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## BOARD OF DIRECTORS

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Mr. Deepak Khaitan	<i>Chairman</i>
Mr. Subir Chaki	<i>Whole time Director &amp; CEO</i>
Mr. Subir Ranjan Dasgupta	
Mr. Prabir Kumar Ghosh	
Mr. Prasanta Kumar Chandra	
Mr. Padam Kumar Khaitan	
Mr. Sanjay S. Patel	
Mr. Heath Brian Zarin	

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## COMPANY SECRETARY

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Mr. Amit Pathak

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## AUDITORS

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Lovelock & Lewes  
*Chartered Accountants*

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## BANKERS

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State Bank of India  
ICICI Bank Limited  
ING Vysya Bank Limited

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## REGISTERED OFFICE

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4, Mangoe Lane  
Kolkata - 700 001  
Telephone – (033) 22138905/06/07/08

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## CORPORATE OFFICE

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Ecospace, Campus 2B, 11F/12 (Old Plot No AAIL/Blk3)  
New Town, Rajarhat, North 24 Parganas  
Kolkata – 700 156  
Telephone – (033) 30142280  
Fax – (033) 30142393

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## REGISTRAR & SHARE TRANSFER AGENT

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M/s Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2<sup>nd</sup> Floor  
Kolkata – 700 001  
Telephone – (033) 22435029/5809, 22482248  
Fax – (033) 22484787  
E Mail – mdpl@cal.vsnl.net.in



## NOTICE

NOTICE is hereby given that the 68th Annual General Meeting of the Members of McNally Sayaji Engineering Limited will be held on Thursday, the 27th day of September, 2012 at 12.30 P.M. at, 7th Floor, Ecospace, Campus 2B, 11F/12, New Town, Rajarhat, Kolkata 700 156, to transact the following business;

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, the Statement of Profit & Loss Account of the Company for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Deepak Khaitan, who retires by rotation and being eligible, seeks re-appointment.
3. To appoint a Director in place of Mr. Subir Ranjan Dasgupta, who retires by rotation and being eligible, seeks re-appointment.
4. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and authorize the Board to fix their remuneration. M/S Lovelock & Lewes, Chartered Accountants, retiring Auditors being eligible, offer themselves for reappointment.

### SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution.  
**"RESOLVED THAT** Mr. Subir Chaki who was appointed as an Additional Director of the Company on 9th January, 2012 and holds office up to this Annual General Meeting of the Company in terms of section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing pursuant to section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed as a director of the company."
6. To consider and, if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution.  
**"RESOLVED THAT** Mr. Prabir Kumar Ghosh who was appointed as an Additional Director of the Company on 13th February, 2012 and holds office up to this Annual General Meeting of the Company in terms of section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing pursuant to section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed as a director of the company whose office shall be liable to determination by retirement of directors by rotation."
7. To consider and, if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution.  
**"RESOLVED THAT** Mr. Prasanta Kumar Chandra who was appointed as an Additional Director of the Company on 30th May, 2012 and holds office up to this Annual General Meeting of the Company in terms of section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing pursuant to section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed as a director of the company whose office shall be liable to determination by retirement of directors by rotation."
8. To consider and, if thought fit, to pass with or without modification the following Resolution as a Special Resolution.  
**"RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, if any, appointment of Mr. Subir Chaki as whole time Director of the Company for a period of 3 years w.e.f. 9th January, 2012 to 8th January, 2015 be and is hereby approved. The appointment has already been approved by the Board of Directors at their meeting held on 9th January, 2012 on the recommendation of the Remuneration Committee at their meeting held on 9th January, 2012."  
**"RESOLVED FURTHER THAT** the remuneration payable to Mr. Subir Chaki as Whole time Director w.e.f. 9th January, 2012 also approved as described hereunder and all other terms and conditions, unless otherwise changed/ altered remains unchanged:

Basic Salary : Rs 3,50,000 /- per month (in the scale of Rs 3,00,000/- per month to Rs 6,00,000/- per month)



**Perquisites & Allowances:** The Whole time Director shall also be entitled to reimbursement of perquisites, variable pay and other allowances restricted to Rs 3,55,000/- per month (in the scale of Rs 3,00,000/- per month to Rs 7,00,000/- per month). He shall also be provided rent-free accommodation by the company as per the rules of the Company.

**Other Benefits:** He shall be entitled to leave encashment, benefits of provident fund, gratuity fund, company's car with actual running expenses, telephone, medical insurance, ex gratia, club fees, meal coupons etc. and such other perquisites as per the rules of the Company. However, such perquisites will be restricted to the ceiling as laid down in Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

**Performance Incentive:** Performance incentive depending upon the performance of the company and his personal performance assessed as per company policy shall not exceed upto a maximum of six months' basic salary, payable annually, for each financial year, as may be determined by the Board of Directors.

The Whole time Director shall be entitled to leave on full remuneration in accordance with the Company's rules.

The Company shall reimburse the Whole time Director any expenditure, which may be incurred by him for travel and entertainment exclusively in connection with the Company's business as per the rules of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors shall have the authority to take incidental action and also to alter and vary the terms and conditions, the remuneration from time to time within the scope of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendments thereto or any re – enactment thereof as may be agreed to between the Board of Directors and appointee."

**"RESOLVED FURTHER THAT** so long Mr. Subir Chaki functions as Whole time Director of the Company, he will not be subject to retirement by rotation and shall not be paid any fees for attending the meetings of the Board or any Committee thereof."

**"RESOLVED FURTHER THAT** the aggregate of the Basic Salary, perquisites & Allowances, Other Benefits, Performance incentive etc. in any financial year shall be within the limits as prescribed from time to time under section 198, 309, read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 as may be for the time being, be in force, or otherwise as may be prescribed by law."

**"RESOLVED FURTHER THAT** in the event of inadequacy of profit in any year, the remuneration including the perquisites & Allowances, Other Benefits, Performance incentive etc. will be paid to Mr. Subir Chaki in accordance with the provisions of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if required."

Registered Office:  
4 Mangoe Lane  
Kolkata- 700 001.  
Dated: 30th May, 2012

By Order of the Board  
For **McNally Sayaji Engineering Limited**

**Amit Pathak**  
A.G.M. – Finance and Company Secretary

### NOTES :

1. A Member, entitled to attend and vote at the Annual General Meeting, is entitled to appoint a Proxy to attend and vote instead of himself. A Proxy need not be a Member of the Company.
2. A Proxy Form duly completed and stamped, must reach the registered office of the Company not less than forty-eight hours before the time for holding of the Annual General Meeting.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
4. Members/Proxies should bring the enclosed attendance slip duly filled in for attending the meeting, along with the Annual Report.



5. The Explanatory Statement, pursuant to section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 17th September, 2012 to 27th September, 2012 (*both days inclusive*).
7. Members are requested to notify the Company immediately any change in their address to the company's Registrars M/s Maheshwari Datamatics Pvt. Ltd.
8. All unclaimed/unpaid dividend upto the financial year ended on 31st March, 2004, have been transferred to the Investor Education and Protection Fund of the Central Government pursuant to Section 205C of the Companies Act, 1956. Members who have not so far encashed dividend warrants(s) for the subsequent financial years should approach the company for the payment without any further delay.
9. Members who are holding shares in identical order or names in more than one folio are requested to send to the Company the details of such folio together with the Share Certificate for consolidation their holding in one folio. The Share Certificates will be returned to the Members after making requisite changes thereon.
10. Member desiring any information on the accounts is requested to write to the Company at least 7 days before the date of the meeting so that the required information can be made available at the Meeting.
11. Non-resident Indian Shareholders are requested to inform the Company immediately:
  - The change in residential status on return to India for permanent settlement;
  - The particulars of the Bank Account maintained in India with complete name, branch, Account type, account number and address of the Bank, if not furnished earlier.
12. All the documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company on all the working days between 11.00 AM to 1.00 PM upto the date of the Annual General Meeting.
13. Members may avail nomination facility as provided under section 109A of the Companies Act, 1956.
14. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
15. As per the requirement of Clause 49 of the Listing Agreement on Corporate Governance for appointment of the Directors / re-appointment of the retiring Directors, a statement containing details of the concerned Directors are given elsewhere.
16. The Shareholders are requested to send directly all documents, transfer, demat requests and other communication in relation thereto to the Registrar at the following address :

M/s Maheshwari Datamatics Pvt. Ltd.  
Unit : McNally Sayaji Engineering Limited  
6, Mangoe Lane, 2nd Floor,  
Kolkata – 700 001  
Telephone No : (033) 22435029/5809, 22482248  
Fax : (033) 22484787  
Email : mdpl@cal.vsnl.net.in  
Contact Person : Mr. S. Rajagopal, Vice President



## ANNEXURE TO NOTICE

### Explanatory Statement

The following explanatory statement pursuant to provisions of Section 173 (2) of the Companies Act, 1956, sets out all material facts relating to the business items of the accompanying notice.

#### Item No. 5

To broaden the Board of directors Mr. Subir Chaki, was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 9th January, 2012 to hold office till the date of the ensuing Annual General Meeting.

The Company has received a notice under section 257 of the Companies Act, 1956 from a member proposing his appointment for the office of the Director of the Company. Mr. Subir Chaki is having thorough experience in the field of operations and management. He is also appointed as the Whole Time Director of the Company.

The Board recommends for the appointment of Mr. Subir Chaki and proposes to pass the resolution as set out in item No. 5 of the Notice as an Ordinary Resolution.

Except, Mr. Subir Chaki, none of the directors of the Company are interested or concerned in the resolution.

#### Item No. 6

To broaden the Board of directors Mr. Prabir Kumar Ghosh, was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 13th February, 2012 to hold office till the date of the ensuing Annual General Meeting.

The Company has received a notice under section 257 of the Companies Act, 1956 from a member proposing his appointment for the office of the Director of the Company. Mr. Prabir Kumar Ghosh is having thorough experience in the field of finance and management.

The Board recommends for the appointment of Mr. Prabir Kumar Ghosh and proposes to pass the resolution as set out in item No. 6 of the Notice as an Ordinary Resolution.

Except, Mr. Prabir Kumar Ghosh, none of the directors of the Company are interested or concerned in the resolution.

#### Item No. 7

To broaden the Board of directors Mr. Prasanta Kumar Chandra, was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 30th May, 2012 to hold office till the date of the ensuing Annual General Meeting.

The Company has received a notice under section 257 of the Companies Act, 1956 from a member proposing his appointment for the office of the Director of the Company. Mr. Prasanta Kumar Chandra is having thorough experience in the field of operations and management.

The Board recommends for the appointment of Mr. Prasanta Kumar Chandra and proposes to pass the resolution as set out in item No. 7 of the Notice as an Ordinary Resolution.

Except, Mr. Prasanta Kumar Chandra, none of the directors of the Company are interested or concerned in the resolution.

#### Item No. 8

The Board of Directors at their meeting held on 9th January, 2012, has, subject to approval of the Members of the company at the ensuing Annual General Meeting, appointed Mr Subir Chaki as an Additional Director of the Company with immediate effect. The Board of Directors has also appointed him as Whole time Director of the Company for a period of three years with effect from 9th January, 2012 on the following terms and conditions as recommended by the Remuneration Committee in their meeting held on 9th January, 2012, subject to the approval of the members of the Company at the ensuing Annual General Meeting and any other approval, if required.

**Basic Salary :** Rs 3,50,000 /- per month (in the scale of Rs 3,00,000/- per month to Rs 6,00,000/- per month).

**Perquisites & Allowances:** The Whole time Director shall also be entitled to reimbursement of perquisites, variable pay and other allowances restricted to Rs 3,55,000/- per month (in the scale of Rs 3,00,000/- per month to Rs 7,00,000/- per month). He shall also be provided rent-free accommodation by the company as per the rules of the Company.

**Other Benefits:** The Whole time director shall also be entitled to leave encashment, benefits of provident fund, gratuity fund, company's car with actual running expenses, telephone, medical insurance, ex gratia, club fees, meal coupons etc. and such other perquisites as per the rules of the Company. However, such perquisites will be restricted to the ceiling as laid down in Schedule XIII of the Companies Act, 1956.

**Performance Incentive:** Performance incentive depending upon the performance of the company and his personal performance assessed as per company policy shall not exceed upto a maximum of six months' basic salary, payable annually, for each financial year, as may be determined by the Board of Directors.

Above remuneration is effective from 9th January, 2012.

Remuneration during his tenure in office, may be further increased by the Board of Directors on the recommendation of the Remuneration Committee from time to time, based on the performance of the Company and his individual performance.

**Provided that -**

- a. For the purpose of calculating the ceiling as laid down in Schedule XIII of the Companies Act, 1956, perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of such Rules, perquisites and allowances shall be evaluated at actual cost.
- b. The Company's contributions to the Provident Fund Scheme and the Gratuity Fund in accordance with the Company's rules and regulations in force from time to time, shall not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable, under Income Tax Act, 1961.
- c. Encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites/allowances aforesaid.
- d. Provision for the use of the Company's car for official duties shall not be included in the computation of ceiling of perquisites.
- e. The total remuneration payable to the Whole time Director by way of Salary, Performance Incentive and perquisites shall not exceed 5%, and along with other Executive Directors, 11% of the net profits of the Company, calculated in accordance with Sections 198 and 309 of the Companies Act, 1956.
- f. Minimum Remuneration - Notwithstanding anything contained herein, where, in any financial year, during the currency of the tenure of the Whole time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Basic Salary, Perquisites and Allowances and Performance Incentive, as specified above and as per Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, if required.
- g. So long as he functions as Whole time Director, he shall not be paid any fee for attending any Meeting of the Board or a Committee thereof.

In the event of termination of employment, except in circumstances of fraud or gross misconduct on his part, he will be entitled to be paid remuneration for a maximum period of three months.

Subject to the aforesaid, he shall be governed by the service rules of the company as may be in force from time to time.

So long Mr. Subir Chaki function as the Whole time Director of the Company, he shall not be paid any sitting fees for attending the meetings of the Board of Directors or any committee thereof.

The above statement may be treated as an abstract, u/s 302 of the Companies Act, 1956, on the terms and conditions for appointment and remuneration payable to Mr Subir Chaki.





Information required to be given as per Part-II of Schedule-XIII in respect of appointment of Mr. Subir Chaki as whole time Director.

## General Information

1. Nature of Industry  
Manufacture and sale of machinery equipments and turnkey plants Crushing, Screening & Material Handling Equipments, etc.
2. Date of commencement of commercial production  
During 1943
3. Financial Performance for the Financial Year ended 31st March, 2012  
Turnover : Rs. 26,044 lakhs  
Profit Before Taxes : Rs. 312 lakhs  
Profit After Taxes : Rs. 218 lakhs.
4. Export Performance  
For the year ended 31st March, 2012, the Company has achieved export turnover FOB value of Rs.619 lakhs.
5. Foreign Investments or collaborations  
EIG (Mauritius) Limited is holding 13,40,000 equity shares of Rs.10/- each representing 14.91% of the Capital of the Company.

## Information about the appointee

1. Background Details :  
Mr. Subir Chaki (51) is a Mechanical Engineer from IIT, Kharagpur, Qualified Cost Accountant and PGCGM from IIM Calcutta . He has over 28 years rich experience in the Manufacturing Industry. He joined McNally Sayaji Engineering Limited as President - Operations from 1st October, 2011. He also served as the President (Manufacturing), Executive vice President (Manufacturing), Vice President (Flashlight Business) and other various capacity with Eveready Industries India Ltd. for more than 25 years before joining the McNally Sayaji Engineering Limited. He has served as the Vice Chairman of Confederation of Indian Industry, West Bengal Council, and continues to be a member of the Council and the West Bengal Task Force to advise the State Government. He has also been a member of the Governing Council at Kalyani University, Chairman of Teacher's Training Institute and has been advising several Engineering colleges in West Bengal.
2. Past Remuneration :  
Basic Salary of Rs. 3,40,000/- p.m. plus perquisites as per the terms of remuneration.
3. Recognition of Awards :  
The Company's Quality Management System was awarded ISO 9001 & 14001 recognition.
4. Job profile and their suitability :  
Mr. Subir Chaki, as whole time Director, is responsible for overall management of the Company under the supervision of the Board of Directors of the Company. Considering his background, experience and qualification Mr. Subir Chaki is most suitable to perform his duties.
5. Remuneration Proposed :  
As mentioned in the Resolution and Explanatory Statement.
6. Comparative Remuneration, Profile with respect to industry :  
The proposed remuneration is commensurate with the remuneration package of the senior management executive in the similar companies as well as industrial norms, function of the whole time director, magnitude of the company, nature and extent of operation.

