



# **NU TEK INDIA LIMITED**

**ANNUAL REPORT  
2010 - 2011**



# Contents

<b>S.No.</b>	<b>Particulars</b>	<b>Page No.</b>
1.	Executive Summary	1
2.	Director's Report	2
3.	Management Discussion & Analysis	7
4.	Corporate Governance Report	14
5.	Auditor's Report	29
	i    Balance Sheet	32
	ii   Profit & Loss Account	33
	iii  Schedules	34
	iv   Cash Flow	40
	v   Accounting Policy	41
6.	Auditor's Report - Consolidated	51
	i    Balance Sheet	52
	ii   Profit & Loss Account	53
	iii  Schedules	54
	iv   Cash Flow	61
	v   Accounting Policy	62
7.	Notice	71



**BOARD OF DIRECTORS**

Mr. Inder Sharma, Chairman cum Managing Director  
Mr. Vineet Sirpaul, Whole Time Director  
Mrs. Sumati Sharma, Director  
Mr. Sandeep Bedi, Director  
Mr. Sachin Mehra, Director  
Mr. Sanjay Jain, Additional Director  
Mr. Mahesh Khera, Additional Director  
Mr. Amar Sarin, Additional Director

**GENERAL COUNSEL &  
COMPANY SECRETARY**

Mr. Sanjay Kumar Singh

**AUDITORS**

M/s Suman Jeet Agarwal & Co.  
Chartered Accountants  
516, Arunachal Building,  
19, Barakhamba Road, Connaught Place,  
New Delhi- 110001  
Telephone: 011-43549486, Fax: 011-43549487  
Email: [sumanjeet68@yahoo.co.in](mailto:sumanjeet68@yahoo.co.in)

**REGISTRAR AND TRANSFER AGENTS**

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1-2-285, Domalguda  
Hyderabad-500029  
Tel:+9140 4012 8274  
E-mail: [info@arthiconsultant.com](mailto:info@arthiconsultant.com)  
Website: [www.arthiconsultant.com](http://www.arthiconsultant.com)

**REGISTERED OFFICE**

605 Siddarth Building,  
96, Nehru Place  
New Delhi-110019  
Tel: +9111 3269 4477

**CORPORATE OFFICE**

B-27, Infocity, Sector-34  
Gurgaon- 122001 (Haryana)  
Tel: +91124 305 4600

**BANKERS**

State Bank of India  
Overseas Branch, Cuffe Parade  
Mumbai-400005

Website: [www.nutek.in](http://www.nutek.in)

## DIRECTOR'S REPORT

Dear Shareholders.

We are happy to present on behalf of the Board of Directors, the Eighteenth Annual Report on the business and operation of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2011.

### Financial Highlights

Particulars	For the year ended 31st March, 2011 Standalone	For the year ended 31st March, 2010 Standalone	For the year ended 31st March, 2011 Consolidated	For the year ended 31st March, 2010 Consolidated
	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
Income from Operation	256.83	185.98	283.05	194.30
Other Income	2.74	3.17	2.99	3.22
<b>Total Income</b>	<b>259.57</b>	<b>189.15</b>	<b>286.05</b>	<b>197.53</b>
Total Expenses	237.43	164.88	255.94	170.94
<b>Profit before Tax and Depreciation</b>	<b>22.14</b>	<b>24.27</b>	<b>30.10</b>	<b>26.59</b>
Less, Depreciation	1.79	1.60	1.81	1.63
Profit before Tax	20.35	22.68	28.29	24.96
<b>Profit after Tax</b>	<b>13.89</b>	<b>17.15</b>	<b>21.01</b>	<b>19.43</b>
Profit after Tax available for appropriation	12.19	15.87	19.31	18.27
<b>Balance to the credit of Profit and loss account</b>	<b>12.19</b>	<b>15.87</b>	<b>19.31</b>	<b>18.27</b>

Financial Year 2011 was a healthy growth period for the company, wherein the income from operations increased by 38.2% to reach Rs 257.0 crores as compared to 185.98 for the last financial year. Further the Profit before tax & depreciation (PBDIT) is 22.14 Crores as compared to previous year's Rs. 24.27 Crores. The consolidated income from operation is 283 crores as compared to 194 crores in the previous year. The consolidated profit before tax and depreciation is 30 crores as compared to 26.6 in the previous year.

### Transfer to Reserves

The Company has carried balance of Rs.12.19 Crores to the Reserve & Surplus Account of the Balance Sheet as on 31st March 2011.

### Dividends

The Board has decided to not to recommend any dividend for the year ended 31st March, 2011. The outstanding balance in the unpaid dividend account 2009 as on date is Rs.98,250.

### Issue of GDRs/Equity Shares

During the financial year 2010-11, based on the approvals of the shareholders, your company issued total 40,000,000 equity shares of Rs.5 each representing 4,000,000 GDRs in on 5th August, 2010 @ Rs.33.52 and 80,000,000 equity shares of Rs. 5 each representing 8,000,000 GDRs on 14th December, 2010 @ Rs.24.98 and raised total of USD73.4 Million to utilize the net proceeds of GDRs issue in setting up/acquisition of new manufacturing facilities,

upgradation/modernisation of existing facilities, investment in subsidiaries, augmenting long term working capital and any other use, as may be permitted under applicable law or regulations.

### **Investments**

Your company has invested Rs.252.88 Crores to its wholly owned subsidiary Nu Tek (HK) Private Limited out of the proceeds of GDRs during the year. The total investment in 100% subsidiaries including interest free loan amounts to Rs. 266.56 Crores and investment in mutual funds are Rs. 24.57 Crores.

### **Subsidiary Companies**

The statement pursuant to Section 212 (1) (e) of the Companies Act, 1956 in respect of subsidiaries is attached. The Consolidated Accounts of your Company and its subsidiaries viz., Nu Tek (HK) Private Limited, Nutek Europe sro and Nu Tek Energy Private Limited are presented as part of this Report in accordance with Accounting Standard 21. The Company has also incorporated a wholly owned subsidiary in Dubai during the year, however no fund has been transferred to the subsidiary and the subsidiary has not started any business till date. The company has also set-up branch offices in Nepal and Kenya.

The audited accounts of overseas subsidiaries are also kept for inspection by any investor at the Company's Registered Office and copies will be made available on request to the investors of the holding and subsidiary companies at any point of time. However, they are available on the Company's website [www.nutek.in](http://www.nutek.in)

### **Quality**

Your Company is an ISO 9001:2008 certified Company. Our target for quality is to maintain and to improve the quality of products and service, in order to meet consistently customer requirements and internal needs and to the customers preferred partner. Our management is committed to the safety of the company's operations and in particular to the health and safety of employees, customers and the public in general. During the year the Company has got OHSAS 18001:2007 for occupational health and safety.

### **SEBI Regulation & Listing Fees**

The shares of the company are listing at Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE) and the GRDs are listed at Luxembourg Stock Exchange. The Annual listing fees for the year under review have been paid to Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and Luxembourg Stock Exchange.

### **Corporate Governance**

Your company believes Corporate Governance is at the core of stakeholders satisfaction. A report on Corporate Governance is attached elsewhere in this Annual Report along with the Certificate of CS. Ranjeet Pandey, Practicing Company Secretary on the compliance thereof. With a view to strengthening the Corporate Governance framework, the Ministry of Corporate Affairs has also issued Voluntary Guidelines on Corporate Governance and Corporate Social Responsibility in Year 2009. The said guidelines broadly set conditions for appointment of directors, responsibilities of the Board, remuneration to the directors, Risk Management, Audit, Auditors, Secretarial Audit and other matters. Your company has by and large complied with the requirements and is in process to comply other requirements.

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**Public Deposits**

Your Company has not accepted any deposits from the public during the year under review.

**Personnel**

Information required to be furnished under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is attached to this Report.

**Reappointment of Director**

The Board of Directors comprises of 8 directors. Out of that three are Additional Directors, whose term of the office are going to expire at the commencement of ensuing Annual General Meeting. Two are executive and three are non-executive rotational directors. One out of non-executive directors Mr. Sandeep Bedi is retiring by rotation and has expressed his willingness to be reappointed as director. He has declared that he is not disqualified to be appointed as director of the company. The Board recommends his reappointment as director liable to retire by rotation.

**Appointment of Director**

The Board of Directors has appointed Mr. Sanjay Jain, Mr. Mahesh Khara and Mr. Amar Sarin as additional director at meeting held on 18th January, 2011, 14th February, 2011 and 31st March, 2011. Their term of office shall expire at the commencement of the ensuing Annual General Meeting of the shareholders. The company has received proposal for regular appointment of the aforesaid additional directors as per the requirements of Section 257 of the Companies Act, 1956. The Board recommends considering the regular appointments of aforesaid directors by the shareholders.

**Reappointment of Auditors**

The Auditors of the Company M/s Suman Jeet Agarwal & Co., Chartered Accountants are retiring at the ensuing Annual General Meeting and being eligible, have offered themselves for reappointment. The Board recommends re-appointment of M/s Suman Jeet Agarwal & Co., Chartered Accountants as Auditors of the Company.

**PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS:**

The information under Rule 2 of the Companies (Disclosure of Particulars in the report of the Directors) Rules, 1988 relating to the conservation of the energy and technology is not given as the company is not engaged in the manufacturing activities. Though the Company does not have energy intensive operations, it continues to adopt energy conservation measures. Adequate measures have been taken to conserve energy by using energy-efficient computers and equipments with the latest technologies, which would help in conservation of energy. As the cost of energy consumed by the Company forms a very small portion of the total costs, the financial impact of these measures is not material. There is no Foreign exchange earnings and the foreign exchange expenditure is Rs.13,51,23,592 during the year.

**Management's Discussion & Analysis Report**

The Management's Discussion & Analysis on the performance, industry trends and other material changes with respect to the Company and its subsidiaries, wherever applicable are attached herewith.



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**Amendment in Object Clause of the Company and partial modification in utilization of IPO proceeds**

During the year the shareholders of the Company has approved amendment in Object Clause of the Company and partial modification in utilization of IPO proceeds by passing a special resolution through postal ballot. As of now the unutilized amount of the IPO proceeds stands to be Rs. 24.57.

**Director's Responsibility Statement**

The Directors Confirm as required under Section 217(2AA) of the Companies Act, 1956

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to any material departure;
- That they have selected such accounting policies and applied them consistently and judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the affairs of the company at the end of the financial year and profit and loss of the company for that period;
- That they have taken proper and sufficient care for the maintenance of the adequate accounting records, in accordance with the provision of the Companies Acts, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- That they prepare the annual accounts on going concern basis.

**Acknowledgements and Appreciation**

Your Directors take this opportunity to thanks the customers, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the company. We also appreciate all employees of the company for their hard work and commitment. Their dedication and competence has ensured that the company continues to grow and achieve its objectives.

Place : Delhi

Date : 30th May, 2011

**BY THE ORDER OF THE BOARD**

**Chairman & Managing Director**

**Annexure I**
**ANNEXURE TO THE DIRECTORS' REPORT**
**PARTICULARS OF EMPLOYEE (S) AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956**

As per MCA General Circular No. 23/2011 with effect from 1st April 2011, the particulars of employee(s) who had drawn salary in excess of Rs. 60,00,000/- during the financial year commencing from 1st April 2010 to 31st March 2011 are as follows:-

Sl. No.	Name of Employee	Designation	Salary (P.A.) inclusive of perquisites and allowances	Salary per month inclusive of perquisites and allowances	% of Shareholding in the Company.
1	Mr. Inder Sharma	Managing Director	96,00,000.00	–	9.41%

No Employee who is getting salary more than Rs.60,00,000/- per annum or more than Rs.5,00,000/- per month is relative of any of the directors except Mr. Inder Sharma, Chairman and Managing Director of the Company and husband of Mrs. Sumati Sharma, Director.

**Annexure II**
**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES:**

1	Name of Subsidiary	Nu Tek (HK) Private Limited	NuTek Europe sro.	Nu Tek Energy Private Limited
2	Financial year ended	31st March, 2011	31st March, 2011	31st March, 2011
3	Holding Company's interest	100%	100%	100%
4	Shares held by the Holding Company in the Subsidiary	10,000 Shares	–	10,000 Shares
5	The net aggregate of profits or losses for the above financial year of the Subsidiary so far as it concerns the members of the Holding company			
	a. dealt with or provided for in the accounts of the Holding Company,	Rs.7,74,19,464/-	(-Rs58,45,880/-)	(-Rs.4,07,881/-)
	b. not dealt with or provided for in the accounts of the Holding Company	N.A.	N.A.	N.A.
6	The net aggregate of profits or losses for the previous financial year of the Subsidiary so far as it concerns the members of the Holding company			
	a. dealt with or provided for in the accounts of the Holding Company	Rs 2,95,09,204.00	N.A.	(-Rs 30,370.80)
	b. not dealt with or provided for in the accounts of the Holding Company	N.A.	N.A.	N.A.

## **Management Discussion & Analysis**

### **OUR ECONOMY**

India is the fifth largest economy in the world after the European Union, United States of America, China and Japan in purchasing power parity terms, with an estimated Gross Domestic Product (“GDP”) (purchasing power parity) of U.S.\$ 4.05 trillion in 2010 (Source: CIA World Factbook 2010). India rebounded from the global financial crisis, largely because of cautious banking policies and a relatively low dependence on exports for growth. India recorded one of the largest global GDP gains of 2010, experiencing growth of 8.3% (Source: CIA World Factbook 2010). By way of comparison, the below table illustrates the GDP growth in 2010 for certain other countries:

<b>Country</b>	<b>GDP Growth in 2010 (%)*</b>
Singapore	14.6
China	10.3
India	8.3
Brazil	7.5
Japan	3.0
United States	2.8
United Kingdom	1.6
* adjusted for inflation	

(source : CIA World Factbook 2010)

The Indian economy witnessed robust recovery in growth in the last quarter of fiscal 2010. The Industrial Outlook Survey of the RBI indicated further improvement in several parameters of the business environment for the three months ended September 30, 2010. The Professional Forecasters’ Survey conducted by the RBI in June 2010 places the overall (median) GDP growth rate for fiscal 2011 at 8.4%, higher than 8.2% reported in the previous round of the survey.

(Source: Macroeconomic and Monetary Developments: First Quarter Review Fiscal 2011)

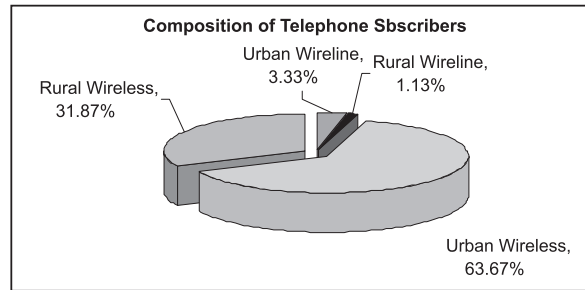
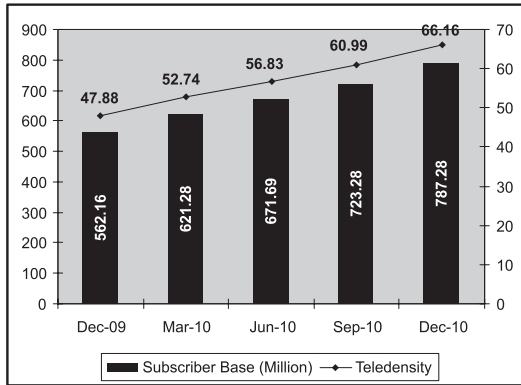
### **TELECOM INDUSTRY**

In continuation with the growth pattern of previous years, this year also witnessed a phenomenal growth in the subscriber base in the telecom sector. Another landmark was also reached at the end of the financial year as the 800 million mark in total subscribership was reached, with mobile subscribers on their own surpassing the 800 million mark. The growth trend in subscriber base experienced since mid-1990s continues to be on an upward swing.

### **CURRENT SCENARIO**

India continues to be fastest growing telecom market in the world. It is the second largest wireless network market in the world after China. Indian Telecom sector is witnessing a resurgent growth with the addition of 225 million subscribers during 2010-11, an average monthly addition of around 19 million subscribers. During March 2011, a total of 20.1 million subscribers were added, taking the total number of telephone connections to 846.3 million as at 31st March 2011. The growth in telecom sector is significantly contributing to the economic growth of the country.

Growth of Subscriber base



(Source: TRAI)

The Telecom Subscriber base growth during the financial year 2010-11 is given below:

(subscribers in Million)	As on 31.03.2011	As on 31.03.2010	% change
Wireless	811.59	584.32	38.9 %
Wireline	34.73	36.96	(6.0%)
Total	846.22	621.28	36.2 %

### Growth in Tele-density

The overall tele-density reached 70.89% at the end of March 2011, as against 52.74% in March 2010 and 36.98% in March 2009. Despite the impressive growth in the telecom sector, the rural tele-density in India is quite low as compared to urban tele-density. The following table depicts the penetration of telecom services in rural & urban areas in the country:

Tele-density as of	Rural (%)	Urban (%)	Overall (%)
Mar-04	1.70	21.30	7.58
Mar-05	1.74	26.20	9.08
Mar-06	1.86	37.99	12.70
Mar-07	5.78	47.24	18.22
Mar-08	9.34	63.67	25.64
Mar-09	14.93	89.44	36.98
Mar-10	24.27	119.77	52.74
Mar-11	33.79	157.32	70.89

### Minutes of Usage ("MoU")

GSM average MoU per subscriber per month has shown steady decline from a base of 496 minutes per month per subscriber for the quarter ended December 31, 2008 to 360 minutes per month per subscriber for the quarter ended December 31, 2010. Similarly, CDMA MoU has decreased from 371 minutes per month per subscriber to 270 minutes per month per subscriber over the same period.

Total MoU/subs./month (minutes)	Dec-08	Jun-09	Dec-09	Jun-10	Dec-10
GSM	496	454	411	401	360
CDMA	371	342	318	299	270

Note: Quarterly data

Source: TRAI

**Average Revenue Per User (“ARPU”)**

The ARPUs in the Indian wireless telecommunications sector have seen a declining trend over the last few years. For example, the blended GSM ARPU has declined from Rs 220 per month per subscriber for the quarter ended December 31, 2008 to Rs.105 per month per subscriber for the quarter ended December 31, 2010. During the same period, CDMA ARPU has declined from Rs 111 per subscriber per month to Rs 68 per subscriber per month. The key reasons for such a decline are increased competition, deregulation, falling tariffs, etc.

ARPU (Rs./subs./month)	Dec-08	Jun-09	Dec-09	Jun-10	Dec-10
GSM	220	185	144	122	105
CDMA	111	92	82	74	68

Source: TRAI

**TELECOM INFRASTRUCTURE SERVICES**

The Telecom infrastructure services are made up of three components:

**1. Passive infrastructure**

Passive infrastructure includes of all the passive components of the network: steel tower/antenna mounting structures, BTS room/shelter, power supply, battery bank, invertors, DG set for power backup, air conditioner, fire extinguisher, security cabin, among others. These components are not dependent on the type of communication technology being used by the network riding atop the site, namely GSM, CDMA, 3G, WiMax, FM Radio, digital terrestrial transmission, etc. We estimate that roughly two-third of capex for a wireless network is spent on passive infrastructure.

**2. Active infrastructure**

Active infrastructure constitute the electronics that power the network and includes all the active components of a wireless network such as spectrum (radio frequency), radio antenna, BTS/cell site (base transceiver station) and microwave equipment. Each cellular operator will have to own a BTS at each tower site. A tower site can have 1/2/3/4 or more cell sites, depending on the occupancy level/tenancy ratio of that tower.

**3. Transmission Media**

Transmission Media is the network that connects the BTS/cell site to a base station controller (BSC) that controls tens or scores of BTS in a particular area. A transmission network may work on:

- Point-to-point microwave radio transmission
- Point-to-multipoint microwave access technologies like LMDS, WiFi or WiMax;
- Optical fiber links
- Digital Subscriber Line (DSL)
- Ethernet

**EMERGING TREND & GROWTH FACTORS**

The continued growth in the number of cellular subscribers and service provider along-with stabilizing minutes of usage per subscriber would require telecom operators to add additional equipments and investment on cell sites to maintain optimum performance of their networks. Today, the cellular operators have to continuously increase their foot-print by offering services to areas where there is no coverage. In order to meet the growing demand of new subscribers and the market conditions, the telecom operators are resorting more and more to outsourcing their network roll out components. The activities like operation and maintenance are now being routinely outsourced

by all major telecom operators. Along-with Operations and maintenance, several outsourcing deals like Network Management and Managed Services are being structured. At Nu Tek, we offer all outsourced services related to design, installation, construction, operation and maintenance of telecom networks.

