

## TWENTY SIXTH ANNUAL REPORT

# SIKA INTERPLANT SYSTEMS LTD.

### BOARD OF DIRECTORS

(As on 20<sup>th</sup> August, 2012)

|                        |                              |
|------------------------|------------------------------|
| Dr C G Krishnadas Nair | Director                     |
| Mr R N Chawhan         | Director                     |
| Dr J M Debnath         | Director                     |
| Mr Rajeev Sikka        | Chairman & Managing Director |

### CHIEF FINANCIAL OFFICER

Mr Kunal Sikka

### AUDITORS

Shekar & Yatish  
Chartered Accounts

### BANKERS

Canara Bank

### REGISTERED OFFICE

3 Gangadharchetty Road,  
Bangalore 560 042

### REGISTRAR & SHARE TRANSFER AGENT

Cameo Corporate Services Limited  
Subramanian Building,  
1, Club House Road,  
Chennai 600 002

## NOTICE

The Twenty-sixth ANNUAL GENERAL MEETING of the Sika Interplant Systems Limited will be held on Friday, the 28<sup>th</sup> day of September, 2012 at 4.00 p.m. at Hotel Ajantha, 22, M.G. Road, Bangalore 560 001, to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2012 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2012.
3. To appoint a Director in place of Mr R N Chawhan, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration. M/s Shekar & Yatish, Chartered Accountants, Bangalore, retire at this meeting and being eligible offer themselves for re-appointment.

For and on behalf of the Board

Bangalore, 20<sup>th</sup> August, 2012

**Rajeev Sikka**  
Chairman & Managing Director

### **NOTES:**

- (a) The information required to be provided under the Listing Agreement entered with the Stock Exchange regarding the Director who is proposed to be appointed / re-appointed is annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the commencement of the meeting.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from 25<sup>th</sup> September, 2012 to 28<sup>th</sup> September, 2012 (both days inclusive).
- (d) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to kindly bring their copies to the meeting.
- (e) Members / proxies should bring the attendance slips duly filled in and signed for attending the meeting.

For and on behalf of the Board

Bangalore, 20<sup>th</sup> August, 2012

**Rajeev Sikka**  
Chairman & Managing Director

**DETAILED PROFILE OF DIRECTORS SEEKING RE-APPOINTMENT GIVEN AS UNDER:**

|  |   |
|--|---|
| <b>Name</b>  | <b>Mr R N Chawhan</b>   |
| <b>Age</b>   | 64 years  |
| <b>Education</b>   | a) B.Com. from SB Commerce College, Gulbarga ( Gold Medalist )<br>b) M.Com. from Karnataka University, Dharwad<br>c) Completed "Programme on Investment Appraisal and Management" from Harvard University, USA.   |
| <b>Date of Appointment</b>   | 30.09.2008  |
| <b>Category</b><br><b>Experience and Expertise in specific functional area</b>           | Non-Executive, Independent<br>He has extensive experience in financial services and project execution. Following a twenty distinguished years at the Karnataka State Financial Corporation (KSFC), he successfully thereafter served for fifteen years at the Karnataka State Industrial Investment and Development Corporation (KSIIDC). His designation at KSIIDC prior to retirement in 2006 was that of Executive Director. Thereafter, he has taken on a number of roles in private industry, including as the President of Bangalore-based MRG Group, which is engaged in various activities in the real estate sector. |
| <b>Relationship with other Directors of the Company</b>                                  | No  |
| <b>Shareholding in the Company</b>   | -   |
| <b>Directorship held in other Indian Public Limited Companies</b>                        | a) Bhuwalka Steel Industries Limited<br>b) Logix Microsystems Limited<br>c) VWF Industries Limited  |
| <b>Memberships / Chairmanship of Committees of other Indian Public Limited Companies</b> | Member Audit Committee of Bhuwalka Steel Industries Limited   |

## DIRECTORS' REPORT

To the Members,

The Directors are pleased to present the Twenty-Sixth Annual Report of the Company and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2012.

### FINANCIAL HIGHLIGHTS

(₹ in lakhs)

|   | Year ended<br>31 <sup>st</sup> March, 2012 | Year ended<br>31 <sup>st</sup> March, 2011 |
|---|--|--|
| Total Income  | 1,185.23                                   | 1,122.00                                   |
| Profit (Loss) before Tax and Depreciation             | 226.84                                     | 180.02                                     |
| Provision for Taxes                                   | 66.30                                      | 53.68                                      |
| Depreciation  | 19.14                                      | 17.49                                      |
| Profit (Loss) for the Year After Tax and Depreciation | 131.74                                     | 108.87                                     |
| Earnings per Share (in ₹)                             | 3.11                                       | 2.57                                       |

### OPERATIONAL REVIEW

During the year under review, your Company achieved Total Income of ₹1185.23 Lakhs as compared to ₹1122.00 Lakhs during the previous Financial Year. After considering Interest, Depreciation, Foreign Exchange (Loss) / Gain and Tax, the Company has Net Profit of ₹131.75 Lakhs for the current year as against Net Profit of ₹108.87 Lakhs in the previous year.

Both your Company's turnover and Net Profit increased as compared to the previous year, despite challenging macroeconomic backdrop that included persistent inflationary pressures with the Reserve Bank of India hiking interest rate by a cumulative of 175 basis points during the last Financial Year. In addition, the Company was also affected by the dramatic volatility in the Rupee, the significant weakening of which has also had an impact on bottomline. Your Company is evaluating steps to mitigate the impact of these various macroeconomic factors.

During the last Financial Year, significant investments have been made in building infrastructure, purchase of advanced machinery, design software, data security, information systems, and design and development activities for the future benefit of your Company.

### DIVIDEND

The Directors of your Company are pleased to maintain a dividend of 6% (₹ 0.60 per share) subject to the approval of the shareholders. This will amount to a total dividend payout of ₹25,44,105/- (excluding dividend distribution tax) for the Financial Year ended 31<sup>st</sup> March, 2012 for shareholders whose names appear in the Register of Members as on date of AGM.

The Dividend has been kept unchanged as the Company wants to finance its expansion program through internal accruals. It is expected that the benefits of this expansion will be reflected in the performance of the Company in the years to come.

### SUBSIDIARY COMPANIES

As on the date of this report, the company has the following subsidiary companies:

1. Sikka n Sikka Engineers Private Limited
2. EMSAC Engineering Private Limited
3. Sika Tourism Limited

The Ministry of Corporate Affairs, Government of India, has granted a general exemption to Companies from attaching the Annual Accounts in respect of its subsidiary companies. The Annual Accounts of the subsidiary companies and other relevant information shall be made available for inspection at the Company's Registered Office.

As required under the Listing Agreement with the Stock Exchange, in accordance with the Accounting Standard (AS 21), the audited consolidated financial statement of the Company forming part of this report is attached hereto.

## **DIRECTORS**

Mr R N Chawhan, Director retires by rotation in the forthcoming Annual General Meeting, and being eligible, offers himself for re-appointment.

## **AUDITORS**

M/s. Shekar & Yathish, Chartered Accountants, who are the Statutory Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting, and being eligible offer themselves for re-appointment.

As required under under Section 224 of the Companies Act, 1956, M/s. Shekar & Yathish has furnished a certificate of its eligibility for re-appointment.

## **CORPORATE GOVERNANCE**

To comply with conditions of Corporate Governance, pursuant to Clause 49 of the Listing Agreements with the Stock Exchange, a Management Discussion and Analysis Statement, Report on Corporate Governance and Auditors' Certificate, are included in the Annual Report.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors' Responsibility Statement is given hereunder:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures if any;
- ii. The Directors have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the annual accounts on a going concern basis.

## **FIXED DEPOSITS**

Your Company has not accepted any deposits from the public under section 58A of the Companies Act, 1956.

## **PARTICULARS OF EMPLOYEES**

There is no employee whose particulars are required to be given under Section 217 (2A) (a) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

## **DISCLOSURES PURSUANT TO SECTION 217(1) (e) OF THE COMPANIES ACT, 1956**

The information as required under the above Section is given in Annexure and forms part of this Report.

**ACKNOWLEDGEMENTS**

On behalf of the Directors of the Company, I would like to place on record our deep appreciation to our Shareholders, Customers, Business Partners, Vendors, Bankers, Defence Research and Developmental Organizations, and Central and State Governments, for their continued support. The Directors express their gratitude and sincere appreciation to all the employees of the Company for their contributions, hard work, and commitment.

For and on behalf of the Board of Directors

Bangalore, 20<sup>th</sup> August, 2012

**Rajeev Sikka**  
Chairman & Managing Director

**ANNEXURE TO THE DIRECTORS' REPORT  
INFORMATION PURSUANT TO SECTION 217 (1) (e) OF  
THE COMPANIES ACT, 1956**

**1. Conservation of Energy**

Your Company is basically is low energy consumer. However, the Company is continuing with its efforts to conserve and utilise energy more efficiently. Your Company has taken additional steps towards Conservation of Energy in the manufacturing processes as an ongoing process.

**2. Technology Absorption, Adaptation and Innovation**

Your Company has been successful in absorbing and adopting New Technologies during the year. The Company has also finalised plans for further upgradation of technology and processes. Technology absorption and adaptation continues to be at core of the Company's objectives and associated strategy. As your Company continues to be involved in advanced research and development (R&D), the Company is taking steps to obtain approval as a recognized R&D Centre from the Council of Scientific and Industrial Research, Department of Science & Technology, Government of India. The Company has developed and established a number of new technologies to meet requirements of customers.

**3. Foreign Exchange Earning and Outgo**

The Company earned ₹ 3,59,97,052/- (previous year ₹3,58,62,999/-) in foreign exchange during the year. The foreign exchange outgoes amount to ₹ 5,52,52,596/- (previous year ₹ 3,20,63,056/-).

For and on behalf of the Board of Directors

Bangalore, 20<sup>th</sup> August, 2012

**Rajeev Sikka**  
Chairman & Managing Director

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

Sika Interplant Systems Limited (Sika) is actively involved in four main areas, namely, engineering (design and development), manufacturing, projects and systems integration, and maintenance, repair and overhaul (MRO). Additionally, your Company's in-house capabilities in technology development and production are complemented by tie-ups with international partners. The majority of our Company's business is catered to serving the Aerospace & Defence (A&D) and Automotive sectors.

Building on its established expertise in systems integration, documentation and certification, your Company is working on a number of prestigious Indian projects within the A&D sector. Under these long-dated contracts, Sika offers its customers design, development, precision manufacturing, assembly, certification, supply and integration of systems, and implementation of the projects. In addition, the Company has set up facilities to provide MRO for its own products and, with the backing of its customers, with foreign partners to provide MRO services for their A&D products in India.

Your Company is one of the select private enterprises with design approval from the Center for Military Airworthiness and Certification (CEMILAC). Sika has also been granted an Industrial Licence for defence production from the Government of India, which enables it to undertake these projects and also qualifies the Company for offset programmes. The opportunity from offsets over the next few years will be considerable, with avenues likely to be available both in manufacturing and services.

The Company has a professional and experienced team comprised of a variety of backgrounds to ensure that we focus on ensuring that products delivered are of the highest quality, matched by strong after-sales support. In line with this, during the last Financial Year your Company successfully upgraded itself to the latest version of AS9100 (Rev C), which is a widely adopted and standardised quality management system for the aerospace industry.

We pride ourselves in having marquee clients such as the Armed Forces, Defence Research and Development Organisation (DRDO) laboratories, HAL, Indian Space Research Organisation (ISRO), Bharat Electronics Limited (BEL), Tata Power and Larsen & Toubro, among others.

Your Company has been focused on building advanced facilities to expand its operational base to keep pace with the fast paced development of the A&D sector in India. The first phase of this expansion has been completed, and Sika is now well positioned to meet the requirements of both potential international partners and domestic projects.

Within the automotive sector, your Company continues to undertake projects to supply critical capital equipment to a significant number of the major automobile manufacturers.

### INDUSTRY STRUCTURE AND DEVELOPMENT

India's geopolitical scenario and compulsions, real or perceived, are driving a relentless transformation of its A&D industry. The biggest growth driver is India's burgeoning expenditure in India's defence budgets; in 2012-13, the Budget for defence has increased by almost 17%. As per the 13th Finance Commission, India's projected expenditure on defence is to increase to ₹ 1,06,480 crore in 2016-17 from the projection of ₹ 72,970 crore in 2012-13. With the world's third largest armed forces, India's defence budget is approximately 2.1% of its GDP.

India is one of the largest importers of conventional defence equipment and spends about 40% of its total defence budget on capital acquisitions. With its defence spending and aviation market growth rate of estimated 18% (CAGR), this would put the country, in very near future, among one of the top five defence and aviation markets in the world. The sector's growth is also fuelling a MRO market that alone is expected to grow 10% annually and reach \$2.6 billion by 2020.

## OPPORTUNITIES AND THREATS

The country's defence expenditure has been increasing with big-ticket deals and massive modernisation programmes, the latter in response to the urgent need to enhance the deterrent and operation capabilities of the armed forces through upgradation/modernisation of existing equipment, as well as additional acquisitions of 'state of the art' equipment. The large scale of the market provides a significant opportunity for foreign original equipment manufacturers (OEMs), Indian industries and SMEs.

Around 70% of our defence requirements are met through imports. The need for a self-reliant defence sector and a sharp focus on minimising dependence on imports is seeing the continued opening up of the sector for private participation. In 2001, the government opened this sector to private and foreign investors and set a challenging target of achieving 70% indigenisation. This focus on indigenisation should gather pace, with the government having taken a number of steps in this direction.

The implementation of the Defence Procurement Policy (DPP), including its series of amendments, seeks greater engagement of domestic enterprises and SMEs in defence and internal security. The offset clause, which stipulates that a minimum of 30% of the armament purchase value is required to be spent on Indian components, sub-systems and products, introduced into the capital purchase agreements with foreign defence players provides the platform to build an ecosystem of domestic suppliers.

In addition, providing a boost to Indian MSMEs, discharge of offsets, including through foreign investment, technology transfer, or investment in "kind" through non-equity route in MSMEs will be granted a multiplier of 1.50 for calculating offsets. This multiplier has been introduced in the latest amendments to the policy, which came into effect on 1<sup>st</sup> August, 2012.

It is estimated that during the next decade India will buy close to USD 100 billion worth of fighter aircraft, radars, missiles and warships. Though it is difficult to reach a clear estimate on the value of offsets which will be involved with this huge Defence Imports, never the less the offsets figures could well be above USD 30 billion. The implementation of this value of offsets is both a challenge and an opportunity for the Indian defence industry.

Most of the threats to the domestic A&D industry are rooted on the policy front. These include slippages on the fiscal front, lengthy procurement and evaluation processes, controversies related to corruption and disputes over short listing in competitive bids. These will serve to delay acquisition plans of the armed forces and impact timing of execution of already long-dated projects.

## OUTLOOK

The overall outlook for next Financial Year (2012-13) looks positive. As discussed above, we expect that the combination of a continued increase in domestic defence spending and the opportunity from offsets coupled with the investments made in operating your Company's operating base will provide us with a solid platform for sustained and consistent growth in our business over the coming years.

## RISKS AND CONCERNS

Any delays from the Ministry of Defence, Government of India, in the execution of A&D projects associated with it, shortfalls in planned defence outlays, adverse changes to government policy, etc. could directly have a direct impact on the activities of the Company and consequently on its revenues. Also, your Company's increasing exposure to international markets brings with it inherent risks like Foreign Currency Risk and Interest Rate risk.

In addition, there are various external risk factors like a slowdown in India and/or the global economy, change or delay in domestic economic reforms, political instability, hostilities, natural disasters, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.



## **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

We believe the Company has a proper and adequate internal control system in place to ensure that all activities and transactions are monitored, authorised, recorded and reported correctly. An Internal Audit system is in place to conduct a regular check and review accounting methodologies with a view to improving the control systems. The Audit Committee of the Board of Directors has appraised the adequacy of internal controls.

## **SEGMENT WISE PERFORMANCE**

The Company is primarily engaged in the business of manufacturing and rendering of services in engineering products, projects and designs.

## **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS**

Human Resources (HR) remained a key focus area for your Company during the year under review. Various human resource (HR) initiatives are taken to align the HR policies to the requirement of the business. The Company provides employees with a fair and equitable work environment and support to develop their capabilities. We are also focused on bringing in new talent and competencies to aid the Company's growth strategy.

## **CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, figures, expectations and predictions may constitute "forward-looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

The company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

## REPORT ON CORPORATE GOVERNANCE

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

The Company has long recognised the importance of corporate governance practices that help ensure an environment of honesty, integrity and transparency combined with effective oversight and strong accountability. The Company endeavors to provide its stakeholders with timely information relating to the affairs of the Company together with complete transparency. The Company complies with various statutory requirements/provisions and is committed to good corporate governance.

