

RAMA STEEL TUBES LTD.

**Annual Report
2012-13**

RAMA STEEL TUBES LIMITED

BOARD OF DIRECTORS

NARESH KUMAR BANSAL : Managing Director
RICHI BANSAL : Whole Time Director
RAJEEV KOHLI : Director
SURENDER KUMAR SHARMA : Director

AUDITORS

VAPS & COMPANY
Chartered Accountants
New Delhi

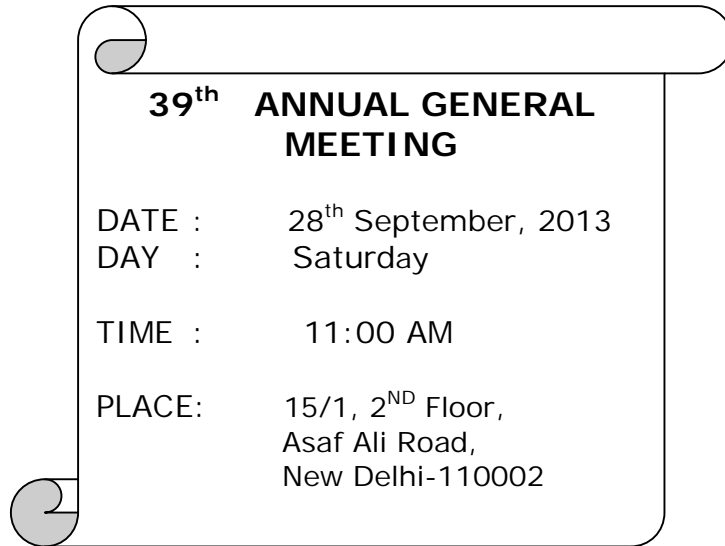
BANKERS

CANARA BANK
Hauz Quazi, Delhi-06

REGISTERED OFFICE :- 15/1, IIInd Floor, Asaf Ali Road, New
Delhi - 110 002

WORKS -: B-5 & 21, Site IV, Industrial Area,
Sahibabad (U.P)

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- NOTE :** 1. Shareholders are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
2. No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.

Notice of Annual General Meeting

Notice is hereby given that the Thirty Ninth Annual General Meeting of the Company will be held on Saturday the 28th day of September, 2013, at 11.00 A.M. at 15/1, (2nd Floor), Asaf Ali Road, New Delhi-110002 to transact the following business :-

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Profit and Loss Account for the year ended on that date together with Report of Directors and Auditors thereon.
2. To appoint the Auditors and to fix their remuneration.
3. To appoint a Director in place of Shri Richi Bansal who retires by rotation and being eligible offers himself for reappointment.

By Order of the Board

Sd/-
NARESH KUMAR BANSAL
Managing Director

Place: New Delhi
Dated: 2nd September 2013

Notes:

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote for him/herself and the proxy need not to be a member. a proxy in order to be effective, must be received by the company not less than 48 hours before the meeting.**
2. The Register of members and share transfer books of the company will remain closed on Saturday, the 28th September 2013
3. Members are requested to intimate the company immediately of any change in their addresses, at the registered office of the company.
4. The shareholders desiring any information as regards accounts are requested to write to the company at least one week prior to the date of the meeting so as to enable the management to keep the information ready.
5. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
6. Members are requested to bring their own copies of annual report and accounts with them for the meeting as no spare copies would be available in the meeting.

Directors' Report

Dear Members,

Your Directors are pleased to present the 39th Annual Report together with the Audited Annual Accounts of the company for the year ended 31st March, 2013 and Auditor's Report thereon.

Performance Review

The company's performance during the year ended review, is summarized below :

Particulars	(Rs. In Lacs)	
	For the year ended 31-03-2012	For the year ended 31-03-2012
Gross Turnover	18,523.62	15,375.42
Other Income	556.69	226.77
Total Revenue	19,080.31	15,602.19
Profit before interest, Dep & Tax	880.15	566.71
Financial Expenses	541.40	400.92
Depreciation	178.66	125.70
Profit before Tax	160.09	40.09
Provision for Taxation	49.34	13.73
Profit after Tax	110.75	26.36

Operations Overview

With Indian economy recovering from the Slowdown, Turnover has improved from Rs.153.75 Crores to Rs.185.24 Crores in the Current Year with profit margins marginally improving. Net Profit before Interest and depreciation increased to Rs.8.80 Crores as against Rs.5.67 Crores in the previous year thus showing an increase of 55.30%. Rs.2.50 Crores has been transferred to General Reserve in the current Year in order to augment the working capital.

Dividend

In order to augment the working capital resources of the company, the Board has not recommended any dividend for the year under review.

Director's Responsibility Statement

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Director's Responsibility statement, it is hereby confirmed :

- (i) that in the preparation of the annual accounts for the financial Year ended 31st March 2013, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made Judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2013 and of the profit of the company for that Period.
- (iii) That the directors had 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 and
- (iv) That the directors had prepared the annual accounts for financial Year ended 31st March 2013 on a going concern basis.

Public Deposits

The company has duly complied with the provisions of section 58 A of the Companies Act, 1956 read with the companies (Acceptance of Deposits) Rules, 1975 and no amount of principal or interest was overdue for payment in respect of deposits as on the date of Balance Sheet.

Listing of Equity Shares

The Equity shares of the company are listed on the Delhi Stock Exchange. Listing fees for the financial year 2013-14 has been duly paid to the Stock Exchange. But as the Delhi Stock Exchange is still in the process of completing the necessary arrangements for quoting the share prices of various companies listed in it, leading to non-quoting of the our Company's Shares too. It is expected that very soon the DSE shall complete the necessary formalities and our shares shall begin being quoted on DSE.

Information regarding Employees

As required by the provisions of section 217 (2A) of the companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, there is no such employee of the company, covered under these rules and required to be disclosed here.

Personnel / Industrial Relations

During the period under review, your company maintained healthy, cordial and harmonious Industrial relations at all levels. The enthusiasm and sincere efforts of the employee have enabled your company to remain at the forefront of the industry.

Auditors

M/s VAPS & Co., Chartered Accountants, the auditors of the company hold office until the conclusion of the ensuing Annual General Meeting, and being eligible offer themselves for reappointment.

The company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under section 224(1-B) of the companies Act, 1956. Your Directors recommend reappointment of M/s. VAPS & Co., Chartered Accountants, as Auditors of the Company at the ensuing Annual General Meeting.

Remarks of the Auditor's Report

The auditors in their report have pointed out certain matters, which are explained below:-

1. Liability for gratuity and leave encashment shall be provided, as and when the same becomes payable and paid, as in the opinion of the Directors, it is not necessary to create provision on the basis of the estimated amount of gratuity and leave encashment liability on actuarial basis.
2. The other remarks in the Auditor's Report are self-explanatory and therefore do not call for any further comments.