- **New NTP (National Telecom Policy) 2011 Roadmap**

Indian Telecom Industry has gone through major transformations – with the major policy decisions that had taken place with the announcement of NTP 1994 and was subsequently re-emphasized and carried forward under NTP 1999. Driven by various policy initiatives, the Indian Telecom sector witnessed a complete transformation in the last decade. It has achieved a phenomenal growth during the last few years and is poised to take a big league in future also driven by NTP 2011. If voice was the essence of last decade's Telecom revolution, then Data may very well become the defining factor this decade. NTP 2011 is expected to cover issues pertaining to licensing, spectrum allocations, tariffs, linkage with roll-out obligations, spectrum sharing and trading, MVNO, as well as Mergers & Acquisitions. There is also an industry expectation on treating the Indian Telecom Sector as a part of National critical infrastructure.

- **Consumer becoming Bandwidth hungry. Data services to lead the transformation**

India is witnessing very interesting trends in the Telecom industry at present. 2G would continue to maintain the momentum with subscriber base crossing 800 million. 3G services are in the early stages of launch with commercial services yet to be rolled out in many service zones. 4G/LTE or WiMAX is in active consideration by winners of BWA licensees and initial rollout can be expected towards late 2011 or early 2012. A total of INR 39,360 crores was paid by winners of BWA auctions and the six companies that bought BWA licenses have an interest cost of approximately USD 36 mn a month. They have to build something with it if they want to see a return on their huge investment. The only answer is to launch as soon as possible. The Government too is keen to see 4G services to take-off as it is the only possible route to achieve its plans of raising broadband subscriber base in the country to 100 mn by 2014 from just 7 mn (penetration 0.6%) now. This is expected to boost the economy by invigorating the Telecom industry and creating opportunities for the entire Telecom ecosystem. As per a recent World Bank estimate, a 10% growth in broadband penetration leads to a 1.3% increase in the GDP of a nation. Hence, the writing is very clear on the wall – we shall be witnessing a sea-change in data services as what we have seen in Voice services over the past decade.

- **Consumer becoming more demanding – Needs Quality**

Although the voice traffic is still seen as a predominant contributor to revenues for the next couple of years, Data and Video will become the core focus areas over time, with maturing of 3G and 4G services. As new services and applications take shape, a shift in the focus of service providers from high quantitative growth to network quality can be expected. Although multiple technology choices will definitely assure superior experience and quality of service to the subscribers, however, the underlying complexities of these very technologies could also lead to glitches and quality issues if not attended properly. With India opting for 2.1 GHz frequency band for 3G and 2.5 GHz frequency band for BWA, the service providers need to set-up more than 2-3 times Network infrastructure vis-à-vis 2G if then plan to provide good quality experience to users and seamless services. Even after all this, service providers also need to focus on backhaul since this can act as a chocking point for data services. Presently, majority of backhaul is on microwave, which needs to be upgraded to higher-end microwave or Optic Fiber based networks.

- **Changing usage pattern / preferences – Cellphone is no more just a phone**

It is now time for India to evolve from the well-established mobile messaging and commoditized voice play to focus on customer segmentation based data play. The focus of high-end mobile users presently is high speed

data, video call, mobile TV, gaming, etc., which is fast changing to killer applications w.r.t. their need for use-based applications such as entertainment on the go, banking on the go, m-commerce on the go, e-health, e-education, e-governance, etc. With such a tremendous change in the usage patterns, it would be necessary for Service Providers to provide seamless coverage to ensure consumers satisfaction. This would necessarily transpire into an increase in demand for a huge outlay in terms of Network Infrastructure.

- **Focus on untapped Rural Telecom Infrastructure Space**

In rural India, as of 31-March 2011, the tele-density was low at 33.79% compared to urban tele-density of about 157.32%. There is a big market lying untapped in rural areas. Most of the telecom companies despite the fall in average revenue per user (ARPU) due to declining tariffs are making profits and are ready to expand their networks in rural areas, largely because of low penetration levels. Aggressive expansion in Telecom Infrastructure space is being witnessed in rural areas of the country.

- **Tower Sharing & Emergence of Third party tower companies**

The separation of the tower business by the leading operators has created separate entities focused on tower sharing. A huge number of towers are expected/being built by the third party independent Tower companies like Indus, Quippo-WTTIL, ATC-Excel, GTL Infrastructure Limited, and Essar Telecom Infrastructure Pvt. Ltd. These shared sites generally have higher capital cost involved, which implies higher per unit revenue for telecom infrastructure services companies.

## OUR BUSINESS

We are a telecom infrastructure services company providing rollout solutions for wireless and fixed telecom networks. Our strength lies in the breadth of services we offer in the telecom infrastructure space. The business offerings include services in Turnkey Site Build, Active Equipment Implementations, Technical Support Services and Operations & Maintenance. We are also registered with Department of Telecommunication as Infrastructure Provider - Category I.

In Turnkey Site Build, we provide services right from the site identification and designing, to installation of towers and other ancillary passive equipments. This includes entire Project Planning and Management Services. In Active Equipment Implementations, we provide services like Installation, Commissioning and Integration of active telecom equipment for wireless, wire-line and optical technologies. In Technical Support Services, we provide services in high-end telecom engineering that includes Network planning, Transmission planning, Radio Network Optimization, Networks Benchmarking, and Network Auditing. We provide these services on activity/time basis. In Operations & Maintenance, we provide 24x7x365 maintenance services for passive telecom infrastructure (preventive and corrective maintenance on periodic contracts), and first-line maintenance of active infrastructure.

We are also involved in creation of In-building Networks for the Wireless and Data Applications. The CDMA network on the underground section of the Delhi Metro Rail Corridor is one such example.

The client list constitutes of all the prominent players in the telecom industry that includes Third Party Infrastructure Leasing Companies (like Indus Towers, Quippo, WTTIL), Telecom operators (like Airtel, Vodafone, Idea, Reliance Communications, Aircel), and Telecom Equipment Manufacturers (like Ericsson, Nokia Siemens Network, Huawei, ZTE, Motorola).

We have considerable expertise in rolling out projects in the most difficult of the terrains, both in India and Overseas. For our overseas clients, we provide services through Nu Tek India Ltd. and also through our subsidiary in Hong Kong, and cater to the growing needs of our clients in the Asia Pacific region and other Emerging Markets like Middle East and North Africa.



With site-offices and facilities located in major cities and having executed projects in all the 23 telecom circles, we have the wherewithal to undertake multi-site projects pan-India.

## **BUSINESS PERFORMANCE**

### **Comparison of FY2011 with FY2010**

FY2011 was a healthy growth period for the company, wherein the income from operations increased by 38.09% to reach Rs 257.00 crores. Project related expense for the year was Rs 208.75 crores, an increase of 60.36% primarily on account of pass through of material supplied for the turnkey sites. The employees cost for the year was Rs 17.87 crores compared to 21.3 crores for the previous year, an decrease of 16.10%. As a result, PBIT (profit from operations before other income and interest) stood at Rs 19.19 crores as against Rs 22.6 crores for the previous year. Other income for the year was Rs 2.74 crores, compared to Rs 3.2 crores in the previous year. During FY2011, the net profit from ordinary activities after tax was lower at Rs 12.19 crores, compared to Rs 15.87 crores in FY2010.

On a consolidated basis, income from operations during FY2010 stood at Rs 283.05 crores, compared to Rs 194.0 crores in FY2009. During FY2010 revenue of Rs.7.17crores contributed by our subsidiary in Hong Kong as compared to Rs. 26.22 in the current year. The European and Indian subsidiaries do not have started business operation during the year. The net profit from ordinary activities after tax stood at Rs 21.01 crores, compared to Rs 19.43 crores in FY2010.

### **Business Review and Outlook**

During the year FY2011, your company witnessed a change in revenue mix wherein the revenue contribution from FTK services declined while the contribution from other service verticals (TI, TSS and O&M) saw a substantial increase. Going forward, the company plans to continue to increase its revenue share from TI, TSS and O&M services, which are high margin revenue streams. However, owing to intense competition in the sector and the resultant low call rates, margins at all the verticals in the Telecom value chain are under pressure. We expect the similar margin pressure on your company.

Your company is gradually diversifying its revenue stream and looking at business opportunities in other geographies / sectors.

Your company plans to foray into power sector in a major way, ranging from owning raw material assets to setting up power generating capacities, and has made an acquisition to tie up its backend raw material supply notably the coal assets. The company recently acquired 45% equity in Gulf Corporation, a company having coal mines in Indonesia, for USD 45 Million through its Hong Kong subsidiary. Company is actively looking to acquire both existing downstream projects in the conventional power generation space as well as foray into non-conventional power generation area which appears to be a lucrative proposition in the long run.

The company through its subsidiary is also setting-up a NOC (Network Operating Centre) facility in Kenya, capital expenses for this is funded through the proceeds of GDR issue. We have further plans to offer these services to our global clientele as we see tremendous cost arbitrage in these services.

Your company is eyeing to enter into the lucrative Defence Sector in India. With Army recently announcing investments of over Rs 40,000 crores for its Private Communication Network, the Defence sector looks attractive. However, owing to time consuming process of various registrations and other restrictions, the company is targeting the sector at a sub-contractor level. During the year FY11, the company started the execution of a project for BEL (Bharat Electronics Ltd.) for developing infrastructure for Communications and Surveillance of Defence unit.

The company recently (May'11) commenced operations in Africa by setting –up a branch in Kenya, and is in the process of registering branches in other neighboring countries like Uganda, Malawi and Madagascar. The company won a contract with NSN for RF Drive Testing and Network Optimization Services. These services will be provided on Bharti Airtel Network, which it acquired from its recent acquisition of Zain. Your company is establishing itself



in African market, and is looking forward to leverage its India relationship with Telecom OEMs like Huawei, ZTE, Ericsson, NSN, etc. All these OEMs have ample presence and significant market share of Network deployment in Africa.

In Apr'11, the company through its subsidiary signed up a contract with Tigo, a GSM operator in Central America, to supply-construct-erect Telecom Tower sites in Guatemala. These sites would be used by Tigo to provide mobile connectivity to its subscribers in the country. Nu Tek has developed its own design for Towers, and has outsourced production to a large manufacturing facility in South India. The trial order has been successfully delivered and the company is eyeing at receiving a big order from Tigo.

The company has set-up a branch office in Nepal to capture the opportunities offered by the under-developed Telecom market in Nepal. We are looking at providing maintenance services for existing networks, as well as built-up services for new networks. The company is actively bidding with Telecom OEMs like Huawei, ZTE and Ericsson, to provide Network maintenance and site-built services. We expect the business activities to commence in the current financial year (2011-12).

### **SWOT Analysis**

#### **Strengths**

- Existence for last 18 years in the Telecom industry. Having established relationship with almost all OEMs, Telecom operators, and Infrastructure Providers.
- Presence across the length and breadth of the Indian Telecom market. Experienced and skilled work force of around 1,200 people.
- Overseas presence (Central America, Africa, Nepal) to seize the business opportunities in these markets.
- Setting-up a Network Operating Centre (NOC) in Kenya to broad-base revenue sources
- Diversification into power sector

#### **Weaknesses**

- Longer Working Capital Cycle
- Client Concentration

#### **Opportunities**

- 3G and LTE next big thing in the Indian Telecom Industry. New business opportunities would be on offer.
- Changing landscape owing to MNP. Requirement of Network strengthening and better connectivity by 2G operators.

#### **Threats**

- Increasing competition putting margin pressures
- Our revenues are closely aligned to the Telecom Industry. Any adverse impact on the industry would directly affect our business

## Corporate Governance Report

Corporate Governance is about commitment to values and ethical business conduct. It is a set of policies, processes, practices, laws, regulations, and customs affecting the way a company is directed administered, controlled or managed. This includes its corporate structures, culture, policies and the manner in which it deals with various stakeholders. It encompasses everyone connected or affected by the activities of the corporation – from the board room to senior management to employees to all other stakeholders which includes shareholders, lenders, suppliers and customers. In fact good governance practices or their lack, can have an impact on even the environment and community at large.

We believe that sound corporate governance is critical to enhance and retain investors trust. We also endeavor to enhance the long term shareholders value.

The Board of Directors is at the core of our corporate governance practices and oversees how the management serves and protects the long term interest of all our stakeholders. We believe that an active, well informed and independent Board is necessary to ensure highest standard of corporate governance.

In this background the Board of Directors and the senior management have a special responsibility to ensure that the principles of Corporate Governance such as transparency, accountability, discharge of fiduciary duties, compliance requirements and above all, shareholder interest are always at the centre of the company's activities. Good Governance can be achieved only if it is embedded as part of corporate life in the DNA of the organization.

Given below are the company's corporate governance policies and practices for 2010-11 as per laws and mandates of the Securities and Exchange Board of India (SEBI) and the stock exchanges through Clause 49 of their listing agreements. Transparency, fairness, disclosure and accountability have been central to the working of the company, its management and its board of directors. As will be seen, Nu Tek's corporate governance practices and disclosures go well beyond complying with the statutory and regulatory requirements.

Philosophy of the Company on Corporate Governance:

With these policies, the Company aims to attract best financial and human resources and to perform efficiently to create and maximize the wealth of the stakeholders. The Company is committed to uphold these concepts and practices.

### I. Board of directors

The Board of Directors of the Company ("the Board") consists of 8 Directors, out of which 5 are Independent Directors, out of Non Independent Director, there is one Non-Executive Director. Composition of the Board and category of Directors are as follows:

According to Clause 49, if the chairman is an executive, at least half of the board should consist of non-executive, independent directors. This provision has been adequately met at Nu Tek India Ltd.

#### Composition

The composition of Board of Directors as on 31.03.2011 is as follows:

- |    |                    |  |
|----|--------------------|--|
| 1. | Mr. Inder Sharma   | Chairman & Managing Director                       |
| 2. | Mr. Vineet Sirpaul | CEO & Executive Director                           |
| 3. | Mrs. Sumati Sharma | Non – Executive Director                           |
| 4. | Mr. Sandeep Bedi   | Independent non-executive Director                 |
| 5. | Mr. Sachin Mehra   | Independent non-executive Director                 |
| 6. | Mr. Sanjay Jain    | Independent non-executive Director (Addl Director) |
| 7. | Col. Mahesh Khera  | Independent non-executive Director (Addl Director) |
| 8. | Mr. Amar Sarin     | Independent non-executive Director (Addl Director) |

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**Brief Profile of Directors****Mr. Inder Sharma**

Mr. Inder Sharma is BE Electronics and Communication Engineering from North Carolina State University, USA. He has over 22 years of experience in the telecommunication industry. He has worked as MTS (Member Technical Staff) in AT&T on Electronic switching system (5ESS). He has experience in developing firmware for PCB maintenance and involved in setting up of one of the initial GSM network along with Motorola India Ltd. He promoted Nu Tek India Private Limited in 1993. He is responsible for the overall management and supervision of the activities of our Company and for the development of strategies for our future growth.

**Mr. Vineet Sirpaul**

Mr. Vineet Sirpaul is graduate Electronics Engineer from Bombay University and has done PGDBM from "Institute for Integrated Learning in Management" (IILM), Delhi. He joined our company in July 1996 and has worked in various management positions. He became director of our company in May 2007 and is responsible for Business Development and client's coordination. During his tenure in our company, he has contributed towards developing and putting into practice various policies to improve organizational performance including policies related with HR, Project Management Basics, Quality, Responsiveness and Organization Restructuring. He has been appointed as CEO since 10th August, 2010.

**Mrs. Sumati Sharma**

Mrs. Sumati Sharma is a post graduate and one of the Subscribers of Memorandum of the Company. She is Director in the Company since the date of incorporation of the Company. She is also Director in Nu Tek Structures Private Limited and Oriental Stitch Private Limited. She gives valuable advise to the company on HR matters.

**Mr. Sandeep Bedi**

Mr. Sandeep Bedi is B.E. in Computer Engineering from Pune University. He has 15 years of experience in Electronics and Telecom field. He started his career as System Analyst in TCS Ltd in April, 1994 and has worked in senior position with EDS, IBM, Keane India Ltd., Genpact Software and Agilent Technologies (as India Head -E Business Division). Presently he is working as Associate director of COLT Telecom responsible for transition, solutions, programme management and global delivery.

**Mr. Sachin Mehra**

Mr. Sachin Mehra is a Graduate in Computer Science from USA. He is having vast knowledge and experience in good corporate governance as he is director on the Board of listed as well as unlisted companies. He has been appointed as additional director by the Board on 30th October, 2008 and regularized by the members at AGM at 9/9/2009. He is Director on the Board of Mega Cabs Limited, Mega Holidays Limited and Mega Corporation Limited amongst others.

**Mr. Sanjay Jain**

Mr. Sanjay Jain is a Chartered Account having vast experience in large corporate audits, restructuring of corporate and taxation matters. He has also worked with International firms of Accountants for 2 years and has been associated with clients like General Electric, Pepsi, Alcatel and At & T etc. for corporate governance and taxation matters. He has floated own Chartered Accountants Firm M/s Jain Sanjay & Company in the year 1993 and working with clients on audits, consulting and tax matters till date. He joined the board of our company in January, 2011 as independent director.

**Mr. Mahesh Khera**

Mr. Mahesh Kumar Khera is a B.E in Electronics & Telecom from JNU in 1981, M.Tech from Banglore in 1984. Mr. Khera has more than 38 years experience in corporate sector holding various designations in listed and unlisted Companies. He has also worked in India Army from 1974 to 1997 under various posta such as COO Army Telecom Unit, Director Telecom Projects, Senior Management Cadre Army Telecom Services etc. He is founder Director

of Khera TNT Consulting Private Limited. He joined the board of our company in February, 2011 as independent director.

**Mr. Amar Sarin**

Mr. Amar Sarin is M.S in Orthopedic from Vinnitssa Medical Institute Hospital Vinnitssa Ukraine. He has more than 25 years experience in Orthopedic & Ilizarov surgery. He is currently working as senior consultant in B L Kapur Hospital, Pusa Road Delhi. He has trained more than 70 orthopedic surgeons in Ilizarov surgeries. He is also Director in Samedysis Pvt. Ltd. He joined the Board of our Company in March, 2011 as independent Director.

**Board procedures****A. Scheduling and Selection of Agenda Items for Board Meetings**

- (i) Minimum four Board Meetings are held in each year, which are pre-scheduled. Apart from the four prescheduled Board Meetings, additional Board Meetings are convened by giving appropriate notice to address the specific needs of the Company.
- (ii) The meetings are generally held at the company's corporate office at B-27, Infocity, Sector-34, Gurgaon, Haryana as well as registered office of the company at 605, Siddharth Building, 96, Nehru Place, New Delhi-19.
- (iii) All projects of the Company are discussed in advance, particularly with regard to matters requiring approval /decision at the Board / Committee Meetings. All such matters are communicated to the Company Secretary well in advance so that the same could be included in the Agenda for the Board / Committee Meetings. The Chairman and the Company Secretary draft the agenda for each meeting alongwith the explanatory statement. Each of the directors and senior management people are free to suggest items for inclusions in the agenda.
- (iv) The Board is presented with all the relevant information well in advance before each meeting on various matters affecting the working of the company, as well as those that require deliberation at the highest level.

In addition to items which are required to be placed before the board for its noting and/or approval under the statutes or regulations, information is also provided for the periodic review/information on various items, as may be applicable, such as:

- Changing the remuneration of directors
- Formation of Audit committee, Remuneration committee and Shareholder's Grievance committee
- Review of various projects
- Issue of securities
- Loan from banks
- Investments
- Financial performance
- Financial results
- Amendment of Memorandum articles as required
- Raising Funds through ADR/GDR/FCCB
- Opening offices at various locations
- Formation of Subsidiary
- Staff matters, including senior appointments and extensions
- Human resource issues
- Other significant matters

**B. Board Material Distributed in Advance**

- a. Agenda and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda Papers for facilitating meaningful and focused discussions at the meeting.

b. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Sensitive or highly confidential subject matters may be discussed at the meeting without written material being circulated in advance.

**C. Recording Minutes of Proceedings at Board and Committee Meetings**

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board / Committee for their comments. The finalised minutes of proceedings of a meeting are entered in the Minutes Book within 30 days from the conclusion of that meeting.

