

**ANNUAL REPORT**  
**2009-2010**

Integrate and optimize

**SKIPPER**  
— Limited —

## **THE COMPANY**

Skipper Limited, established in 1981, is the flagship company of SK Bansal Group.

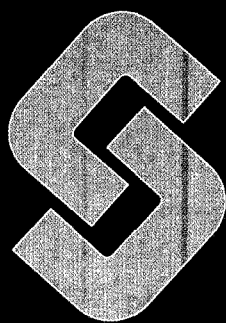
With a culture of excellence and an orientation towards growth, the company is positioned to win the future. We are an ISO 9001 certified company with a robust quality assurance plan in place.

## **GREEN POLICY**

Environment and health issues are priority areas at Skipper Limited. We have applied for ISO 14001 & ISO 18001 certification.

## **FUTURE PLANS**

The group has plans to extend its backward integration and include Sponge Iron, Steel Melting Shops and Power Plants in the near future.



Skipper Limited offers a wide range  
of finely crafted quality-managed  
products and turnkey speciality  
services that meet industry standards.

# STEEL

Steel Billets &  
Blooms as input

Manufacture  
Hot rolled  
skelp

Manufacture  
Angles, Beams  
& Channels

ERW Process  
to manufacture  
Steel Pipes & Tubes

Fabricate  
Structurals  
for Towers

Manufacture  
Scaffolding &  
Tubular Products

EPC Tower  
Projects

## PVC

PVC Resin  
as input

Extrusion  
Process

Manufacture  
PVC Pipes  
& Fittings

## POLES

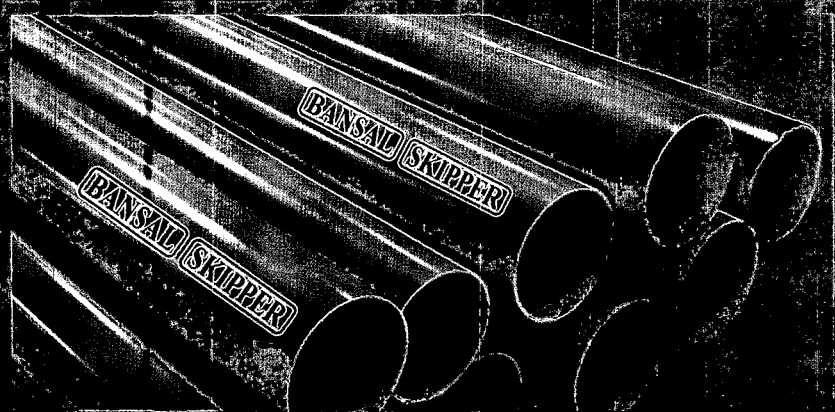
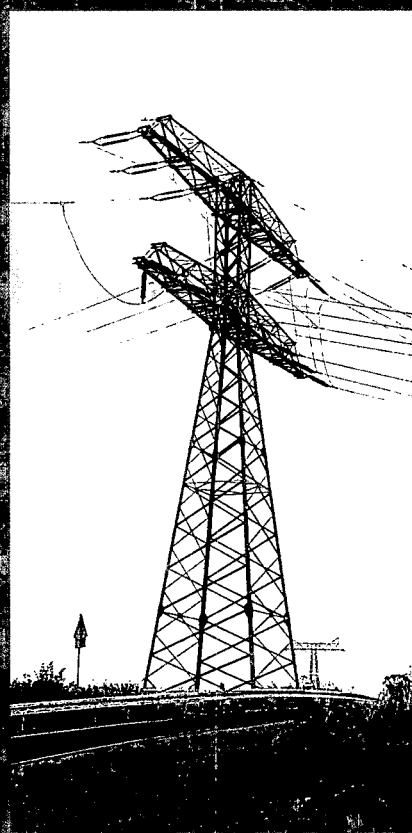
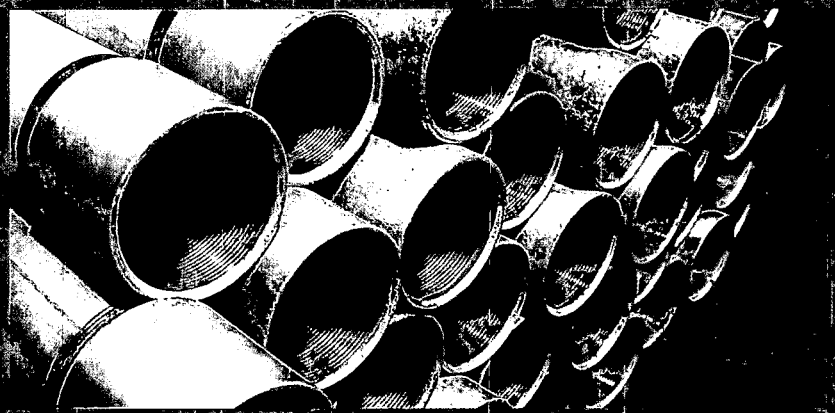
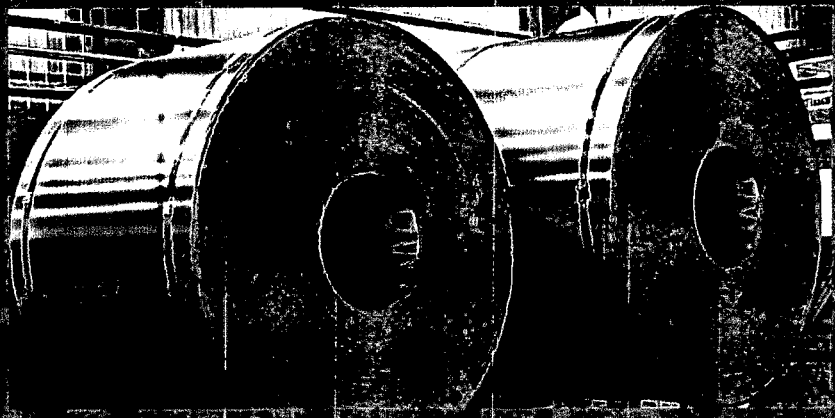
Procurement of Hot  
Rolled Coils from  
primary producers

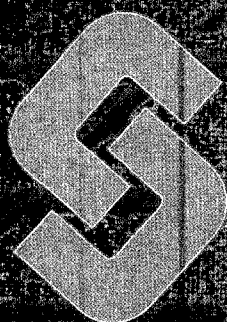
Slitting and  
Cutting to size

Manufacture of  
High Mast and  
Octagonal Poles



Our product value chain is integrated to optimize the manufacture of a wide range of inter-related, quality managed value added products.





## **PRODUCTS**

### **Hot-rolled Skelp**

To manufacture tubes & pipes, cold-rolled strips

### **ERW Steel Pipes**

Galvanized & Black Pipes, Hollow Sections

### **Poles**

Swaged, High Mast & Octagonal Poles

### **Scaffolding Systems**

Scaffold Tubes, Props & Jacks, Cuplock Systems

### **Hot Rolled Sections**

Angles, Channels, Joists, H-Beams

### **Towers**

Transmission & Telecom Towers

### **PVC Pipes & Fittings**

## **SERVICES**

### **EPC Projects**

Transmission and Telecom towers

### **Trench-less Drilling**

Oil & Gas pipelines, OFC and Electric cables

Hard rock drilling, river, canal, highway crossings

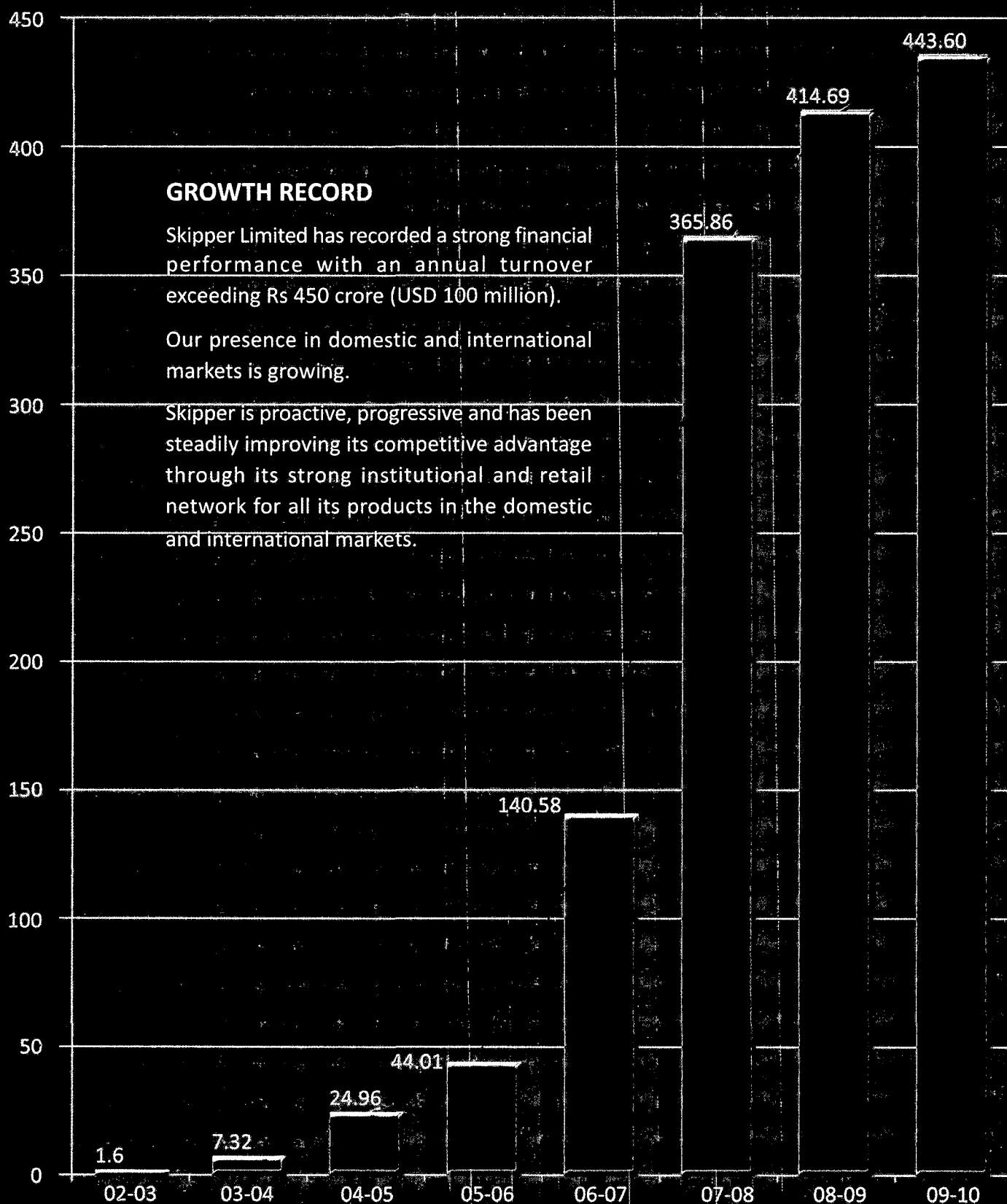
## FACILITIES

Our manufacturing facilities are located in West Bengal at Jangalpur (40,000 sq m) and Uluberia (150,000 sq m).

## CAPACITIES

☐ Hot Rolled Skelp	125,000 tpa
☐ Hot Rolled Structural	125,000 tpa
☐ Black Pipes	60,000 tpa
☐ G.I Pipes	20,000 tpa
☐ Tubes & Tubular Products	105,000 tpa
☐ Tubular Poles	20,000 tpa
☐ Scaffolding	25,000 tpa
☐ Towers	60,000 tpa
☐ PVC Pipes	2,500 tpa

## Revenues in Rs crores





2009-2010

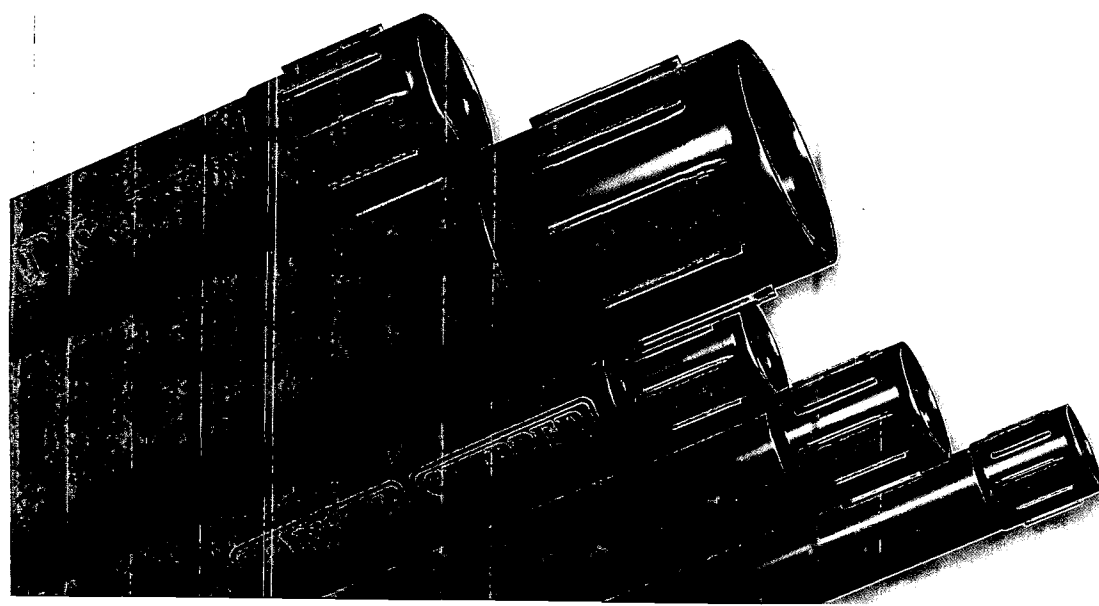
## **SKIPPER LIMITED**

### **ANNUAL REPORT 2009-2010**

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## Directors' Report

To

The Members of Skipper Limited

Your Directors have pleasure in presenting the 29th Annual Report of your Company together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

## FINANCIAL RESULTS

(Rupees in lacs)

Particulars	Financial Year	
	2009-10	2008-09
Gross Income	<b>44436.36</b>	41469.73
Net Income	<b>40896.58</b>	36619.49
Profit before Finance Cost, Depreciation, and Taxation	<b>3371.57</b>	2791.27
Less: Finance Cost	<b>991.35</b>	1130.74
Profit before Depreciation and Taxation	<b>2380.22</b>	1660.53
Less: Depreciation (net of transfer from Revaluation Reserve)	<b>319.77</b>	243.05
Profit before Taxation	<b>2060.45</b>	1417.48
Less: Provision for Current Tax/Tax for earlier years/Deferred Tax/Fringe Benefit Tax/Wealth Tax	<b>704.07</b>	514.26
Profit after Taxation	<b>1356.38</b>	903.22
Add: Balance brought forward from previous year	<b>2276.71</b>	1447.14
Profit available for appropriation	<b>3633.10</b>	2350.36
Appropriation:		
Dividend	<b>105.67</b>	62.95
Corporate Tax on Dividend	<b>17.96</b>	10.70
Balance Carried Forward	<b>3509.47</b>	2276.71

## PERFORMANCE REVIEW FOR THE YEAR 2009-10

### A. SALES ACHIEVEMENTS

The total gross income of the Company for the year is Rs. 44436.36 Lacs showing a continuous trend of growth.

