

STATEMENT OF UNAUDITED / AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED ON 31ST MARCH 2012

(Amt. in Rs. crores except share data)

Sr. No.	Particulars	Quarter ended on				Year ended on				Consolidated for the year ended on	
		31st March 2012 (Unaudited)	31st December 2011 (Unaudited)	31st March 2011 (Unaudited)	31st March 2012 (Audited)	31st March 2011 (Audited)	31st March 2012 (Audited)	31st March 2011 (Audited)	31st March 2012 (Audited)		
1	a. Net Sales / Income from Operations	266.01	219.25	232.87	850.44	662.93	1,003.11	564.93	1,003.11	564.93	
b.	Other Operating income			1.83	0.42	2.45	0.42	1,003.53	667.33	1,003.53	
2	TOTAL INCOME FROM OPERATIONS (NET)	266.01	219.25	234.70	850.86	665.38	1,003.53	667.33	1,003.53	667.33	
3	Expenses	157.03	140.57	123.98	648.76	555.35	588.75	364.65	588.75	364.65	
a.	Cost of material consumed	131	(5.07)	(10.57)	(3.02)	(10.61)	(1.74)	23.38	(3.02)	(10.61)	
b.	Purchase of stock in Trade	24.66	21.55	19.40	88.45	71.89	65.57	75.58	88.45	71.89	
c.	Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade	4.78	3.51	3.02	14.17	11.14	16.35	11.20	14.17	11.14	
d.	Employee benefit expenses	13.70	3.35	(2.32)	2.93	(4.25)	3.24	(4.27)	2.93	(4.25)	
e.	Depreciation and amortisation expenses	63.34	37.78	54.06	160.31	118.10	243.57	153.71	160.31	118.10	
f.	Exchange (gain) / loss	245.02	202.16	187.53	814.81	517.77	928.84	624.51	814.81	517.77	
g.	Other expenditure	22.54	17.63	17.17	69.25	37.84	76.69	42.87	69.25	37.84	
4	TOTAL EXPENSES	22.54	17.63	17.17	69.25	37.84	76.69	42.87	69.25	37.84	
5	Profit from Operations before other income, interest & exceptional items (1-2)	19.12	10.37	5.24	42.81	22.33	43.92	22.86	42.81	22.33	
6	Other Income	42.14	27.36	22.41	112.05	59.94	120.81	65.73	112.05	59.94	
7	Profit from ordinary activities before interest & Exceptional Items (3+4)	0.14	27.36	0.20	4.14	0.07	1.15	0.03	4.14	0.07	
8	Finance Costs	41.97	27.36	22.41	111.92	59.93	119.46	65.70	111.92	59.93	
9	Profit from ordinary activities after Finance cost before exceptional items (5-6)	41.97	27.36	22.41	111.92	59.93	119.46	65.70	111.92	59.93	
10	Exceptional items	41.97	27.36	22.41	111.92	59.93	119.46	65.70	111.92	59.93	
11	Less : Expenses attributable to other periods	41.97	27.36	22.41	111.92	59.93	119.46	65.70	111.92	59.93	
12	Profit before tax from ordinary activities	41.97	27.36	22.41	111.92	59.93	119.46	65.70	111.92	59.93	
13	Tax expense (include provision for Rs. 25 crores as per note no. 21)	31.81	5.84	1.83	46.10	3.47	48.85	6.70	31.81	5.84	
14	Profit from ordinary activities after tax	10.16	21.52	20.58	65.82	55.46	70.61	57.00	65.82	55.46	
15	Extra ordinary items (net of tax expense)	-	-	-	-	-	-	-	-	-	
16	Net Profit for the period	10.16	21.52	20.58	65.82	55.46	70.61	57.00	65.82	55.46	
17	Minority Interest	-	-	-	-	-	-	-	-	-	
18	Net Profit (Loss) attributable, primarily interest and share of profit (Loss) of Associates	-	-	-	-	-	-	-	-	-	
19	Paid up equity share capital (Face value Rs. 2/- each)	58.91	58.91	58.91	58.91	58.91	58.91	58.91	58.91	58.91	
20	Reserves excluding retention reserves as per Balance Sheet of previous accounting year	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
21	Basic EPS (Face value Rs. 2/- per share) (before extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
22	Diluted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
23	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
24	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
25	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
26	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
27	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
28	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
29	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
30	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
31	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
32	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
33	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
34	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
35	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
36	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
37	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
38	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
39	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
40	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
41	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
42	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
43	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
44	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
45	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
46	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
47	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
48	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
49	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
50	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
51	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
52	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
53	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
54	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
55	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
56	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
57	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
58	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
59	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
60	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
61	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
62	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
63	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
64	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
65	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
66	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
67	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
68	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
69	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
70	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
71	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
72	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
73	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
74	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
75	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
76	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
77	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
78	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
79	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
80	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
81	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
82	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
83	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.55	1.46	1.11	3.57	2.89	3.12	3.12	3.57	2.89	
84	Adjusted EPS (Face value Rs. 2/- per share) (after extra ordinary items)	0.5									