**D. Compliance**

The Company Secretary while preparing the agenda, notes on agenda, minutes etc. of the meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956 read with the Rules issued there under.

Attendance of Directors at Board meeting, last Annual General Meeting and number of other directorships / memberships / Chairmanships of each Directors in various companies

<b>NAME OF DIRECTORS</b>	<b>NO. OF BOARD MEETINGS Held</b>	<b>NO. OF BOARD MEETINGS ATTENDED</b>	<b>Last AGM attended (Y/N)</b>	<b>No. of membership in other public companies</b>	<b>Member in other committees</b>
Inder Sharma	14	13	Y	–	1
Sumati Sharma	14	13	Y	–	2
Vineet Sirpaul	14	14	Y	–	–
Sandeep Bedi	14	5	N	–	2
Vishal Jain #	14	4	Y	1	2
Sachin Mehra	14	0	N	3	1
Sanjay Jain	14	3	N	–	2
Mahesh Khera	14	1	N	–	–
Amar Sarin	14	0	N	–	–

# Resigned on 18th January, 2011

# Mr. Sanjay Jain, Mr. Mahesh Khera and Mr. Amar Sarin has been appointed as Additional Director on 18th January, 2011, 14th February, 2011 and 31st March, 2011 respectively.

The last AGM was held on 9th September, 2010 at the Paharpur Business Centre, Nehru Place, New Delhi-19.

- The directors are not a member in more than 10 committees or are not acting as a Chairman of more than five committees across all companies in which they are director.
- Private limited companies, foreign companies and companies under section 25 of the Companies Act, 1956 are excluded for the purpose of adhering to the limit of number of membership in committees.
- Only audit committee and shareholders' grievance committee are considered for the purpose of committee positions as per the listing agreement.

**Number of Board meetings held and the dates on which held:**

Fourteen Board Meetings were held during the year. The Company has held at least one Board meeting in every three months and the maximum time gap between any such two meetings was not more than four months. The details of the meeting are as under

SL.	Date	BOARD STRENGTH	NO. OF DIRECTORS PRESENT
1	5th April, 2010	6	3
2	28th May 2010	6	5
3	30th June, 2010	6	3
4	4th August 2010	6	3
5	5th August 2010	6	3
6	10th August 2010	6	5
7	30th August 2010	6	4
8	20th September 2010	6	3
9	15th October 2010	6	5
10	10th December 2010	6	3
11	14th December 2010	6	3
12	18th January 2011	6	5
13	14th February 2011	7	5
14	31st March 2011	7	3

#### Pecuniary relationship or transactions of non-executive directors

1. All related party transactions have been disclosed to Audit Committee and appropriately disclosed in terms of the Accounting Standards in the Financial Statements.
2. The Register of Contracts maintained by the company according to the provisions of section 301 of the Companies Act, 1956, contains record of the related party transactions. The register is signed by all the directors present during the respective board meetings.

#### Non-Executive director's Compensation and Disclosure

There is no policy of the company to pay fees / Compensation to the Non-executive directors except for the sitting fee for attending the meetings.

#### Code of Conduct

The Company is committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Company believes that a good corporate governance structure would not only encourage value creation but also provide accountability and control systems commensurate with the risks involved.

The Board of Director has laid down a code of conduct for all Boards members and senior management personnel of the company in the meeting held on 6th of August, 2008. The members of the Board and Senior Management have confirmed the adherence of the same during the year. A declaration to that effect, duly signed by the Chairman & Managing Director has been received by the Board. The code of conduct is available at the website of the company. ([www.nutek.in](http://www.nutek.in)).

## II. Committees

Currently the Board has three committees: Audit Committee, Shareholders Grievances Redressal Committee and Remuneration Committee. The meetings of the committees are held as required under the law and listing agreement. The recommendations of the committees are places before the Board for approvals.

#### Audit Committee

##### Constitution and composition

The Audit Committee was constituted by our directors vide their Board Meeting held on April 14, 2007 as per the requirements of Section 292A of the Companies Act, 1956 and is re-constituted as per the requirements

under the Listing Agreement from time to time by our Directors at their Board meeting. The Audit Committee currently consists of:

Mr. Sanjay Jain	Chairman (Independent Director)#
Vishal Jain	Chairman (Independent Director)*
Mr. Sandeep Bedi	Member (Independent Director)
Mrs. Sumati Sharma	Member (Non Executive Director)

\*Resigned from the Board since 18th January, 2011.

#Joined the Board since 18th January, 2011

Two Third members of the audit committee are independent, whereas all three members are non-executive directors and are “financially literate”. Sanjay Jain is a qualified Chartered Accountant and can be considered as having accounting or related financial management expertise.

### Terms of reference

The members of the Committee shall elect one among themselves as Chairman of the Committee for presiding over the meeting unless otherwise decided by the Committee. Company Secretary of the company, Mr. Sanjay Kumar Singh is the Secretary to the Committee.

The purpose of the Audit Committee is to ensure the objectivity, credibility and correctness of the company's financial reporting and disclosure processes, internal controls, tax policies, compliances and legal requirements and associated matters. The Committee meets at least four times in a year.

### The terms of reference of the Audit Committee includes:

1. To oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. To recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. To approval the payment to statutory auditors for any other services rendered by the statutory auditors.
4. To review reports of Internal Auditor and recommend the same to the Board.
5. To meet with Statutory/Internal Auditors periodically and discuss their findings, suggestions and other related matters.
6. To review the auditors report on the financial statements and to seek clarifications thereon if required from the auditors.
7. To stipulate and review weakness in internal control, if any, and make recommendations relating thereto to the Board in order to ensure compliances of internal control system.
8. To act as a link between Statutory Auditor, Internal Auditor and Board of Directors.
9. To select and establish Accounting Policies and to review and recommend changes thereto, if any to the Board.
10. To finalize the annual program and internal audit.
11. To review quarterly, half-yearly financial statements for henceforth submission to the Board along with their suggestions, recommendations thereof.
12. To investigate into any matter in relation to the items specified herein.
13. To review any matter referred to it by the Board of Directors from time to time.
14. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:



- 14.1 Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
- 14.2 Changes in accounting policies and practices and reasons for the same.
- 14.3 Major accounting entries involving estimates based on the exercise of judgment by management
- 14.4 Significant adjustments made in the financial statements arising out of audit findings
- 14.5 Compliance with legal requirements relating to financial statements
- 14.6 Disclosure of any related party transactions
- 14.7 Qualifications in the draft audit report.
15. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
16. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
17. Discussion with internal auditors any significant findings and follow up there on.
18. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
19. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
21. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
23. To monitor the utilization of issue proceeds and make appropriate recommendations to the Board of Directors.

Attendance of each Member of Audit Committee at meetings held during the year

<b>NAME OF MEMBERS OF AUDIT COMMITTEE</b>	<b>NO. OF MEETINGS ATTENDED</b>
Mr. Vishal Jain #	3
Mrs. Sumati Sharma	5
Mr. Sandeep Bedi	5
Mr. Sanjay Jain*	2

# Resigned since 18th January, 2011

\*Joined since 18th January, 2011

Five Committee meetings were held during the year. The meetings were scheduled well in advance. In addition to the members of the audit committee, these meetings were attended by the heads of finance of the company and those executives of the company who were considered necessary for providing inputs to the committee along with the Auditors of the Company.



The details of the meeting are as under:

SL.	DATE	COMMITTEE STRENGTH	NO. OF MEMBERS PRESENT
1	28th May 2010	3	3
2	10th August 2010	3	3
3	15th October 2010	3	3
4	18th January 2011	3	3
5	14th February 2011	3	3

### Areas considered

Audit committee discussed the following matters:

- Review of Financial Statements
- Appointment of Statutory auditors
- Considering ERP software implementation
- Reconstitution of audit committee

Review of information by Audit Committee

The Audit Committee has been mandated to review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The Audit Committee shall have the following powers:

- Seek information from any employee
- Investigate any activity within its terms of reference
- Obtain legal or any external professional advice.
- Secure the attendance of outsiders with relevant expertise if it is considered necessary for decision making.
- Full access to information contained in the records of the company.

### Shareholders' and investors' grievance committee

The Share Holders Grievances Redressal Committee was constituted by our Directors vide their Board Meeting held on November 12, 2007. This Committee is responsible for the smooth functioning of the share transfer process as well as redressal of shareholder grievances. The Share Holders grievances Redressal Committee consists of:

- 1 Mrs. Sumati Sharma Chairman (Non Executive Director)
- 2 Mr. Inder Sharma Member (Managing Director)
- 3 Mr. Sachin Mehra Member( Director)

NAME OF MEMBERS OF COMMITTEE	NO. OF MEETINGS ATTENDED
Mr. Inder Sharma	7
Mrs. Sumati Sharma	7
Mr. Sachin Mehra	2

Our Company Secretary is the Secretary to the committee. The terms of reference are as follows:

- To approve share transfers and transmission.
- To approve splitting of share certificates, consolidation of share certificates and related matters including issue of fresh share certificates in lieu of the split / consolidated certificates.
- Issue of duplicate share certificates in lieu of lost, mutilated and destroyed certificates.
- Matters relating to dematerialization of shares and securities.
- Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interests, non receipts of balance sheet etc in particular.

Meetings, attendance and topics discussed

SI.	DATE	COMMITTEE STRENGTH	NO. OF MEMBERS PRESENT
1	April 30, 2010	3	2
2	May 28, 2010	3	2
3	August 10, 2010	3	2
4	August 16, 2010	3	3
5	October 15, 2010	3	3
6	January 14, 2010	3	2
7	February 14, 2010	3	2

The secretarial auditor as well as the company secretary (who is the compliance officer for looking into shareholders' grievances on a day-to-day basis), were also present.

#### **Compliance Officer**

Shri Sanjay Kumar Singh, General Counsel & Company Secretary is the Compliance Officer for complying with the requirements of the Listing Agreement with the Stock Exchanges in India and for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992.

#### **Remuneration committee**

Nu Tek constituted the remuneration committee of the board on 12th November 2007, and its composition was further reconstituted by the Board at its meeting on 14th February, 2011. The committee has considered and approved the reappointment of Mr. Inder Sharma as Managing Director during the year.

The compensation committee currently consists of:

1. Mr. Sandeep Bedi                      Chairman (Independent Director)
2. Mrs. Sumati Sharma                  Member (Non Executive Director)
3. Mr. Sanjay Jain                        Member (Independent Director)

The terms of reference of the Compensation committee is given below:

- o To review the remuneration of whole time/ managing director, including annual increment and commissions, after reviewing their performance;
- o Review the remuneration policy followed by the company, taking into consideration the performance of senior executives on certain parameters;
- o Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Remuneration Committee.

### III. Subsidiary Companies

There is no material non-listed Indian Subsidiary of Nu Tek India Limited. The investments made by the subsidiaries of the company are reviewed by the Audit committee. The board of Nu Tek India Limited periodically reviews the minutes of Board meetings of unlisted subsidiary. The management periodically bring to the attention of the Board, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company Nu Tek (HK) Private Limited, incorporated in Hong Kong, Nu Tek Europe s.r.o incorporated in Europe, Nu Tek Energy Private Limited, incorporated in India and the step down subsidiaries Nu Tek Latin America, and Nutek Guatemala subsidiaries of Nu Tek (HK) Private Limited.

### IV. Disclosure

#### Relates Party Transactions

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their relatives, or subsidiaries, etc. that may have potential conflict with the interests of the Company at large has been reviewed by the audit committee. None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of Members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts in Schedule '13', forming part of the Annual Report.

None of these transactions have had any potential conflict with the interests of the company. All related party transactions are negotiated on arms length basis and are only intended to further the interests of the Company.

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any other statutory authority, on any matter related to capital markets, during the last three years:

There has been no instance of non-compliance by the Company on any matter related to capital markets since incorporation and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

#### Management discussion and analysis

This is given as a separate chapter in the annual report.

#### Risk Assessment Procedure

The company has formulated Risk assessment and minimization procedures. The procedure so laid down has been intimated to the board. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

#### Shareholders

##### Disclosure regarding appointment and/or re-appointment of directors

In the AGM dated 9th September, 2010, Mrs. Sumati Sharma was re-appointed as Director. Her brief profile has been mentioned above.

**Communication to shareholders**

- Financial calendar 1st April 2010 to 31st March 2011
- Listing on Stock Exchange
  - Bombay Stock Exchange Limited, (BSE)  
Phrioze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001
  - National Stock Exchange of India Limited (NSE),  
“Exchange Plaza”, Bandra-Kurla Complex,  
Bandra (E), Mumbai 400 051
- GDR Listing Luxembourg Stock Exchange, Luxembourg.
- Stock Code 533015
- Trading Name NUTEK
- Demat ISIN Number INE318J01027
- Address for correspondence B-27, Infocity, Sector – 34, Gurgaon, Haryana
- Registrar and Share transfer Agent
  - Aarathi Consultants Pvt. Ltd.  
1 – 2 – 285, Domulguda,  
Hyderabad 500029  
Ph. 040-27638111, 276334445  
Fax: 040-27632184  
Website: www.arthiconsultants.com

**Quarterly Financial results Declaration:**

First Quarterly Results	Before expiry of 45 days
Second Quarterly Results	Before expiry of 45 days
Third Quarterly Results	Before expiry of 45 days
Audited yearly Results for the Year ended 31st March, 2009	Before expiry of 60 days

**MEANS OF COMMUNICATION:**

Quarterly results of the company are disclosed by following means:

- a. The quarterly results are generally published in Mint Business Daily (All India editions) and in Hindustan Hindi (Delhi edition) or Business Standard English (all India editions) and Business Standard Hindi (Delhi edition).
- b. The quarterly financial statements and all other information disseminated to analysts/institutional investors are posted on Company's website i.e. (<http://www.nutek.in>).

**GENERAL SHAREHOLDER INFORMATION:**

- i. AGM : 18th Annual General Meeting
  - Date : 30th day of June, 2011
  - Day : Thursday
  - Time : 3.30 PM
  - Venue : Air Force Auditorium, Subrato Park, New Delhi-110010
- ii. Date of Book closure is from 25th June, 2011 to 30th June, 2011 (Both days inclusive)
- iii. High & low Prices of the Year 2010-11: 52 weeks High & low Prices of the Company as per BSE is as follows:  
High: Rs.65, Low: Rs.4.95
- iv. Share transfers: share transfer received by the company would be registered within 15 days from the date of receipt, provided the documents are complete in all respects.

Board of Directors of the Company has constituted Share Holder Grievance Redressal Committee to deal with the matters of shareholders.

Any complaint received from shareholders is given to committee for easy & fast disposal with less cumbersome procedure.

- v. Dematerialization of shares: The share transfer work is handled by the registrar. The share transfer agent is AArthi Consultants Private limited, 1-2-285, Domalguda, Hyderabad-500 029 SEBI Reg. No.: INR 000000379.

**Information on general body meetings**

The last three annual general meetings of the company were held at the following places, dates and time:

No	Date	Place and Time
15th AGM	27th Sept, 2008	At 11.30 a.m. at Paharpur Business Centre, Nehru Place, New Delhi
16th AGM	9th Sept, 2009	At 11.30 a.m. at Paharpur Business Centre, Nehru Place, New Delhi
17th AGM	9th September, 2010	At 11.30 a.m. at Paharpur Business Centre, Nehru Place, New Delhi

Apart from that there has been one EGM during the financial year 2010-11 on 4th May, 2010 at the corporate office of the Company at B-27, Infocity, Sector- 34, Gurgaon- 122001

All special resolutions moved at last three Annual General Meetings were passed by show of hands by requisite majority of Members attending the meeting. During the year the Company has passed special resolutions through Postal Ballot Process to amend the Object clause of the Memorandum of Association of the Company and to allow partial modification in utilization of the IPO proceeds.

Shareholding pattern as on 31st March, 2011 Face value of Equity Share of Rs. 5/- each

Category	Name	No. of Shares	% Shareholding
<b>Promoters:</b>			
<b>Indian Promoter Group</b>	1. Inder Sharma	14542860	9.41%
	2. Sumati Sharma	519384	0.34%
	3. Pratap Narain Sharma	31960	0.02%
	<b>Sub-total</b>	<b>15094204</b>	<b>9.77%</b>
<b>Non-promoter holding:</b>			
Foreign Institutional Investor		28,54,478	1.85%
Mutual Funds and UTI		0	0.00%
Banks, Financial Institutions, Insurance Companies (Central/State Govt./ Non-Govt. Institutions) FIIs		0	0.00%
<b>Others</b>			
Private Corporate Bodies		99,39,757	6.43
Indian Public		140,52,832	9.09%
NRI/OCBs/Clearing Member		82,73,29	0.54
	<b>Sub- Total</b>	<b>427,68,600</b>	<b>27.68</b>
<b>Held by custodian and against depository receipts</b>			
– Shareholding of Promoter and promoter group			
– Public Shareholding			
	<b>Grand Total</b>	<b>15,45,18,600</b>	<b>100%</b>

**Remuneration of our Directors****Mr. Inder Sharma, Chairman and Managing Director**

Mr. Inder Sharma was appointed as Managing Director of our company with effect from 1st April 2006 for a period of 5 years. His remuneration was revised in the Extra Ordinary General Meeting on 27th April 2007 and was increased to Rs 9,600,000 (Ninety Six Lacs) per annum, to be payable as follows for the whole of his term of appointment with effect from 1st April 2007.

Basic Salary	:	Rs 4,000,000 per annum
Ex-gratia	:	Rs 400,000 per annum
Other perquisites	:	Rs 5,000,000 per annum
Gratuity	:	As per Company Rule (Rs 200,000) per annum

Mr. Inder Sharma is entitled to get salary including the entire perquisite upto the maximum amount of Rs 9,600,000 (Ninety Six Lacs) per annum and in case of loss or inadequate profit of the company, he will be entitled to get maximum Rs 2,400,000 (Twenty Four Lacs) per annum as his salary.

The Board of Directors of the Company on recommendation of the remuneration committee has reappointed Mr. Inder Sharma for a period of five years from 1st April, 2011 at a remuneration of Rs.1.05 Crores including all perquisites.

**Mr. Vineet Sirpaul, Executive Director & CEO**

Mr. Vineet Sirpaul has been appointed as Executive Director of our company with effect from 17th May 2007 for a period of 5 years. His remuneration was confirmed in the Annual general meeting of our company held on September 09, 2009 as per details given below.

Basic Salary	:	Rs 20,00,000 per annum
HRA	:	Rs 57,600 per annum
TA	:	Rs 9,600 per annum
Technical allowance	:	Rs 1,109,328 per annum
Other perquisites	:	Rs 288,000 per annum
Gratuity	:	As per Company Rule

Mr. Vineet Sirpaul is entitled to get salary including entire perquisite upto the maximum amount of Rs 50,00,000 (Fifty Lakh) per annum in case of loss or inadequate profit of the Company, he will be entitled to get maximum Rs 20,00,000 (Twenty Lakh) per annum as his salary.

**V. CFO /CEO Certification**

That the board has obtained the certificate from CFO and Managing Director of the company stating that:

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the internal control systems of the company and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

- 
- (d) They have indicated to the auditors and the Audit committee
- (i) significant changes in internal control during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system

#### **VI. Report on corporate governance**

This chapter forms the report on corporate governance pursuant to the Clause 49 of Listing agreement.

#### **VII. Compliance**

Auditors' certificate on corporate governance

The company has obtained the certificate from Mr. Ranjeet Pandey, Practicing Company Secretary regarding compliance with the provisions relating to corporate governance laid down in Clause 49 of the listing agreement with the stock exchanges. This report is annexed to the Directors' Report for the year 2010-11, and will be sent to the stock exchanges along with the annual return to be filed by the company.

By the order of the Board

**FOR NU TEK INDIA LIMITED**

Inder Sharma

Place: Gurgaon

Date: 30th May, 2011

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## Ranjeet Pandey & Associates

Company Secretaries

574, 2nd Floor, Main Road, Chirag Delhi - 110017  
Tel.: 011-46074119, Cell : 09810558049, Email : cs.ranjeet@gmail.com

### **CERTIFICATE OF CORPORATE GOVERNANCE**

To the Members of  
Nu Tek India Limited  
New Delhi

We have examined the compliance of conditions of Corporate Governance of Nu Tek India Limited for the year ended on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with 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 with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We state that in respect of investors grievances received during the year ended 31st March, 2011, on investor grievances are pending against the company for the period exceeding one month as per the records maintain by the Company, which are presented to the shareholders/Investor Grievance Committee.