### B. PROFITABILITY

Profit before taxation has increased from Rs. 1417.48 Lacs

to Rs. 2060.45 Lacs consequent upon the 11% increase in net turnover. Similarly the profit after taxation has also increased from Rs. 903.22 Lacs to Rs. 1356.38 Lacs.

### Dividend

Your directors are pleased to recommend a dividend of Rs. 1.50 per Share for the financial year ended 31st March, 2010 on 7044425 Equity Shares.



### Change of Name of the company

The name of your company has changed from Skipper Steels Limited to Skipper Limited with effect from 7th September, 2009 for which fresh Certificate of Incorporation has been issued by the Registrar of Companies, West Bengal.

### Developments at Integrated Plant at Uluberia

We have the pleasure to inform you that during the year 2009-10 the Company has launched a new product namely PVC Pipes in the market. The production at the PVC division at Uluberia works has commenced on 13th August, 2009. At the same time during the year the production has also commenced at the Scaffolding division, Swaged Pole Division, M S Tube division, G.I. Plant and Highmast Pole Division at the Uluberia Works. The Structural rolling mill has also commenced production in the current year. The Rolling mill - Strip Division is also expected to commence production in the current year.

### Current Year's Outlook

The Company's performance level as well as profitability is expected to increase tremendously during the current year as all the divisions at Uluberia Unit except the Rolling mills-Strips division has commenced the production. The Company is in possession of plenty of orders for transmission towers. The pipe and pole division of the Company are doing very well.

### Future plans of expansion

The Company is planning to make further expansion at its Uluberia Unit as well as Janglepur Unit by setting up infrastructure for production of different variety of products in line with the existing products of the Company. The management always keeps watch on the economic situation and makes efforts to explore every opportunity for the growth of the Company as a whole.

### Directors

During the financial year 2009-10 following persons were appointed as director of the Company

1. Mr. Malay Sengupta
2. Mr. Shyam Bahadur Singh
3. Mr. Amit Kiran Deb
4. Mr. Siddharth Bansal

Mr. Devesh Bansal and Mr. Manindra Nath Banerjee retire by rotation at the ensuing Annual General Meeting and, being

eligible, offers themselves for reappointment. The Board recommended their reappointment.

### Directors' responsibility statement

Pursuant to the requirements under section 217 (2AA) of the Companies Act, 1956, and based on the representations received from the operating Management, the Board of Directors of the Company hereby state and confirm that :

- i. in the preparation of the Annual Accounts for the year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the directors have selected such accounting policies as mentioned in Schedule 21 to the Accounts 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, 2010 and of the profit or loss of the Company for the year ended on that day;
- iii. 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;
- iv. The annual accounts for the year ended 31st March, 2010 have been prepared on a "going concern" basis.

### Particulars of employees and other statutory information

The information on particulars of employees under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended) for the financial year ended 31st March, 2010 are given below :-

Name of Employee & (Age)	: Sajan Kumar Bansal (52 Years)
Designation/ Nature of duties	: Managing Director
Gross Remuneration (Rs.)	: 3960000/-
Qualification	: B. Com
Experience in years	: 26 years
Date of Commencement of Employment	: 26.10.1984
Particulars of Last Employment	: First Employment



Note: The employment is contractual for a period of three years

## Conservation of Energy, Technology Absorption, Foreign

### EXCHANGE EARNINGS AND OUTGO

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under 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 and forming part of the Directors' Report for the Financial Year Ended 31st March, 2010:-

### CONSERVATION OF ENERGY

- (1) Energy conservation continued to be an area of priority. The Company has a strong technical department headed by senior personnel to continuously monitor energy consumption and plan and execute energy conservation schemes.
- (2) Effective measures are being taken for optimizing energy consumption and overall technology up gradation of Plant & Machinery in various units. The Company is continuously looking for ways and means to improve energy efficiency and conserve power.

Total energy consumption and energy consumption per unit of production:

### FORM - "A"

#### [A] POWER AND FUEL CONSUMPTION

Year

Sl.No.	Particulars	2009-10
<b>1</b>	<b>Electricity</b>	
	Unit	3974989
	Total Amount (in Rs.)	21838801
	Rate / Unit (Rs.)	5.49
	b) Own generation	
	(i) Through Diesel generator	
	Unit	510898
	Total Amount (in Rs.)	6246074
	Rate / Unit (Rs.)	12.23

<b>2</b>	<b>Coal</b>	
	Quantity	N.A.
	Total Amount	N.A.
	Rate / Unit (Rs.)	N.A.
<b>3</b>	<b>Furnace Oil</b>	
	Quantity (liter)	987457
	Total Amount	24300957
	Rate / Unit (Rs.)	24.61
<b>4</b>	<b>Others</b>	
	Quantity	N.A.
	Total Amount	N.A.
	Rate / Unit (Rs.)	N.A.

#### [B] Consumption per unit of production

Particulars	No. of Units
MS Pipe / Pole (Per M.T.)	37
Structural Fabrication (Per M.T.)	94

### TECHNOLOGY ABSORPTION

#### A) Research & Development (R&D)

1. Specific areas in which R&D carried out by the Company:
  - (i) Improvement in product quality and performance.
  - (ii) Development of indigenous sources of raw materials including quality up gradation and substitutes.
  - (iii) Increase of production capacity and capability.
  - (iv) New techniques of production
2. Benefits derived as a result of the above R&D
  - (i) Improvement in customer satisfaction
  - (ii) Cost Benefits
  - (iii) Improvement in product quality, productivity and performance.
3. Future Plan of action - continued efforts in areas of Cost reduction, improvement of productivity, quality and performance.
4. Expenditure on R & D - No major Expenses has been incurred on R & D



**B) Technology Absorption, Adaptation and innovation:**  
Information regarding technology imported during last five years: Not Applicable

**C) Foreign Exchange earning / outgo Foreign Exchange Earned:**

	2009-2010	2008-2009
Foreign Exchange earned	60398447	Nil
Foreign Exchange Outgo	4862367	2473470
C.I.F. Value of Imports	23046845	15118700

**DISCLOSURE OF NAMES OF PERSONS CONSTITUTING GROUP FOR INTER SE TRANSFER PURSUANT TO REGULATION 3(1) (e) (i) OF THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 1997**

Pursuant to intimation from promoters the names of promoters and Companies comprising the "Group" as defined in the Monopolies and Restrictive Trade Practices Act, 1969 are disclosed herein below for the purpose of Regulation 3(1)(e) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations 1997 :

Mr. Sadhuram Bansal, Mr. Sajan Kumar Bansal, Mr. Sharan Bansal, Mr. Devesh Bansal, Mr. Siddharth Bansal, Ms. Ram Murti Bansal, Ms. Meera Bansal, Ms. Sumedha Bansal, Ms. Rashmi Bansal, Cement Manufacturing Co. Limited, Megha Technical & Engineers (P) Limited, Bansal TMT Steels Limited, Sadhuram Jhajarwala (HUF), Sajan Kumar Bansal & Sons (HUF), Skipper Telelink Limited and Ventex Trade Private Limited

**FIXED DEPOSITS**

Your Company has not accepted any deposits from public under section 58A of the Companies Act, 1956 during the financial year under report.

**AUDITORS**

At the last Annual General Meeting M/s. Patanjali & Co. Chartered Accountants and Agrawal & Agrawal chartered Accountants were jointly appointed as Statutory Auditors of the company. However M/s. Agrawal & Agrawal have resigned expressing their inability to continue as Statutory auditors of the Company. Hence, M/s. Patanjali & Co., Chartered Accountants, Kolkata, alone have acted as the Statutory Auditors of the Company and hold office until the conclusion of the ensuing Annual General Meeting. They have informed the

Company that, if appointed their appointment will be within the limits prescribed under section 224(1B) of the Companies Act, 1956. Accordingly, the members' approval is being sought to their reappointment as the Auditors of the Company at the ensuing Annual General Meeting.

The Auditors' Report is self-explanatory and does not require any further clarifications.

**LISTING INFORMATION**

The Equity Shares of the Company are in dematerialized form and are listed at the Calcutta Stock Exchange Ltd. and the Uttar Pradesh Stock Exchange Ltd. The ISIN No. of the company is INE439E01014.

**CORPORATE GOVERNANCE**

Your directors affirm their commitment to Corporate Governance Code prescribed by the Securities Exchange Board of India (SEBI). This Annual Report contains a detailed Corporate Governance Report as per requirement of Clause 49 of the Listing Agreement with the Stock Exchanges.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Management Discussion and Analysis Report as required by Clause 49 of the Listing Agreement with the Stock Exchanges for the year under review is given as a separate statement.

**CEO/CFO CERTIFICATION**

As required by Clause 49 of the Listing Agreement, the CEO/CFO certification has been submitted to the Board.

**COMPLIANCE CERTIFICATE FOR CORPORATE GOVERNANCE**

A certificate from the auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is contained elsewhere in the Annual Report.

**HUMAN RESOURCES, SOCIAL DEVELOPMENT AND INDUSTRIAL RELATIONS**

The company has a team of experienced and competitive professionals. In the ever changing scenario, we recognize the need for training and retaining the talent pool of the Company. Performance reviews of employees are conducted on regular basis and the employees are motivated and adequately



rewarded. The Company maintains harmonious and cordial relation with its workforce. The Company has not faced any labour trouble since its inception.

Your directors have pleasure to inform you that during the year 2009-10, your company has made contribution to the development of human being and the society as a whole. The company has extended donations to Friends of Tribal Society, a renowned NGO engaged in the mission of developing literacy among tribal people. In addition the company has donated funds to Chief Minister's Relief Fund, Paschim Banga Rajya Pratibandhi Sammilani and other organizations engaged in charitable activities.

#### **ACKNOWLEDGEMENT**

Your directors acknowledge the continued trust and confidence reposed by you in this company. The directors also place on

record their appreciation for the assistance and co-operation received from all the stakeholders including Central and State Governments, Banks, Customers, Suppliers, Shareholders, business associates of the Company, dedicated staff and society as a whole.

For and on behalf of the Board of Directors

Sharan Bansal  
Director

Sajan Kumar Bansal  
Managing Director

Place: Kolkata

Date: 15th day of June, 2010



## Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange)

### 1. Company's philosophy on Code of Governance

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. The Clause regarding corporate governance in the Listing Agreement has recently become applicable on the Company. However, the Company has all along believed on the philosophy of good governance practices. It continues in the direction of achieving sustained growth and conducting its affairs in an ethical and transparent manner in its relationships with employees, shareholders, creditors, consumers and other stakeholders. The Company recognizes that good corporate governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all the stakeholders.

### 2. Board Composition and Particulars of Directors

#### a) Board Composition

The Board consists of 9 Directors. The Board has inducted three independent directors to make it more broad based, effective and to achieve optimum combination. The composition of the Board and category of Directors are as follows:

Sl No.	Name	Designation	Whether promoter	Whether Executive	Whether Independent
1.	Mr. Sadhu Ram Bansal	Emeritus Chairman	Yes	No	No
2.	Mr. Amit Kiran Deb	Chairman	No	No	Yes
3.	Mr. Sajan Kumar Bansal	Managing Director	Yes	Yes	No
4.	Mr. Sharan Bansal	Wholetime Director	Yes	Yes	No
5.	Mr. Devesh Bansal	Wholetime Director	Yes	Yes	No
6.	Mr. Manindra Nath Banerjee	Director	No	No	Yes
7.	Mr. Malay Sengupta	Director	No	No	Yes
8.	Mr. Shyam Bahadur Singh	Director	No	No	Yes
9.	Mr. Siddharth Bansal	Wholetime Director	Yes	Yes	No

All the Independent Directors of the Company furnish a declaration at the time of their appointment as also annually that they qualify the conditions of their being independent as laid down under Clause 49. All such declarations are placed before the Board.