Directors

In terms of the provisions of the Companies Act, 1956, Sh. Richi Bansal, Director of the Company retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

The Present strength of the Board of Directors is 4 (Four)

Compliance Certificate by Company Secretary

As required by the Companies (Compliance Certificate) Rules, 2001, Compliance Certificate has been obtained from Company Secretary in practice.

Corporate Governance

The company's paid up share capital and net worth being less than Rs.3.00 Crores and Rs.25.00 Crores respectively, the company is exempted from complying the provisions of Corporate Governance of Clause 49 of the listing Agreement with the Delhi Stock Exchange. Consequent to the same, no Corporate Governance report and Management Discussion and Analysis have been compiled and annexed to this Report

Particulars of conservation of energy, technology absorption and foreign Exchanges earning and outgo.

In accordance with the requirement of sec. 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 a statement showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed hereto and forms part of this report.

Acknowledgements

The Directors acknowledge the contributions made by the employees towards the success and growth of the company. Your Directors also take this opportunity to express sincere thanks to the Government Authorities, Financial Institutions and the Bankers for their co-operation and assistance to the Company. The Directors would also like to acknowledge the continued support of the Company's shareholders in all its endeavors.

For and on behalf of the Board of Directors

Sd/-
NARESH KUMAR BANSAL
Managing Director

Place : New Delhi

Date : 2nd September 2013

ANNEXURE TO THE DIRECTOR'S REPORT

Statement containing particulars pursuant to companies (Disclosure of particulars) in the Report of Board of Directors :

A) CONSERVATION OF ENERGY :

- a) The Company has always been particular to conservation of energy on continuous basis by closely monitoring energy consuming equipment involving use of energy generating diesel set and power purchased from Electricity Board e.g. size of the Equipments is optimum to save energy. The low-efficient Machinery and Equipments are identified and replaced.
- b) Keeping in view the nature of the manufacturing process no additional investment is proposed and hence further consumption of energy is ruled out in the near future.
- c) No specific studies regarding impact of the above measures of (a) and (b) have been carried out and the cost impact of energy cost and energy saving measures on cost of production of goods is not material, as it forms a very low percentage vis-a vis the cost of Company's product.
- d) Total energy consumption and energy consumption per unit of production is given as per Form-A.

B) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :**I. RESEARCH AND DEVELOPMENT (R&D)**

- a) **Specific area in which R & D carried out by the Company :**
There is no specific area in which the Company has carried the R & D. However, the Company is continuously making efforts for improvements in its production process for better productivity and cost efficiency.
- b) **Future plan of action**
The Company plans to monitor continuously the plant efficiency thus reducing the shortage and reducing the cost of production.
- c) **Expenditure on R & D**
The company did not incur any Expenditure on R& D.

II. TECHNOLOGICAL, ABSORPTION, ADAPTATION & INNOVATION :

- a) **Efforts made towards Technology Absorption :**
For the goods manufactured by the Company there is a simple process of ERW manufacturing technique and the Company has already adopted the same and no innovations have been carried by the company, as there is no other available alternative that would ensure further cost efficiency.
- b) **Particulars relating to imported technology :**
The Company has not imported any technology and the plant is working with completely Indigenous Technical know-how.

C) FOREIGN EXCHANGE EARNING AND OUTGO :

		(Rs. In Lacs)	
		<u>Current year</u>	<u>Previous year</u>
a)	Total Foreign Exchange Earning	4575.63	3065.91
b)	Total Foreign Exchange Outgo	6.79	5.54

FORM - 'A'**A. POWER AND FUEL CONSUMPTION :**

	Current Year	Previous Year
1. Electricity		
(a) Purchased Unit	3082119	2258154
Total amount (in Rs.)	21495055	12735993
Rate/unit	6.97	5.64
(b) Own generation		
Through Diesel Generator Unit	428042	263956
Unit per Litre of Diesel Oil	4.62	4.55
Total Amount (in Rs.)	4005627	2220358
Cost/Unit	9.35	8.42
2. Furnace Gas Quantity(Sq.Cubic Mtr)	276795	264096
Total Amount (in Rs.)	10593099	9705892
Average Rate Rs./(Sq. Cubic Mtr)	38.27	36.75

B. CONSUMPTION PER UNIT OF PRODUCTION

NAME OF PRODUCT	UNIT	ELECTRICITY (UNIT)		FURNACE GAS (SQ. CUBIC MTR)	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Black Steel Tubes/Pipes	Per Ton	78.77	76.22	--	--
Galvd. Steel Tubes/Pipes	Per Ton	83.50	80.80	26.10	30.44

For and on behalf of the Board of Directors

Sd/-
NARESH KUMAR BANSAL
Managing Director

Place : New Delhi
Date : 2nd September 2013

AUDITORS REPORT

To,

The Members of Rama Steel Tubes Ltd.,

Report on the Financial Statements

We have audited the accompanying financial statements of **RAMA STEELS TUBES LTD** which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view, *subject to note no.10 where we do not express any opinion*, in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit & Loss, of the profit for the year ended on that date.
- (c) In the case of Cash Flow Statement, of the cash flows of the company for the year ended on that date.

Report on Other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. the Balance Sheet, and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.

- d. in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956, subject to Note No.9(a) and 9(b) of Significant Accounting Policies in Annexure I ;
- e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **VAPS & COMPANY**
Chartered Accountants
Firm Regn. No. 003612N

Sd/-
(P.K. Jain)
Partner
Membership No. 82515

Place : New Delhi

Date : September 2, 2013

ANNEXURE TO THE AUDITORS' REPORT

Ref: **RAMA STEEL TUBES LTD.**

Referred to in paragraph 3 of our report of even date:

- 1) a) The company has maintained proper records to show full particulars including quantitative details and situation of Fixed Assets.
- b) A substantial portion of the fixed assets have been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- c) During the year Fixed assets disposed off of Rs 5,35,394/- .But according to the information and explanations given to us, we are of the opinion that the disposal of fixed assets has not affected the going concern status of the company.
- 2) a) The inventories (excluding stocks with third parties) have been physically verified during the year by the management. In respect of inventory lying with the third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion and accordingly to the information and explanations given to us, discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- 3) a) The company has not granted unsecured loan to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b) The company has taken unsecured loan from twelve company, firms, & other parties covered in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved during the year was Rs.390,78,128 and the year end balance of loans taken from such parties was Rs.221,27,146. In our opinion the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- c) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest, if any.
- d) There is no overdue amount of loans taken from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