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 Ranjeet Pandey & Associates  
Company Secretaries

Place : New Delhi  
Date : 30 May, 2011

CS. Ranjeet Pandey  
C.P. No. 6087

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### **Certificate of Chairman & Managing Director**

I, Inder Sharma, Chairman & Managing Director of Nu Tek India Limited, to the best of my knowledge and belief, hereby declare that all Board members and senior management personnel have affirmed compliance with the code of conduct for the year ended 31st March, 2011.

Date : 30th May, 2010  
Place : Gurgaon

Inder Sharma  
Chairman & Managing Director



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**AUDITOR'S REPORT**

To the member of

Nu Tek India Limited, 605, Siddharth Building, 96 Nehru Place, New Delhi- 110019.

We have audited the attached Balance Sheet of M/s Nu Tek India Limited, as at 31st March, 2011 and also the Profit and Loss account for the year ended on that date and the Cash Flow Statement of the company 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 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 principals used and significant estimate made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by Companies (Auditor's Report) order, 2003 as amended by Companies ( Auditor' Report Amendment) order 2004, issued by the Central Government of India in terms of sub Section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order. The Annexure forms part of report.

Subject to our comments in the annexure referred to above, we report that

- (A) We have obtained all the information and explanations, which to the best to our knowledge and belief were necessary for the purpose of our audit.
- (B) In our opinion, proper books of account as required by law have been kept by the company so far, as appears from our examination of such books.
- (C) The Company's Balance Sheet and Profit and Loss account and cash flow statement dealt with by this report are in agreement with the books of accounts.
- (D) In our opinion, the Balance Sheet and Profit and Loss Account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956
- (E) On the basis of written representations received from directors , as on 31st March 2011 and taken on record by the Board of Directors, We report that none of the Directors are disqualified as on 31st March 2011 from being appointed as a director in terms of Clause (g) of Sub – Section (1) of Section 274 of the Companies Act,1956

Without qualifying our report, attention is drawn that the company has written back liability of Rs.23.29 lakhs related with job charges. Please refer to the note number 8 in the schedule no12.

- (F) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to notes on accounts thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
  - 1. In so far as it relates to the Balance Sheet, of the state of affairs of the company as at 31st March, 2011 and
  - 2. In so far as it relates to the Profit and Loss account of the profit of the company for the year ended on that date.
  - 3. In so far as it relates to the Cash Flow Statement of the company for the year ended on that date.

For SUMAN JEET AGARWAL & CO.

Chartered Accountants

[SUMAN JEET AGARWAL]

Partner

Membership No. 091017

Firm Reg. No. 11945 N

Place : New Delhi

Date : 30th May, 2011

Annexure Referred to in paragraph 3 of our report of even date,

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As per management representation a major of the assets have been physically verified by the management in accordance with the phased programme of verification adopted by the company. Pursuant to the programme, the management physically verified a portion of the fixed assets during the year 2010-2011. As per explanation given by the management, no material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off any substantial part of its fixed assets.
2. (a) During the year, the inventory has been physically verified by the management. In our opinion, the frequency of verification is reasonable. There is no system of physical verification of Project under Progress.
- (b) The procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The company has maintained proper records of inventory. No material discrepancies were notice during the course of Physical verification of inventory.
3. (a) In our opinion and according to information and explanation given to us ,The Company has not granted any loans, secured or unsecured to companies, firm or other parties listed in the register maintaining under section 301 of the companies act, 1956.
- (b) Since, the company has not granted any loan as referred to in Para 3(a) above, provision of clause 3(b) and 3(d) of the order are not applicable to the company.
- (c) In our opinion and according to information and explanation given to us ,The Company has taken any loans, secured or unsecured to companies, firm or other parties listed in the register maintaining under section 301 of the companies act, 1956.
- (d) Since, the company has not taken any loan as referred to in Para 3 (c) above, provision of clause 3 (f) and 3(g) of the order are not applicable to the company.
4. In our opinion and according to the information and explanation given to us, there are reasonable internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
5. (a) According to the information and explanation given to us, we are of the opinion that the company has entered the particulars all contracts or arrangements referred to in section 301 of the company act, 1956 in the registered required to be maintained under that section.
- (b) in our opinion and according to the information and explanation given to us. These transactions in pursuance of such contract or arrangement have been made at prices which are reasonable having regard to the prevailing market prices at the relevant times.
6. The company has not accepted any deposit from the public during the year within the meaning of the section 58A, 58AA or any other relevant provision of the companies act, 1956 and ruled framed there under.
7. In our opinion, the internal audit system of the company is commensurate with the size of the company and nature of its business.
8. As explained to us, the maintenance of cost records as required under section 209 (1)(d) of the companies act, 1956, has not been made applicable to the company products.
9. (a) The company is not regular in depositing undisputed statutory dues including Provided Fund, E.S.I., Income tax, Sales tax, Service Tax. According to the information provided to us, there is no amount, which is required to be deposited in Investors Education and Protection Fund. Company is regular in paying other statutory dues as applicable to it and any other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, Following undisputed statutory dues payable in respect of statutes mentioned below as at 31st March 2011 for the period of more than six months from the date they become payable:

Name of Statute	Nature of dues	Amount (Rs.)	Period to which dues relates	Current Status
Finance Act, 1994	Service Tax	11,643,063	Till 30th September, 2010	Paid

The above amount do not include interest and other dues as may be payable on account of Non payment /delay in payments of statutory dues, which could not be quantified.

10. The company has no accumulated losses at the end of financial year 31st March 2011. The company neither incurred cash losses during the current financial year nor in the immediately preceding financial year.
11. In our opinion the company has not defaulted in repayment of dues to financial institution, bank or debenture holders. Accordingly, the provisions of clause 4 (xi) of the order are not applicable to the company.
12. According to information and explanations given to us, the company has not granted any loan and advances on the basis of security by way of pledge of share, debentures and other securities. Accordingly, the provisions of clause 4 (xii) of the order are not applicable to the company.
13. According to information and explanations given to us, the company is not a chit fund or nidhi / mutual benefit fund / society therefore, the provision of the clause 4(xiii) of the companies (Auditors Report) order 2003 is not applicable.
14. (a) The company has done trading in shares securities, debentures and other investment. And has maintained proper records of the transactions and contracts.  
(b) According to information and explanations given to us, we are of the opinion that timely entries and updation have been made therein.  
(c) The Company has held shares, securities, and other investments in its own name.
15. According to the information and explanation given to us, the company has given a FDR of Rs. one crore for issuing a bank guarantee in favour of its 100% subsidiary Nu Tek Energy Private Limited from State Bank of India.
16. In our opinion, the term loans have been applied for the purposes for which they were raised.
17. According to the information and explanation given to us and on overall examination of the balance sheet of the company, in our opinion there are no funds raised on a short term basis which has been used for long term investment and vice versa.
18. The company has not made preferential allotment of share to parties and companies covered in the register maintained under section 301 of the company act, 1956 during the year.
19. The Company has not issued any debentures. Accordingly the clause 4(xix) of the order is not applicable to the company.
20. The management has disclosed the end use of money raised by public issue (refer Note No. 10 of Notes to accounts of Schedule No. 12 ) and same has been verified by us.
21. Based up on the audit procedures performed and the information and explanations given to us by the management, we report that no material fraud on or by the company has been noticed or reported during the course of our audit.

For SUMAN JEET AGARWAL & CO.

Chartered Accountants

[SUMAN JEET AGARWAL]

Partner

Membership No. 091017

Firm Reg. No. 11945 N

Place : New Delhi

Date : 30th May, 2011

## Balance Sheet as at 31 st March, 2011

(Amount in Rs )

PARTICULARS	Schedule No.	Year Ended 31st March, 2011	Year Ended 31st March, 2010
<b>Sources of Funds:</b>			
<b>Shareholders Funds</b>			
a) Share Capital	1	795,093,000	195,093,000
b) Reserves and Surplus	2	4,292,842,011	1,581,603,749
<b>Loan Funds</b>			
Secured Loans	3	424,289,861	361,367,427
		<u>5,512,224,872</u>	<u>2,138,064,176</u>
<b>Application of Funds :</b>			
Gross Block	4	115,434,715	113,423,779
Less: Depreciation		71,246,123	53,461,068
Net Block		44,188,592	59,962,711
<b>Total</b>		<u>44,188,592</u>	<u>59,962,711</u>
<b>Investments</b>	5	363,720,793	436,752,172
<b>Deferred Tax Assets (net)</b>		468,854	7,835,286
<b>Current Assets ,Loanss &amp; Advances</b>	6		
a) Projects under Progress		635,836,040	761,364,478
b) Inventories		31,565,988	
c) Sundry Debtors		1,451,541,088	1,061,250,621
d) Cash & Bank Balances		861,675,829	88,588,524
e) Loans & Advances		3,619,325,304	661,010,361
		<u>6,599,944,249</u>	<u>2,572,213,985</u>
Less: Current Liabilities & Provisions	7		
a) Current Liabilities		1,387,884,628	843,750,197
b) Short Term Provisions		112,629,433	94,949,781
Net Current Assets		5,099,430,188	1,633,514,007
Miscellaneous Expenditure		4,416,446	-
		<u>5,512,224,872</u>	<u>2,138,064,176</u>
Significant Accounting Policies and Notes to Accounts	12		

The Schedule referred above form an integral part of the Balance Sheet  
As per our separate audit report of even date attached

For **Suman Jeet Agarwal & Co**  
Chartered Accountants

**FOR & ON BEHALF OF THE BOARD**

Suman Jeet Agarwal  
Partner  
Membership Number 91017

**Inder Sharma**  
Chairman & Managing Director

**Vineet Sirpaul**  
Whole Time Director

Date : May 30,2011

**Tushar Varshney**  
Finance Controller

**Sanjay Kumar Singh**  
Company Secretary

**Profit & Loss Account for the Year Ended 31st March 2011**

(Amount in Rs )

PARTICULARS	Schedule No.	Year Ended 31st March, 2011	Year Ended 31st March, 2010
<b>INCOME</b>	8		
Revenue from Operations		2,568,302,007	1,859,819,201
Other Income		27,444,803	31,735,009
Stock		31,565,988	
<b>Total</b>		<b>2,627,312,798</b>	<b>1,891,554,210</b>
<b>EXPENDITURE</b>			
Project Expenses	9	2,118,952,271	1,301,732,633
Operating & Administrative Expenses	10	239,422,789	316,080,740
Depreciation	4	17,939,245	16,007,061
Financial Expenses	11	47,504,041	30,957,832
<b>Total</b>		<b>2,423,818,346</b>	<b>1,664,778,266</b>
Profit/(Loss) before Tax		203,494,453	226,775,944
<b>Provisions for Tax :</b>			
Current Tax		57,205,366	48,064,182
Deferred Tax		7,366,432	7,193,570
<b>Profit After Tax</b>		<b>138,922,655</b>	<b>171,518,192</b>
Less: Prior Period adjustments		1,915,387	7,882,867
Less: Tax for earlier years		15,099,769	4,983,328
<b>Profit/(Loss) available for appropriations</b>		<b>121,907,499</b>	<b>158,651,997</b>
Appropriations:			
Proposed Dividend on Equity Shares		-	-
Dividend Distribution Tax on Proposed dividend		-	-
Net Balance carried to Reserves & Surplus		121,907,499	158,651,997
Significant Accounting Policies and Notes to Accounts	12		
Basic Earnings Per Equity Share		1.44	4.60
Diluted Earnings Per Equity Share		1.44	4.60
Face Value per Equity Share		5.00	5.00

The Schedule referred above form an integral part of the Profit and Loss Account  
As per our separate audit report of even date attached

For **Suman Jeet Agarwal & Co**  
Chartered Accountants

**FOR & ON BEHALF OF THE BOARD**

Suman Jeet Agarwal  
Partner  
Membership Number 91017

**Inder Sharma**  
Chairman & Managing Director

**Vineet Sirpaul**  
Whole Time Director

Date : May 30,2011

**Tushar Varshney**  
Finance Controller

**Sanjay Kumar Singh**  
Company Secretary

## Schedules to and forming part of the Balance Sheet & Profit and Loss Account

(Amount in Rs )

PARTICULARS	Year Ended 31st March, 2011	Year Ended 31st March, 2010
<b>Schedule -1 : SHARE CAPITAL</b>		
<b>Authorised:</b>		
20,00,00,000 Equity Shares of Rs. 5/- each (Previous Year	1,000,000,000	230,000,000
4,60,00,000 Equity Shares of Rs. 5/- each)	<u>1,000,000,000</u>	<u>230,000,000</u>
<b>Issued, Subscribed &amp; Paid -up:</b>		
15,45,18,600 Equity Shares of Rs.5/- each (Previous Year	772,593,000	172,593,000
3,45,18,600 Equity Shares of Rs. 5/- each) (During the Financial Year 2010-11 120 Lakhs GDR have been issued and paid up.Theses GDR represent 12 Crores Equity Shares with paid up value Rs 5/- per share )		
<b>Money received against issue of warrant</b>		
25% money received against issue of 15 Lacs Preferential warrant convertible into Equity	22,500,000	22,500,000
	<u>795,093,000</u>	<u>195,093,000</u>
<b>Schedule - 2 : RESERVES &amp; SURPLUS</b>		
Securities Premium	3,452,797,469	848,603,173
<b>Balance in Profit &amp; Loss Account :</b>		
Opening Balance	733,000,577	569,641,647
Add: Reserve from Nu Tek Telekomunikasyon Danismanlik Muhendislik Ve Dis Ticaret Sanayi Limited Sirketi	-	4,706,933
Add: Profit for the period	121,907,499	158,651,997
Closing balance of Profit & Loss Account	854,908,075	733,000,577
Foreign Currency Translation Reserves	(14,863,533)	-
	<u>4,292,842,011</u>	<u>1,581,603,749</u>
<b>Schedule- 3 :Loan Funds</b>		
<b>Secured Loans</b>		
- Secured against hypothecation of Vehicles	3,396,958	5,237,222
Cash credit from Bank	418,643,984	353,529,905
(Cash Credit from Banks secured by hypothecation of Book Debts and all other current assets, fixed assets of the company by way of first charge (excluding those specifically charged in favour of others) and lien of Fixed Deposits of Rs2,89,00,000 with SBI along with equitable mortgage of three properties owned by Mr Inder Sharma and Mrs Sumati Sharma ,directors of the company and by personal guarantee of aforesaid directors ).		
<b>Other Loans And Advances</b>		
- Secured against hypothecation of Office Equipments	1,660,405	1,885,543
- Secured against hypothecation of Vehicle	588,514	714,757
	<u>424,289,861</u>	<u>361,367,427</u>

**Schedule 4: Fixed Assets**

Particulars	Gross Block			Depreciation For the Year For the Year	Adjustments during the Period	Net Block		
	As on 1/04/2010	Additions	Transfers/ Sale			As on 31/03/2011	As on 31/03/2010	As on 31/03/2011
Car	20,775,307	1,423,800	-	2,548,120		14,792,003	7,407,104	8,531,424
Computer	6,074,792	93,199	-	419,455		5,520,257	647,734	973,990
Office Equipment	5,434,395	-	-	411,733		3,571,361	1,863,034	2,274,766
Furniture & Fixture	9,355,490	76,246	-	854,507		5,541,206	3,890,530	4,668,791
Laptop	6,746,396	448,338	34,320	570,904	24,960	6,016,171	1,144,243	1,276,169
Laptop Leased	13,327,600	-	-	1,608,800		10,914,400	2,413,200	4,022,001
Other Office Equipment	3,519,438	201,318	263,990	246,867	129,232	1,932,873	1,523,893	1,704,200
Plant & Machinery	1,463,087	-	-	127,981		671,000	792,087	920,068
TEMS	14,725,000	-	-	1,442,279		5,798,629	8,926,371	10,368,650
Genset	2,105,681	40,000	-	200,626		889,527	1,256,154	1,416,780
Software	29,747,690	-	-	9,462,999		15,553,191	14,194,499	23,657,498
Motor Cycle	148,904	26,344	-	44,973		45,504	129,744	148,374
<b>TOTAL</b>	<b>113,423,780</b>	<b>2,309,245</b>	<b>298,310</b>	<b>17,939,245</b>	<b>154,192</b>	<b>71,246,123</b>	<b>44,188,592</b>	<b>59,962,711</b>
Previous Year	81,990,590	34,588,373	3,155,184	16,007,061	2,077,819	53,461,069	59,962,711	42,458,764



**Schedule 5 : Investments**
**Quoted**
**Short Term**

	Number of Units			
	Previous Year	Current Year		
<b>Mutual Funds (Non Trade)</b>				
Birla Sun Life Dynamic Bond Fund	3,535,901	NIL	–	52,500,000
BSL Dynamic Bond -Ret Div Pay	1,920,934	1,920,934	20,000,000	20,000,000
BSL MIP Savings II Growth	2,919,355	NIL	–	47,592,490
HDFC CMF Whole Sale Growth	3,527,071	202,394	3,999,969	69,706,557
HDFC Monthly Income Plan -Long Term-Monthly Dividend	–	1,904,537	24,200,000	–
DSP Merrill Lynch Liquidity Fund - Div -Rev Option)	31,108	NIL	–	332,389
DSP Black Rock Short Term Fund	2,008,458	NIL	–	30,942,901
JP Morgan India -Treasury Fund	2,719,824	NIL	–	32,200,000
RMF Regular Savings Fund Debt Opt Growth	1,581,803	NIL	–	20,000,000
Reliance Monthly Income Plan	1,878,690	1,864,047	20,683,945	21,000,000
Reliance Money Manager Fund Retail Option Wkly Div	–	20,900	20,960,946	–
Templeton India Short Term Income Institutional	43,618	NIL	–	50,000,000
Templeton India Short Term Retail	44,885	NIL	–	50,000,000
SBI -Debt Fund Series -90 days-42Dividend		9,411,371	94,113,710	–
SDHF Ultra Short Term fund		1	7	–
Templeton India Low duration Fund		3,904,737	40,848,237	–
			224,806,813	394,274,337
Less : Diminution in value of Investments			1,309,075	235,588
<b>Total Short Term Quoted Investments (A)</b>			<b>223,497,738</b>	<b>394,038,749</b>

**Long Term**

	No of Units/Shares			
	Previous Year	Current Year		
<b>Mutual Funds (Non Trade)</b>				
Reliance Diversified Power Sector Fund	356,420	356,420	20,000,000	20,000,000
Reliance Growth Fund Retail Plan	272,926	NIL	–	20,000,000
Franklin Templeton India Life Stage				
Fund of Funds- The 50's Plus	90,348	90,348	903,476	903,476
<b>Equity Shares in Listed Companies</b>				
Jayaswal Neco Limited (Face Value Rs 10/- each)	22,949	22,949	1,746,050	1,746,050
<b>Total of Long Term Quoted Investments (B)</b>			<b>22,649,525</b>	<b>42,649,525</b>

**Unquoted**
**Long Term**
**Investment in Subsidiaries:**

Nutek Europe			117,409,631	–
Nutek HK Pvt Ltd (10,000 shares of HK\$1 each)			63,898	63,898
Nutek Energy Pvt Ltd			100,000	–
<b>Total of Unquoted Investments ( C )</b>			<b>117,573,529</b>	<b>63,898</b>
<b>Net Investments (A+B+C) (Refer Notes 10)</b>			<b>363,720,793</b>	<b>436,752,172</b>
<b>Aggregate Market Value of Quoted Investments</b>			<b>241,600,351</b>	<b>433,474,531</b>



**Schedule- 6 : Current Assets, Loans & Advances**

<b>a) Project Under Progress</b>	<b>635,836,040</b>	<b>761,364,478</b>
<b>b) Inventories</b>	<b>31,565,988</b>	<b>-</b>
<b>b) Sundry Debtors</b> (Unsecured considered good)		
– Debts outstanding for a period exceeding six months	282,401,463	95,594,546
– Others Debts	1,169,139,625	965,656,075
	<b>1,451,541,088</b>	<b>1,061,250,621</b>
<b>c) Cash &amp; Bank Balances</b>		
i) Cash Balance on hand	450,029	1,485,725
ii) Bank Balance		
– in current accounts	5,168,607	13,054,449
iii) Bank Balance with Non Scheduled Banks		
– current accounts	347,280,904	
(iv) in Fixed Deposits (Pledged with the Banks against BG's,LC's and CC Accounts)	508,776,288	74,048,350
	<b>861,675,829</b>	<b>88,588,524</b>
<b>d) Loans &amp; Advances</b> (Unsecured considered good)		
(i) Advances recoverable in cash or in kind or for value to be received	1,071,275,480	626,512,535
(ii) Loan to Subsidiaries	2,548,049,824	34,497,826
	<b>3,619,325,304</b>	<b>661,010,361</b>

