



NU TEK INDIA LIMITED



ANNUAL REPORT

2014 -15

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BOARD OF DIRECTORS

Mr. Inder Sharma, Chairman cum Managing Director
Mrs. Sumati Sharma, Director
Mr. Mr. Ayub Yaegaung Younes, Director
Mr. Amar Sarin, Independent Director
Mr. Rajiv Kumar, Independent Director
Ms. Nitika, Additional (Independent) Director

GENERAL COUNSEL & COMPANY SECRETARY

Mr. Sanjay Kumar Singh

CHIEF FINANCIAL OFFICER (CFO)

Mr. Ashish Bankar

STATUTORY 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

INTERNAL AUDITORS

M/s Sanjeev Kavish & Associates,
Chartered Accountants
1011, Basement, Sector 15, Part-II,
Gurgaon, Haryana – 122001

SECRETARIAL AUDITORS

Sukesh & Co.
Company Secretaries
Deswal Farm, 37 KM, Delhi Jaipur Road, Near Hero
Honda Chowk and Hyundai showroom, Gurgaon-
122004

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

A-213, Road no.-4, Gali no.-11,
Mahipalpur, New Delhi-110037
Tel: +9111 3269 4477

CORPORATE OFFICE

B-27, Infocity, Sector-34
Gurgaon- 122001 (Haryana)
Tel: +91124 612 4600

BANKERS

State Bank of India
Commercial Branch, Palm Court
Gurgaon-122002

CIN: L74899DL1993PLC054313
Website: www.nutek.in
E-mail: info@nutek.in

DIRECTOR'S REPORT

Dear Shareholders.

We are happy to present on behalf of the Board of Directors, the Twenty Second Annual Report on the business and operation of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

Financial Highlights:

Particulars	For the year ended 31st March, 2015 Standalone	For the year ended 31st March, 2014 Standalone	For the year ended 31st March, 2015 Consolidated	For the year ended 31st March, 2014 Consolidated
	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
Income from Operation	66.05	139.23	81.64	156.54
Other Income	0.32	1.56	0.32	1.56
Total Income	66.37	140.79	81.96	158.10
Operational Expenses	65.03	137.98	78.71	149.74
Exceptional Items	-	29.85	-	31.75
Total Expenses	65.03	167.83	78.71	181.49
Profit before Tax and Depreciation	1.34	(27.04)	3.25	(23.39)
Less, Depreciation	0.69	1.06	7.16	7.24
Profit before Tax	0.65	(28.10)	(3.91)	(30.63)
Profit after Tax	0.38	(28.04)	(4.22)	(30.33)
Profit after Tax available for appropriation	0.38	(28.04)	(4.22)	(30.33)
Balance to the credit of Profit and loss account	0.38	(28.04)	(4.22)	(30.33)

State of Affairs

FY2014-15 was a challenging year for the company, wherein the income from operations decreased by around 52.56% to reach Rs.66.05 crores as compared to Rs.139.23 crores during the last financial year. Other income for the year also decreased to reach Rs..0.32 crores, compared to Rs.1.6 crores in the previous year. Operational expenses for the year were Rs..65.03 crores as compared to Rs.137.98 crores in previous year. Exceptional items were nil as against Rs.29.85 crores in previous year. As a result, PBDT (Profit before Tax and Depreciation) was Rs.1.34 crores as against (Rs.27.04) crores for the previous year. Consequently, PAT (Profit after Tax) was reported at Rs..0.38 crores as compared to (Rs.28.04) crores in last year. The main reason for decrease in Income from Operation as compared to previous year because earlier the company was executing capital intensive products with lower margin but in current year focus was on projects having more profits even if it does not have volume.

Transfer to Reserves

The Company has carried balance of Rs.0.38 Crores to the Reserve & Surplus Account of the Balance Sheet as on 31st March 2015.

Dividends

The Board has decided not to recommend any dividend for the year ended 31st March, 2015. The outstanding balance in the unpaid dividend account 2009 as on date is Rs.98.175.