### 2. BOARD OF DIRECTORS

As on 20<sup>th</sup> August, 2012, the Company's Board of Directors constitutes 4 members, out of whom 1 are Executive Directors and 3 are Non-Executive Directors (NEDs). These Directors bring in a wide range of skills and experience to the Board.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year under review and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are as follows:

| Name of the Director   | Category                   | No. of Board Meetings Attended | Attended Last AGM | No. of other Directorships and Committee Positions Held |                    |                      |
|--|----------------------------|--------------------------------|-------------------|---|--------------------|----------------------|
|  |                            |                                |                   | Director #  | Committee Member * | Committee Chairman * |
| Dr C G Krishnadas Nair   | Independent, Non-Executive | 6                              | No                | 5   | -                  | 1                    |
| Mr R N Chawhan   | Independent, Non-Executive | 7                              | Yes               | 3   | 1                  | -                    |
| Dr J M Debnath   | Non-Executive              | 7                              | Yes               | -   | -                  | -                    |
| Mr Rajeev Sikka, Chairman & Managing Director                              | Executive                  | 7                              | Yes               | -   | -                  | -                    |
| Mr Sanjeev Sikka, Managing Director (Resigned with effect from 31.05.2011) | Executive                  | -                              | N.A.              | -   | -                  | -                    |

# Excludes Alternate Directorships and directorships in Private Limited Companies, Foreign Companies and Companies Section 25 of the Companies Act, 1956.

\* Only Audit Committee and Shareholders'/Investors' Grievance Committee are considered for the purpose of Committee positions as per the Listing Agreement

Seven Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held were as follows:

27<sup>th</sup> April, 2011, 15<sup>th</sup> June, 2011, 27<sup>th</sup> July, 2011, 20<sup>th</sup> August, 2011, 22<sup>nd</sup> October, 2011, 12<sup>th</sup> November, 2011 and 9<sup>th</sup> February, 2012.

The information as required under Annexure IA to Clause 49 is being made available to the Board.

### 3. AUDIT COMMITTEE

The composition of the Audit Committee and the details of meetings attended by its members is as follows:

| Sl. No | Name of the Director     | Category                   | No. of Meetings Attended |
|--------|--------------------------|----------------------------|--------------------------|
| 1.     | Mr R N Chawhan, Chairman | Non-Executive, Independent | 5                        |
| 2.     | Dr C G Krishnadas Nair   | Non-Executive, Independent | 5                        |

The Audit Committee met five times during the year under review on the following dates: 27<sup>th</sup> April, 2011, 27<sup>th</sup> July, 2011, 20<sup>th</sup> August, 2011, 12<sup>th</sup> November, 2011 and 9<sup>th</sup> February, 2012. All the members of the Audit Committee were present in all of these meetings.

The role of Audit committee is to review the internal control procedures, Internal Audit system, financial reporting process and quarterly/annual financial statements, placed before the board.

All the members of audit committee have good knowledge of corporate and project finance and accounts. The Chairman of audit committee was formerly executive director of KSIIDC. The committee also advises the management on the areas where internal audit can be improved the terms of reference of the audit committee are in line with those prescribed by Clause 49 of the Listing Agreement with the Stock Exchange. The Company also complies with the provisions of Section 292A of the Companies Act, 1956 (the Act) pertaining to Audit Committee and its functioning.

The Chairman & Managing Director and Chief Financial Officer were invited to attend and participate at meeting of the Audit Committee. The Audit Committee invites such other executives as it considers appropriate (and particularly the head of the finance function) to be present at its meetings.

### 4. REMUNERATION COMMITTEE

The composition of the Remuneration Committee and the details of meetings attended by its members is as follows:

| Sl. No | Name of the Director     | Category                   | No. of Meetings Attended |
|--------|--------------------------|----------------------------|--------------------------|
| 1.     | Mr R N Chawhan, Chairman | Non-Executive, Independent | -                        |
| 2.     | Dr C G Krishnadas Nair   | Non-Executive, Independent | -                        |

During the year there was no meeting of the members of the Remuneration Committee and there has been no change in the Remuneration Policy of the Company.

The Remuneration Committee is authorised to determine the remuneration package for Executive Directors as well as the remuneration payable to the non-executive Directors, considering criteria such as industry benchmarks, financial performance of the Company, performance of the respective Director, etc.

There was no circumstances warranting the meeting of remuneration committee during the year under consideration.

The Company pays remuneration by way of salary, perquisites and allowance to its Executive Directors. No remuneration is paid by way of commission to any Non-Executive Director. No remuneration is paid to any Non-Executive Director other than sitting fees of ₹2,500/- each for attending Board and Committee Meetings by Non-Executive Directors.

Details of remuneration paid to Directors for the year 2011-2012:

| Name of the Director                                       | Category                   | Sitting Fees (Gross) (₹) | Compensation * (Gross) (₹) |
|--|----------------------------|--------------------------|----------------------------|
| Dr C G Krishnadas Nair                                     | Non-Executive, Independent | 15,000                   | -                          |
| Mr R N Chawhan   | Non-Executive, Independent | 17,500                   | -                          |
| Dr J M Debnath   | Non-Executive              | -                        | -                          |
| Mr Rajeev Sikka  | Executive                  | -                        | 20,09,955                  |
| Mr Sanjeev Sikka<br>(Resigned with effect from 31.05.2011) | Executive                  | -                        | 3,19,000                   |

# includes salary, perquisites and any ex-gratia payments.

## 5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The composition of the Shareholders'/Investors' Grievance Committee and the details of meetings attended by its members is as follows:

| Sl. No | Name of the Director             | Category                   | No. of Meetings Attended |
|--------|----------------------------------|----------------------------|--------------------------|
| 1.     | Dr C G Krishnadas Nair, Chairman | Non-Executive, Independent | 4                        |
| 2.     | Mr R N Chawhan                   | Non-Executive, Independent | 4                        |
| 3.     | Mr Rajeev Sikka                  | Executive                  | 4                        |

The Shareholders'/Investors' Grievance Committee met four times during the year under review on the following dates: 27<sup>th</sup> April, 2011, 27<sup>th</sup> July, 2011, 12<sup>th</sup> November, 2011 and 9<sup>th</sup> February, 2012. All the members of the Committee were present in all of these meetings.

The Committee monitors redressal of complaints from shareholders. The Committee also approves and monitors transfer, transmissions, and consolidations etc. of shares issued by the Company.

There were no complaints received by the Company during Financial Year 2011-12:

| Description of Complaint             | No. of Complaints received during the period under review | No. of Complaints redressed during the period under review |
|--------------------------------------|---|--|
| Non receipt of shares after transfer | -   | -  |
| Non receipt of demat credit          | -   | -  |

During the year, 6 requests for physical share transfer and 18 requests for dematerialisations were received and approved by the Company. No valid transfer/transmission of shares were pending as on 31<sup>st</sup> March, 2011.

Mr Sathish K S, Manager (Finance) and Assistant Company Secretary is the Compliance Officer of the Company.

## 6. GENERAL BODY MEETINGS

The particulars of the last three Annual General Meetings held are as under:

| Financial Year | Day & Date                                  | Time       | Venue   | No. of Special Resolutions passed thereat |
|----------------|---|------------|---|---|
| 2010-11        | Friday, 30 <sup>th</sup> September, 2011    | 10.00 a.m. | Hotel Ajantha,<br>22, M.G. Road,<br>Bangalore 560 001 | 1   |
| 2009-10        | Thursday, 30 <sup>th</sup> September, 2010  | 11.00 a.m. |   | -   |
| 2008-09        | Wednesday, 30 <sup>th</sup> September, 2009 | 11.00 a.m. |   | 3   |

## 7. CODE OF CONDUCT

The Board has framed a Code of Conduct for the Directors and Senior Management of the Company pursuant to Clause 49 of the Listing Agreement with the Stock Exchange.

## 8. DISCLOSURES

- The Company has not entered into any transaction of material nature with the promoters, the Directors or the management, or relatives etc. during the year that may have potential conflict with the interests of the Company.
- During the last three years, there were no penalties imposed nor strictures passed on the Company by Stock Exchanges, Securities and Exchange Board of India (SEBI) or any statutory authority for any non-compliance related to the capital markets.
- The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.
- In terms of Clause 49(V) of the Listing Agreement, the Managing Director and the Chief Financial Officer made a certification to the Board of Directors in the prescribed format for the year under review, which has been reviewed by the Audit Committee and taken on record by the Board.

## 9. MEANS OF COMMUNICATION

Quarterly, half-yearly and annual results are published in a widely circulated national newspaper. The Quarterly Results are also displayed on the BSE website (bseindia.com – Scrip code 523606).

The Annual Report is sent via either email or post, as applicable on a case by case basis, to Members and others entitled to receive it.

No presentations were made to Institutional Investors or to Analysts during the year under review

## 10. GENERAL SHAREHOLDER INFORMATION

- Annual General Meeting:** The AGM is scheduled to be held on Friday, 28<sup>th</sup> September, 2012 at 4.00 p.m. at Hotel Ajantha, 22, M.G. Road, Bangalore 560 001.

As required under Clause 49(IV)(G)(i) of the Listing Agreement with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given in the Annexure to the Notice of the AGM to be held on 28<sup>th</sup> September, 2012.

- Financial Year:** 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2012
- Book Closure:** From 25<sup>th</sup> September, 2012 to 28<sup>th</sup> September, 2012 (both days inclusive)
- Dividend Payment Date:** The dividend as approved by Share holders in the AGM will be paid within 30 days from the date of AGM.

- v) **Listing on Stock Exchange:** The Company's equity shares are listed on the Bombay Stock Exchange Limited at Mumbai. The Company confirms that it has paid annual listing fees due to the Stock Exchange for the year 2011-2012.
- vi) **Security Code:** Bombay Stock Exchange Limited – 523606
- vii) **Address for Correspondence:** 3 Gangadharchetty Road, Bangalore - 560 042.
- viii) **Market Price Data:**

High, Low during each month of the Company's equity shares during the last Financial Year (April 2011 to March 2012) at the Bombay Stock Exchange Limited are given below:

| Month          | High (₹) | Low (₹) |
|----------------|----------|---------|
| April 2011     | 44.65    | 31.50   |
| May 2011       | 39.50    | 31.70   |
| June 2011      | 37.95    | 31.30   |
| July 2011      | 37.30    | 30.40   |
| August 2011    | 33.50    | 26.25   |
| September 2011 | 36.55    | 23.60   |
| October 2011   | 34.95    | 25.30   |
| November 2011  | 29.00    | 20.65   |
| December 2011  | 24.95    | 21.00   |
| January 2012   | 25.80    | 21.20   |
| February 2012  | 26.70    | 20.80   |
| March 2012     | 22.50    | 18.95   |

- ix) **Registrars and Transfer Agents:** Cameo Corporate Services Limited  
Subramanian Building,  
1, Club House Road,  
Chennai 600 002
- x) **Share Transfer System:** The equity shares of the Company are traded compulsorily in Demat segment on the Stock Exchange. Demat requests are normally confirmed within an average of 15 days from the date of receipt. Shares received for transfer in physical mode are processed and valid transfers are approved within prescribed time limit. Duly transferred share certificates are generally dispatched within 30 days from the date of receipt.
- Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchange, certificate on half yearly basis were filed with the Stock Exchange for due compliance of share transfer formalities by the Company. In terms of guidelines issued by SEBI, the Secretarial Audit Report for all the quarters were filed with the Stock Exchange, which inter-alia gives details about the reconciliation of Share Capital (both physical and demat).
- xi) **Dematerialisation of Shares:** The shares of the Company are available for dematerialisation and Agreements have been signed with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). 96.26% of the Company's shares are held in dematerialised mode as on 31<sup>st</sup> March, 2012. The Company (through its Registrars and Share Transfer Agents) provides the facility of simultaneous transfer and dematerialization of shares and has confirmed the same to NSDL and CDSL.

**xii) Distribution of Shareholding of the Company as on 31<sup>st</sup> March, 2012:**

| Category                       | Number of Shareholders | Number of Equity Shares held | Percentage of Shareholding |
|--------------------------------|------------------------|------------------------------|----------------------------|
| Promoters                      | 6                      | 2996785                      | 70.68                      |
| Foreign institutions & Banks   | 0                      | 0                            | 0.00                       |
| Financial institutions & Banks | 0                      | 0                            | 0.00                       |
| Bodies Corporate               | 54                     | 245439                       | 5.95                       |
| Indian Public                  | 2418                   | 995576                       | 23.36                      |
| Individual Foreign             | 4                      | 2369                         | 0.01                       |
| Clearing Member                | 2                      | 6                            | 0.01                       |
| <b>Total</b>                   | <b>2484</b>            | <b>4240175</b>               | <b>100.00</b>              |

| Shareholding of Nominal Values of ₹ | Number of Shareholders | % of Total Shareholding | Number of Equity Shares held |
|-------------------------------------|------------------------|-------------------------|------------------------------|
| 1 – 500                             | 2161                   | 7.48                    | 317030                       |
| 501 – 1000                          | 183                    | 3.60                    | 152588                       |
| 1001 – 2000                         | 69                     | 2.45                    | 103715                       |
| 2001 – 3000                         | 24                     | 1.48                    | 62832                        |
| 3001 – 4000                         | 7                      | 0.59                    | 24955                        |
| 4001 – 5000                         | 13                     | 1.49                    | 62981                        |
| 5001 – 10000                        | 11                     | 1.90                    | 80386                        |
| 10001 & above                       | 16                     | 81.03                   | 3435688                      |
| <b>Total</b>                        | <b>2484</b>            | <b>100.00</b>           | <b>4240175</b>               |

**xiii) Outstanding GDRs / ADRs / Warrants / convertible instruments:** The Company has no outstanding GDRs and nor the Company has issued any ADRs / Warrants or any Convertible instruments during the year under review.

**xiv)** Company's plant is located at Sika Technology Centre, 21 KM Hosur Road, Bommasandra Industrial Area, Bangalore 560099.

**11. DECLARATION REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT, PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT**

All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Sika Interplant Systems Limited Code of Conduct for the financial year ended 31<sup>st</sup> March, 2012.

For and on behalf of the Board of Directors

Bangalore, 20<sup>th</sup> August, 2012

**Rajeev Sikka**  
Chairman & Managing Director

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members of  
Sika Interplant Systems Limited

We have examined the compliance of the conditions of Corporate Governance by Sika Interplant Systems Limited ('the Company') for the year ended on 31<sup>st</sup> March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material aspects with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

We state that as per the records maintained by the Company, and its Registrars and Share Transfer Agents, it has not received any complaints from shareholders during the Financial Year.

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

For and on behalf of  
**Shekar & Yathish**  
Chartered Accountants

Bangalore, 20<sup>th</sup> August, 2012

**Kusuma Yathish**  
Partner  
Membership No. 008964S



## Auditors' Report

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To  
The Members of **M/s.Sika Interplant Systems Limited**

We have audited the attached Balance Sheet of **M/s Sika Interplant Systems Limited** as at 31<sup>st</sup> March 2012, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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 Accounts as required by law have been kept by the Company so far as appears from our examinations of these books.
3. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the Books of Accounts
4. In our opinion the Balance Sheet and the Profit and Loss Account comply with the Accounting Standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956.
5. On the basis of the written representation received from the Directors as on 31-03-2012, and taken on record by the Board of Directors, we report that none of the Directors is prima-facie disqualified as on 31<sup>st</sup> March, 2012 from being appointed as Directors 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 read with the Significant Accounting Policies and Notes to the Accounts, give the information required by the Act, in the manner so required and also 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 Profit and Loss Account of the Profit for the year ended on that date. And;
  - c) in the case of the cash flow statement, of the cash flows for the year ended on that date
7. As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give below a statement on the matters specified in paragraphs 4 and 5 of the said Order.
  - (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

- (c) In our opinion and according to the information and explanations given to us, substantial part of the fixed assets has not been disposed off by the Company during the year.
- (ii) (a) The inventory has been physically verified during the year by the management.
- (b) The company is maintaining proper records of Inventory, minor discrepancies noticed on such physical verification have been properly dealt with in the books of accounts.
- (iii) (a) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) In view of what is stated in Para (a) above, the matters to be reported vide sub clause (b), (c) and (d) of clause (iii) are not applicable.
- (c) The Company has taken interest free unsecured loans from two parties, covered in the register maintained under section 301 of the Act, the maximum amount involved during the year was Rs.36 lakh and the year-end balance of loans taken from parties is Nil.
- (d) In our opinion, the rate of interest and other terms and conditions of loans taken by the Company is prima facie not prejudicial to the interest of the Company.
- (e) Since the loans raised by the Company are repayable on demand or as and when necessary mutually, no comment can be made on the regularity or otherwise of the repayment of the principal and payment of interest wherever applicable.
- (iv) There are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets, and the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) According to the information and explanations given to us, the particulars of transactions or arrangements that were required to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered;
- (b) In respect of transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;
- (vi) In view of the Company not having accepted deposits in terms of the provisions of sections 58 A and 58 AA and other relevant provisions of the Companies Act 1956 the compliance requirements as mentioned thereof do not arise. (vii) In our opinion based on the information and explanations given to us the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, The Central Government has not prescribed maintenance of cost records under Sec. 209(1) (d) of the Companies Act 1956.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it and according to the information and explanations given to us no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and Cess were in arrears, as at 31.03.2012 for a period of more than six months from the date they became payable
- (b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have been deposited on account of any dispute.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (xiv) In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4 (xiii) are not applicable to the company.
- (xv) According to the information and explanations given to us the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) The Company has raised a term loan during the audit period and has been applied for the purposes for which it was raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us the Company had not issued any Debentures during the period under audit.
- (xx) The Company has not made any public issues during the period under audit and consequently the verification of end use of the same does not arise. (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported.
- (xxi) According to the information and explanations given to us no fraud on or by the Company has been noticed or reported.

for and on behalf of  
M/s. Shekar & Yathish  
Chartered Accountants  
FRNo.008964S

