b>	<b>40,572.15</b>	<b>39,062.02</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(₹. In Lakhs)

	YEAR ENDED 31/ 03/ 2012	YEAR ENDED 31/ 03/ 2011
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### NOTE - 3

#### LONG TERM BORROWING

TERM LOANS		
BANK OF INDIA, (TERM OF REPAYMENT - 5 YEARS) (RATE OF INTEREST - 14.5%)	695.55	1,783.64
BANK LOAN - TECHNOCRAFT INTERNATIONAL	133.30	118.95
<b>TOTAL</b>	<b>828.85</b>	<b>1,902.59</b>

1. TERM LOAN FROM BANK OF INDIA IS SECURED AGAINST HYPOTHECATION OF PROPOSED PLANT & MACHINERY & EQUIPMENT TO BE PURCHASED OUT OF TERM LOAN AND ALSO AGAINST EQUITABLE MORTGAGE OF SPECIFIC IMMOVABLE PROPERTIES OF YARN DIVISIONS
2. BANK LOAN TAKEN BY TECHNOCRAFT INTERNATIONAL IS SECURED BY A MORTGAGE & GENERAL CHARGE (DEBENTURE) ON THE COMPANY'S FIXED & FLOATING ASSETS & A CORPORATE GUARANTEE FROM THE PARENT UNDERTAKING

### Note - 4

#### Other Non Current Liabilities

Sundry Deposits	99.68	92.16
	<b>99.68</b>	<b>92.16</b>

### NOTE - 5

#### SHORT TERM BORROWINGS

##### SECURED - FROM BANKS

1. BANK OF INDIA - OVERDRAFT ACCOUNT	435.60	810.30
2. CITIBANK PCFC ACCOUNT	1,650.74	1,004.04
3. HDFC PCFC A/C	1,491.28	1,221.86
4. IDBI PCFC A/C	505.69	-
5. IDBI BANK LTD. - LOAN A/C	153.08	251.60
6. BOI PCFC \$ A/C	3,499.42	1,056.46
7. INDUSTRIAL AND COMMERCIAL BANK OF CHINA	639.69	203.23
8. CITI BANK - OVERDRAFT A/C	968.06	-
9. SCB PCFC	-	1,294.73
10. 10% BANK OF INDIA - CASH CREDIT A/C	-	235.60
11. BANK OF INDIA - (EXPORT PACKING CREDIT AGAINST L/C CONFIRMED ORDERS)	-	3,733.38
	<b>9343.58</b>	<b>9811.20</b>

##### UNSECURED LOANS

HDFC TEMPORARY LOAN	-	5,000.00
	-	5,000.00
<b>TOTAL</b>	<b>9,343.58</b>	<b>14,811.20</b>

### NOTES :

1. OVERDRAFT ACCOUNT WITH **BANK OF INDIA** ARE SECURED AGAINST THE FDR OF THE COMPANY.
2. CASH CREDIT FROM **BANK OF INDIA** IS SECURED AGAINST THE HYPOTHECATION OF STOCK AND BOOK DEBTS BOTH PRESENT & FUTURE AND FIXED ASSETS & EQUITABLE MORTGAGE OF COMPANIES SPECIFIC IMMOVABLE PROPERTIES.
3. EXPORT PACKING CREDIT AGAINST L/CS. CONFIRMED ORDERS FROM **BANK OF INDIA** ARE SECURED AGAINST THE HYPOTHECATION OF STOCK AND BOOK DEBTS BOTH PRESENT & FUTURE AND FIXED ASSETS & EQUITABLE MORTGAGE OF THE COMPANIES SPECIFIC IMMOVABLE PROPERTIES





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(₹. In Lakhs)

	YEAR ENDED 31/ 03/ 2012	YEAR ENDED 31/ 03/ 2011
4. EXPORT PACKING CREDIT AGAINST L/CS. CONFIRMED ORDERS FROM <b>CITI BANK</b> ARE SECURED AGAINST THE HYPOTHECATION OF STOCK & BOOK DEBTS BOTH PRESENT & FUTURE AND FIXED ASSETS & EQUI TABLE MORTGAGE OF THE COMPANIES SPECIFIC IMMOVABLE PROPERTIES.		
5. EXPORT PACKING CREDIT AGAINST L/CS. CONFIRMED ORDERS FROM <b>HDFC BANK</b> ARE SECURED AGAINST THE HYPOTHECATION OF STOCK & BOOKS DEBTS BOTH PRESENT & FUTURE AND FIXED ASSETS & EQUI TABLE MORTGAGE OF THE COMPANIES SPECIFIC IMMOVABLE PROPERTIES.		
6. OVERDRAFT ACCOUNT WITH <b>IDBI BANK</b> ARE SECURED AGAINST THE FDR OF THE COMPANY.		
7. EXPORT PACKING CREDIT AGAINST L/CS. CONFIRMED ORDERS FROM <b>IDBI BANK</b> ARE SECURED AGAINST THE HYPOTHECATION OF STOCK & BOOK DEBTS BOTH PRESENT & FUTURE AND FIXED ASSETS & EQUI TABLE MORTGAGE OF THE COMPANIES SPECIFIC IMMOVABLE PROPERTIES.		
8. OVERDRAFT ACCOUNT WITH <b>CITI BANK</b> ARE SECURED AGAINST THE FDR OF THE COMPANY.		
9. EXPORT PACKING CREDIT AGAINST L/CS. CONFIRMED ORDERS FROM <b>STANDARD CHARTERED BANK</b> ARE SECURED AGAINST THE HYPOTHECATION OF STOCK & BOOK DEBTS . BOTH PRESENT & FUTURE AND FIXED ASSETS & EQUI TABLE MORTGAGE OF THE COMPANIES SPECIFIC IMMOVABLE PROPERTIES.		

### Note - 6

#### Trade Payable

1. Trade Payables (Other than Micro, Small & Medium Enterprises)	3,884.21	4,652.56
<b>TOTAL</b>	<b>3,884.21</b>	<b>4,652.56</b>

### Note-7

#### Other Current Liabilities

1. Current Maturity In Long Term Deposits	212.00	175.80
2. Liabilities For Expenses	2,986.39	2,520.10
3. Advances From Customers	1,022.21	334.51
4. Tds Payable	64.64	10.18
5. Other Liabilities Including Sundry Deposits	226.68	459.52
6. SBI Murbad (Temporary Overdrawn)	156.77	151.55
7. Bank Of India (Temporary Overdraft)	864.78	3.61
8. Unclaimed Dividend	5.62	3.87
9. Deposits	110.91	-
<b>TOTAL</b>	<b>5,649.99</b>	<b>3,659.14</b>

### Note - 8

#### Short Term Provision

Provisions For Employee Benefits		
Provision For Leave Salary	226.32	127.70
Provision For Gratuity	136.73	-
Others		
Proposed Dividend	315.27	315.27
Prov. For Dividend Distri. Tax	51.14	52.36
<b>TOTAL</b>	<b>729.46</b>	<b>495.34</b>



**SCHEDULES FORMING PART OF ACCOUNTS**  
**Note 9 - CONSOLIDATED FIXED ASSETS**

(₹. In Lakhs)

