

RAMA STEEL TUBES LTD.

**Annual Report
2011-12**

RAMA STEEL TUBES LIMITED

BOARD OF DIRECTORS

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

AUDITORS

VAPS & COMPANY
Chartered Accountants
New Delhi

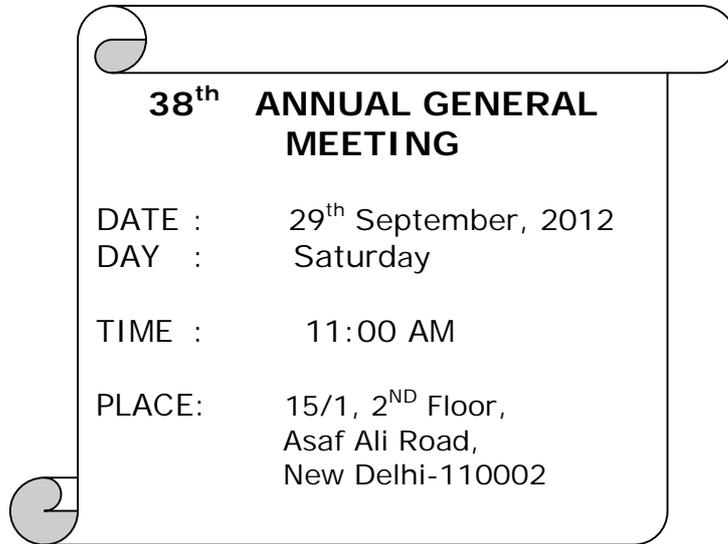
BANKERS

CANARA BANK
Hauz Quazi, Delhi-06

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

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

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

Notice of Annual General Meeting

Notice is hereby given that the Thirty Eighth Annual General Meeting of the Company will be held on Saturday the 29th day of September, 2012, at 11.00 A.M. at 15/1, (2nd Floor), Asaf Ali Road, New Delhi-110002 to transact the following business :-

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March 2012 and the Profit and Loss Account for the year ended on that date together with Report of Directors and Auditors thereon.
2. To appoint the Auditors and to fix their remuneration.
3. To appoint a Director in place of Shri Naresh Kumar Bansal who retires by rotation and being eligible offers himself for reappointment.

By Order of the Board

Sd/-
NARESH KUMAR BANSAL
Managing Director

Place: New Delhi
Dated: 29th August 2012

Notes:

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote for him/herself and the proxy need not to be a member. a proxy in order to be effective, must**
2. The Register of members and share transfer books of the company will remain closed on Saturday, the 29th September 2012.
3. Members are requested to intimate the company immediately of any change in their addresses, at the registered office of the company.
4. The shareholders desiring any information as regards accounts are requested to write to the company at least one week prior to the date of the meeting so as to enable the management to keep the information ready.
5. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
6. Members are requested to bring their own copies of annual report and accounts with them for the meeting as no spare copies would be available in the meeting.

Directors' Report

Dear Members,

Your Directors are pleased to present the 38th Annual Report together with the Audited Annual Accounts of the company for the year ended 31st March, 2012 and Auditor's Report thereon.

Performance Review

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

Particulars	(Rs. In Lacs)	
	For the year ended 31-03-2012	For the year ended 31-03-2011
Gross Turnover	15,375.42	12,707.96
Other Income	226.77	55.73
Total Revenue	15,602.19	12,763.69
Profit before interest, Dep & Tax	566.71	756.25
Financial Expenses	400.92	388.64
Depreciation	125.70	186.70
Profit before Tax	40.09	180.91
Provision for Taxation	13.73	43.78
Profit after Tax	26.36	137.13

Operations Overview

With Indian economy recovering from the Slowdown, Turnover has improved from Rs.127.08 Crores to Rs.153.75 Crores in the Current Year. But consequent to stiff competition in the Steel Tube Market, the profit margins have squeezed considerably and Net Profit before Interest and depreciation stood at Rs.5.66 Crores as against Rs.7.56 Crores in the previous year thus showing decrease of 25.13%. In view of not sufficient profits, no amount has been transferred to General Reserve in the current Year.

Dividend

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

Director's Responsibility Statement

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

- (i) that in the preparation of the annual accounts for the financial Year ended 31st March 2012, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made Judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2012 and of the profit of the company for that Period.
- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies act ,1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities and
- (iv) That the directors had prepared the annual accounts for financial Year ended 31st March 2012 on a going concern basis.