Place: Bangalore  
Date : 20-08 - 2012

Kusuma Yathish  
Partner.  
Membership Number -209637

**SIKA INTERPLANT SYSTEMS LTD**  
**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2012**

| Particulars                        | Note No | As at 31 March 2012 | As at 31 March 2011 |
|------------------------------------|---------|---------------------|---------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |         |                     |                     |
| <b>(1) Shareholder's Funds</b>     |         |                     |                     |
| (a) Share Capital                  | 1       | 42,401,750          | 42,401,750          |
| (b) Reserves and Surplus           | 2       | 322,980,696         | 312,763,349         |
| <b>(2) Non-Current Liabilities</b> |         |                     |                     |
| (a) Long-Term Borrowings           | 3       | 16,026,818          | 10,713,879          |
| (b) Deferred Tax Liabilities (Net) | 4       | 1,097,888           | 529,814             |
| (d) Long Term Provisions           | 5       | 117,441             | 200,999             |
| <b>(4) Current Liabilities</b>     |         |                     |                     |
| (a) Short-Term Borrowings          | 6       | 7,823,793           | 50,327              |
| (b) Trade Payables                 | 7       | 9,492,477           | 17,222,163          |
| (c) Other Current Liabilities      | 8       | 34,994,378          | 17,610,923          |
| (d) Short-Term Provisions          | 9       | 37,262,477          | 43,749,645          |
| <b>Total</b>                       |         | <b>472,197,718</b>  | <b>445,242,850</b>  |
| <b>II.Assets</b>                   |         |                     |                     |
| <b>(1) Non-Current Assets</b>      |         |                     |                     |
| (a) Fixed Assets                   | 10      |                     |                     |
| (i) Tangible Assets                |         | 289,989,029         | 19,590,205          |
| (ii) Intangible Assets             |         | 324,856             | 252,445,000         |
| (iii) Capital Work-In-Progress     |         | 42,982,301          | 46,963,716          |
| (b) Non-Current Investments        | 11      | 13,062,510          | 12,971,294          |
| (c) Long Term Loans and Advances   | 12      | 1,929,039           | 4,443,238           |
| (e) Other Non-Current Assets       |         |                     |                     |
| <b>(2) Current Assets</b>          |         |                     |                     |
| (a) Current Investments            | 13      | -                   | 15,095,595          |
| (b) Inventories                    | 14      | 12,824,200          | 1,523,000           |
| (c) Trade Receivables              | 15      | 39,914,049          | 35,799,632          |
| (d) Cash and Cash Equivalents      | 16      | 24,846,899          | 10,468,897          |
| (e) Short-Term Loans and Advances  | 17      | 46,324,835          | 45,942,274          |
| <b>Total</b>                       |         | <b>472,197,718</b>  | <b>445,242,850</b>  |

Significant Accounting Policies

Notes On Financial Statements 1 to 38

The Schedules referred to above form an integral part of this Balance Sheet.

As per our report of even date.

For and on behalf of  
M/s. Shekar & Yathish  
Chartered Accountants  
FRN 008964S

Rajeev Sikka  
Chairman & Managing Director

Dr.C.G.Krishnadas Nair  
Director

Kusuma Yathish  
Partner  
Membership No.209637  
Place:Bangalore  
Date:20/08/2012

R.N.Chawhan  
Director

Dr.J.M.Deb Nath  
Director

**SIKA INTERPLANT SYSTEMS LTD**  
**Profit and Loss statement for the year ended 31st March, 2012**

| Particulars                                  | Note No. | For the Year ended<br>31 March 2012 | For the Year ended<br>31 March 2011 |
|--|----------|-------------------------------------|-------------------------------------|
| I. Revenue From Operations                   | 18       | 115,466,415                         | 109,504,693                         |
| II. Other Income                             | 19       | 3,056,837                           | 2,696,147                           |
| III. Total Revenue (I +II)                   |          | 118,523,252                         | 112,200,840                         |
| IV. Expenses:                                |          |                                     |                                     |
| Cost of Materials Consumed                   | 20       | 14,231,286                          | 10,878,838                          |
| Purchases                                    |          | 47,032,158                          | 34,401,248                          |
| Changes in Inventory of Work in progress     | 21       | (11,028,000)                        | -                                   |
| Employee Benefit Expense                     | 22       | 15,097,485                          | 21,414,750                          |
| Financial Costs                              | 23       | 2,484,846                           | 667,729                             |
| Depreciation and Amortization Expense        | 10       | 1,914,872                           | 1,746,678                           |
| Other Expenses                               | 24       | 28,021,112                          | 26,835,398                          |
| Total Expenses                               |          | 97,753,758                          | 95,944,644                          |
| V. Profit Before Tax (III - IV)              |          | 20,769,494                          | 16,256,198                          |
| VI. Tax Expense:                             |          |                                     |                                     |
| (1) Current Tax expense for Current year     |          | 6,630,000                           | 5,352,036                           |
| (2) Current tax expense for earlier Years    |          | 397,251                             | -                                   |
| (3) Deferred Tax                             |          | 568,074                             | 16,237                              |
| VII. Profit/(Loss) For The Period (XI + XIV) |          | 13,174,169                          | 10,887,925                          |
| VIII. Earning Per Equity Share:              | 25       |                                     |                                     |
| (1) Basic                                    |          | 3.11                                | 2.57                                |
| (2) Diluted                                  |          | 3.11                                | 2.57                                |

Significant Accounting Policies

Notes On Financial Statements 1 to 38

The Schedules referred to above form an integral part of this Balance Sheet.

As per our report of even date.

For and on behalf of  
M/s. Shekar & Yathish  
Chartered Accountants  
FRN 008964S

Rajeev Sikka  
Chairman & Managing Director

Dr.C.G.Krishnadas Nair  
Director

Kusuma Yathish  
Partner  
Membership No.209637  
Place:Bangalore  
Date:20/08/2012

R.N.Chawhan  
Director

Dr.J.M.Deb Nath  
Director

## Notes on Financial Statements for the Year ended 31st March, 2012

| Particulars  | As at 31 March 2012 | As at 31 March 2011 |
|--|---------------------|---------------------|
| <b>1. SHARE CAPITAL</b>  |                     |                     |
| Authorised<br>5,000,000 Equity Shares of Rs. 10/- each<br>(Previous Year 5,000,000 Equity Shares of Rs.10 /- each)                                       | 50,000,000          | 50,000,000          |
| Issued and Subscribed<br>42,40,175 Equity Shares of Rs. 10/- each<br>(Of the above shares 26,00,000 shares are issued for consideration other than cash) | 42,401,750          | 42,401,750          |
| Paid Up<br>42,40,175 Equity Shares of Rs. 10/- each<br>(Of the above shares 26,00,000 shares are issued for consideration other than cash)               | 42,401,750          | 42,401,750          |
| <b>TOTAL</b>   | <b>42,401,750</b>   | <b>42,401,750</b>   |

## Details of Shareholders holding more than 5% shares

| Name of the Shareholder  | As at 31.3.12       | As at 31.3.11       |
|--|---------------------|---------------------|
| Equity Shares with Voting Rights<br>Ultraweld Engineers Private Limited<br>No of Shares<br>Percentage held | 2,931,089<br>69.13% | 2,931,089<br>69.13% |

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

| Particulars                       | Number of Shares as at 31.3.12 | Number of Shares as at 31.3.11 |
|-----------------------------------|--------------------------------|--------------------------------|
| Opening Balance                   | 4,240,175                      | 4,240,175                      |
| Add. Issued during the year       | -                              | -                              |
| Less. Bought back during the year | -                              | -                              |
| Closing Balance                   | 4,240,175                      | 4,240,175                      |

| Particulars  | as at 31.3.2012    | as at 31.3.2011    |
|--|--------------------|--------------------|
| <b>2. RESERVES AND SURPLUS</b>   |                    |                    |
| General Reserve  | 4,401,400          | 4,401,400          |
| Capital Reserve  | 60,676,001         | 60,676,001         |
| Securities Premium Account   | 177,967,000        | 177,967,000        |
| Surplus/ (Deficit) as per Profit and Loss Account<br>As per last Balance Sheet           | 69,718,948         | 61,797,673         |
| Add :Transferred from Profit and Loss Account  | 13,174,169         | 10,887,925         |
|  | 82,287,793         | 72,685,598         |
| Less:  |                    |                    |
| (1) Proposed Dividend  | 2,544,105          | 2,544,106          |
| <i>(Dividends proposed to be distributed to Equity Shareholders(Rs.0.60/- per share)</i> |                    |                    |
| (2)Tax On Proposed Dividend  | 412,717            | 422,544            |
|  | 2,956,822          | 2,966,650          |
| Closing Balance  | 79,936,295         | 69,718,948         |
| <b>TOTAL</b>   | <b>322,980,696</b> | <b>312,763,349</b> |

| Particulars   | as at 31.3.2012   | as at 31.3.2011   |
|---|-------------------|-------------------|
| <b>NON CURRENT LIABILITIES</b>  |                   |                   |
| <b>3.LONG TERM BORROWINGS</b>   |                   |                   |
| <b>Secured</b>  |                   |                   |
| <b>A. Loans from Banks</b>  |                   |                   |
| -Canara Bank Term Loan<br>(Term Loan of Rs.3,44,05,043/- is secured by Land in Bommasandra) | 13,874,000        | 10,713,879        |
| <b>B. Long Term Maturities of Finance Lease Obligations</b>                                 |                   |                   |
| <b>From Banks</b>   |                   |                   |
| - ICICI Bank  | 471,456           |                   |
| <b>From Others</b>  |                   |                   |
| - Tata Capital Ltd<br>(Secured by Vehicles acquired out of above loans)                     | 1,681,362         |                   |
| <b>TOTAL</b>  | <b>16,026,818</b> | <b>10,713,879</b> |

| Particulars   | as at 31.3.2012  | as at 31.3.2011   |
|---|------------------|-------------------|
| <b>4. DEFERRED TAX LIABILITY</b>  |                  |                   |
| In view of the accumulated impact of deferred tax arising on account of timing differences and expected to be reversed during forthcoming years is recognised as an adjustment to balance of Profit and Loss Account as prescribed in AS 22. The composition of accumulated deferred tax asset is as under: |                  |                   |
| -Deferred Tax liability<br>Related to Fixed Assets- Depreciation  | 1,258,662        | 1,117,590         |
| -Deferred Tax Asset<br>Related to Disallowances u/s 40(a)(i),43B of Income tax Act,1961   | 160,775          | 587,776           |
| -Deferred Tax liability(Net)  | 1,097,888        | 529,814           |
| (Decrease) / Accretion in the Deferred Tax Liability  | 568,074          | 16,237            |
| Deferred Tax Liability created during the year  | 568,074          | 16,237            |
| <b>5. Long-term provisions</b>  |                  |                   |
| <b>Provisions for Other Employee Benefits</b>   |                  |                   |
| Leave Encashment  | 117,441          | 228,409           |
| <b>TOTAL</b>  | <b>117,441</b>   | <b>228,409</b>    |
| <b>6. Short Term Borrowings</b>   |                  |                   |
| <b>Loans/Advance repayable on demand from Banks Secured</b>   |                  |                   |
| - Canara Bank (OCC Account)<br>(Secured by book debts, stock and Land at Bommasandra)   | -                | 50,327            |
| - Canara Bank (Bill Discounting)<br>(Secured by book debts, stock and Land at Bommasandra)  | 7,823,793        | -                 |
| <b>TOTAL</b>  | <b>7,823,793</b> | <b>50,327</b>     |
| <b>7. Trade Payables</b>  |                  |                   |
| - Trade Payables to Relted Parties  |                  |                   |
| Sika UK Limited   | -                | 479,665           |
| Emsac Engineering   | 722,686          | -                 |
| - Trade Payables - Others   | 8,769,791        | 16,742,498        |
| <b>TOTAL</b>  | <b>9,492,477</b> | <b>17,222,163</b> |



| Particulars   | as at 31.3.2012   | as at 31.3.2011   |
|---|-------------------|-------------------|
| <b>8. OTHER CURRENT LIABILITIES</b>   |                   |                   |
| <b>-Loans from Banks</b>  |                   |                   |
| -Canara Bank Term Loan<br>(Term Loan of Rs.3,44,05,043/- is secured by Land in Bommasandra) | 9,864,000         | 8,496,000         |
| Short Term Maturities of Finance Lease Obligations  |                   |                   |
| <b>From Banks</b>   |                   |                   |
| -HDFC   | -                 | 35,970            |
| -ICICI  | 235,728           | -                 |
| <b>From Others</b>  |                   |                   |
| - Tata Capital Ltd<br>(Secured by Vehicles acquired out of the above loans)                 | 1,221,624         | -                 |
| <b>Unpaid Dividends</b>   | 669,141           | 496,642           |
| <b>Other payables to Related Parties</b>  |                   |                   |
| Directors - Reimbursement of Expenses   | 64,839            | 687,848           |
| Director Remuneration Payable   | 75,800            | 71,600            |
| Rent Payable  | 40,500            | 42,750            |
| Sikka N Sikka Engineers (P) Ltd<br>(Payable on purchase of fixed assets)                    | 1,911,946         |                   |
| <b>Other Payables</b>   |                   |                   |
| <b>-Statutory Liabilities</b>   |                   |                   |
| ESI Payable   | 14,404            | 21,782            |
| Service tax Payable   | 214,755           | 324,083           |
| Provident Fund Payable  | 98,308            | 135,118           |
| Professional Tax Payable  | 6,700             | 9,700             |
| TDS Payable   | 663,801           | 862,469           |
| VAT Payable   | 556,084           | 244,239           |
| <b>Other Payables to Employees</b>  |                   |                   |
| Salary Payable  | 822,680           | 1,026,992         |
| <b>Others Payables</b>  | 712,068           | 803,730           |
| <b>Advances From Customer for supplies/services</b>   | 17,822,000        | 4,352,000         |
| <b>TOTAL</b>  | <b>34,994,378</b> | <b>17,610,923</b> |
| <b>9. SHORT TERM PROVISIONS</b>   |                   |                   |
| <b>Provision For Employee Benefits</b>  |                   |                   |
| Leave Encashment  | 20,961            | -                 |
| Bonus   | 420,658           | 506,550           |
| <b>Provision For Others</b>   |                   |                   |
| Provision for Proposed Dividend   | 2,544,105         | 2,544,105         |
| Provision for Tax on Proposed Dividend  | 412,717           | 422,544           |
| Provision for Taxation  | 33,864,036        | 40,249,036        |
| <b>TOTAL</b>  | <b>37,262,477</b> | <b>43,722,235</b> |

## Note No.8

| Particulars                           | Gross Block               |                    |                        |                               | Net Block                    |                           | Accumulated Depreciation on disposal of Assets | Balance as at 31st March 2012 | As at 31st March 2012 | As at 31st March 2011 |
|---------------------------------------|---------------------------|--------------------|------------------------|-------------------------------|------------------------------|---------------------------|--|-------------------------------|-----------------------|-----------------------|
|                                       | Balance at 1st April 2011 | Additions          | Deduction/ Adjustments | Balance as at 31st March 2012 | Balance as at 1st April 2011 | Depreciation for the year |  |                               |                       |                       |
| <b>(i) Tangible Assets</b>            |                           |                    |                        |                               |                              |                           |  |                               |                       |                       |
| Freehold Land**                       | 758,344                   | 254,381,344        | -                      | 255,140,290                   |                              |                           |  |                               | 255,140,290           | 758,344               |
| Leasehold Land at Mysore              | 5,882,629                 | -                  | -                      | 5,882,629                     | -                            | -                         | -  | -                             | 5,882,629             | 5,882,629             |
| Building                              | -                         | 13,216,793         | -                      | 13,216,793                    |                              | 6,047                     | -  | 6,047                         | 13,210,746            | -                     |
| Plant and Machinery                   | 3,384,829                 | 9,975              | -                      | 3,394,804                     | 638,216                      | 160,946                   |  | 799,162                       | 2,595,642             | 2,746,613             |
| Office Equipments                     | 3,179,128                 | 241,874            | -                      | 3,421,002                     | 1,510,794                    | 121,660                   |  | 1,632,454                     | 1,788,548             | 1,668,334             |
| Furniture and Fixtures                | 4,669,392                 | 147,905            | -                      | 4,817,297                     | 1,440,643                    | 279,151                   |  | 1,719,794                     | 3,097,503             | 3,228,749             |
| Vehicles                              | 10,129,480                | 5,038,176          | 2,026,055              | 13,141,601                    | 6,254,723                    | 933,919                   | 1,075,507                                      | 6,113,135                     | 7,028,466             | 3,874,757             |
| Computers                             | 4,913,743                 | 227,432            | -                      | 5,141,175                     | 3,482,964                    | 413,006                   |  | 3,895,970                     | 1,245,204             | 1,430,779             |
| <b>Total</b>                          | <b>32,917,545</b>         | <b>273,264,101</b> | <b>2,026,055</b>       | <b>304,155,591</b>            | <b>13,327,340</b>            | <b>1,914,729</b>          | <b>1,075,507</b>                               | <b>14,166,562</b>             | <b>289,989,028</b>    | <b>19,590,205</b>     |
| Previous Year                         | 30,054,901                | 255,307,644        | -                      | 285,362,545                   | 11,580,662                   | 1,746,678                 | -  | 13,327,340                    | 272,035,205           | 18,474,239            |
| <b>(ii) Intangible Assets</b>         |                           |                    |                        |                               |                              |                           |  |                               |                       |                       |
| Right to use Land**                   | 252,445,000               | 252,445,000        | -                      | -                             | -                            | -                         | -  | -                             | -                     | 252,445,000           |
| Software                              | -                         | 325,000            | -                      | 325,000                       | -                            | 143                       | -  | 143                           | 324,857               | -                     |
| <b>Total</b>                          | <b>252,445,000</b>        | <b>325,000</b>     | <b>252,445,000</b>     | <b>325,000</b>                | <b>-</b>                     | <b>143</b>                | <b>-</b>                                       | <b>143</b>                    | <b>324,857</b>        | <b>252,445,000</b>    |
| Previous Year                         | -                         | -                  | -                      | -                             | -                            | -                         | -  | -                             | -                     | -                     |
| <b>(iii) Capital Work In progress</b> |                           |                    |                        |                               |                              |                           |  |                               |                       |                       |
| Factory at Bommasandra Unit           | 45,420,505                | 9,222,869          | 13,272,784             | 41,370,590                    | -                            | -                         | -  | -                             | 41,370,590            | 45,420,505            |
| Rope Way-Project                      | 1,543,211                 | 68,500             |                        | 1,611,711                     |                              |                           |  |                               | 1,611,711             | 1,543,211             |
| <b>Total</b>                          | <b>46,963,716</b>         | <b>9,291,369</b>   | <b>13,272,784</b>      | <b>42,982,301</b>             | <b>-</b>                     | <b>-</b>                  | <b>-</b>                                       | <b>-</b>                      | <b>42,982,301</b>     | <b>46,963,716</b>     |
| Capital WIP Previous Year             | 20,395,929                | 26,567,787         | 46,963,716             | 46,963,716                    | -                            | -                         | -  | -                             | 46,963,716            | 20,395,929            |