7. Pecuniary Relationship :

Nil

8. Reasons for inadequacy of profits:

Increased cost due to postponing and delaying the offtake of products in the backdrop of global slowdown of the economy coupled with increased interest cost and lower sales resulted in poor financial performance of the company during the year. The improving market scenario, new and better products together with cost reduction measures undertaken by the company would bring better results in coming years.

Particulars of Directors seeking appointment/ reappointment at this Annual General Meeting pursuant to clause 49(iv)(g) of the Listing Agreement:

Name of Director	Mr. Deepak Khaitan	Mr. Subir Ranjan Dasgupta
Date of birth	9th May, 1955	10th October, 1945
Date of Appointment	15th September, 2008	13th August, 2010
Qualifications	B.Com, MBA(Geneva)	B.A. (Eco)
Experience in special functional Area	Business Executive	Business Executive
List of Outside Directorship held	<ol style="list-style-type: none"> <li>1. Williamson Magor &amp; Co. Ltd.</li> <li>2. Mcleod Russel India Ltd.</li> <li>3. Eveready Industries India Ltd.</li> <li>4. Kilburn Engineering Ltd.</li> <li>5. McNally Bharat Engineering Co. Ltd.</li> <li>6. Williamson Financial Services Ltd.</li> <li>7. Babcock Borsig Ltd.</li> <li>8. MBE Mineral Technologies PTE Ltd.</li> <li>9. Uniross SA</li> <li>10. Novener SAS</li> <li>11. MBE Coal &amp; Mineral Technology GmbH</li> </ol>	<ol style="list-style-type: none"> <li>1. Eveready Industries India Ltd.</li> <li>2. Kilburn Engineering Ltd.</li> <li>3. McNally Bharat Engineering Co. Ltd.</li> <li>4. MBE Mineral Technologies PTE Ltd.</li> <li>5. China Town properties (Pvt.) Ltd.</li> <li>6. Trans Global PLC</li> <li>7. Trans Global Group Ltd, UK</li> <li>8. Water bright PTE Ltd., Singapore</li> <li>9. Uniross SA</li> <li>10. Novener SAS</li> <li>11. Cairnhill Development (Pvt.) Ltd.</li> <li>12. MBE Coal &amp; Mineral Technology GmbH</li> </ol>
Chairman/Member of the Committee of the Board of Directors of the Company	NIL	Chairman – Audit Committee, Remuneration Committee, Shareholders'/Investor' Grievance Committee
Chairman/Member of the Committee of the Directors of other companies in which he is a Director		
a) Audit Committee	Member - Babcock Borsig Ltd	Member -Kilburn Engineering Ltd.
b) Shareholders'/ Investors' Grievance Committee	Nil	Nil
c) Remuneration Committee	Member -Babcock Borsig Ltd	Member -Kilburn Engineering Ltd.
d) Nomination Committee	Nil	Nil
Shareholding in the Company as on 31.03.2012	Nil	Nil





## McNally Sayaji Engineering Limited



Name of Director	Mr. Subir Chaki	Mr. Prabir Kumar Ghosh
Date of birth	24th March, 1960	4th June, 1959
Date of Appointment	9th January, 2012	13th February, 2012
Qualifications	BE (Mech.), AICWA, PGCGM	B.Com (Hons), ACA
Experience in special functional Area	Business Executive	Business Executive
List of Outside Directorship held	1. McNally Bharat Equipments Limited	1. McNally Bharat Engineering Co. Ltd. 2. MBE Mineral Technologies PTE Ltd. 3. McNally Bharat Infrastructure Ltd. 4. MBE Minerals SA pty Ltd. 5. MBE Colonge Engineering GmbH 6. MBE Minerals Zambia Ltd. 7. MBE Coal & Mineral Technologies GmbH
Chairman/Member of the Committee of the Board of Directors of the Company	Member –Shareholders'/Investor' Grievance Committee	Member – Audit Committee
Chairman/Member of the Committee of the Directors of other companies in which he is a Director a) Audit Committee b) Shareholders'/ Investors' Grievance Committee c) Remuneration Committee d) Nomination Committee	Nil Nil Nil Nil	Nil Member – McNally Bharat Engineering Co. Ltd. Nil Nil
Shareholding in the Company as on 31.03.2012	Nil	300



## McNally Sayaji Engineering Limited



<b>Name of Director</b>	<b>Mr. Prasanta Kumar Chandra</b>
Date of birth	1st February, 1957
Date of Appointment	30th May, 2012
Qualifications	BE (Mech), AICWA, PGDM
Experience in special functional Area	Business Executive
List of Outside Directorship held	1. McNally Bharat Engineering Co. Ltd. 2. McNally Bharat Infrastructure Ltd. 3. MBE Coal & Mineral Technology India Pvt. Ltd 4. MBE Minerals Zambia Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	Nil
Chairman/Member of the Committee of the Directors of other companies in which he is a Director a) Audit Committee b) Shareholders'/ Investors' Grievance Committee c) Remuneration Committee d) Nomination Committee	Nil Member – McNally Bharat Engineering Co. Ltd. Nil Nil
Shareholding in the Company as on 30.05.2012	Nil

Registered Office:  
4 Mangoe Lane  
Kolkata- 700 001.  
Dated: 30th May, 2012

By Order of the Board  
For **McNally Sayaji Engineering Limited**

**Amit Pathak**  
A.G.M. – Finance and Company Secretary

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Directors' Report for the Financial Year ended 31st March, 2012.

### FINANCIAL HIGHLIGHTS

The Financial Results of the Company for the year ended 31st March, 2012 are summarized below-

	(Rupees in Lakhs)	
	2011-12	2010-11
Revenue from operations	26,044	29,626
Other Income	532	364
Total Revenue	26,576	29,990
Finance Costs	1,794	1,423
Depreciation and amortization Expenses	1,100	1,038
Profit/ (Loss) Before Tax and Extraordinary Items	(2,300)	1,964
Exceptional Items	2,612	—
Profit Before Tax	312	1,964
Tax Expenses	94	645
Profit After Tax	218	1,319
Surplus in Statement of Profit and Loss		
Balance as per last account	4,733	3,756
Add : Profit for the year	218	1,319
Less : Appropriations		
Proposed Dividend	—	180
Corporate Dividend Tax on Proposed Dividend	—	30
Transfer to General Reserve	—	132
Balance as at the end of the year	4,951	4,733

### DIVIDEND

Due to inadequacy of profits, your Directors do not recommend any dividend for the Financial Year ended 31st March, 2012.

### OPERATIONS & BUSINESS PERFORMANCE

The Company faced extraordinary challenges of depressed demand resulting in postponing and delaying the equipment

off-take in the backdrop of slowdown in Indian economy. The increase in interest costs have pushed back several infrastructure projects which has reflected in the reduced sales of the Company. With reduced demand for new equipment, market has become extremely competitive and manufacturers and EPC contractors adopting a sustenance rather than a growth approach. With lower turnover and reduced margins, the company incurred operating loss during the year under review. However, this was mitigated by the exceptional income made possible by restructuring of assets and sale of land becoming surplus at Vadodara.

The demand for the products manufactured by the Company has slowed down during the year. However, the Company has enough orders in hand to hold itself for the first half of the next Financial Year. The improving and encouraging signals given out by the Twelfth Five year plan gives us the required confidence to work towards further growth, newer and improved products and newer untapped markets. The Company has already geared itself to cater to the projected growth in the market which will translate into revenue in the coming years.

Adverse situations require abnormal responses. And so the company has taken a hard look at its operations, reoriented its senior personnel and become more market focussed and aggressive in its approach. In the process, gaps have been identified in product portfolio and markets and key growth areas have been identified and resources deployed. Some results would come in the short term while most would make the company competitive in the long term.

### EXPANSION

The new plant at Savli near Vadodara was consciously delayed due to the slowdown in overall demand and is currently nearing completion.

### MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion & Analysis as required under the Listing Agreements with the Stock Exchanges is enclosed to this report. Certain statements in this section may be forward-looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

### CORPORATE GOVERNANCE

Pursuant to revised clause 49 of the Listing Agreement with the Stock Exchange, separate section titled as "Corporate Governance" is attached to this Report.

## **LISTING OF EQUITY SHARES**

The Company's shares continue to be listed on The Vadodara Stock Exchange Limited, the Ahmedabad Stock Exchange Limited and the Delhi Stock Exchange Association Limited. The Company is regular in paying Listing fees to each of the Stock Exchanges.

## **FIXED DEPOSITS**

The Company has not accepted any fixed deposits during the year under review. There were no unpaid deposits at the end of the year. Deposits amounting to Rs.44,080/- remained unclaimed at the end of the year under review.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. that in the preparation of the annual accounts for the Financial Year ended 31st March, 2012, the applicable accounting standards have been followed;
2. that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the company for the year under review;
3. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. that the annual accounts have been prepared on a 'going concern' basis.

## **PARTICULARS OF EMPLOYEES**

Pursuant to the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are set out in the Annexure A to the Directors Report.

## **ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

The information pursuant to Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure

of particulars in the report of the Board of Directors) Rules, 1988, is given in the Annexure B hereto and form part to this report.

## **DIRECTORS**

Mr. Deepak Khaitan, Director of the Company, and Mr. Subir Ranjan Dasgupta, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

Mr. Subir Chaki, Mr. Prabir Kumar Ghosh and Mr. Prasanta Kumar Chandra were appointed as additional directors and hold office till this Annual General Meeting and they have offered themselves for appointment as Directors.

## **AUDITORS**

M/s s Lovelock & Lewes., Chartered Accountants, retires at the forthcoming Annual General Meeting.

The Company has received a confirmation from M/s Lovelock & Lewes, Chartered Accountants, about their willingness for their appointment as Auditors of the Company for the Financial Year 2012-13 and as required under section 224 of the Companies Act, 1956, the Company has received from them a confirmation to the effect that their appointment, if made, would be in conformity with the limits prescribed in Section 224 of the Companies Act, 1956.

## **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their sincere appreciation of the support received from the Company's Bankers, Government Authorities, Valuable Customers, Vendors and Shareholders.

Your Directors also wish to place on record their deep sense of appreciation for the continued services of the Executives, Staff and Workers of the Company.

For and on behalf of the Board  
**McNally Sayaji Engineering Limited**

**Subir Chaki**

Whole Time Director

**Subir Ranjan Dasgupta**

Director

Place: Kolkata

Date: 30th May, 2012



## MANAGEMENT DISCUSSION & ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company operates in comminution equipment manufacture for infrastructure sector comprising of mining and mineral and metal industries, power, road, port, etc. and runs four manufacturing units at Kumardhubi, Asansol, Vadodara and Bangalore.

FY12 has been a year of 'economic recovery interrupted'. The policies and concerns with respect to iron ore are yet to be completely resolved. There is considerable slowdown in construction industry due to reasons of land allocation and rising interest costs. The power sector is facing acute coal shortage. Domestic steel industry growth seems to be muted in the short term as concerns over economic slowdown are expected to prevail for a while.

The Indian economy has shown signs of slowing down in FY12 to 6.9% against 8.4% in the preceding two years, with industry in particular expected to grow by only between 4-5%.

Growth moderated and fiscal balance deteriorated due to tight monetary policy and expanded outlays. Managing growth and price stability has been a prime concern in policy formulation. Weakening industrial activity against monetary tightening causing borrowing costs to rise and investments to fall has pulled down economic performance.

Inflationary pressures, structural bottlenecks, delay in clearances, lack of mobilization of private investments and resilience to external shocks may impact growth prospects in FY13.

### BUSINESS SCENARIO AND OUTLOOK

The Financial Year 2011-12 has been a year of learning and introspection for the Company. Tighter financing conditions and high and rising inflation have contributed to a weakening in private investment growth. High cost of borrowing and inflation has deferred many projects. These conditions have adversely affected customers in Steel, Power and Mining industries, delaying their scheduled project. In the case of the coal and mining sector, factors like non – receipt of statutory clearances on time, environmental hurdles, difficulty in acquisition of land and law & order problems in major coal producing states like Jharkhand have hit production. Clients in mining, steel and power sectors facing such problems have reacted by sudden hold backs and delays in their procurement causing losses to the company due to increase in material, execution and holding costs. Though the current order backlog is sufficiently healthy for the company to execute in the first half of FY 2012-13, the order booking trend has shown slackness in the last six months. While the ailments faced in FY 2011-12 have not all removed, there is a definite belief in the overall growth story of India, particularly for the infrastructure sector projected by the twelfth plan.

During 12th plan period, investment in infrastructure is estimated to increase to Rs. 50 lakh crore, indicating emphasis on infrastructure and industrial development thereby relieving structural bottlenecks. The investments allocated in the road sector in the Twelfth Five Year Plan are almost 2.2 times from the earlier plan period. Increased allocation towards various infrastructure projects is expected to result in increased order inflow to the construction companies. The 12th Plan capacity addition in power sector is expected to be 76GW, with ~60GW as coal based. The Indian steel industry faces a supply deficiency as capacity building lagged growth in consumption. With the good growth in infrastructure sector, the Company looks forward to good demand of its products during the next Financial Year.

### CHALLENGES

The trend of increasing competition among the products imported from other low cost countries like China could potentially challenge industry growth and it is an important factor that would be needed to addressed more pro-actively. Based on the sizeable growth potential, a positive forecast in equipment purchase with more players entering into the industry was well anticipated. This has resulted in making the market more competitive and fragmentary.

Inflation could continue to be a source of concern for projects development. Issues of land acquisition, environmental clearances, litigations, etc need a faster resolution for stream lining new projects. Led by inflation, we anticipate increase in the production costs of equipment as these are tied to aspects like increase in raw materials prices and labor/workforce availability at the manufacturing and project sites.

**STRATEGIES**

In view of growing demand, your company is expanding the capacities by setting up a new plant at Savli, near Vadodara. Additions in capacities in other units is being done by bringing key new machines. The company is adding new products to its range which will give topline growth to the company. It is also looking for further diversifying its product portfolio through collaboration and tie-up arrangements. The company is also exploring the increasing opportunities for exports by leveraging its lower cost of production. The Company continues to enhance the quality of its products by introducing better shop floor technologies with focus to reduce the production cycle time and product cost.

**SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

Presently, the Company is operating in single segment, i.e. manufacturing of heavy engineering equipment. During the year the Company produced various heavy equipment valued Rs. 25,749 Lakhs for the various infrastructure projects.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your Company has an adequate internal control system and are routinely tested and certified by our statutory as well as internal auditors.

Moreover, your Company continuously upgrades these systems in line with best practices. The Company has already introduced latest ERP system in place of the existing one.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Reserves of the Company reached to Rs.17,902 lakhs as at 31st March, 2012. The gross block of fixed assets was Rs.19,148 lakhs. The Net profit stood at Rs 218 lakhs as against previous year of Rs. 1,319 lakhs.

**MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS**

The industrial atmosphere at the works continued to be congenial and harmonious during the year. The Company has taken several welfare measures in the overall interest of its employees.

The Personnel Department of the company is suitably staffed to take care of its employees and motivate them. The management of your Company encourages its employees to attend continuing education seminars and workshops to enhance their quality and capabilities in the area they perform.

The industrial relation during the year has been cordial. The number of permanent employees as on 31st March 2012 was 833 as against 751 as on 31st March, 2011.

**QUALITY**

The Company is conferred ISO-9001 & 9001(2000) recognition. The Company is committed to produce quality products and services to enhance customer satisfaction through the effective application of our Quality Management System, including process for continual improvement.

**CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. The actual results could differ materially from those expressed or implied due to several factors being attributed including Company's operations, international and domestic economic changes affecting demand/supply positions, finished goods prices, availability of raw material, Govt. policies, economic development within India and the overseas market within which the Company has business relations and various other incidental factors.