Public Deposits

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

Listing of Equity Shares

The Equity shares of the company are listed on the Delhi Stock Exchange. Listing fees for the financial year 2012-13 has been duly paid to the Stock Exchange. But as the Delhi Stock Exchange is still in the process of completing the necessary arrangements for quoting the share prices of various companies listed in it, leading to non-quoting of the our Company's Shares too. It is expected that very soon the DSE shall complete the necessary formalities and our shares shall begin being quoted on DSE.

Information regarding Employees

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

Personnel / Industrial Relations

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

Auditors

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

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

Remarks of the Auditor's Report

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

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

Directors

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

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

Compliance Certificate by Company Secretary

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

Corporate Governance

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

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

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

Acknowledgements

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

For and on behalf of the Board of Directors

Sd/-
NARESH KUMAR BANSAL
Managing Director

Place : New Delhi

Date : 29th August 2012

ANNEXURE TO THE DIRECTOR'S REPORT

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

A) CONSERVATION OF ENERGY :

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

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

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

II. TECHNOLOGICAL, ABSORPTION, ADAPTATION & INNOVATION :

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

C) FOREIGN EXCHANGE EARNING AND OUTGO :

	<u>Current year</u>	<u>Previous year</u>
a) Total Foreign Exchange Earning	3065.91 Lacs	3102.57 Lacs
b) Total Foreign Exchange Outgo	5.54 Lacs	231.15 Lacs

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

	Current Year	Previous Year
1. Electricity		
(a) Purchased Unit	2258154	2140815
Total amount (in Rs.)	12735993	14063497
Rate/unit	5.64	6.57
(b) Own generation		
Through Diesel Generator Unit	263956	259360
Unit per Litre of Diesel Oil	4.55	4.55
Total Amount (in Rs.)	2220358	2217540
Cost/Unit	8.42	8.55
2. Furnace Oil Quantity (K.Ltrs)	264.096	279.710
Total Amount (in Rs.)	9705892	7410423
Average Rate Rs./K.Ltr.	36751	26493

B. CONSUMPTION PER UNIT OF PRODUCTION

		ELECTRICITY (UNIT)		FURNACE OIL (LTR)	
NAME OF PRODUCT	UNIT	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Black Steel Tubes/Pipes	Per Ton	76.22	85.47	--	--
Galvd. Steel Tubes/Pipes	Per Ton	80.80	90.77	30.44	20.34

For and on behalf of the Board of Directors

Sd/-
NARESH KUMAR BANSAL
Managing Director

Place : New Delhi
Date : 29th August 2012

Auditors' Report

To,

**The Members,
Rama Steel Tubes Ltd,
Delhi.**

1. We have audited the attached Balance Sheet of **Rama Steel Tubes Limited** as at 31st March, 2012 and Statement of Profit & Loss and Cash Flow Statement for the period ended on that date annexed hereto. 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 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 the 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 (Auditors' Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the explanations furnished to us during the course of our audit, we give in the Annexure a statement specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion proper books of accounts as required by law has kept by the company so far as appears from our examination of such books.
 - (c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of account.
 - (d) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement have been prepared in compliance with the Accounting Standards referred to in sub section (3c) of section 211 of the Companies Act, 1956, subject to Note No. 9(a) and 9(b) of Significant Accounting Policies in Annexure I
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information as required by the Companies Act, 1956 and give a true and fair view in conformity with accounting principles generally accepted in India:
 - i.) In so far as it relates to the Balance Sheet of the State of Affairs of the company as at 31st March 2012,
 - ii) In the case of Statement of Profit & Loss Account of the profit of the company for the Period ended on that date, and
 - iii) In the case of Cash Flow Statement of the cash flows of the company for the Period ended on that date.
 - (f) Based on representation made by all the Directors of the company to the Board and the information and explanations as made available to us by the company, none of the directors of the company prima-facie have any disqualification as referred to in clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

Sd/-
(P.K.JAIN)
Partner
M.N. 82515

Place: Delhi
Dated: August 29, 2012

Annexure to the Auditors' Report**Re: Rama Steel Tubes Limited**

Referred to in paragraph 3 of our report of even date

1.
 - a) The company has maintained proper records showing full particulars Including quantitative details and situation of fixed assets.
 - b) A substantial portion of the fixed assets has been physically verified by the management during the period and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) There was no substantial disposal of fixed assets during the year.
2.
 - a) The inventories have been physically verified during the period 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.
 - c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
3.
 - a) The company has not granted unsecured loan to any company, firms or other Parties covered in the register maintained under section 301 of the companies Act, 1956. Accordingly, the clauses (iii)(b), (iii)(c), (iii)(d) of the paragraph 4 of the Order, are not applicable.
 - b) The company has taken unsecured loan from Nine company, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956. The maximum amount involved during the year was Rs.5,70,31,636/- Lacs and the year end balance of loans taken from such parties was Rs.3,29,82,893/- Lacs In our opinion the rate of interest and other terms and conditions on which loan have been taken from company covered in the register maintained under section 301 of the companies Act, 1956 is not, prima facie, prejudicial to the interest of the company.
 - c) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest, if any.
 - d) There is no overdue amount of loans taken from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956.
4. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
5.
 - a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts and arrangement that need to be entered into the register maintained under section 301 have been so entered.
 - b) The transactions in pursuance of such contracts have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has accepted public deposits during the year from the public within the meaning of provisions of sections of 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rule 1975 have been complied with. No order has been passed by the Company Law Board ,in this regard.
7. In our opinion the company has an internal audit system commensurate with the size and nature of its business.