Description	G R O S S					D E P R E C I A T I O N					N E T B L O C K				
	As on 01.04.2011	Revaluation of assets as on 25/07/94	Adjustment due to Foreign Exc. Fluctuation	Addition on account of Merger	Addition during the period	Sale/ Transfer	As on 31.03.2012	Upto 31.03.2011	On revaluation	Adjustment due to Foreign Exc. Fluctuation	On cost	Adjust- ment	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
<b>1. TANGIBLE ASSETS</b>															
<b>A. LAND AND BUILDING</b>															
1. Leasehold Land	487.96	207.00	6.85	-	7.00	-	708.81	70.52	2.85	0.67	-	74.04	634.76	624.44	
2. Factory Building	7,802.89	397.60	240.71	-	502.29	111.85	8,831.64	2,833.50	6.94	493.27	2.28	3,342.86	5,488.78	5,366.98	
3. Office Premises	425.64	227.83	-	-	490.04	-	1,143.51	186.32	4.87	18.74	-	209.92	933.60	467.15	
4. Worker's Quarters	71.13	-	-	-	-	-	71.13	31.89	-	1.99	-	33.88	37.24	39.24	
5. Staff Quarters	365.85	20.06	-	-	-	-	385.91	129.35	0.43	12.38	-	142.16	243.76	256.56	
6. Car Parking Space	0.01	4.99	-	-	-	-	5.00	2.88	0.11	0.00	-	2.99	2.01	2.12	
7. Tube-Well	10.04	-	-	-	1.43	-	11.47	4.08	-	0.34	-	4.42	7.05	5.96	
8. Shop at Bandra	337.81	-	-	-	-	-	337.81	82.46	-	12.77	-	95.23	242.58	255.35	
<b>B. PLANT &amp; MACHINERY</b>															
1. Machinery/Pollution equip.	23,915.48	217.64	39.58	-	1,243.75	141.88	25,274.57	15,300.83	-	2345.19 #	36.32	17,616.61	7,657.97	8,832.29	
2. Electrical Installation	942.74	-	1.78	-	32.27	-	976.79	413.84	-	79.45	-	493.58	483.21	528.90	
3. Computers	474.60	-	-	-	200.73	-	675.33	391.92	-	74.15	-	466.07	209.25	82.68	
4. Air Conditioner & Office Equipments	176.64	-	0.20	-	14.05	9.83	181.06	91.59	-	12.80	9.56	95.03	86.03	85.04	
5. Motor Car & Vehicles	189.91	-	5.18	-	38.98	21.16	212.91	121.80	-	21.19	15.79	128.70	84.21	68.11	
6. Weighing Scale	7.45	-	-	-	0.41	-	7.86	4.42	-	0.59	-	5.00	2.85	3.02	
7. Forklift	82.43	-	2.41	-	-	16.87	67.97	76.58	-	2.11	5.36	67.16	0.80	5.85	
8. Generator	971.90	-	-	-	-	-	971.90	874.87	-	24.85	-	899.72	72.18	97.03	
9. Weighing Bridge	24.86	-	-	-	-	-	24.86	6.40	-	2.58	-	8.98	15.88	18.46	
10. Water Cooler	0.53	-	-	-	-	-	0.53	0.15	-	0.05	-	0.20	0.33	0.38	
11. Electronic Telephone Exchange	0.16	-	-	-	-	-	0.16	0.12	-	0.00	-	0.12	0.03	0.04	
12. Tractor (Power Plant)	9.34	-	-	-	-	-	9.34	-	-	-	-	-	9.34	9.34	
13. JCB (Crane)	21.00	-	-	-	-	-	21.00	3.31	-	3.20	-	6.51	14.49	17.69	
14. Trally	-	-	-	-	1.10	-	1.10	-	-	0.03	-	0.03	1.07	-	
<b>C. FURNITURE &amp; FIXTURES</b>															
2. INTANGIBLE ASSETS															
1. Navision Software	19.85	-	-	-	-	-	19.85	19.85	-	0.00	-	19.85	-	0.00	
2. Computer Software	18.98	-	-	-	43.42	-	62.40	18.30	-	8.31	-	26.61	35.80	0.68	
3. Trade Mark	0.49	-	-	-	-	-	0.49	0.68	-	-	0.19	0.49	-	(0.19)	
4. Goodwill	609.62	-	-	-	-	-	609.62	356.00	-	121.92	-	477.92	131.70	253.62	
5. Distribution Rights	22.88	-	-	-	-	-	22.88	4.58	-	4.58	-	9.15	13.72	18.30	
6. Land Use Rights	165.68	-	43.36	-	-	1.98	207.06	3.32	-	4.36	1.98	6.83	200.23	162.35	
<b>TOTAL</b>	<b>37,466.99</b>	<b>1,075.12</b>	<b>345.07</b>	<b>-</b>	<b>2,588.80</b>	<b>303.56</b>	<b>41,172.42</b>	<b>21,219.34</b>	<b>15.19 #</b>	<b>3,271.68</b>	<b>83.00</b>	<b>24,451.54</b>	<b>16,720.89</b>	<b>17,322.79</b>	
Previous Year	30,169.95	1,075.12	46.28	403.78	8,576.31	1,232.99	38,542.11	17,660.93	16.24	3,773.96	228.93	21,219.33	17,322.78	13,584.14	
Capital Work in Progress	655.95	-	-	-	425.59	910.98	170.56	-	-	-	-	-	170.56	655.95	
<b>PREOPERATIVE EXPENSES</b>															
<b>Assets in Transit:</b>															

# Current year depreciation in case of plant and Machinery includes reversal of depreciation amounting to Rs 21.79 lacs claimed in the year 2010-11.

# This reversal is on account of refund of terminal excise duty received during the year 2011-12

# Deducted from Revaluation Reserve & not charged to Profit & loss Statement



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(₹. In Lakhs)

	YEAR ENDED 31/ 03/ 2012	YEAR ENDED 31/ 03/ 2011
<b>NOTE - 10</b>		
<b>NON CURRENT INVESTMENTS : - (AT COST)</b>		
<b>UNQUOTED</b>		
<b>1. TRADE</b>		
<b>A. INVESTMENT IN EQUITY SHARES OF SUBSIDIARY COMPANIES</b>		
(REFER NOTE NO. 21 (I) (3) (IV) )		
(A) CAE SYSTEMS GMBH (NO.OF SHARES 49200 EUROS, PY 49200 ) (OUT OF TOTAL INVESTMENT OF 60000 EURO, 10800 EUROS SHARES ARE IN THE NAME OF GERMAN RESIDENCE AS PER GUIDE LINE	32.17	32.17
(B) SHARES OF IMPACT ENGG. SOLUTIONS INC (NO.OF SHARES 1909.20 \$, PY 1909.20 \$)	789.84	789.84
	822.01	822.01
LESS: PROVISION FOR DIMUNITION IN VALUE OF INVESTMENTS	32.17	-
	<b>789.84</b>	<b>822.01</b>
<b>2. OTHER THAN TRADE</b>		
<b>2. A. INVESTMENTS IN OTHERS</b>		
(A) 30 SHARES OF ₹. 50/- EACH OF MITTAL COURT PREMISES CO-OP. SOCIETY LTD. FULLY PAID UP	0.02	0.02
(B) 15 SHARES OF ₹. 50/- EACH OF UDIT MITTAL COURT INDUSTRIAL PREMISES CO-OP.SOCIETY LTD.	0.01	0.01
(C) 10 SHARES OF ₹. 50/- EACH OF GODREJ FLAT	0.01	0.01
	<b>0.03</b>	<b>0.03</b>
<b>2. B. INVESTMENT IN DEBENTURE OF OTHERS</b>		
(A) CITI FIN.CONS.FIN.I.LTD.NCD-443 (P.Y.600 DEBENTURES OF ₹. 100000/- EACH)	600.00	600.00
(B) BENCHMARK AMC PMS A/C BOP SERIES 91 (200 DEBENTURE OF ₹. 100000/- EACH,P.Y.NIL	203.00	203.00
(C) BENCHMARK DEBT PORTFOLIO - STRUCTURED (200 DEBENTURE OF ₹. 100000/- EACH,P.Y.NIL)	202.50	202.50
(D) BENCHMARK AMC PMS A/C BDP SERIES115	354.20	-
	<b>1,359.70</b>	<b>1,005.50</b>
<b>QUOTED INVESTMENT</b>		
<b>OTHER THAN TRADE</b>		
<b>A. INVESTMENT IN MUTUAL FUND</b>		
H.D.F.C EQUITY FUND GROWTH (1,42,187.142 UNITS OF ₹. 246.1545 EACH, PY. 1,42,187.142 UNITS)	350.00	350.00
H.D.F.C. LIQUID FUND (NIL P.Y. 90627.192 UNITS OF ₹. 19.3649 )		17.55
H.D.F.C MF MONTHLY INCOME PLAN (20,92,317.9680 UNITS OF ₹. 21.50/ EACH, PY 20,92,317.96)	450.00	450.00
H.D.F.C PRUDENCE FUND ( CY NIL, PY 4,62,781.068 UNITS)	-	900.00
H.D.F.C. TOP 200 GROWTH ( 185093.63 UNITS OF ₹. 202.609 / EACH, PY 1,46,605.37 UNITS)	375.00	300.00
H.D.F.C GOLD EXCHANGE TRADED FUND (19000 UNITS OF RS 1936.096 EACH, PY. 37,772 UNITS)	367.86	705.82
H.D.F.C FIXED MATURITY PLAN 13M(2) (CY NIL, PY 100,00,000 UNITS)	-	1,000.00