\*\* Right to use Land is now freehold land consequent to execution of conveyance deed in favour of the company.

| Particulars   | as at 31.3.2012   | as at 31.3.2011   |
|---|-------------------|-------------------|
| <b>11. NON CURRENT INVESTMENTS</b>  |                   |                   |
| <b>Other Investments (At cost)</b>  |                   |                   |
| <b>Unquoted</b>   |                   |                   |
| <b>Investment in equity instruments in Subsidiary Companies</b>                           |                   |                   |
| Sika UK Ltd   | -                 | 8,774             |
| <i>Current Year-Nil Shares (Previous Year-100 Shares of Rs.87.74/- each)</i>              |                   |                   |
| Emsac Engineering Pvt Ltd   | 255,000           | 255,000           |
| <i>Current Year-2,55,000 Shares of Rs.1.00/- each</i>                                     |                   |                   |
| <i>(Previous Year-2,55,000 Shares of Rs.1.00/- each)</i>                                  |                   |                   |
| Sikka n Sikka Engineers Pvt Ltd   | 12,698,000        | 12,698,000        |
| <i>Current Year-6,000 Shares of Rs.100/- each</i>   |                   |                   |
| <i>(Previous Year-6,000 Shares of Rs.100/-each)</i>                                       |                   |                   |
| Sika Tourism Pvt Ltd  | 99,990            | -                 |
| <i>Current Year - 99,990 Shares of Re.1/- each (Previous Year - Nil)</i>                  |                   |                   |
| <b>Quoted</b>   |                   |                   |
| <b>Investment in equity in Other Companies</b>  |                   |                   |
| Melstar Information Technology (Market Value 6,560/-,Previous Year Rs.6,560/-)            | 9,520             | 9,520             |
| <i>Current Year-800 Shares of Rs.10/- each (Previous Year-800 Shares of Rs.10/- each)</i> |                   |                   |
| <b>TOTAL</b>  | <b>13,062,510</b> | <b>12,971,294</b> |

Note: a) Aggregate amount of quoted investments

9,520

9,520

b) Aggregate amount of unquoted investments

12,953,000

12,961,774

| Particulars                            | as at 31.3.2012  | as at 31.3.2011  |
|--|------------------|------------------|
| <b>12.LONG TERM LOANS AND ADVANCES</b> |                  |                  |
| <b>Unsecured and Considered Good</b>   |                  |                  |
| <b>Loan To Related Parties</b>         |                  |                  |
| SIKA UK Ltd                            | -                | 2,118,339        |
| SIKA Tourism Pvt Ltd                   | 19,320           | -                |
| <b>Security Deposits</b>               |                  |                  |
| Rent Deposit                           | 1,700,800        | 1,685,800        |
| Telephone Deposit                      | 51,779           | 51,829           |
| Earnest Money Deposit                  | -                | 100,000          |
| Other Deposits                         | 157,140          | 159,140          |
| <b>Other Loans and Advances</b>        |                  |                  |
| BGS Construction Advance               | -                | 328,130          |
| <b>TOTAL</b>                           | <b>1,929,039</b> | <b>4,443,238</b> |

| Particulars  | as at 31.3.2012 | as at 31.3.2011   |
|--|-----------------|-------------------|
| <b>CURRENT ASSETS</b>  |                 |                   |
| <b>13. CURRENT INVESTMENTS</b>   |                 |                   |
| <b>Trade Investments(at Cost)</b>  |                 |                   |
| <b>Quoted</b>  |                 |                   |
| <b>Investments in Mutual Funds</b>   |                 |                   |
| HDFC Floating STP Gr<br>(Previous Year 133,680.31 units of Rs.22.44/- each)    | -               | 3,000,000         |
| ICICI Pru Income Growth<br>(Previous Year 208,743.85 units of Rs.19.62/- each) | -               | 4,095,595         |
| Reliance STP - GR<br>(Previous Year 400,000.00 units of Rs.10.00/- each)       | -               | 4,000,000         |
| Templeton STP Growth<br>(Previous Year 2,086.13 units of Rs.1917.43/- each)    | -               | 4,000,000         |
| <b>TOTAL</b>   | <b>-</b>        | <b>15,095,595</b> |

Note: a) Aggregate cost of Quoted investment - 15,095,595  
b) Aggregate market value of quoted investment - 15,347,143

|  |                   |                  |
|--|-------------------|------------------|
| <b>14. INVENTORIES (At lower of cost and net realisable value)</b> |                   |                  |
| Raw Materials  | 1,796,200         | 1,523,000        |
| Work in Progress   | 11,028,000        | -                |
| <b>TOTAL</b>   | <b>12,824,200</b> | <b>1,523,000</b> |

|   |                   |                   |
|---|-------------------|-------------------|
| <b>15. TRADE RECEIVABLES</b>                                    |                   |                   |
| <b>Unsecured and Considered Good</b>                            |                   |                   |
| Trade receivables outstanding for a period exceeding six months | 7,671,376         | 8 009 282         |
| Other Trade Receivables   | 32,242,673        | 27,790,351        |
| <b>TOTAL</b>  | <b>39,914,049</b> | <b>35,799,632</b> |

|  |                   |                   |
|--|-------------------|-------------------|
| <b>16 CASH AND CASH EQUIVALENTS</b>                      |                   |                   |
| -Cash on Hand  | 17,175            | 14,216            |
| -Balance with Banks                                      |                   |                   |
| In Current Accounts                                      | 1,699,157         | 608,107           |
| In EEFC Accounts   | 2,959,364         | 128,235           |
| In Dividend Account                                      | 681,627           | 508,763           |
| In Deposit Accounts with maturity of more than 12 months | 18,892,019        | 9,138,746         |
| Interest accrued on deposits                             | 597,557           | 70,830            |
| <b>TOTAL</b>   | <b>24,846,899</b> | <b>10,468,897</b> |

| Particulars                                 | as at 31.3.2012   | as at 31.3.2011   |
|---|-------------------|-------------------|
| <b>17.SHORT TERM LOANS AND ADVANCES</b>     |                   |                   |
| <b>Unsecured and Considered Good</b>        |                   |                   |
| <b>Balances with Government Authorities</b> |                   |                   |
| Advance Income Tax                          | 29,900,000        | 38,550,000        |
| Advance Fringe Benefit Tax                  | 552,128           | 1,237,121         |
| VAT Receivable                              | -                 | 1,869,721         |
| TDS Receivable                              | 2,090,940         | 1,896,057         |
| Octroi Receivable                           | 213,309           | 272,082           |
| Cenvat Credit                               | -                 | 26,265            |
| Excise Duty                                 | 57,909            | 31,644            |
| Advance Given to Employees                  | 95,132            | 61,483            |
| Advance Given To Suppliers                  | 2,799,843         | 1,875,257         |
| Other Loans and Advances                    | 10,000,000        | 24,436            |
| Prepaid Expenses                            | 615,574           | 98,208            |
| <b>TOTAL</b>                                | <b>46,324,835</b> | <b>45,942,274</b> |

**Notes on Financial Statements for the Year ended 31st March, 2012**

| Particulars                        | For the Year ended<br>31 March 2012 | For the Year ended<br>31 March 2011 |
|------------------------------------|-------------------------------------|-------------------------------------|
| <b>18. REVENUE FROM OPERATIONS</b> |                                     |                                     |
| - Sale of Products                 |                                     |                                     |
| Finished Engineering Systems       | 18,582,475                          | 15,183,743                          |
| Engineering Products               | 47,185,064                          | 48,453,228                          |
| - Sale of Engineering Services     | 49,698,876                          | 45,867,722                          |
| <b>TOTAL</b>                       | <b>115,466,415</b>                  | <b>109,504,693</b>                  |

| Particulars                                | For the Year ended<br>31 March 2012 | For the Year ended<br>31 March 2011 |
|--|-------------------------------------|-------------------------------------|
| <b>19. OTHER INCOME</b>                    |                                     |                                     |
| - Interest from banks                      |                                     |                                     |
| From Deposits                              | 926,654                             | 830,985                             |
| - Net gain on foreign currency fluctuation | 457,298                             | 814,919                             |
| - Net Capital Gain on sale of investments  | 1,628,191                           | 942,634                             |
| - Discount Received                        | 44,694                              | 107,609                             |
| <b>TOTAL</b>                               | <b>3,056,837</b>                    | <b>2,696,147</b>                    |

| Particulars                         | For the Year ended<br>31 March 2012 | For the Year ended<br>31 March 2011 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| <b>20.COST OF MATERIAL CONSUMED</b> |                                     |                                     |
| -Raw Materials Consumed             |                                     |                                     |
| Opening Stock                       | 1,523,000                           | 980,821                             |
| Add:Purchases                       | 14,504,486                          | 11,421,017                          |
|                                     | 16,027,486                          | 12,401,838                          |
| Less:Closing Stock                  | 1,796,200                           | 1,523,000                           |
|                                     | 14,231,286                          | 10,878,838                          |
| <b>TOTAL</b>                        | <b>14,231,286</b>                   | <b>10,878,838</b>                   |

| Particulars  | For the Year ended<br>31 March 2012 | For the Year ended<br>31 March 2011 |
|--|-------------------------------------|-------------------------------------|
| <b>21.CHANGES IN INVENTORY OF WORK IN PROGRESS</b> |                                     |                                     |
| - Inventory at the end of the year                 |                                     |                                     |
| Work in Progress                                   | 11, 028,000                         | -                                   |
| Total  | 11, 028,000                         | -                                   |
| - Inventory at the beginning of the year           |                                     |                                     |
| Work in Progress                                   | -                                   | -                                   |
| Total  | -                                   | -                                   |
| <b>Net (Increase)</b>                              | <b>(11,028,000)</b>                 | <b>-</b>                            |

| Particulars                               | For the Year ended<br>31 March 2012 | For the Year ended<br>31 March 2011 |
|---|-------------------------------------|-------------------------------------|
| <b>22. EMPLOYEE BENEFIT EXPENSES</b>      |                                     |                                     |
| - Salaries and Wages                      | 13,986,472                          | 20,042,137                          |
| - Staff welfare expenses                  | 400,717                             | 419,795                             |
| - Contribution to Provident & Other Funds | 710,296                             | 952,818                             |
| <b>TOTAL</b>                              | <b>15,097,485</b>                   | <b>21,414,750</b>                   |

| Particulars              | For the Year ended<br>31 March 2012 | For the Year ended<br>31 March 2011 |
|--------------------------|-------------------------------------|-------------------------------------|
| <b>23. FINANCE COSTS</b> |                                     |                                     |
| - Interest Expense       | 1,374,786                           | 470,941                             |
| - Other Borrowing Costs  | 1,110,060                           | 196,788                             |
| <b>TOTAL</b>             | <b>2,484,846</b>                    | <b>667,729</b>                      |

| Particulars                                | For the Year ended<br>31 March 2012 | For the Year ended<br>31 March 2011 |
|--|-------------------------------------|-------------------------------------|
| <b>28.OTHER EXPENSES</b>                   |                                     |                                     |
| -Consumption of stores and spares          | 5,260,200                           | 4,350,795                           |
| -Professional Charges                      | 7,709,771                           | 6,520,456                           |
| -Advertisement                             | 125,780                             | 141,613                             |
| -Seminar & Exhibition charges              | 878,665                             | 986,194                             |
| -Business Promotion                        | 1,715,186                           | 1,291,666                           |
| -Subscription/Membership                   | 267,259                             | 203,184                             |
| -Office Expenses                           | 506,145                             | 478,705                             |
| -Books & Periodicals                       | 14,679                              | 8,387                               |
| -Security Charges                          | 478,333                             | 56,604                              |
| -Donations                                 | 15,000                              | 1,500                               |
| -Printing & Stationery                     | 520,083                             | 602,176                             |
| -Rent                                      | 1,518,964                           | 1,772,896                           |
| -Rates and Taxes                           | 473,242                             | 477,120                             |
| -Communication Expenses                    | 648,313                             | 1,064,647                           |
| -Travel and Conveyance Expense             | 3,731,824                           | 5,318,089                           |
| -Insurance                                 | 308,172                             | 217,407                             |
| -Repairs & Maintenance                     | 1,627,998                           | 2,213,506                           |
| -Vehicle Maintenance                       | 861,649                             | 956,922                             |
| -Miscellaneous Expenses                    | 1,691                               | 4,190                               |
| -Loss on Sale of Car                       | 331,500                             | -                                   |
| -Tender Fees                               | 22,260                              | 14,097                              |
| -Labour Welfare Fund                       | 630                                 | 603                                 |
| -Commitment Charges                        | 726,000                             | -                                   |
| -Discounts, Bad Debts and other write offs | 5,860                               | 43,130                              |
| -Sitting Fees                              | 45,000                              | 30,000                              |
| -Postage                                   | 6,308                               | 7,059                               |
| <b>Payment to Auditors</b>                 |                                     |                                     |
| -As Auditors - Statutory Audit             | 193,025                             | 55,150                              |
| -As Auditors - Tax Audit                   | 27,575                              | 19,303                              |
| <b>TOTAL</b>                               | <b>28,021,112</b>                   | <b>26,834,398</b>                   |

| Particulars   | For the Year ended<br>31 March 2012 | For the Year ended<br>31 March 2011 |
|---|-------------------------------------|-------------------------------------|
| <b>25. EARNINGS PER SHARE</b>   |                                     |                                     |
| I. Net Profit As Per Profit And Loss Account Available For Equity Shareholders  | 13,174,169                          | 10,887,925                          |
| II. Weighted Average Number Of Equity Shares For Earnings Per Share Computation |                                     |                                     |
| a. For Basic Earnings per Share   | 4,240,175                           | 4,240,175                           |
| b. For Diluted Earnings per Share   | 4,240,175                           | 4,240,175                           |
| III. Earnings Per Share (Face Value of Rs.10/- each)                            |                                     |                                     |
| Basic   | 3.11                                | 2.57                                |
| Diluted   | 3.11                                | 2.57                                |

| Particulars                                     | For the Year ended<br>31 March 2012 | For the Year ended<br>31 March 2011 |
|---|-------------------------------------|-------------------------------------|
| <b>26. CONTINGENT LIABILITY AND COMMITMENTS</b> |                                     |                                     |
| - Bank Guarantee                                | 2,94,15,206                         | 1,24,29,543                         |
| <b>TOTAL</b>                                    | <b>2,94,15,206</b>                  | <b>1,24,29,543</b>                  |



## Significant Accounting Policies:

### 1. Accounting Convention:

The Financial statements are prepared under the historical cost convention, in accordance with generally accepted accounting principals, the mandatory accounting standards prescribed by the Institute of Chartered Accountants of India and the provisions of the Companies Act.

### 2. Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation and impairment (if any). All costs relating to the acquisition and installation of fixed assets have been capitalized.

Capital work in progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes land, related acquisition expenses, development/construction costs, borrowing costs and other direct expenditure including advances to contractors and others.

Intangibles having the characteristic of assets, capable of generating future economic benefits and are reliably measurable are stated at cost.

#### Depreciation/Amortisation

Depreciation on assets has been provided at the rates specified in Schedule XIV of the Companies Act, 1956 on straight-line method.

Amortisation of Intangibles is done based on the benefits derived. Amortization is not being done in respect of intangibles which are available for use to the company in perpetuity.

### 3. Valuation of Inventories:

Stock of spare parts, raw materials and stock in trade are valued at lower of cost and net realizable value. Work-in-progress is valued at cost.

### 4. Valuation of Investments:

Current investments, are valued at the lower of cost and market value.

### 5. Retirement Benefits:

Company has Group Gratuity policy with Life Insurance Corporation of India and the premiums determined there at is charged to revenue. The Company has provided for Leave Encashment based on accumulated un-availed leave by the employees as on the date of Balance Sheet.