**Schedule 7 Current Liabilities & Provisions**

a) Sundry Creditors	1,130,361,810	605,999,095
b) Lease Liability	1,372,279	2,869,148
c) Advance payment from customers	10,170,100	25,635,941
d) Other Liabilities	245,980,439	209,246,013
	<b>1,387,884,628</b>	<b>843,750,197</b>
<b>Provisions</b>		
Provision for Taxation	105,618,850	87,403,845
Other Provisions	7,010,583	7,545,936
	<b>112,629,433</b>	<b>94,949,781</b>

**Schedule- 8 : INCOME**
**Income from Operations**

Project Income	431,386,390	486,710,768
Income From sale	1,669,608,377	534,382,629
Income from Project under Progress	467,307,239	838,725,804
	<b>2,568,302,007</b>	<b>1,859,819,201</b>
<b>Closing Stock</b>	<b>31,565,988</b>	

**Other Income**

Training Charges		743,000
Dividend Income	11,144,826	7,949,055
Interest Income	235,985	–
Interest Income - Fixed Deposits	6,325,564	6,096,719
Short Term Capital Gain	7,352,449	7,035,567
Profit on Sale of Car/Fixed Assets		438,451
Reversal of Diminution in Value of Investments	–	2,027,113
Gain on Actuarial Valuation of Leave Encashment		298,428
Liabilities Written Back	2,329,418	7,091,335
Misc Receipts	56,560	55,341
	<b>27,444,803</b>	<b>31,735,009</b>

**Schedule - 9: PROJECT RELATED COSTS**
**Direct Expenses**

Equipment Hire Charges	23,505,674	11,486,174
Job Charges	119,534,168	252,555,444
Consumables	215,931,160	244,745,634
Purchase	1,645,778,264	532,251,119
Boarding & Lodging Expenses	23,235,213	17,343,847
Rent	5,543,998	5,635,757
Professional Fees	20,757,113	146,543,274
Freight & Cartage A/c	11,862,912	13,232,032
Tender Charges	74,322	9,170
Site Expenses	7,872,361	8,328,759
Tools	2,281,204	3,470,743
<b>Total (A)</b>	<b>2,076,376,389</b>	<b>1,235,601,953</b>

**Indirect Expenses**

Legal Charges	79,370	163,460
Computer Repairs & Maintenance	93,835	187,217
Car Hire Charges	17,208,386	29,115,584
Conveyance Expenses	4,214,441	5,818,980
Telephone Expenses	2,027,427	2,897,467
Tour & Travelling Expenses	3,606,261	6,564,177
Repair & Maintenance	73,170	167,862
Security Charges	1,088,650	6,619,219
Service Charges	176,902	356,435
Computer Hire Charges	2,400	12,996
Car Running & Maintenance	224,192	357,220
Guest House Expenses	1,895,473	2,821,054
Rent	10,572,829	11,049,009
Electricity Exps	1,312,546	
<b>Total (B)</b>	<b>42,575,883</b>	<b>66,130,680</b>
<b>Total Project Related Costs (A)+(B)</b>	<b>2,118,952,271</b>	<b>1,301,732,633</b>

**Schedule- 10 : OPERATIVE & ADMINISTRATION EXPENSES**

Communication Expenses	4,537,324	6,019,746
Contribution to EPF and ESI	10,634,249	10,802,606
Salaries & Incentives	164,099,620	189,908,934
Office Maintenance	6,399,478	9,554,400
Auditor's Remuneration	1,200,000	756,800
Professional charges	25,630,947	21,328,449
Gratuity	58,680	745,206
Leave encashment	3,122,132	–
Director Fees	260,000	190,000
Staff Welfare Expenses	752,423	397,246
Rates and Taxes	2,880,750	1,062,438
Repair and Maintenance	4,503,652	5,337,373
Travelling Expenses	3,957,396	4,423,864
Vehicle Maintenance	1,925,852	1,804,567
Business Promotion	2,182,666	1,982,716
Advertisement Expenses	987,750	13,535,404
Conference Expenses	86,779	195,502
Long Term capital Loss	2,897,430	–
Bad Debts Written off	–	6,512,289
Unservicable Project under Progress Written off	–	23,837,189
Misc Exp	134,394	25,663
Foreign Exchange Fluctuation Loss	122,058	606,903
Unreliaed Loss on Mutual Funds	1,073,487	–
Service Tax	68,866	193,743
Securities Transaction Tax	39,308	–
Interest Govt Dues	1,867,547	16,859,702
	<b>239,422,789</b>	<b>316,080,740</b>

**Schedule- 11: FINANCIAL CHARGES**

Interest to Bank	40,785,592	27,037,861
Interest to others	786,212	1,287,471
Bank Charges	5,932,237	2,632,500
	<b>47,504,041</b>	<b>30,957,832</b>

## Cash Flow Statement for Year ended 31 st March, 2011

PARTICULARS	AMOUNT (Rs) 2010-11	AMOUNT (Rs) 2009-10
<b>A. Cash Flow from operating activities:</b>		
<b>Net Profit before extra ordinary items and Taxation</b>	<b>201,579,066</b>	<b>218,893,077</b>
Adjustment for:		
Depreciation	17,939,245	16,007,061
Loss/(Profit) on Sale of Investment	(4,455,019)	(9,062,680)
Profit on Sale of Fixed Assets		(438,451)
Dividend Income	(11,144,826)	(7,949,055)
Interest Income from FDR	(6,325,564)	(6,096,719)
Interest Paid	41,571,804	28,325,332
	<b>37,585,639</b>	<b>20,785,488</b>
Operating Profit before working capital changes	239,164,705	239,678,564
Adjustment for:		
Trade and other receivables	(709,524,973)	(727,703,238)
Inventory	(31,565,988)	
Trade payables	543,554,615	424,993,970
Other Payables	(113,393)	446,778
Miscellaneous Expenditure	(4,416,446)	
Cash generated from operations	37,098,519	(62,583,925)
Direct taxes paid	53,932,273	153,964,998
Cash flow before extraordinary items	(16,833,754)	(216,548,923)
Foreign currency translation reserve	(14,863,533)	
<b>Net Cash from/ (used in) operating activities</b>	<b>(31,697,287)</b>	<b>(216,548,923)</b>
<b>B. Cash Flow from investing activities:</b>		
Sale/ (Purchase) of Investment	77,486,400	16,523,695
Purchase of Fixed Assets	(2,309,245)	(6,086,083)
Disinvestment in subsidiary		4,706,933
Interest Income	6,325,564	6,096,719
Dividend Income	11,144,826	7,949,055
Sale of Fixed Assets	144,118	1,515,816
<b>Net cash from /(used in) investing activities</b>	<b>92,791,664</b>	<b>30,706,136</b>
<b>C. Cash Flow from financing activities:</b>		
Proceeds from Share Capital (Including of Securities Premium)	3,204,194,296	22,500,000
Proceeds from borrowings (Net of repayments)	62,922,434	232,944,438
Loan to Subsidiary	2,513,551,9918	34,497,826
Interest paid	41,571,804	28,325,332
Dividend Paid		20,192,519
<b>Net cash from financing activities</b>	<b>711,992,928</b>	<b>172,428,761</b>
Net increase/(decrease) in cash and cash equivalents	773,087,305	(13,414,027)
<b>Cash and Cash equivalents as at 1st April, 2010 (Opening Balance)</b>	<b>88,588,524</b>	<b>102,002,551</b>
<b>Cash and Cash equivalents as at 31st March, 2011(Closing Balance)</b>	<b>861,675,829</b>	<b>88,588,524</b>

For **Suman Jeet Agarwal & Co**  
Chartered Accountants

**FOR & ON BEHALF OF THE BOARD**

Suman Jeet Agarwal  
Partner  
Membership Number 91017

**Inder Sharma**  
Chairman & Managing Director

**Vineet Sirpaul**  
Whole Time Director

Date : May 30,2011

**Tushar Varshney**  
Finance Controller

**Sanjay Kumar Singh**  
Company Secretary

## Schedule - 12 : Notes to Financial Statements

### (A) Significant Accounting Policies

#### 1. Basis of Accounting

The company maintains its accounts on going concern basis following the historical cost convention as per the generally accepted accounting principles prevalent in India and on accrual method of accounting.

#### 2. Basis for preparation of financial statements

The financial statements have been prepared under the historical cost convention, in accordance with Accounting Standards notified by the Central Government and the provisions of the Companies Act, 1956, as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

The preparation of financial statements in conformity with Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Examples of such expenses include estimates of contract completion costs, provision for doubtful debts, useful lives of fixed assets etc. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 3. Revenue Recognition

Revenue from Sales/Services is accounted for as net of taxes and the principles of revenue recognition are given below:-

- Revenue from services rendered is recognized as the service is performed.
- Income from turnkey projects is recognized as a percentage and in proportion to work completion. However in cases of contracts where consideration is separately defined / identified for supply of goods/materials whose distinct identity remains even after project completion, revenue is recognized based on delivery at site to the customers.
- In case of fixed-price contracts, revenue is recognized based on the milestones achieved as specified in the contracts.
- Revenue from sales is recognized upon passing of title/ shipment/Installation of the products and on transfer of significant risk and rewards of ownership.
- Dividend income is recognized when the right to receive dividend is established.
- Interest is recognized on time proportion basis.

#### 4. Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of freight, duties, taxes and expenses incidental to acquisition and installation till its present location.

#### 5. Depreciation

Depreciation on Fixed Assets has been provided on Written down Value Method as per rates prescribed by Schedule-XIV to the Companies Act, 1956.

#### 6. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition or construction of Fixed Assets, which take substantial period of time to get ready for its intended use, are capitalized until the time all substantial activities necessary to prepare such assets for their intended use are complete. Other borrowing costs are recognized as an expense in the year in which they are incurred.

#### 7. Impairment

Accounting for impairment of Fixed Assets is done in accordance with the Accounting Standard 28 – “Impairment of Assets”. Accordingly, the carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the assets’ recoverable amount is estimated. For assets that are not yet available for

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

## 8. Employee Benefits

- All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits in terms of Accounting Standard 15 (Revised)– “Employee Benefits”. Benefits such as salaries, wages and bonus etc., are recognised in the Profit and Loss Account in the period in which the employee renders the related service.
- Gratuity costs are defined benefits plans. The present value of obligations under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

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

Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

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

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

Actuarial gains and losses are recognized immediately in the Profit and Loss Account

- The company is contributing to the Employee Provident Fund maintained under the Employees Provident Fund Scheme by the Central Government.

## 9. Finance Lease

Accounting for Financial Lease is done in accordance with Accounting Standard 19 – “Leases”. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under leases liability. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Depreciation on Assets held under finance leases has been provided on Written down Value Method as per rates prescribed by Schedule-XIV to the Companies Act, 1956.

## 10. Accounting for Investments

Investments are accounted for in accordance with the Accounting Standard 13 – “Accounting for Investments”. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other Investments are classified as long term investments. Accordingly,

- The Long Term Investments are recorded at cost except where there is permanent diminution in its value.
- The Short Term Investments are recorded at Cost or Market Price whichever is lower. Unrealized loss arising due to the fall in market price is provided for in the accounts and any gain thereof is ignored.

## 11. Foreign Currency Transactions

Foreign Currency transactions are being recorded in accordance with Accounting Standard 11 “The Effects of changes in Foreign Exchange Rates”. Accordingly,

- Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Gains and losses, if any, at the year-end in respect of monetary assets and monetary liabilities not covered by the forward contracts are recognized in the Profit and Loss Account.
- Non-Monetary items denominated in foreign currency are stated at the rate prevailing on the date of the transaction.

**12. Taxes on Income**

**Deferred Tax:**

Deferred Tax Liability is provided pursuant to Accounting Standard – 22, “Accounting for Taxes on Income”. Deferred Tax Assets and Deferred Tax Liability are calculated by applying tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred Tax Liability arising mainly on account of excess depreciation allowed under Income tax laws.

Deferred Tax Assets due to expenses disallowed under section 40(a) under tax laws and on account of other timing differences are recognized only to the extent there is reasonable certainty of its realization.

Deferred Tax Assets due to unabsorbed depreciation or carry forward of losses under tax laws is recognizes only to the extent that there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized.

**Current Tax:**

The provision for Taxation is based on estimated assessable total income of the company as determined under the Income Tax Act 1961.

**13. Provisions, Contingencies and Contingent Assets**

Provisions, Contingencies and Contingent Assets are accounted for in accordance with Accounting Standard 29 – “Provisions, Contingent Liabilities & Contingent Assets”. Accordingly,

- A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.
- A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
- Contingent Assets are neither recognized, nor disclosed

**(B) Notes to the Account**

**1. Contingent Liabilities**

Bank Guarantees have been given to the extent of Rs.5,80,37,248/- (Previous Year: Rs 10,26,54,132/-) to various parties in the ordinary course of business.

**2. Value of Current Assets, Loans and Advances**

In the opinion of the management, the “Current Assets, Loans and Advances” have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in Balance Sheet .However, balance of sundry debtors, loans and advances are subject to confirmation. The company has sent letter for confirmation of balances and responses received are awaited.

**3. Managerial Remuneration paid/payable to Whole-time Directors**

(Figure in Rupees)

Particulars	2010-11	2009-10
Inder Sharma	93,33,360	93,33,360
Vineet Sirpaul	27,21,276	25,13,079
<b>Total</b>	<b>12,054,636</b>	<b>11,846,439</b>

4. Value of Imports on CIF Basis is NIL. The company has purchased materials of Rs 34,98,41,905/- (Previous Year: Nil) from Singapore which has sold to Dubai as third country export.

**5. Expenditure incurred in foreign currency:**

(Figure in Rupees)

Particulars	2010-11	2009-10
Professional Charges	1,17,888	3,43,468
GDR issue expenses	13,50,05,704	NIL
<b>Total</b>	<b>13,51,23,592</b>	<b>3,43,468</b>

**6. Earning in Foreign Exchange:**

(Figure in Rupees)

Particulars	2010-11	2009-10
Export of Service/Materials	35,71,49,591	NIL
<b>Total</b>	<b>35,71,49,591</b>	<b>NIL</b>

**7. Auditors Remuneration**

(Figure in Rupees)

Particulars	2010-11	2009-10
Audit Fee	6,00,000	6,00,000
Tax Audit Fee	3,00,000	3,00,000
Internal Audit Fee	1,50,000	-----
<b>Total</b>	<b>10,50,000</b>	<b>9,00,000</b>

8. An amount of Rs.23.29 Lakhs (Rupees twenty three lakhs twenty nine thousand only) has been written back in the books of account on renegotiation with the vendors in relation to job charges. The same are no longer required to be paid and have been written back.

9. The balance amount of disinvestment of subsidiary at Turkey amounting to Rs.29,86,663.- is yet to be received.

10. The Proceeds raised from the initial public issue and its utilization up to March 31, 2011 are given below:

Particulars	Amount in Rupees
<b>Total fund raised through IPO</b>	
Equity	3,50,00,000
Security Premium	63,70,00,000
<b>Total</b>	<b>67,20,00,000</b>
<b>A. Actual Utilization:-</b>	
1. Capital Expenditure	2,75,00,000
2. Overseas Acquisition	-
3. Long Term Working Capital	32,79,97,884
4. Expenses relating to IPO	7,07,91,827
<b>Total</b>	<b>42,62,89,711</b>
<b>B. FUNDS UNUTILISED</b>	<b>24,57,10,289</b>
<b>(Invested in Liquid / Liquid plus funds in Mutual Funds)</b>	
<b>Total (A +B)</b>	<b>67,20,00,000</b>





**C. Policy for Leave Encashment**

The company has adopted a policy for awarding for Leave Encashment to its employees. The provision is made on the basis of actuarial valuation.

**16. Segment Reporting pursuant to the Accounting Standard-17**

Segment Report under the Accounting Standard 17 has not been done. As per the management opinion, the company has to identify its reporting segment either as business or geographical segment. Dominant source of Income and nature of risk & reward is deciding factor as to whether the segment is primary or secondary. Since, the company, as of now operates in telecom business, segment report has not been done. Similarly geographical segment reporting is also not applicable to the company as the company is operating in India only and all the places where it is working are subject to same risk and rewards factors. AS 17 applies where an enterprise of the company is operating in different country/places and due to the following factors the risk and rewards of the company is affected and the reader of the financial statements can take useful/business decision in case of any country/region and subject to any risk. We don't operate in an economic environment with significantly differing risk and rewards.

**17. Transaction with related parties pursuant to Accounting Standard-18**

(Figure in Rupees)

S.No.	Name	Nature of Relationship	Nature of Transaction	Amount of Transaction		Amount o/s as on	
				2010-11	2009-10	31st March 11	31st March 10
1	Nu Tek HK Private Limited	Wholly Owned Subsidiary	Sale of Goods	NIL	NIL	NIL	8,73,490
2	Nu Tek HK Private Limited	Wholly Owned Subsidiary	Equity Subscription	NIL	NIL	63,898	63,898
3	Nu Tek HK Private Limited	Wholly owned subsidiary	Interest Free Loan	2,51,31,57,241	3,44,97,826	2,54,76,55,067	3,44,97,826
4	Nutek Energy Pvt Ltd	Wholly Owned Subsidiary	Equity Subscription	1,00,000	NIL	1,00,000	NIL
5	Nutek Energy Pvt Ltd	Wholly Owned Subsidiary	Interest Free Loan	1,03,94,756	NIL	3,94,756	NIL
6	Nutek Europe SRO	Wholly Owned Subsidiary	Equity Subscription	11,74,09,631	NIL	11,74,09,631	NIL
7	Oriental Stitch Pvt. Ltd.	Company Owned by Director	Rent	42,00,000	42,00,000	3,42,176	NIL
			Security deposit for property	NIL	NIL	21,00,000	21,00,000
8	Inder Sharma	Key Management Personnel	Salary	93,33,360	93,33,360	1,77,915	3,65,609
			Warrant Application Money	NIL	2,25,00,000	2,25,00,000	2,25,00,000
			Rent	23,75,556	36,24,444	NIL	NIL
			Security deposit for property	NIL	NIL	7,50,000	7,50,000
9	Vineet Sirpaul	Key Management Personnel	Salary	27,21,276	25,13,079	1,81,918	2,15,918

**18. Disclosure pursuant to Accounting Standard 19 'Leases':**

Asset acquired under Financial Lease	:	Laptops
Net Carrying Amount of Laptops as at 31st March, 2011	:	Rs 24,14,710/-
		(Previous Year Rs.40,24,517/-)

(Figures in Rupees)

Particulars	Minimum Lease Payments (MLP)	Present Value of Minimum Lease Payments	Minimum Lease Payments (MLP)	Present Value of Minimum Lease Payments
	At 31.03.2011	At 31.03.2011	At 31.03.2010	At 31.03.2010
At the Balance Sheet date	8,51,068	6,33,114	29,75,865	23,25,227
Less than one year	8,51,068	6,33,114	21,24,797	16,92,113
One to five years	NIL	NIL	8,51,068	6,33,114
Greater than five years	NIL	NIL	NIL	NIL

**19. Disclosure pursuant to Accounting Standard 20 'Earnings Per Share':**

The Company calculates the Basic Earnings per share as required by Accounting Standard 20. For the financial year ending 31st March 2011, the company does not have any Potential Equity shares.