Mr. Sadhu Ram Bansal is the father of Mr. Sajan Kumar Bansal and Mr. Sajan Kumar Bansal is the father of Mr. Sharan Bansal and Mr. Devesh Bansal and Mr. Siddharth Bansal. Apart from this, no Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956.



- b) Details of positions held by the Directors as directors of other Companies, Committee Membership and Committee Chairmanship is as under:

Sl No.	Name of the Director	No. of other directorships and other committee memberships/chairmanships held		
		Directorships	Committee Memberships	Committee Chairmanships
1.	Mr. Sadhu Ram Bansal	2	Nil	Nil
2.	Mr. Amit Kiran Deb	3	Nil	Nil
3..	Mr. Sajan Kumar Bansal	9	Nil	Nil
4.	Mr. Sharan Bansal	5	Nil	Nil
5.	Mr. Devesh Bansal	4	Nil	Nil
6.	Mr. Shankar Lal Poddar	Nil	Nil	Nil
7.	Mr. Manindra Nath Banerjee	1	3	Nil
8.	Mr. Malay Sengupta	2	Nil	Nil
9.	Mr. Shyam Bahadur Singh	2	Nil	Nil

- c) Number and dates of Board Meeting held during the year

During the year, fourteen Board Meetings were held. The dates on which the meetings were held are: 06 April 2009, 05 May 2009, 14 May 2009, 27 May 2009, 5 June 2009, 30 June 2009, 27 July 2009, 11 August 2009, 14 September 2009, 26 October 2009, 25 November 2009, 12 January 2010, 28 January, 2010, 18 March 2010.

Attendance at the above Board Meetings and at the last Annual General Meeting (AGM) is as under:

Sl No.	Name of the Director	Number of Board Meetings held	Attendance Particulars	
			Board Meetings	AGM
1.	Mr. Sadhu Ram Bansal	14	11	Yes
2.	Mr. Amit Kiran Deb	1*	-	-
3.	Mr. Sajan Kumar Bansal	14	13	Yes
4.	Mr. Sharan Bansal	14	14	Yes
5.	Mr. Devesh Bansal	14	13	Yes
6.	Mr. Shankar Lal Poddar	14	13	Yes
7.	Mr. Manindra Nath Banerjee	14	9	Yes
8.	Mr. Malay Sengupta	5*	3	-
9.	Mr. Shyam Bahadur Singh	4*	2	-
10.	Mr. Siddharth Bansal	1*	1	-

\* meeting held after appointment as director

**d) Brief details of Directors seeking appointment/re-appointment**

The brief details of directors retiring by rotation and seeking re-appointment are appended to the Notice convening the ensuing Annual General Meeting.

**e) Changes in the composition**

Mr. Malay Sengupta, Mr. Shyam Bahadur Singh and Mr. Amit Kiran Deb were appointed as additional directors of the Company on 11.08.2009, 25.11.2009 and 28.01.2010 respectively. Subsequently their appointment was confirmed by the shareholders at the extra ordinary general meeting of the shareholders held on 10.03.2010.

Mr Shankar Lal Poddar, Executive Director has resigned from the Board with effect from 01.04.2010.

**3. Audit Committee**

The Company has formed the audit committee. The constitution of the Committee and attendance of each member of the Committee is given below:

Name of the director	Designation	Committee Meetings held	Committee Meetings Attended
Mr. Malay Sengupta	Chairman	One	One
Mr. Manindra Nath Banerjee	Member	One	One
Mr. Sharan Bansal	Member	One	One

All the members of the committee are financially literate and the composition of the Audit Committee meets the requirement of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement.

The Company Secretary acts as secretary to the committee

**4. Remuneration Committee****a) Remuneration Policy**

Remuneration Committee is a non-mandatory requirement and has not been formed. The Board of Directors fixed the remuneration of the Executive Directors which is approved by the shareholders.

**b) Details of remuneration paid to Directors**

The details of remuneration paid to executive directors for the year is as under:

Sl	Name of the Director	Designation	Remuneration (Rs.)
1.	Mr. Sajan Kumar Bansal	Managing Director	3960000
2.	Mr. Sharan Bansal	Wholetime Director	1980000
3.	Mr. Devesh Bansal	Wholetime Director	1980000
4.	Mr. Siddharth Bansal	Wholetime Director	70968
5.	Mr. Shankar Lal Poddar	Wholetime Director	681050

The appointment of the executive directors is governed by the Articles of Association of the Company and the resolutions passed by the Board of Directors and the members of the Company.



The salient features of terms of appointment are:

Particulars	Name of the Director	Terms
Period of appointment	Mr. Sajan Kumar Bansal	Upto 30 September, 2010
	Mr. Sharan Bansal	Upto 30 June, 2011
	Mr. Devesh Bansal	Upto 31 March, 2010
	Mr. Shankar Lal Poddar	Upto 30 June, 2011
Salary Scale	Mr. Sajan Kumar Bansal	Rs. 3 lacs per month subject to 10% increase in every year
	Mr. Sharan Bansal	Rs. 1.50 lacs per month subject to 10% increase in every year
	Mr. Devesh Bansal	Rs. 1.50 lacs per month subject to 10% increase in every year
	Mr. Shankar Lal Poddar	Rs. 41,170 per month plus bonus as per Company rules
Minimum remuneration in case of inadequacy of profit	The remuneration shall not exceed the limits prescribed from time to time under sections 198, 309, 310 and other applicable provisions of the Companies Act, 1956, read with in any financial year Schedule XIII of the said Act.	
Notice period on either side	Three months' prior notice in writing to the other	
Severance fees for termination of employment	Nil	
Stock Options	Nil	

#### Non Executive Director

The Company has paid remuneration amounting to Rs. 106451/- to Mr. Amit Kiran Deb non-executive independent Chairman for which necessary approvals have been obtained from the Ministry of Corporate Affairs in terms of Section 309(4) of the Companies Act, 1956. The details of sitting fees paid to non executive directors and their shareholding as per details given below:

Name of Director	Amount of Sitting Fees	No. of Shares held
Mr. Manindra Nath Banerjee	Rs. 130000*	Nil
Mr. Malay Sengupta	Rs. 15000	Nil
Mr. Shyam Bahadur Singh	Rs. 10000	Nil
Mr. Amit Kiran Deb	Nil	Nil

\* including sitting fees of Rs. 8500 for earlier years

#### 5. Shareholders/Investors Grievance Committee

The Board has constituted Shareholders/Investors Grievance Committee under the Chairmanship of a non-executive director to specifically look into the redressal of shareholders complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. The Board has delegated the process of share transfers to Mr. Arbind Kumar Jain. During the year Mr. Jain attended the share transfer formalities on a fortnightly basis and same was ratified at the immediately succeeding meeting of the Committee.



The constitution of the Committee and attendance of each member of the Committee is given below:

Name of the director	Designation	Committee Meetings held	Committee Meetings Attended
Mr. Sadhu Ram Bansal	Chairman	One	One
Mr. Sharan Bansal	Member	One	One

Mr. Arbind Kumar Jain, Company Secretary is Compliance Officer of the Company for this committee.

During the year under review, no complaints were received from the shareholders. The complaints pending at the beginning and at the closing of the year were nil.

## 6. Management Discussion and Analysis

The information is given in a separate section and is included in the Annual Report.

## 7. General Body Meetings

Particulars of last three Annual General Meetings along with number of special resolutions passed are as under:

Year Ended	Location	Date	Time	No. of special resolutions passed
31.03.2007	229, A J C Bose Road, Kolkata-700 020	17.09.2007	11.30AM	2
31.03.2008	3A. Loudon Street, Kolkata-700 017	05.09.2008	4.00 PM	2
31.03.2009	3A. Loudon Street, Kolkata-700 017	29.06.2009	11.00AM	3

During the year under review, no resolution was passed through ballot paper exercise.

## 8. Disclosure on materially significant related party transaction

The Company does not have any related party transaction, which may have potential conflict with the interest of the Company. Other related party transactions have been reported in Notes on Accounts in the financial statements for the year. The Register of Contracts containing transactions, in which the Directors are interested, is placed before the Board regularly.

## 9. Code of conduct

The Code of Business Conduct and Ethics for Directors and management personnel ('the Code'), as adopted by the Board, is a comprehensive Code applicable to all Directors and management personnel. The copy of the Code has been put on the Company's website [www.skipperlimited.com](http://www.skipperlimited.com). The Code has been circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually. A declaration to this effect signed by the CEO of the company is given hereunder:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management Executives in respect of financial year 2009-10.

Sajan Kumar Bansal  
Managing Director and CEO



## 10. Disclosure of Accounting Treatment

The Company has followed the prescribed Accounting Standards in preparation of financial statements. The accounting treatment has been disclosed in the Notes to accounts to these financial statements.

## 11. Risk Management

The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks through means of properly defined framework.

## 12. Proceeds from public issues, right issues, preferential issues etc.

The Company had made a preferential issue of 7,50,000 equity shares of Rs. 10 each at a premium of Rs. 190 each aggregating to Rs. 15,00,00,000 during the year. The proceeds from the issue had been utilized towards acquisition of capital assets for the new and existing projects and towards repayment of liabilities incurred for the said projects.

## 13. CEO/CFO certification

CEO/CFO certificate is separately enclosed to the Report

## 14. Details of non-compliances

There has been no instance of non-compliance by the Company on any matter relating to capital market except delays in few cases. A token fine of Rs. 5000/- has been imposed by U. P. Stock Exchange Ltd. for delays in some cases.

## 15. Means of communication

Quarterly results of the Company are communicated to the Stock Exchanges immediately after having been considered by the Board. The results for the year under review were published in English in the 'Business Standard' and in Bengali in 'Dainik Lipi/Arthik Lipi'.

## 16. General Shareholder Information

### Annual General Meeting

Date	22 July, 2010
Time	11.00 AM
Venue	3A, Loudon Street, Kolkata-700 017
Financial year	01 April, 2009 to 31 March, 2010
Book closure date	20th July, 2010 to 22nd July 2010 (both days inclusive)
Dividend payment date	Your directors have recommended payment of dividend at the rate of 15% i.e. Rs. 1.50 per Equity Share for the financial year 2009-2010. Such dividend, if declared, at the ensuing Annual General Meeting will be paid within thirty days from the date of declaration.

**Listing on stock exchanges**

Name of stock exchange	Address	Stock code
The Calcutta Stock Exchange Limited	7, Lyons Range Kolkata-700 001	029348
U P Stock Exchange Limited	Padam Towers, 14/113, Civil Lines, Kanpur-208 001	S00010

The Company has paid listing fees to the respective stock exchanges upto financial year 2010-2011

The International Security Identification Number (ISIN) of the Company is INE439E01014.

**Market Price Data**

The shares of the Company has not been traded at any of the stock exchanges during the year. Hence, no market price data and its performance in comparison to any index are being given.

**Registrar and Share Transfer Agents**

ABS Consultants Private Limited are acting as the Registrars of the Company for both physical and dematerialized form of shares. Their address is given as under:

ABS Consultants Private Limited

Stephen House, Room No. 99, 6th floor, 4, B B D Bag (East), Kolkata-700 001

Telephone No.: +91 33 2220 1043, Fax No. +91 33 2243 0153

Email: absconsultant@vsnl.net

**Share Transfer System**

The Shareholders/Investors Grievance Committee approves transfer of shares in physical mode.

The Company's Registrar transfers the shares within 15 days of receipt of request. Dematerialization is done within 15 days of receipt of request along with the shares through the Depository Participant of the shareholder.

**Distribution of shareholding as at 31 March, 2010**

Category	No. of shareholders		No. of shares	
	Total	%	Total	%
1-500	Nil	Nil	Nil	Nil
501-1000	Nil	Nil	Nil	Nil
1001-2000	Nil	Nil	Nil	Nil
2001-3000	Nil	Nil	Nil	Nil
3001-4000	Nil	Nil	Nil	Nil
4001-5000	Nil	Nil	Nil	Nil
5001-10000	Nil	Nil	Nil	Nil
10001 and above	37	100.00	7044425	100.00
<b>Total</b>		<b>100.00</b>		<b>100.00</b>



### Shareholding pattern

Category	As at 31 March, 2010	
	No. of shares	% of share capital
Promoters	4620775	65.59
Private Corporate Bodies	1860250	26.41
Indian Public	563400	8.00
Total	7044425	100.00

### Shareholdings of directors as at 31 March, 2010

Name of director	No. of shares held	% of share capital
Mr. Sadhu Ram Bansal	348618	4.95
Mr. Amit Kiran Deb	Nil	Nil
Mr. Sajan Kumar Bansal	788752	11.20
Mr. Sharan Bansal	399710	5.67
Mr. Devesh Bansal	297350	4.22
Mr. Shankar Lal Poddar	Nil	Nil
Mr. Manindra Nath Banerjee	Nil	Nil
Mr. Malay Sengupta	Nil	Nil
Mr. Shyam Bahadur Singh	Nil	Nil
Mr. Siddharth Bansal	768450	10.91

### Dematerialization of shares and liquidity

As at 31 March, 2010, 62% of the total shares of the Company representing 4368425 shares were held in dematerialized form.