## ANNEXURE A TO DIRECTORS REPORT

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended on 31st March, 2012

Sl.	Name	Designation	Qualification	Age (Year)	DOJ	Experience	Gross Remuneration (Rs. in lacs)	Last Employment Held & Designation
1	Subir Chaki*	Whole time Director	B.Sc Engg. (Mech.), ICWAI, PGCGM	51	1-Oct-11	25	51	Eveready Industries India Ltd., President
2	Shambhu Prasad**	Managing Director	B.Sc Engg. (Mech.)	63	29-Feb-84	40	235	Tega India Ltd., Asst. Manager
3	S Venkatesh Babu ***	Chief Operating Officer	B.Tech (Mech), PGDPM	58	28-Feb-11	35	43	Metso Minerals (India) Pvt.Ltd., General Manager
4	Mohan Bhasker	Senior Vice President	B.E.( Mech)., P G Dipl. ( Intl.Mgt.)	48	3-May-93	25	73	Karthik Electricals, Business Manager
5	Sandip Choudhuri	Senior Vice President	B.Sc Engg.(Mech.)	54	11-May-09	32	78	BilCare Ltd., Vice President
6	Nilanjan Roy	Senior Vice President	B.Sc Engg.(Mech.)	57	21-Nov-05	35	71	Hyderabad Industries Ltd., General Manager

\* Appointed w.e.f. 1st October, 2011. Mr. Subir Chaki has been designated as whole time Director of the Company w.e.f. 9th January, 2012.

\*\* Resigned w.e.f. 9th January, 2012.

\*\*\* Resigned w.e.f. 20th December, 2011.

- Gross Remuneration shown above is subject to tax and comprise salary, allowances, monetary value of perquisites as per Income Tax rules, Performance Incentive, Leave encashment, Company's Contribution to provident fund, pension fund and superannuation fund.
- In addition to the above remuneration, employees are entitled to gratuity, etc. in accordance with the Company's rules.
- The nature of employment is contractual basis in case of Mr Shambhu Prasad & Mr Subir Chaki .

**ANNEXURE B TO THE DIRECTORS REPORT**

INFORMATION UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012.

**A. CONSERVATION OF ENERGY****1. ENERGY CONSERVATION MEASURES TAKEN**

Energy conservation measures taken in the past years and the consumption of energy are monitored on continual basis. Routine steps like strict control and monitoring of usage, good preventive maintenance of machines and equipments like DG Sets, AC units have resulted in optimal usage of electrical parts.

**2. ADDITIONAL INVESTMENT AND PROPOSALS FOR REDUCTION OF CONSUMPTION OF ENERGY**

Nothing substantial to report.

**B. RESEARCH AND DEVELOPMENT (R&D)****1. Specific areas in which R&D is carried out by the company:**

- a) Continuous improvement of existing products for enhanced durability and performance.
- b) Development of Mobile and Semi Mobile Crushing and Screening Plant Equipment:
  - i. A 220 TPH - Two Stage Wheel Mounted plant for Iron ore is under Erection and Commissioning.
  - ii. Design & development of a 200 TPH - Three Stage Wheel Mounted Plant is under manufacturing and will be commissioned in July'12 for Aggregate Production.
  - iii. Two units of Skid mounted coal crushing plant is validated and running satisfactorily. Design of additional 2 nos. of Skid Mounted Coal crushing Plants for new orders order received is under progress.
- c) Redesign of a new Single Toggle 2436 Jaw Crusher to reduce Process cost of Production & weight reduction.
- d) Newly redesigned OHE 3042 Jaw Crusher is under manufacturing and will be commissioned in July'12 for performance validation.
- e) Redesign of all MSEL Slurry Pumps to achieve High Performance features is continuing. Manufacturing drawings for commercial production of newly developed MSE-260-80 Centrifugal Slurry Pump (to replace VASA-260-80) have been released to Bangalore Unit.
- f) Development work on four more pump models is expected to be completed in FY 2012- 2013.
- g) Continuing work on Development, Testing and adaptation of New Materials for components and wear parts of various equipment in MSE product range.
- h) Development and Testing of Advanced Machining Centers in Asansol, Vadodara, and Bangalore Works of MSEL.
- i) Environment compliance by products and processes.
- j) Testing and validation of new products.

**2. Benefits derived as a result of the above R&D**

Kolkata R&D Center of MSEL has been recognized as an accredited R&D center by Ministry of Science and Technology, Government of India, adding value to our brand image. Customers' satisfaction and new business opportunities are seen as rewards for our continuous efforts in the R&D field. We expect to increase sales due to product improvements and introduction of new products, reduction in cost due to process improvements and cycle time reduction.

**3. Future Plan of Action:**

- a) Continuous Development of Slurry Pumps with Improved Performance (various sizes) with the help of CFD Simulation Software under procurement.



- b) Development of Tank Cells for Flotation (Mineral Beneficiation applications).
  - c) Design of Improved Crushers, Vibrating Screens, and Apron Conveyors etc.
  - d) Design and Prototype Development of Specialized Machining Centers for our Works at various locations.
  - e) Development of Mobile Crushers (both wheel and Track method) of various capacities and different applications.
  - f) Design Automation of complete range of MSEL Thickeners is under consideration of management and will be taken up progressively in cases where beneficial.
  - g) New Designs of skid Mounted Coal Crushing plant for higher capacity.
4. Expenditure on R&D:
- In pursuit of R&D endeavors, the company is also continually incurring expenditure both under Capital and Revenue heads which has not been separately reflected but is shown as part of regular heads of accounts in Fixed Assets and in statements of Profit and Loss.

	Rs in Lakhs	
	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
a) Capital	20.22	12.56
b) Recurring	143.86	126.26
c) Total R & D Expenditure	164.08	138.82
d) Total R & D Expenditure as a percentage of total turnover	0.63 %	0.47 %

## C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

- 1) Process/equipment developed by our R & D are being continuously absorbed and adopted on a commercial scale.
- 2) As a result of above efforts the company has been able to add new equipment, widened its range of products and made its equipment more efficient, cost effective and competitive.

## D. FOREIGN EXCHANGE EARNED AND USED

	Rs in Lakhs	
	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
1. Foreign Exchange Earned	619	859
2. CIF Value of Import	279	382
3. Expenditure in Foreign Currency		
– Remittance of Dividend	27	27
– Travelling, Royalty & Technical Know-How	28	9

## CORPORATE GOVERNANCE

This report is given in Compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

Company's policies on the Corporate Governance and due compliance report on specific areas wherever applicable for the year ended 31st March, 2012 are elaborated hereunder:

### I. Company's Philosophy

The Company continues to commit itself to maintaining the highest standards of integrity, transparency and accountability in all facets of its operations and to create Shareholders' value on a sustainable basis. The Company believes that good Corporate Governance, with transparency and independence as its key ingredients, provides a market oriented framework for the running of Companies. It can ensure a proper balance between management, board and shareholders, adequate level of transparency, appropriate compensation schemes and the prevention of conflict of interests.

### II. Board of Director

#### (a) Composition of the Board

The Board of Director comprises of seven directors at the end of the Financial Year, consisting of six non executive directors who account for more than eighty five percent of the Board's strength as against minimum requirement of fifty percent as per the listing agreement. The Non-Executive Directors are eminent professionals, drawn from amongst persons with experience in business and industry, finance, law and public enterprises. The composition of the Board is as under:

Name of Directors	Category of Directors	No. of other Directorship held #		No. of other Board/Committee (s) of which he is a \$		No of shares held in the Company as at 31st March, 2012
		Public	Private	Member	Chairperson	
Mr. Deepak Khaitan – Chairman	Promoter – Non-Executive	7	-	1	-	-
Mr. Subir Chaki *	Professional – Executive	1	-	-	-	-
Mr. Prabir Kumar Ghosh **	Independent – Non-Executive	2	-	1	-	300
Mr. Subir Rajan Dasgupta	Independent – Non-Executive	3	2	1	-	-
Mr. Padam Kumar Khaitan	Independent – Non-Executive	10	6	2	2	-
Mr. Sanjay S. Patel	Independent – Non-Executive	-	1	-	-	-
Mr. Heath Brian Zarin	Independent – Non-Executive	-	-	-	-	-

\* appointed as Director w.e.f. 9th January, 2012.

\*\* appointed as Director w.e.f. 13th February, 2012.

# excluding Directorships held in Foreign Companies, alternate directorship and Companies registered under Section 25 of the Companies Act, 1956

\$ Only Chairmanship and Membership related to Audit Committee and Shareholders/ Investors Grievance Committee are considered for this purpose. Chairmanship and Membership of the Alternate Directorship is not considered here.

None of the Director is related to each other in terms of provisions of the Companies Act, 1956.

None of the Directors on the Board is a Member of more than 10 committee or Chairman of more than 5 committee as specified in Clause 49, across the companies in which he is a Director. The Directors have made necessary disclosures regarding Committee positions held in other public limited companies.

(b) Details of Remuneration paid to Non- Executive Directors:

Name of the Director	Sitting Fees Paid during the year (in Rs.)
Mr. Deepak Khaitan	140,000
Mr. Prabir Kumar Ghosh	20,000
Mr. Subir Ranjan Dasgupta	360,000
Mr. Padam Kumar Khaitan	240,000
Mr. Sanjay S. Patel	80,000
Mr. Heath Brian Zarin	20,000
Mr. Chandrakant Pasari	60,000
<b>Total</b>	<b>920,000</b>

\* Sitting Fees for attending Board Meeting, Audit Committee meeting, Remuneration Committee & Shareholders'/Investors Grievance Committee meeting is Rs 20,000/- each.

(c) Details of Remuneration paid/payable to Managing Director and Whole time Director:

Rs in Lakhs

Particulars	Mr Shambhu Prasad (Managing Director) (upto 9th January, 2012)	Mr Subir Chaki (Whole time Director) (w.e.f. 9th January, 2012)
Salary	30	9
Performance Incentive	128	5
Contribution to Provident Fund and other Fund	5	2
Perquisites & Allowances	72	11
<b>Total</b>	<b>235</b>	<b>27</b>

- Service Contract with Mr. Subir Chaki, Whole time Director was entered for three years w.e.f. 9th January, 2012. Notice period as per service contract is minimum 3 months. The Whole time Director is entitled to Basic Salary, Perquisites & Allowances, Rent free accommodation, Performance Incentive etc.
- The Whole time Director is entitled to Performance Incentive, depending upon the performance of the company and his personal performance assessed as per company policy shall not exceed upto a maximum of six months' basic salary, payable annually, for each Financial Year, as may be determined by the Board of Directors.
- The resolution appointing the Managing Director and Whole time Director do not provide for payment of severance fees.
- Mr. Shambhu Prasad stepped down from his office as the Managing Director with effect from 9th January 2012. An amount of Rs. 128 lakhs was paid to him as performance incentive for his valuable contribution to the company and an amount of Rs. 36 lakhs was paid to him on account of encashment of privilege leave.

- (v) Remuneration paid to Managing Director during Financial Year 2010-11 exceeded the maximum permissible limit as per the provisions of Companies Act, 1956. Hence Rs. 61 lakhs paid to him has been considered as advance till the receipt of approval from Central Government. The company has filed the application on 2nd July, 2011 with Central Government. The company has received the approval letter dated 21st November, 2011 from Mr K. K. Nath, Deputy Secretary to Government of India. On the basis of Central Government approval letter and recommendation of remuneration committee in their meeting held on 9th January, 2012, the board approved in their meeting held on 9th January, 2012 to adjust Rs. 13 lakhs against salary for FY 2010-11 and recover/adjust the balance amount of Rs. 48 lakhs out of the total advance of Rs. 61 lakhs lying with Mr. Shambhu Prasad for FY 2010-11.
- (vi) None of the Non-Executive Directors receives any remuneration apart from the sitting fees for meetings attended by them.

## (d) Board Meetings and attendance of Directors:

- (i) The members of the Board have been provided with the requisite information mentioned in the listing agreement well before the board meetings and the same were dealt with appropriately.
- (ii) Eight Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:-  
6th May, 2011, 12th May, 2011, 28th June, 2011, 4th July, 2011, 12th August, 2011, 14th November, 2011, 9th January, 2012 and 13th February, 2012.
- (iii) The attendance recorded for each of the Directors at the Board Meetings during the year ended on 31st March 2012 and of the last Annual General Meeting is as under:

Directors	Number of Board Meetings Attended	Attendance at the last AGM
Mr. Deepak Khaitan	7	No
Mr. Subir Chaki*	2	-
Mr. Prabir Kumar Ghosh**	1	-
Mr. Subir Ranjan Dasgupta	8	Yes
Mr. Padam Kumar Khaitan	6	No
Mr. Sanjay S. Patel	2	No
Mr. Heath Brian Zarin	1	No
Mr. Chandrakant Pasari***	2	No
Mr. Shambhu Prasad****	6	Yes

\* elected as Director w.e.f. 9th January, 2012.

\*\* elected as Director w.e.f. 13th February, 2012.

\*\*\* ceased as Director w.e.f. 12th August, 2011.

\*\*\*\* ceased as Director w.e.f. 9th January, 2012.

## (e) Code of Conduct :

The Code of Conduct of the Company as adopted by the Board of Directors is applicable to all Directors and senior management of the Company.



The Code of Conduct for prevention of Insider Trading in the shares and securities of the Company, inter alia, prohibits purchase/sale of shares of the Company by Directors/ employees while in possession of unpublished price sensitive information in relation to the Company.

### **III. Audit Committee:**

- (a) The role and terms of reference of the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement and in Section 292A of the Companies Act, 1956. Brief descriptions of the terms of reference of the Audit Committee are as follows:
- (i) 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.
  - (ii) Recommending to the Board, the appointment, re-appointment and, if required the replacement or removal of the statutory auditor and the fixation of audit fees, and also approval for payment of any other services rendered by the statutory auditors.
  - (iii) Discussion with the statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - (iv) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of internal control systems.
  - (v) Reviewing, with the management, the quarterly financial results before submission to the Board for approval.
  - (vi) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause 2AA of Section 217 of the Companies Act, 1956;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions;
    - Qualifications in the draft audit report.
  - (vii) Reviewing the adequacy of internal audit function.
  - (viii) Discussion with internal auditors of any significant findings and follow-up thereon.
  - (ix) 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.
  - (x) Looking into the reasons for substantial defaults in payments to the shareholders and creditors.
  - (xi) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(b) Composition:

The Audit Committee was reconstituted by the Board of Directors. Member of the Audit Committee are as under :

Mr. Subir Ranjan Dasgupta – Chairman

Mr. Prabir Kumar Ghosh \*

Mr. Padam Kumar Khaitan \*\*

Mr. Sanjay S. Patel

Mr. Chandrakant Pasari \*\*\*

\* elected as member of the committee w.e.f. 13th February, 2012.

\*\* elected as member of the committee w.e.f. 12th August, 2011.

\*\*\* ceases as member of the committee w.e.f 12th August, 2011.

All the members of the Audit Committee are Non-Executive Independent Directors. Mr. Subir Ranjan Dasgupta, a Non-Executive Independent Director, having adequate financial and accounting qualification and expertise, is a Chairman of the Audit Committee. The other Members of the Committee are also financially literate. Mr. Amit Pathak, Company Secretary of the Company acts as the Secretary to the Committee.

Five Meetings of the Audit Committee were held during the Financial Year ended 31st March, 2012. The dates on which the Audit Committee Meetings were held are as follows:-

12th May, 2011, 4th July, 2011, 12th August, 2011, 14th November, 2011, and 13th February, 2012.

The attendance of each Audit Committee member is as under:

Name of the Audit Committee Member	Category	Number of Meetings Attended
Mr. Subir Ranjan Dasgupta	Independent -Non-Executive	5
Mr. Prabir Kumar Ghosh *	Independent -Non-Executive	-
Mr. Padam Kumar Khaitan **	Independent -Non-Executive	2
Mr. Sanjay S. Patel	Independent -Non-Executive	2
Mr. Chandrakant Pasari ***	Independent -Non-Executive	1

\* elected as member of the committee w.e.f. 13th February, 2012.

\*\* elected as member of the committee w.e.f. 12th August, 2011.

\*\*\* ceases as member of the committee w.e.f 12th August, 2011.