**Computation of Basic Earnings per Share**

(Figures in Rupees)

Particulars	2010-11	2009-10
Basic Earnings available to Equity Share holders (A)	12,19,07,499	15,86,51,997
Weighted Average Number of Equity Shares outstanding during the period (B)	8,43,81,614	3,45,18,600
Basic Earnings per Share (A) / (B)	1.44	4.60

**Computation of Diluted Earning Per Share**

(Figures in Rupees)

Particulars	2010-11	2009-10
Diluted Earnings available to Equity Share holders (A)	12,19,07,499	15,86,51,997
Weighted Average Number of Equity Shares outstanding during the period (B)	8,43,81,614	3,45,18,600
Diluted Earnings per Share (A) / (B)	1.44	4.60

**20. Deferred Tax**

Deferred tax has been calculated in accordance with the provisions of Accounting Standard – 22, Accounting for Taxes on Income, prescribed by the Companies (Accounting Standards) Rules, 2006. The details of which are as under:

Particulars	As at 31st Mar 11	As at 31st Mar 10
Deferred Tax Liability on account of:		
(a) Depreciation	21,53,104	33,29,308
<b>Sub Total: (A)</b>	<b>21,53,104</b>	<b>33,29,308</b>
Deferred Tax Asset on account of:		
(a) Depreciation		
(b) Timing difference due to expenses disallowed in current year u/s 40(a) & 43B and Leased Assets	26,21,958	1,11,64,594
<b>Sub Total: (B)</b>	<b>26,21,958</b>	<b>1,11,64,594</b>
<b>Net deferred Tax Asset/(Liability) (B)-(A)</b>	<b>4,68,854</b>	<b>78,35,286</b>

(Figures in Rupees)

Particulars	Provision for Interest on Service Tax	Provision for Interest on TDS
Opening Balance	2,97,420/- (Prev Year- 10,21,363)	2,82,397/- (Prev Year- 9,46,223/-)
Add: Provision made during the year	NIL/- (Prev Year- 2,97,420/-)	1,88,609/- (Prev Year- 2,82,397/-)
Less: Payment made during the year	2,97,420/- (Prev Year-10,21,363/-)	2,82,397/- (Prev Year-9,46,223/-)
Closing Balance	NIL/- (Prev Year-2,97,420/-)	1,88,609/- (Prev Year- 2,82,397/-)

**22. Statement of Investments in fully paid up equity Shares, forming part of the Balance Sheet as on 31st March, 2011.**

Security Name	Opening Quantity	Bought Quantity	Sold Quantity	Closing Quantity
JAYASWAL NECO INDUST	22,249	NIL	NIL	22,249
<b>TOTAL</b>	<b>22,249</b>	<b>NIL</b>	<b>NIL</b>	<b>22,249</b>

**23. Details of Trading Goods pursuant to the provisions of paragraph 3 of part-II of schedule-VI of the Companies Act, 1956.**

Particulars	2010-11		2009-10	
	Quantity (No.)	Value (In Rs.)	Quantity (No.)	Value (In Rs.)
Telecom equipment				
Opening stock	NIL	NIL	NIL	NIL
Purchases	1,47,539	1,64,57,78,264	90,239	53,22,51,119
Sales	1,27,091	1,66,96,08,377	90,239	53,43,82,629
Closing Stock	20,448	3,15,65,988	NIL	NIL

24. Some of the additional information as required by Part II of Schedule VI is attached to the notes as Annexure, up to the extent applicable.

25. Nu Tek India Limited has been carrying on operations through site offices all over India. The site office expenses have been incorporated in the books of head office at Gurgaon.

26. Un –paid Dividend for the Financial year 2008-2009 of the amount of Rs.98,250 is outstanding as on 31 March, 2011

27. Previous year figures have been regrouped/ recast / restated wherever considered necessary to make them comparable with those of the current year.

28. Consolidated financial statements forming part of the accounts with the Auditors report thereon are attached herewith.

As per our separate report of even date attached

For **Suman Jeet Agarwal & Co**  
Chartered Accountants

**FOR & ON BEHALF OF THE BOARD**

Suman Jeet Agarwal  
Partner  
Membership Number 91017

**Inder Sharma**  
Chairman & Managing Director

**Vineet Sirpaul**  
Whole Time Director

Place : New Delhi  
Date : May 30,2011

**Tushar Varshney**  
Finance Controller

**Sanjay Kumar Singh**  
Company Secretary

**COMPUTATION OF PROFITS U/s 349 AND 350 FOR  
MANAGERIAL REMUNERATION**

S No	Particulars	Amount (Rupees)
1	Profit as per Profit and Loss Account for the year ended 31st March, 2011	203,494,453
	Add: (if debited to P & L A/c before arriving at the Profit Before Tax)	
	Managerial remuneration including perquisites	12,054,636
	Provision for doubtful debts	
	Provision for doubtful advances	
	Loss on sale of/disposal of assets	
	Loss on sale of investments	5,151,547
	Write off of investment	
	Provision for diminution in the value of investments	1,309,075
	Unserviceable fixed assets written off	
	Fall in value of foreign currency monetary assets	
	Loss on cancellation of foreign exchange contracts	
	Provision for contingencies and unascertained liabilities	
	Provision for loss of subsidiary companies	
	Lease premiums written off	
	Provision for warranty spares/supplies	
	In fractious project expenses written off	
	Provision for redundancy in stores, spares and finished goods	
	Provision for anticipated loss in case of contracts	
	Loss on sale of undertaking	
	Provision for wealth tax	
	Voluntary compensation paid under VRS	
	Depreciation as provided in the Books	17,939,245
	<b>Sub-Total</b>	<b><u>36,454,503</u></b>
	Less: (if credited to the P & L A/c for arriving at Profit Before Tax)	
	Capital profit on sale/disposal of fixed assets	
	Capital profit on sale of immovable assets	
	Profit on sale of undertaking/any part thereof	
	Profit on buy back of shares	
	Profit/discount on redemption of shares or debentures	
	Profit on sale of investments	9,606,566
	Compensation received on Non-Compete Agreements	
	Write back of provision for doubtful debts	
	Write back of provision for doubtful advances	
	Appreciation in the value of investments	
	Compensation received on surrender of tenancy rights	
	Consideration received on assignment of operating licenses	
	Write back of provision for contingencies	

Write back of bad debts against the provisions created earlier	
Write back of provision for diminution in	
Profit on sale of forfeited shares	
Profit on sale of shares subsidiary/associated companies	
Depreciation as computed in terms of Section 350	17,939,245
<b>Sub-Total</b>	<b>27,545,811</b>
Add/Less: Extra-Ordinary items as per AS- 5	
Subsidies/bounties received from Government	
<b>Total</b>	<b>212,403,145</b>
Eligible remuneration to the Managerial Personnel in terms of Section 309 @ 10%	21,240,314

### Total amount of managerial remuneration proposed to be paid

S. No.	Designation	Total Remuneration (Rupees)		
		Salary	Perquisites	Commission
1.	Managing Director	9,333,360		
2.	Whole-Time Director	2,721,276		
	<b>Total</b>			<b>12,054,636</b>

Whether Managerial Remuneration proposed is within 10% of Profits of the Company Yes

For **Suman Jeet Agarwal & Co**  
Chartered Accountants

**FOR & ON BEHALF OF THE BOARD**

Suman Jeet Agarwal  
Partner  
Membership Number 91017

**Inder Sharma**  
Chairman & Managing Director

**Vineet Sirpaul**  
Whole Time Director

Place : New Delhi  
Date : May 30,2011

**Tushar Varshney**  
Finance Controller

**Sanjay Kumar Singh**  
Company Secretary

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## Auditor's Report to the Board of Directors of Nu Tek India Limited on the Consolidated Financial Statements of Nu Tek Limited and its Subsidiaries

We have audited the attached Consolidated Balance Sheet of M/s Nu Tek India Limited and its Subsidiaries (together referred to as 'the Group') as at 31st March, 2011 and the Consolidated Profit and Loss account for the year ended on that date and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibilities of the Group's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are 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 principals used and significant estimate made by management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. We did not audit the Financial Statements of foreign Subsidiaries in Hong Kong and Europe and India included in the attached consolidated Financial Statements, whose Financial statements, prepared in accordance with generally accepted accounting principles and policies prevalent in such countries, reflect total assets of Rs.285, 25, 35,681/- As at March 31, 2011 and total revenues of Rs.26, 47, 12,965 /- for the year then ended. These Financial statements have been audited by other auditors, authorized to conduct audit of subsidiaries in terms of laws and regulations of respective countries, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the others auditors.
3. We report that consolidated Financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, consolidated Financial statements, notified pursuant to the companies (Accounting Standard) Rules, 2006, subject to Para 2 above on the bases of separate audited Financial statements of Nu Tek India Limited and its subsidiaries included in the consolidated Financial statements.
4. Without qualifying our report, attention is drawn that the company has written back liability of Rs.23.29 lakhs related with job charges. Please refer to the note number 8 in the schedule no12.
5. On the bases of the information and explanation given to us and on the consideration of the separate audit reports on individual audited Financial statements of Nu Tek India Limited and its aforesaid subsidiaries, we are of the opinion that, in conformity with the accounting principles generally accepted in India ;
  - i. The consolidated Balance sheet gives a true and fair view of the consolidated state of affairs of the Group as at March 31,2011;
  - ii. The consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of the Group for the year ended ; and
  - iii. The consolidated Cash Flow gives a true and fair view of the consolidated Cash Flows of the Group for the year ended;

For **SUMAN JEET AGARWAL & CO.**  
Chartered Accountants

**[SUMAN JEET AGARWAL]**  
Partner  
Membership No. 091017  
Firm Reg. No.11945 N  
Place : New Delhi  
Date : 30th May, 2011

## Consolidated Balance Sheet as at 31 st March,2011

(Amount in Rs )

PARTICULARS	Schedule No.	Year Ended 31st March, 2011	Year Ended 31st March, 2010
<b>Sources of Funds:</b>			
Shareholders Funds			
a) Share Capital	1	795,093,000	195,093,000
b) Reserves and Surplus	2	4,420,149,314	1,627,434,938
<b>Loan Funds</b>	<b>3</b>		
a) Secured Loans		424,289,861	361,367,427
b) Unsecured Loans		4,703,891	43,100,791
		<u>5,644,236,066</u>	<u>2,226,996,155</u>
<b>Application of Funds :</b>			
Gross Block	<b>4</b>	116,326,530	113,423,779
Less: Depreciation		71,439,078	53,461,068
Net Block		44,887,451	59,962,711
Capital Work in Progress		466,439,620	
<b>Total</b>		<u>511,327,071</u>	<u>59,962,711</u>
<b>Investments</b>	5	246,869,164	446,676,086
<b>Deferred Tax Assets (net)</b>		468,854	7,835,286
<b>Current Assets ,Loanss &amp; Advances</b>	6		
a) Projects under Progress		722,578,816	764,228,438
b) Inventories		49,176,746	
c) Sundry Debtors		1,557,451,752	1,125,552,325
d) Cash & Bank Balances		997,169,094	161,910,832
e) Loans & Advances		3,110,179,447	626,767,018
		<u>6,436,555,855</u>	<u>2,678,458,612</u>
<b>Less: Current Liabilities &amp; Provisions</b>	7		
a) Current Liabilities		1,434,504,467	870,986,759
b) Short Term Provisions		120,910,729	94,949,781
<b>Net Current Assets</b>		<u>4,881,140,660</u>	<u>1,712,522,071</u>
Miscellaneous Expenditure		4,430,316	-
		<u>5,644,236,066</u>	<u>2,226,996,155</u>

Significant Accounting Policies and Notes to Accounts 12  
The Schedule referred above form an integral part of the Balance Sheet per our separate audit report of even date attached

For **Suman Jeet Agarwal & Co**  
Chartered Accountants

**FOR & ON BEHALF OF THE BOARD**

Suman Jeet Agarwal  
Partner  
Membership Number 91017

**Inder Sharma**  
Chairman & Managing Director

**Vineet Sirpaul**  
Whole Time Director

Date : May 30,2011

**Tushar Varshney**  
Finance Controller

**Sanjay Kumar Singh**  
Company Secretary



**Consolidated Profit & Loss Account for the Year Ended 31st March**

(Amount in Rs )

PARTICULARS	Schedule No.	Year Ended 31st March, 2011	Year Ended 31st March, 2010
<b>INCOME</b>	8		
Revenue from Operations		2,830,534,294	1,943,028,011
Other Income		29,925,481	32,231,050
Stock		49,237,234	
<b>Total</b>		<b>2,909,697,009</b>	<b>1,975,259,061</b>
<b>EXPENDITURE</b>			
Project Expenses	9	2,297,026,291	1,341,176,554
Operating & Administrative Expenses	10	263,134,781	336,843,093
Depreciation	4	18,132,978	16,336,706
Financial Expenses	11	48,486,149	31,387,534
<b>Total</b>		<b>2,626,780,199</b>	<b>1,725,743,887</b>
Profit/(Loss) before Tax		282,916,811	249,515,174
<b>Provisions for Tax :</b>			
Current Tax		65,458,501	48,064,182
Deferred Tax		7,366,432	7,193,570
<b>Profit After Tax</b>		<b>210,091,877</b>	<b>194,257,422</b>
Add: Extra Ordinary Income			202,819
Less: Prior Period adjustments		1,915,387	8,541,434
Less: Tax for earlier years		15,099,769	4,983,328
Less: Minority Interest			(1,806,431)
<b>Profit/(Loss) available for appropriations</b>		<b>193,076,721</b>	<b>182,741,910</b>
<b>Appropriations:</b>			
Proposed Dividend on Equity Shares		-	-
Dividend Distribution Tax on Proposed dividend		-	-
<b>Net Balance carried to Reserves &amp; Surplus</b>		<b>193,076,721</b>	<b>182,741,910</b>
Significant Accounting Policies and Notes to Accounts	12		
Basic Earnings Per Equity Share		2.29	5.29
Diluted Earnings Per Equity Share		2.29	5.29
Face Value per Equity Share		5.00	5.00

The Schedule referred above form an integral part of the Profit and Loss Account

As per our separate audit report of even date attached

For **Suman Jeet Agarwal & Co**  
Chartered Accountants

**FOR & ON BEHALF OF THE BOARD**

Suman Jeet Agarwal  
Partner  
Membership Number 91017

**Inder Sharma**  
Chairman & Managing Director

**Vineet Sirpaul**  
Whole Time Director

Date : May 30,2011

**Tushar Varshney**  
Finance Controller

**Sanjay Kumar Singh**  
Company Secretary

## Schedules to and forming part of the Consolidated Balance Sheet & Profit and Loss Account

(Amount in Rs )

PARTICULARS	Year Ended 31st March, 2011	Year Ended 31st March, 2010
<b>Schedule -1 : SHARE CAPITAL</b>		
<b>Authorised:</b>		
20,00,00,000 Equity Shares of Rs. 5/- each (Previous Year)	1,000,000,000	230,000,000
4,60,00,000 Equity Shares of Rs. 5/- each)	<u>1,000,000,000</u>	<u>230,000,000</u>
<b>Issued, Subscribed &amp; Paid -up:</b>		
15,45,18,600 Equity Shares of Rs.5/- each (Previous Year)	772,593,000	172,593,000
3,45,18,600 Equity Shares of Rs. 5/- each) (During the Financial Year 2010-11 120 Lakhs GDR have been issued and paid up.Theses GDR represent 12 Crores Equity Shares with paid up value Rs 5/- per share )		
<b>Money received against issue of warrant</b>		
25% money received against issue of 15 Lacs Preferential warrant convertible into Equity	<u>22,500,000</u>	<u>22,500,000</u>
	<u><b>795,093,000</b></u>	<u><b>195,093,000</b></u>
<b>Schedule - 2 : RESERVES &amp; SURPLUS</b>		
Securities Premium	3,452,797,469	848,603,173
Capital Reserve	12,608	
<b>Balance in Profit &amp; Loss Account :</b>		
Opening Balance	784,772,710	591,934,947
Add: Reserve from Nu Tek Telekomunikasyon Danismanlik Muhendislik Ve Dis Ticaret Sanayi Limited Sirketi		4,706,933
Add: Profit for the period	193,076,721	188,161,201
Closing balance of Profit & Loss Account	977,849,431	784,803,082
Foreign Currency Translation Reserves	<u>(10,510,193)</u>	<u>(5,971,317)</u>
	<u><b>4,420,149,314</b></u>	<u><b>1,627,434,938</b></u>
<b>Schedule- 3 :Loan Funds</b>		
<b>Secured Loans</b>		
– Secured against hypothecation of Vehicles	3,396,958	5,237,222
– Cash credit from Bank	418,643,984	353,529,905
(Cash Credit from Banks secured by hypothecation of Book Debts and all other current assets, fixed assets of the company by way of first charge (excluding those specifically charged in favour of others) and lien of Fixed Deposits of Rs2,89,00,000 with SBI along with equitable mortgage of three properties owned by Mr Inder Sharma and Mrs Sumati Sharma ,directors of the company and by personal guarantee of aforesaid directors ).		
<b>Other Loans And Advances</b>		
– Secured against hypothecation of Office Equipments	1,660,405	1,885,543
– Secured against hypothecation of Vehicle	588,514	714,757
	<u><b>424,289,861</b></u>	<u><b>361,367,427</b></u>
<b>Unsecured Loans and Advances</b>		
From others	4,703,891	43,100,791
	<u><b>4,703,891</b></u>	<u><b>43,100,791</b></u>

**Schedule 4: Fixed Assets**

Particulars	Gross Block		Depreciation		Net Block	
	As on 1/04/2010	Additions Transfers/ Sale	As On 31/03/2011	For the Year	As on 31/03/2011	As on 31/3/2010
Car	20,775,307	1,423,800	22,199,107	2,548,120	14,792,003	8,531,424
Computer	6,074,792	93,199	6,167,991	419,455	5,520,257	973,990
Office Equipment	5,434,395	-	5,434,395	411,733	3,571,361	2,274,766
Furniture & Fixture	9,355,490	97,147	9,452,637	858,736	5,545,434	4,668,791
Laptop	6,746,396	448,338	7,160,414	570,904	6,016,171	1,276,169
Laptop Leased	13,327,600	-	13,327,600	1,608,800	10,914,400	4,022,001
Other Office Equipment	3,519,438	1,072,232	4,327,680	436,372	2,121,601	1,704,200
Plant & Machinery	1,463,087	-	1,463,087	127,981	671,000	920,068
TEMS	14,725,000	-	14,725,000	1,442,279	5,798,629	10,368,650
Genset	2,105,681	40,000	2,145,681	200,626	889,527	1,416,780
Software	29,747,690	-	29,747,690	9,462,999	15,553,191	23,657,498
Motor Cycle	148,904	26,344	175,248	44,973	45,504	148,374
<b>TOTAL</b>	<b>13,423,780</b>	<b>3,201,060</b>	<b>116,326,530</b>	<b>18,132,978</b>	<b>71,439,078</b>	<b>59,962,711</b>
Previous Year	84,715,690	34,712,761	113,423,779	16,336,706	53,461,068	44,479,243

Capital WIP	Gross Block		Depreciation		Net Block	
	As on 1/04/2010	Additions Transfers/ Sale	As On 31/03/2011	For the Year	As on 31/03/2011	As on 31/3/2010
Software	-	208,312,840	208,312,840	-	208,312,840	-
Network Operating System	-	258,126,780	258,126,780	-	258,126,780	-
<b>Total</b>	-	<b>466,439,620</b>	<b>466,439,620</b>	-	<b>466,439,620</b>	-

**Schedule 5 : Investments**
**Quoted**

<b>Short Term</b>	Number of Units			
	31st March 2010	31st March 2011		
<b>Bonds (Non Trade)</b>				
5.10% Prudential Financial Inc	10,000	NIL	–	454,579
5.50% Wachovia Corp	20,000	NIL	–	943,606
5.875% General Elec Cap Corp	10,000	NIL	–	476,148
6% NM Genl Elec Cap Corp Be Bonds Ser Mtna	5,000	5,000	240,556	239,200
6.60% Morgan ST Dean Witter	8,000	NIL	–	383,656
7% HSBC Finance Corp	15,000	NIL	–	703,460
7% NM Household Fin Corp Be Ser Notz	5,000	NIL	–	234,517
7.25% Citi Group Inc	6,000	NIL	–	274,323
7.40% Bank of America Corp	10,000	NIL	–	468,448
7.90% Credit Suisse	500	NIL	–	503,031
8.05% Deutsche Bk Cap Trust V	1,000	NIL	–	917,894
8.125% General Electric Capital	3,000	NIL	–	151,706
8.5% Ing Groep NV	1,500	NIL	–	1,421,015
9% Prudential Financial Junior Subordinate Note	500	NIL	–	542,523
Bank of America Corp (8.20% Depository Scheme )	1,000	NIL	–	1,095,537
Templeton Global	1,600	650	481,344	1,178,168
<b>Total Investment in Bonds</b>			<b>721,900</b>	<b>9,987,811</b>