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(₹. In Lakhs)

	YEAR ENDED 31/ 03/ 2012	YEAR ENDED 31/ 03/ 2011
<b>QUOTED INVESTMENT (CONTD.)</b>		
TEMPLETON INDIA INCOME OPP FUND GROWTH (38,85,296.02 UNITS OF ₹. 10.55/- EACH, PY. 38,85,296.02 UNITS)	410.00	410.00
TEMPLETON INDIA SHORT TERM INCOME RETAIL (CY NIL, PY 9,035.04 UNITS)	-	170.00
ICICI PUDENTIAL LONG TERM PLAN PREMIUM CUMULATIVE (14,97,334.74 UNITS OF ₹. 10/- EACH, PY. 14,97,334.74 UNITS)	150.00	150.00
ICICI PRUDENTIAL DISCOVERY FUND GROWTH (67,027.02 UNITS OF ₹. 46.25/- EACH, PY. 1500000 UNITS)	130.50	150.00
RELIANCE BANKING FUND GROWTH ( CY NIL, PY 81,665.45 UNITS)	-	75.00
SUNDARAM FINANCIAL SERVICES OPPURTUNITIES REGULAR (16,97,759.927 UNITS OF ₹. 20.61/- EACH, PY. 16,97,759.92 UNITS)	350.00	350.00
IDFC SMALL & MIDCAP EQUITY FUND GROWTH (1,38,431.29 UNITS OF ₹. 18.06/- EACH, PY. NIL)	25.00	-
BENCHMARK S & P CNX 500 FUND ( CY NIL, PY 11,40,003.876 UNITS)	-	200.00
	<b>2,608.36</b>	<b>5,228.37</b>
<b>TOTAL</b>	<b>4,757.92</b>	<b>7,055.90</b>
<b>BOOK VALUE OF UNQUOTED INVESTMENT</b>	2,149.57	1,827.54
<b>BOOK VALUE OF QUOTED INVESTMENT</b>	2,608.36	5,228.37
<b>MARKET VALUE OF QUOTED INVESTMENT</b>	2,882.11	5,631.09
<b>NOTE-11</b>		
<b>LONG TERM LOANS &amp; ADVANCES</b>		
CAPITAL ADVANCE	170.26	75.03
DEPOSIT WITH GOVERNMENT DEPARTMENTS	179.79	178.74
<b>TOTAL</b>	<b>350.05</b>	<b>253.77</b>
<b>NOTE-12</b>		
<b>OTHER NON CURRENT ASSETS</b>		
BALANCE WITH SCHEDULED BANKS IN FIXED DEPOSIT ACCOUNTS DUE AFTER 12 MONTHS (TIIL FIXED DEPOSITS ARE PLEDGE AGAINST BANK OVERDRAFT A/C)	1,030.00	1,000.05
MAT CREDIT RECEIVABLE	3.34	-
<b>TOTAL</b>	<b>1,033.34</b>	<b>1,000.05</b>
<b>NOTE-13</b>		
<b>INVENTORIES</b>		
(AS TAKEN, VALUED AND CERTIFIED BY MANAGEMENT)		
FINISHED GOODS	2,613.89	4,297.69
RAW MATERIAL	5,798.84	9,010.78
SCRAP	600.79	144.67
STORES & SPARES	154.22	658.57
PACKING MATERIALS & ACCESSARIES	77.11	140.80
FUEL & OIL	467.04	84.24
STOCK IN TRADE - SHARES / UNITS	1,900.59	2,240.53
SEMI - FINISHED GOODS	245.61	352.17
<b>TOTAL</b>	<b>11,858.09</b>	<b>16,929.45</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(₹. In Lakhs)

	YEAR ENDED 31/ 03/ 2012	YEAR ENDED 31/ 03/ 2011
<b>NOTE-14</b>		
<b>TRADE RECEIVABLES</b>		
(UN-SECURED CONSIDERED GOOD BY THE MANAGEMENT )		
DEBTS OUTSTANDING FOR MORE THAN SIX MONTHS	21.24	21.18
OTHER DEBTS	15,191.63	13,429.61
<b>TOTAL</b>	<b>15,212.87</b>	<b>13,450.79</b>
<b>NOTE-15</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
BANK BALANCES IN SCHEDULED BANK IN CURRENT ACCOUNTS	2,010.82	762.34
CASH IN HAND	15.73	10.18
OTHERS		
BALANCE IN UNCLAIMED DIVIDEND ACCOUNTS IN FIXED DEPOSIT ACCOUNTS BETWEEN 3 & 12 MONTHS INITIAL MATURITY (TILL FIXED DEPOSITS ARE PLEDGE AGAINST BANK OVERDRAFT A/C)	5.62	3.87
	194.12	5,325.80
<b>TOTAL</b>	<b>2,226.30</b>	<b>6,102.19</b>
<b>Note-16</b>		
<b>Short Term Loans And Advances</b>		
(Un-Secured Considered Good By The Management)		
<b>Loans &amp; Advance To Subsidiary Companies</b>		
<b>(Repayable on Demand)</b>		
<b>(Rate Of Interest Given To Susidiaries : 9% P.A)</b>		
Technocraft Tabla Formwork Sys.P.L.	79.82	-
<b>Loans &amp; Advance To Associates Companies</b>		
<b>(Repayable on Demand)</b>		
<b>(Rate Of Loans Given To Associates : 9% P.A)</b>		
Ashrit Holdings Ltd.	7,289.60	-
<b>Loans &amp; Advance To Other Companies</b>	366.87	115.59
<b>Others</b>		
Staff Advance	19.10	-
(Un-Secured Considered Doubtful By The Management)		
<b>Loans &amp; Advance To Subsidiary Companies</b>		
CAE Systems GMBH	2.68	2.68
<b>TOTAL</b>	<b>7,758.07</b>	<b>118.27</b>
<b>Note - 17</b>		
<b>Other Current Assets</b>		
Advance Tax	11,141.89	10,445.02
Less : Provision For Taxation	10,762.32	9,476.45
	379.57	968.57
Balance With Sales Tax Dept.	1,837.81	1,340.82
Balance With Central Excise Dept.	800.15	1,236.24
Other Deposits	51.94	83.69
Prepaid Expenses	77.79	59.66
Prepaid Gratuity	-	38.61
Others Receivables	669.79	1,022.90
Vat Credit Refundable	72.19	-
Interest Receivable	0.63	25.09
<b>TOTAL</b>	<b>3,889.87</b>	<b>4,775.58</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(₹. In Lakhs)