- (c) At the invitation of the Company, representatives from the various divisions of the Company, Internal Auditors, Statutory Auditors and Chief Financial Officer also attend the Audit Committee Meetings to respond to queries raised at the Committee Meetings.
- (d) The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under clause 49 of the Listing Agreement as well as in Section 292 A of the Companies Act, 1956.

## IV. Remuneration Committee

Brief description of terms of reference:

The broad terms of reference of the Remuneration Committee are as follows:

- (a) To approve/recommend to the Board of Directors the remuneration package of the Managing Director and Whole time Director and also to recommend remuneration payable to the Non Executive Directors.
- (b) To approve, in the event of loss or inadequacy of profit, in any year, the minimum remuneration payable to the Managing Director and Whole time Director within the limits and subject to the parameters prescribed in schedule XIII to the Companies Act, 1956.

(c) Composition:

The Remuneration Committee was reconstituted by the Board of Directors. Members of the Remuneration Committee consists of three Non-Executive Independent Directors are as under:

Mr. Subir Ranjan Dasgupta - Chairman

Mr. Padam Kumar Khaitan \*

Mr. Sanjay S. Patel

Mr. Chandrakant Pasari \*\*

\* elected as member of the committee w.e.f. 12th August, 2011.

\*\* ceases as member of the committee w.e.f 12th August, 2011.

Broad terms of reference of the Remuneration Committee include recommendation to Board of Directors of the salary, perquisites and allowances, performance incentives and retirement benefits payable to the Company's Directors and senior executives.

One Meeting of the Remuneration Committee was held on 9th January, 2012 during the Financial Year ended 31st March, 2012.

The attendance of each Remuneration Committee member is as under:

Name of the Remuneration Committee Member	Category	Number of Meetings Attended
Mr. Subir Ranjan Dasgupta	Independent -Non-Executive	1
Mr. Padam Kumar Khaitan *	Independent -Non-Executive	1
Mr. Sanjay S. Patel	Independent -Non-Executive	-
Mr. Chandrakant Pasari **	Independent -Non-Executive	-

\* elected as member of the committee w.e.f. 12th August, 2011.

\*\* ceases as member of the committee w.e.f 12th August, 2011.

## V. Remuneration Policy

Remuneration of employees largely consists of basic remuneration, perquisites and allowances and performance incentives.

The component of the total remuneration varies for different grades and is governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him and his individual performance.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, and retain talent in organization and reward merit.

## VI. Shareholders'/Investors Grievance Committee

The Shareholders'/Investors Grievance Committee was reconstituted by the Board of Directors. Member of the Shareholders'/Investors Grievance Committee are as under:

Mr. Subir Ranjan Dasgupta – Chairman

Mr. Subir Chaki \*

Mr. Padam Kumar Khaitan

Mr. Shambhu Prasad \*\*

\* elected as member of the committee w.e.f. 9th January, 2012.

\*\* ceases as member of the committee w.e.f 9th January, 2012.



Four Meetings of the Shareholders'/Investors Grievance Committee were held during the Financial Year ended 31st March, 2012. The dates on which the Shareholders'/Investors Grievance Committee Meetings were held are as follows:-

12th May, 2011, 12th August, 2011, 14th November 2011, 13th February, 2012.

The attendance of each Shareholders/ Investors Grievance Committee meetings are as under:

Name of the Shareholders'/Investors Grievance Committee Member	Category	Number of Meetings Attended
Mr. Subir Ranjan Dasgupta	Independent -Non-Executive	4
Mr. Subir Chaki*	Professional - Executive	1
Mr. Padam Kumar Khaitan	Independent -Non-Executive	3
Mr. Shambhu Prasad**	Independent -Executive	3

\* elected as member of the committee w.e.f. 9th January, 2012.

\*\* ceases as member of the committee w.e.f 9th January, 2012.

All investor complaints, which cannot be settled at the level of the Registrar – Maheshwari Datamatics Private Limited and Mr Amit Pathak, Company Secretary, the Compliance Officer, will be forwarded to the Shareholders/ Investors' Grievance Committee for final settlement.

The following table shows the number of complaints received from shareholders during Financial Year 2011-12

Nature of Complaints	Pending as on 01.04.2011	Received during the year	Replied/Resolved during the year	Pending as on 31.03.2012
Non receipt of Dividend Warrant	0	4	4	0
Non receipt of Share Certificate	0	2	2	0
Non receipt of Annual Reports	0	1	1	0
Total	0	7	7	0

Investor Complaints are generally redressed within thirty days from the lodgment.

The Company confirms that there were no share transfers lying pending as on 31st March 2012, and all requests for dematerialization and re- materialization of shares as on that date were confirmed/ rejected into the NSDL/CDSL System.

## Compliance Officer

Mr Amit Pathak  
Company Secretary  
McNally Sayaji Engineering Limited  
4 Mangoe Lane, Kolkata – 700 001

## VII. Share Transfer Committee:

The Board has authorized its Registrar and Transfer agent M/s Maheshwari Datamatics Pvt. Limited, to process and approve request received from investors for Transfer, Transmission, deletion of name, issue of duplicate share certificate etc. The Shareholders'/Investors Grievance Committee and Company Secretary oversees the activities of Registrar and Transfer Agent.

## VIII. Subsidiary Companies:

The Company does not have any subsidiary company, but it has a holding company viz. McNally Bharat Engineering Company Limited.

**IX. Disclosures:**

- (a) All related party transactions have been entered into in the ordinary course of business and were placed periodically before the audit committee in summary form. There were no material individual transactions with related parties which were not in the normal course of business required to be placed before the audit committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on arm's length basis.
- (b) The Company has complied with all the requirements of the listing agreements with the Stock Exchange as well as regulations and guidelines of SEBI. No penalty have been imposed or strictures have been issued by SEBI, Stock Exchanges or any statutory authority on matters related capital markets during the last three years.
- (c) All accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
- (a) Risk assessment and its minimization procedures have been laid down by the Company and the same have been informed to board members. These procedures are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.
- (b) Management Discussion and Analysis forms part of the Annual Report to the Shareholders and it includes discussions on matters as required under the provisions of clause 49 of the listing agreement with stock exchange.
- (c) There were no material financial and commercial transactions by Senior Management as defined in clause 49 of the listing agreement where they have personal interest that may have a potential conflict with the interest of the Company at large requiring disclosure by them to the Board of Directors of the Company.

**X. Compliance with of Non- Mandatory Requirements**

The status of compliance in respect of non-mandatory requirements of Clause 49 of Listing Agreement is as follows:

- (a) **The Board**  
No separate office is maintained for Non-Executive Chairman and therefore during the year under review, no expenses were incurred in connection therewith. No specific tenure has been specified for the Independent Director.
- (b) **Remuneration Committee:**  
Details are given under the heading "Remuneration Committee"
- (c) **Shareholders Rights:**  
Half- yearly declaration of financial performance including summary of the significant events in last six months are presently not being sent to the Shareholders of the Company.
- (d) **Audit Qualification:**  
During the year under review, there was no audit qualification in the Company's Financial Statement. The Company is maintaining best practices to ensure a regime of unqualified financial statement.
- (e) **Training of Board Members:**  
The Directors interact with the management freely on information required by them. The Independent Directors are encouraged to attend training programmes that may be of relevance and interest to the Directors in discharging their responsibilities to the Company's shareholders.
- (f) **Mechanism for evaluating Non- Executive Board Members:**  
There is no mechanism for evaluating Non-Executive Board Members at present.

(g) Whistle Blower Policy:

There is no Whistle Blower Policy at present. However employees aware of any alleged wrongful conduct are encouraged to make disclosure to the audit committee.

## XI. Compliance Certificate

Compliance Certificate for Corporate Governance from Auditors of the Company is given as Annexure to this report.

## XII. General Body Meetings

(a) The details of Annual General Meetings held in last three years as under:

Annual General Meetings/ Extra Ordinary General Meeting(EGM):

AGM/ EGM	Day	Date	Time	Venue
65th	Friday	6th November, 2009	11.00 A.M.	Registered Office at 4 Mangoe Lane 7th Floor, Kolkata -700 001
66th	Thursday	30th September, 2010	4.00 P.M.	3rd Floor, Campus-2B, ECOSPACE Premises No. 11F / 12, (Plot No. AAIL / Block-3), New Town, Rajarhat Kolkata-700156
EGM	Monday	8th February, 2010	10.00 A.M.	3rd Floor, Campus-2B, ECOSPACE Premises No. 11F / 12, (Plot No. AAIL / Block-3), New Town, Rajarhat Kolkata-700156
67th	Saturday	24th September, 2011	12.30 P.M.	3rd Floor, Campus-2B, ECOSPACE Premises No. 11F / 12, (Plot No. AAIL / Block-3), New Town, Rajarhat Kolkata-700156

(b) Whether any Special resolutions passed in the previous 3 AGMs/EGMs.

Yes, details of which are given hereunder:

Date	Matter
6th November, 2009	Appointment of Mr. Shambhu Prasad as Managing Director of the Company.
8th February, 2010	Alteration of Articles of Association and Memorandum of Association of the Company.
8th February, 2010	Issue of equity shares and warrants on preferential basis by the Company.
24th September, 2011	Re appointment of Mr. Shambhu Prasad as Managing Director of the Company.

(c) Special resolution under Section 372A of the Companies Act, 1956 was passed by Postal Ballot during the Financial Year ended 31st March, 2011 as per the procedure prescribed in The Companies (Passing of Resolution by Postal Ballot) Rules, 0221. The result of the Postal Ballot was as under:-



Particulars of Resolution	Resolution passed on	No of shares and % of vote in favour	No of shares and % of vote in against
To make loan(s) and/or give any guarantee(s)/ provide any security(ies) to acquire by way of subscription, purchase or otherwise the securities of anybody corporate pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956	14th July, 2010	6335598 99.99%	500 00.01%

- (d) Person who conducted the Postal Ballot exercise

Mr Atul Kumar Labh, a practicing Company Secretary, appointed as scrutinizer conducted the Postal Ballot voting process.

- (e) Procedure for Postal Ballot

The procedure as prescribed in the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 were followed for passing the special resolution by Postal Ballot during the Financial Year ended 31st March, 2011.

## XIII. Means of Communications

- |   |  |
|---|--|
| (a) Quarterly results in which newspaper normally published in  | Financial Express, Dainik Statesman  |
| (b) Half Yearly report sent to each shareholder   | No   |
| (c) Any web site, where displayed   | <a href="http://www.sayaji.mcnallybharat.com">www.sayaji.mcnallybharat.com</a>   |
| (d) Whether it also displays official news releases and presentations made to institutional investors/ analysts | General information on the Company, official news releases and presentations to analysts and institutional investors are also posted on the Company's website. |

## XIV. General Shareholder Information

- (a) As required under Clause 49 (IV) of the Listing Agreement, details of Directors seeking appointment or reappointment at the forthcoming Annual General Meeting are given hereunder:

Particulars	Seeking reappointment	Seeking reappointment
Name of Director	Mr. Deepak Khaitan	Mr. Subir Ranjan Dasgupta
Date of birth	9th May, 1955	10th October, 1945
Date of Appointment	15th September, 2008	13th August, 2010
Shareholding in the Company as on 31.03.2012	Nil	Nil
Brief Resume and Experience in specific functiona Area	Given in the Notice of AGM	Given in the Notice of AGM
List of other Directorships held	-do-	-do-
Chairman/Member of the Committee of the Board of Directors of the Companies in which he is a Director	-do-	-do-

Particulars	Seeking reappointment	Seeking reappointment
Name of Director	Mr. Subir Chaki	Mr. Prabir Kumar Ghosh
Date of birth	24th March, 1960	4th June, 1959
Date of Appointment	9th January, 2012	13th February, 2012
Shareholding in the Company as on 31.03.2012	Nil	300
Brief Resume and Experience in specific functional Area	Given in the Notice of AGM	Given in the Notice of AGM
List of other Directorships held	-do-	-do-
Chairman/Member of the Committee of the Board of Directors of the Companies in which he is a Director	-do-	-do-

Particulars	Seeking reappointment
Name of Director	Mr. Prasanta Kumar Chandra
Date of birth	1st February, 1957
Date of Appointment	30th May, 2012
Shareholding in the Company as on 30.05.2012	Nil
Brief Resume and Experience in specific functional Area	Given in the Notice of AGM
List of other Directorships held	-do-
Chairman/Member of the Committee of the Board of Directors of the Companies in which he is a Director	-do-

(b) 68th Annual General Meeting to be held :

Day, Date, Time and Venue	
Day	Thursday
Date	27th September, 2012
Time	12.30 P.M.
Venue	7th Floor, Campus 2B, Ecospace, Premises No 11F/12, (Plot No AAII/Block -3) New Town, Rajarhat, Kolkata- 700156

(c)

Financial Year	1st April to 31st March
First Quarterly Results	Before 15th August, 2012
Second Quarterly Results	Before 15th November, 2012
Third Quarterly Results	Before 15th February, 2013
Audited yearly Results for the year ended 31st March 2013	Before 31st May, 2013



(d) Period of Book Closure :

The Share Transfer Books and Register of Members of the Company will remain closed from 17th September, 2012 to 27th September, 2012 (both days inclusive) for the purpose of the Annual General Meeting of the Company.

(e) Listing on Stock Exchanges:

The Company's Shares are listed at the following Stock Exchanges and Annual Listing Fees for the Financial Year 2012-13 have been paid to all these Stock Exchanges.

Name of Stock Exchange

1. The Vadodara Stock Exchange Limited.
2. The Ahmedabad Stock Exchange Limited.
3. The Delhi Stock Exchange Limited.

International Securities Identification Number (ISIN) for the Company's shares in dematerialized form :  
INE105E01011

(f) Market Price Data:

The trading in company's shares at all these Stock Exchanges was NIL during the Financial Year 2011-2012 and, hence, no share price data is provided. However the shares of the company were issued on preferential basis at a price of Rs.186 per share in Financial Year 2009-10.

(g) Share Transfer Agents:

The Company has engaged the services of M/s. Maheshwari Datamatics Pvt. Limited, 6 Mangoe Lane, Kolkata – 700 001, a SEBI registered Registrar, as their Registrar and Share Transfer Agent for processing transfers, sub-division, consolidation, splitting of securities, etc., for both physical as well as Demat form. To facilitate multi-depository transfers and holdings, your Company has made arrangement for dematerialisation of its shares with the National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Any query relating to dematerialization may be addressed to M/s. Maheshwari Datamatics Pvt. Limited, 6 Mangoe Lane, Kolkata – 700 001.

(h) Share Transfer System:

Company's Shares can be converted into Demat mode. Therefore investors/ Shareholders are requested to kindly note that physical documents, viz. Demat request (DRF) and Share Certificates etc., should be sent by their Depository Participants (DP's) directly to the Share Transfer Agent . Any delay on the part of the DP's to send the DRF and the share certificates beyond 15 days from the date of generation of the DRF by the DP will be rejected/cancelled. This is being done to ensure that no Demat requests remain pending with the Share Transfer Agent beyond a period of 30 days. Investor/Shareholders should, therefore, ensure that their DP's do not delay in sending the DRF and Share Certificates to Share Transfer Agents after generating the DRF.

The Address of Registrar and Share Transfer Agent is as under:-

Contact Person: Mr. S. Rajagopal - Vice President  
M/s. Maheshwari Datamatics Pvt. Limited  
6, Mangoe Lane, 2nd Floor  
Kolkata -700001  
Telephone, Fax and E-mail. :  
Telephone No(s) (033) 22435029 / 5809, 22482248  
Fax No.(033) 22484787  
Email : mdpl@cal.vsnl.net.in

(i) Distribution of Shareholding as on 31st March, 2012

Sl. No.	No. of Equity Shares held	No. of Shareholders	% of total shareholders	No. of Shares held	% of Total Shares
1	01 to 500	949	86.99	243,701	2.71
2	501 to 1000	84	7.70	76,100	0.85
3	1001 to 2000	21	1.92	33,500	0.37
4	2001 to 3000	8	0.73	19,774	0.22
5	3001 to 4000	7	0.64	25,700	0.29
6	4001 to 5000	5	0.46	24,300	0.27
7	5001 to 10000	5	0.46	33,100	0.37
8	10001 and above	12	1.10	8,533,098	94.92
	<b>Total</b>	<b>1091</b>	<b>100.00</b>	<b>8,989,273</b>	<b>100.00</b>

(j) Shareholding Pattern as on 31st March, 2012

Sl. No.	Category	No. of Holders	No. of Shares	% of holding
1	Promoters	4	6,729,698	74.86
2	Mutual Funds	-	-	-
3	Financial Institutions	-	-	-
4	Bank	-	-	-
5	Insurance Companies	-	-	-
6	Foreign Institutional Investors	1	1,340,000	14.91
7	Domestic Companies	15	452,774	5.04
8	Foreign Companies	-	-	-
9	Resident Indian	1,063	411,501	4.58
10	Non Resident Indian	7	55,000	0.61
11	Directors and Relatives	1	300	0.00
	<b>Total</b>	<b>1,091</b>	<b>8,989,273</b>	<b>100.00</b>

(k) Dematerialization of Shares:

As on 31st March 2012, 87,07,873 Shares of the Company's total shares representing 96.87% shares were held in dematerialized form and the balance 3.13 % representing 2,81,400 shares were in physical form. The entire Promoters Holding being 67,29,698 shares representing 74.86 % of Capital of the Company has been held in Demat Form.