Investments

The total investment as on date in 100% subsidiaries Rs.348.62 Crores and investment in equity shares & mutual funds are Rs.13.71 Crores.

Public Deposits

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

Subsidiary Companies

As per the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies/Associate Companies/Joint Ventures is prepared in Form AOC-1 and same is enclosed to this Report as Annexure I.

Extract of Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 is attached as a part of this Annual Report as

Annexure-II.

Quality

The Company is certified by ISO 9001:2008 and OHSAS18001: 2007 and the Company has also got environmental management system certification EMS: 14001:2004. 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. The Company is also conscious about the environment impact out of the operations of the company and has got itself audited and certified under EMS as well.

SEBI Regulation & Listing Fees

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

Corporate Governance

Your company believes Corporate Governance is at the core of stakeholder's satisfaction. Adequate steps have taken to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. A report on Corporate Governance is attached elsewhere in this Annual Report along with the Certificate of CS. Sukesh Saini, Practicing Company Secretary on the compliance thereof.

Board of Directors

The Board of Directors comprises of 6 directors. Out of which one is executive, two are non-executive rotational directors, two are Independent Directors and one is Additional (Independent) Director. Out of two executive Directors, Mrs. Sumati Sharma is retiring by rotation and has expressed her willingness to be reappointed as director. The Board has appointed Ms. Nitika as Additional Director on 15th May, 2015. Her appointment will come to an end at the commencement of ensuing 22nd Annual General Meeting if it is not regularized by the shareholders at their meeting. Ms. Nitika has declared that she is not disqualified to be appointed as director of the company. The Board recommends her regularization as Independent Director not liable to retire by rotation.

Policy on Directors' Appointment & Remuneration

The policy of the Company for Appointment & Remuneration of Directors, Key Managerial Personnel & Senior Employees including the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board relating to the remuneration for the directors, key managerial personnel and other employees as provided under Section 178(3) of the Companies Act, 2013, adopted by the Board is enclosed as Annexure III to this Annual Report.

Declaration from Independent Directors on Annual Basis

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

Statement of particulars of appointment and remuneration of managerial personnel:

The Statement of particulars of Appointment and Remuneration of Managerial personnel as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure -IV to this Annual Report.

Particulars of Employees

As per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company had no employee who:-

(i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees; (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month; (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

Board Meetings:

The Board of Directors met eight (8) times during this financial year, the details of which are given on *Corporate Governance Report* that forms the part of this Annual Report. The intervening gap between any two meetings was within

the prescribed time by the Companies Act, 2013.

Reappointment of Auditors

The Auditors of the Company M/s Sumanjeet Agarwal & Co., Chartered Accountants are retiring at the ensuing Annual General Meeting. They were appointed as Auditors of the Company at the Annual General Meeting held on 29th September, 2014 for one year thereby completing their first consecutive term of 5 years. As per the requirement of Section 139 reads with Rule 6 and all other applicable provisions of Companies Act, 2013, M/s Sumanjeet Agarwal & Co., Chartered Accountants are eligible to be appointed as Auditors of the Company for next 5 years. The Auditors of the Company M/s Sumanjeet Agarwal & Co., Chartered Accountants being eligible, have offered themselves for reappointment for their second consecutive term of five years (subject to ratification of their appointment at every AGM and fulfillment of all other prescribed conditions). M/s Sumanjeet Agarwal & Co., Chartered Accountants has also declared that they are not disqualified to be appointed as Auditors of the Company for next term of five years. The Board recommends re-appointment of M/s Sumanjeet Agarwal & Co., Chartered Accountants as Statutory Auditors of the Company.

Explanation to Auditor's qualification

The Auditors has observed while reporting under CARO that the company has not deposited some statutory dues during the FY 2014-15. Since the Company suffered huge losses during last Financial Year i.e FY 2013-14, there was some liquidity issues, due to which some statutory dues have not been paid. The Company has discharged full service tax liability and substantial amount of other taxes including TDS have been paid. The Directors are taking effective steps so that the rest of the liabilities are paid at the earliest.

Secretarial Audit:

Secretarial Audit Report as provided by M/s Sukesh & Co., Practicing Company Secretary is annexed to this Report as annexure V.