- 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 with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls system of the company in respect of these areas.
- 5) a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts and arrangements that need to be entered into the register maintained under section 301 have been so entered.
- b) The transactions in pursuance of such contracts have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
- 6) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act 1956, and the Companies (Acceptance of Deposit) Rules, 1975 with regard to the deposits accepted from the public. The Company Law Board / National Company Law Tribunal or Reserve Bank of India or any court or any other any Tribunal has passed no order in respect of the aforesaid deposits.
- 7) In our opinion the company has an internal audit system commensurate with the size and nature of its business.
- 8) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 we are of the opinion that Prima-facie the prescribed accounts and Records have been maintained.
- 9) a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess etc. were outstanding as at March 31, 2013 for a period of more than six months from the date they became payable.
- c) According to the information and explanation given to us and records of the company examined by us, the particulars dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax, and Cess which have not been deposited on account of any dispute are as follows:

SI No.	Name of the Statute	Nature of Dues	Amount in Rs.	Period to which dues Related	Authority where the Dispute is Pending for Decision
1.	U.P. Tax on Entry of Goods in to Local areas ordinance, 2007	The constitutional validity of U.P. Tax on Entry of Goods in to Local areas ordinance, 2007 had been Challenged.	109,94,936	November,2008 to March 2011	Before the Supreme Court Judicature

- 10) The company has no accumulated losses as at 31st March, 2013 and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- 11) In our opinion and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- 12) We have been informed that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence paragraph 4(xii) of the order is not applicable.
- 13) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4 (xiii) of the Companies (auditors' report) Order, 2004(amended) are not applicable to the company.

- 14) Accordingly to the information & explanations given to us, the company has made investment in shares, securities, debenture, & other investment during the year. All the shares have been held by company in its own name. The Company Complied with the provisions of clause 4 (xiv) of the Companies (auditors report) order, 2004.
- 15) The company has given Corporate Guarantee for Rs.3000 Lacs for loans taken by the Joint Venture Company in which the Company is one of participant, from bank or financial institutions.
- 16) In our opinion, the term loan has been applied for the purpose for which they were raised.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short term basis have been used for long term investment.
- 18) Based on our examination of records and the information provided to us by the management we report that the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- 19) During the period covered by our audit report, the company has not issued any debentures.
- 20) The company has not raised any money from public issue and as such question of end use of money raised by public issue does not arise.
- 21) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **VAPS & COMPANY.**
Chartered Accountants
Firm Regn. No. 03612N

Sd/-
(P.K. Jain)
Partner
Membership No. 82515

Place : New Delhi
Date : September 2, 2013

BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	2013 (Audited)	2012 (Audited)
		(`)	(`)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	2,489,000	2,489,000
(b) Reserves and Surplus	2	166,548,414	155,473,108
(c) Money received against share warrants		-	-
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	95,837,312	148,723,218
(b) Deferred Tax Liabilities (Net)	4	8,589,945	7,794,177
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	5	302,464,615	322,857,957
(b) Trade Payables	6	54,218,482	22,215,048
(c) Other Current Liabilities	7	64,816,231	34,327,947
(d) Short-Term Provisions	8	6,103,546	4,438,054
Total Equity & Liabilities		701,067,545	698,318,508
		(`)	(`)
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		152,806,195	145,601,680
(ii) Intangible Assets		-	-
(iii) Capital Work-In-Progress		1,903,056	1,903,056
(b) Non-current investments	10	23,763,713	15,695,297
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	11	79,879,421	87,602,459
(e) Other non-current assets		-	-
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories	12	164,715,260	216,939,151
(c) Trade receivables	13	166,046,250	140,417,158
(d) Cash and cash equivalents	14	21,410,003	20,288,490
(e) Short-term loans and advances	15	90,543,646	69,871,217
(f) Other current assets		-	-
Total Assets		701,067,545	698,318,508

*Notes referred to above and notes attached there to form an integral part of Balance Sheet
This is the Balance Sheet referred to in our Report of even date.*

for VAPS & Company

Chartered Accountants
Firm Reg. No.: 003612N

Sd/-
(P.K.Jain)
Partner
Membership No. : 82515

Place: N. Delhi
Dated: September 2, 2013

for and on behalf of the Board

Sd/-
Naresh Kumar Bansal
(Managing Director)

Sd/-
Richi Bansal
(Director)

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED ON MARCH 31, 2013

Sr. No	Particulars	Note No.	2013 (Audited)	2012 (Audited)
			(`)	(`)
I	Revenue from operations (Gross)	16	2,023,316,074	1,645,845,492
	Less: Excise Duty		(170,953,946)	(108,303,882)
	Gross Revenue from operations (Net)		1,852,362,127	1,537,541,610
II	Other Income	17	55,669,176	22,676,542
III	Total Revenue (I + II)		1,908,031,303	1,560,218,152
IV	Expenses:			
	Cost of Materials consumed	18	1,673,562,556	1,223,650,918
	Purchase of Stock-in-Trade		21,078,708	180,778,780
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	(40,313,543)	(13,190,351)
	Employee Benefit Expense	20	23,971,154	20,753,918
	Financial Costs	21	54,139,923	40,092,325
	Depreciation and Amortization Expense	22	17,865,721	12,570,069
	Other Expenses	23	141,717,288	91,151,596
	Total Expenses (IV)		1,892,021,807	1,555,807,254
V	Profit before exceptional and extraordinary items and tax	(III - IV)	16,009,496	4,410,898
VI	Exceptional Items	24	-	401,858
VII	Profit before Taxes (V - VI)		16,009,496	4,009,040
VIII	Tax expense:			
	(1) Current tax		3,223,747	764,211
	(2) Deferred tax		795,768	1,086,988
	(3) Income Tax for earlier years		21,280	-
	(4) Mat credit Entitlement		893,396	(477,849)
IX	Profit/(Loss) from the period from continuing operations	(VII - VIII)	11,075,305	2,635,689
X	Profit/(Loss) from discontinuing operations		-	-
XI	Tax expense of discontinuing operations		-	-
XII	Profit/(Loss) from Discontinuing operations (X - XI)		-	-
XIII	Profit/(Loss) for the period (IX + XII)		11,075,305	2,635,689
XIV	Earning per equity share:			
	(1) Basic		44.50	10.59
	(2) Diluted		44.50	10.59

Notes referred to above and notes attached there to form an integral part of Profit & Loss Statement

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

for VAPS & Company

Chartered Accountants
Firm Reg. No.: 003612N

for and on behalf of the Board

Sd/-

(P.K.Jain)

Partner

Membership No. : 82515

Sd/-

Naresh Kumar Bansal

(Managing Director)

Sd/-

Richi Bansal

(Director)

Place: New Delhi

Dated: September 2, 2013

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON MARCH 31, 2013

(Figures in `)