(l) Outstanding GDRs/ADRs/Warrants or any Convertible instruments:

1,75,000 Convertible Warrants of Rs 186/- each were allotted on 12th March, 2010, (convertible within eighteen months from the date of allotment in one or more tranches) and 3,35,000 Convertible Warrants of Rs 186/- each were allotted on 13th August, 2010, (convertible within twelve months from the date of allotment in one or more tranches), on a preferential basis to Promoters/ Promoter group and strategic investors, entitling the holder of the Warrants to apply for and be allotted one equity share of Rs.10/- each fully paid-up, at a price of Rs. 186/- per share (including a premium of Rs. 176/-), or at such other higher prices in accordance with the



applicable statutory Regulations, against each such warrant. The Company had called up and received 25% of the face value against allotment of each such warrant in previous Financial Years and the balance amount is due to be received by the company during the current Financial Year. None of the warrant holders has exercised the option; hence the entire amount of Rs 237 lakhs, representing 25% of the face value has been forfeited by the company and transferred to capital reserves of the company.

There is no outstanding GDRs/ADRs/ Warrants or any convertible instruments at the end of the current Financial Year.

(m) Company's Factories are located at following places:

- (i) Vadodara, in the state of Gujarat
- (ii) Kumardhubi, in the state of Jharkhand
- (iii) Asansol, in the state of West Bengal
- (iv) Bangalore, in the state of Karnataka

(n) Address for Correspondence:

Company registered office is situated at 4, Mangoe Lane, 7th floor, Kolkata -700001

Shareholders Correspondence should be addressed to :

- (i) Mr Amit Pathak – Company Secretary  
McNally Sayaji Engineering Limited  
4, Mangoe Lane, Kolkata -700001  
Telephone: (033) 30142280/66282280, Fax No.(033) 30142393  
Email: amit.pathak@mbeccl.co.in
- (ii) Registrar and Share Transfer Agent  
Mr. S. Rajagopal - Vice President  
M/s. Maheshwari Datamatics Pvt. Limited  
6, Mangoe Lane, 2nd Floor,  
Kolkata -700001  
Telephone : (033) 22435029 / 5809, 22482248, Fax No.(033) 22484787  
Email : mdpl@cal.vsnl.net.in

### **XV Declaration by the CEO under Clause 49 of the listing agreement regarding adherence to the Code of conduct.**

In accordance with Clause 49 sub- clause 1 (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended 31st March, 2012.

For **McNally Sayaji Engineering Limited**

Place : Kolkata  
Date : 30th May, 2012

**Subir Chaki**  
Whole time Director



**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF  
CORPORATE GOVERNANCE**

To the Members of  
McNally Sayaji Engineering Limited

We have examined the compliance of conditions of Corporate Governance by McNally Sayaji Engineering Limited, for the year ended 31 March, 2012, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We 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 Lovelock & Lewes**  
Firm Registration Number: 301056E  
*Chartered Accountants*

Kolkata  
30 May, 2012

**Prabal Kr.Sarkar**  
Partner  
Membership Number.52340





To  
The Board of Directors  
McNally Sayaji Engineering Limited

**CEO/CFO CERTIFICATION**

Mr. Subir Chaki, Whole time Director (CEO) and Mr. Uttam Tekriwal, Chief Financial Officer (CFO) of the Company have certified to the Board that;

- (a) They have reviewed financial statement and the cash flow statement for the period ended 31st March, 2012 and 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 and that might be misleading; and
  - ii) These statements together present a true and fair view of the Company's affairs and one 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 period which is fraudulent, illegal or volatile of the Company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the company pertaining to the financial reporting 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 proposed to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the Audit Committee:
  - i) Significant changes in internal control over financial reporting for the period under review.
  - ii) Significant changes in accounting policies for the period under review 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 over financial reporting.

For **McNally Sayaji Engineering Limited**

Place : Kolkata  
Date : 30th May, 2012

**Subir Chaki**  
Whole time Director

**Uttam Tekriwal**  
Chief Financial Officer



**AUDITORS' REPORT TO THE MEMBERS OF MCNALLY SAYAJI ENGINEERING LIMITED**

1. We have audited the attached Balance Sheet of McNally Sayaji Engineering Limited (the "Company") as at 31 March, 2012, and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) 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;
  - (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 those books;
  - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss 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 Act;
  - (e) On the basis of written representations received from the directors, as on 31 March, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31 March, 2012;
    - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Lovelock & Lewes**  
Firm Registration Number: 301056E  
*Chartered Accountants*

**Prabal Kr.Sarkar**  
Partner  
Membership Number.52340

Kolkata  
30 May, 2012

**ANNEXURE TO AUDITORS' REPORT**

Referred to in paragraph 3 of the Auditors' Report of even date to the members of McNally Sayaji Engineering Limited on the financial statements for the year ended 31 March, 2012

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.  
(c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year except for sale of property at Baroda. In our opinion, the disposal of the said part of fixed assets has not affected the going concern status of the Company.
2. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion, 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) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. The Company has neither granted nor taken any loans, secured or unsecured, to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly paragraphs 4(iii) (b), (c), (d), (f) and (g) of the Order are not applicable.
4. 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. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, no major weakness have been noticed or reported.
5. (a) In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.  
(b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of Tax Deducted at Source, VAT and Sales Tax the Company is generally regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of

statutory dues outstanding as at 31 March 2012, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of Payment
Income Tax Act, 1961	Tax Deducted at Source U/s 194 C	2,729	April 2011	7-May-11	30-Apr-12
Income Tax Act, 1961	Tax Deducted at Source U/s 194 C	4,229	May 2011	7-Jun-11	30-Apr-12
Income Tax Act, 1961	Tax Deducted at Source U/s 194 C	12,090	June 2011	7-Jul-11	30-Apr-12
Income Tax Act, 1961	Tax Deducted at Source U/s 194 C	24,576	July 2011	7-Aug-11	30-Apr-12
Income Tax Act, 1961	Tax Deducted at Source U/s 194 C	9,278	August 2011	7-Sep-11	30-Apr-12
Income Tax Act, 1961	Tax Deducted at Source U/s 194 C	6,438	September 2011	7-Oct-11	30-Apr-12

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax and excise duty as at 31 March, 2012 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	From where the dispute is pending
Central Excise Act, 1944	Excise Duty & penal Interest thereon	670,221	1990-91	CESTAT, New Delhi
Central Excise Act, 1944	Excise Duty & penal Interest thereon	2,118,741	1994-95 & 95-96	Deputy Commissioner - Dhanbad
Central Excise Act, 1944	Excise Duty & penal Interest thereon	2,831,749	1996-97	Assistant Commissioner - Dhanbad
Central Excise Act, 1944	Excise Duty & penal Interest thereon	674,059	1993-94	Deputy Commissioner - Dhanbad
Central Excise Act, 1944	Excise Duty & penal Interest thereon	1,879,868	1994-95	Deputy Commissioner - Dhanbad
Central Excise Act, 1944	Excise Duty & penal Interest thereon	355,691	1992-93	Deputy Commissioner - Dhanbad
	Sub Total	8,530,329		
Bihar Finance Act, 1981	Sales Tax	644,052	1991-92	The Commercial Taxes Tribunal- Bihar
Bihar Finance Act, 1981	Sales Tax	547,383	1992-93	The Commercial Taxes Tribunal- Bihar
Central Sales Tax Act, 1956	Sales Tax	25,602,777	2006-07	Commissioner of Commercial Taxes, Ranchi
Jharkhand VAT Act, 2005	Sales Tax	696,723	2007-08	Commissioner of Commercial Taxes, Ranchi
Central Sales Tax Act, 1956	Sales Tax	5,786,894	2007-08	Commissioner of Commercial Taxes, Ranchi
Jharkhand VAT Act, 2005	Sales Tax	7,114,248	2008-09	Commissioner of Commercial Taxes, Ranchi
Central Sales Tax Act, 1956	Sales Tax	146,725,732	2008-09	Commissioner of Commercial Taxes, Ranchi
	Sub Total	187,117,809		



10. The Company has no accumulated losses as at 31 March 2012 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, other than dues to Karur Vyasa Bank for the period from 30th March 2012 to 4th April 2012 aggregating Rs. 2,626,338/-, the Company has not defaulted in repayment of dues to any bank as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
16. The Company has not obtained any term loans during the year.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion, and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year; and does not have any debentures outstanding as at the year end.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

**For Lovelock & Lewes**  
Firm Registration Number: 301056E  
*Chartered Accountants*

**Prabal Kr.Sarkar**  
Partner  
Membership Number. 52340

Kolkata  
30 May, 2012



# McNally Sayaji Engineering Limited



## BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No	As at 31st March, 2012 Rs. in Lakhs	As at 31st March, 2011 Rs. in Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	899	899
Reserves and Surplus	3	17,902	17,671
Money received against Share warrants	4	—	237
		<b>18,801</b>	<b>18,807</b>
<b>Non-current liabilities</b>			
Long term borrowings	5	6,998	8,038
Deferred Tax Liabilities (net)	6	930	931
Other Long term liabilities	7	3	—
Long term Provisions	8	244	155
		<b>8,175</b>	<b>9,124</b>
<b>Current liabilities</b>			
Short term borrowings	9	8,859	6,585
Trade Payables	10	7,420	6,439
Other Current liabilities	11	4,344	4,738
Short term Provisions	12	201	430
		<b>20,824</b>	<b>18,192</b>
<b>TOTAL</b>		<b>47,800</b>	<b>46,123</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	13	13,020	13,401
Intangible assets	14	1,041	1,312
Capital work-in-progress		5,950	3,570
Non-current investments	15	0	0
Long-term loans and advances	16	322	367
Other non-current assets	17	326	357
		<b>20,659</b>	<b>19,007</b>
<b>Current assets</b>			
Current investments	18	—	2
Inventories	19	10,011	9,678
Trade receivables	20	10,877	15,074
Cash and Bank Balances	21	402	347
Short-term loans and advances	22	3,665	2,011
Other current assets	23	2,186	4
		<b>27,141</b>	<b>27,116</b>
<b>TOTAL</b>		<b>47,800</b>	<b>46,123</b>

Notes forming part of Financial Statements

1 to 43

This is the Balance Sheet referred to in our Report of even date.

For **Lovelock & Lewes**

Firm Registration Number : 301056E

Chartered Accountants

**Prabal Kr Sarkar**

Partner

Membership Number : 52340

Place : Kolkata

Date : 30th May 2012

**Subir Chaki**

- Whole time Director

**Subir Ranjan Dasgupta**

- Director

**Uttam Tekriwal**

- Chief Financial Officer

**Amit Pathak**

- Company Secretary



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No	For the year ended 31st March, 2012 Rs. in Lakhs	For the year ended 31st March, 2011 Rs. in Lakhs
<b>Revenue from operations</b>	24	<b>26,044</b>	<b>29,626</b>
Other income	25	532	364
<b>Total Revenue</b>		<b>26,576</b>	<b>29,990</b>
<b>Expenses</b>			
Cost of materials consumed	26	14,891	14,089
Changes in inventories of finished goods and work-in-progress	27	(1,887)	(1,413)
Employee benefits expense	28	4,159	3,597
Finance costs	30	1,794	1,423
Depreciation and amortization expense	31	1,100	1,038
Other expenses	32	8,819	9,292
<b>Total expenses</b>		<b>28,876</b>	<b>28,026</b>
<b>Profit/(Loss) before tax</b>		<b>(2,300)</b>	<b>1,964</b>
Exceptional items	33	2,612	-
<b>Profit before extraordinary items and tax</b>		<b>312</b>	<b>1,964</b>
<b>Tax expenses:</b>			
Current tax		95	500
Deferred tax		(1)	145
Total tax		94	645
<b>Profit for the year</b>		<b>218</b>	<b>1,319</b>
<b>Earnings per equity share (Face Value of Rs 10/- each):</b>			
Basic and Diluted	42	2.42	14.67

Notes forming part of Financial Statements 1 to 43

This is the Statement of Profit and Loss referred to in our Report of even date.

For **Lovelock & Lewes**

Firm Registration Number : 301056E

Chartered Accountants

**Prabal Kr Sarkar**

Partner

Membership Number : 52340

Place : Kolkata

Date : 30th May 2012

**Subir Chaki**

- Whole time Director

**Subir Ranjan Dasgupta**

- Director

**Uttam Tekriwal**

- Chief Financial Officer

**Amit Pathak**

- Company Secretary



## NOTES ON ACCOUNTS

### 1. ACCOUNTING POLICY STATEMENT

#### i. ACCOUNTING CONVENTION

These financial statements have been prepared to comply in all material aspects with the applicable accounting principles in India, including Accounting Standards as notified under section 211(3C) of the Companies Act, 1956 and relevant provisions of the Companies Act, 1956, to the extent applicable. A summary of important accounting policies which have been applied consistently are set out below. During the year ended 31st March, 2012 the revised schedule VI notified under the Companies Act, 1956, has been applicable for preparation and presentation of its financial statements and the same have been prepared in accordance with the relevant presentation requirement of the aforesaid revised schedule VI notified under the Companies Act, 1956, with necessary re – classification for previous year's figure.

#### ii. BASIS OF ACCOUNTING

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets as stated in item (iii) below.

#### iii. TANGIBLE ASSETS

Tangible assets, other than land which are revalued in 1993-94, are stated at their cost. Cost includes inward freight, duties and taxes and expenses incidental to acquisition and installation. The cost is net of CENVAT and/or VAT wherever applicable. Borrowing costs related to the acquisition or construction of the qualifying assets for the period up to the completion of their acquisition or construction is capitalized. Own manufactured/constructed assets are capitalized at cost including an appropriate share of overheads. Impairment loss, if any, ascertained as per the Accounting Standards of the Companies (Accounting Standard) Rules, 2006, is recognized. Profit and Loss on disposal of tangible assets is recognized in the Statement of Profit and Loss.

#### iv. INTANGIBLE ASSETS

Intangible assets comprise of technical know-how for vibrating screen and granulators, designs and drawing and computer software, expected to provide future enduring economic benefits and are stated at cost of acquisition/implementation/development less accumulated amortization. Impairment loss, if any, ascertained as per the Accounting Standards of the Companies (Accounting Standard) Rules, 2006, is recognized.

#### v. DEPRECIATION AND AMORTIZATION

- Depreciation is provided on assets acquired up to 31st March, 1989 on written down value method and assets acquired on or after 1st April, 1989 on straight line method at the rates prescribed in schedule XIV of the Companies, Act 1956 or based on the remaining residual life whichever is higher.
- The rates of depreciation where different from Schedule XIV are as follows:

Particulars	Rate
Certain items of Factory Building	5% - 10%, 20%
Certain items of Non-factory Building	4.17% - 10%
Certain items of Plant & Machinery	5% - 20%

Freehold Land and Leasehold Land (perpetual lease) are not depreciated. Other Leasehold land are amortised over the period of lease,

- Intangible Assets include technical know-how for vibrating screen and granulators which are amortized over a period of five years and designs and drawing are amortized over a period of seven years under straight line method. Computer software are amortized over a period of two to five years depending upon its useful life.

