



NU TEK INDIA LIMITED

**ANNUAL REPORT
2010 - 2011**

C o n t e n t s

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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

REGISTRAR AND TRANSFER AGENTS

AARTHI Consultants Private Limited
1-2-285, Domalguda
Hyderabad-500029
Tel:+9140 4012 8274
E-mail: info@aarthiconsultant.com
Website: www.aarthiconsultant.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

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
Total Income	259.57	189.15	286.05	197.53
Total Expenses	237.43	164.88	255.94	170.94
Profit before Tax and Depreciation	22.14	24.27	30.10	26.59
Less, Depreciation	1.79	1.60	1.81	1.63
Profit before Tax	20.35	22.68	28.29	24.96
Profit after Tax	13.89	17.15	21.01	19.43
Profit after Tax available for appropriation	12.19	15.87	19.31	18.27
Balance to the credit of Profit and loss account	12.19	15.87	19.31	18.27

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

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.

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.

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.