PARTICULARS	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
	AMOUNT	TOTAL	AMOUNT	TOTAL
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and Extra ordinary items		16,009,496		4,009,040
Add : Adjustment for Depreciation	17,865,721		12,570,069	
Interest & Finance Charges	54,139,923		40,092,325	
Profit On Sale of Fixed assets	(484,606)		(7,508,663)	
Operating profit before working capital changes		71,521,038		45,153,731
Adjustment for:				
Increase/Decrease in Trade Receivables	(25,629,092)		4,706,851	
Increase/Decrease in Other receivables	(21,252,413)		13,855,114	
Increase/Decrease in Inventories	52,223,891		(54,487,580)	
Increase/Decrease in Trade & Other payable	43,763,869	49,106,255	(50,097,270)	(86,022,885)
Cash generated from operations		136,636,789		(36,860,114)
Cash flow before extra ordinary items		136,636,789		(36,860,114)
Income Tax Paid		(3,558,438)		(735,010)
Extra ordinary items		-		-
Net cash from operating activities		133,078,350		(37,595,125)
B. CASH FLOW FROM INVESTING CTIVITIES				
Purchase of Fixed Assets	(25,605,630)		(18,071,331)	
Sale of Fixed Assets	1,020,000		8,370,000	
Additions to Investments	(8,068,416)		(829,205)	
Advance for Fixed Assets	7,723,038		(11,798,307)	
Net Cash used in investing activities		(24,931,008)		(22,328,843)
C. CASH FLOW FROM FINANCE ACTIVITIES				
Receipt/Repayment of secured loans	(20,420,124)		109,694,742	
Receipt/Repayment of unsecured loans	(32,465,782)		(10,747,364)	
Interest & Finance Charges	(54,139,923)		(40,092,325)	
Net cash generated from Financing activities		(107,025,829)		58,855,053
NET CHANGE IN CASH EQUIVALENT (A+B+C)		1,121,514		(1,068,915)
CASH & CASH EQUIVALENT				
Opening Balance		20,288,490		21,357,405
Net Change in Cash & Cash Equivalent		1,121,514		(1,068,915)
Closing Balance		21,410,003		20,288,490

Notes :

1. Cash & Cash Equivalents represents Cash & Bank Balances and deposit with Banks as per Note No 14
2. The Cash Flow Statement has been prepared under the "Indirect method " as set out in the Accounting Standard (AS -3), "Cash Flow Statement".
3. Figures in Brackets indicate cash outflow.

for VAPS & CompanyChartered Accountants
Firm Regn. No. 003612NSd/-
P.K.Jain
Partner
M No. 82515**for and on behalf of the Board**Sd/-
Naresh Kumar Bansal
(Managing Director)Sd/-
Richi Bansal
(Director)Place: New Delhi
Dated: September 2, 2013

Notes Forming Integral Part of the Balance Sheet as at March 31, 2013**Note : 1 Share Capital**

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
1	AUTHORIZED CAPITAL 30,00,000 Equity Shares of Rs.10/- each	30,000,000	30,000,000
		30,000,000	30,000,000
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL 2,48,900 Equity Shares of Rs.10/- each fully paid up in cash (Previous Year 2,48,900 Shares)	2,489,000	2,489,000
	Total	2,489,000	2,489,000

Details of Shares held by shareholders holding more than 5% of the aggregate shares of the company

Name of the Shareholder	Current Year		Previous Year	
	No. of shares Held	% of Holding	No of shares Held	% of Holding
Naresh Kumar Bansal	108,100	43%	108,100	43%
Ajay Kumar Bansal	12,450	5%	12,450	5%
Harbans Lal (HUF)	15,700	6%	15,700	6%

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share. The company has not declared any dividend during the year. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

Note : 2 Reserve & Surplus

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
1	General Reserve Balance brought forward from previous year Add: Additions	139,909,310 25,000,000	139,909,310 -
		164,909,310	139,909,310
2	Surplus (Statement of Profit & Loss) Balance brought forward from previous year Add: Net Profit/ (Loss) for the period Less: Transfer to Reserves Closing Balance	15,563,799 11,075,305 25,000,000	12,928,108 2,635,689 -
		1,639,104	15,563,798
	Total	166,548,414	155,473,108

Note : 3 Long Term Borrowings

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
1	Secured Term Loan - From Bank	39,317,801	59,737,925
	Unsecured		
2	- Fixed Deposit	28,833,559	24,736,000
3	- From related parties	22,127,147	32,983,431
4	- Security Deposits from Dealer	5,558,805	31,265,862
	Total	95,837,312	148,723,218

Nature of Security and terms of repayment for Long Term Secured Borrowings :-

S.No	Loan Amount	
1	Term Loan amounting Rs.34,984,938 (P.Y.Rs 36,445,506)	Repayable in 157 monthly installments commencing from Dec, 2011. Last installment due in Dec., 2024. Rate of interest 10.35% p.a as at year end (P.Y. 10.65% p.a)
2	Term Loan amounting Rs 11,080,321 (P.Y.Rs.20,580,732)	Repayable in 48 monthly installments commencing from July, 2009. Last installment due in August, 2014. Rate of interest 13.50% p.a as at year end (P.Y.13.50% p.a.)
3	Term Loan amounting Rs,771,000 (P.Y.Rs.1,387,798).	Repayable in 60 monthly installments commencing from Oct,2008. Last installment due in June, 2014. Rate of interest 13.25% p.a as at year end. (P.Y. 12.50% p.a.)
4	Term Loan amounting Rs,NIL (P.Y.Rs.356,733).	Repayable in 60 monthly installments commencing from May,2008. Last installment was paid in Oct, 2012. Rate of interest NIL as at year end. (P.Y.13.25% p.a.)
5	Term Loan amounting Rs.NIL (P.Y.Rs 2,279,486).	Repayable in 72 monthly installments commencing from March,2007. Last installment was paid in March, 2013. Rate of interest NIL p.a as at year end. (P.Y.13.25% p.a.)
6	Term Loan amounting Rs.523,576 (P.Y.Rs.994,248).	Repayable in 36 monthly installments commencing from April,2011. Last installment due in March, 2014. Rate of interest 10.75% p.a as at year end. (P.Y.10.75% p.a)
7	Term Loan amounting Rs.802,234 (P.Y.Rs.NIL)	Repayable in 36 monthly installments commencing from Aug,2012. Last installment due in July 2015. Rate of interest 10.75% p.a as at year end. (P.Y. NIL)
8	Term Loan amounting Rs.373,149 (P.Y.Rs.NIL)	Repayable in 36 monthly installments commencing from June 2012. Last installment due in May 2015. Rate of interest 12.75% p.a as at year end. (P.Y. NIL)
9	Term Loan amounting Rs.599,523 (P.Y.Rs.NIL)	Repayable in 36 monthly installments commencing from Oct 2012. Last installment due in Sept 2015. Rate of interest 11.50% p.a as at year end. (P.Y. NIL)
10	Term Loan amounting Rs.2,771,127 (P.Y.Rs.NIL)	Repayable in 60 monthly installments commencing from Nov 2012. Last installment due in Oct 2017. Rate of interest 8.56% p.a as at year end. (P.Y. NIL)
Nature of Security of sub Note 1.1 of Note no. 3:- Secured against mortgage of Jaypee Greens, Greater Noida, UP.		
Nature of Security of sub Note 1.2 to 1.10 of Note no. 3:- Secured by hypothecation of Machinery and vehicles.		