	YEAR ENDED 31/ 03/ 2012	YEAR ENDED 31/ 03/ 2011
<b>NOTE 18</b>		
<b>REVENUE FROM OPERATION</b>		
SALE OF PRODUCT	58,370.33	51,615.84
SALE OF SERVICES	2,274.49	1,480.62
OTHER OPERATING REVENUE	5,880.77	4,301.67
<b>TOTAL</b>	<b>66,525.59</b>	<b>57,398.13</b>
<b>NOTE - 19</b>		
<b>OTHER INCOME</b>		
INTEREST INCOME (GROSS, INCLUSIVE OF TAX DEDUCTED AT SOURCE ₹. 64.43 LACS, P.Y. ₹. 50.79 LACS)	576.91	529.39
OTHER NON-OPERATING INCOME	744.51	1,400.04
DIFF IN FOREIGN CURRENCY	722.97	185.20
<b>TOTAL</b>	<b>2,044.39</b>	<b>2,114.64</b>
<b>NOTE - 20</b>		
<b>COST OF RAW MATERIAL CONSUMED</b>		
A. RAW MATERIAL CONSUMED		
OPENING STOCK OF RAW MATERIAL	9,295.09	6,803.52
ADD : PURCHASES	28,184.43	30,128.60
	37,479.52	36,932.12
LESS : CLOSING STOCK	6,084.51	9,295.09
	31,395.01	27,637.03
B. PACKING MATERIAL CONSUMED		
	837.65	826.91
<b>TOTAL</b>	<b>32,232.66</b>	<b>28,463.94</b>
<b>NOTE- 21</b>		
<b>CHANGES IN INVENTORIES OF STOCK</b>		
CLOSING STOCK		
FINISHED GOODS	2,613.89	3,901.30
SCRAP / WASTE	245.61	144.67
SEMI FINISHED GOODS	181.37	396.38
SHARES FOR TRADING	1,900.59	2,240.53
	4,941.46	6,682.89
LESS :		
OPENING STOCK		
FINISHED GOODS	3,969.17	952.16
SCRAP / WASTE	144.67	58.87
SEMI-FINISHED GOODS	396.38	193.63
SHARES FOR TRADING	2,502.41	2,277.88
TRADING ITEMS	7,012.64	3,482.54
<b>TOTAL</b>	<b>2,071.18</b>	<b>(3,200.35)</b>
<b>NOTE - 22</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
SALARIES, WAGES, BONUS ETC.	3,965.93	3,464.79
CONTRIBUTION TO P.F., ESIC ETC.	153.72	149.30
GRATUITY	255.67	49.30
GRATUITY FUND EXPENSES	0.51	-
DIRECTORS REMUNERATION	292.80	292.80
STAFF WELFARE EXPENSES	112.01	93.71
<b>TOTAL</b>	<b>4,780.63</b>	<b>4,049.90</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(₹. In Lakhs)

	YEAR ENDED 31/ 03/ 2012	YEAR ENDED 31/ 03/ 2011
<b>NOTE - 23</b>		
<b>FINANCE COST</b>		
A. INTEREST PAID		
ON FIXED LOAN (TERM)	3.25	3.27
INTEREST TO BANK	707.59	680.75
INTEREST ON SERVICE TAX	-	0.16
INTEREST TO OTHERS	246.74	-
	<u>957.59</u>	<u>684.19</u>
B. FINANCIAL CHARGES		
BANK CHARGES	111.43	90.74
BANK GUARANTEE CHARGES	4.54	14.89
BANK PROCESSING CHARGES	29.64	14.96
STATUS REPORT CHARGES	2.45	0.10
L/C CHARGES	36.08	62.14
	<u>184.14</u>	<u>182.83</u>
<b>TOTAL</b>	<b><u>1,141.72</u></b>	<b><u>867.02</u></b>

## **NOTE - 24** **OTHER EXPENSES**

STORES & SPARES	2,471.68	2,445.11
FUEL & OIL	708.27	822.89
POWER & FUEL	2,097.72	1,228.51
OTHER MANUFACTURING EXPENSES	1,086.97	1,141.33
JOB WORK	1,731.37	1,559.91
LABOUR CHARGES	632.36	573.08
WATER CHARGES	37.57	61.17
FREIGHT & OTHER CHARGES ON EXPORT	2,768.46	2,257.68
WAREHOUSE & HANDLING CHARGES	47.52	64.13
COMMISSION/BROKERAGE	153.54	66.42
ROYALTY	99.40	-
QUALITY CLAIM	175.08	3.30
SALES PROMOTION	100.92	93.80
TRAVELLING EXPENSES	232.09	222.67
CONVEYANCE REIMBURSEMENT	11.58	2.33
VEHICLE EXPENSES	131.63	130.38
LEGAL & PROFESSIONAL EXPENSES	231.10	220.82
RENT, RATES & TAXES	179.51	142.05
ADVERTISING	3.33	3.94
INSURANCE (GENERAL)	54.63	33.52
DIRECTOR FEES	3.67	3.32
SECURITIES TRANSACTION TAX	3.03	7.96
ENGINEERING & DESIGN CHARGES PAID	24.20	30.91
TECHNICAL TRAINING EXPENSES	11.89	10.32
SOFTWARE CHARGES PAID	24.30	82.97
PRINTING & STATIONERY	37.72	33.81
POSTAGE, TELEGRAMS & TELEPHONE EXP.	111.20	108.47
MISCELLANEOUS EXPENSES	37.94	19.03
CORPORATE SOCIAL RESPONSIBILITY	300.00	28.25
FOR AUDIT FEES	11.37	10.38
FOR TAX AUDIT FEES	1.06	1.26
FOR EXPENSES	0.27	0.27



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(₹. In Lakhs)

	YEAR ENDED 31/ 03/ 2012	YEAR ENDED 31/ 03/ 2011
<b>NOTE - 24</b>		
<b>OTHER EXPENSES (CONTD.)</b>		
BUILDING REPAIR	143.06	150.51
MACHINE REPAIR	175.31	184.91
OTHER REPAIRS & MAINTENANCE	555.49	613.65
LOSS ON SALE OF INVESTMENT	65.36	155.79
LOSS ON SALE OF VEHICLE	0.30	-
SUNDRY BALANCE WRITTEN OFF	4.51	-
DIFF IN FOREIGN CURR	117.68	(6.04)
AMALGAMATION EXPENSES	0.20	-
EXHIBITION PARTICIPATION/ SEMINAR EXPENSES	-	-
DELIVERY & TRANSPORT	33.44	91.00
OCTROI DUTY EXPENSES	78.46	11.08
COOLIE & CARTAGE	-	0.42
BAD DEBTS	12.41	35.06
DISCOUNT & REBATE	7.90	1.36
SER.TAX EXPENSES ON G.T.A	-	1.32
ART WORK & POSITIVES	-	0.48
SUNDRY BALANCE WRITTEN OFF	-	0.88
ELECTRICITY CHARGES	71.37	34.29
PURCHASE & IMPORT EXPENSES	2.43	3.33
ADMINISTRATION EXPENSES	9.49	3.16
ANNUAL STIP CHARGES	1.21	2.35
TRAINING & DEVELOPMENT EXPENSES	0.07	-
SALES TAX PAID	222.69	21.94
OTHER OPERATING COST	3.21	36.92
FINANCE & CREDIT INSURANCE	12.31	18.64
FOREIGN SERVICES	167.15	150.94
MOTOR CAR EXPENSES	4.46	-
MEMBERSHIP/ SUBSCRIPTION	0.33	0.04
DONATION	0.12	-
LICENCE & LEGAL FEES	1.35	1.07
SECURITY EXPENSES	0.31	0.93
PROFIT/LOSS ON EXCHANGE	(14.67)	5.97
STAMP DUTY EXPENSES	-	3.82
PORTFOLIO MANAGEMENT FEES	-	3.16
<b>TOTAL</b>	<b>15,197.34</b>	<b>12,937.00</b>
<b>NOTE - 25</b>		
<b>TAX EXPENSES</b>		
<b>CURRENT TAX</b>		
CURRENT INCOME TAX	1,365.32	1,414.14
LESS : MAT CREDIT	3.34	-
	1,361.98	1,414.14
ADJUSTMENT FOR EARLIER YEARS	(0.03)	(107.54)
	<b>1,361.95</b>	<b>1,306.60</b>
<b>DEFERRED TAX (NET)</b>	<b>(166.92)</b>	<b>173.74</b>
<b>TOTAL</b>	<b>1,195.03</b>	<b>1,480.34</b>
<b>NOTE - 26</b>		
<b>EARNING PER SHARE</b>		
NET PROFIT FOR EQUITY SHAREHOLDERS	1526.81	3334.46
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES OUTSTANDING DURING THE YEAR	315.27	315.27
ADJUSTED BASIC & DILUTED EPS (ON NOMINAL VALUE OF ₹.10/- PER SHARE)	4.84	10.58