### Plant Locations

- a) SSL unit  
Jalan Industrial Complex  
N H- VI, Village: Jangalpur, Post: Andul Mouri  
Howrah-711 302 (West Bengal)
- b) BCTL Unit  
Jalan Industrial Complex  
N H- VI, Village: Jangalpur, Post: Andul Mouri  
Howrah-711 302 (West Bengal)



2009-2010

**c) Uluberia Unit**

N H- VI, Village: Madhabpur, Post: Mahishrekha  
Howrah-711 304 (West Bengal)

**Address for correspondence**

The Company Secretary

Skipper Limited

3A, Loudon Street, Kolkata- 700 017

Telephone: +91 33 2289 2327/5731

Fax: +91 33 2289 5733

Email: [arbind.jain@skipperlimited.com](mailto:arbind.jain@skipperlimited.com)

Website: [www.skipperlimited.com](http://www.skipperlimited.com)

**For and on behalf of the Board of Directors**

Sharan Bansal  
Director

Sajan Kumar Bansal  
Managing Director

Place: Kolkata

Date: 15th day of June, 2010



## Management Discussion and Analysis Report

(forming part of the Report of the Directors for the year ended 31st March, 2010)

### Industry structure and developments

Year 2009-10 saw the Indian Economy registering a strong come back inspite of the adversities prevailing in the global market. India recorded a GDP growth of 7.2% in 2009-10 against the 6.7% in 2008-09. The Government thrust to continuously create the core infrastructure has the effect of increasing the demand for products and services of the Company which are directly linked to construction and infrastructure sector. Year 2009-2010 has seen a comparatively better industrial environment than the year 2008-09 and the same is expected to improve further in the years to come. With the increasing demand for transmission tower the industry is expected to make a valuable growth and more contribution to the GDP. Although the escalating raw material prices during 2009-10 caused immense pressure on cost of production of steel products.

### Opportunities and threats

The Company foresees a better scope for its product as all the products of the company are directly connected with the infrastructure development. The company's policy of producing quality products at competitive cost brings the opportunities to grow faster. The Company has started production of PVC pipes which again is connected with the infrastructure development. The company foresees its growth in line with growth in infrastructure sector.

The escalating prices of raw materials and other operating cost put a threat on the cost effectiveness of the company. With the inflation continuously affecting the operational cost and margins, the company has to make extra efforts for improving its position. The company is continuously looking into measures to negate the effect of inflation.

### Segment-wise or product-wise performance

#### Iron and Steel Segment

The segment consists of:

1. Black pipes and GI pipes
2. Tubular poles & Scaffoldings
3. Towers (Telecom and transmission)

The turnover of this segment increased from Rs. 343.61 crores

in 2008-2009 to Rs. 400.53 crores in 2009-2010 showing a growth of more than 16%. The profit of this segment also increased from Rs. 21.48 crores in 2008-2009 to 30.54 crores showing a growth of more than 40%.

#### Infrastructure Projects Segment

This segment consists of Tower erection services and trenchless drilling services. This segment suffered the set back due to slowdown in telecom sector. The turnover of the segment has fallen down from Rs. 16.28 crores in 2008-2009 to Rs. 4.42 Crores in the year 2009-10. Consequently the profit has also come down to a very low level. The profit has decreased from Rs. 4.28 crores in 2008-2009 to Rs. 0.43 Crores in 2009-10.

#### Other Products

During the year 2009-10 the Company has launched a new product viz. PVC Pipes

### Outlook

The company has commenced production at its Uluberia Unit in the PVC Division, Pole & Scaffolding Division, GI Plant, Highmast Pole Division and MSERW Tube Division during the year 2009-10. The rolling mill for Structurals has also commenced the production in the current year. Again in the current year the Rolling Mills for Strips is also expected to commence the production. Thus from the current year onward the Uluberia unit is going to make a major contribution in the growth of the Company. As soon as all the divisions of the unit started full fledged production, the Company's requirement of some of the raw materials will be fulfilled in house and volume of operation will increase multifold which all will contribute to the growth of the Company.

### Risk and concerns

Your Company has a comprehensive risk management policy. The risk policy provides for identification of risk, its assessment and procedures to minimize risk. All businesses are faced with internal as well as external risks. While internal risks are controllable, external risks are beyond the influence of organization. Company annually reviews "risk factors" to help identify potential business threats and had always had a system-based approach to business risk management.



Some of the key risks affecting your Company are:

### **Business Risk**

A slowdown in user industry could affect the demand of the products. However, wide exposure to different user industries ranging from telecom, transmission, construction and housing sector smoothens this risk. High emphasis on quality products at cost competitive prices also plays a big role in mitigation of the risk.

### **Perception Risk**

The Company is often perceived as an iron and steel company only, whereas it is more than just iron and steel company. The Company is largely into catering to telecom/ power industries. The Company is gradually moving towards value-added product and services.

### **Financial Risk**

The Company's major raw materials are subject to high fluctuations. The product cost of the Company can increase significantly due to any increase in cost of raw material. Your Company has resorted to sound material planning, efficient material procurement and cost reduction and waste reduction controls to mitigate this risk. The backward integration in form of unit at Uluberia is also a step in this direction.

### **Interest rate risk**

The Company is highly exposed to interest rate fluctuations on its borrowings. The Company has always strived to maintain reasonable debt equity ratio to restrict its borrowings. The management has always strived to negotiate the debts at the most competitive rates due to its reputation and satisfactory performance.

### **Liquidity risk**

The Company has done a major expansion of a new project at Uluberia with the funding cooperation from the Bankers.. The Company has very good relations with its bankers. It has never defaulted on any of its commitments with its bankers. It envisaged no problem in getting finance from the banks. The Company puts high emphasis on timely collection. Necessary steps are immediately taken on the possibility of any default.

### **Market risk**

A number of manufacturers are entering the ERW tubes and tower manufacturing segment, thereby increasing competition. The Company has mitigated lot of this risk by promoting 'Bansal-Skipper' and thereby creating niche for itself. Being quality conscious makes the Company even more competitive in all the segments it is involved in.

### **Event Risk**

Any change in Government's policy with respect to taxes and duties may affect the operations of the Company. However, as the revival of the sector to which the Company is linked is important for the revival of the country as a whole and no adverse policy is expected.

### **Internal control systems and their adequacy**

The Company has adequate internal control systems and procedures to assist in the identification and management of the risk. The Company's internal control system provides for the adequate documentation of policies, guidelines, authorities and approval procedures covering all the important functions at the Company. The Company's internal control systems assure effectiveness and efficiency of operations in all material respects, protection against significant misuse or loss of company assets, and compliance with applicable laws and regulations. The effective internal controls structure has been set up in the company to enhance organizational performance and contribute towards accomplishment of its objectives.

### **Discussion on financial performance with respect to operation performance**

During the financial year, the turnover of the Company increased from Rs. 366.19 crores in 2008-09 to Rs. 408.97 crores showing an increase of 12 percent. The profit before tax increased from Rs. 14.17 crores in 2008-09 to Rs. 20.60 crores in 2009-10 registering an increase of more than 45%. This is reflective of the company's effort of making contribution to the growth of Company as well as of the Country.

### **Material developments in human resources/ industrial relations front including number of people employed**

The Company has a wide base of approximately 500 employees comprising of professional in various fields viz marketing, technical, commercial, finance etc. The growth of the Company



and the harmonious relation maintained with the employees are the key factors which attracts the professional talent to join the Company. The Company considers its employees as assets and puts its focus on continuous development of Human Capital. The Company's favourable working environment motivates the employees to come with more and more contributions.

### **Forward looking statements**

This report contains forward looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward looking statements. Forward

looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

For and on behalf of Board of Directors

Sharan Bansal  
Director

Sajan Kumar Bansal  
Managing Director

Place: Kolkata

Date: 15th day of June, 2010



## Certificate by Chief Executive Officer and Director in Charge of Finance

The Board of Directors  
Skipper Limited  
3A, Loudon Street  
Kolkata - 700 017

1. We hereby certify that for the financial year ended 31st March, 2010 on the basis of the review of the financial statements and the Cash flow statement and to the best of our knowledge and belief that :-
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
  - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of knowledge and belief, no transactions entered into by the company during the year 2009-10, which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors those deficiencies, of which we are aware, in the design and operation of the internal control systems and that we have taken the required steps to rectify those deficiencies.

We further certify that :

- a) there have been no significant changes in internal control during the year.
- b) there have been no significant changes in accounting policies during the year.
- c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

Sajan Kumar Bansal  
Managing Director

Sharan Bansal  
Director

Kolkata  
Date : 15th Day of June, 2010



## Compliance Certificate on Corporate Governance

The Members of Skipper Limited

We have examined the compliance of the conditions of Corporate Governance by Skipper Steels Limited for the year 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 Clause 49 of the Listing Agreement.

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 Patanjali & Co.  
Chartered Accountants  
Registration No. 308163E

Kolkata  
Date : 15th Day of June, 2010

Patanjali Sharma  
Partner  
Membership no.14993



## Auditor's Report

The Members of SKIPPER LIMITED

1. We have audited the attached Balance Sheet of SKIPPER LIMITED, as at 31st March, 2010, the Profit and Loss Account and Cash Flow Statement for the year ended 31st March, 2010. 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 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above in Paragraph 3, we report that:
  - (i) 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;
  - (ii) 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;
  - (iii) The Balance Sheet and the Profit and Loss account dealt with by this report are in agreement with the books of account submitted to us;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account 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 Companies Act, 1956;
  - (v) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with other notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the 'State of Affairs' of the Company as at 31st March 2010;
    - (b) in the case of the Profit and Loss Account, of the 'Profit' for the year ended on that date; and
    - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Patanjali & Co.  
Chartered Accountants  
Firm Registration No. 308163E

Patanjali Sharma  
Partner

Kolkata  
Date : 25th day of May, 2010

Membership no. 14993



## Annexure to Auditors' Report

(Referred to in paragraph 3 of our report of even date)

- (i) (a) According to information and explanations given to us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As informed to us, some of the fixed assets could not be physically verified during the year. As explained to us, the Company is in a process of formulating a regular programme for verification of fixed assets, once the above records are compiled.
- (c) According to information and explanation given to us, the Company has disposed off some of the fixed assets of the Company but the disposal has not affected the going concern status of the Company.
- (ii) (a) The inventory has been physically verified during the year by the management. 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. However, the procedures for verification in certain areas needs to be further streamlined.
- (c) The company is maintaining proper records of inventory, except for certain items of consumable stores, which as explained to us is not material. According to information and explanation given to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of accounts.
- (iii) (a) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(iii)(a) to 4(iii)(d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (b) The company had taken loan, unsecured, from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 5,00,00,000 and the year-end balance of loans taken from company was Nil. The Company had taken loan from four directors. The maximum amount involved during the year was Rs.3,72,00,000 and the year-end balance of loans taken from directors was Rs.3,07,50,000. The Company had not taken any loan from any other party covered in the register maintained under section 301 of the Companies Act, 1956.
- (c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (d) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal 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, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered into the register maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year



have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- (vi) 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 relevant provisions of the Companies Act, 1956 and the rules framed there under with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) The Company has an internal audit system, which in our opinion is commensurate with the size and nature of its business.
- (viii) The Central Government has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for some of the products manufactured by the Company. According to information and explanations

given to us, the Company is in the process of preparing such accounts and records.

- (ix) (a) The company is generally 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, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it, except for delay in some cases. There is no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute except for the following :

Name of the statute	Nature of dues	Amount in Rs.	Year	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	West Bengal Sales Tax	2,22,06,472	2004-2005	Assistant Commissioner of Commercial Taxes
Central Sales Tax Act, 1956	Central Sales Tax	81,65,899	2004-2005	Assistant Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1994	West Bengal Sales Tax	1,37,23,982	2005-2006	Joint Commissioner of Commercial Taxes
Central Sales Tax Act, 1956	Central Sales Tax	1,21,66,947	2005-2006	Joint Commissioner of Commercial Taxes
Income Tax Act, 1961	Income Tax	5,41,530	2004-2005	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	5,21,000	2005-2006	Commissioner of Income Tax (Appeals)



- (x) The Company has no accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) According to information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, 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.
- (xix) According to the information and explanations given to us, the Company has not issued any debentures.
- (xx) According to the information and explanations given to us, the Company has not raised any money by public issues.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Patanjali & Co.  
Chartered Accountants  
Firm Registration No. 308163E

Patanjali Sharma  
Partner  
Kolkata  
Date : 25th day of May, 2010  
Membership no. 14993



2009-2010

**BALANCE SHEET AS AT 31ST MARCH, 2010**

	SCHEDULE	As at 31-03-2010 Rs.		As at 31-03-2009 Rs.	
<b>A. SOURCES OF FUNDS</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share Capital	1	70444250		56184250	
Equity Share Suspense (Refer Note No. 20 on Schedule 21)		-		6760000	
Reserves & Surplus	2	1039598359	1110042609	774063673	837007923
<b>LOAN FUNDS</b>					
Secured Loan	3	1874572421		947764427	
Unsecured Loan	4	118428949	1993001370	138716508	1086480935
<b>DEFERRED TAX LIABILITY</b>			62190359		37965940
<b>TOTAL:</b>			<u>3165234338</u>		<u>1961454798</u>
<b>B. APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>	5				
Gross Block		1437830117		605296371	
Less : Depreciation		107870511		80541416	
Net Block		1329959606		524754955	
Capital Work in Progress		471737245	1801696851	309338142	834093097
<b>INVESTMENTS</b>	6		1902850		1902850
<b>Current Assets, Loans and Advances</b>					
Inventories	7	828994076		551915965	
Sundry Debtors	8	606693316		781401022	
Cash and Bank Balances	9	80937226		26339190	
Loans and Advances	10	231520893		181869193	
		<u>1748145511</u>		<u>1541525370</u>	
<b>LESS: Current Liabilities and Provisions</b>	11				
Current Liabilities		367736679		405445213	
Provisions		18774195		10621306	
		<u>386510874</u>		<u>416066519</u>	
<b>NET CURRENT ASSETS</b>			1361634637		1125458851
			<u>3165234338</u>		<u>1961454798</u>
<b>NOTES TO THE ACCOUNTS</b>	21				

The schedules referred to above form an integral part of Balance Sheet.