<b>Mutual Funds (Non Trade)</b>	No of Units			
	Previous Year	Current Year		
Birla Sun Life Dynamic Bond Fund	3,535,901	NIL	–	52,500,000
BSL Dynamic Bond -Ret Div Pay	1,920,934	1,920,934	20,000,000	20,000,000
BSL MIP Savings II Growth	2,919,355	NIL	–	47,592,490
HDFC CMF Whole Sale Growth	3,527,071	202,394	3,999,969	69,706,557
HDFC Monthly Income Plan -Long Term-Monthly Dividend	NIL	1,904,537	24,200,000	–
DSP Merrill Lynch Liquidity Fund - Div -Rev Option)	31,108	NIL	–	332,389
DSP Black Rock Short Term Fund	2,008,458	NIL	–	30,942,901
JP Morgan India -Treasury Fund	2,719,824	NIL	–	32,200,000
RMF Regular Savings Fund Debt Opt Growth	1,581,803	NIL	–	20,000,000
Reliance Monthly Income Plan	1,878,690	1,864,047	20,683,945	21,000,000
Reliance Money Manager Fund Retail Option Wkly Div	NIL	20,900	20,960,946	–
Templeton India Short Term Income Institutional	43,618	NIL	–	50,000,000
Templeton India Short Term Retail	44,885	NIL	–	50,000,000
SBI -Debt Fund Series -90 days-42Dividend		9,411,371	94,113,710	–
SDHF Ultra Short Term fund		1	7	–

Templeton India Low duration Fund		3,904,737	40,848,237	–
			<b>224,806,813</b>	<b>394,274,337</b>
Less : Diminution in value of Investments			1,309,075	235,588
<b>Total Short Term Quoted Investments (A)</b>			<b>223,497,738</b>	<b>394,038,749</b>
<b>Long Term</b>	No of Units/Shares			
Mutual Funds (Non Trade)	Previous Year	Current Year		
Reliance Diversified Power Sector Fund	356,420	356,420	20,000,000	20,000,000
Reliance Growth Fund Retail Plan	272,926	–	–	20,000,000
Franklin Templeton India				
Life Stage Fund of Funds- The 50's Plus	90,348	90,348	903,476	903,476
<b>Equity Shares in Listed Companies</b>				
Jayaswal Neco Limited (Face Value Rs 10/- each)	22,949	22,949	1,746,050	1,746,050
<b>Total of Long Term Quoted Investments (B)</b>			<b>22,649,525</b>	<b>42,649,525</b>
<b>Net Investments (A+B)</b> (Refer Notes 10)			<b>246,869,164</b>	<b>446,676,086</b>
<b>Aggregate Market Value of Quoted Investments</b>			<b>242,387,728</b>	<b>443,811,731</b>

**Schedule- 6 : Current Assets, Loans & Advances**

<b>a) Project Under Progress</b>			722,578,816	764,228,438
<b>b) Inventories</b>			49,176,746	
<b>b) Sundry Debtors</b>				
(Unsecured considered good)				
– Debts outstanding for a period exceeding six months			347,112,796	132,878,190
– Others Debts			1,210,338,955	992,674,135
			<b>1,557,451,752</b>	<b>1,125,552,325</b>
<b>c) Cash &amp; Bank Balances</b>				
i) Cash Balance on hand			475,353	1,485,725
ii) Bank Balance				
– in current accounts			5,208,607	13,054,449
iii) Bank Balance with Non Scheduled Banks				
– current accounts			478,699,457	73,322,308
(iv) in Fixed Deposits				
(Pledged with the Banks against BG's, LC's and CC Accounts)			512,785,676	74,048,350
			<b>997,169,094</b>	<b>161,910,832</b>
<b>d) Loans &amp; Advances</b>				
(Unsecured considered good)				
(i) Advances recoverable in cash or in kind or for value to be received			3,110,179,447	626,767,018
			<b>3,110,179,447</b>	<b>626,767,018</b>

**Schedule 7 Current Liabilities & Provisions**

a) Sundry Creditors	1,175,071,635	633,087,064
b) Lease Liability	1,372,279	2,869,148
c) Advance payment from customers	10,170,100	25,635,941
d) Other Liabilities	247,890,453	209,394,606
	<b>1,434,504,467</b>	<b>870,986,759</b>

**Provisions**

Provision for Taxation	113,900,146	87,403,845
Other Provisions	7,010,583	7,545,936
	<b>120,910,729</b>	<b>94,949,781</b>

**Schedule- 8 : INCOME**
**Income from Operations**

Project Income	574,009,092	566,869,902
Income From sale	1,669,608,377	534,395,698
Income from Project under Progress	586,916,825	841,762,412
	<b>2,830,534,294</b>	<b>1,943,028,011</b>

Closing Stock	49,237,234	
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**Other Income**

Training Charges		743,000
Dividend Income	11,517,850	8,120,005
Interest Income	451,766	
Interest Income - Fixed Deposits	6,389,185	6,386,862
Short Term Capital Gain	8,165,124	7,035,567
Long term Capital Gain	83,430	
Profit on Sale of Car/Fixed Assets	–	447,898
Reversal of Diminution in Value of Investments	–	2,027,113
Gain on Actuarial Valuation of Leave Encashment	–	298,428
Foreign Exchange Fluctuation Gain	194,795	
Liabilities Written Back	2,329,418	7,091,335
Misc Receipts	793,912	55,341
Rent Income	–	25,501
	<b>29,925,481</b>	<b>32,231,050</b>

**Schedule - 9: PROJECT RELATED COSTS**
**Direct Expenses**

Equipment Hire Charges	24,126,789	11,486,174
Job Charges	209,519,528	281,302,504
Consumables	230,512,291	244,760,744
Purchase	1,645,778,264	532,251,119
Boarding & Lodging Expenses	23,235,213	17,343,847
Rent	14,055,985	5,635,757
Professional Fees	50,677,385	146,543,274
Freight & Cartage A/c	15,524,781	13,825,359
Tender Charges	174,322	9,170
Site Expenses	8,032,960	8,328,759
Tools	2,475,375	3,478,244
Cost of Services Rendered	—	7,500,327
Returns from Sales		21,594
<b>Total (A)</b>	<b>2,224,112,895</b>	<b>1,272,486,873</b>

**Indirect Expenses**

Legal Charges	28,438,704	163,460
Computer Repairs & Maintenance	93,835	187,217
Car Hire Charges	18,169,310	29,115,584
Conveyance Expenses	4,509,384	5,818,980
Telephone Expenses	2,027,427	2,897,467
Tour & Travelling Expenses	3,606,261	6,564,177
Repair & Maintenance	73,170	167,862
Security Charges	1,228,737	6,619,219
Service Charges	176,902	405,383
Computer Hire Charges	2,400	12,996
Car Running & Maintenance	224,192	357,220
Discount	—	739,843
Guest House Expenses	1,895,473	2,821,054
Rent	11,155,054	12,819,220
Electricity Exps	1,312,546	
<b>Total (B)</b>	<b>72,913,396</b>	<b>68,689,681</b>
<b>Total Project Related Costs (A)+(B)</b>	<b>2,297,026,291</b>	<b>1,341,176,554</b>

**Schedule- 10 : OPERATIVE & ADMINISTRATION EXPENSES**

Communication Expenses	4,707,241	6,344,939
Contribution to EPF and ESI	10,634,249	10,802,606
Salaries & Incentives	175,008,903	192,432,589
Office Maintenance	7,488,177	9,676,802
Auditor's Remuneration	1,414,435	910,658
Professional charges	26,573,730	33,023,285
Gratuity	58,680	745,206
Leave encashment	3,122,132	—
Director Fees	260,000	190,000
Staff Welfare Expenses	849,591	1,038,162
Rates and Taxes	2,906,887	1,242,962
Repair and Maintenance	4,845,475	5,638,349
Travelling Expenses	5,071,834	5,178,433
Vehicle Maintenance	1,927,497	3,125,252
Business Promotion	2,199,733	1,982,716
Advertisement Expenses	987,750	13,535,404
Conference Expenses	86,779	195,502
Long Term capital Loss	2,897,430	
Bad Debts Written off		6,530,405
Unservicable Project under Progress Written off		23,837,189
Preliminary Expenses Written off	6,935	
Misc Exp	859,460	853,066
Admin Exps	544,621	1,295,872
Other External Goods and services		65,108
Foreign Exchange Fluctuation Loss	122,058	903,963
Loss on Currency Transfer	5,865,442	
Non deductible Expense		96,623
Unreliased Loss on Mutual Funds	1,073,487	
Service Tax	68,866	193,743
Securities Transaction Tax	39,308	
Interest Govt Dues	1,867,547	16,859,702
Social charges	217,070	100,264
Tax	1,429,462	44,292
	<b>263,134,781</b>	<b>336,843,093</b>

**Schedule- 11: FINANCIAL CHARGES**

Interest to Bank	40,785,592	27,037,861
Interest to others	786,212	1,287,471
Bank Charges	6,914,345	3,062,203
	<b>48,486,149</b>	<b>31,387,534</b>



## Consolidated Cash Flow Statement for Year ended 31 st March, 2011

PARTICULARS	AMOUNT (Rs) 2010-11	AMOUNT (Rs) 2009-10
<b>A. Cash Flow from operating activities:</b>		
<b>Net Profit before extra ordinary items and Taxation</b>	<b>281,001,424</b>	<b>248,402,281</b>
Adjustment for:		
Depreciation	18,132,978	16,007,061
Loss/(Profit) on Sale of Investment	(5,351,124)	(9,062,680)
Profit on Sale of Fixed Assets		(438,451)
Dividend Income	(11,517,850)	(8,120,005)
Interest Income from FDR	(6,389,185)	(6,386,862)
Interest Paid	41,571,804	28,325,332
	<b>36,446,623</b>	<b>20,324,395</b>
Operating Profit before working capital changes	317,448,047	268,726,676
Adjustment for:		
Trade and other receivables	(835,819,234)	(777,894,365)
Inventory	(49,176,746)	
Trade payables	562,937,890	450,986,466
Other Payables	(113,393)	446,778
Miscellaneous Expenditure	(4,430,316)	
Cash generated from operations	(9,153,753)	(57,734,445)
Direct taxes paid	53,904,112	153,964,998
Cash flow before extraordinary items	(63,057,865)	(211,699,443)
Foreign Currency Translation Reserve	(4,538,876)	(5,971,317)
<b>Net Cash from/ (used in) operating activities</b>	<b>(67,596,741)</b>	<b>(217,670,760)</b>
<b>B. Cash Flow from investing activities:</b>		
Sale/ (Purchase) of Investment	205,158,047	6,535,883
Purchase of Fixed Assets	(469,640,680)	(6,086,083)
Nu Tek Energy	(30,371)	
Disinvestment in subsidiary		4,706,933
Acquisition in Gulf Corporation through East Africa Distribution	(2,037,843,000)	
Interest Income	6,389,185	6,386,862
Dividend Income	11,517,850	8,120,005
Sale of Fixed Assets	143,339	1,515,816
<b>Net cash from/(used in) investing activities</b>	<b>(2,284,305,631)</b>	<b>21,179,417</b>
<b>C. Cash Flow from financing activities:</b>		
Proceeds from Share Capital (Including of Securities Premium)	3,204,206,904	22,500,000
Redemption of Preference Shares		
Proceeds from borrowings (Net of repayments)	24,525,534	271,740,849
Interest paid	41,571,804	28,325,332
Dividend Paid		20,192,519
<b>Net cash from financing activities</b>	<b>3,187,160,634</b>	<b>245,722,998</b>
Net increase/(decrease) in cash and cash equivalents	835,258,262	49,231,655
Cash and Cash equivalents as at 1st April, 2010 (Opening Balance)	161,910,832	112,679,177
<b>Cash and Cash equivalents as at 31st March, 2011 (Closing Balance)</b>	<b>997,169,094</b>	<b>161,910,832</b>

For **Suman Jeet Agarwal & Co**  
Chartered Accountants

**FOR & ON BEHALF OF THE BOARD**

Suman Jeet Agarwal  
Partner  
Membership Number 91017

**Inder Sharma**  
Chairman & Managing Director

**Vineet Sirpaul**  
Whole Time Director

Date : May 30,2011

**Tushar Varshney**  
Finance Controller

**Sanjay Kumar Singh**  
Company Secretary

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED ACCOUNTS FORMING PART OF BALANCE SHEET AS AT 31 MARCH 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

### (A) Significant Accounting Polices

#### 1. Basis of Accounting

The company maintains its accounts ongoing concern basis following the historical cost convention as per the generally accepted accounting principles prevalent in India and on accrual method of accounting.

#### 2. Basis for preparation of financial statements

The financial statements have been prepared under the historical cost convention, in accordance with Accounting Standards notified by the Central Government and the provisions of the Companies Act, 1956, as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

The preparation of financial statements in conformity with Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Examples of such expenses include estimates of contract completion costs, provision for doubtful debts, useful lives of fixed assets etc. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 3. Basis of Consolidation:

The consolidated financial statements relate to Nu Tek India Limited (the Parent Company) and its subsidiary companies have been prepared in accordance with Accounting Standard 21 (AS-21) - "Consolidated Financial Statements" notified by the Central Government of India. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Parent and its subsidiary companies (together the "group") have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and unrealised profits or losses on intra-group transactions.
- The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Parent Company i.e. year ended 31 March 2011.

The subsidiaries considered in the consolidated financial statements are:

S. No.	Name of the Subsidiaries	Date of Acquisition/ Incorporation	Proportion (%) of Shareholding as on 31 March 2011	Country of incorporation
1	NuTek (HK) Private Limited	8th August 2008	100%	Hong Kong
2	Nu Tek Energy Pvt Ltd	20th Sept. 2010	100%	India
3	Nu Tek Europe SRO	26th April 2010	100%	Czech Republic

#### 4. Revenue Recognition

Revenue from Sales/Services is accounted for as net of taxes and the principles of revenue recognition are given below:-

- Revenue from services rendered is recognized as the service is performed.
- Income from turnkey projects is recognized as a percentage and in proportion to work completion. However in cases of contracts where consideration is separately defined / identified for supply of goods/materials whose distinct identity remains even after project completion, revenue is recognized based on delivery at site to the customers.

- In case of fixed-price contracts, revenue is recognized based on the milestones achieved as specified in the contracts.
- Revenue from sales is recognized upon passing of title/ shipment/Installation of the products and on transfer of significant risk and rewards of ownership.
- Dividend income is recognized when the right to receive dividend is established.
- Interest is recognized on time proportion basis.

#### **5. Fixed Assets**

Fixed Assets are stated at cost of acquisition inclusive of freight, duties, taxes and expenses incidental to acquisition and installation till its present location.

#### **6. Depreciation**

Depreciation on Fixed Assets has been provided on Written down Value Method as per rates prescribed by Schedule-XIV to the Companies Act, 1956.

#### **7. Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition or construction of Fixed Assets, which take substantial period of time to get ready for its intended use, are capitalized until the time all substantial activities necessary to prepare such assets for their intended use are complete. Other borrowing costs are recognized as an expense in the year in which they are incurred.

#### **8. Impairment**

Accounting for impairment of Fixed Assets is done in accordance with the Accounting Standard 28 – “Impairment of Assets”. Accordingly, the carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the assets’ recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Profit and Loss Account. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss has been recognised.

#### **9. Employee Benefits**

- All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits in terms of Accounting Standard 15 (Revised)– “Employee Benefits”. Benefits such as salaries, wages and bonus etc., are recognised in the Profit and Loss Account in the period in which the employee renders the related service.
- Gratuity costs are defined benefits plans. The present value of obligations under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

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

Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

- Benefits under the Company’s leave encashment scheme constitute other long term employee benefits. The obligation in respect of leave encashment is provided on the basis on actuarial valuation carried out by an independent actuary

using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

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

Actuarial gains and losses are recognized immediately in the Profit and Loss Account

- The company is contributing to the Employee Provident Fund maintained under the Employees Provident Fund Scheme by the Central Government.

#### 10. Finance Lease

Accounting for Financial Lease is done in accordance with Accounting Standard 19 – “Leases”. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under leases liability. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Depreciation on Assets held under finance leases has been provided on Written down Value Method as per rates prescribed by Schedule-XIV to the Companies Act, 1956.

#### 11. Accounting for Investments

Investments are accounted for in accordance with the Accounting Standard 13 – “Accounting for Investments”. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other Investments are classified as long term investments. Accordingly,

- The Long Term Investments are recorded at cost except where there is permanent diminution in its value.
- The Short Term Investments are recorded at Cost or Market Price whichever is lower. Unrealized loss arising due to the fall in market price is provided for in the accounts and any gain thereof is ignored.

#### 12. Foreign Currency Transactions

Foreign Currency transactions are being recorded in accordance with Accounting Standard 11 “The Effects of changes in Foreign Exchange Rates”. Accordingly,

- Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Gains and losses, if any, at the year-end in respect of monetary assets and monetary liabilities not covered by the forward contracts are recognized in the Profit and Loss Account.
- Non-Monetary items denominated in foreign currency are stated at the rate prevailing on the date of the transaction.

#### 13. Foreign Currency Translation

In respect of non-integral foreign operations, the translation to Indian Rupee for the purpose of consolidation is performed for Balance Sheet Accounts using the closing exchange rates in effect at the Balance Sheet date and for revenues and expense accounts average exchange rates for the respective periods. The gains or losses resulting from such translations are reported as a separate component of Reserves and Surplus under the head “Foreign Currency Translation Reserves”

#### 14. Taxes on Income

##### **Deferred Tax:**

Deferred Tax Liability is provided pursuant to Accounting Standard – 22, “Accounting for Taxes on Income”. Deferred Tax Assets and Deferred Tax Liability are calculated by applying tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred Tax Liability arising mainly on account of excess depreciation allowed under Income tax laws.

Deferred Tax Assets due to expenses disallowed under section 40(a) under tax laws and on account of other timing differences are recognized only to the extent there is reasonable certainty of its realization.

Deferred Tax Assets due to unabsorbed depreciation or carry forward of losses under tax laws is recognized only to the extent that there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized.

**Current Tax:**

The provision for Taxation is based on estimated assessable total income of the company as determined under the Income Tax Act 1961.

**15. Provisions, Contingencies and Contingent Assets**

Provisions, Contingencies and Contingent Assets are accounted for in accordance with Accounting Standard 29 – “Provisions, Contingent Liabilities & Contingent Assets”. Accordingly,

- A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.
- A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
- Contingent Assets are neither recognized, nor disclosed

**(B) Notes to the Accounts**

**1. Contingent Liabilities**

Bank Guarantees have been given to the extent of Rs.5,80,37,248/- (Previous Year: Rs.10,26,54,132/-) to various parties in the ordinary course of business.

**2. Value of Current Assets, Loans and Advances**

In the opinion of the management, the “Current Assets, Loans and Advances” have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in Balance Sheet .However, balance of sundry debtors, loans and advances are subject to confirmation. The company has sent letter for confirmation of balances and responses received are awaited.

**3. Managerial Remuneration paid/payable to Whole-time Directors**

(Figure in Rupees)

Particulars	2010-2011	2009-10
Inder Sharma	93,33,360	93,33,360
Vineet Sirpaul	27,21,276	25,13,079
<b>Total</b>	<b>1,20,54,636</b>	<b>1,18,46,439</b>

4. Value of Imports on CIF Basis is NIL. The company has purchased materials of Rs. 34,98,41,905/- (Previous Year: Nil) from Singapore which has sold to Dubai as third country export.