### 6. Revenue Recognition:

1. Revenue from sale of goods is recognized on passing of the property in goods.
2. Services – Revenue from services is recognized on completion of service.
3. Warranties – Revenue from warranties in connection with post sale services is recognized on pro-rata basis over the warranty period.
4. Profit on sale of investments: Profit / loss on sale of investments are recognized on the date of redemption.

### 7. Foreign Currency Transactions:

Transactions in foreign currency are recorded using the spot rate at the transaction date and exchange differences resulting from settled transactions are adjusted in the profit and loss account. At the balance sheet date, monetary items denominated in foreign currencies are converted into rupee equivalents at exchange rates as at the balance sheet date. Those relating to acquisition of fixed assets are adjusted to the cost of assets.

**8. Provisions:**

A provision is recognized when outflow of resources will be required to settle a present obligation as a result of past events. Accordingly provisions 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.

**9. Segment Reporting Policies****Primary Business Segments:**

The Company is primarily engaged in the business of manufacturing and rendering of services in engineering products and designs. For all purposes the company is organized into one operating activity of Engineering products and services. Accordingly the Company is of the view that it has only one business segment. The Company has no activity outside India except for export of Engineering Services. Thereby there is no geographical segment.

**10. Impairment of Assets**

At each Balance Sheet date the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, the Company estimates the recoverable amount and if this is lower than the carrying amount of the asset, an impairment loss is recognized in the Profit and Loss account to the extent the carrying amount exceeds the recoverable amount.

**11. Income Tax****a) Current Taxation:**

Provision for current income tax is made on the assessable income at the rates applicable to the relevant assessment year. Deferred Tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversing in one or more subsequent periods.

**b) Deferred Taxation**

Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognized only to the extent there is a virtual certainty of its realization.

**12. Earning Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares are outstanding during the period adjusted for events including a bonus issue, bonus element in a rights issue to existing share holders, share split and reverse share split.

## NOTES ON ACCOUNTS AS AT 31.03.2012

27. The information required to be disclosed under the Micro, Small, Medium enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.

28. Capital Reserve and Securities Premium are as per the scheme of merger approved by the Honourable High Court of Karnataka.

### 29. Segment Reporting

Amounts in Rupees (in Lakhs)

| Sl. No. | Particulars                                     | Engineering Products, Projects & Services | Engineering Construction Materials | Total                |
|---------|---|---|------------------------------------|----------------------|
| 1       | Revenue   | 1298.00`<br>(1052.83)                     | -<br>(69.17)                       | 1298.00<br>(1122.00) |
| 2       | Results<br>Operative profit before Depreciation | 217.08<br>(175.19)                        | -<br>(4.83)                        | 217.08<br>(180.02)   |
| 3       | Provision for tax                               | 63.00<br>(51.92)                          | -<br>(1.60)                        | 63.00<br>(53.52)     |
| 4       | Profit after tax                                | 131.53<br>(123.27)                        | -<br>(3.23)                        | 131.53<br>(126.50)   |

Amounts in bracket indicate previous year figures.

Segments have been identified in line with Accounting Standard on segment reporting (AS -17).

### 30. Expenditure in Foreign Currency

| Particulars<br>(Including Expenses Capitalized) | 2011-12     | 2010-11     |
|---|-------------|-------------|
| Raw Materials & components                      | 74,04,486   | 5,42,854    |
| Purchases                                       | 4,70,27,532 | 3,07,43,837 |
| Travelling Expenses                             | 8,23,778    | 7,76,365    |
| Total   | 5,52,52,596 | 3,20,63,056 |

### 31. Impairment of Assets

In accordance with Accounting Standard - 28 issued by the Institute of Chartered Accounts of India, management has made an assessment and found that there is no impairment in the value of fixed assets.

**32. Sale by class of goods**

(Amounts in Rupees)

| Particulars                     | 31.03.2012 | 31.03.2011 |
|---------------------------------|------------|------------|
| 1. Finished Engineering systems |            |            |
| (a) Handling Systems            | 17,597,759 | 13,052,203 |
| (b) Others                      | 9,847,162  | 2,131,540  |
| Total                           | 18,582,475 | 15,183,743 |
| 2. Engineering Products         |            |            |
| (a) Servo Products              | 41,510,380 | 29,936,808 |
| (b) Others                      | 5,674,684  | 18,516,420 |
| Total                           | 47,185,064 | 48,453,228 |
| 3. Sale of Engineering Service  |            |            |
| (a) Designs and Drawings        | 27,150,826 | 31,856,357 |
| (b) Others                      | 22,548,050 | 14,011,365 |
| Total                           | 49,698,876 | 45,867,722 |

**33. Consumption details of Raw Materials**

(Amounts in Rupees)

| Particulars           | Opening Stock | Purchases  | Closing Stock | Consumption |
|-----------------------|---------------|------------|---------------|-------------|
| FY – 2011-12          |               |            |               |             |
| Mechanical Components | 456,900       | 4,351,346  | 538,860       | 4,269,386   |
| Electrical Components | 989,950       | 9,427,916  | 1,167,530     | 9,250,336   |
| Others                | 76,150        | 725,224    | 89,810        | 711,564     |
| Total                 | 1,523,000     | 14,504,486 | 1,796,200     | 14,231,286  |
| FY 2010-11            |               |            |               |             |
| Mechanical Components | 294,246       | 3,426,305  | 456,900       | 3,263,651   |
| Electrical Components | 637,534       | 7,423,661  | 989,950       | 7,071,245   |
| Others                | 49,041        | 571,051    | 76,150        | 543,942     |
| Total                 | 980,821       | 11,421,017 | 1,523,000     | 10,878,838  |

**34. Purchases for Engineering Products**

| Particulars           | 31.03.2012 | 31.03.2011 |
|-----------------------|------------|------------|
| Mechanical Components | 6,965,804  | 11,057,324 |
| Electrical Components | 39,597,634 | 11,577,013 |
| Others                | 468,720    | 11,766,911 |
| Total                 | 47,032,158 | 34,401,248 |

## 35. Earnings in Foreign Currency (on FOB basis)

| Particulars                       | 2011-12     | 2010-11     |
|-----------------------------------|-------------|-------------|
| Others ( on A/c. of Export sales) | 3,59,97,052 | 3,58,62,999 |

## 36. Related party transactions

Amount in Rupees

| Particulars                              | Referred to in (a) below |           | Referred to in (a) below |           | Referred to in (a) below |           |
|--|--------------------------|-----------|--------------------------|-----------|--------------------------|-----------|
|  | 31.3.2012                | 31.3.2011 | 31.3.2012                | 31.3.2011 | 31.3.2012                | 31.3.2011 |
| Purchase:                                |                          |           |                          |           |                          |           |
| Goods and Materials (including service)  | 8,02,984                 |           | -                        | -         | -                        | -         |
| Sales:                                   |                          |           |                          |           |                          |           |
| Goods and Materials ( including service) | 3,30,900                 | 3,30,900  |                          |           |                          |           |
| Expenses:                                |                          |           |                          |           |                          |           |
| a.Remuneration                           | -                        | -         | 23,28,955                | 38,96,521 |                          |           |
| b.Rent                                   | -                        | -         | 5,40,000                 | -         |                          | 2,40,000  |
| c.Service                                | -                        | -         | -                        | -         |                          | 3,00,000  |
| d.Prof charges                           | -                        | -         | 2,40,000                 | -         |                          | 3,04,800  |
| e. Gratuity                              |                          |           | 14,27,885                |           |                          |           |
| f. Salary Paid                           |                          |           | 5,32,259                 |           |                          |           |
| <b>Other Transactions</b>                |                          |           |                          |           |                          |           |
| Loans Borrowed                           | 46,52,000                |           |                          |           |                          |           |
| Loans Repaid                             | 46,52,000                |           |                          |           |                          |           |
| Purchase of Fixed Assets                 | 19,11,946                |           |                          |           |                          |           |
| Outstandings:                            |                          |           |                          |           |                          |           |
| a. Rent                                  |                          |           | 45,000                   |           |                          | 20,000    |
| b. Maintainance                          |                          |           |                          |           |                          | 25,000    |
| c. Prof Charges                          |                          |           | 18,000                   |           |                          | 24,000    |
| d.Payable on purchase of fixed Assets    | 19,11,946                |           |                          |           |                          |           |
| e. Service Charges payable               | 722,686                  |           |                          |           |                          |           |

## Related Party Information

## Relationship

## a. Where significant influence exists(Affiliates)

1. M/s. Sikka N Sikka Engineers Pvt Ltd
2. M/s. Emsac Engineering Pvt Ltd
3. M/s. Ultraweld Engineers Pvt Ltd

## b. Key Management Personnel

1. Mr. Rajeev Sikka
2. Mr. Sanjeev Sikka (upto 31.5.2011)

## c. Relatives of Directors

1. Mrs. Krishna Sikka
2. Mrs. Anuradha Sikka
3. Mrs. Anita Sikka (upto 31.5.2011)

37. Balances in loans, advances, deposits given and loans received, Sundry Debtors, Creditors and Unpaid Dividend are subject to confirmation and reconciliation.

38. Previous year's figures have been recast / restated, wherever necessary, to make them comparable with those of the current year.

For Shekar & Yathish  
Chartered Accountants  
FRN 008964S

Rajeev Sikka  
Chairman & Managing Director

Dr.C.G.Krishnadas Nair  
Director

Kusuma Yathish  
Partner  
Membership No.209637

R.N.Chawhan  
Director

Dr.J.M.Deb Nath  
Director

Place:Bangalore  
Date:20/08/2012

**Cash Flow Statement for the Year ended 31.03.2012**

|          | Particulars  | As on 31.3.2012    | As on 31.3.2011     |
|----------|--|--------------------|---------------------|
| <b>A</b> | <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                              |                    |                     |
|          | Net Income before Taxation and Extraordinary items                       | 20,769,494         | 16,256,198          |
|          | <b>Add/(Less) : Adjustments for :-</b>                                   |                    |                     |
|          | Depreciation and amortization  | 1,914,872          | 1,746,678           |
|          | Loss on sale of fixed assets   | 331,500            | -                   |
|          | Finance Cost   | 1,629,926          | 667,729             |
|          | Net Gain on Sale of Investments  | (1,628,191)        | (942,634)           |
|          | Interest on Deposits   | (926,654)          | (830,985)           |
|          | Operating Profit Before Working Capital changes                          | <b>22,090,947</b>  | <b>16,896,985</b>   |
|          | <b>Changes in Working Capital</b>  |                    |                     |
|          | <b>Adjustments for (increase)/decrease in operating assets</b>           |                    |                     |
|          | Trade Receivables  | (4,114,417)        | (784,709)           |
|          | Inventories  | (11,301,200)       | (542,179)           |
|          | Short-term Loans & Advances  | (382,562)          | (9,282,838)         |
|          | Other Current Assets   | -                  | (331,066)           |
|          | <b>Adjustments for increase/(decrease) in operating liabilities</b>      |                    |                     |
|          | Trade Payables   | (7,729,686)        | 951,743             |
|          | Other current liabilities (excluding current maturity of Long Term Loan) | 14,103,509         | (632,034)           |
|          | Short-Term Provisions  | (6,789,758)        | 5,690,921           |
|          | Long-Term Provisions   | (83,558)           | 228,409             |
|          | <b>Cash generated from operations</b>                                    | <b>(6,095,865)</b> | <b>12,195,233</b>   |
|          | Less : Tax Adjustment (paid)/refund                                      | (7,027,251)        | (5,352,036)         |
|          | <b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</b>               | <b>(931,386)</b>   | <b>6,843,197</b>    |
| <b>B</b> | <b>CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>                   |                    |                     |
|          | Capital Expenditure on Fixed Assets                                      | (15,250,740)       | (29,430,431)        |
|          | Proceeds from Sale of Fixed Assets                                       | 619,048            | -                   |
|          | Interest on Bank Deposits  | 926,654            | 830,985             |
|          | Net Gain on Sale of Investments  | 1,628,191          | 942,634             |
|          | Sale of Current Investments  | 15,095,595         | (244,374)           |
|          | Sale of Long Term Investments  | (91,216)           | 36,729              |
|          | Long-term Loans & Advances   | 2,514,199          | 624,907             |
|          | <b>NET CASH FLOW FROM / (USED IN ) INVESTING ACTIVITIES</b>              | <b>5,441,731</b>   | <b>(27,239,550)</b> |

|    | Particulars   | As on 31.3.2012   | As on 31.3.2011   |
|----|---|-------------------|-------------------|
| C] | <b>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>        |                   |                   |
|    | Finance Cost  | (1,629,926)       | (667,729)         |
|    | Proceeds from Long term borrowings                            | 6,680,939         | 9,138,194         |
|    | Proceeds from other short term borrowings                     | 7,773,466         | 50,327            |
|    | Dividends Paid  | (2,544,105)       | (2,544,106)       |
|    | Tax on Dividend   | (412,717)         | (422,544)         |
|    | <b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>    | <b>9,867,657</b>  | <b>5,554,142</b>  |
| D  | <b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b> | 14,378,003        | (14,842,210)      |
|    | Add: Cash and Cash Equivalents at beginning of the year       | 10,468,897        | 25,311,107        |
|    | <b>Cash and Cash Equivalents at end of the year*</b>          | <b>24,846,899</b> | <b>10,468,897</b> |
|    | * Comprises:  |                   |                   |
|    | (a) Cash on hand  | 17,175            | 14,216            |
|    | (b) Balances with banks                                       |                   |                   |
|    | - In current accounts   | 5,340,148         | 1,245,105         |
|    | (c ) Deposits considered as part of cash and cash equivalents | 18,892,019        | 9,138,746         |
|    | (d) Interest accrued on deposits                              | 597,557           | 70,830            |
|    |   | <b>24,846,899</b> | <b>10,468,897</b> |

As per our report of even date

On behalf of the Board of Directors

For and on behalf of  
M/s. Shekar & Yathish  
Chartered Accountants  
FRN 008964S

Rajeev Sikka  
Chairman & Managing Director

Dr.C.G.Krishnadas Nair  
Director

Kusuma Yathish  
Partner  
Membership No.209637

R.N.Chawhan  
Director

Dr.J.M.Deb Nath  
Director

Place:Bangalore  
Date:20/08/2012



**Auditors' Report to the Board of Directors of Sika Interplant Systems Limited on Consolidated Financial Statements of Sika Interplant Systems Limited and its Subsidiaries**

We have audited the attached Consolidated Balance Sheet of Sika Interplant Systems Limited, and its subsidiaries as at 31st March 2012, and the consolidated statement of profit and loss and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Sika Interplant Systems Limited's management and our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material aspects, in accordance with 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, 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.

We did not audit the financial statements of Subsidiary Company (Emsac Engineering Private limited), whose financial statements reflect total assets of Rs.20,88,944/- as on 31st March 2012, the total revenue of Rs. 40,76,104/- and cash flows amounting to Rs.1,73,750/- for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us, and in our opinion, in so far relates to the amount included in respect of the subsidiary, is based solely on the report of other auditor.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards (AS 21) "Consolidated financial statements", notified by the companies (Accounting Standards) Rules, 2006 and on the basis of separate audited financial statements of Sika Interplant Systems Limited, its subsidiaries included in the consolidated financial statements.

On the basis of information and explanations given to us and on consideration of separate audit reports on individual financial statements of Sika Interplant Systems Limited, its aforesaid subsidiaries, in our opinion, the Consolidated Financial Statements, give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Sika Interplant systems Limited, its subsidiaries as at 31st March 2012;
- (b) in the case of the Consolidated statement of Profit and Loss, of the consolidated results of operation for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

**Shekar & Yathish**  
Chartered Accountants

Place : Bangalore  
Date : 20/08/2012

**Kusuma Yathish**  
Partner  
Membership No. 008964S

**SIKA INTERPLANT SYSTEMS LTD**  
**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2012**

| Particulars                           | Note No. | As at 31 March 2012 | As at 31 March 2011 |
|---------------------------------------|----------|---------------------|---------------------|
| <b>I. EQUITY AND LIABILITIES</b>      |          |                     |                     |
| <b>(1) Shareholder's Funds</b>        |          |                     |                     |
| (a) Share Capital                     | 1        | 42,401,750          | 42,401,750          |
| (b) Reserves and Surplus              | 2        | 321,879,894         | 312,132,632         |
| (c) Minority Interest of Subsidiaries |          | 865,049             | 770,934             |
| <b>(2) Non-Current Liabilities</b>    |          |                     |                     |
| (a) Long-Term Borrowings              | 3        | 16,026,818          | 19,209,879          |
| (b) Deferred Tax Liabilities (Net)    | 4        | 1,285,447           | 753,344             |
| (d) Long Term Provisions              | 5        | 117,441             | 228,409             |
| <b>(4) Current Liabilities</b>        |          |                     |                     |
| (a) Short-Term Borrowings             | 6        | 7,823,793           | 220,408             |
| (b) Trade Payables                    | 7        | 8,769,791           | 17,313,932          |
| (c) Other Current Liabilities         | 8        | 33,426,208          | 17,978,470          |
| (d) Short-Term Provisions             | 9        | 37,356,935          | 43,899,527          |
| <b>Total</b>                          |          | <b>469,953,127</b>  | <b>446,413,285</b>  |
| <b>II. Assets</b>                     |          |                     |                     |
| <b>(1) Non-Current Assets</b>         |          |                     |                     |
| (a) Fixed Assets                      | 10       |                     |                     |
| (i) Tangible Assets                   |          | 292,081,100         | 23,727,445          |
| (ii) Intangible Assets                |          | 324,856             | 252,445,000         |
| -Goodwill                             |          | 3,461,330           | 3,461,330           |
| (iii) Capital Work-In-Progress        |          | 42,982,301          | 46,963,716          |
| (b) Non-Current Investments           | 11       | 1,478,020           | 1,486,794           |
| (c) Long Term Loans and Advances      | 12       | 1,963,259           | 4,496,778           |
| <b>(2) Current Assets</b>             |          |                     |                     |
| (a) Current Investments               | 13       | -                   | 15,095,595          |
| (b) Inventories                       | 14       | 12,824,200          | 1,523,000           |
| (c) Trade Receivables                 | 15       | 39,973,334          | 36,154,900          |
| (d) Cash and Cash Equivalents         | 16       | 27,269,422          | 12,965,386          |
| (e) Short-Term Loans and Advances     | 17       | 47,555,125          | 48,073,341          |
| (f) Other Current Assets              | 18       | 40,556              | 20,000              |
| <b>Total</b>                          |          | <b>469,953,127</b>  | <b>446,413,285</b>  |

Significant Accounting Policies

Notes On Financial Statements 1 to 43

The Schedules referred to above form an integral part of this Balance Sheet.