Particulars regarding conservation of energy, technology absorption, and foreign exchange earnings and outgoings pursuant to provisions of section 134(3)(m) of the companies act, 2013 read with The Companies (Accounts) Rules, 2014.

(A) Conservation of energy:

(i) Steps taken or impact on conservation of energy: Not applicable since 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 equipment 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

(ii) Steps taken by the company for utilizing alternate sources of energy including waste generated: **N.A**

(iii) Capital investment on energy conservation equipment: **N.A**

(B) Technology absorption:

1. Efforts, in brief, made towards technology absorption: **NIL**

2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, imports substitution, etc: **NIL**

3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:

(a) Details of technology imported: **NIL**

(b) Year of import: **NIL**

(c) Whether the technology been fully absorbed: **NIL**

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore: **NIL**

4. Expenditure incurred on Research and Development: **NIL**

(C) Foreign exchange earnings and Outgo

There is Foreign exchange earnings of Rs.7.53 crores and the foreign exchange expenditure of Rs.0.67 Crores during the year.

Composition of Audit Committee

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 consists of:

Mr. Rajiv Kumar	Chairman (Independent Director)
Mr. Amar Sarin	Member (Independent Director)
Mrs. Sumati Sharma	Member (Non -Executive Director)

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

Composition of Stakeholder Relationship Committee

The Stakeholder Relationship Committee was re-constituted by our Directors vide their Board Meeting held on 30th May, 2014. This Committee is responsible for the smooth functioning of the share transfer process as well as redressal of shareholder grievances. The Stakeholder Relationship Committee consists of:

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

Nomination & Remuneration Committee

The Nomination & Remuneration Committee of the Board was constituted on 30th May, 2014, as per the Companies Act, 2013 and Listing Agreement thereby reconstituting Remuneration Committee as framed earlier.

The composition of Remuneration committee as on 31.03.2015 consists of:

- | | | |
|----|--------------------|----------------------------------|
| 1. | Mr. Rajiv Kumar | Chairman (Independent Director) |
| 2. | Mr. Amar Sarin | Member (Independent Director) |
| 3. | Mrs. Sumati Sharma | Member (Non- Executive Director) |

Vigil Mechanism

The Board of Directors have adopted Whistle Blower Policy. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy. A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases.

Director's Responsibility Statement

The Directors Confirm as required under 134 (5) of the Companies Act, 2013:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

Formal annual evaluation of Board:

Evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

A) Criteria for evaluation of Board of Directors as a	i. The frequency of meetings;
	ii. The length of meetings;

whole	iii. The administration of meeting;
	iv. The number of committees and their roles;
	v. The flow of information to board members and between board members;
	vi. The quality and quantity of information; and
	vii. The Disclosure of Information to the stakeholders.
B) Criteria for evaluation of the Individual Directors	i. Ability to contribute and monitor corporate governance practices;
	ii. Ability to contribute by introducing best practices to address top management issues;
	iii. Participation in long term strategic planning;
	iv. Commitment to the fulfillment of director obligations and fiduciary responsibilities;
	v. Guiding strategy;
	vi. Monitoring management performance and development;
	vii. Statutory compliance & corporate governance;
	viii. Attendance and contribution at Board /Committee meetings;
	ix. Time spent by each of the member; and
	x. Core competencies.

Particulars of loans, guarantees or investments:

The Company have duly complied with the provision of Section 186 of the Companies Act, 2013 and it has taken

SECURED LOANS: NIL

UNSECURED LOANS: NIL

CURRENT/NON-CURRENT INVESTMENTS: NIL

GUARANTEES: NIL

SECURITIES EXTENDED: NIL

Risk Management Policy:

Risk Management Policy is framed based on Listing Agreement entered by the Company with the Stock Exchange and under the provisions of the Companies Act, 2013 and rules made there under. The objective of Risk Management is to create and protect shareholder value by minimizing threats or losses, and identifying and maximizing opportunities.