## NOTES TO THE CONSOLIDATED STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

### NOTE NO. 27

#### I. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS ON CONSOLIDATED FINANCIAL STATEMENTS

##### 1. PRINCIPLES OF CONSOLIDATION

- i. The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, and the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).
- ii. **CONSOLIDATED FINANCIAL STATEMENTS** relates to Technocraft Industries (India) Limited, the Company and its Subsidiaries. The Consolidated Financial Statements are in conformity with the AS -21 issued by ICAI and are prepared on the following:
  - a) 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 expense, after fully eliminating inter-company balances and transactions including profits in year end inventories.
  - b) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statement except otherwise stated elsewhere in this schedule.
  - c) The excess of cost to the Company of its investments in the subsidiaries over its portion of equity of subsidiaries at the dates they become subsidiaries is recognized in the financial statement as goodwill.
  - d) The excess of Company's portion of equity of the subsidiaries over cost to the Company of its investments at the dates they become subsidiaries is recognized in the financial statement as capital reserve.
  - e) Minority Interests in the consolidated financial statements is identified and recognized after taking in to consideration:
    - The amount of equity attributable to minorities at the date on which investments in a subsidiary is made
    - The losses attributable to the minorities are adjusted against the minority interest in the equity of the subsidiary

##### 2. ACCOUNTING POLICIES

Most of the accounting policies of the reporting Company and that of its Subsidiaries are similar and are in line with generally accepted accounting principles in India. However since certain subsidiaries are in the business lines which are distinct from that of the Reporting Company and function in a different regulatory environment, certain policies in respect of investment, gratuity, depreciation / amortization etc. differ. Accounting Policies and Notes on Accounts of the financial statements of the company and all the subsidiaries are set out in their respective financial statement.

##### 3. FOREIGN SUBSIDIARIES

- 1) In accordance with the requirement of Accounting Standard – 11(Revised) – “The effects of changes in foreign exchange rates” operations of foreign subsidiaries have been considered as Integral operations and accordingly their financial statements have been converted in Indian Rupees at following exchange rates:

Revenue and Expenses: At the average exchange rate during the period.

(Average rates are taken on the basis of opening and closing exchange rates at the beginning of the period and at the end of the period respectively instead of average rates at the end and close of every month and its effect is insignificant on the profit.)

Current Assets and Liabilities: Exchange rates prevailing at the end of the period

Fixed Assets: Exchange rate prevailing at the end of the period instead of exchange rates at the date of transaction



## NOTES TO THE CONSOLIDATED STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

The resultant translation exchange difference has been transferred to statement of profit & loss.

- II) Accounting policy for Depreciation on Fixed Assets of foreign subsidiaries companies are not consistent with accounting policy for depreciation on fixed assets of parent company and it is impracticable for the company to restate such accounting policies as per parent company policy since the historical cost of the fixed assets of foreign subsidiaries companies are not ascertainable.
- III) In Consolidated financial statements, the closing stock includes goods sold by holding company to its subsidiary companies (as certified by the management) which have been valued at cost by eliminating stock reserve considering gross profit margin of the holding company in respective years.
- IV) Financials of CAE System GmbH and Impact Engineering solutions which are the subsidiaries of Technosoft Information Technology (I) Ltd which is subsidiary of Technocraft Industries (India) Limited, are not consolidated since no financials were made available to us for consolidation.
- V) Transactions between foreign subsidiaries have not been eliminated as the details were not made available to us.
- VI) Any differences arising between unaudited accounts considered for consolidation & audited accounts of that year are adjusted through Profit & Loss Statement.

The consolidated financial statements comprise the financial statements of Technocraft Industries (India) Limited and its subsidiaries.

Name of the Company	Year Ended	Status	Extent of Company's Interest		Country of Incorporation
			2011-12	2010-11	
Technosoft Information Technologies (I) Limited	31 <sup>st</sup> March	Subsidiary	90.34%	87.33%	India
Technocraft Trading Poland	31 <sup>st</sup> Dec	Subsidiary	100.00%	100.00%	Poland
Technocraft (Hungary) KFT	Note (i)	Subsidiary	-	100.00%	Hungary
Technocraft International Ltd.	31 <sup>st</sup> Dec	Subsidiary	100.00%	100.00%	United Kingdom
Technocraft Australia Pty Limited	31 <sup>st</sup> Mar	Subsidiary	100.00%	100.00%	Australia
Anhui reliable steel tec. china	31 <sup>st</sup> Dec	Subsidiary	100%	100%	China
CAE Systems GmbH	(Note ii)	Fellow Subsidiary	81.99%	81.99%	Germany
Impact Engineering Pvt. Ltd.	(Note iii)	Fellow Subsidiary	98.00%	98.00%	U.S.A.

### NOTES:

- i). During the year Technocraft Hungary KFT is seized to be subsidiary of the company.
- ii). Out of 100% share of CAE Systems GmbH, 81.99% shares is owned by Technosoft Information technologies(I) Ltd which is the subsidiary of Technocraft Industries (India) Limited.
- iii). Out of 100% share of Impact Engineering Pvt. Ltd, 98% shares is owned by Technosoft Information technologies (I) Ltd Which is the subsidiary of Technocraft Industries (India) Limited.

### 4. INDIAN SUBSIDIARY

- a) Accounting Policy for gratuity provision in case of Indian Subsidiary is on cash basis.
- b) The management has considered loan given to CAE System GMBH amounting to Rs. 2,68,019/- as Doubtful. However no Provision against such loan has been made and the interest on the same has also not been provided for.



## NOTES TO THE CONSOLIDATED STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

### 5. JOINT VENTURE: CONTRACTUAL ARRANGEMENT

Interests in Joint Venture have been consolidated by using the proportionate consolidation method as per the provision of Accounting Standard (AS-27) – Financial Reporting of Interest in Joint Venture.

#### a) Details of the Jointly Controlled Entity

- Name of the entity : Technocraft Tabla Formwork System Pvt Ltd.
- Address of the entity : A-25, M.I.D.C, Street No 3, Marol Industrial Area, Opp. ESIC Hospital, Andheri (E), Mumbai-400093
- Country of Incorporation : India
- Proportion Of Ownerships : 65%

b) The Company is also having Joint Venture with Gilcheck Management Inc, Canadian company operating as Tabla Construction system as a Joint control operation in respect of production of Tabla Products.