As per our report of even date.

For and on behalf of  
M/s. Shekar & Yathish  
Chartered Accountants  
FRN 008964S

Rajeev Sikka  
Chairman & Managing Director

Dr.C.G.Krishnadas Nair  
Director

Kusuma Yathish  
Partner  
Membership No.209637

R.N.Chawhan  
Director

Dr.J.M.Deb Nath  
Director

Place:Bangalore  
Date:20/08/2012

**SIKA INTERPLANT SYSTEMS LTD**  
**Consolidated Profit and Loss statement for the year ended 31st March, 2012**

| Particulars  | Note No. | For the Year ended<br>31 March 2012 | For the Year ended<br>31 March 2011 |
|--|----------|-------------------------------------|-------------------------------------|
| I. Revenue From Operations   | 19       | 119,117,778                         | 115,046,562                         |
| II. Other Income   | 20       | 3,132,028                           | 3,319,613                           |
| III. Total Revenue (I +II)   |          | 122,249,806                         | 118,366,175                         |
| IV. Expenses:  |          |                                     |                                     |
| Cost of Materials Consumed   | 21       | 14,231,286                          | 10,878,838                          |
| Purchases  |          | 48,612,354                          | 38,073,773                          |
| Changes in Inventory of Work in progress   | 22       | (11,028,000)                        | -                                   |
| Employee Benefit Expense   | 23       | 16,422,855                          | 22,838,322                          |
| Financial Costs  | 24       | 2,490,499                           | 678,302                             |
| Depreciation and Amortization Expense  | 10       | 2,048,096                           | 1,879,902                           |
| Other Expenses   | 25       | 29,020,715                          | 28,287,376                          |
| Total Expenses   |          | 101,797,804                         | 102,336,513                         |
| V. Profit Before Tax (III - IV)  |          | 20,452,002                          | 16,029,662                          |
| VI. Tax Expense:   |          |                                     |                                     |
| (1) Current Tax expense for Current year   |          | 6,724,458                           | 5,493,516                           |
| (2) Current tax expense for earlier Years  |          | 397,251                             | -                                   |
| (3) Deferred Tax   |          | 532,104                             | 38,623                              |
| VII. Profit/(Loss) For The Period (V+ VI)  |          | 12,798,189                          | 10,497,523                          |
| VIII. Profit for the period before adj. for minority interest<br>Less: EMSAC Engineering Pvt. Ltd. |          | 94, 105                             | 185,560                             |
| IX. Profit for the group   |          | 12,704,084                          | 10,311.963                          |
| VIII. Earning Per Equity Share:  | 26       |                                     |                                     |
| (1) Basic  |          | 3.00                                | 2.43                                |
| (2) Diluted  |          | 3.00                                | 2.43                                |

Significant Accounting Policies

Notes On Financial Statements 1 to 43

The Schedules referred to above form an integral part of this Balance Sheet.

As per our report of even date.

For and on behalf of  
M/s. Shekar & Yathish  
Chartered Accountants  
FRN 008964S

Rajeev Sikka  
Chairman & Managing Director

Dr.C.G.Krishnadas Nair  
Director

Kusuma Yathish  
Partner  
Membership No.209637

R.N.Chawhan  
Director

Dr.J.M.Deb Nath  
Director

Place:Bangalore  
Date:20/08/2012

## Notes on Financial Statements for the Year ended 31st March, 2012

| Particulars  | as at 31.3.2012   | as at 31.3.2011   |
|--|-------------------|-------------------|
| <b>1. SHARE CAPITAL</b>  |                   |                   |
| Authorised<br>5,000,000 Equity Shares of Rs. 10/- each<br>(Previous Year 5,000,000 Equity Shares of Rs.10 /- each)   | 50,000,000        | 50,000,000        |
| Issued and Subscribed<br>42,40,175 Equity Shares of Rs. 10/- each<br>(Previous Year 42,40,175 Equity Shares of Rs. 10/- each)<br>(Of the above shares 26,00,000 shares are issued for consideration other than cash) | 42,401,750        | 42,401,750        |
| Paid Up<br>42,40,175 Equity Shares of Rs. 10/- each<br>(Previous Year 42,40,175 Equity Shares of Rs. 10/- each)<br>(Of the above shares 26,00,000 shares are issued for consideration other than cash)               | 42,401,750        | 42,401,750        |
| <b>TOTAL</b>   | <b>42,401,750</b> | <b>42,401,750</b> |

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

| Particulars                       | as at 31.3.12 | as at 31.3.11 |
|-----------------------------------|---------------|---------------|
| Opening Balance                   | 4,240,175     | 4,240,175     |
| Add. Issued during the year       | -             | -             |
| Less. Bought back during the year | -             | -             |
| Closing Balance                   | 4,240,175     | 4,240,175     |

| Particulars  | as at 31.3.2012    | as at 31.3.2011    |
|--|--------------------|--------------------|
| <b>2. RESERVES AND SURPLUS</b>   |                    |                    |
| General Reserve  | 4,401,400          | 4,401,400          |
| Capital Reserve  | 60,676,001         | 60,676,001         |
| Securities Premium   | 177,967,000        | 177,967,000        |
| Surplus/ (Deficit) as per Profit and Loss Account  |                    |                    |
| As per last Balance Sheet  | 69,088,231         | 61,742,917         |
| Add : Transferred from Profit and Loss Account   | 12,704,085         | 10,311,963         |
|  | 81,792,316         | 72,054,880         |
| Less:  |                    |                    |
| (1) Proposed Dividend<br>(Dividends proposed to be distributed to Equity Shareholders(Rs.0.60/- per share) | 2,544,105          | 2,544,105          |
| (2) Tax On Proposed Dividend   | 412,717            | 422,544            |
|  | 2,956,822          | 2,966,649          |
| Closing Balance  | 78,835,493         | 69,088,231         |
| <b>TOTAL</b>   | <b>321,879,894</b> | <b>312,132,632</b> |

| Particulars  | as at 31.3.2012   | as at 31.3.2011   |
|--|-------------------|-------------------|
| <b>NON CURRENT LIABILITIES</b>   |                   |                   |
| <b>3. LONG TERM BORROWINGS</b>   |                   |                   |
| <b>Secured</b>   |                   |                   |
| <b>A. Loans from Banks</b>   |                   |                   |
| -Canara Bank Term Loan<br>(Term Loan of Rs.3,44,05,043/- is secured by Land in Bommasandra)<br>Long Term Maturities of Finance Lease Obligations | 13,874,000        | 10,713,879        |
| <b>From Banks</b>  |                   |                   |
| - ICICI Bank   | 471,456           | -                 |
| <b>From Others</b>   |                   |                   |
| - Tata Capital Ltd<br>(Secured by Vehicles acquired out of above loans)  | 1,681,362         |                   |
| <b>TOTAL</b>   | <b>16,026,818</b> | <b>10,713,879</b> |

| Particulars   | as at 31.3.2012 | as at 31.3.2011 |
|---|-----------------|-----------------|
| <b>4. DEFERRED TAX LIABILITY</b>  |                 |                 |
| In view of the accumulated impact of deferred tax arising on account of timing differences and expected to be reversed during forthcoming years is recognised as an adjustment to balance of Profit and Loss Account as prescribed in AS 22. The composition of accumulated deferred tax asset is as under: |                 |                 |
| -Deferred Tax liability<br>Related to Fixed Assets- Depreciation  | 1,449,591       | 1,341,120       |
| -Deferred Tax Asset<br>Related to Disallowances u/s 40(a)(i),43B of<br>Income tax Act,1961  | 164,143         | 587,776         |
| -Deferred Tax liability(Net)  | 1,285,448       | 753,344         |
| <i>(Decrease) / Accretion in the Deferred Tax Liability</i>   | 568,074         | 16,237          |
| Deferred Tax Liability created during the year  | 1,285,448       | 753,344         |

| Particulars                                   | as at 31.3.2012 | as at 31.3.2011 |
|---|-----------------|-----------------|
| <b>5. Long-term provisions</b>                |                 |                 |
| <b>Provisions for Other Employee Benefits</b> |                 |                 |
| Leave Encashment                              | 117,441         | 228,409         |
| <b>TOTAL</b>                                  | <b>117,441</b>  | <b>228,409</b>  |

| Particulars  | as at 31.3.2012  | as at 31.3.2011 |
|--|------------------|-----------------|
| <b>6. Short Term Borrowings</b>  |                  |                 |
| <b>Loans/Advance repayable on demand from Banks Secured</b>                                |                  |                 |
| - Canara Bank (Bill Discounting)<br>(Secured by book debts, stock and Land at Bommasandra) | 7,823,793        | -               |
| - Canara Bank (OCC Account)<br>(Secured by book debts, stock and Land at Bommasandra)      | -                | 50,327          |
| - Canara Bank - 10429 (OCC Account)  |                  | 170,081         |
| <b>TOTAL</b>   | <b>7,823,793</b> | <b>220,408</b>  |

| Particulars   | as at 31.3.2012  | as at 31.3.2011   |
|---|------------------|-------------------|
| <b>7. Trade Payables</b>                              |                  |                   |
| - Trade Payables to Relted Parties<br>Sika UK Limited | -                | 479,665           |
| - Trade Payables - Others                             | 8,769,791        | 16,834,267        |
| <b>TOTAL</b>  | <b>8,769,791</b> | <b>17,313,932</b> |

| Particulars   | as at 31.3.2012   | as at 31.3.2011   |
|---|-------------------|-------------------|
| <b>8. OTHER CURRENT LIABILITIES</b>   |                   |                   |
| <b>-Loans from Banks</b>  |                   |                   |
| -Canara Bank Term Loan<br>(Term Loan of Rs.3,44,05,043/- is secured by Land in Bommasandra) | 9,864,000         | 8,496,000         |
| <b>Short Term Maturities of Finance Lease Obligations</b>                                   |                   |                   |
| <b>From Banks</b>   |                   |                   |
| -HDFC   | -                 | 35,970            |
| -ICICI  | 235,728           | -                 |
| <b>From Others</b>  |                   |                   |
| - Tata Capital Ltd<br>(Secured by Vehicles acquired out of the above loans)                 | 1,221,624         | -                 |
| <b>Unpaid Dividends</b>   | 669,141           | 496,642           |
| <b>Other payables to Related Parties</b>  |                   |                   |
| Directors - Reimbursement of Expenses   | 64,839            | 687,848           |
| Director Remuneration Payable   | 75,800            | 71,600            |
| Rent Payable  | 40,500            | 42,750            |
| <b>Other Payables</b>   |                   |                   |
| <b>-Statutory Liabilities</b>   |                   |                   |
| ESI Payable   | 14,404            | 21,782            |
| Service tax Payable   | 214,755           | 3,24,083          |
| Provident Fund Payable  | 98,416            | 135,917           |
| Professional Tax Payable  | 7,275             | 10,075            |
| TDS Payable   | 663,801           | 862,469           |
| VAT Payable   | 556,084           | 244,239           |
| <b>Other Payables to Employees</b>  |                   |                   |
| Salary Payable  | 846,000           | 1,067,145         |
| <b>Others Payables</b>  | 1,031,841         | 1,128,950         |
| <b>Advances From Customer for supplies/services</b>   | 17,822,000        | 4,352,000         |
| <b>TOTAL</b>  | <b>33,426,208</b> | <b>17,978,470</b> |

| Particulars                            | as at 31.3.2012   | as at 31.3.2011   |
|--|-------------------|-------------------|
| <b>9. SHORT TERM PROVISIONS</b>        |                   |                   |
| <b>Provision For Employee Benefits</b> |                   |                   |
| Leave Encashment                       | 20,961            | -                 |
| Bonus                                  | 420,658           | 506,550           |
| <b>Provision For Others</b>            |                   |                   |
| Provision for Proposed Dividend        | 2,544,105         | 2,544,105         |
| Provision for Tax on Proposed Dividend | 412,717           | 422,544           |
| Provision for Taxation                 | 33,958,494        | 40,426,328        |
| <b>TOTAL</b>                           | <b>37,356,935</b> | <b>43,926,937</b> |

| Particulars  | as at 31.3.2012  | as at 31.3.2011  |
|--|------------------|------------------|
| <b>11. NON CURRENT INVESTMENTS</b>   |                  |                  |
| <b>Other Investments (At cost)</b>   |                  |                  |
| <b>Unquoted</b>  |                  |                  |
| <b>Investment in equity instruments in Subsidiary Companies</b>                    |                  |                  |
| Sika UK Ltd  |                  | 8,774            |
| Current Year- Nil Shares (Previous Year-100 Shares of Rs.87.74/- each)             | -                | -                |
| Government Securities  | 68,500           | 68,500           |
| <b>Quoted</b>  |                  |                  |
| <b>Investment in equity in Other Companies</b>                                     |                  |                  |
| Melstar Information Technology (Market Value 6,560/-, Previous Year Rs.6,560/-)    | 9,520            | 9,520            |
| Current Year-800 Shares of Rs.10/- each (Previous Year-800 Shares of Rs.10/- each) |                  |                  |
| Investment in Mutual Fund  |                  |                  |
| Pru ICICI short term Plan  | 700,000          | 700,000          |
| Reliance MIP Gr  | 700,000          | 700,000          |
| <b>TOTAL</b>   | <b>1,478,020</b> | <b>1,486,794</b> |

Note: a) Aggregate amount of quoted investments

1,409,520

1,409,520

b) Aggregate amount of unquoted investments

68,500

77,274

| Particulars                             | as at 31.3.2012  | as at 31.3.2011  |
|---|------------------|------------------|
| <b>12. LONG TERM LOANS AND ADVANCES</b> |                  |                  |
| <b>Unsecured and Considered Good</b>    |                  |                  |
| <b>Loan To Related Parties</b>          |                  |                  |
| SIKA UK Ltd                             | -                | 2,118,339        |
| <b>Security Deposits</b>                |                  |                  |
| Rent Deposit                            | 1,700,800        | 1,685,800        |
| Telephone Deposit                       | 52,279           | 52,329           |
| Earnest Money Deposit                   | -                | 100,000          |
| Other Deposits                          | 210,180          | 212,180          |
| <b>Other Loans and Advances</b>         |                  |                  |
| BGS Construction Advance                | -                | 328,130          |
| <b>TOTAL</b>                            | <b>1,963,259</b> | <b>4,496,778</b> |