Corporate Social Responsibility Policy:

In pursuant to the provisions of section 135 and schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors was formed to recommend (a) the policy on Corporate Social Responsibility (CSR) and (b) implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy for consideration and approval by the Board of Directors. The Corporate Social Responsibility (CSR) Committee was constituted by our Directors vide their Board Meeting held on 30th May, 2014 as per Section 135 of the Companies Act and rules made there-under. The CSR Committee consists of:

1. Mr. Inder Sharma - Chairman
2. Mrs. Sumati Sharma - Member
3. Mr. Rajiv Kumar - Member

REASON FOR NOT SPENDING: The Company falls under the purview of CSR as its net worth was exceeding Rs. 500 crore in the Financial Year 2012-13, but the Company's profits were not enough to carry out the CSR activities. Since the last three financial years, the Financial Results of the company has recorded continuous financial strain thereby making negative profits. Moreover during the financial year 2013, the company has suffered exceptional loss of Rs. 29.85 crores. This resulted into negative profit. Due to this, the company has not carried any CSR activities but it will make all possible efforts to work hard and make it possible to contribute itself to social cause.

Related Party Transactions:

During the Financial Year 2014-15, there are no contracts/arrangements entered into by the company with related

parties referred to in sub-section (1) of section 188 of the Companies Act, 2013.

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 as Annexure-VI.

Acknowledgements and Appreciation

Your Directors take this opportunity to thank 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: New Delhi

Date: 28th August, 2015

BY THE ORDER OF THE BOARD

Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

Annexure-I

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Sl. No.	PARTICULARS	NAME OF SUBSIDIARIES		
		NuTek (HK) Private Limited	NuTek Europe sro.	Ketun Energy Private Limited
1	Reporting Period	31.03.2015	31.03.2015	31.03.2015
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD [exchange rate (INR /1USD)-62.53]	EURO [exchange rate (INR /1 EURO)- 67.8457]	INR
3	Share capital	73,368,673,289.48	Rs.117,409,631.00	Rs.100,000.00
4	Reserves & surplus	Rs.1,311,496,737.00	(Rs.10,556,900.00)	Rs.597,933.00
5	Total assets	Rs.4,829,226,697.00	Rs.106,852,731.00	Rs.19,187,288.00
6	Total Liabilities	Rs.4,829,226,697.00	Rs.106,852,731.00	Rs.19,187,288.00
7	Investments	Rs.2,813,850,000.00	Nil	Nil
8	Turnover	Rs.168,294,838.00	Nil	Rs.70,432,774.00
9	Profit before taxation	(Rs.46,874,876.00)	(Rs.1222)	Rs.1,275,055.00
10	Provision for taxation	Rs.1,12,920.00	Nil	Rs.3,93,992.00
11	Profit after taxation	(Rs.46,987,797.00)	(Rs.1222)	Rs.8,81,063.00
12	Proposed Dividend	NIL	NIL	NIL
13	% of shareholding	100%	100%	100%

Place: New Delhi

BY THE ORDER OF THE BOARD

Date: 28th August, 2015

Chairman & Managing Director

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L74899DL1993PLC054313
2.	Registration Date	06.07.1993
3.	Name of the Company	NU TEK INDIA LIMITED
4.	Category/Sub-category of the Company	Telecom-Infrastructure Related Services
5.	Address of the Registered office & contact details	A-213, Road No. 4 Gali No. 11 Mahipalpur Delhi -110037
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	AARTHI Consultants Private Limited 1-2-285, Domalguda Hyderabad-500029 Tel: +9140 4012 8274 E-mail: info@arthiconsultant.com Website: www.arthiconsultant.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Wireless telecommunications activities	612	100%
2	Other telecommunications activities	619	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	NuTek (HK) Private Limited	N.A	Subsidiary Company	100	Section 2 (87)
2	Ketun Energy Private Limited	U31500DL2008PTC177487	Subsidiary Company	100	Section 2 (87)
3	NuTek Europe sro.	N.A	Subsidiary Company	100	Section 2 (87)

IV. SHARE HOLDING PATTERN
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	14694204	-	14694204	9.51	14694204	-	14694204	9.51	0