**NOTES ON ACCOUNTS (Contd.)****vi. GOVERNMENT GRANTS**

Grants / subsidies that relate to capital expenditure are deducted from the cost of the assets. Other grants / subsidies are credited to the Statement of Profit and Loss.

**vii. INVESTMENTS**

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments. All other investments are classified as Non current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non current investments are carried at cost. However provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

**viii. INVENTORIES**

Inventories including Work-in-Progress are stated at cost or net realizable value whichever is lower.

In case of raw materials and stores and spares, such cost is arrived on weighted average. Cost comprises of expenditure incurred in the normal course of business in bringing stocks and work-in-progress to their location and condition (including appropriate overheads). Where the current estimate of total cost and revenue in respect of Work-in-Progress covered by customers' orders indicate a loss, provision is made for entire loss.

Certain loose tools are written off over a period of ten years.

Finished goods are valued at cost or net realizable value whichever is lower.

Obsolete, slow moving and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

**ix. FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currency are recorded in Rupees by applying the rate of exchange ruling at the time of transactions. Exchange differences arising on the settlement of transactions are recognized as income or as expense in the period in which they arise.

Foreign currency monetary items are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is also recorded in the Statement of Profit and Loss. Non monetary items at the balance sheet date are stated at historical cost.

The Company uses foreign exchange forward contracts to hedge its exposure for movements in foreign exchange rates. The premium or discount arising at the inception of a forward exchange contract is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense for the period. However foreign currency loan availed of on a fully hedged basis is accounted for in the currency in which such loan has been fully hedged as no exchange fluctuation is on the Company's account in terms of the underlying contracts.

**x. REVENUE FROM OPERATIONS**

- (a) Sale of product and services represent the invoiced value of goods and services supplied and exclude excise duty, value added tax, service tax etc. Agency commission is recognized in terms of agency agreement.
- (b) Erection and commissioning income is recognized as revenue as and when it becomes due as per terms of contracts.

**xi. ACCOUNTING OF CLAIMS**

Claims receivable are accounted at the time of lodgment depending on the certainty of receipt and claims payable are accounted at the time of acceptance.

**NOTES ON ACCOUNTS (Contd.)****xii. OTHER INCOME**

Income from investments is included, together with related tax credit, in the Statement of Profit and Loss on an accrual basis. Dividend income from investments is recognized on receipt basis.

**xiii. LEASES**

Lease rentals in respect of assets taken on operating lease are charged to revenue.

**xiv. EMPLOYEE BENEFITS****(a) Provident Fund**

Contribution to Provident Fund, which is administered by an independent Trust/Fund managed by the Regional Provident Fund Commissioner, is charged to the Statement of Profit and Loss. In respect of Provident Fund contributions made to an independent Trust managed by the Trustees, the interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company, impact of which is ascertained by way of actuarial valuation as at the year end. In addition, some employees of the Company are covered under employees' state insurance schemes administered by the Government of India.

**(b) Pension**

The Company operates a superannuation fund scheme for some of its employees towards which the Company contributes upto a maximum of 15% of the employees' current salary, which is charged to the Statement of Profit and Loss. The scheme, which is fully funded, is managed by Trustees and is independent of the Company's finance.

**(c) Gratuities and Leave Encashment**

The Company operates Gratuity Fund Schemes for its employees. The liability in respect of such schemes have been ascertained on the basis of actuarial valuation at the year-end and provided for. The schemes, which are funded with SBI Life Insurance Co. Ltd. and Life Insurance Corporation of India (LIC), are administered by independent Trusts. Liability towards leave encashment benefits payable to employees has been evaluated on the basis of actuarial valuation at the end of the year and has been recognized as a charge in the accounts.

**(d) Other Long Term Employee Benefits**

Other benefits comprising of entitlement to accumulation of Sick Leave and Long Service Award is provided for based on actuarial valuation carried out in accordance with revised Accounting Standard - 15 as at the end of the year.

**(e) Short Term Employee Benefits including compensated absence are recognised as an expense as per the Company's schemes based on expected obligation on an undiscounted basis.****(f) Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.****xv. BORROWING COSTS**

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**xvi. TAXES ON INCOME**

Current tax represents the amount of tax payable based on computation of tax as per prevailing taxation laws under the Income-tax Act, 1961.

## NOTES ON ACCOUNTS (Contd.)

Provision for deferred taxation is made using the liability method, at current rate of taxation, on timing differences to the extent it is probable that a liability or asset will crystallize.

Deferred Tax assets are not recognized unless there is reasonable certainty and in case of brought forward loss and unabsorbed depreciation there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets are only recognized to the extent there are deferred tax liability off setting them.

### xvii. PROVISIONS AND CONTINGENT LIABILITIES

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or present obligation such that the likelihood of outflow of resources is remote, no provision or disclosure is made.

## 2. SHARE CAPITAL

	As at 31st March, 2012 Rs. In Lakhs	As at 31st March, 2011 Rs. In Lakhs		
(i) Authorised 5,00,00,000 Equity Shares of Rs.10/- each	5,000	5,000		
(ii) Issued, Subscribed and Paid up 89,89,273 Equity Shares of Rs.10/- each, fully paid up	899	899		
(iii) 63,29,698 Equity Shares are held by the holding company				
(iv) Shares issued for consideration other than cash				
– 34,55,529 Equity Shares of Rs.10 each were issued as fully paid up pursuant to a Scheme of Arrangement.				
– 40,000 Equity Shares of Rs. 10/- each were issued to vendors.				
(v) 17,98,000 Equity Shares were issued as fully paid-up Bonus Shares by way of capitalisation of General Reserve.				
(vi) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
Particulars	As at 31st March, 2012 Rs. in Lakhs	In No's	As at 31st March, 2011 Rs. in Lakhs	In No's
Shares outstanding at the beginning of the year	899	8,989,273	899	8,989,273
Shares outstanding at the end of the year	899	8,989,273	899	8,989,273
(vii) Terms/rights attached to equity shares				

The Company has only one class of equity share having a par value of Rs 10/- per share. Each holder of equity is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. During the year ended 31st March, 2012, the amount of dividend per share recognized as distributions to equity shareholders is Rs. Nil (2010-11 Rs. 2/-). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

## NOTES ON ACCOUNTS (Contd.)

(viii) Details of shareholders holding more than 5% shares in the Company

Name of Shareholders	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
McNally Bharat Engineering Co. Ltd.	6,329,698	70.41	6,329,698	70.41
EIG (Mauritius) Limited	1,340,000	14.91	1,340,000	14.91

### 3. RESERVES AND SURPLUS

	As at 31st March, 2012 Rs. In Lakhs	As at 31st March, 2011 Rs. In Lakhs
<b>Revaluation Reserve</b>		
Balance as per last account	—	223
<b>Capital Reserve</b>		
Balance as per last account	7,878	7,878
Add: Transferred from amount forfeited on partly paid convertible warrants (refer note -4)	237	—
Balance as per last account	8,115	7,878
<b>Security Premium account</b>		
Balance as per last account	3,372	3,372
<b>General Reserve</b>		
Balance as per last account	1,465	1,333
Add: Transferred from Surplus in Statement of Profit and Loss during the year	—	132
Balance as at the end of the year	1,465	1,465
<b>Surplus in Statement of Profit and Loss</b>		
Balance as per last account	4,733	3,756
Add: Profit for the year	218	1,319
Less: Appropriations		
Proposed Dividend	—	180
Corporate Dividend Tax on Proposed Dividend	—	30
Transfer to General Reserve	—	132
Balance as at the end of the year	4,951	4,733
<b>Total</b>	<b>17,902</b>	<b>17,671</b>

4. The Company has allotted 1,75,000 Convertible Warrants of Rs 186/- each on 12th March, 2010 (convertible within eighteen months from the date of allotment in one or more tranches) and 3,35,000 Convertible Warrants of Rs 186/- each on 13th August, 2010 (convertible within twelve months from the date of allotment in one or more tranches), on a preferential basis to Promoters/ Promoter group and strategic investors, entitling the holder of the Warrants to apply for and be allotted one equity share of Rs. 10/- each fully paid-up, at a price of Rs. 186/- per share (including a premium of Rs. 176/-), or at such other higher prices in accordance with the applicable statutory Regulations,

## NOTES ON ACCOUNTS (Contd.)

against each such warrant. The Company had called up and received 25% of the face value against allotment of each such warrant in previous financial years and the balance amount is due to be received by the Company during the current financial year. None of the warrant holders has exercised the option; hence the entire amount of Rs 237 Lakhs, representing 25% of the face value, has been forfeited by the Company and transferred to capital reserve of the Company.

### 5. LONG TERM BORROWINGS

Rs. In Lakhs

	As at 31st March, 2012			As at 31st March, 2011		
	Secured (i)	Unsecured (ii)	Total (i+ii)	Secured (i)	Unsecured (ii)	Total (i+ii)
(A) Term Loans						
(1) Rupee Loans from Karur Vysya Bank*	68	—	68	341	—	341
(2) Foreign Currency Loans from ICICI Bank**	6,924	—	6,924	7,690	—	7,690
Total (1+2)	6,992	—	6,992	8,031	—	8,031
(B) Car Loans						
(1) Rupee Loans from Banks***	6	—	6	7	—	7
<b>Total (A+B)</b>	<b>6,998</b>	<b>—</b>	<b>6,998</b>	<b>8,038</b>	<b>—</b>	<b>8,038</b>

\* Secured by pari passu charge on the factory land situated at Asansol together with buildings and plant and machinery erected thereon.

\*\* Rs 2,299 Lakhs secured by first pari passu charge on all moveable and immoveable fixed assets of McNally Bharat Engineering Company Limited (MBECL) both present and future and first pari passu charge over the immoveable and moveable fixed assets of the Company (excluding Kumardhubi plant - Unit 1). Above facility is also guaranteed by Holding Company.

Rs 4,625 Lakhs secured by first pari passu charge on all moveable and immoveable fixed assets of the Company (excluding Kumardhubi plant - Unit 1) both present and future.

\*\*\* Secured by hypothecation of motor vehicles acquired out of these loans.

Major terms of repayment of long term loans disclosed above and in Note 11.

Name of the Lender	Nature of Loan	Date of Maturity	No. of Installments	Amount of Installments due (Rs. in Lakhs)	Applicable rate of Interest
(A) Term Loans					
Karur Vysya Bank	Capex Loan	Jun-13	15	352	11.75%
ICICI Bank Limited	Capex Loan	Mar-16	8	3,066	11.30%
ICICI Bank Limited	Capex Loan	Aug-17	8	4,625	12.95%
(B) Car Loans					
HDFC Bank	Car Loan	Apr-12	1	0	8.12%
HDFC Bank	Car Loan	Mar-13	12	3	7.87%
Kotak Mahindra Prime	Car Loan	Nov-16	56	7	11.35%



## NOTES ON ACCOUNTS (Contd.)

	As at 31st March, 2012 Rs. In Lakhs	As at 31st March, 2011 Rs. In Lakhs
<b>6. DEFERRED TAX LIABILITIES (NET)</b>		
Liabilities		
Excess of tax depreciation over book depreciation	1,114	1,036
Assets		
Items covered under Section 43 B of I.T. Act 1961	(137)	(73)
Other Items	(47)	(32)
<b>Total</b>	<b>930</b>	<b>931</b>
<b>7. OTHER LONG TERM LIABILITIES</b>		
Trade Payables	3	–
<b>Total</b>	<b>3</b>	<b>–</b>
<b>8. LONG TERM PROVISION</b>		
Provision for employee benefits	244	155
<b>Total</b>	<b>244</b>	<b>155</b>

## 9. SHORT TERM BORROWINGS

	Rs. In Lakhs					
	As at 31st March, 2012			As at 31st March, 2011		
	Secured (i)	Unsecured (ii)	Total (i+ii)	Secured (i)	Unsecured (ii)	Total (i+ii)
Loans repayable on demand						
(1) Cash Credit and Working Capital Demand Loans from Banks*	7,409	–	7,409	5,085	–	5,085
(2) Short Term Loans from Bank	–	1,000	1,000	–	1,500	1,500
(3) Short Term Loans from others	–	450	450	–	–	–
<b>Total (1+2+3)</b>	<b>7,409</b>	<b>1,450</b>	<b>8,859</b>	<b>5,085</b>	<b>1,500</b>	<b>6,585</b>

\* Cash Credit and Working Capital Demand Loan from ICICI Bank & ING Vysya Bank Limited secured by first pari passu charge on entire current assets of the Company.

\* Cash Credit and Working Capital Demand Loan from State Bank of India secured by first pari passu charge on entire current assets of the Company together with land and windmill machinery at Jamnagar .





**NOTES ON ACCOUNTS (Contd.)**

	As at 31st March, 2012 Rs. In Lakhs	As at 31st March, 2011 Rs. In Lakhs
<b>10. TRADE PAYABLES</b>		
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	129	102
Total outstanding dues of trade payables other than micro enterprises and small enterprises	7,291	6,337
<b>Total</b>	<b>7,420</b>	<b>6,439</b>
<b>11. OTHER CURRENT LIABILITIES</b>		
Advance received from customers	2,054	2,439
Interest accrued but not due on Borrowings	252	256
Interest accrued and due on Borrowings	4	32
Current maturities of long-term borrowings	1,055	1,049
Unpaid Dividends	13	10
Unpaid matured deposits and interest accrued thereon	0	0
Liability for Statutory Dues	161	168
Liability for Employee Expenses	323	171
Liability for Other Expenses	482	613
<b>Total</b>	<b>4,344</b>	<b>4,738</b>
<b>Notes :</b>		
1. There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.		
2. Current maturities of long term debt include Rs. 23 Lakhs (2010-11 Nil) representing principle amount due on loan as at 31st March, 2012 which was subsequently repaid in April 2012.		
<b>12. SHORT TERM PROVISIONS</b>		
Provision for employee benefits	201	176
Provision for Proposed Dividend	—	180
Provision for Corporate Dividend Tax	—	30
Provision for Taxation	—	44
[Net of Advances Rs. Nil (2010-11 Rs. 651 Lakhs)]		
<b>Total</b>	<b>201</b>	<b>430</b>

## NOTES ON ACCOUNTS (Contd.)

### 13. TANGIBLE ASSETS

Rs. in Lakhs

Particulars	GROSS BLOCK AT COST/ VALUATION			DEPRECIATION/ AMORTISATION			NET BLOCK	
	As at 1st April 2011	Additions	Sale/ adjustment	As at 31st March 2012	As at 1st April 2011	For the year	Sales/ adjustment	As at 31st March 2012
Lease hold Land	1,024	39	-	1,063	27	10	-	1,026
Free hold Land	1,864	-	229	1,635	-	-	-	1,635
Building	5,633	53	533	5,093	793	182	452	4,570
Plant and Machinery	6,867	662	71	7,458	2,066	452	35	4,975
Plant and Machinery - Windmill	764	-	-	764	285	57	-	422
Furniture and Fixture	321	9	-	330	90	19	-	221
Refrigerators and Air Conditioners	55	1	-	56	13	3	-	40
Office Equipments	252	6	0	258	173	13	0	72
Vehicles	110	25	44	91	41	10	19	59
<b>Total</b>	<b>16,890</b>	<b>795</b>	<b>938</b>	<b>16,748</b>	<b>3,489</b>	<b>745</b>	<b>506</b>	<b>13,020</b>
<b>Previous Year</b>	<b>16,040</b>	<b>865</b>	<b>16</b>	<b>16,889</b>	<b>2,788</b>	<b>705</b>	<b>4</b>	<b>13,401</b>

### 14. INTANGIBLE ASSETS

Rs. in Lakhs

Particulars	GROSS BLOCK AT COST/ VALUATION			AMORTISATION			NET BLOCK	
	As at 1st April 2011	Additions	Sale/ adjustment	As at 31st March 2012	As at 1st April 2011	For the year	Sales/ adjustment	As at 31st March 2012
Design and Drawings	2,262	-	-	2,262	977	321	-	964
Computer Software	46	84	-	130	19	34	-	77
Technical Knowhow	8	-	-	8	8	-	-	-
<b>Total</b>	<b>2,316</b>	<b>84</b>	<b>-</b>	<b>2,400</b>	<b>1,004</b>	<b>355</b>	<b>-</b>	<b>1,041</b>
<b>Previous Year</b>	<b>2,304</b>	<b>12</b>	<b>-</b>	<b>2,316</b>	<b>671</b>	<b>333</b>	<b>-</b>	<b>1,312</b>

#### Notes :

- Pursuant to the Scheme of Arrangement between the Company and McNally Bharat Engineering Company Limited (MBECL) the existing charges on the assets of the erstwhile Products Division of MBECL for facilities enjoyed by MBECL will continue and vice versa. Accordingly, working capital demand loans, cash credit facilities, term loans and other non fund based facilities of MBECL are secured by assets including certain assets of the Company comprised in erstwhile Product Division of MBECL.
- Building includes Building on leasehold land Rs. 1,381 Lakhs (2010-11 Rs. 929 lakhs)
- Capital Work in Progress includes Rs. 887 Lakhs (2010-11 Rs. 341 Lakhs) towards capitalization of interest and other borrowing cost for acquiring qualifying assets.
- Refer Note No 33 for sale of land at Vadodara.