Installments falling due in respect of all the above Loans upto 31.03.2014 have been grouped under "Current maturities of long-term debt" (Refer Note 7)

Note : 4 Deffered Tax Liabilities

Sr. No	Particulars	(`) 2013 (Audited)	(`) 2012 (Audited)
	Deffered Tax Liabilities		
	-Opening Balance	7,794,177	6,707,189
	-Additions during the Year	795,768	1,086,988
	Total	8,589,945	7,794,177

Note : 5 Short Term Borrowings

Sr. No	Particulars	(`) 2013 (Audited)	(`) 2012 (Audited)
1	Secured Working Capital Loans Repayable on Demand - From Bank (including Packing Credit Limit)	302,464,615	322,857,957
	Total	302,464,615	322,857,957

Working Capital facilities from Bank are secured by first charge on inventories and book debts and first charge on all movable and immovable assets of the company and further guaranteed by the directors of the company

Note : 6 Trade Payable

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
1	Sundry Creditors for Raw Material	36,534,536	8,177,398
2	Sundry Creditors for Expenses	14,126,435	11,585,536
3	Expenses Payable	3,557,511	2,452,114
	Total	54,218,482	22,215,048

Note : 7 Other Current Liabilities

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
1	Current Maturities of Long Term Debt	12,588,067	2,367,427
2	Interest accrued and due on borrowings	38,880	96,428
3	Interest accrued but not due on borrowings	452,747	2,971,288
4	Advance From Customers	45,776,851	23,150,179
5	Statutory Liabilities	5,959,686	5,742,625
	Total	64,816,231	34,327,947

Note : 8 Short Term Provisions

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
1	Provision for Excise Duty on Finished Goods	6,103,546	4,438,054
	Total	6,103,546	4,438,054

Note No: 9 Tangible Assets

Particulars	Gross Block				Depreciation				Net Block	
	As on 01-04-2012	Additions during the Year	Sales/Adj. during the Year	Total as on 31-03-2013	Upto 31-03-2012	During the Year	Adjustment during the Year	Upto 31-03-2013	WDV. as on 31-03-2013	WDV. as on 31-03-2012
Land-Sahibabad	490,946	-	-	490,946	-	-	-	-	490,946	490,946
Land- B-5	4,954,518	-	-	4,954,518	-	-	-	-	4,954,518	4,954,518
Land- B-25/1	3,902,462	-	-	3,902,462	-	-	-	-	3,902,462	3,902,462
Land- 48/1/2C	-	10,307,645	-	10,307,645	-	-	-	-	10,307,645	-
Mumbai Land	4,487,955	87,000	-	4,574,955	-	-	-	-	4,574,955	4,574,955
Land-Gurgaon	9,506,075	-	-	9,506,075	-	-	-	-	9,506,075	9,506,075
Office-I at Mumbai	196,500	-	-	196,500	146,970	2,477	-	149,477	47,053	49,530
Office-II at Mumbai	1,009,950	-	-	1,009,950	187,339	41,131	-	228,470	781,480	822,611
Factory Shed & Bldg.	12,064,901	-	-	12,064,901	5,478,642	658,625	-	6,137,267	5,927,634	6,586,259
Building-Gurgaon	25,586,035	2,562,098	-	28,148,133	45,440	1,283,348	-	1,328,788	26,819,345	25,540,595
Plant & Machinery	166,651,601	2,021,008	-	168,672,609	91,510,602	11,934,239	-	103,444,841	65,227,768	75,140,999
Furniture & Fixture	1,216,177	380,561	-	1,596,738	262,168	226,882	-	489,050	1,107,688	954,009
Office Equipment	1,635,737	19,980	-	1,655,717	864,644	108,588	-	973,232	682,485	771,093
Vehicles	13,351,483	7,809,183	2,734,170	18,426,496	7,616,335	2,464,027	2,198,776	7,881,586	10,544,910	5,735,148
Generator Set	5,919,143	-	-	5,919,143	3,569,830	326,789	-	3,896,619	2,022,524	2,349,313
Airconditioners	2,759,445	1,778,377	-	4,537,822	404,267	426,763	-	831,030	3,706,792	2,355,178
Electrical Fitting	1,818,448	534,928	-	2,353,376	8,984	294,770	-	303,754	2,049,622	1,809,464
Computers	1,149,706	104,850	-	1,254,556	1,004,180	98,082	-	1,102,262	152,294	145,526
Total for the Year	256,701,081	25,605,630	2,734,170	279,572,541	111,099,401	17,865,721	2,198,776	126,766,346	152,806,195	145,601,680
Total for Prev. Year	224,448,891	35,037,197	2,785,007	256,701,081	100,453,002	12,570,069	1,923,670	111,099,401	145,601,680	123,995,889

Capital Work in Progress

Particulars	As at 01-04-2012	Additions	Total	Capitalized	As at 31-03-2013
Property at Mumbai	1,903,056	-	1,903,056	-	1,903,056
Total for the Year	1,903,056	-	1,903,056	-	1,903,056

Note : 10 Non-Current Investment

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
I	Investment in Joint Venture (Unquoted ,Trade) M/s Pir Panchal Construction JV, Jammu *	22,335,332	14,266,916
II	Quoted Other than Trade at cost less provision (Quoted) Investment in Equity Shares 25000 Equity Share of Rs.10/- each in Partap Industries Ltd. issued at Premium of Rs.10/- each (Previous Year 25000 Equity Shares) 60500 Equity Shares of Rs.10/- each in Uttam Value Steels Ltd. (Formerly Lloyd Steel Industries Ltd.) (Previous Year 60500 Equity Shares)	500,000 928,181	500,000 928,181
III	Unquoted Other than Trade at cost less provision (Unquoted) Investment in Equity Shares : Two Equity Shares of Rs. 100/- each in CIDCO, Mumbai	200	200
	Total	23,763,713	15,695,297
	Aggregate book value of unquoted Investments	22,335,532	14,267,116
	Aggregate book value of quoted Investments	1,428,181	1,428,181
	Market Value of quoted Investments	605,000	654,610
	Aggregate provision for diminution in value of Investments	-	-

* The Audited Financial Statements could not be obtained and supplied to Auditors for verification.