In terms of our report of even date annexed herewith.

For **PATANJALI & CO.**

Firm Registration Number-308163E

Chartered Accountants

PATANJALI SHARMA

Partner

Membership No. 14993

Kolkata

Dated, the 25th day of May, 2010

For and on Behalf of Board

Sajan Kumar Bansal (Managing Director)

Sharan Bansal (Director)

Devesh Bansal (Director)

Arbind Kumar Jain (Company Secretary)



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE	Year ended 31-03-2010 Rs.	Year ended 31-03-2009 Rs.
<b>A. INCOME</b>			
<b>Sales (Net) &amp; Operations</b>			
Gross Sales	12	5003683717	4711953097
Less: Excise Duty		211380794	354875005
Sales Tax/Value Added Tax		134974437	130149540
Net Sales		4657328486	4226928552
Less: Inter unit sales		567670834	564979620
		4089657652	3661948932
Other Income	13	7623437	5826190
Increase/(Decrease) in Stock	14	133679742	130741288
		4230960831	3798516410
<b>B. EXPENDITURE</b>			
Materials Consumed	15	3482374110	3132351371
Manufacturing and Project Expenses	16	170497169	221888627
Personnel Expenses	17	72378279	53983567
Administrative, Selling and Other Expenses	18	170356988	113787204
Finance Charges	19	99134832	113073853
Depreciation	20	31977027	24304911
		4026718405	3659389533
Less: Self consumption of iron and steel products		1802568	2621015
		4024915837	3656768518
<b>C. PROFIT</b>			
<b>Profit Before Tax</b>		206044994	141747892
Less: Provision for Taxation			
Income Tax-current year		42500000	45000000
Income Tax-earlier years		3597215	-
Wealth Tax-current year		85000	67000
Fringe Benefit Tax-current year		-	2000000
Deferred Tax		24224419	4359349
<b>Profit After Tax</b>		70406634	51426349
		135638360	90321543
Add: Profit brought forward from previous year		227671339	144713958
<b>Profit Available for Appropriation</b>		363309699	235035501
<b>APPROPRIATION</b>			
Transfer to General Reserve		13214669	-
Proposed Dividend		10566638	6294425
Corporate Tax on Dividend		1795800	1069738
Balance Carried Forward		337732592	227671338
		363309699	235035501
Weighted Average number of Equity Shares of Rs.10 each		6755778	5115144
Basic and Diluted Earning Per Share		20.08	17.66
NOTES TO THE ACCOUNTS	21		

The schedules referred to above form an integral part of Balance Sheet.  
In terms of our report of even date annexed herewith

For **PATANJALI & CO.**  
Firm Registration Number-308163E  
Chartered Accountants  
PATANJALI SHARMA  
Partner  
Membership No. 14993  
Kolkata  
Dated, the 25th day of May, 2010

For and on Behalf of Board  
**Sajan Kumar Bansal** (Managing Director)  
**Sharan Bansal** (Director)  
**Devesh Bansal** (Director)  
**Arbind Kumar Jain** (Company Secretary)

**SCHEDULES forming part of the accounts**

	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorized</b>		
1,00,00,000 Equity Shares of Rs. 10 each	<u>100000000</u>	<u>100000000</u>
<b>Issued, Subscribed and Paid Up Capital</b>		
70,44,425 (As at 31-03-2009- 56,18,425) Equity Shares of Rs.10 each fully paid up (includes 33,44,250 (As at 31-03-2009- 26,68,250) Equity Shares allotted for consideration other than cash)	<u>70444250</u>	<u>56184250</u>
	<u>70444250</u>	<u>56184250</u>
<b>SCHEDULE - 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Revaluation Reserve</b>		
As per Last Account	39804392	40045629
Less: Depreciation on Revaluation of Fixed Assets (Refer Note No. 7 on Schedule 21)	<u>241237</u>	<u>241237</u>
	39563155	39804392
<b>Securities Premium Account</b>		
As per last Account	459802612	216012924
Add: Transferred on amalgamation	-	6289688
Add: Received during the year	<u>142500000</u>	<u>237500000</u>
	602302612	459802612
<b>General Reserve</b>		
As per last Account	46785331	46785331
Add. Transfer from Profit & Loss Account	<u>13214669</u>	-
	60000000	46785331
<b>Profit &amp; Loss Account</b>		
	<u>337732592</u>	<u>227671338</u>
	1039598359	774063673



## SCHEDULES forming part of the accounts

	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
<b>SCHEDULE - 3</b>		
<b>SECURED LOAN</b>		
<b>Term Loan from banks</b>		
Rupee Term Loan	676402829	266700547
FCNRB Term loan	375744919	-
Due within one year: Rs. 15,20,19,509 (As at 31-03-2009: Rs. 6,29,69,773)	1052147748	266700547
<b>Working Capital Facilities from Bank</b>		
Cash Credit	192847619	465287153
FCNRB Demand loan	-	206788522
Short Term Loan	501176986	-
Packing Credit	116847000	-
<b>Hire Purchase Loan</b>		
From Banks	11553068	8988205
	<b>1874572421</b>	<b>947764427</b>

1. Term Loan of Rs. 19,94,70,470 (As at 31-03-2009: Rs. 26,67,00,547) is secured against fixed assets financed and equitable mortgage of land and building of units located at Jungalpur.
2. Term Loan of Rs. 85,26,77,008 (As at 31-03-2009: Rs. Nil) is secured against fixed assets financed and equitable mortgage of land and building of unit located at Uluberia.
3. Working Capital Facilities are secured by way of hypothecation of stock, book debts and other current assets of the Company.
4. Term Loan and Working Capital Facilities are also secured by personal guarantee of some of the directors of the Company.
5. Hire Purchase Loan is secured against hypothecation of respective fixed assets financed.

## SCHEDULE - 4

### UNSECURED LOAN

From Bodies Corporate	87150000	115470420
From Directors	30750000	22500000
Interest Accrued and Due	528949	746088
	<b>118428949</b>	<b>138716508</b>

## SCHEDULE - 5

### FIXED ASSETS

Description	GROSS BLOCK					Depreciation				Net Block	
	As at 01-04-2009	Transferred on amalgamation	Additions	Deductions	As at 31-03-2010	As at 01-04-2009	For the year	Deductions	As at 31-03-2010	As at 31-03-2010	As at 31-03-2009
Land and Land Development	122916581	-	114886436	-	237803017	-	-	-	-	237803017	122916581
Buildings	121494176	-	228807964	-	350302140	15284901	5448293	-	20733194	329568946	106209275
Plant and Machinery	327517243	-	498655426	19551107	806621562	57174983	22482670	3775293	75882360	730739202	270342260
Furniture and Fixtures	8813426	-	1459138	601846	9670718	1941818	1718631	601846	3058603	6612115	6871608
Vehicles	24554945	-	9662035	1298832	32918148	6139714	2528784	512030	8156468	24761680	18415231
Intangibles being computer software	-	-	514532	-	514532	-	39886	-	39886	474646	-
Total	605296371	-	853985531	21451785	1437830117	80541416	32218264	4889169	107870511	1329959606	524754955
Previous year	588263110	12275053	77975552	73217344	605296371	59591154	24687333	3737071	80541416	524754955	528671956
Capital Work in Progress										471737245	309338142

#### Notes:

- 1) Land and Building were revalued in 1996-1997 on the basis of valuation report by approved valuers on the basis of replacement value and the resultant surplus thereon amounting to Rs. 4,35,20,129 was transferred to revaluation reserve. [Refer Note No. 7 on Schedule 21]
- 2) Land includes certain properties in respect of which conveyance deeds are pending execution.
- 3) The proceeds from preferential issue has been utilized towards expenditure for acquisition of capital assets
- 4) Fixed assets include assets taken on finance lease amounting to Rs. 2,05,91,980 (Previous year Rs. 1,47,48,509), written down value Rs.1,95,09,114 (Previous Year Rs.1,30,89,936) [Refer Note No. 19 on Schedule 21]





## SCHEDULES forming part of the accounts

	As at 31-03-2010 Rs.			As at 31-03-2009 Rs.		
SCHEDULE - 6						
INVESTMENTS	FACE VALUE	NUMBERS	AMOUNT	FACE VALUE	NUMBERS	AMOUNT
LONG TERM TRADE INVESTMENTS						
QUOTED SHARES (FULLY PAID UP)						
Unimetals Alloy Limited	10	500	5000	10	500	5000
JSW Steel Limited	10	2187	557500	10	2187	557500
JSW Steel Limited	10	446	71360	10	446	71360
Total			633860			633860
LONG TERM NON TRADE INVESTMENTS						
QUOTED SHARES (FULLY PAID UP)						
Century Plyboards (India) Limited	1	306240	1224990	1	306240	1224990
ICICI Bank Limited	10	150	42000	10	150	42000
			1266990			1266990
LONG TERM TRADE UNQUOTED INVESTMENTS (FULLY PAID UP)						
Investment in Government Securities						
National Savings Certificate			2000			2000
			2000			2000
Aggregate of Book Value						
Quoted Investments			1900850			1900850
Unquoted Investments			2000			2000
Total			1902850			1902850
Aggregate Market Value of						
Quoted Investments			20421047			9388191

Note: Government Securities of Face Value Rs. 2,000 lodged with Government Department as Security Deposit

## SCHEDULE - 7

### INVENTORIES

(As taken, valued and certified by the management)

Raw Materials	271865143	125037090
(Including goods in transit-Rs. 1,10,576, As at 31-03-2009- Rs. 1,19,68,607)		
Stores and Spare Parts	15080623	17543896
(Including goods in transit-Rs. 45,541, As at 31-03-2009- Rs.51,103)		
Work In Process	421090172	280707168
Finished Goods	114249007	125416148
Scrap and Waste	6709131	3211663
	<u>828994076</u>	<u>551915965</u>

**SCHEDULES forming part of the accounts**

	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
<b>SCHEDULE - 8</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	95101799	92098920
Other Debts	511591517	689302102
	<u>606693316</u>	<u>781401022</u>
<b>SCHEDULE - 9</b>		
<b>CASH AND BANK BALANCES</b>		
Cash in hand (As Certified)	1317117	1423464
Balances with Scheduled Banks		
In Current Accounts	8119341	1945036
In Fixed Deposit Accounts	<u>71500768</u>	<u>22970690</u>
(Pledged against guarantees and Letters of Credit issued by Banks)	79620109	24915726
	<u>80937226</u>	<u>26339190</u>
<b>SCHEDULE - 10</b>		
<b>LOANS, ADVANCES AND DEPOSITS</b>		
(Unsecured, considered Good)		
Advances recoverable in cash or kind or for value to be received	114002953	124114635
Balances with Central Excise Department	82180390	39318500
Deposits	35337551	18436058
	<u>231520893</u>	<u>181869193</u>



## SCHEDULES forming part of the accounts

	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
<b>SCHEDULE - 11</b>		
<b>CURRENT LIABILITIES and PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Bills payable	31908276	19984629
Sundry Creditors*		
For Capital Goods	1369849	14011108
For Goods	119095175	288642776
For Expenses#	65242876	58983075
For Others	9808122	9312307
Forward Contracts (net)	195516023	370949266
	14305261	4680000
Advances and Deposits received	126007119	9831318
	367736679	405445213
<b>PROVISIONS</b>		
Provision for Income Tax (net of payments)	6326757	3037556
Provision for Fringe Benefit Tax (net of payments)	-	154700
Provision for Wealth Tax	85000	64887
Proposed Dividend	10566638	6294425
Corporate Tax on Dividend	1795800	1069738
	18774195	10621306
	386510874	416066519

\* includes Rs. 4,03,088 (Previous year Rs.7,23,997) due to micro and small enterprises

# includes Rs. Nil (Previous year Rs. 19,592) due to directors

	Year ended 31-03-2010	Year ended 31-03-2009
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## SCHEDULE - 12

### SALES (NET) AND OPERATIONS

Finished Goods and Others	4959510912	4580839633
(Gross, Tax deducted at source Rs. 10,62,338, Previous Year Rs. 12,13,429)		
Labour Charges	-	225165
Income from infrastructure projects	44172805	130888299
(Gross, Tax deducted at source Rs. 26,52,059, Previous year Rs.30,43,284)	5003683717	4711953097