## Note No.10

| Particulars                           | Gross Block               |                    |                        |                               | Net Block                    |                           | Accumulated Depreciation on disposal of Assets | Balance as at 31st March 2012 | As at 31st March 2012 | As at 31st March 2011 |
|---------------------------------------|---------------------------|--------------------|------------------------|-------------------------------|------------------------------|---------------------------|--|-------------------------------|-----------------------|-----------------------|
|                                       | Balance at 1st April 2011 | Additions          | Deduction/ Adjustments | Balance as at 31st March 2012 | Balance as at 1st April 2011 | Depreciation for the year |  |                               |                       |                       |
| <b>(i) Tangible Assets</b>            |                           |                    |                        |                               |                              |                           |  |                               |                       |                       |
| Land At BU                            | 1,911,946                 | 254,381,946        | 1,911,946              | 254,381,946                   | -                            | -                         | -  | -                             | 254,381,946           | -                     |
| Freehold Land**                       | 758,344                   | -                  | -                      | 758,344                       | -                            | -                         | -  | -                             | 758,344               | 2,670,290             |
| Leasehold Land at Mysore              | 5,882,629                 | -                  | -                      | 5,882,629                     | -                            | -                         | -  | -                             | 5,882,629             | 5,882,629             |
| Building                              | 2,187,264                 | 13,216,793         | -                      | 15,404,057                    | 256,119                      | 79,102                    | -  | 335,221                       | 15,068,836            | 1,931,145             |
| Plant and Machinery                   | 3,868,374                 | 9,975              | -                      | 3,878,349                     | 1,048,641                    | 183,914                   | -  | 1,232,555                     | 2,645,794             | 2,819,733             |
| Office Equipments                     | 3,255,613                 | 241,874            | -                      | 3,497,487                     | 1,522,077                    | 125,293                   | -  | 1,647,370                     | 1,850,117             | 1,733,536             |
| Furniture and Fixtures                | 4,723,844                 | 147,905            | -                      | 4,871,749                     | 1,449,443                    | 282,598                   | -  | 1,732,041                     | 3,139,708             | 3,274,401             |
| Vehicles                              | 10,129,480                | 5,038,176          | 2,026,055              | 13,141,601                    | 6,254,723                    | 933,919                   | 1,075,507                                      | 6,113,135                     | 7,028,466             | 3,874,757             |
| Computers                             | 5,099,558                 | 227,432            | -                      | 5,326,990                     | 3,558,604                    | 443,126                   | -  | 4,001,730                     | 1,325,260             | 1,540,954             |
| <b>Total</b>                          | <b>37,817,052</b>         | <b>273,264,101</b> | <b>3,938,001</b>       | <b>307,143,152</b>            | <b>14,089,607</b>            | <b>2,047,952</b>          | <b>1,075,507</b>                               | <b>15,062,052</b>             | <b>292,081,100</b>    | <b>23,727,445</b>     |
| Previous Year                         | 34,954,409                | 255,307,644        | -                      | 290,262,053                   | 12,209,706                   | 1,879,902                 | -  | 14,089,608                    | 23,727,445            | 21,706,140            |
| <b>(ii) Intangible Assets</b>         |                           |                    |                        |                               |                              |                           |  |                               |                       |                       |
| Software                              | -                         | 325,000            | -                      | 325,000                       | -                            | 144                       | -  | 144                           | 324,857               | -                     |
| Right to use Land**                   | 252,445,000               |                    | 252,445,000            |                               | -                            | -                         | -  | -                             | -                     | 252,445,000           |
| <b>Total</b>                          | <b>252,445,000</b>        | <b>325,000</b>     | <b>-</b>               | <b>325,000</b>                | <b>-</b>                     | <b>144</b>                | <b>-</b>                                       | <b>144</b>                    | <b>324,857</b>        | <b>252,445,000</b>    |
| Previous Year                         | -                         | -                  | -                      | -                             | -                            | -                         | -  | -                             | -                     | -                     |
| <b>(iii) Capital Work In progress</b> | 46,963,716                | 9,291,369          | 13,272,784             | 42,982,301                    | -                            | -                         | -  | -                             | 42,982,301            | 46,963,716            |
| <b>Total</b>                          | <b>46,963,716</b>         | <b>9,291,369</b>   | <b>13,272,784</b>      | <b>42,982,301</b>             | <b>-</b>                     | <b>-</b>                  | <b>-</b>                                       | <b>-</b>                      | <b>42,982,301</b>     | <b>46,963,716</b>     |
| Capital WIP Previous Year             | 20,395,929                | 26,567,787         | 46,963,716             | 46,963,716                    | -                            | -                         | -  | -                             | 46,963,716            | 20,395,929            |

\*\* Right to use Land is now freehold land consequent to execution of conveyance deed in favour of the company.



| Particulars  | as at 31.3.2012 | as at 31.3.2011   |
|--|-----------------|-------------------|
| <b>CURRENT ASSETS</b>  |                 |                   |
| <b>13. CURRENT INVESTMENTS</b>   |                 |                   |
| <b>Trade Investments(at Cost)</b>  |                 |                   |
| <b>Quoted</b>  |                 |                   |
| <b>Investments in Mutual Funds</b>   |                 |                   |
| HDFC Floating STP Gr<br>(Previous Year 133,680.31 units of Rs.22.44/- each)    | -               | 3,000,000         |
| ICICI Pru Income Growth<br>(Previous Year 208,743.85 units of Rs.19.62/- each) | -               | 4,095,595         |
| Reliance STP - GR<br>(Previous Year 400,000.00 units of Rs.10.00/- each)       | -               | 4,000,000         |
| Templeton STP Growth<br>(Previous Year 2,086.13 units of Rs.1917.43/- each)    | -               | 4,000,000         |
| <b>TOTAL</b>   | <b>-</b>        | <b>15,095,595</b> |

Note: a) Aggregate cost of Quoted investment - 15,095,595  
b) Aggregate market value of quoted investment - 15,347,143

|  |                   |                  |
|--|-------------------|------------------|
| <b>14. INVENTORIES (At lower of cost and net realisable value)</b> |                   |                  |
| Raw Materials  | 1,796,200         | 1,523,000        |
| Work in Progress   | 11,028,000        | -                |
| <b>TOTAL</b>   | <b>12,824,200</b> | <b>1,523,000</b> |

|   |                   |                   |
|---|-------------------|-------------------|
| <b>15. TRADE RECEIVABLES</b>                                    |                   |                   |
| <b>Unsecured and Considered Good</b>                            |                   |                   |
| Trade receivables outstanding for a period exceeding six months | 7,671,376         | 8,364,549         |
| Other Trade Receivables   | 32,301,958        | 27,790,351        |
| <b>TOTAL</b>  | <b>39,973,334</b> | <b>36,154,900</b> |

|  |                   |                   |
|--|-------------------|-------------------|
| <b>16 CASH AND CASH EQUIVALENTS</b>                      |                   |                   |
| -Cash on Hand  | 33,043            | 18,020            |
| -Balance with Banks                                      |                   |                   |
| In Current Accounts                                      | 4,050,812         | 608,107           |
| In EEFC Accounts   | 2,959,364         | 278,784           |
| In Dividend Account                                      | 681,627           | 508,763           |
| In Deposit Accounts with maturity of more than 12 months | 18,942,019        | 11,323,594        |
| Interest accrued on deposits                             | 597,557           | 70,830            |
| <b>TOTAL</b>   | <b>27,264,422</b> | <b>12,808,098</b> |

| Particulars                                 | as at 31.3.2012   | as at 31.3.2011   |
|---|-------------------|-------------------|
| <b>17.SHORT TERM LOANS AND ADVANCES</b>     |                   |                   |
| <b>Unsecured and Considered Good</b>        |                   |                   |
| <b>Balances with Government Authorities</b> |                   |                   |
| Advance Income Tax                          | 29,951,401        | 38,762,400        |
| Advance Fringe Benefit Tax                  | 552,128           | 1,401,138         |
| VAT Receivable                              | -                 | 1,869,721         |
| TDS Receivable                              | 2,361,864         | 2,040,158         |
| Service tax receivable                      | 27,440            | 294,219           |
| Octroi Receivable                           | 213,309           | 26,265            |
| Excise Duty                                 | 57,909            | 31,644            |
| Advance Given to Employees                  | 95,132            | 69,370            |
| Advance Given To Suppliers                  | 3,680,368         | 3,455,782         |
| Other Loans and Advances                    | 10,000,000        | 24,436            |
| Prepaid Expenses                            | 615,574           | 98,208            |
| <b>TOTAL</b>                                | <b>47,555,125</b> | <b>48,073,341</b> |

| Particulars                    | as at 31.3.2012 | as at 31.3.2011 |
|--------------------------------|-----------------|-----------------|
| <b>18.OTHER CURRENT ASSETS</b> |                 |                 |
| - Other Assets                 | 45,181          | 177,288         |
| <b>TOTAL</b>                   | <b>45,181</b>   | <b>177,288</b>  |

**Notes on Financial Statements for the Year ended 31st March, 2012**

| Particulars                        | For the Year ended<br>31 March 2012 | For the Year ended<br>31 March 2011 |
|------------------------------------|-------------------------------------|-------------------------------------|
| <b>19. REVENUE FROM OPERATIONS</b> |                                     |                                     |
| - Sale of Products                 |                                     |                                     |
| Finished Engineering Systems       | 18,582,475                          | 19,705,243                          |
| Engineering Products               | 47,185,064                          | 48,453,228                          |
| - Sale of Engineering Services     | 53,350,239                          | 47,188,091                          |
| <b>TOTAL</b>                       | <b>119,117,778</b>                  | <b>115,345,562</b>                  |

| Particulars                                | For the Year ended<br>31 March 2012 | For the Year ended<br>31 March 2011 |
|--|-------------------------------------|-------------------------------------|
| <b>20. OTHER INCOME</b>                    |                                     |                                     |
| - Interest from banks on<br>Deposits       | 1,001,845                           | 1,454,451                           |
| - Net gain on foreign currency fluctuation | 457,298                             | 814,919                             |
| - Net Capital Gain on sale of investments  | 1,628,191                           | 942,634                             |
| - Discount Received                        | 125,818                             | 107,609                             |
| <b>TOTAL</b>                               | <b>3,213,152</b>                    | <b>3,319,613</b>                    |

| Particulars                         | For the Year ended<br>31 March 2012 | For the Year ended<br>31 March 2011 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| <b>21.COST OF MATERIAL CONSUMED</b> |                                     |                                     |
| -Raw Materials Consumed             |                                     |                                     |
| Opening Stock                       | 1,523,000                           | 980,821                             |
| Add:Purchases                       | 14,504,486                          | 11,421,017                          |
|                                     | 16,027,486                          | 12,401,838                          |
| Less:Closing Stock                  | 1,796,200                           | 1,523,000                           |
|                                     | 14,231,286                          | 10,878,838                          |
| <b>TOTAL</b>                        | <b>14,231,286</b>                   | <b>10,878,838</b>                   |

| Particulars  | For the Year ended<br>31 March 2012 | For the Year ended<br>31 March 2011 |
|--|-------------------------------------|-------------------------------------|
| <b>22.CHANGES IN INVENTORY OF WORK IN PROGRESS</b>           |                                     |                                     |
| - Inventory at the end of the year<br>Work in Progress       | 11, 028,000                         | -                                   |
| Total  | 11, 028,000                         | -                                   |
| - Inventory at the beginning of the year<br>Work in Progress | -                                   | -                                   |
| Total  | -                                   | -                                   |
| <b>Net (Increase)</b>  | <b>(11,028,000)</b>                 | <b>-</b>                            |

| Particulars                               | For the Year ended<br>31 March 2012 | For the Year ended<br>31 March 2011 |
|---|-------------------------------------|-------------------------------------|
| <b>23. EMPLOYEE BENEFIT EXPENSES</b>      |                                     |                                     |
| - Salaries and Wages                      | 15,305,942                          | 21,454,337                          |
| - Staff welfare expenses                  | 400,717                             | 419,795                             |
| - Contribution to Provident & Other Funds | 716,196                             | 964,190                             |
| <b>TOTAL</b>                              | <b>16,422,855</b>                   | <b>22,838,322</b>                   |

| Particulars              | For the Year ended<br>31 March 2012 | For the Year ended<br>31 March 2011 |
|--------------------------|-------------------------------------|-------------------------------------|
| <b>24. FINANCE COSTS</b> |                                     |                                     |
| - Interest Expense       | 1,380,439                           | 481,514                             |
| - Other Borrowing Costs  | 1,110,060                           | 196,788                             |
| <b>TOTAL</b>             | <b>2,490,499</b>                    | <b>678,302</b>                      |

|  |                   |                   |
|--|-------------------|-------------------|
| <b>25. OTHER EXPENSES</b>                  |                   |                   |
| -Consumption of stores and spares          | 5,260,200         | 4,350,795         |
| -Professional Charges                      | 7,452,387         | 6,865,679         |
| -Advertisement                             | 125,780           | 147,128           |
| -Seminar & Exhibition charges              | 878,665           | 986,194           |
| -Business Promotion                        | 1,734,037         | 1,301,352         |
| -Subscription/Membership                   | 285,681           | 209,684           |
| -Office Expenses                           | 519,875           | 492,817           |
| -Tender Fees                               | 22,260            | 14,097            |
| -Labour Welfare Fund                       | 630               | 603               |
| -Books & Periodicals                       | 14,679            | 8,387             |
| -Security Charges                          | 478,333           | 166,913           |
| -Donations                                 | 15,000            | 1,500             |
| -Printing & Stationery                     | 548,680           | 613,003           |
| -Rent                                      | 1,713,176         | 1,951,268         |
| -Rates and Taxes                           | 480,974           | 573,495           |
| -Communication Expenses                    | 669,581           | 1,064,647         |
| -Travel and Conveyance Expense             | 4,147,507         | 5,835,933         |
| -Insurance                                 | 312,186           | 220,631           |
| -Repairs & Maintenance                     | 1,797,300         | 2,218,187         |
| -Vehicle Maintenance                       | 861,649           | 956,922           |
| -Exchange Loss                             | 11,267            | -                 |
| -Miscellaneous Expenses                    | 6,655             | 85,388            |
| -Loss on Sale of Car                       | 331,500           | -                 |
| -Commitment Charges                        | 735,662           | 13,433            |
| -Discounts, Bad Debts and other write offs | 280,003           | 43,130            |
| -Sitting Fees                              | 45,000            | 30,000            |
| -Postage                                   | 6,308             | 13,133            |
| -Preliminary Expenses written off          | 10,000            | 10,000            |
| <b>Payment to Auditors</b>                 |                   |                   |
| -As Auditors - Statutory Audit             | 2,48,175          | 93,755            |
| -As Auditors - Tax Audit                   | 27,575            | 19,303            |
| <b>TOTAL</b>                               | <b>29,020,715</b> | <b>28,287,376</b> |

| Particulars   | For the Year ended<br>31 March 2012 | For the Year ended<br>31 March 2011 |
|---|-------------------------------------|-------------------------------------|
| <b>26. EARNINGS PER SHARE</b>   |                                     |                                     |
| I. Net Profit As Per Profit And Loss Account Available For Equity Shareholders  | 12,704,084                          | 10,311,963                          |
| II. Weighted Average Number Of Equity Shares For Earnings Per Share Computation |                                     |                                     |
| a. For Basic Earnings per Share   | 4,240,175                           | 4,240,175                           |
| b. For Diluted Earnings per Share   | 4,240,175                           | 4,240,175                           |
| III. Earnings Per Share (Face Value of Rs.10/- each)                            |                                     |                                     |
| Basic   | 3.00                                | 2.43                                |
| Diluted   | 3.00                                | 2.43                                |

| Particulars                                     | For the Year ended<br>31 March 2012 | For the Year ended<br>31 March 2011 |
|---|-------------------------------------|-------------------------------------|
| <b>27. CONTINGENT LIABILITY AND COMMITMENTS</b> |                                     |                                     |
| - Bank Guarantee                                | 29,415,206                          | 12,429,543                          |
| <b>TOTAL</b>                                    | <b>29,415,206</b>                   | <b>12,429,543</b>                   |

## Principles of Consolidation & Significant Accounting Policies:

### Principles of Consolidation

- The consolidated financial statements relate to Sika Interplant Systems Limited (parent company), its subsidiaries. The consolidated financial statements have been prepared on the following basis.
  - The financial statements of the parent company and its Subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of incomes, expenses, assets and liabilities, after eliminating the intra group balances, intra group transactions and unrealized profits or losses in accordance with Accounting Standard 21 on "consolidated Financial Statements". The share of Minority interest in the subsidiaries has been disclosed separately in the "Consolidated Financial Statements".
  - The Consolidated financial statements have been prepared using uniform accounting policies for the like transactions and events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's separate financial statements.
  - The excess of cost to the parent company of its investment in the respective subsidiary company is recognized in the financial statements as goodwill.
- The Consolidated Financial Statements include the results of the following entities.

| Sl. No | Name of the Company              | Relation   | Ownership Interest |
|--------|----------------------------------|------------|--------------------|
| 1.     | Sikka N Sikka Engineers Pvt. Ltd | Subsidiary | 100%               |
| 2.     | Emsac Engineering Pvt. Ltd.      | Subsidiary | 51%                |
| 3.     | Sika Tourism Pvt. Ltd.           | Subsidiary | 99.99%             |

### Significant Accounting Policies

Significant Accounting Policies of the parent company and its subsidiaries are similar in nature except for accounting of retirement Benefits in accordance with AS 15 in Sikka N Sikka Engineers Pvt Ltd. However impact of the same is not material and the accounting policies of the parent company are enclosed as Annexure 1

#### Annexure 1

#### 1. Accounting Convention:

The Financial statements are prepared under the historical cost convention, in accordance with generally accepted accounting principles, the mandatory accounting standards prescribed by the Institute of Chartered Accountants of India and the provisions of the Companies Act.

#### 2. Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation and impairment (if any). All costs relating to the acquisition and installation of fixed assets have been capitalized.

Capital work in progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes land, related acquisition expenses, development/construction costs, borrowing costs and other direct expenditure including advances to contractors and others.

**Intangibles** having the characteristic of assets, capable of generating future economic benefits and are reliably measurable are stated at cost.

### Depreciation/Amortisation

Depreciation on assets has been provided at the rates specified in Schedule XIV of the Companies Act, 1956 on straight-line method.

Amortisation of Intangibles is done based on the benefits derived. Amortization is not being done in respect of intangibles which are available for use to the company in perpetuity.

### 3. Valuation of Inventories:

Stock of spare parts, raw materials and stock in trade are valued at lower of cost and net realizable value. Work-in-progress is valued at cost.

### 4. Valuation of Investments:

Current investments, are valued at the lower of cost and market value.

### 5. Retirement Benefits:

Company has Group Gratuity policy with Life Insurance Corporation of India and the premiums determined there at is charged to revenue. The Company has provided for Leave Encashment based on accumulated un-availed leave by the employees as on the date of Balance Sheet.