Note : 11 Long Term Loans and Advances

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
I)	Capital Advances Unsecured, Considered Good	74,681,134	82,582,468
II)	Security Deposit Unsecured, Considered Good	5,119,787	4,980,491
III)	Other Loans & Advances	78,500	39,500
	Total	79,879,421	87,602,459

Note : 12 Inventories

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
1	Raw Material	57,335,353	149,283,187
2	Finished Goods	105,684,238	61,402,263
3	Rejection & Scrap	1,068,869	5,037,301
4	Consumables	626,800	1,216,400
	Total	164,715,260	216,939,151

The Closing Stock of Finished Goods has been valued inclusive of Excise Duty

Note : 13 Trade Receivables

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
1	Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, Considered Good :	18,066,077	14,935,402
2	Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, Considered Good :	147,980,174	125,481,756
	Total	166,046,250	140,417,158

Note : 14 Cash & Cash Equivalent

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
1	Cash & Cash Equivalent		
	Cash Balance	1,959,938	1,436,481
	Bank Balance	484,475	373,547
	Sub Total (1)	2,444,412	1,810,028
2	Other Bank Balances		
	Fixed Deposits with Banks	17,324,627	17,341,934
	Accrued Interest on FDR's & Securities (In margin money with maturities more than three months and less than twelve months at inception)	1,640,964	1,136,528
	Sub Total (2)	18,965,591	18,478,462
	Total [1+2]	21,410,003	20,288,490

Note : 15 Short Terms Loans and Advances

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
1	Advance to Suppliers and Others	24,368,828	21,650,315
2	Advance Income Tax/Refund Due	486,217	172,805
3	Prepaid Expenses	487,849	1,048,375
4	Advance Payment with Revenue Authorities (Indirect Taxes)	64,943,676	45,849,249
5	MAT Credit Entitlement	257,076	1,150,472
	Total	90,543,646	69,871,217

Note : 16 Revenue from Operations

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
1	Sales (Finished Goods) - Domestic	1,511,787,638	1,131,705,371
2	Sales (Finished Goods) - Export	457,562,886	306,590,580
		1,969,350,524	1,438,295,951
3	Sales Traded Goods (Raw Material Cleared as such)	21,400,024	182,463,588
4	Job Work	6,572,095	3,042,170
5	Export Incentive	25,993,431	22,043,784
	Gross Revenue	2,023,316,074	1,645,845,492
6	Less: Excise Duty	(170,953,946)	(108,303,882)
	Total	1,852,362,127	1,537,541,610

Sr. No	Detail of Sale of Products	Current Year	Previous Year
	Manufactured Goods :		
1	Black Pipe/Tubes	1,351,585,372	915,983,806
2	Rejected Pipes /Scrap	80,126,226	55,398,394
3	GP Pipe/Tubes	508,910,331	418,284,459
4	Others	28,728,595	48,629,292
		1,969,350,524	1,438,295,951
	Trading Goods :		
1	Zinc	183,700	731,847
2	HR Strip/Coil	21,185,833	181,449,811
3	Steel Sockets	30,491	281,930
		21,400,024	182,463,588
	Total	1,990,750,548	1,620,759,539

Note : 17 Other Income

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
1	Interest Earned on FDRs	1,667,423	1,826,900
2	Share Of Profit in joint Venture	8,068,416	5,364,402
3	Profit On Sale of Fixed Assets	484,606	7,508,663
4	Profit On Sale of Property	10,266,240	-
5	Rental Receipts	10,643,000	304,032
6	Hire Receipts - Furniture & Fittings	1,557,486	-
7	Maintenance Receipts	1,320,000	41,935
8	Foreign Exchange Fluctuation	21,662,005	7,630,610
	Total	55,669,176	22,676,542

Note : 18 Cost of Material Consumed

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
1	Raw Materials	1,673,562,556	1,223,650,918
	Opening Stock	149,283,187	107,768,632
	Add: Purchase	1,581,614,722	1,265,165,473
	Less: Closing Stock	(57,335,353)	(149,283,187)
	Total	1,673,562,556	1,223,650,918

Sr. No	Detail of Raw Material Consumed:	Current Year	Previous Year
1	HR Coil	1,563,995,998	1,148,760,369
2	Black pipe	25,758,409	16,249,170
3	Zinc & Others	83,808,149	58,641,379
	Total	1,673,562,556	1,223,650,918

All the above Raw material consumed includes indigenous materials consumed. There is no imported material consumed during the year.

Note : 19 Change in Inventories

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
1	Opening Stock Finished Goods	66,439,564	53,249,213
	Total-1	66,439,564	53,249,213
2	Closing Stock Finished Goods	106,753,107	66,439,564
	Total-2	106,753,107	66,439,564
	Total (2-1)	(40,313,543)	(13,190,351)

Note : 20 Employee Benefit Expenses

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
1	Salaries, Wages, Bonus etc.	21,627,564	18,733,046
2	Contribution to Provident and other Funds	1,877,363	1,833,536
3	Staff Welfare Expenses	466,227	187,336
	Total	23,971,154	20,753,918

Note : 21 Financial Cost

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
1	Interest Expense	42,189,459	33,858,105
2	Other Borrowing Cost	11,950,464	6,234,220
	Total	54,139,923	40,092,325

Note : 22 Depreciation & Amortised Cost

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
1	Depreciation	17,865,721	12,570,069
	Total	17,865,721	12,570,069

Note : 23 Other Expenses

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
	<u>Manufacturing Expenses</u>		
1	Stores & Consumables	18,648,806	12,503,595
2	Job Work Charges	10,800,237	5,107,078
3	Power & Fuel Expenses	36,093,781	24,662,243
4	Repair & Maintenance :-		
	Building	2,351,417	2,727,052
	Plant & Machinery	2,529,580	4,773,951
	<u>Administrative Expenses</u>		
5	Rent	1,158,888	616,993
6	Printing & Stationery	232,483	204,599
7	Postage & Telephone	866,807	666,541
8	Vehicle Running Expenses	1,307,398	1,071,443
9	Fees & Taxes	729,851	656,299
10	Travelling Expenses:		
	Directors	1,345,248	986,210
	Others	926,970	313,854
11	Legal & Professional Charges	1,086,144	359,368
12	Miscellaneous Expenses	274,229	213,573
13	Auditor's Remuneration	102,500	100,000
14	Insurance	322,353	190,042
15	Key-man Insurance	1,252,719	1,211,822
16	Office Expenses	562,224	398,119
	<u>Selling & Distribution Expenses</u>		
17	Advertisement Expenses	140,365	453,238
18	Commission	8,808,721	5,557,643
19	Rebate & Discount	476,076	1,405,811
20	Freight Outward	47,527,770	24,334,499
21	Sales Promotion	1,629,131	2,069,619
22	Additional Entry Tax	2,320,779	385,470
23	Other Selling Expenses	222,811	182,535
	Total	141,717,288	91,151,596