**SCHEDULES forming part of the accounts**

	Year ended 31-03-2010	Year ended 31-03-2009
<b>SCHEDULE - 13</b>		
<b>OTHER INCOME</b>		
Interest	6439848	2321888
(Gross, Tax deducted at source Rs. 6,37,045, Previous year Rs. 3,61,245)		
Dividend	310523	191632
Discount received	65064	-
Sundry Liabilities written back (net of write offs)	-	2011490
Power Subsidy	251215	-
Miscellaneous Income	556787	1301180
	<u>7623437</u>	<u>5826190</u>
<b>SCHEDULE - 14</b>		
<b>INCREASE/(DECREASE) IN STOCK</b>		
Opening Stock		
Work In Process	280707168	218574707
Finished Goods	125416148	51501587
Scrap and Waste	3211663	409334979
Less: Closing Stock		6086830
Work In Process	421090172	280707168
Finished Goods	114249007	125416148
Scrap & Waste	6709131	542048310
Increase/(Decrease) in Stock	132713331	3211663
(Increase)/Decrease in Excise Duty on Finished Goods	966411	409334979
	<u>133679742</u>	<u>133171855</u>
		<u>130741288</u>
<b>SCHEDULE - 15</b>		
<b>MATERIAL CONSUMED</b>		
Cost of materials (Including Conversion Charges and procurement expenses)		
Opening Stock	125037090	134669717
Add : Purchases	3629202163	3122718744
	3754239253	3257388461
Less : Closing Stock	271865143	125037090
Consumption of materials	<u>3482374110</u>	<u>3132351371</u>



## SCHEDULES forming part of the accounts

	Year ended 31-03-2010	Year ended 31-03-2009
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### SCHEDULE - 16

#### MANUFACTURING AND PROJECT EXPENSES

Consumption of Stores and Spare Parts	63167763	66361380
Power and Fuels	22805892	17354654
Labour Charges	77391275	133487786
Repairs to		
Machinery	2161427	1507872
Building	3416204	1142535
Miscellaneous Expenses	1554608	2650407
	<u>170497169</u>	<u>2034400</u>
		<u>221888627</u>

### SCHEDULE - 17

#### PERSONNEL EXPENSES

Salaries, Wages, Bonus and Allowances	56687431	41877425
Directors' Remuneration	8672018	7780402
Contribution to Provident and other Funds	2422637	1647664
Workmen and Staff Welfare Expenses	4596193	2678076
	<u>72378279</u>	<u>53983567</u>

### SCHEDULE - 18

#### ADMINISTRATIVE, SELLING AND OTHER EXPENSES

Rent	2504426	2761466
Rates and Taxes	1027937	3157287
Insurance Charges	3535393	2314233
Electricity Charges	720963	405509
Travelling and Conveyance Expenses	16526230	11930836
Communication Expenses	3165460	3006127
Bank Charges and Commission	15992061	6470177
Freight, Packing and Handling Expenses (net)	26385308	15311153
Remuneration to Non-Executive Chairman	106451	-
Legal and Professional Expenses	25582665	18082803
Other Maintenance Expenses	7040116	4008127
Security Service Charges	7193191	5074298



2009-2010

**SCHEDULES forming part of the accounts**

	Year ended 31-03-2010	Year ended 31-03-2009
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**SCHEDULE - 18 (contd.)**

Premium on Foreign Exchange Contracts	4596926	424222
Advertisement and Sales Promotion Expenses	6265373	4074993
Commission	4607008	4355997
Discount	2159812	4092536
Local Taxes	46686	2056481
Loss on Sale of Fixed Assets	6979313	9524367
Foreign Exchange Fluctuation (net)	3255367	-
Irrecoverable Debts/Advances Written Off (net)	7369294	-
Charity and Donations	6736628	4436000
Item Pertaining to Previous Year	1811645	122073
Miscellaneous Expenses	16585735	11988519
Auditors' Remuneration		
As Audit Fees	100000	100000
As Tax Audit Fees	10000	10000
In other capacity, in respect of		
Company Law Matters	7000	30000
Taxation Matters	-	6000
Other matters	46000	44000
	<u>170356988</u>	<u>113787204</u>

**SCHEDULE - 19****FINANCE CHARGES**

On Fixed Loans	28932031	24004771
Other Interest (net)	70202801	89069082
	<u>99134832</u>	<u>113073853</u>

**SCHEDULE - 20****DEPRECIATION**

On Fixed Assets	32218264	24687333
Less: Transferred to Capital Work in Progress	-	141185
Transferred from Revaluation reserve	241237	241237
(Refer Note No. 7 on Schedule 21)		382422
	<u>31977027</u>	<u>24304911</u>



## SCHEDULE - 21

### Notes to Accounts

#### 1. Significant Accounting Policies:

##### A) ACCOUNTING POLICIES

The accounts are prepared in accordance with accounting principles generally accepted in India and as per provisions of the Companies Act, 1956.

##### B) REVENUE RECOGNITION

- (i) All expenses and income to the extent considered payable and receivable respectively unless specifically stated to be otherwise are accounted for on mercantile basis.
- (ii) Revenue from project-related activity is recognised as follows:
  - (a) Cost-plus contracts: Contract revenue is determined by adding the aggregate cost plus proportionate margin as agreed with the customer;
  - (b) Fixed price contracts: Contract revenue is recognised by adding the aggregate cost and proportionate margin using the percentage completion method. Percentage of completion is determined as a proportion of cost-incurred-to-date to the total estimated contract cost.
  - (c) Cost and earnings in excess of billings are classified as unbilled revenue while billing in excess of cost and earnings is classified as unearned revenue.
  - (d) Full provision is made for any loss in the year in which it is foreseen.
- (iii) Revenue in respect of claims of insurance is recognized only when it is reasonably ascertained that the ultimate collection will be made.

##### C) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the result of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates

##### D) FIXED ASSET

Fixed assets are stated at original cost or revalued amount, as the case may be, less accumulated depreciation, accumulated amortization and cumulative impairment, if any.

Cost comprises of cost of acquisition or construction inclusive of duties (net of tax/cenvat/duties credits availed), incidental expenses and erection/commissioning expenses incurred up to the date asset is put to use. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are allocated and capitalized as a part of cost of fixed assets.

Own manufactured assets are capitalized at cost including an appropriate share of overheads.

**E) DEPRECIATION/AMORTIZATION**

- (i) Depreciation on Fixed Assets is provided on straight line method in the manner and at the rates specified in schedule XIV of the Companies Act, 1956.
- (ii) Intangible assets, comprising of computer software, are amortized over a period of five years.

**F) IMPAIRMENT OF ASSETS**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The impairment loss recognized in the prior accounting periods is reversed if there has been change in the estimate of recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**G) INVESTMENTS**

Investments are stated at cost. A provision for diminution in the value of Long Term Investments is made only if such decline is other than temporary in the opinion of the management.

**H) INVENTORIES**

- (i) Raw Material, store and spare parts are valued at lower of cost or net realizable value; Cost is ascertained as per First in First out method and includes incidental expenses. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be consumed are expected to be sold at above cost.
- (ii) Work in process is valued at lower of cost or net realizable value.
- (iii) Finished goods are valued at lower of cost or net realizable value.
- (iv) Scrap and wastage valued at net realizable value.

**I) BORROWING COSTS**

Borrowing costs incurred in relation to the acquisition of assets are capitalised as part of the cost of such assets up to the date of such assets are ready for intended use. Other borrowing costs are charged as an expense in the year in which such are incurred.

**J) GOVERNMENT GRANTS**

- (i) Grants are accounted for where it is reasonably certain that the ultimate collection will be made.
- (ii) Grants directly related to fixed assets are shown as deduction from the gross value of the fixed assets and those of capital nature are credited to Capital Reserve.
- (iii) Other Government grants are credited to the Profit and Loss Account or deducted from the related expenses.

**K) TAXATION**

Current tax is determined on the basis of the amount of income tax payable under the Income Tax Act, 1961. Deferred tax is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.



## **L) FOREIGN CURRENCIES**

Foreign currency transactions are recorded on initial recognition in Indian Rupees, using the exchange rate at the date of transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences that arise on settlement of monetary items or on reporting at each Balance Sheet date of the Company's monetary items at the closing rate are:

- (i) adjusted in the cost of fixed assets specifically financed by the borrowings to which the exchange differences relate.
- (ii) recognized as income or expense in the period in which they arise in other cases.

## **M) FIXED ASSETS ACQUIRED UNDER LEASE**

### **(i) Finance Lease**

Assets required under lease agreements which effectively transfer to the Company substantially all the risk and benefits incidental to ownership of leased items, are capitalized at the lower of fair value and present value of minimum lease payment at the inception of lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of their liability. Finance charges are charged directly to the expenses account.

### **(ii) Operating Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the lease assets are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account.

## **N) RETIREMENT AND OTHER EMPLOYMENT BENEFITS**

- (i) Short term employee benefits which are wholly due within 12 months of rendering the service are recognized in the period in which the employee rendered the related services.
- (ii) The Company has defined contribution plans for employees comprising of Government administered Employees State Insurance and Pension Plans. The contributions are charged to the Profit and Loss Account as they fall due.
- (iii) Gratuity liability is a defined benefit obligation. The Company makes contribution to the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits as determined on actuarial valuation conducted annually using the projected unit credit method, as adjusted for unrecognized past service cost, if any, and as reduced by the fair value of plan assets, is recognized in the accounts. Actuarial gains or losses are recognized in full in the Profit and Loss Account for the period in which they occur.
- (iv) Short term compensated advances are provided for on estimates. The Company has no Scheme for long term compensated advances.

## **O) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events as there will be outflow of resources. Contingent Liabilities are not provided for in accounts and amounts of material nature are disclosed by way of notes. Contingent assets are neither recognised nor disclosed in the financial statements.

2. The name of the Company has been changed from Skipper Steels Limited to Skipper Limited with effect from 07th September, 2009.

**3. Contingent liabilities not provided in respect of:**

Amount in Rupees

	Particulars	31.03.2010	31.03.2009
a)	Claims against the Company not acknowledged as debt Disputed tax/duties	5,73,25,830	5,73,04,830
b)	Bills discounted	13,16,54,634	88,27,759
c)	Bank guarantee issued by Banks	1,08,08,47,568	29,09,36,375
d)	Unexpired letters of credit	5,17,727	Nil

**Notes:**

- (i) The Company does not expect any reimbursements in respect of the above contingent liabilities.
  - (ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) pending resolution of the appellate proceedings.
  - (iii) In respect of matters at (b), the cash outflows, if any, could occur on default by the parties whose bills have been discounted by the bank.
  - (iv) In respect of matters at (c) and (d), the cash outflows, if any, could generally occur at any time during the subsistence of the liability to which the guarantees or letters of credit relate.
4. Estimated amount of contracts pending execution on capital account (net of advances) and not provided for is Rs. 1,78,99,852 (Previous year Rs. 13,14,08,233).
  5. The Gross Block of Fixed Assets includes Rs. 4,35,20,129 (As at 31-03-2009: Rs. 4,35,20,129) on account of revaluation of Fixed Assets carried out in the past. Consequent to the said revaluation there is an additional charge of depreciation of Rs. 2,41,237 (Previous Year Rs. 2,41,237) and an equivalent amount, has been withdrawn from Revaluation Reserve and credited to the Profit and Loss Account.
  6. Expenditure on account of premium on forward exchange contracts to be recognized in the profit and loss account of subsequent accounting period aggregates to Rs. 66,99,598 (Previous Year Rs. 28,95,778).
  7. The Company is accounting for transactions in foreign currency as per Accounting Standard-11- Effects of changes in foreign exchange rates and shall not exercise the option of deferment of exchange fluctuation on long term liabilities granted by Companies (Accounting Standard) Amendment Rules, 2009 issued by the Ministry of Corporate Affairs on 31st March, 2009.
  8. In the opinion of the management, no impairment loss is required to be charged to Profit and Loss Account at the end of the financial year.
  9. Balances of certain debtors and creditors are subject to confirmation and reconciliation. In the opinion of the management, current assets, loan and advances will have value on realization in the ordinary course of business at least equal to the amount at which they are stated.
  10. The Company had made a preferential issue of 7,50,000 (Previous Year Rs. 12,50,000) equity shares of Rs. 10 each at a premium of Rs. 190 each aggregating to Rs. 15,00,00,000 (Previous Year Rs. 25,00,00,000) during the year. The proceeds from the issue had been utilized towards acquisition of capital assets for the new and existing projects and towards repayment of liabilities incurred for the said projects.
  11. The information regarding amounts due to creditors registered under the Micro, Small and Medium Enterprises Development Act, 2006, has been given to the extent available with the Company. The required disclosures of outstanding dues of micro enterprises and small enterprises are as under:



Amount in Rupees

Particulars	2009-2010	2008-2009
Principal amount remaining unpaid as at 31st March	4,03,088	7,23,997
Interest amount remaining unpaid as at 31st March	Nil	Nil
Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
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 Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
Interest accrued and remaining unpaid as at 31st March	Nil	Nil
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.	Nil	Nil

12. Fixed monthly remuneration has been paid to directors in terms of provisions under Schedule XIII of the Companies Act, 1956. Fixed monthly remuneration has also been paid to Non-Executive Chairman of the Company under section 309(4) of the Companies Act, 1956. Computation of net profits in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956:

Amount in Rupees

Particulars	2009-2010	2008-2009
Principal amount remaining unpaid as at 31st March		
Profit before taxation	20,60,44,994	14,17,47,892
Add: Depreciation as per accounts	3,19,77,027	2,43,04,911
Managerial Remuneration	86,72,018	77,89,762
Remuneration to Non-Executive Chairman	1,06,451	Nil
Loss on sale of Fixed Assets	69,79,313	95,24,367
	25,37,79,803	18,33,66,932
Less: Depreciation as per Section 350 of the Companies Act, 1956	3,19,77,027	2,43,04,911
Net Profit for the year	22,18,02,776	15,90,62,021
Managerial remuneration as a percentage of Net Profit	3.91	4.90
Remuneration to Non-Executive Chairman as a percentage of Net Profit	0.05	Nil
Sitting fees to directors	1,60,000	Nil



13. Disclosures pursuant to Accounting Standard-7 "Construction Contracts" notified in the Companies (Accounting Standards) Rules 2006, are given below:

		Amount in Rupees	
Particulars		31.03.2010	31.03.2009
a)	Contract revenue recognized for the year	4,41,72,805	13,08,88,299
b)	Aggregate amount of contract costs incurred and recognized profits (less recognized losses)	3,98,50,590	8,71,96,858
c)	Amount of customer advances outstanding for contracts in progress as at March 31	Nil	62,27,042
d)	Retention amounts due from customers for contracts in progress as at March 31	Nil	89,10,515
e)	Unbilled revenues included under advances	1,28,61,836	5,67,48,442
f)	Unearned revenue included under sundry creditors	Nil	31,51,000

14. The disclosures required under Accounting Standard 15 "Employees Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

#### Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised and charged off for the year are as under:

		Amount in Rupees	
Contribution to Provident and other funds		2009-2010	2008-2009
	Employer's Contribution to Provident Fund	3,83,029	3,09,585
	Employer's Contribution to Pension Scheme	8,69,125	7,05,004
	Employees Deposit Linked Insurance	52,174	42,321
	Workmen and Staff Welfare Fund		
	Employees State Insurance Corporation	5,29,204	4,97,149
	Labour Welfare Fund	34,029	3,424
	<b>Total</b>	<b>18,67,561</b>	<b>15,57,483</b>

#### Defined Benefit Plan

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.