## NOTES ON ACCOUNTS (Contd.)

### 15. NON CURRENT INVESTMENT

Non Current (Long Term - other than trade) Investments (unquoted)

- 100 shares of Rs. 25/- each of Co Operative Bank of Baroda Ltd :- Rs. 2,500/- (2010-11 Rs 2,500/-).
- 100 shares of Rs. 10/- each of McNally Bharat Co-operative Credit Society Limited :- Rs. 1,000/- (2010-11 Rs 1,000/-).

The Aggregate Book Value of unquoted investments is Rs. 3,500/- (2010-11 Rs. 3,500/-).

Amount is below the rounding off norms adopted by the Company and hence represented by zero in the Balance Sheet.

	As at 31st March, 2012 Rs. In Lakhs	As at 31st March, 2011 Rs. In Lakhs
<b>16. LONG TERM LOANS AND ADVANCES</b>		
<b>Capital Advances</b>		
Unsecured, considered good	206	189
<b>Security Deposits</b>		
Unsecured, considered good	116	178
Considered Doubtful	4	4
Less: Allowances for doubtful security deposits	4	4
	<u>116</u>	<u>178</u>
<b>Total</b>	<b><u>322</u></b>	<b><u>367</u></b>
<b>17. OTHER NON CURRENT ASSETS</b>		
Long term trade receivables		
Unsecured, considered good	326	357
<b>Total</b>	<b><u>326</u></b>	<b><u>357</u></b>
<b>18. CURRENT INVESTMENTS</b>		
<b>Unquoted</b>		
<b>Investment in Mutual Fund</b>		
Nil (2010-11 -161.010 Units) of Rs. 10/- each in IDFC Liquid Fund - Growth	—	2
<b>Total</b>	<b><u>0</u></b>	<b><u>2</u></b>

## NOTES ON ACCOUNTS (Contd.)

	As at 31st March, 2012 Rs. In Lakhs	As at 31st March, 2011 Rs. In Lakhs
<b>19. INVENTORIES</b>		
Raw Materials and Component [including Goods-in transit Rs Nil (2010-11 Rs 95 Lakhs)]	2,168	3,197
Work-in-progress	6,796	4,899
Finished goods	42	52
Stores and spares [including Goods-in transit Rs 6 lakhs (2010-11 Rs 324 Lakhs)]	924	1,458
Loose Tools	81	72
<b>Total</b>	<b>10,011</b>	<b>9,678</b>
<b>Notes :</b>		
1. Work-in-progress include value of Raw Materials lying with third parties for fabrication Rs. 250 Lakhs (2010-11 Rs. 277 Lakhs)		
2. Considering the nature of business, break up of Work-in-progress under broad heads cannot be readily ascertained.		
<b>20. TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	2,580	1,859
Unsecured, considered doubtful	435	342
Less: Allowances for doubtful debts	435	342
	2,580	1,859
Outstanding for a period less than six months from the date they are due for payment/yet to be due		
Unsecured, considered good	8,297	13,215
<b>Total</b>	<b>10,877</b>	<b>15,074</b>
<b>21. CASH AND BANK BALANCES</b>		
Cash and cash equivalent		
Cash on hand	15	22
Cheques on hand	15	—
Current Accounts with banks	359	255
	389	277
Other Bank Balances		
Unpaid Dividend Accounts	13	10
Margin Money *	—	60
<b>Total</b>	<b>402</b>	<b>347</b>

\* Includes Rs Nil (2010-11 Rs. 60 Lakhs) pledged with Banks.

## NOTES ON ACCOUNTS (Contd.)

	As at 31st March, 2012 Rs. In Lakhs	As at 31st March, 2011 Rs. In Lakhs
<b>22. SHORT TERM LOANS AND ADVANCES</b>		
<b>Advances to related parties</b>		
Unsecured, considered good		
Recoverable from Managing/Whole time Director	30	61
<b>Other Advances</b>		
Unsecured, considered good		
Advances with Government and Public Bodies [Net of Provision Rs. 95 Lakhs (2010-11 Rs.Nil)]	687	341
Balances with Central Excise	368	183
Advance for goods and services	2,474	1,348
Others	106	78
	3,635	1,950
Others, considered doubtful	39	27
Less: Allowances for doubtful advances	39	27
	3,635	1,950
<b>Total</b>	<b>3,665</b>	<b>2,011</b>
<b>23. OTHER CURRENT ASSETS</b>		
Interest receivable	1	4
Assets held for disposal	167	—
Receivable towards sale of tangible assets	2,018	—
<b>Total</b>	<b>2,186</b>	<b>4</b>
<b>24. REVENUE FROM OPERATIONS</b>		
	For the year ended 31st March, 2012 Rs. In Lakhs	For the year ended 31st March, 2011 Rs. In Lakhs
Sale of products	27,948	31,625
Sale of services	161	147
Other operating revenues		
Scrap Sales	345	293
Energy Income - Wind Mill	111	102
Agency Income	23	381
	28,588	32,548
Less: Excise Duty	2,544	2,922
<b>Total</b>	<b>26,044</b>	<b>29,626</b>

## NOTES ON ACCOUNTS (Contd.)

For the year ended 31st March, 2012 Rs. In Lakhs	For the year ended 31st March, 2011 Rs. In Lakhs
--	--

### i) Break up of Sales

1. Metallurgical Machinery.		
a) Kin and Cooler Plant / Machinery / Spares	—	233
b) Crushing and Screening Plant / Machinery / Spares	5,598	7,426
c) Feeders and Gates Machinery / Spares	334	884
d) Ball Mill-Machinery / Spares	4,107	2,238
e) Structural Steel Work, Engineering, Fabrication and Erection	—	2,401
2. Material Handling and Conveying Plant / Machinery / Spares	231	2,175
3. Coal Washing Plant / Machinery / Spares	263	385
4. Cement Mill/Plant	451	4,191
5. Pump and Spares	1,303	1,946
6. Thickener, Floatation cells and spares	1,928	2,672
7. Cargo Handling Equipments	—	10
8. Projects/ Special Equipments	6,996	2,766
9. Others/ Spares	6,737	4,298
<b>Total</b>	<b>27,948</b>	<b>31,625</b>

### ii) Break up of Service Income

Supervision Charges	123	131
Maintenance Services	2	1
Engineering and Designing Charges	33	13
Others	3	2
<b>Total</b>	<b>161</b>	<b>147</b>

### 25. OTHER INCOME

Profit on Sale of Current Investments	0	45
Profit on Sale of Fixed Assets (net)	—	59
Interest Income	2	24
Gain on Exchange Fluctuations (net)	4	16
Liabilities no longer required written back	435	134
Provision no longer required written back	7	—
Rental Income	78	63
Other non operating Income	6	23
<b>Total</b>	<b>532</b>	<b>364</b>

## NOTES ON ACCOUNTS (Contd.)

For the year ended 31st March, 2012  
Rs. In Lakhs

For the year ended 31st March, 2011  
Rs. In Lakhs

### 26. COST OF MATERIALS CONSUMED

#### (i) Consumption of Raw Materials and Components

Opening Stock	3,197	1,433
Add : Purchases	13,862	15,853
	<u>17,059</u>	<u>17,286</u>
Closing Stock	2,168	3,197
Consumption of Raw Materials and Component	<u>14,891</u>	<u>14,089</u>

#### (ii) Details on Consumption of Raw Materials, Components, Spare Parts, Stores, etc.

Raw materials and Components:

Steel	5,966	5,202
Components	5,464	5,682
Castings	2,364	2,384
Others	1,097	821
<b>Total</b>	<u>14,891</u>	<u>14,089</u>

Spare Parts, Stores, etc.:

Stores and Spare Parts	1,519	2,308
Bearings	785	766
Motors	275	133
Others	221	351
<b>Total</b>	<u>2,800</u>	<u>3,558</u>

#### (iii) Break-up of Imported and Indigenous Materials Consumed

	For the year ended 31st March, 2012		For the year ended 31st March, 2011	
	Percentage	Rs. In Lakhs	Percentage	Rs. In Lakhs
Raw Materials and Components :				
Imported	0.15	22	0.67	94
Indigenous	99.85	14,869	99.33	13,995
<b>Total</b>	<u>100.00</u>	<u>14,891</u>	<u>100.00</u>	<u>14,089</u>
Spare Parts and Stores :				
Imported	6.30	176	8.18	291
Indigenous	93.70	2,624	91.82	3,267
<b>Total</b>	<u>100.00</u>	<u>2,800</u>	<u>100.00</u>	<u>3,558</u>

- (iv) Stores and Spare parts consumed debited to various heads amount to Rs 11 Lakhs (2010-11 Rs.4 Lakhs).
- (v) Materials consumed includes value of stock written off during the year Rs. Nil (2010-11 Rs.37 Lakhs).
- (vi) Consumption of Stores and Spare Parts include loose tools Rs.35 Lakhs (2010-11 Rs. 24 Lakhs).



## NOTES ON ACCOUNTS (Contd.)

For the year ended 31st March, 2012  
Rs. In Lakhs

For the year ended 31st March, 2011  
Rs. In Lakhs

### 27. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

#### Opening Stock

Work-in-Progress	4,899	3,471
Finished Goods	52	67
	<u>4,951</u>	<u>3,538</u>

Less :

#### Closing Stock

Work-in-Progress	6,796	4,899
Finished Goods	42	52
	<u>6,838</u>	<u>4,951</u>
<b>Total</b>	<b><u>(1,887)</u></b>	<b><u>(1,413)</u></b>

### 28. EMPLOYEE BENEFITS EXPENSE

Salaries, Wages and Bonus	3,669	3,228
Contribution to Provident and other funds	312	207
Workmen and Staff welfare expenses	178	162
<b>Total</b>	<b><u>4,159</u></b>	<b><u>3,597</u></b>

### 29. EMPLOYEE BENEFITS

Details as per actuarial valuation as on 31st March, 2012 and recognized in the financial statements:

Description	Gratuity (Funded) As at 31st March, 2012 Rs. In Lakhs	Gratuity (Funded) As at 31st March, 2011 Rs. In Lakhs	Leave Encashment (Non Funded) As at 31st March, 2012 Rs. In Lakhs	Leave Encashment (Non Funded) As at 31st March, 2011 Rs. In Lakhs
(a) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation				
Present Value of Obligation at the beginning of the year	683	616	189	116
Current Service Cost	45	41	31	28
Interest Cost	63	55	17	13
Actuarial (Gains)/Losses	99	35	12	46
Benefits Paid	(83)	(64)	(27)	(14)
<b>Present Value of Obligation at the end of the year</b>	<b>807</b>	<b>683</b>	<b>222</b>	<b>189</b>

## NOTES ON ACCOUNTS (Contd.)

Description	Gratuity (Funded) As at 31st March, 2012 Rs. In Lakhs	Gratuity (Funded) As at 31st March, 2011 Rs. In Lakhs	Leave Encashment (Non Funded) As at 31st March, 2012 Rs. In Lakhs	Leave Encashment (Non Funded) As at 31st March, 2011 Rs. In Lakhs
(b) Reconciliation of the Opening and Closing balances of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	571	493	—	—
Expected Return on Plan Assets	51	45	—	—
Actuarial Gains/(Losses) on plan Assets	(1)	1	—	—
Contributions	80	95	27	14
Benefits paid	(84)	(63)	(27)	(14)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>617</b>	<b>571</b>	<b>—</b>	<b>—</b>
(c) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets				
Present Value of Obligation at the end of the year	807	683	222	189
Fair Value of Plan Assets at the end of the year	617	571	—	—
<b>Assets/(Liabilities) recognized in the Balance Sheet</b>	<b>(190)</b>	<b>(112)</b>	<b>(222)</b>	<b>(189)</b>
(d) Expense recognized in the Statement of Profit and Loss				
Current Service Cost	45	40	31	28
Interest Cost	63	55	17	13
Expected Return on Plan Assets	(50)	(45)	—	—
Actuarial (Gains)/Losses	99	35	12	46
Actuarial (Loss)/Gains on Plan Assets	(1)	(1)	—	—
<b>Total Expense recognized</b>	<b>156</b>	<b>84</b>	<b>60</b>	<b>87</b>
(e) Category of Plan Assets				
Fund with Insurer	616	540	—	—
Others (including bank balances)	1	31	—	—
<b>Total</b>	<b>617</b>	<b>571</b>	<b>—</b>	<b>—</b>

## NOTES ON ACCOUNTS (Contd.)

Description	Gratuity	Gratuity	Leave	Leave
	(Funded)	(Funded)	Encashment	Encashment
	As at 31st March, 2012	As at 31st March, 2011	(Non Funded) As at 31st March, 2012	(Non Funded) As at 31st March, 2011
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
(f) Actual Return on Planned Assets	50	47	—	—
(g) Actuarial Assumptions				
Discount Rate Plan	7.5%	7.5%	—	—
Expected Rate of Return on Assets	8.5%	8.5%	—	—
Rate of increase in Salary	5.0%	5.0 %	5.0%	5.0%
Mortality Rate	In accordance with standard table LIC (1994-96) ultimate.			

### Notes :

- The opening balance of the fair value of plan assets of erstwhile Product division of MBECL taken over consequent to Scheme of Arrangement have been segregated between the Company and MBECL on the basis of the present value of obligation as at the beginning of the year.
- The estimates of future salary increases, considered in actuarial valuations, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investment of funds during the estimated term of the obligation.
- The Company made annual contributions to the insurer of an amount as advised by them. The Company was not informed of the investments made by the insurer or the break-down of plan assets by investment type.
- The table below illustrates experience adjustment disclosure as per para 120 (n) of Accounting Standard 15 – Employee Benefits.

Particulars	Gratuity				
	For the year ended 31st March, 2012	For the year ended 31st March, 2011	For the year ended 31st March, 2010	For the year ended 31st March, 2009	For the year ended 31st March, 2008
	(Rs. in Lakhs )	(Rs. in Lakhs )	(Rs. in Lakhs )	(Rs. in Lakhs )	(Rs. in Lakhs )
Defined benefit obligation	807	683	616	582	533
Plan assets	617	571	493	431	375
Surplus / (deficit)	(190)	(112)	(123)	(151)	(158)
Experience adjustments on plan liabilities	99	35	(10)	(16)	Not Available
Experience adjustments on plan assets	(1)	1	2	0	Not Available

- Above disclosures as required by Accounting Standard 15 – Employee Benefits are given to the extent available from the actuarial report.
- The contribution expected to be made by the company for the year ended 31st March, 2013 is not readily ascertainable and therefore not disclosed.
- Contribution to provident and other funds includes Rs. 152 Lakhs (2010-11 Rs. 128 Lakhs) for Provident Fund, Pension Fund and Superannuation Fund.