### 6. Revenue Recognition:

1. Revenue from sale of goods is recognized on passing of the property in goods.
2. Services – Revenue from services is recognized on completion of service.
3. Warranties –Revenue from warranties in connection with post sale services is recognized on pro-rata basis over the warranty period.
4. Profit on sale of investments: Profit / loss on sale of investments are recognized on the date of redemption.

### 7. Foreign Currency Transactions:

Transactions in foreign currency are recorded using the spot rate at the transaction date and exchange differences resulting from settled transactions are adjusted in the profit and loss account. At the balance sheet date, monetary items denominated in foreign currencies are converted into rupee equivalents at exchange rates as at the balance sheet date. Those relating to acquisition of fixed assets are adjusted to the cost of assets.

### 8. Provisions:

A provision is recognized when outflow of resources will be required to settle a present obligation as a result of past events. Accordingly provisions 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.

### 9. Segment Reporting Policies

#### Primary Business Segments:

The Company is primarily engaged in the business of manufacturing and rendering of services in engineering products and designs. For all purposes the company is organized into one operating activity of Engineering products and services. Accordingly the Company is of the view that it has only one business segment. The Company has no activity outside India except for export of Engineering Services. Thereby there is no geographical segment.

**10. Impairment of Assets**

At each Balance Sheet date the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, the Company estimates the recoverable amount and if this is lower than the carrying amount of the asset, an impairment loss is recognized in the Profit and Loss account to the extent the carrying amount exceeds the recoverable amount.

**11. Taxation****Current Taxation and Deferred Taxation:**

Provision for current income tax is made on the assessable income at the rates applicable to the relevant assessment year.

Deferred Tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversing in one or more subsequent periods.

Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognized only to the extent there is a virtual certainty of its realization.

**12. Earning Per Share.**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares are outstanding during the period adjusted for events including a bonus issue, bonus element in a rights issue to existing share holders, share split and reverse share split.



## CONSOLIDATED NOTES ON ACCOUNTS AS AT 31.03.2012

28. The information required to be disclosed under the Micro, Small, Medium enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.

29. Capital Reserve and Securities Premium are as per the scheme of merger approved by the Honourable High Court of Karnataka.

### 30. Segment Reporting

Amounts in Rupees (in Lakhs)

| Sl. No. | Particulars                                     | Engineering Products, Projects & Services | Building Materials | Total                |
|---------|---|---|--------------------|----------------------|
| 1       | Revenue   | 1335.89`<br>(1117.49)                     | -<br>(69.17)       | 1335.89<br>(1186.66) |
| 2       | Results<br>Operative profit before Depreciation | 207.31<br>(174.37)                        | -<br>(4.83)        | 207.31<br>(179.2)    |
| 3       | Provision for tax                               | 63.94<br>(53.69)                          | -<br>(1.60)        | 63.94<br>(55.29)     |
| 4       | Profit after tax                                | 130.81<br>(101.83)                        | -<br>(3.23)        | 130.81<br>(105.06)   |

Amounts in bracket indicate previous year figures.

Segments have been identified in line with Accounting Standard on segment reporting (AS -17).

### 31. Expenditure in Foreign Currency

| Particulars<br>(Including Expenses Capitalized) | 2011-12     | 2010-11     |
|---|-------------|-------------|
| Raw Materials & components                      | 74,04,486   | 5,42,854    |
| Traded Items                                    | 4,70,27,532 | 3,07,43,837 |
| Travelling Expenses                             | 8,23,778    | 7,76,365    |
| Total   | 5,52,52,596 | 3,20,63,056 |

### 32. Impairment of Assets

In accordance with Accounting Standard - 28 issued by the Institute of Chartered Accounts of India, management has made an assessment and found that there is no impairment in the value of fixed assets.

## 33. Sale by class of goods

(Amounts in Rupees)

| Particulars                     | 31.03.2012 | 31.03.2011 |
|---------------------------------|------------|------------|
| 1. Finished Engineering systems |            |            |
| (a) Handling Systems            | 17,597,759 | 13,052,203 |
| (b) Others                      | 9,847,162  | 2,131,540  |
| Total                           | 18,582,475 | 15,183,743 |
| 2. Engineering Products         |            |            |
| (a) Servo Products              | 41,510,380 | 29,936,808 |
| (b) Others                      | 5,674,684  | 18,516,420 |
| Total                           | 47,185,064 | 48,453,228 |
| 3. Sale of Engineering Service  |            |            |
| (a) Designs and Drawings        | 27,150,826 | 31,856,357 |
| (b) Others                      | 22,548,050 | 14,011,365 |
| Total                           | 49,698,876 | 45,867,722 |

## 34. Consumption details of Raw Materials

(Amounts in Rupees)

| Particulars           | Opening Stock | Purchases  | Closing Stock | Consumption |
|-----------------------|---------------|------------|---------------|-------------|
| FY – 2011-12          |               |            |               |             |
| Mechanical Components | 456,900       | 4,351,346  | 538,860       | 4,269,386   |
| Electrical Components | 989,950       | 9,427,916  | 1,167,530     | 9,250,336   |
| Others                | 76,150        | 725,224    | 89,810        | 711,564     |
| Total                 | 1,523,000     | 14,504,486 | 1,796,200     | 14,231,286  |
| FY 2010-11            |               |            |               |             |
| Mechanical Components | 294,246       | 3,426,305  | 456,900       | 3,263,651   |
| Electrical Components | 637,534       | 7,423,661  | 989,950       | 7,071,245   |
| Others                | 49,041        | 571,051    | 76,150        | 543,942     |
| Total                 | 980,821       | 11,421,017 | 1,523,000     | 10,878,838  |

## 35. Purchases for Engineering Products

| Particulars           | 31.03.2012  | 31.03.2011 |
|-----------------------|-------------|------------|
| Mechanical Components | 6,965,804   | 11,057,324 |
| Electrical Components | 39,597,634  | 11,577,013 |
| Others                | 468,720     | 11,766,911 |
| Total                 | 147,032,158 | 34,401,248 |

## 36. Related party transactions

Amount in Rupees

| Particulars      | Referred to in (a) below |           | Referred to in (a) below |           |
|------------------|--------------------------|-----------|--------------------------|-----------|
|                  | 31.3.2012                | 31.3.2011 | 31.3.2012                | 31.3.2011 |
| Expenses         |                          |           |                          |           |
| a. Remuneration  | 23,28,955                | 38,96,521 |                          |           |
| b. Rent          | 5,40,000                 | -         |                          | 2,40,000  |
| c. Service       | -                        | -         |                          | 3,00,000  |
| d. Prof. Charges | 2,40,000                 | -         |                          | 3,04,800  |
| e. Gratuity      | 14,27,885                |           |                          |           |
| f. Salary Paid   | 5,32,259                 |           |                          |           |
| Outstandings:    |                          |           |                          |           |
| a. Rent          | 45,000                   |           |                          | 20,000    |
| b. Maintainance  |                          |           |                          | 25,000    |
| c. Prof. Charges | 18,000                   |           |                          | 24,000    |

## Related Party Information

## Relationship

- a. Key Management Personnel
  1. Mr. Rajeev Sikka
  2. Mr. Sanjeev Sikka (upto 31.5.2011)
- b. Relatives of Directors
  1. Mrs. Krishna Sikka
  2. Mrs. Anuradha Sikka
  3. Mrs. Anita Sikka (upto 31.5.2011)

## 37. Earnings in Foreign Currency (on FOB basis)

| Particulars                       | 2011-12     | 2010-11     |
|-----------------------------------|-------------|-------------|
| Others ( on A/c. of Export sales) | 3,59,97,052 | 3,58,62,999 |

## 38. Retirement benefits to employees

Gratuity to employees is charged against profits in the year in which it becomes due and payable. No provision is made for liability of future payments of gratuity for retiring employees.

## 39. Current Assets, Loans and Advances

In the opinion of the Board, Current Assets, Loans and Advances are stated at the value realized in the ordinary course of business. Debit / credit balances are subject to confirmation / reconciliation.

40. The company had a lease cum sale agreement with KIADB for purchase of land in Bommasandra. Right to use substantial portion of this land was vested with Sika Interplant Systems Limited, the Holding Company. The Company has given up its right on this land in favour of the holding Company during the year.
41. Estimated amount of contracts remaining to be executed on capital account and not provided for is NIL.
42. Balances in loans, advances, deposits given and loans received, Sundry Debtors, Creditors and Unpaid Dividend are subject to confirmation and reconciliation.
43. Previous year's figures have been recast / restated, wherever necessary, to make them comparable with those of the current year.

For Shekar & Yathish  
Chartered Accountants  
FRN 008964S

Rajeev Sikka  
Chairman & Managing Director

Dr.C.G.Krishnadas Nair  
Director

Kusuma Yathish  
Partner  
Membership No.209637

R.N.Chawhan  
Director

Dr.J.M.Deb Nath  
Director

Place:Bangalore  
Date:20/08/2012

**Cash Flow Statement for the Year ended 31.03.2012**

|          | Particulars  | As on 31.3.2012    | As on 31.3.2011     |
|----------|--|--------------------|---------------------|
| <b>A</b> | <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                              |                    |                     |
|          | Net Income before Taxation and Extraordinary items                       | 20,452,004         | 16,029,662          |
|          | <b>Add/(Less) : Adjustments for :-</b>                                   |                    |                     |
|          | Depreciation and amortization  | 2,048,096          | 1,879,901           |
|          | Loss on sale of fixed assets   | 331,500            | -                   |
|          | Finance Cost   | 1,640,813          | 678,302             |
|          | Net Gain on Sale of Investments  | (1,628,191)        | (942,634)           |
|          | Interest on Deposits   | (1,001,845)        | (1,104,767)         |
|          | Operating Profit Before Working Capital changes                          | <b>21,842,375</b>  | <b>16,540,463</b>   |
|          | <b>Changes in Working Capital</b>  |                    |                     |
|          | <b>Adjustments for (increase)/decrease in operating assets</b>           |                    |                     |
|          | Trade Receivables  | (4,541,121)        | (1,342,575)         |
|          | Inventories  | (11,301,200)       | (542,179)           |
|          | Short-term Loans & Advances  | 518,215            | (9,096,210)         |
|          | Other Current Assets   | 132,106            | 2,216,063           |
|          | <b>Adjustments for increase/(decrease) in operating liabilities</b>      |                    |                     |
|          | Trade Payables   | (7,821,455)        | 1,032,867           |
|          | Other current liabilities (excluding current maturity of Long Term Loan) | 13,928,978         | (3,576,680)         |
|          | Short-Term Provisions  | (6,570,001)        | 5,919,330           |
|          | Long-Term Provisions   | (83,558)           | -                   |
|          | <b>Cash generated from operations</b>                                    | <b>6,104,339</b>   | <b>13,836,230</b>   |
|          | Less : Tax Adjustment (paid)/refund                                      | (7,121,709)        | (5,493,516)         |
|          | <b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</b>               | <b>(1,017,370)</b> | <b>8,342,714</b>    |
| <b>B</b> | <b>CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>                   |                    |                     |
|          | Capital Expenditure on Fixed Assets                                      | (15,250,740)       | (29,430,431)        |
|          | Proceeds from Sale of Fixed Assets                                       | 619,048            | -                   |
|          | Interest on Bank Deposits  | 1,001,845          | 1,104,767           |
|          | Net Gain on Sale of Investments  | 1,628,191          | 942,634             |
|          | Sale of Current Investments  | 15,095,595         | (244,374)           |
|          | Sale of Long Term Investments  | (91,216)           | 36,729              |
|          | Long-term Loans & Advances   | 2,514,199          | 624,907             |
|          | <b>NET CASH FLOW FROM / (USED IN ) INVESTING ACTIVITIES</b>              | <b>5,516,922</b>   | <b>(26,965,768)</b> |

|    | Particulars   | As on 31.3.2012   | As on 31.3.2011   |
|----|---|-------------------|-------------------|
| C] | <b>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>        |                   |                   |
|    | Proceeds from issue of Equity Shares                          | 100,000           | -                 |
|    | Finance Cost  | (1,640,813)       | (678,302)         |
|    | Proceeds from Long term borrowings                            | 6,680,939         | 9,138,194         |
|    | Proceeds from other short term borrowings                     | 7,773,466         | 50,327            |
|    | Dividends Paid  | (2,544,105)       | (2,544,106)       |
|    | Tax on Dividend   | (412,717)         | (422,544)         |
|    | <b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>    | <b>18,452,700</b> | <b>5,543,569</b>  |
| D  | <b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b> | 14,456,323        | (13,079,484)      |
|    | Add: Cash and Cash Equivalents at beginning of the year       | 12,808,100        | 25,887,584        |
|    | <b>Cash and Cash Equivalents at end of the year*</b>          | <b>27,264,423</b> | <b>12,808,100</b> |
|    | * Comprises:  |                   |                   |
|    | (a) Cash on hand  | 33,043            | 18,022            |
|    | (b) Balances with banks                                       | 100,000           | -                 |
|    | - In current accounts   | 7,591,804         | 1,395,654         |
|    | (c ) Deposits considered as part of cash and cash equivalents | 18,942,019        | 11,323,594        |
|    | (d) Interest accrued on deposits                              | 597,557           | 70,830            |
|    |   | <b>27,264,420</b> | <b>12,808,099</b> |

As per our report of even date

On behalf of the Board of Directors

For and on behalf of  
M/s. Shekar & Yathish  
Chartered Accountants  
FRN 008964S

Rajeev Sikka  
Chairman & Managing Director

Dr.C.G.Krishnadas Nair  
Director

Kusuma Yathish  
Partner  
Membership No.209637

R.N.Chawhan  
Director

Dr.J.M.Deb Nath  
Director

Place:Bangalore  
Date:20/08/2012

## STATEMENT PURUANT TO SECTION 212 OF THE COMPANIES ACT 1956

Amount in INR in lakhs

| Subsidiary Name                              | Sikka n Sikka Engineers Ltd |           | Emsac Engineering LTD |           | Sika Tourism Ltd |           |
|--|-----------------------------|-----------|-----------------------|-----------|------------------|-----------|
| Financial year ending                        | 31.3.2012                   | 31.3.2011 | 31.3.2012             | 31.3.2011 | 31.3.2012        | 31.3.2011 |
| Holding Company's interest in Equity Capital | 6.00                        | 6.00      | 2.55                  | 2.55      | 1.00             | 1.00      |
| (i) Number – equity                          | 100%                        | 100%      | 51%                   | 51%       | 100%             | 100%      |
| (ii) Extent of Holding in %                  |                             |           |                       |           |                  |           |
| Capital                                      | 6.00                        | 6.00      | 5.00                  | 5.00      | 1.00             | 1.00      |
| Reserves                                     | 71.72                       | 74.58     | 12.65                 | 10.73     | -                | -         |
| Total Liabilities                            | 2.82                        | 4.73      | 3.24                  | 3.86      | 0.11             | 0.11      |
| Total Assets                                 | 78.91                       | 85.32     | 12.26                 | 19.59     | 1.11             | 1.11      |
| Turnover                                     | 5.34                        | 1.74      | 40.76                 | 62.90     | -                | -         |
| Profit before tax                            | (5.02)                      | (7.79)    | 2.80                  | 5.53      | -                | -         |
| Profit after tax                             | -                           | -         | 0.95                  | 1.77      | -                | -         |



## P R O X Y

### SIKA INTERPLANT SYSTEMS LTD

I/We.....of.....in the District of .....  
being a member/members of above named Company hereby appoint  
Mr./Mrs..... of in the District of  
..... or failing him Mr./Mrs ..... of  
.....in the District of .....  
as my / our proxy to vote for me / us on my / our behalf at the twenty fifth Annual General Meeting of the  
Company to be held Friday the 28<sup>th</sup> September 2012.

Signed this..... day of .....2012

NOTE : The Proxy must be deposited at the Registered Office of the Company not less than 48  
hours before the time of holding the Meeting.

### ATTENDANCE SLIP

Folio No..... D.P.ID client No..... No. of shares held.....

Please complete this attendance slip and hand it over at the entrance of the Hall. I hereby record my presence at  
the twenty fifth Annual General Meeting of the Company to be held at Hotel Ajantha on Friday the 28<sup>th</sup>  
September 2012

Full Name of the Member/Proxy .....Signature .....

**Note :** Only Shareholders of the Company or their authorised proxy will be allowed to attend the Meeting.

### **ELECTRONIC CLEARING SERVICE MANDATE FORM**

1. Name of the shareholder..... No. of shares held.....
2. Regd. Folio No./DP Client ID.....
3. **Particulars of bank account of shareholder**
  - a) Bank Name .....b) Branch Name.....
  - Address:.....
  - c) 9-Digit code number of the bank and branch appearing on the MICR cheque issued by the bank
  - d) Account Number (as appearing on the cheque book/passbook)
  - e) Account type (Savings / Current / NRE / NRO)

I/We shall not hold the Company responsible if the ECS could not be implemented or the Bank discontinues  
the ECS, for any reason.

Date :

Place:

Signature of the shareholder

**Certified that the particulars furnished above are correct as per our records.**

Bank's Stamp

Date : Signature of the Authorised Officer from the bank.

Note:

1. Please complete the form and send it to the Company if you are holding shares certificate(s) in physical form.
2. In case your shares are in dematrilised form, inform/update your information directly with the depository participant (DP) with whom you are maintaining demat account and not to the company.
3. In case of more than one Folio please complete the details on separate sheets.
4. Payments through ECS is subject to the rules and regulations of the Scheme of ECS of the Reserve Bank of India from time to time.