### 6. CONTINGENT LIABILITY

#### A. PARENT COMPANY

(₹. In Lakhs)

SR	Contingent Liabilities and Commitments not provided For	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
I.	Bank Guarantees aggregating to Euro 17,50,000 and USD 11,00,000 to Banks on behalf of subsidiary Company in Poland.	1552.84	1552.84
II.	Liability in Respect of Trade Finance & Guarantees aggregating to Pounds 25,00,000 for Technocraft International UK	492.04	492.04
III.	Bank Guarantee aggregating to USD 5,00,000 to Banks on behalf of Fellow Subsidiary Company, Impact Engineering Pvt. Ltd.	224.47	224.47
IV.	Income Tax and Interest Demands For the A.Y.2002-2003 A.Y.2007-2008 A.Y. 2008-2009	75.44/- 63.80/- 15.50/-	75.44/- 63.80/- NIL
V.	Show-Cause Notice for duty issued by Central Excise Department-Rebate of Excise duty paid on Exports goods by utilizing EOU's duty. Duty Rebate Denied (Order No. SB116&117) <b>(Stay granted by Commissioner (Appeals) from the Pre-Deposit of the dues adjudged during the Pendency of these appeals)</b>	3.04/-	NIL
VI.	Show-Cause Notice for duty & Penalty issued by Central Excise Department-Clearance of Cotton waste under Exemption Notification No. 6/97 & 23/03 denied & apportioned Duty (30%) demanded. Duty & Penalty Involved in fuel & raw cotton from 1999-2002 to Sep 2008 <b>(Stay Granted by CESTAT from Pre – Deposit of the dues adjudged during the pendency of these appeals)</b>	1115.66	NIL



## NOTES TO THE CONSOLIDATED STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

### 6. CONTINGENT LIABILITY (contd.)

(₹. In Lakhs)

SR	Contingent Liabilities and Commitments not provided For	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
VII.	Show-Cause Notice for duty & Penalty issued by Central Excise Department – Rebate of Excise duty paid on Exports goods by utilizing EOU's Duty. Duty Rebate Denied in Unit I of Yarn Division. <b>(Stay Granted by CESTAT from Pre – Deposit of the dues adjudged during the pendency of these appeals)</b>	195.60	NIL
VIII.	Show-Cause Notice for duty & Penalty issued by Central Excise Department – Rebate of Excise duty paid on Exports goods by utilizing EOU's Duty. Duty Rebate Denied in Unit II of Yarn Division. <b>(Stay Granted by CESTAT from Pre – Deposit of the dues adjudged during the pendency of these appeals)</b>	266.77	
IX.	Demand of Service Tax (including Penalty) on Commission paid to foreign agents for Financial Year 2006-07 & 2007-08.	3.03	NIL
X.	Seven years Warranty beginning with the Financial year 2011-12 given to Spanco Limited against the Erection of the Towers	Amount unascertainable	NIL

### B) Subsidiary Companies:

(₹. In Lakhs)

Contingent Liabilities and Commitments not provided For	Year Ended 31.03.2012	Year Ended 31.03.2011
Bombay Sales Tax Act, 1959		
B.S.T. for A.Y. 2000-2001	0.55/-	0.55/-
B.S.T. for A.Y. 2001-2002	0.97/-	0.97/-
B.S.T. for A.Y. 2002-2003	0.28/-	0.28/-

### 7. DEFERRED TAX ASSETS/ LIABILITIES

(₹. In Lakhs)

PARTICULARS	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
<b>DEFERRED TAX LIABILITY \ (ASSETS)</b>		
On A/c of difference in Depreciation	(112.98)	(43.13)
On A/c of Provision for diminution for value of Investment in CAE Systems GmbH	(10.44)	Nil
On A/c of unabsorbed Losses & unabsorbed Depreciation of Technocraft Exports	(17.46)	224.88
On Account of Preliminary Expenses	0.40	(1.62)
On Account of Timing Difference in Share Issue Expenses	Nil	8.99
On Account of Timing Difference in Amalgamation Expenses	0.39	0.51



## NOTES TO THE CONSOLIDATED STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

### 7. DEFERRED TAX ASSETS/ LIABILITIES (Contd.)

(₹. In Lakhs)

PARTICULARS	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
On Account of Timing Difference in Demerger Expenses	0.50	(1.50)
Long term Capital loss	(27.33)	(14.39)
<b>NET IMPACT</b>	<b>(166.92)</b>	<b>173.74</b>
<b>POSITION OF DEFERRED TAX ASSETS &amp; LIABILITIES AS ON BALANCE SHEET DATE ARE AS UNDER</b>		
Deferred Tax Assets		
On Account of Timing Difference in depreciation	350.31	260.41
On A/c of Provision for diminution for value of Investment in CAE Systems GMBH	10.44	NIL
On Account of Timing Difference in Amalgamation Expenses	0.76	1.14
On Account of Timing Difference in Demerger Expenses	1.00	1.50
Long term Capital loss	48.34	21.02
On Account of Timing Difference on Unabsorbed Business Loss	76.52	86.73
On Account of Preliminary Expenses	1.21	1.62
<b>Net Deferred Tax Assets</b>	<b>488.58</b>	<b>372.42</b>

### 8. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS

In compliance with the AS-18 "RELATED PARTY DISCLOSURE", which has become mandatory, the required information are as under: -

(I) List of Related Parties over which control exists

Sr. No	Name of the Related Party	Sr. No	Name of the Related Party
<b>I.</b>	<b>Subsidiary Company/ Fellow Subsidiary</b> Technocraft International Ltd, U.K. Technocraft Trading Spolka Z.o.o., Poland Technocraft Australia Pty Limited Technosoft Information Technologies (India) Ltd Technocraft (Hungary) KFT Technocraft Tabla Formwork System Pvt Ltd Impact Engineering Inc. CAE Systems GMBH Anhui Reliable Steel Tec. China	<b>III</b>	<b>Key Management Personnel (KMP)</b> Sharad Kumar Saraf Sudarshan Kumar Saraf Madhoprasad Saraf Navneet Kumar Saraf Ashish Kumar Saraf
<b>II.</b>	<b>Associates</b> Ashrit Holdings Ltd B.M.S.Industries Ltd M.D .Saraf Securities Pvt .Ltd.	<b>IV</b>	<b>Relatives &amp; Enterprises of KMP</b> Shantidevi Saraf Shakuntala Saraf Suman Saraf Nidhi Saraf Ritu Saraf Priyanka Saraf M.T. Information Technologies
		<b>V</b>	<b>Co- Venturer</b> Tabla Construction Systems



## NOTES TO THE CONSOLIDATED STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

(II) Names of the Related Parties with whom transactions were carried out during year and description of relationship

Sr.No	Related Parties
I	<b>Associates</b> B.M.S. Industries Ltd Ashrit Holdings Ltd
II	<b>Key Management Personnel (KMP)</b> Sharad Kumar Saraf Sudarshan Kumar Saraf Navneet Kumar Saraf Ashish Kumar Saraf
III	<b>Co- Venturer</b> Tabla Construction Systems

III Disclosure of Related Party transactions

(₹. In Lakhs)

Sr No	Nature of relationship/ Transactions	Associates	Co-Venturer	KMP & Relatives	Total
1	Purchase of Goods & Services	1465.97 (1559.90)	34.26 (116.38)	NIL (NIL)	1500.23 (1676.28)
2	Sale of Goods & services	198.50 (223.17)	NIL (NIL)	NIL (NIL)	198.50 (223.17)
3	Interest Received	193.45 (30.38)	NIL (NIL)	NIL (NIL)	193.45 (30.38)
4	Directors' Remuneration & Commission	NIL (NIL)	NIL (NIL)	292.80 (292.80)	292.80 (292.80)
5	Salary & Wages	NIL (NIL)	NIL (NIL)	146.40 (146.40)	146.40 (146.40)
6	Loan Given	12689.89 (2263.15)	264.48 (NIL)	NIL (NIL)	12954.37 (2263.15)
7	Loan Repaid	5515.88 (3594.82)	36.44 (NIL)	NIL (NIL)	5552.32 (3594.82)
8	Distribution Rights	NIL (NIL)	NIL (22.88)	NIL (NIL)	NIL (22.88)