## NOTES ON ACCOUNTS (Contd.)

	For the year ended 31st March, 2012 Rs. In Lakhs	For the year ended 31st March, 2011 Rs. In Lakhs
<b>30. FINANCE COSTS</b>		
Interest expense	1,507	1,097
Other borrowing costs	287	326
<b>Total</b>	<b>1,794</b>	<b>1,423</b>
<b>31. DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation/Amortisation on tangible assets	745	705
Amortisation on intangible assets	355	333
<b>Total</b>	<b>1,100</b>	<b>1,038</b>
<b>32. OTHER EXPENSES</b>		
Professional Fees	361	264
Fabrication and other charges	3,105	2,701
Consumption of stores and spare parts	2,800	3,558
Power	326	337
Repairs to Buildings	21	29
Repairs to Machinery	72	30
General repairs and maintenance	100	99
Rent	121	99
Subscriptions and donations	1	5
Bank charges	16	21
Rates and Taxes	43	18
Insurance	69	51
Freight	592	557
Travelling and conveyance	424	481
Running and maintenance of vehicles	47	62
Directors' Fees	9	9
Royalty	2	7
Commission Expenses	26	57
Bad debts written off	12	1
Allowances for Slow moving Stores	10	—
Advances written off	1	—
Allowances for Bad and Doubtful Trade Receivables	100	105
Allowances for Doubtful Advances	12	11
Loss on sale of Fixed Assets (net)	8	—
Management Service Fee	196	403
Miscellaneous Expenses	409	403
	8,883	9,308
Less: Transferred to Capital Work in Progress	64	16
<b>Total</b>	<b>8,819</b>	<b>9,292</b>

## NOTES ON ACCOUNTS (Contd.)

	For the year ended 31st March, 2012 Rs. In Lakhs	For the year ended 31st March, 2011 Rs. In Lakhs
--	--	--

**(i) Miscellaneous expenses shown above includes Auditor's remuneration and expenses :**

Statutory Audit	22	18
Tax Audit	4	4
Other Services	21	18
Reimbursement of Expenses (including applicable Service Tax)	0	0
<b>Total</b>	<b>47</b>	<b>40</b>

- (ii)** The Company has leasing arrangements in respect of operating leases for premises (residential, office, etc.). These leasing arrangements which are not non-cancellable are for a period of 3 years, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Rent under Other Expenses.

### 33. EXCEPTIONAL INCOME

During the year, freehold land at Vadodara has been sold and the resultant profit on such sale amounting to Rs. 2612 Lakhs has been treated as exceptional income. As per agreement factory building situated on the above land will be demolished and the vacant possession of land will be handed over to the buyer. Hence, written down value of factory building and other non movable plant and machinery amounting to Rs. 141 Lakhs and Rs. 26 Lakhs respectively have been transferred to current assets, being asset held for disposal.

	For the year ended 31st March, 2012 Rs. In Lakhs	For the year ended 31st March, 2011 Rs. In Lakhs
--	--	--

### 34. VALUE OF IMPORT (CIF BASIS)

Raw Materials	180	97
Components, Spare Parts and Stores	32	281
Capital Goods	67	4
<b>Total</b>	<b>279</b>	<b>382</b>

### 35. EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

Travelling	26	9
Royalty and Technical Know-How	2	0
Agency Commission	—	0
<b>Total</b>	<b>28</b>	<b>9</b>

### 36. EARNING IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

Export of Goods and Services	596	478
Agency Income	23	381
<b>Total</b>	<b>619</b>	<b>859</b>



## NOTES ON ACCOUNTS (Contd.)

For the year ended 31st March, 2012      For the year ended 31st March, 2011

### 37. NET DIVIDEND REMITTED IN FOREIGN CURRENCY

Number of Non - Resident Shareholders	1	1
Number of equity share held on which dividend was due ( in Lakhs)	13	13
Amount remitted (Rs. In Lakhs)	27	27
Amount remitted (USD In Lakhs)	1	1
Year for which remitted	2010-11	2009-10

### 38. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES:

	As at 31st March, 2012 Rs. in Lakhs	As at 31st March, 2011 Rs. in Lakhs
1 Principal amount remaining unpaid at the end of the year	91	84
Interest due thereon remaining unpaid as at the end of year	38	18
2 Delayed payment of principal amount paid beyond the appointed day during the year	510	579
Interest actually paid under section 16 of the Act, during the year	—	—
3 Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	—	—
4 Interest accrued at the end of the year	21	11
Interest remaining unpaid, out of above, as at the end of the year	21	11
5 Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Act *	38	18

\*Included in Sl. No.1 above, is Rs. 18 Lakhs (2010-11 Rs. 7 Lakhs ) being interest on amounts outstanding as at the beginning of the accounting year.

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 on the basis of information available with the Company.

## NOTES ON ACCOUNTS (Contd.)

### 39. DERIVATIVE FINANCIAL INSTRUMENTS

- (a) The Company uses derivative contracts to hedge its exposures in foreign currency. The information on such contracts outstanding as at year end are as follows:

	Currency pair	As at 31st March, 2012		As at 31st March, 2011	
		Buy	Sell	Buy	Sell
In Lakhs					
Loans	USD/INR	164	–	180	–

- (b) Foreign Exchange Currency Exposures that have not been hedged by a derivative instrument or otherwise as at year end are as follows:

Currency pair		As at 31st March, 2012		As at 31st March, 2011	
		Buy	Sell	Buy	Sell
In Lakhs					
Trade Receivables	USD/INR	—	3	—	—
	EUR/INR	—	0	—	—
Trade Payables	USD/INR	7	—	2	—
Advance received from customer	USD/INR	1	—	1	—
Advance paid to supplier	AUD/INR	—	1	—	—
	EUR/INR	—	—	—	4
	USD/INR	—	—	—	4

### 40. RELATED PARTY DISCLOSURES

- (a) Related Parties and their Relationships

- i) Holding Company  
McNally Bharat Engineering Company Limited (MBECL)
- ii) Fellow subsidiaries
  - a) Subsidiaries of the Holding Company  
EWB Kornyezetvedelmi Limited \*  
McNally Bharat Equipments Limited \*  
McNally Bharat Infrastructure Limited (MIL)  
MBE Mineral Technology Pte Limited \*  
MBE Minerals Zambia Ltd \*
  - b) Subsidiary of MBE Mineral Technologies Pte Limited  
MBE Coal & Minerals Technologies Gmbh (MCMT)  
MBE Cologne Engineering Gmbh \*  
MBE Minerals ( S.A.) (Proprietary) Limited. \*  
MBE Coal & Mineral Technology India Private Limited (MCMTI)  
[previously known as McNally Humboldt Wedag Minerals India (Private) Limited]
- iii) Key management personnel
  - a) Mr. Subir Chaki – Whole time Director (appointed w.e.f. 9th January, 2012)
  - b) Mr. Shambhu Prasad – Managing Director (upto 9th January, 2012)

\*No transactions during the year.



## NOTES ON ACCOUNTS (Contd.)

(b) Transactions during the year:

	MBECL	MCMT	MCMTI	MIL
	Rs in Lakhs			
Purchase of materials and components	— (222)	— (—)	— (—)	— (—)
Purchase of services	506 (403)	20 (—)	— (—)	3 (—)
Purchase of fixed assets	— (78)	— (—)	— (—)	— (—)
Corporate Guarantee given	3,112 (—)	— (—)	— (—)	— (—)
Corporate Guarantee received	— (3,832)	— (—)	— (—)	— (—)
Sale of products and services (inclusive of taxes)	8,593 (11,911)	— (13)	466 (257)	— (—)
Rental income	78 (63)	— (—)	— (—)	— (—)
Dividend paid	127 (127)	— (—)	— (—)	— (—)
<b>Outstanding at year end:</b>				
Trade Payables	96 (244)	18 (—)	3 (3)	3 (—)
Trade Receivables	4,175 (7,227)	20 (20)	386 (129)	— (—)
Outstanding balance of Advance Received	307 (257)	— (—)	— (65)	— (—)
Outstanding Corporate Guarantee Given	3112 (—)	— (—)	— (—)	— (—)
Outstanding Corporate Guarantee Received	3,832 (3,832)	— (—)	— (—)	— (—)
Dividend payable	— (127)	— (—)	— (—)	— (—)
Relating to persons referred to in 40 (a) (iii) above				
Remuneration paid to Mr Subir Chaki				27 (—)
Remuneration paid to Mr Shambhu Prasad				235 (92)
Advance paid				30 @ (61)

@ Amount paid in excess of the limit specified under section 198 of the Companies Act, 1956 ("the Act") due to inadequate profits has been considered as advance pending approval from Central Government as per the provisions of the Act.

Note: Figures in brackets are for the year ended 31st March, 2011.



**NOTES ON ACCOUNTS (Contd.)**

**41. CONTINGENT LIABILITIES AND COMMITMENTS ( TO THE EXTENT NOT PROVIDED FOR)**

	As at 31st March, 2012 Rs. In Lakhs	As at 31st March, 2011 Rs. In Lakhs
<b>(i) Contingent Liabilities</b>		
Excise Duty matters pending in appeal related to issues of applicability and classification	85	87
Sales Tax matters pending in appeal relating to disputes regarding assessable value and exemptions claimed (net of payments)	1,880	1,984
Other demands related to claims made by certain ex-employees towards employee benefits due to them	27	18
	<b>1,992</b>	<b>2,089</b>
<b>(ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	234	1825
Uncalled liability on shares and other investments partly paid	0	711
Other commitments for Corporate Guarantee to holding company	3112	0
	<b>3,346</b>	<b>2,536</b>

The future cash outflow in respect to the above cannot be ascertained at this stage.

**42. EARNINGS PER SHARE**

		As at 31st March, 2012	As at 31st March, 2011
<b>Basic and Diluted</b>			
Net Profit after tax available for Equity shareholders	Rs. Lakhs	218	1,319
Weighted average number of shares outstanding	No	8,989,273	8,989,273
Nominal value of the shares	Rs.	10	10
<b>Earnings per share – Basic and Diluted</b>	<b>Rs.</b>	<b>2.42</b>	<b>14.67</b>

Note: Potential equity shares that could arise on conversion of convertible warrants are not resulting into dilution of EPS. Hence, they have not been considered in working of diluted EPS in accordance with Accounting Standard – 20 on Earnings Per Share.

- 43.** The Company was using pre-revised schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements for previous year's figures till the year ended 31st March, 2011. During the year ended 31st March, 2012, the revised schedule VI, notified under Companies Act, 1956, has become applicable to the Company. The Company has reclassified previous year's figures to confirm to this year's classification along with regrouping/ rearrangement wherever necessary.

For **Lovelock & Lewes**

Firm Registration Number : 301056E

Chartered Accountants

**Prabal Kr Sarkar**

Partner

Membership Number : 52340

Place : Kolkata

Date : 30th May 2012

**Subir Chaki**

**Subir Ranjan Dasgupta**

**Uttam Tekriwal**

**Amit Pathak**

- Whole time Director

- Director

- Chief Financial Officer

- Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	For the year ended 31st March, 2012		For the year ended 31st March, 2011	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
<b>A. Cash Flow from Operating Activities:</b>				
<b>Profit/(Loss) before taxation from operations</b>		<b>(2,300)</b>		<b>1,964</b>
<b>Adjustments for:</b>				
Depreciation	745		705	
Amortisation	355		333	
Interest Expense	1,794		1,423	
Interest Income	(2)		(24)	
Loss/( Profit) on Sale of Tangible Assets (Net)	8		(59)	
Profit on Sale of Investment (Net)	(0)		(45)	
Bad Debts written off	12		1	
Advance written off	1		—	
Inventories written off	—		38	
Allowance for bad and doubtful trade receivebales	100		105	
Allowance for doubtful advances	12		11	
Allowance for Slow moving Stores	10		—	
Liabilities / provision no longer required written back	(442)		(134)	
Provision for employee benefits (Net)	115		59	
Unrealised gain on exchange (Net)	(21)	2,687	(13)	2,400
<b>Operating Profit Before Working Capital Changes</b>		<b>387</b>		<b>4,364</b>
<b>Adjustments for:</b>				
Trade and Other Receivables	300		(1,857)	
Inventories	(343)		(3,536)	
Trade Payables	1,025	982	179	(5,214)
<b>Cash Generated from Operations</b>		<b>1,369</b>		<b>(850)</b>
Direct Taxes paid (Net)		(139)		(932)
<b>Cash flow before exceptional items</b>		<b>1,230</b>		<b>(1,782)</b>
Exceptional items				
— relating to sale of land at Vadodara		2,612		—
<b>Net Cash from Operating Activities</b>		<b>3,842</b>		<b>(1,782)</b>



## CASH FLOW STATEMENT (Contd.)

	For the year ended 31st March, 2012		For the year ended 31st March, 2011	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
<b>B. Cash Flow from Investing Activities:</b>				
Purchase of Tangible / Intangible Assets	(3,260)		(4,043)	
Sale of Tangible Assets	257		71	
Interest Received	5		27	
Sale of Current Investments	2	(2,996)	116	(3,829)
<b>Net Cash used in Investing Activities</b>		<b>(2,996)</b>		<b>(3,829)</b>
<b>C. Cash Flow from Financing Activities:</b>				
Interest Paid	(1,826)		(1,365)	
Refund of share warrants application money	—		(7)	
Proceeds/(Repayment) of Long Term Borrowings	(1,033)		3,870	
Proceeds/(Repayment) of Other Borrowings	2,274		1,371	
Dividend paid (including tax thereon)	(206)	(791)	(208)	3,661
<b>Net Cash from Financing Activities</b>		<b>(791)</b>		<b>3,661</b>
Net Increase/(Decrease) in Cash and Cash Equivalents		55		(1,950)
<b>Cash and Cash Equivalents (Opening Balance)</b>		347		2,297
<b>Cash and Cash Equivalents (Closing Balance)</b>		402		347

### Notes to the Cash Flow Statement for the year ended 31st March 2012

1. Cash and Cash Equivalents comprise of:

Cash on hand	15	23
Cheques, drafts on hand	15	—
Balances with Banks *	372	324
	<u>402</u>	<u>347</u>

\*Includes the following balances which are not available for use by the Company Unpaid Dividend Account

13	10
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2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement.
3. Previous year's figures have been rearranged and/or regrouped wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

For **Lovelock & Lewes**

Firm Registration Number : 301056E

Chartered Accountants

**Prabal Kr Sarkar**

Partner

Membership Number : 52340

Place : Kolkata

Date : 30th May 2012

**Subir Chaki**

**Subir Ranjan Dasgupta**

**Uttam Tekriwal**

**Amit Pathak**

- Whole time Director

- Director

- Chief Financial Officer

- Company Secretary



# McNally Sayaji Engineering Limited



## McNALLY SAYAJI ENGINEERING LIMITED

Regd. Office : 4, Mangoe Lane, 7th floor, Kolkata -700001

### ATTENDANCE SLIP

68th Annual General Meeting

Members or their proxies are requested to present this attendance slip for entry, duly completed and signed in accordance with their specimen signatures registered with the Company.

DP ID ..... CLIENT ID .....

Regd. Folio. No. \* ..... No. of Shares .....

Name of Member .....

Name of Proxy .....

Address as registered with the Company .....

I/ We hereby record my presence at the Sixty Eight Annual General Meeting of the Company held on Thursday, the 27th day of September, 2012 at 12.30 P.M. at 7th Floor, Campus-2B, ECOSPACE, Premises No. 11F / 12, (Plot No. AAIL / Block-3), New Town, Rajarhat, Kolkata-700156, West Bengal.

Please (✓) in the box.

Member

☐

Proxy

☐

.....  
Member's Signature

.....  
Proxy's Signature

\* Applicable for investor holding shares in physical form.

## McNALLY SAYAJI ENGINEERING LIMITED

Regd. Office : 4, Mangoe Lane, 7th floor, Kolkata -700001

### PROXY FORM

68th Annual General Meeting

DP ID ..... CLIENT ID .....

Regd. Folio. No. \* ..... No. of Shares .....

I/ We.....being a Member of McNally Sayaji Engg. Ltd., hereby appoint .....of.....or failing him .....of .....as my/ our proxy to attend and vote for me/us on my/our behalf at the 68th Annual General Meeting of the Company scheduled to be held on Thursday, the 27th day of September, 2012 at 12.30 P.M. at 7th Floor, Campus-2B, ECOSPACE, Premises No. 11F / 12, (Plot No. AAIL / Block-3), New Town, Rajarhat, Kolkata-700156, West Bengal, or/and at any adjournment thereof.

Signed by the said.....

REVENUE  
STAMP

\* Applicable for investors holding shares in physical form.

Note: The proxy form duly completed and signed should be deposited at the Registered Office of the Company situated at 4, Mangoe Lane, 7th floor, Kolkata -700001, not less than 48 hours before the commencement of the Annual General Meeting.