8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 we are of the opinion that prima facie the prescribed accounts and record have been made and maintained. We have not made however a detailed examination of the record with a view to determine whether they are accurate or complete.
9. (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty, Service Tax, Cess etc. were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us and records of the company examined by us, the particulars dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax, Cess which have not been deposited on account of any dispute, are as follows:

SI No.	Name of the Statute	Nature of Dues	Amount in Rs.	Period to which dues Related	Authority where the Dispute is Pending for Decision
1.	U.P. Tax on Entry of Goods in to Local areas ordinance, 2007	The constitutional validity of U.P. Tax on Entry of Goods in to Local areas ordinance, 2007 had been Challenged.	109,94,936	November,2008 to March 2012	Before the Supreme Court Judicature

10. The company has no accumulated losses as at 31st March 2012 and has not incurred any cash losses during the financial period covered by our audit and in the immediately preceding financial period.
11. In our opinion and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. We have been informed that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (auditors' report) Order, 2003 are not applicable to the company.
14. According to the information and explanations given to us, the company made investment in shares, securities, debentures and other investments during the Year. All the shares are in the name of the Company and in this regard contracts have been made.
15. The company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long term investment.
18. 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 to be maintained under section 301 of the Act
19. During the period covered by our audit report, the company has not issued any debentures.

20. The company has not raised any money from public issue and as such question of end use of money raised by public issue does not arise.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

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

Sd/-
(P.K.JAIN)
Partner
M.N. 82515

Place: N. Delhi
Dated: August 29, 2012

BALANCE SHEET AS AT MARCH 31, 2012

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. EQUITY AND LIABILITIES		(`)	(`)
<u>(1) Shareholder's Funds</u>			
(a) Share Capital	1	2,489,000	2,489,000
(b) Reserves and Surplus	2	155,473,108	152,837,418
(c) Money received against share warrants		-	-
<u>(2) Share Application money pending allotment</u>		-	-
<u>(3) Non-Current Liabilities</u>			
(a) Long-Term Borrowings	3	148,723,218	124,398,255
(b) Deferred Tax Liabilities (Net)	4	7,794,177	6,707,189
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
<u>(4) Current Liabilities</u>			
(a) Short-Term Borrowings	5	322,857,957	248,235,542
(b) Trade Payables	6	22,215,048	38,033,166
(c) Other Current Liabilities	7	34,327,947	69,279,520
(d) Short-Term Provisions	8	4,438,054	3,765,632
Total Equity & Liabilities		698,318,508	645,745,722
II. ASSETS		(`)	(`)
<u>(1) Non-Current Assets</u>			
(a) Fixed Assets	9		
(i) Tangible Assets		145,601,680	123,995,888
(ii) Intangible Assets		-	-
(iii) Capital Work-In-Progress		1,903,056	18,868,922
(b) Non-current investments	10	15,695,297	14,866,092
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	11	87,602,459	75,804,152
(e) Other non-current assets		-	-
<u>(2) Current Assets</u>			
(a) Current investments		-	-
(b) Inventories	12	216,939,151	162,451,571
(c) Trade receivables	13	140,417,158	145,124,008
(d) Cash and cash equivalents	14	20,288,490	21,357,405
(e) Short-term loans and advances	15	69,871,217	83,277,683
(f) Other current assets		-	-
Total Assets		698,318,508	645,745,722

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

for VAPS & Company

Chartered Accountants
Firm Reg. No.: 003612N

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

Place: N. Delhi
Dated: August 29, 2012

for and on behalf of the Board

Sd/-
Naresh Kumar Bansal
(Managing Director)

Sd/-
Richi Bansal
(Director)