Notes:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 29th May 2012. The prior year comparisons are regrouped/reclassified wherever necessary to conform to current period presentation.
- Subsequent to the Balance Sheet date i.e. 31st March 2012, in April 2012, the Income Tax Department initiated proceedings against the Company under section 133 of the Income Tax Act, 1961, for the year of assessment 2011-12. Due to this, the Company is not in a position to reliably estimate the liability it may bring out of these proceedings. The management, on the basis of best estimate, has made a provision of Rs. 25 crores in the Profit and Loss Account, which the Company presently believes to be adequate.
- The Board of Directors has recommended a dividend of Rs. 152 per share (81% of the face value of Rs. 30) each subject to approval of the shareholders in the ensuing Annual General Meeting.
- The previous quarter the Company has announced a buy-back of equity shares with effect from 28th December 2011 as per Section 77A of the Companies Act 1956. Till 31st March 2012, the Company has bought back 5,290,831 equity shares of Rs. 152 each, aggregating to Rs. 793.93 crores. The Company has disclosed the number of equity shares as mentioned at points 1 and 2 above with the number of shares computed, for paid up share capital, as mentioned at point 3 above. Further, on 24th April 2012, the Company has completed the process of buyback by a/c of acquiring 2,083,013 shares as allowed by Section 77A of the Companies Act.
- During the quarter, on 01st January 2012, the Company acquired 50.20% stake in Neel Systems Limited, a Company serving pharmaceuticals, life sciences, healthcare, F&B and cosmetics industry. Total Assets and Total Liabilities as on 31st March 2012 were Rs. 36.06 crores and Rs. 36.77 crores respectively. The Consolidated results for the year ended as on 31st March 2012, include, Turnover of Rs. 31.10 crores and PAT of Rs. 2.31 crores. The consolidated Statement of Assets and Liabilities as on 31st March 2012, Total Assets include Rs. 90.57 and Total Liabilities include Rs. 45.57 in respect of Neel Systems Limited.
- The Company operates only in one segment, i.e. "Process and Project Engineering".

STATEMENT OF ASSETS AND LIABILITIES

Sr. No.	Particulars	For Period ended 31st March 2012	For Period ended 31st March 2011	For Period ended 31st March 2012	For Period ended 31st March 2011
(A) EQUITY AND LIABILITIES					
1	Shareholders' funds				
a	Share capital	35.31	35.96	35.31	35.96
b	Reserves and surplus	514.87	521.99	517.46	521.96
c	Money received against Share warrants				
	Subtotal - Shareholders' funds	550.18	557.95	552.77	557.92
2	Minority Interest			28.55	3.15
	Non - Current Liabilities				
a	Long-term borrowings			2.40	
b	Deferred tax liabilities (net)	13.18	14.32	12.09	12.71
c	Other long-term liabilities				
d	Long-term provisions	5.52	6.28	5.81	8.25
	Subtotal - Non current liabilities	18.71	19.60	20.30	20.96
3	Current Liabilities				
a	Short-term borrowings	139.77	128.27	206.25	174.62
b	Trade payables	217.80	165.64	257.51	180.28
c	Other current liabilities	167.76	96.29	170.47	88.19
d	Short-term provisions	515.41	396.10	655.55	444.09
	Subtotal - Current liabilities	1031.74	686.30	1,089.82	887.18
	TOTAL - EQUITY AND LIABILITIES	1,084.80	1,084.80	1,254.80	1,027.12
(B) ASSETS					
1	Non - Current Assets				
a	Fixed Assets	174.41	155.78	229.94	155.15
b	Non current investments	88.53	25.23	20.00	30.00
c	Deferred tax assets (net)				
d	Long-term loans and advances	11.63	6.73	15.74	6.78
e	Other non current assets	10.00	10.00	10.00	10.00
	Subtotal - Non current assets	284.57	197.74	295.68	202.93
2	Current Investments				
a	Current investments	135.00	238.81	135.00	238.81
b	Inventories	74.06	82.85	80.62	83.00
c	Current tax assets	60.32	25.36	72.24	25.34
d	Trade receivables	207.61	186.72	329.84	224.52
e	Cash and cash equivalents	117.18	127.32	161.81	157.95
f	Short-term loans and advances	143.74	117.85	173.07	122.88
g	Other current assets				
	Subtotal - Current assets	793.93	770.90	682.55	634.16
	TOTAL - ASSETS	1,084.80	1,084.80	1,254.80	1,027.12