IV Amount due to/from Related Parties as on 31.03.2012

(₹. In Lakhs)

Sr No.	Nature of relationship/ transaction	Associates	Co-Venturer	Relatives of KMP	Total
1	Trade Receivable/ Advance	NIL (29.56)	NIL (23.28)	NIL (NIL)	NIL (51.84)
2	Trade Payables/ Advance	211.36 (4.51)	NIL (NIL)	NIL (NIL)	211.36 (4.51)
3	Loans & Advances	7289.60 (115.59)	NIL (NIL)	NIL (NIL)	7289.60 (115.59)



**9. In compliance with AS-17 “SEGMENT REPORTING”, which has become mandatory, the required information are as under:-**

The Business Segment has been considered as the primary segment for disclosure. The categories included in each of the reported business segments are as follows: -

- i) Drum Closures
- ii) Scaffoldings
- iii) Cotton Yarn
- iv) Garment
- v) Power

The above business segments have been identified considering:

- i) The nature of the product
- ii) The deferring risk and returns
- iii) The internal financial reporting systems

Revenue and expenses have been accounted for based on the basis of their relationship to the operating activities of the segment.

Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have "included under "Unallocable Assets/ Liabilities." Inter segment transfer, if any, accounted for at competitive market prices, charged to unaffiliated customers for similar goods"

**Annexure-I**

**“SEGMENT REPORTING”**

**₹. In Lakhs)**

Particulars	Drum Closures	Scaffoldings	Cotton Yarn	Garment Division	Power	Other Segments	Unallocable	Inter Segment Elimination	Total
<b>SEGMENT REVENUE</b>									
Domestic	565.88	3,286.31	1,805.65	853.49	212.90		2.96	-	6,727.19
Export	16,486.92	8,681.07	14,767.32	2,002.40	-	8,680.27	-	-	50,617.98
(a) External Sale	17,052.80	11,967.38	16,572.97	2,855.89	212.90	8,680.27	2.96	-	57,345.17
(b) Inter-segment Revenue	54.84	924.67	784.63	0.89	1,034.38	3,575.83	-	(6,375.24)	-
<b>Total Revenue</b>	<b>17,107.64</b>	<b>12,892.05</b>	<b>17,357.60</b>	<b>2,856.78</b>	<b>1,247.28</b>	<b>12,256.10</b>	<b>2.96</b>	<b>(6,375.24)</b>	<b>57,345.17</b>
<b>SEGMENT REVENUE</b>	<b>17,107.64</b>	<b>12,892.05</b>	<b>17,357.60</b>	<b>2,856.78</b>	<b>1,247.28</b>	<b>12,256.10</b>	<b>2.96</b>	<b>(6,375.24)</b>	<b>57,345.17</b>
	(16553.40)	(9285.97)	(18008.74)	(3443.32)	(2432.82)	(11035.68)	(36.23)	(4,722.51)	(56073.89)
<b>SEGMENT RESULTS</b>	<b>5,665.06</b>	<b>1,377.69</b>	<b>(435.34)</b>	<b>197.63</b>	<b>(212.63)</b>	<b>990.55</b>	<b>(627.62)</b>	<b>(666.87)</b>	<b>6,288.47</b>
	(4520.21)	(818.86)	(2784.31)	(49.66)	(198.07)	(275.91)	(103.60)		(8543.42)
<b>Less:</b>									
Interest	78.42	277.81	196.73	0.56	0.22	471.36	6.90	(74.42)	957.59
									(684.19)
Depreciation	568.83	363.61	1051.31	107.68	787.01	224.74	42.00	0	3,145.18
									(3,647.46)
Amort of goodwill	0.00	0.00	0.00	0.00	0.00	0.00	121.92	0	121.92
									(168.97)
Finance charges	70.59	34.90	8.96	22.30	2.66	22.45	22.28	-	184.14
									(182.83)
Directors Remuneration	292.80	0.00	0.00	0.00	0.00	0.00	0.00	0	292.80
									(292.80)
Auditor Fees	0.00	0.00	0.00	0.00	0.00	7.44	5.00	0	12.44
									(11.65)
Loss on sale of Investment	0.00	0.00	0.00	0.00	0.00	32.17	65.36	0	97.53
Loss on sale of Assets	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0	0.30
									<b>4,811.89</b>
<b>Add:</b>									
Interest Income	3.08	241.04	4.84	2.43	1.55	24.98	373.41	(74.42)	576.91
									(529.39)
Dividend income	0	0	0	0	0	0.00	0.02	-	0.02
									(15.62)
Rent Income	0.01	0	0	0	0	193.24	139.48	-	332.72
									(151.75)
Profit on sale of Investment	0	0	0	0	0	0.00	313.42	-	313.42
									(324.50)
Profit on sale of Fixed Asset	8.19	5.67	3.07	5.26	0	0.00	0	-	22.19
									(82.15)
									<b>1,245.26</b>



**“SEGMENT REPORTING” ( contd.)**

**(₹. In Lakhs)**

Particulars	Drum Closures	Scaffoldings	Cotton Yarn	Garment Division	Power	Other Segments	Unallocable	Inter Segment Elimination	Total
									2721.84
									(4814.81)
Provision for taxes									1,195.03
									(1,587.88)
<b>Profit After Tax</b>									<b>1,526.81</b>
									<b>(3,226.93)</b>
<b>OTHER INFORMATION</b>									
<b>Assets</b>									
Segment Assets	9586.60	10229.45	11191.38	1352.48	4632.17	13231.51		(3,966.99)	46,256.61
	(9487.31)	(13399.12)	(15533.38)	(2569.30)	(5402.09)	(8661.17)			(55052.37)
Unallocable Assets							20001.55	(1,791.63)	18,209.92
									(22088.81)
<b>Liabilities</b>									
Segment Liabilities	3858.8	5626.12	3376.43	222.78	838.44	11711.38		(5,758.62)	19,875.34
	(5284.76)	(8231.75)	(4568.30)	(363.12)	(542.05)	(6136.14)			(25126.12)
Unallocable Liabilities	0	0	0	0	0	0	660.45		660.45
									(9963.32)
<b>Capital Expenditure</b> (excluding capital WIP)									
Segment Capital	627.98	237.33	81.88	71.16	172.97	1356.1	41.38		2,588.80
Expenditure	(567.39)	(421.19)	(1188.73)	(183.48)	(5048.05)	(2114.50)	(22.99)		(9546.33)
<b>Depreciation</b>									
Segment Depreciation	568.83	363.61	1051.31	107.68	787.01	224.74			3,103.18
	(538.08)	(345.09)	(1172.24)	(102.90)	(1315.30)	(131.97)			(3605.58)
Unallocable Depreciation							163.92		163.92
& amortisation of goodwill							(163.81)		
<b>B. GEOGRAPHICAL SEGMENT</b>									
<b>Sales Revenue</b>									-
India	565.88	3286.31	1805.65	853.49	212.89	1281.49	2.96		8,008.67
	(1517.95)	(2850.43)	(5900.60)	(1825.90)	(2432.82)	(2706.96)	(36.23)		(17270.89)
Outside India	<b>16,486.92</b>	<b>8,681.07</b>	<b>14,767.32</b>	<b>2,002.40</b>	-	<b>7398.79</b>			49,336.49
	(15035.69)	(6435.54)	(12108.14)	(1617.42)		(8328.72)			(43525.51)
<b>Sales Revenue</b>	17052.79	11967.38	16572.97	2855.89	212.89	8680.28	2.96		57345.16
	(16553.64)	(9285.97)	(18008.74)	(3443.32)	(2432.82)	(11035.68)	(36.32)		(60796.40)
<b>Assets</b>									
India	5712.15	7675.99	6353.63	927.51	4632.17	47.76	20001.55	(5,758.62)	39,592.14
	(5,711.22)	(11,092.69)	(13,066.87)	(2,011.12)	(5,402.09)	(122.41)	(23,523.83)	(122.41)	(60,807.82)
Outside India	3,874.45	2,553.46	4,837.75	424.97	-	13,183.75	-		24,874.39
	(3776.09)	(2306.44)	(2466.50)	(558.18)	0.00	(10832.12)		(3605.97)	(16333.36)
<b>Total Assets</b>	9586.60	10229.45	11191.38	1352.48	4632.17	13231.51	20001.55	(5758.62)	64,466.53
	(9487.31)	(13399.13)	(15533.37)	(2569.30)	(5402.09)	(10954.33)	(23523.83)	(3728.38)	(77141.18)