Note : 24 Exceptional Item

Sr. No	Particulars	(`)	(`)
		2013 (Audited)	2012 (Audited)
1	Loss on Sale of Shares	-	401,858
	Total	-	401,858

Note No.25 Contingent Liabilities**Contingent liability not provided for in respect of :**

- a) Bank Guarantees of Rs.1272.45 Lacs (Previous year Rs.767.46 Lacs).
- b) Bills Discounted of Rs.61.09 Lacs (Previous Year Rs.54.86 Lacs)
- c) Accrued Liability for Leave Encashment of Rs.4.38 Lacs (Previous Year Rs.2.58 Lacs)
- d) Accrued Liability for Gratuity Outstanding of Rs.33.36 Lacs (Previous Year Rs.28.90 Lacs)
- e) Outstanding letters of credit amounting to Rs.125.00 Lacs. (Previous year Rs.125.00 Lacs)
- f) Entry Tax Payable Rs.111.42 Lacs (Previous Year Rs.111.42 Lacs)
- g) Corporate Guarantees of Rs.3000.00 Lacs (previous Year NIL) given to Union Bank of India on account of Bank Guarantees furnished by Union Bank of India to the Jammu & Kashmir Govt towards contracts awarded to M/s Pir Panchal Construction Pvt.Ltd., Joint Venture, an association of person, in which our company is one of the participant.

Note No.26

- a) During the Year 2011-12, the Petition filed by the company, challenging the Entry Tax (on Purchases) imposed by U.P VAT Authorities, was rejected by the Hon'ble High Court of Allahabad, holding the imposition of Entry Tax as lawful. The verdict of the hon'ble Court accrued Entry Tax Liability amounting to Rs.2,21,36,566/- upon the Company towards the UP Commercial Taxes Department. But the Company filed a petition in the hon'ble Supreme Court challenging the verdict of Allahabad High Court. Further in accordance with the directions of the hon'ble Supreme Court, the Company has paid a sum of Rs.1,11,41,669/- to the Department and gave the Bank Guarantee for the balance amount of Rs.1,09,94,897/-. The Case is still pending in the Court of Law. As the Company was of the opinion that eventually no liability shall accrue to the company on this issue, it did not provide for this Entry Tax Liability on Purchases in the Year 2011-12.
- b) The company filed one civil suit against MPSEB, JABLAPUR for cancellation of Bank Guarantee invoked by MPSEB, JABLAPUR amounting to Rs. 9,41,700/- in the civil court Jabalpur. The Suit has been decided in favour of the Company against which MPSEB has preferred Appeal. As such the Case is still subjudice. The company is of the view that it would get favourable verdict and no demand would be eventually sustained in any of the pending matters. Accordingly, no provision is made in the books in respect of these contingent liabilities.
- c) The Company has filed civil suit for Rs. 45,35,667/- , against one of its debtor for recovery of dues in respect of goods supplied to them against LCs. The matter is pending in Delhi High Court

Note No.27

None of the employees was in receipt of remuneration in excess of Rs.24,00,000 p.a. or Rs.2,00,000 p.m. if employed for part of the year as prescribed under section 217 (2) (A) of the Companies Act, 1956.

Note No.28 Disclosure regarding computation of EPS in accordance with AS-20*(Figures in `)*

Particulars	2013	2012
Basic EPS		
Profit After Tax As per P&L A/c (Rs.)	1,10,75,305	26,35,689
Weighted Avg. Number of Equity Share	2,48,900	2,48,900
Basic EPS(Rs.)	44.50	10.59
Diluted EPS		
Profit After Tax As per P&L A/c (Rs.)	1,10,75,305	26,35,689
Diluted Number of Equity Shares O/s	2,48,900	2,48,900
Diluted EPS (Rs.)	44.50	10.59
Computation of Diluted Number of Equity Shares		
1. Basic Shares	2,48,900	2,48,900
2. Share Application Money of which share are allotted during the year	--	--
3. Issue Price Per Share in Rs	--	--
4. Number of Shares at above issue Price	--	--
5. Total Diluted Equity Shares (1+4)	2,48,900	2,48,900

Note No.29 Segment Reporting (AS-17)

The Company is primarily engaged in the business of manufacture and sale of steel Tube/Pipes and its revenue from trading segment is not significant. As such the accounting standard on segment reporting is not applicable.

Note No.30 Related Party Disclosures (AS 18)

Related Parties with whom transaction have taken place during the year and balances outstanding as on the last day of the year;

A. List of Related Parties

Enterprises over which Key Management Personnel (KMP) and Relatives of such personnel exercise significant control

1. M/s Advance Hightech Agro Products Pvt. Ltd
2. M/s Ravi Developers Pvt. Ltd.
3. M/s Gujarat Hi-Tech Steel Pvt. Ltd.
4. M/s Harbans Lal (HUF)
5. M/s Naresh Kumar & Sons (HUF)

Key Management Personnel

1. Mr. Naresh Bansal
2. Mr. Richi Bansal
3. Mr. Surender Kumar Sharma

Relatives of Key Management Personnel

1. Ms. Kumud Bansal
2. Ms. Krati Bansal
3. Mr. Nikhil Bansal
4. Master Ishaan Bansal
5. Ms. Reeta Rani
6. Ms. Parveen Bansal

B. Detail of Related Party Transactions

Particulars	Enterprises over which KMP and relatives of such personnel exercise significant control	Key Management Personnel	Relatives of such key Management Personnel
Remuneration Paid	--	34,33,200	3,50,000
Interest Paid	3,83,664	8,33,321	20,50,527
Rent Paid	--	5,39,328	4,80,000

C. Amount due to / from Related Parties as on 31st March 2013

Particulars	Enterprises over which KMP and relatives of such personnel exercise significant control	Key Management Personnel	Relatives of such key Management Personnel
Amount due to Related Parties	80,13,668	90,76,503	62,18,395
Amount due from Related Parties	--	--	--

Note No.31 Value of Exports

Particulars	2013	2012
Value of Exports (FOB) (₹)	45,75,62,886	30,65,90,580

Note No.32 Expenditure in Foreign Currency

Particulars	2013	2012
Expenditure in Foreign Currency	6,78,931	5,54,272

Note No.33

The outstanding balances of Sundry Debtors/Creditors in the books of the company are subject to confirmation.