**5. Expenditure incurred in foreign currency:**

(Figure in Rupees)

Particulars	2010-2011	2009-10
Professional Charges	1,17,888	3,43,468
GDR issue Expenses	13,50,05,704	NIL
Other Expenses	18,46,28,892	6,06,35,976
<b>Total</b>	<b>31,97,52,484</b>	<b>6,09,79,444</b>

**6. Earning in Foreign Exchange:**

(Figure in Rupees)

Particulars	2010-2011	2009-10
Export of Service/Materials	61,93,81,879	8,32,08,811
Other Income	24,17,057	4,96,041
<b>Total</b>	<b>62,17,98,936</b>	<b>8,37,04,851</b>

**7. Auditors Remuneration**

(Figure in Rupees)

Particulars	2010-2011	2009-10
Audit Fee	8,14,435	7,53,858
Tax Audit Fee	3,00,000	3,00,000
Internal Audit Fees	1,50,000	NIL
<b>Total</b>	<b>12,64,435</b>	<b>10,53,858</b>

8. An amount of Rs.23.29 Lakhs (Rupees Twenty three lakhs twenty nine thousand only) has been written back in the books on account of renegotiation with the vendors in relation to job charges, legal charges and Equipment Hire charges. The same are no longer required to be paid and have been written back.
9. The balance amount of disinvestment of subsidiary at Turkey amounting to Rs.29,86,663/- is yet to be received.
10. There is loss of Rs 58,65,442/- in Nu Tek Europe SRO due to currency trading to hedge the foreign currency loss.
11. The Proceeds raised from the issue and its utilization up to 31 March 2011 are given below:

Particulars	Amount in Rupees
<b>Total fund raised through IPO</b>	
Equity	35,000,000
Security Premium	637,000,000
<b>Total</b>	<b>672,000,000</b>
<b>A. Actual Utilization</b>	
1. Capital Expenditure	27,500,000
2. Overseas Acquisition	
3. Long Term Working Capital	32,79,97,884
4. Expenses relating to IPO	7,07,91,827
<b>Total</b>	<b>42,62,89,711</b>
<b>B. Funds Unutilised</b>	<b>24,57,10,289</b>
<b>( Invested in Liquid / Liquid plus funds in Mutual Funds)</b>	
<b>Total (A +B)</b>	<b>672,000,000</b>

**12. Issue of Global Depository Receipt**

During the Financial Year 2010-11 the Company has issued 12 crores equity shares having face value of Rs.5 each representing 120 Lakhs GDRs in two tranches out of that 4 crores equity shares were issued at a price of 33.52 on 5th August, 2010 and 8 crores equity shares were issued at a price of Rs.24.98 on 14th December, 2010





**B. General description of gratuity plan (Defined benefit plan) :**

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days basic salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefits vests after five years of continuous service. The Company has set a limit of Rs. 350,000 per employee. However the company plans to invest in a fund or will obtain an insurance policy and is looking for a suitable recommendation for the same. The same would be implemented in the next financial year.

**C. Policy for Leave Encashment**

The company has adopted a policy for awarding for Leave Encashment to its employees. The provision is made on the basis of actuarial valuation.

**17. Transaction with related parties pursuant to Accounting Standard-18**

(Figure in Rupees)

S.No.	Name	Nature of Relationship	Nature of Transaction	Amount of Transaction		Amount o/s as on	
				2010-11	2009-10	31st March 11	31st March 10
1	Oriental Stitch Pvt. Ltd.	Company Owned by Director	Rent	4,200,000	4,200,000	3,42,176	NIL
			Security deposit for property	NIL	NIL	2,100,000	2,100,000
2	Inder Sharma	Key Management Personnel	Salary	9,333,360	9,333,360	1,77,915	3,65,609
			Warrant Application Money	NIL	22,500,000	22,500,000	22,500,000
			Rent	23,75,556	3,624,444	Nil	Nil
			Security deposit for property	NIL	NIL	750,000	750,000
3	Vineet Sirpaul	Key Management Personnel	Salary	27,21,276	2,513,079	1,81,918	2,15,918

**18. Disclosure pursuant to Accounting Standard 19 'Leases':**

Asset acquired under Financial Lease : Laptops  
 Net Carrying Amount of Laptops as at 31 March 2011 : Rs.24, 14,710/-  
 (Previous Year Rs.40, 24,517/-)

(Figures in Rupees)

Particulars	Minimum Lease Payments (MLP) At 31.03.2011	Present Value of Minimum Lease Payments At 31.03.2011	Minimum Lease Payments (MLP) At 31.03.2010	Present Value of Minimum Lease Payments At 31.03.2010
At the Balance Sheet date	8,51,068	6,33,114	2,975,865	2,325,227
Less than one year	8,51,068	6,33,114	2,124,797	1,692,113
One to five years	NIL	NIL	851,068	633,114
Greater than five years	NIL	NIL	NIL	NIL



**19. Disclosure pursuant to Accounting Standard 20 'Earnings Per Share':**

The Company calculates the Basic Earnings per share as required by Accounting Standard 20. For the financial year ending 31 March 2011, the company does not have any Potential Equity shares.

**Computation of Basic Earnings per Share**

(Figures in Rupees)

Particulars	2010-2011	2009-10
Basic Earnings available to Equity Share holders (A)	19,30,76,721	18,27,41,910
Weighted Average Number of Equity Shares outstanding during the period (B)	8,43,81,614	3,45,18,600
<b>Basic Earnings per Share (A) / (B)</b>	<b>2.29</b>	<b>5.29</b>

**Computation of Diluted Earning Per Share**

(Figures in Rupees)

Particulars	2010-2011	2009-10
Diluted Earnings available to Equity Share holders (A)	19,30,76,721	18,27,41,910
Weighted Average Number of Equity Shares outstanding during the period (B)	8,43,81,614	3,45,18,600
<b>Diluted Earnings per Share (A) / (B)</b>	<b>2.29</b>	<b>5.29</b>

**20. Deferred Tax**

Deferred tax has been calculated in accordance with the provisions of Accounting Standard – 22, Accounting for Taxes on Income, prescribed by the Companies (Accounting Standards) Rules, 2006. The details of which are as under:

Particulars	As at 31-Mar-11	As at 31-Mar-10
Deferred Tax Liability on account of:		
(a) Depreciation	21,53,104	3,329,308
Sub Total: (A)	21,53,104	3,329,308
Deferred Tax Asset on account of:		
(a) Depreciation		
(b) Timing difference due to expenses disallowed in current year u/s 40(a) & 43B and Leased Assets	26,21,958	11,164,594
Sub Total: (B)	26,21,958	11,164,594
Net deferred Tax Asset/(Liability) (B)-(A)	4,68,854	7,835,286

**21. Disclosure pursuant to Accounting Standard 29 'Provisions, Contingent Liabilities and Contingent Assets':**

(Figures in Rupees)

Particulars	Provision for Interest on Service Tax	Provision for Interest on TDS
Opening Balance	2,97,420/- (Prev Year- 10,21,363)	2,82,397/- (Prev Year- 9,46,223/-)
Add: Provision made during the year	NIL/- (Prev Year- 2,97,420/-)	1,88,609/- (Prev Year- 2,82,397/-)
Less: Payment made during the year	2,97,420/- (Prev Year-10,21,363/-)	2,82,397/- (Prev Year-9,46,223/-)
Closing Balance	NIL/- (Prev Year-2,97,420/-)	1,88,609/- (Prev Year- 2,82,397/-)

**22. Statement of Investments in Fully paid up equity Shares ,forming part of the Balance Sheet as on 31 March 2011**

Security Name	Opening Quantity	Bought Quantity	Sold Quantity	Closing Quantity
JAYASWAL NECO INDUST	22,249	NIL	NIL	22,249
<b>TOTAL</b>	<b>22,249</b>	<b>NIL</b>	<b>NIL</b>	<b>22,249</b>

23. Nu Tek Energy Pvt Ltd has bidden for the project in NTPC Vidyut Vyapar Nigam Ltd during the year against which BG of Rs 1 Crores was issued to NTPC through Nu Tek India Ltd for 100% margin The bid was not successful so the BG was cancelled and subsequently the the margin amount was refunded in Nu Tek India Account.
24. Nu Tek India Limited has been carrying on operations through site offices all over India. The site office expenses have been incorporated in the books of head office at Gurgaon.
25. Previous year figures have been regrouped/ recast / restated wherever considered necessary to make them comparable with those of the current year.
26. Un –paid Dividend for the Financial year 2008-2009 of the amount of Rs.98,250 is outstanding as on 31 March, 2011
27. Consolidated financial statements forming part of the accounts with the Auditors report thereon are attached herewith.
- As per our separate report of even date attached

For **Suman Jeet Agarwal & Co**  
Chartered Accountants

**FOR & ON BEHALF OF THE BOARD**

Suman Jeet Agarwal  
Partner  
Membership Number 91017

**Inder Sharma**  
Chairman & Managing Director

**Vineet Sirpaul**  
Whole Time Director

Place : New Delhi  
Date : May 30,2011

**Tushar Varshney**  
Finance Controller

**Sanjay Kumar Singh**  
Company Secretary

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## NOTICE

Notice is hereby given that the 18th Annual General Meeting of NU TEK INDIA LIMITED will be held at Air Force Auditorium, Subrato Park, New Delhi -110010 on Thursday, the 30th day of June, 2011 at 3.30 P.M. to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date along with the Annexure thereto and the reports of Auditors and Directors thereon.
2. To appoint auditors to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Sumanjeet Agarwal & Co., Chartered Accountants, the retiring auditors are eligible for reappointment.
3. To appoint a Director in place of Mr. Sandeep Bedi, who retires by rotation and being eligible, offers himself for reappointment.

### SPECIAL BUSINESS

1. **To consider and if thought fit, to pass with or without modification (s), the following resolution as Ordinary Resolution:**

“RESOLVED THAT Mr. Sanjay Jain, who was appointed as additional director by the Board of Directors pursuant to the Section 260 of the Companies Act, 1956 read with the Articles of the Article of Association of the Company, whose term as director is expiring at the commencement of annual general meeting be and is hereby appointed as director of the Company, liable to retire by rotation in accordance with provisions of Section 257 of the Companies Act, 1956 and all other applicable provisions.”

2. **To consider and if thought fit, to pass with or without modification (s), the following resolution as Ordinary Resolution:**

“RESOLVED THAT Mr. Mahesh Khera, who was appointed as additional director by the Board of Directors pursuant to the Section 260 of the Companies Act, 1956 read with the Articles of the Article of Association of the Company, whose term as director is expiring at the commencement of annual general meeting be and is hereby appointed as director of the Company, liable to retire by rotation in accordance with provisions of Section 257 of the Companies Act, 1956 and all other applicable provisions.”

3. **To consider and if thought fit, to pass with or without modification (s), the following resolution as Ordinary Resolution:**

“RESOLVED THAT Mr. Amar Sarin, who was appointed as additional director by the Board of Directors pursuant to the Section 260 of the Companies Act, 1956 read with the Articles of the Article of Association of the Company, whose term as director is expiring at the commencement of annual general meeting be and is hereby appointed as director of the Company, liable to retire by rotation in accordance with provisions of Section 257 of the Companies Act, 1956 and all other applicable provisions.”

4. **To consider and if thought fit, to pass with or without modification (s), the following resolution as Special Resolution**

“RESOLVED THAT pursuant to provisions of Section 198, 269, 309 and other applicable provisions, if any of the Companies Act, 1956 read with schedule XIII as amended, Mr. Inder Sharma be and is hereby appointed as the Managing Director of the company for a period of five years with effect from 1st April, 2011 on the following remuneration.

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Basic Salary	Rs.40,00,000.00 per annum
Gratuity	As per Company Rule (Rs.2,00,000) per annum
Ex-gratia	4,00,000.00 per annum

And the Flex Basket Rs. (59,00,000.00) will include the following expenses in it-

- Fuel – 4,200 liters.
- Medical – Rs.15,000.00
- Veh maint- Rs. 96,000.00
- Telephone- Rs.72,000.00
- Car lease Value –Actual
- Road Tax- Actual.
- Insurance-Actual.
- Hard furnishing Rs.1,00,000.00
- LTA- As per company Rule.
- Provident Fund -Rs.1560 including employees and employers contribution
- others – cash

Mr. Inder Sharma will be entitled to get salary including the entire perquisite up to the maximum amount of Rs.105,00,000.00 (one crore five Lacs) per annum and in case of loss or inadequate profit of the Company, He will be entitled to get maximum Rs.24,00,000.00 (Twenty Four Lacs) per annum as his salary.

**RESOLVED FURTHER THAT** Mr. Inder Sharma may continue to act as Chairman of the Board.

**RESOLVED FURTHER THAT** the Managing Director shall exercise and perform such powers and duties as the Board of the Directors of the company shall from time to time, determine, and subject to any direction and restrictions from time to time, given and imposed by the Board of Directors and further subject to superintendence, control and direction of the Board of Directors, he shall have the general control, management and superintendence of the business of the company with power to appoint and to dismiss employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts, deeds, and things, which in the ordinary course of business, he may consider necessary or proper or in the interest of the Company, provided however, that nothing shall be done by the Managing Director which by the Act or the Articles of the company shall be transacted at a meeting of the Board by resolution or which shall not be effective unless approved by the Board and which are not expressly provided.

By the order of the Board  
FOR NU TEK INDIA LIMITED

Date : 30th May, 2011

Place : New Delhi

General Counsel &  
Company Secretary

**NOTES: -**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of himself. Such a proxy need not be a member of the company. Proxies in order to be valid and effective must be delivered at the registered office of the company not later than forty-eight hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Book will remain closed from 25th of June, 2011 to 30th June, 2011 (both days inclusive) in the terms of provisions of Section 154 of the Companies Act, 1956 and clause 16 of the Listing Agreement with Stock Exchanges.
3. Members/proxies should bring the attendance slip duly filled in for attending the meeting.
4. Members having shares in physical form are requested to notify change in their address to the Company's Registrar and Share Transfer Agent M/s Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad- 500029. Ph. 040-27638111, 27634445, 27642217. Members holding shares in electronic form are requested to notify changes in their address to their depository participant. Members are also requested to update their email ID with their respective Depository Participants to enable the company to communicate with the Members in effective manner in view of the green initiative of the Ministry of Corporate Affairs.
5. Since the Company's share are in compulsory demat trading, to ensure better services and elimination of risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialized their shares at the earliest.
6. To avail the facility of Nomination, the members may write to the Company for obtaining the nomination form.
7. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the Special Business to be transacted at the meeting is annexed herewith and forms part of the notice.

By the order of the Board  
FOR NU TEK INDIA LIMITED

Date : 30th May, 2011  
Place : New Delhi

General Counsel &  
Company Secretary

## **Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956**

### **Special Business:-**

1. Mr. Sanjay Jain is a Chartered Accountant, who was appointed as Additional Director of the Company by the Board at its meeting held on 18th January 2011. He is having vast knowledge and experience in the field of Audit and Taxation as he has been in Practice as Chartered Accountant for last so many years and has exposure in Statutory as well as Internal Audit, Taxations and other related financial area. The Board of Directors has also appointed him as Member of the Audit Committee and currently he is also acting as Chairman of the Audit Committee. His term of office as director is being expired at the commencement of ensuing annual general meeting. The Board recommends his appointment as regular director of the company, liable to retire by rotation, to get benefit of his experience in exploring the vistas of the company business.

None of the Directors except Mr. Sanjay Jain is interested anyway in the proposed resolution.

2. Mr. Mahesh Khera was appointed as Additional Director of the Company by the Board of Directors of the Company at its meeting held on 14th February, 2011. He has done B. E., M. Tech. and served Indian Army at various levels. He has been associated with various listed and unlisted companies. He is founder director Khera TNT Consulting Private Limited. His term of office as director is being expired at the commencement of ensuing annual general meeting. The Board recommends his appointment as regular director of the company, liable to retire by rotation, to get benefit of his experience in exploring the new business opportunities for the company.

None of the Directors except Mr. Mahesh Khera is interested anyway in the proposed resolution.

3. Mr. Amar Sarin was appointed as Additional Director of the Company by the Board of Directors of the Company at its meeting held on 31st March, 2011. He has done M.S. He is also one of the directors of Samedysis Pvt. Ltd. His term of office as director is being expired at the commencement of ensuing annual general meeting. The Board recommends his appointment as regular director of the company, liable to retire by rotation, to get benefit of his experience.

None of the Directors except Mr. Amar Sarin is interested anyway in the proposed resolution.

4. Mr. Inder Sharma is one of the promoters of the Company and has been director since its inception in year 1993. He was appointed as Managing Director with effect from 1st April 2006 by Board of Directors at a remuneration of Rs. 60 lakhs per annum, which was subsequently approved by the shareholders under the provisions of section 198, 309 and section 206 read with schedule 13 of the Companies Act, 1956. Further his salary was reduced from Rs. 60 lakhs per annum to Rs. 48 lakhs per annum by the shareholders at their Annual General Meeting held on 13th September 2006. His salary was increased to Rs. 96 lakhs per annum by the shareholders at their Extra Ordinary General Meeting held on 27th April 2007 and he is currently drawing Rs. 96 lakhs per annum as his remuneration from the Company including all perquisites.

Based upon the approval of the remuneration committee of the Company, the Board of Directors at their meeting held on 31st March, 2011 has reappointed Mr. Inder Sharma as Chairman & Managing Director for next five years with effect 1st April, 2011 subject to the approval of the shareholders of the company. Upon passing of the proposed resolution Mr. Inder Sharma shall be entitled to act as Chairman & Managing Director and to receive remuneration up to Rs.1.05 crores per annum including all perquisites for a period of five years. The Board recommends appointment of Mr. Inder Sharma.

None of the directors except Mr. Inder Sharma and Mrs. Sumati Sharma are interested anyway in the proposed resolution.

Details of the directors seeking appointment/reappointment in forth coming Annual General Meeting:

Name of the Director	Mr. Sanjay Jain	Mr. Mahesh Khera	Mr. Amar Sarin	Mr. Sandeep Bedi	Mr. Inder Sharma
Date of Birth	16th May 1965	20th March 1952	21st November, 1960	29th April, 1973	4th August, 1967
Qualification	Chartered Accountant	B.E, M. Tech	M.S.	B.E. in Computer Engineering	B. E.
Expertise	He is a Chartered Accountant having rich experience in large corporate audits, restructuring and taxation matters.	He has more than 38 years experience in corporate sector holding various designations in listed and unlisted Companies. He has also worked in India Army from 1974 to 1997 under various posts such as COO Army Telecom Unit, Director Telecom Projects, Senior Management Cadre Army Telecom Services etc. He is founder Director of Khera TNT Consulting Private Limited	He is Orthopedic & Ilizarov surgeon and trained more than 70 orthopedic surgeons in Ilizarov surgeries and currently working as senior consultant in BL Kapoor Hospital, Pusa Road, New Delhi.	He has 13 years of experience in Electronics and Telecom field. He started his career as System Analyst in TCS Ltd in April, 1994 and has worked in senior position with EDS, IBM, Keane India Ltd., Genpact Software and Agilent Technologies (as India Head -E Business Division). Presently he is working as Associate director of COLT Telecom responsible for transition, solutions, program management and global delivery.	He is the Promoter of the Company and has been director of the Company since its inception. He has been appointed as Managing Director of the Company since 1st April, 2006.
List of other directorship	NIL	KTMT Consulting Private Limited, BS Traurcomm Ltd.	Samedysis Pvt. Ltd.	NIL	Nu Tek Cellulars Private Limited Nu Tek Structures Private Limited. Nu Tek Energy Private Limited, Nu Tek HK Private Limited, Oriental Stitch Private Limited
Chairman/member of the Committees of the Board of the Company	Audit Committee and Remuneration Committee	NIL	NIL	Audit Committee and Remuneration Committee	Shareholders Grievances Redressal Committee

By the order of the Board  
FOR NU TEK INDIA LIMITED

Date : 30th May, 2011  
Place : New Delhi

General Counsel &  
Company Secretary

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## NU TEK INDIA LIMITED

Regd. Off.:- 605, Siddharth Building, 96, Nehru Place, New Delhi-110019

### PROXY FORM

(Pursuant to the provisions of Section 176 (6) of the Companies Act, 1956)

I / We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member / members of the above named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my / our proxy to vote for me / us on my/ our behalf at the Annual General Meeting of the Company to be held on 30th day of June, 2011 and at any adjournment thereof.

Signed this ..... Day of ..... 2011

Affix  
1 Rs/-  
Stamp

Name of Member/ Members: \_\_\_\_\_

Folio No :- \_\_\_\_\_

Nos of Share held : \_\_\_\_\_ ( from \_\_\_\_\_ to \_\_\_\_\_ )

The 17th Annual General Meeting

## NU TEK INDIA LIMITED

605, Siddharth Building, 96,  
Nehru Place, New Delhi- 110019

I/We \_\_\_\_\_ resident of \_\_\_\_\_ dist. \_\_\_\_\_ having \_\_\_\_\_ number of shares of Rs.5 each having folio number \_\_\_\_\_ /DP ID number \_\_\_\_\_ Client ID number \_\_\_\_\_ record my presence in the 18th Annual General Meeting of Company NU TEK INDIA LIMITED, held at Air Force Auditorium, Subrato Park, New Delhi- 110010 on, 30th June, 2011 at 3.30 P.M.

Signature of Member/Proxy

Name of the Member/Proxy





# BOOK POST



If undelivered please return to :

**NU TEK INDIA LIMITED**

B-27, Infocity, Sector-34,  
Gurgaon - 122001 (Haryana)  
Tel. : +91 124 305 4600