Amount in rupees

Particulars	Gratuity (Funded)	
	2009-2010	2008-2009
<b>a. Reconciliation of opening and closing balances of Defined Benefit obligation</b>		
Defined Benefit obligation at beginning of the year	18,47,153	12,21,799
Current Service Cost	2,97,511	4,47,928
Interest Cost	1,47,772	97,299
Actuarial (gain)/loss	(70,433)	80,127
Benefits paid	Nil	Nil
Defined Benefit obligation at year end	22,22,003	18,47,153
<b>b. Reconciliation of opening and closing balances of fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	17,17,105	10,94,399
Expected return on plan assets	1,79,961	1,49,291
Actuarial gain/(loss)	Nil	Nil
Employer contribution	8,85,745	4,73,415
Benefits Paid	Nil	Nil
Fair value of plan assets at year end	27,82,811	17,17,105
Actual return on plan assets	1,79,961	1,49,291
<b>c. Reconciliation of fair value of assets and obligations</b>		
Fair value of plan assets as at 31st March	27,82,811	17,17,105
Present value of obligation as at 31st March	22,22,003	18,47,153
Net Asset/(liability) recognized in Balance Sheet	(5,60,808)	1,30,048
<b>d. Expenses recognized during the year</b>		
Current Service Cost	2,97,511	4,47,928
Interest Cost	1,47,772	97,299
Expected return on plan assets	1,79,961	1,49,291
Actuarial (gain) / loss	(70,433)	80,127
Net Cost	1,94,889	4,76,063

**Investment details**

L.I.C. Group Gratuity (Cash Accumulation Policy)-% of invested funds	100	100
<b>Actuarial assumptions</b>		
Mortality Table (L.I.C.)	1994-96 (ultimate)	1994-96 (ultimate)
Discount rate (per annum)	8.00%	8.00%
Expected rate of return on plan assets (per annum)	8.00%	8.00%
Rate of escalation in salary (per annum)	3.00%	6.00%



The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as given by the Life Insurance Corporation of India (LIC) and as per certain estimates made by the management, which has been accepted by the auditors.

15. The Company is setting up a mini-integrated steel and PVC pipe project at Uluberia in West Bengal during the year. The expenditure incurred during the construction period has been debited to Capital work-in-progress and are being apportioned to the assets on the completion of the project. The necessary details such expenditure has been disclosed below:

Particulars	Amount in Rupees	
	2009-2010	2008-2009
Opening Balance of expenditure pending allocation to fixed assets	3,05,69,974	Nil
Salary, Wages and Allowances	1,62,50,807	67,19,739
Staff and Labour Welfare Expenses	Nil	80,730
Carriage Inwards	Nil	39,923
Weighment Charges	Nil	5,880
Power and Fuel	71,10,233	5,72,862
Bank Charges	Nil	17,852
Travelling and Conveyance Expenses	Nil	31,47,619
Crane Expenses	2,03,822	50,275
Insurance Charges	2,33,321	17,410
Legal & Consultancy Charges	41,71,354	53,27,817
Vehicle maintenance expenses	1,80,000	4,89,711
Printing and Stationery	Nil	9,646
Rates and Taxes	2,31,750	9,87,806
Recruitment Expenses	13,10,223	4,46,413
Repair & Maintenance	Nil	19,364
Security Charges	Nil	5,08,440
Telephone Charges	Nil	15,694
Miscellaneous expenses	Nil	4,97,713
Depreciation on fixed assets	Nil	1,41,185
Fees for increase of Share Capital	Nil	2,74,500
Loan processing fees	25,26,492	Nil
Hire Purchase Charges	99,466	89,557
Interest On Loan	4,84,36,898	1,11,09,838
Total	11,13,24,340	3,05,69,974
Less : Capitalized/Allocated to fixed assets during the year	6,55,87,105	Nil
Closing Balance of expenditure pending allocation to fixed assets	4,57,37,235	3,05,69,974



16. The Company has recognized Deferred Tax Liability as per Accounting Standard-22 regarding 'Accounting for Taxes on Income'. The movement of major components of deferred tax provision/adjustment is:

Amount in Rupees				
Particulars		Balance as at 01.04.2009	Charge during the year	Balance as at 31.03.2010
Deferred tax liability				
Difference between book and tax depreciation		3,79,65,940	2,42,24,419	6,21,90,359

17. Leases

(a) Operating Lease

The Company has taken various residential/commercial premises under cancelable operating leases. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease agreements. These lease agreements are normally renewed on expiry.

Amount in Rupees			
Particulars		2009-2010	2008-2009
Lease payments for the year		25,04,426	27,61,466
Contingent rent recognized in Profit and Loss Account		Nil	Nil

(b) Finance Leases:

- (i) Assets acquired on finance lease mainly comprise vehicles. The leases have a primary period, which is fixed and non-cancelable. There are no exceptional/restrictive covenants in the lease agreement:
- (ii) The minimum lease rentals as at 31st March, 2010 of minimum lease payments in respect of assets acquired under finance lease are as follows:

Amount in Rupees			
Particulars		Minimum Lease Payments payments	Present Value of minimum lease
Payable not later than 1 year		65,91,112	57,46,784
Payable later than 1 year and not later than 5 years		62,54,771	58,13,120
Payable later than 5 years		Nil	Nil
Total		1,28,45,883	1,15,59,904
Less: Future Finance Charges		12,85,979	
Present Value of minimum lease payments		1,15,59,904	

18. Earning per share

Amount in Rupees			
Particulars		2009-2010	2008-2009
Profit after taxation as per Profit & Loss account		13,56,38,360	9,03,21,543
Weighted average number of equity shares		67,55,778	51,15,144
Basic and diluted earning per share of Rs. 10 each		20.08	17.66



19. (a) In the previous year, as per terms of a Scheme of Amalgamation (the Scheme) of the erstwhile Skipper Infrastructure Limited (SIL-formerly Bansal Poles & Towers Limited), primarily engaged in the business of iron and steel products, with the Company under section 391(2) and 394 of the Companies Act, 1956 which was sanctioned by the Honourable High Court at Calcutta on March 24, 2009 and became effective from May 05, 2009, inter alia, the whole of the assets and liabilities of SIL are transferred to and vested in the Company as a going concern with effect from the appointed date viz. April 01, 2008.
- (b) The Scheme, inter alia, provided for transfer and vesting of:
- All the properties, assets, rights and powers of SIL and all the debts, liabilities, duties and obligations of SIL which shall include all rights, powers, interests, authorities, privileges, liberties and all properties and assets, moveable or immovable, freehold or leasehold, real or personal, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wherever situate including land, buildings, plant and machinery, office equipments, inventories, investments in shares, debentures, bonds and other securities, sundry debtors, cash and bank balances, loans and advances, leases and all other interests and rights in or arising out of such property together with all liberties, easements, advantages, exemptions, approvals, licenses, trade marks, patents, copyrights, import entitlements and other quotas, if any, held, applied for or as may be obtained or are entitled to together with the benefit of all respective contracts and engagements and all respective books, papers, documents and records of the SIL.
  - All debts, liabilities, duties and obligations of SIL, including liabilities on account of secured and unsecured loans and guarantees, sundry creditors, sales tax, excise, bonus, gratuity and other taxation and contingent liabilities.
  - All exemptions, benefits, concessions and incentives under any scheme of Union and State Governments, including Sales Tax Incentive Scheme to the Company.
  - All the employees of SIL along with employee related benefits to the Company.
- (c) The amalgamation had been accounted for under the "pooling of interest" method as prescribed by Accounting Standard (AS-14) issued by the Institute of Chartered Accountants of India. Accordingly, the assets, liabilities and reserves of SIL as at April 01, 2008 have been taken over at their book values. As stipulated in the Scheme of Amalgamation, all reserves, except for Securities Premium Account, of the transferor companies have been transferred to the General Reserves Account. The balance in Securities Premium Account of the transferor companies is transferred to Securities Premium Account.
- (d) In consideration of the Scheme, the Company was to issue and allot 6,76,000 fully paid up equity shares of the Company of Rs. 10 each to the shareholders of SIL in the ratio of 5 equity shares of the Company for 2 equity shares of SIL. Pending allotment, the equity shares were shown under Equity Share Suspense Account. These equity shares have since been allotted.
- (e) Accordingly, the amalgamation had resulted in transfer of assets, liabilities and reserves in accordance with the terms of the Scheme at the following summarized values:

Amount in Rupees

Particulars	Skipper Infrastructure Limited	
<b>Fixed assets</b>		
Land		1,22,75,053
<b>Current assets, loans and advances</b>		
Cash and Bank Balances	1,88,381	
Loans and Advances	13,00,000	
Total	14,88,381	
Less: Current Liabilities and Provisions	13,746	14,74,635
<b>Total Assets</b>		1,37,49,688
Less:		
Unsecured Loans		7,00,000
<b>Net Assets transferred</b>		1,30,49,688
Consideration for amalgamation being issue of equity shares		67,60,000
Net Balance transferred to Securities Premium Account		62,89,688



## SCHEDULES forming part of the accounts

20. List of related parties with whom the Company has entered into transactions during the year in the ordinary course of business

### A Relationship

#### 1) Key Management Personnel

Mr. Sajan Kumar Bansal

Mr. Sharan Bansal

Mr. Devesh Bansal

Mr. Siddharth Bansal (with effect from 10.03.2010)

#### 2) Parties where key management personnel along with their relatives have significant influence

Cement Manufacturing Company Limited

Megha Technical Engineers (P) Limited

Bansal TMT Steels Limited

Skipper Telelink Limited

Star Cement Meghalaya imited

#### 3) Relatives of key management personnel

Sadhu Ram Bansal (father of Mr. Sajan Kumar Bansal)

Sumedha Bansal (wife of Mr. Sharan Bansal)

Rashmi Bansal (wife of Mr. Devesh Bansal)

Siddharth Bansal (upto 09.03.2010) (son of Mr. Sajan Kumar Bansal)

### B The following transactions were carried out with the related parties in the ordinary course of business

	Particulars	2009-2010 In relation to item			2008-2009 In relation to item		
		A(1)	A(2)	A(3)	A(1)	A(2)	A(3)
a)	Rendering or receiving of service (including remuneration)	7990968	-	945806	7200000	-	654000
b)	Loan taken	27900000	50000000	-	27250000	-	4100000
c)	Loan taken refunded	24800000	50000000	-	20800000	-	1400000
d)	Advance taken	-	50000000	4650000	-	15000000	13000
e)	Advance given	-	36243	-	-	15036243	-
f)	Advance given received back	-	2413446	-	-	142034	-
g)	Advance taken refunded	-	42950000	400000	-	300000	-
h)	Rent given	60000	755000	-	60000	955000	-
i)	Sales and operations	-	4703777	-	-	1752935	-
j)	Payable	22300000	7150000	8450000	18300000	-	4213000
k)	Receivable	-	640834	-	-	-	-
l)	Interest paid	-	1699726	-	-	-	-



## SCHEDULES forming part of the accounts

21. Segment Information for the year ended 31st March, 2010  
Primary segments (business segment)

Reportable Segments	31.03. 2010			31.03. 2009		
	Iron and steel products	Infrastructure Projects	Total	Iron and steel products	Infrastructure Projects	Total
<b>Revenue</b>						
External Sales/receipts	4005255386	44172805	4049428191	3436120610	162854753	3598975363
Unallocable segment revenue			41102527			63275872
<b>Total</b>			<b>4090530718</b>			<b>3662251235</b>
<b>Segment results</b>	<b>305425866</b>	<b>4322215</b>	<b>309748081</b>	<b>214792936</b>	<b>42810738</b>	<b>257603674</b>
Unallocated Corporate income/ (expenses) (net of expense/income)			(11008102)			(5121816)
<b>Operating Profit</b>			<b>298739979</b>			<b>252481858</b>
Interest expenses			103116042			113073854
Interest income			10421058			2321888
<b>Profit before tax</b>			<b>206044995</b>			<b>141729892</b>
Less: Taxes			60648994			51426349
<b>Profit after tax</b>			<b>145396001</b>			<b>90303543</b>
<b>Segment Assets</b>	<b>3284945289</b>	<b>102022519</b>	<b>3386967808</b>	<b>2097729881</b>	<b>152519327</b>	<b>2250249208</b>
Unallocated assets			164777404			127272107
<b>Total Assets</b>			<b>3551745212</b>			<b>2377521315</b>
<b>Segment Liabilities</b>	<b>585746350</b>	<b>6834694</b>	<b>592581044</b>	<b>394204252</b>	<b>20828640</b>	<b>415032892</b>
Unallocated liabilities			1849121559			1125480501
<b>Total Liabilities</b>			<b>2441702603</b>			<b>1540513393</b>
<b>Capital Expenditure</b>	<b>796476728</b>	<b>91078</b>	<b>796567806</b>	<b>71109427</b>		<b>71109427</b>
Unallocated Capital Expenditure			51068932			6866125
<b>Total Capital Expenditure</b>			<b>847636738</b>			<b>77975552</b>
<b>Depreciation</b>	<b>25151633</b>	<b>959077</b>	<b>26110710</b>	<b>16137268</b>	<b>2964766</b>	<b>19102034</b>
Unallocated Depreciation			6154752			5137016
<b>Total Depreciation</b>			<b>32265462</b>			<b>24239050</b>

The business segment has been considered as primary segment.