## Summary of Financial Informations of Subsidiary Companies

(₹. in lakh)

Sr. No	Name of the Subsidiary Company	Financial Year	Reporting Currency	Capital Reserve	Total Assets	Total Liabilities	Investment included in Total Assets	Turnover	PBT	Provision for Tax	PAT	Proposed Dividend	Country
1	Technosoft Information Technologies India Limited	31st March	₹	55.34	2450.00	2450.00	789.84	1331.10	260.25	62.13	198.13	NIL	India
2	Technocraft Tabla Formwork Systems Private Limited	31st March	₹	100.00	298.48	298.48	-	76.69	(85.45)	(26.34)	(59.11)	NIL	India
3	Technocraft International Limited	31st December	GBP	381.77	2105.54	2105.54	-	2016.29	31.46	4.02	27.44	NIL	UK
4	Technocraft Trading Spolka	31st December	PLN	265.07	2843.49	2843.49	-	3822.69	(83.86)	11.50	(72.36)	NIL	Poland
5	Technocraft Australia Pty Ltd*	31st March	AUD	93.47	1266.18	1266.18	-	2731.11	130.95	26.86	104.09	NIL	Australia
6	Anhui Reliable Steel Company Limited	31st December	RMB	873.94	4428.70	4428.70	-	3729.22	167.36	0.00	167.36	NIL	China

**As on 31.12.2011** : 1 GBP= ₹.83.88, 1 PLN= ₹.15.83, 1 AU\$= ₹.42.00 and 1 RMB= ₹.8.52

**1** During the year Company remitt US\$ 250000 as a Capital Investment in Anhui Reliable Steel Company Limited

**3** During the year Company acquire 16667 equity shares @ ₹.221.35 Per shares of Technosoft Information Technology (Inda) Limited from Mr.Mark Peter ( non resident)

**4** \* Financial Informations is based on unaudited informations

S/d  
S.K. Saraf  
(Managing Director)

S/d  
S.M. Saraf  
(Managing Director)

S/d  
Manoj Jain  
(Company Secretary)







## TECHNOCRAFT INDUSTRIES (INDIA) LIMITED

(Regd. Office. A-25, MIDC, Street No.3, Andheri (E) Mumbai-400 093)

20<sup>th</sup> Annual General Meeting-Friday.28<sup>th</sup> September 2012 at 11.00 a.m.

### ATTENDANCE SLIP

(To be handover at the entrance of the Meeting Hall)

DP ID	
-------	--

* Folio No.	
-------------	--

Client ID	
-----------	--

No. of Shares	
---------------	--

I certify that I am a registered shareholder/ Proxy for the registered shareholder of the Company. I hereby record my presence at the 20<sup>th</sup> Annual General Meeting of the Company held on ..... at "Technocraft House" A-25, MIDC, Street No.3, Andheri (E) Mumbai-400 093

Full Name of Member/ Proxy \_\_\_\_\_  
(in Block Letter)

Members/ Proxy Signature \_\_\_\_\_

#### Notes:

- Shareholders attending the meeting in person or proxy are requested to complete the Attendance Slip and hand it over at the entrance of the Meeting Hall
- If you intend to appoint a proxy, please complete the proxy form below and deposit it at the Company's registered office at least 48 hours before the meeting.

## TECHNOCRAFT INDUSTRIES (INDIA) LIMITED

(Regd. Office. A-25, MIDC, Street No.3, Andheri (E) Mumbai-400 093)

20<sup>th</sup> Annual General Meeting-Friday.28<sup>th</sup> September 2012 at 11.00 a.m.

### PROXY FORM

DP ID	
-------	--

* Folio No.	
-------------	--

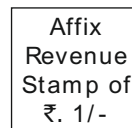
Client ID	
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No. of Shares	
---------------	--

I/We-----of-----being member(s) of Technocraft Industries (India) Limited hereby appoint -----of-----or failing him/her-----of-----of failing him/her -----of-----as proxy to attend and vote for me/us on my/our behalf at the 20<sup>th</sup> Annual General Meeting of the Company being held on ..... "Technocraft House" A-25, MIDC, Street No.3, Andheri (E) Mumbai-400 093 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signature \_\_\_\_\_



**Note:** This proxy form duly completed must be received at the Company's Registered Office at least 48 hours before the meeting.

\* Applicable for Shareholders holding shares in physical form.





Dear Shareholders,

**Sub: MCA's Green Initiatives for Paperless Communications**

Ministry of Corporate Affairs ("MCA") has recently taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies. Towards this, MCA has issued Circulars dated 21st April, 2011 & 29th April, 2011 stating that service of notice/ documents by a Company to the shareholders can now be made through electronic, subject to a few conditions.

Our Company appreciates the initiative taken by MCA, as it believes strongly in a Greener Environment. This initiative also helps in prompt receipt of communication, apart from helping avoid losses/delay in postal transit

We therefore propose to send document, such as the Notice of the Annual General Meeting and Annual Report etc. henceforth to shareholders in electronics form at the e-mail address provided by them and made available to us by the depositories from time to time. In case you wish to receive all the above communication in electronics form, kindly register your e-mail address with your Depository Participant at the earliest.

We wish to inform you that in addition to getting the documents through your registered e-mail, you can also have access to the documents through our company website, [www.technocraftgroup.com](http://www.technocraftgroup.com). The document will also be available to you for inspection at the registered office of the Company during office hours.

We are sure you would appreciate the "Green Initiative" taken by MCA, just as it is welcomed by us. As a member of the Company, you entitled to be furnished with a copy of the above mentioned documents as required under the provisions of the Companies Act, 1956, free of cost, upon receipt of a requisition from you any time during the year.

We solicit your whole-hearted co-operation in helping the Company implement the e-governance initiative of the Government in the interest of environment, which is the need of the hour today.

This communication may be ignored, if your e-mail address is already registered with your Depository Participant.

Thanking You,

Yours Faithfully,

**For Technocraft Industries (India) Limited**

**Manoj Jain**  
**Company Secretary**

# BOOK-POST

## **TECHNOCRAFT HOUSE**

### **Corporate Office :**

A-25, M.I.D.C, Marol Industrail Area,  
Road No.3, Opp. ESIC Hospital,  
Andheri ( East), Mumbai - 400 093, India.  
Tel.No.: (91) -22-4098 2222 / 4098 2202  
Fax No.: (91)-22-2835 6559 / 2836 7037  
E-mail : [technocraft@technocraftgroup.com](mailto:technocraft@technocraftgroup.com)  
Website : [http : // www.techonocraftgroup.com](http://www.techonocraftgroup.com)