Place: Pune
Date: 29th May 2012

PRAMOD CHAUDHARI
EXECUTIVE CHAIRMAN

Head Office : Mumbai

- Tel : (022) 2200 0607 / 7316 / 6360
(022) 6631 5835 / 36
- Fax : (022) 2200 3476
- E-mail : info@bkkhareco.com
- 706 / 708, Sharda Chambers,
New Marine Lines, Mumbai 400 020

B. K. KHARE & Co.
CHARTERED ACCOUNTANTS**Auditors' Report**

To

The Members of Praj Industries Limited

- We have audited the attached Balance Sheet of Praj Industries Limited ('the Company') as at March 31, 2012, the statement of Profit and Loss and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- As required by the Companies (Auditor's Report) Order, 2003 (as amended) 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 and 5 of the said Order.
- Further to our comments in the Annexure referred to above, we report that:
 - We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - 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 those books;
 - The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
 - In our opinion, the balance sheet, the statement of profit and loss and the 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;
 - On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

**Branch Office : Pune**

- Tel : (020) 64019743 / 25666932 / 32926341
- E-mail : pune@bkkhareco.com
- Hotel Swaroop, 4th Floor, Lane No. 10,
Prabhat Road, Erandwane, Pune - 411 004.

Branch Office : Bengaluru

- Tel : (080) 4110 5357
- E-mail : bkkhareb@vsnl.net
- 101, Money Chambers, 1st Floor
- # 6 K. H. Road, Shanthinagar, Bengaluru - 560027

B. K. KHARE & Co.

CHARTERED ACCOUNTANTS

- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
 - b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
 - c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For B. K. Khare & Co.

Firm registration number: 105102W

Chartered Accountants

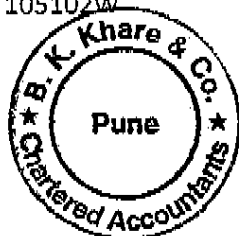
**Padmini Khare Kaicker**

Partner

Membership No.:044784

Place: Pune

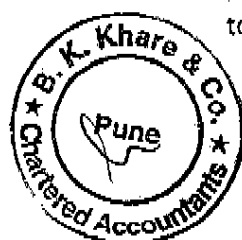
Date: May 29, 2012



B. K. KHARE & Co.
CHARTERED ACCOUNTANTS

Annexure referred to in paragraph 3 of our report of even date
Re: Praj Industries Limited ('the Company')

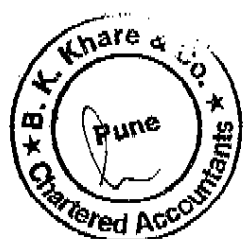
- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of fixed assets by which major fixed assets are verified by the management at reasonable intervals. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The inventory, except goods in transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year end, written confirmations have been obtained.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to information and explanations given to us and on the basis of our examination of the records of the inventory, the Company is maintaining proper records of inventory. Discrepancies noticed on verification between the physical stocks and the book records were not material and have been appropriately dealt with in the books of account.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 ('the Act'). Therefore, the provisions of sub clause (b), (c), (d), (e), (f) and (g) of sub para (iii) of para 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time

**B. K. KHARE & Co.**
CHARTERED ACCOUNTANTS

- (vi) The Company has not accepted any deposits from the public. Therefore, the provisions of section 58A and 58AA and any other relevant provisions of the Companies Act, 1956 and rules framed thereunder are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Rupees in Million	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Demand on account of non-submission of statutory declaration forms	1.19	F.Y. 2003-2004	Deputy Commissioner (Appeals)

- (x) The Company does not have accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.



B. K. KHARE & Co.

CHARTERED ACCOUNTANTS

- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company. However, in respect of transactions relating to investment in securities, the company has maintained proper records of transactions and contracts during the year and timely entries have been made therein. Further, such securities have been held by the company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For B. K. Khare & Co.

Chartered Accountants

Firm registration number: 105102W

**Padmini Khare Kaicker**

Partner

Membership No.: 044784

Place: Pune

Date: May 29, 2012