Note No.34

Long Term Loans & Advances vide Note No.11 include Advances against Capital Account of Rs.21,61,225/- given as Advance against Mumbai Land Development. The aforesaid Land is in the name of the company.

Note No.35 Auditors Remuneration (excluding Service Tax)

Particulars	2013	2012
Statutory Audit Fees	80,000	80,000
Tax Audit Fees	20,000	20,000
Other Services	2500	--
Total	1,02,500	1,00,000

Note No.36 Break-up of Managerial Remuneration

Particulars	2013	2012
Salary	34,33,200	34,33,200
Contribution to Provident Fund	23,616	23,616
Other Perquisites	79,200	79,200
Total	35,36,016	35,36,016

Note No.37 Breakup of Directors Travelling Expenses

Particulars	2013	2012
i). Foreign Travelling	10,32,221	7,93,532
ii). Inland Travelling	3,13,027	1,92,678
Total	13,45,248	9,86,210

Note No.38

On the basis of information available with the company, it does not owe any outstanding dues towards Small Scale Industrial Undertaking amended Schedule VI of the companies Act, 1956 vide Notification NO. GSR 129 (E) dated 22.02.99, in case the sum owned is Rs. 1.00 Lac or more which is outstanding for more than 30 days as at 31st March, 2013.

Note No.39

On the basis of information available with the company, the Company does not have any amounts due to suppliers under the Micro, Small and Medium Enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March 2013.

Note No.40

Amounts except number of shares and earnings per share are rounded off to the nearest rupees.

Note No.41

The figures of previous year have been regrouped / rearranged wherever considered necessary.

Note No.42

Significant accounting policies and practices adopted by the company are disclosed in the statement annexed to these financial statements as Annexure 1.

As per our separate audit Report of even date attached

For VAPS & Company
Chartered Accountants
Firm Regn. No. 003612N

For and on behalf of the Board

Sd/-
P.K.Jain
Partner
M No. 82515

Sd/-
Naresh Kumar Bansal
Managing Director

Sd/-
Richi Bansal
Director

Place : New Delhi
Date : September 2,2013

Annexure 1**Significant Accounting Policies****1) Basis of Preparation of Financial Statement**

- a) The financial statements have been prepared under the historical cost convention on the basis of going concern and in accordance with the Accounting Standard 1 Referred to in section 211(3c) of the companies Act 1956.
- b) The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

2) Fixed Assets

- a) Fixed Assets are stated at cost net of duty credit availed less accumulated depreciation and impairments, if any. The cost includes cost of acquisition/construction, installation and preoperative expenditure including trial run expenses (net of revenue) and borrowing costs incurred during pre-operation period. Expenses incurred on capital assets are carried forward as capital work in progress at cost till the same are ready for use.
- b) Pre-operative expenses, including interest on borrowings for the capital goods, where applicable incurred till the capital goods are ready for commercial production, are treated as part of the cost of capital goods and capitalized.
- c) Machinery spares which are specific to particular item of fixed assets and whose use is irregular are capitalized as part of the cost of machinery

3) Impairment of Assets

The Company recognizes all the losses as per Accounting Standard -28 due to the impairment of assets in the year of review of the physical conditions of the Assets and is measured by the amount by which, the carrying amount of the Assets exceeds the Fair Value of the Asset.

4) Depreciation

Depreciation on fixed assets is provided on written down value basis at the rates specified under Schedule XIV of the Companies Act, 1956. Depreciation for assets purchased / sold during the period is proportionately charged.

5) Inventories Valuation

Raw material is valued at cost (First in First Out basis) or net realizable value whichever is lower. Finished Goods are valued at cost or net realizable value whichever is lower. Stock of Scrap is valued at net realizable value. Stock of Trading Goods is valued at Cost (Weighted Average/ First in First Out basis).

6) Foreign Exchange Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. All exchange differences are dealt within profit and loss account. Current assets and current liabilities in foreign currency outstanding at the year end are translated at the rate of exchange prevailing at the close of the year and resultant gains/losses are recognized in the profit and loss account of the year except in cases where they are covered by forward foreign exchange contracts in which cases these are translated at the contracted rates of exchange and the resultant gains/losses recognized in profit and loss account over the life of the contract.

7) Duties & Credits

- a) Excise Duty is accounted for at the time of clearance of goods except closing stock of finished goods lying at the works.
- b) Cenvat Credit, to the extent available during the year, is adjusted towards cost of materials.
- c) Duty credit on export sales has been taken on accrued basis whether license has been issued after closing of the financial year.

8) Sales are inclusive of excise duty and after deducting the trade discount and also sales tax applicable.

9) Retirement Benefits

- a) The total accrued liability in respect of employees covered by the Payment of Gratuity Act, 1972, as actuarially determined in accordance with the relevant provisions of AS-15 issued by ICAI, and not provided for amounts to Rs.33,36,417/- (Previous Year Rs.28,89,903/-).
- b) Leave Encashment to Rs.4,37,512/- (Previous Year Rs.2,58,021/-) has been not provided for.

10) Borrowing Cost

Borrowing cost is charged to the Profit & Loss Account, except cost of borrowing for the acquisition of qualifying assets, which is capitalized till the date of commercial use of the assets. In compliance of AS-16, the Borrowing Cost amounting to Rs.37,75,800/- (Previous Year Rs.52,95,997/-) has been capitalized during the year to the corresponding Capital Assets.

11) Taxes on Income

Provision for current tax is made considering various allowances, disallowances and benefits available to the Company under the provisions of Income Tax Law.

In accordance with Accounting Standard AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, deferred taxes resulting from timing differences between book and tax profits are accounted for at tax rate substantively enacted by the Balance Sheet date to the extent the timing differences are expected to be crystallized.

12) Revenue Recognition

Sale of goods is recognized when the risk and reward of ownership are passed on to the customers. Revenue from services is recognized when the services are complete.

13) Investments

Long term investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Diminution, if any, in the value of Long Term Investment in respect of equity shares in Partap Industries Limited has not been provided for since the Management is of the opinion that reduction in the value of investment is of the temporary nature considering to inherent value and nature of investee's business and hence no provision is required. Current investments are carried at lower of cost and fair value. Income/ Loss from investments are recognized in the year in which it is generated.

14) Provision and Contingencies

The company creates a provision when there is a present obligation as a result of past event that requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a present obligation that may require an outflow of resources or where a reliable estimate of such obligation cannot be made.

15) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated

16) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**As per our separate audit Report of
even date attached**

For VAPS & Company
Chartered Accountants
Firm Regn. No. 003612N

For and on behalf of the Board

Sd/-
P.K.Jain
Partner
M No. 82515

Sd/-
Naresh Kumar Bansal
Managing Director

Sd/-
Richi Bansal
Director

Place : New Delhi
Date : September 2,2013