- The Company has identified the following business segments taking into account products or group of related products that is subject to risks and returns that are different from those of other business segments, the organisation structure and the financial reporting system
  - Iron & Steel products
  - Infrastructure Projects
- Reportable segments have been identified as per the criteria specified in Accounting Standard (AS) 17 "Segment Reporting". As per the criteria, LPG Cylinders unit in the previous year and PVC Pipe unit do not constitute a reportable segment and the figures are included as an unallocated reconciling item.
- There are no items to be reported under geographical segments, considered as secondary segment, as overseas customers do not constitute a Reportable Segment as per Accounting Standard (AS) 17 "Segment Reporting".
- There are no inter-segment revenues.



## SCHEDULES forming part of the accounts

22. Additional information pursuant to the provisions of paragraphs 3 & 4 of Part II of Schedule VI of the Companies Act, 1956

### a. Licensed Capacity, Installed Capacity and Production

	Unit	Year ended 31-03-2010	Year ended 31-03-2009
<b>Installed Capacity</b>			
M.S. Pipes	M.T.	78000	54000
Steel Tubular Pole, Scaffolding & Accessories	M.T.	30000	18810
Structural Fabrication*	M.T.	60000	60000
Galvanised Plant	M.T.	78000	48000
PVC Pipes	M.T.	2500	-
LPG Cylinders	PCS.	-	600000
<b>Production</b>			
M.S. Pipes	M.T.	32055	32751
Steel Tubular Pole, Scaffolding & Accessories	M.T.	5754	3037
Structural Fabrication*	M.T.	23331	22360
Galvanised Plant	M.T.	11733	8767
PVC Pipes	M.T.	800	-
LPG Cylinders	PCS.	-	63158

\*includes 3,192.320 M.T. (Previous year 2,516 M.T.) inter unit transfer of semi-finished fabrication items

#### Notes:

1. Licensed Capacity is not applicable in view of the Company's products having been delicensed as per licensing policy of Government of India.
2. Installed capacity is as certified by the management and accepted by auditors, being a technical matter.
3. Machines installed for LPG unit has either been sold or transferred to other divisions during the year.

### b. Particulars of Sales, Purchases and Stock

	Year ended 31-03-2010			Year ended 31-03-2009	
	Unit	Quantity	Amount	Quantity	Amount
<b>Opening Stock</b>			Rs.		Rs.
M.S. Pipes	M.T.	1155	38431406	1317	45267071
Steel Tubular Pole, Scaffolding & Accessories	M.T.	42	1779010	88	1587597
Galvanised Pipes	M.T.	119	4605847	87	4421076
Structural Fabrication	M.T.	1576	80599885	-	-
LPG Cylinders	PCS.	-	-	260	225843
<b>Total</b>			<b>125416148</b>		<b>51501587</b>



2009-2010

**SCHEDULES forming part of the accounts**

	Year ended 31.03.2010			Year ended 31.03.2009	
	Unit	Quantity	Amount Rs.	Quantity	Amount Rs.
<b>Sales &amp; Operations*</b>					
M.S. Pipes	M.T.	21646	752950916	25937	1066604317
Steel Tubular Pole, Scaffolding & Accessories	M.T.	5574	222666990	3083	163704968
Galvanised Pipes	M.T.	11787	527661553	8735	379570528
Structural Fabrication#	M.T.	23843	1417222041	20784	1306255566
Billets/H R Strips/Angles/Bars	M.T.	51753	1889211434	41919	1451043930
Zinc	M.T.	92	10575715	37	3092125
PVC Pipes	M.T.	638	46454109	-	-
Cylinder Valves	PCS.	-	-	45586	2385793
LPG Cylinders	PCS.	-	-	63418	69999165
Others			92768154		138183241
Total			4959510912		4580839633
# includes sale of towers 19,038 M.T.					
<b>*Sales includes the following inter unit sales (net of excise duty)</b>					
M.S. Pipes	M.T.	9434	309525699	7705	293879269
Steel Tubular Pole, Scaffolding & Accessories	M.T.	-	-	901	31991724
Galvanised Pipes	M.T.	559	24603238	6	218677
Structural Fabrication	M.T.	3201	153954912	2516	113317170
Billets/H R Strips/Angles/bars	M.T.	2470	69793151	3762	121687646
Zinc	M.T.	92	9793834	37	2714869
Others			-		1170265
Total			567670834		564979620
<b>Captive consumption of finished goods</b>					
M.S. Pipes	M.T.	10327		6976	
Structural Fabrication	M.T.	20		-	
<b>Closing Stock</b>					
M.S. Pipes	M.T.	1237	39406018	1155	38431406
Steel Tubular Pole, Scaffolding & Accessories	M.T.	222	10979491	42	1779010
Galvanised Pipes	M.T.	65	2630494	119	4605847
Structural Fabrication	M.T.	1044	51149300	1576	80599885
PVC Pipes	M.T.	162	10083704	-	-
Total			114249007		125416148
<b>c. Particulars of raw material consumed</b>					
Iron and Steel Products*	M.T.	149162	3229340203	91155	2954005760
Zinc	M.T.	1629	163013005	1661	128800028
Valves	PCS.	-	-	-	7192948
Others			90020902		42352635
Total			3482374110		3132351371

\* includes material sold - 51,904 M.T. valued at Rs. 1,69,68,94,004 (Previous year 36,855 M.T. valued at Rs.1,18,25,88,066)

Note: Shortage/excess (if any) on physical verification have been adjusted in the consumption shown above



## SCHEDULES forming part of the accounts

**d. Consumption of Imported and Indigenous Raw Materials and stores and spare parts and the percentage of each to the value of consumption**

	Year ended 31.03.2010		Year ended 31.03.2009	
	% of total Rs.	Amount %	% of total Rs.	Amount %
<b>Raw Materials</b>				
Indigenous	3470661879	99.66	3132351371	100.00
Imported	11712231	0.34		
Total	3482374110	100.00	3132351371	100.00
<b>Stores &amp; Spare Parts</b>				
Indigenous	63167763	100.00	66361380	100.00
Imported	-	-		
Total	63167763	100.00	66361380	100.00
<b>e. C.I.F. value of Imports (on payment basis)</b>				
Raw Materials	8005579		Nil	
Capital Goods	15041266		15118700	
<b>f. Expenditure in Foreign Currency</b>				
Sales Promotion Expenses	460046		288134	
Travelling	2628321		2046738	
Subscription	Nil		56489	
Legal & Professional Fees	Nil		40264	
Miscellaneous Expenses	Nil		41845	
<b>g. Earnings in Foreign Currency</b>				
FOB Value of exports	60398447	Nil		

23. Figures relating to previous year have been re-grouped and re-arranged, wherever necessary.

In terms of our report of even date annexed herewith

For **PATANJALI & CO.**  
Firm Registration Number-308163E  
Chartered Accountants

PATANJALI SHARMA  
Partner  
Membership No. 14993

Kolkata  
Dated, the 25th day of May, 2010

For and on Behalf of Board

**Sajan Kumar Bansal** (Managing Director)

**Sharan Bansal** (Director)

**Devesh Bansal** (Director)

**Arbind Kumar Jain** (Company Secretary)



2009-2010

**Cash Flow Statement for the Year Ended 31st March, 2010**

	31.03.2010 Rs.	31.03.2009 Rs.
<b>A CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit before Tax and Extraordinary Items	206044994	141747892
Adjustment for Depreciation	31977027	24304911
(Profit)/loss on Sale of Fixed Assets	6979313	9524367
Profit on sale of investments	-	-
Interest Expenses	99134832	113073853
Interest Received	(6439848)	(2321888)
Dividend Received	(310523)	(191632)
<b>Operating profit before Working Capital Changes</b>	<b>337385795</b>	<b>286137503</b>
Adjustment for:		
Trade and other receivables	125183608	(229191296)
Inventories	(277078111)	(126236410)
Trade and other payables	(37708534)	89539148
<b>Cash Generated from Operations</b>	<b>147782758</b>	<b>20248945</b>
Adjustment for:		
Interest paid	(99351971)	(113666303)
Direct taxes paid	(42390555)	(40552598)
<b>Cash flow before Extraordinary Items</b>	<b>6040232</b>	<b>(133969956)</b>
Extraordinary Items	-	-
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>A 6040232</b>	<b>(133969956)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1016384634)	(383870557)
Sale of Fixed Assets	9583303	59955907
Investment made	-	-
Sale of investment	-	375000
Loan given	(87500000)	-
Loan given refunded	87500000	-
Interest Received	5675201	1960643
Dividend Received	310523	191632
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>B (1000815607)</b>	<b>(321387375)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of capital	150000000	250000000
Dividend paid including dividend distribution tax	(7364163)	(5110839)
Changes in Bank Borrowings (net)	926807994	222644371
Proceeds from Borrowings	209950000	192415439
Repayment of Borrowings	(230020420)	(202700000)
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>C 1049373411</b>	<b>457248971</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>	<b>A+B+C 54598036</b>	<b>1891640</b>
<b>OPENING CASH &amp; CASH EQUIVALENTS*</b>	<b>26339190</b>	<b>24259169</b>
<b>CASH &amp; CASH EQUIVALENTS TRANSFERRED ON AMALGAMATION</b>	<b>-</b>	<b>188381</b>
<b>CLOSING CASH &amp; CASH EQUIVALENTS*</b>	<b>80937226</b>	<b>26339190</b>
	<b>80937226</b>	<b>26339190</b>

1. Cash and Cash Equivalents represent cash and bank balances as indicated in Schedule 9 to the Annual Accounts and include fixed deposit pledged as margin money.
2. The above Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
3. Total tax paid during the year (including tax deducted at source on interest received) amounted to Rs. 3,86,76,158 (Previous year Rs. 4,09,13,843).

For **PATANJALI & CO.**Firm Registration Number-308163E  
Chartered Accountants

PATANJALI SHARMA

Partner

Membership No. 14993

Kolkata

Dated, the 25th day of May, 2010

For and on Behalf of Board

Sajan Kumar Bansal (Managing Director)

Sharan Bansal (Director)

Devesh Bansal (Director)

Arbind Kumar Jain (Company Secretary)



## Balance Sheet Abstract and Company General Business Profile

<b>I. Registration details</b>	
Registration No.	33408
State Code (Refer code list)	21
Balance Sheet Date	31 March 2010
<b>II. Capital raised during the year</b>	Amount in Rs. thousands
Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	7500
<b>III. Position of Mobilization and deployment of funds</b>	
Total liabilities	3165234
Total assets	3165234
<b>Sources of funds</b>	
Paid up capital	70444
Reserves & Surplus	1039598
Secured loans	1874572
Unsecured loans	118429
Deferred tax liability	62190
<b>Application of funds</b>	
Net fixed assets	1801697
Investments	1903
Net current assets	1361635
Miscellaneous expenditure	-
Accumulated losses	-
<b>IV. Performance of the Company</b>	
Turnover (including other income)	4097281
Total expenditure	3891236
Profit/loss before tax	206045
Profit/loss after tax	135638
Earning per Share in Rs.	20.08
Dividend rate (%)	15
<b>V. Generic name of three principal products/services of Company (as per monetary terms)</b>	
Item Code No. (ITC Code)	7308.20
Product Description	Structural Fabrication
Item Code No. (ITC Code)	7306.20
Product Description	Black and Galvanised Pipes
Item Code No. (ITC Code)	7308.90
Product Description	Steel Tubular Poles

For and on Behalf of Board

**Sajan Kumar Bansal** (Managing Director)

**Sharan Bansal** (Director)

**Devesh Bansal** (Director)

**Arbind Kumar Jain** (Company Secretary)



## **SKIPPER LIMITED**

### **Auditors**

Patanjali & Company, Chartered Accountants  
161/1 Mahatma Gandhi Road, Kolkata 700007

### **Bankers**

Oriental Bank of Commerce  
State Bank of India  
Union Bank of India  
Corporation Bank  
Allahabad Bank  
Bank of Baroda

### **Registered office**

3A Loudon Street  
Kolkata 700017, India  
Phone: 033 2289 5731

### **Works**

Jangalpur (Unit 1 & Unit BCTL)  
Jalan Complex, NH6 (Bombay Road)  
Village: Jangalpur  
Post: Andul Mouri  
Howrah 711302, India

Uluberia Unit  
NH6, Madhabpur  
Post: Uluberia  
Howrah 711304, India





# SKIPPER

— Limited —

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