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED ON MARCH 31, 2012

Sr. No	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
			(`)	(`)
I	Revenue from operations (Gross)	16	1,645,845,492	1,345,556,088
	Less: Excise Duty		(108,303,882)	(74,760,546)
	Gross Revenue from operations (Net)		1,537,541,610	1,270,795,542
II	Other Income	17	22,676,542	5,572,969
III	Total Revenue (I + II)		1,560,218,152	1,276,368,511
IV	Expenses:			
	Cost of Materials consumed	18	1,223,650,918	925,984,386
	Purchase of Stock-in-Trade		180,778,780	152,365,218
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	(13,190,351)	19,896,425
	Employee Benefit Expense	20	20,753,918	16,766,310
	Financial Costs	21	40,092,325	38,863,523
	Depreciation and Amortization Expense	22	12,570,069	18,669,631
	Other Expenses	23	91,151,596	85,594,642
	Total Expenses (IV)		1,555,807,254	1,258,140,135
V	Profit before exceptional and extraordinary items and tax	(III - IV)	4,410,898	18,228,376
VI	Exceptional Items	24	401,858	137,119
VII	Profit before Taxes (V - VI)		4,009,040	18,091,257
VIII	Tax expense:			
	(1) Current tax		764,211	3,605,679
	(2) Deferred tax		1,086,988	1,430,528
	(3) Income Tax for earlier years		-	14,560
	(4) Mat credit Entitlement		(477,849)	(672,623)
IX	Profit/(Loss) from the period from continuing operations	(VII - VIII)	2,635,689	13,713,113
X	Profit/(Loss) from discontinuing operations		-	-
XI	Tax expense of discontinuing operations		-	-
XII	Profit/(Loss) from Discontinuing operations (X - XI)		-	-
XIII	Profit/(Loss) for the period (IX + XII)		2,635,689	13,713,113
XIV	Earning per equity share:			
	(1) Basic		10.59	55.09
	(2) Diluted		10.59	55.09

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

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

for VAPS & Company

Chartered Accountants
Firm Reg. No.: 003612N

for and on behalf of the Board

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

Sd/-
Naresh Kumar Bansal
(Managing Director)

Sd/-
Richi Bansal
(Director)

Place: New Delhi
Dated: August 29, 2012

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON MARCH 31, 2012

(Figures in `)

PARTICULARS	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
	AMOUNT	TOTAL	AMOUNT	TOTAL
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and Extra ordinary items		4,009,040		18,091,257
Add : Adjustment for Depreciation	12,570,069		18,669,631	
Interest & Finance Charges	40,092,325		38,863,523	
Profit On Sale of Fixed assets	(7,508,663)		(267,023)	
Operating profit before working capital changes		45,153,731		57,266,131
Adjustment for:				
Increase/Decrease in Trade Receivables	4,706,851		(19,723,951)	
Increase/Decrease in Other receivables	13,855,114		34,351,688	
Increase/Decrease in Inventories	(54,487,580)		46,870,353	
Increase/Decrease in Trade & Other payable	(50,097,270)	(86,022,885)	(2,238,987)	59,259,103
Cash generated from operations		(36,860,114)		134,616,492
Cash flow before extra ordinary items		(36,860,114)		134,616,492
Income Tax Paid		(735,010)		(6,135,945)
Extra ordinary items		-		-
Net cash from operating activities		(37,595,125)		128,480,547
B. CASH FLOW FROM INVESTING CTIVITIES				
Purchase of Fixed Assets	(18,071,331)		(4,568,164)	
Sale of Fixed Assets	8,370,000		600,000	
Additions to Investments	(829,205)		(10,174,309)	
Advances for Fixed Assets	(11,798,307)		(46,002,048)	
Net Cash used in investing activities		(22,328,843)		(60,144,521)
C. CASH FLOW FROM FINANCE ACTIVITIES				
Receipt/Repayment of secured loans	109,694,742		(40,707,634)	
Receipt/Repayment of unsecured loans	(10,747,364)		7,351,048	
Interest & Finance Charges	(40,092,325)		(38,863,523)	
Net cash generated from Financing activities		58,855,053		(72,220,109)
NET CHANGE IN CASH EQUIVALENT (A+B+C)		(1,068,915)		(3,884,083)
CASH & CASH EQUIVALENT				
Opening Balance		21,357,405		25,241,488
Net Change in Cash & Cash Equivalent		(1,068,915)		(3,884,083)
Closing Balance		20,288,490		21,357,405

Notes :

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

for VAPS & Company

Chartered Accountants
Firm Regn. No. 003612N

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

Place: New Delhi
Dated: August 29, 2012

for and on behalf of the Board

Sd/-
Naresh Kumar Bansal
(Managing Director)

Sd/-
Richi Bansal
(Director)

Notes Forming Integral Part of the Balance Sheet as at March 31, 2012**Note : 1 Share Capital**

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

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

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

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

Note : 2 Reserve & Surplus

Sr. No	Particulars	Current Year	Previous Year
1	General Reserve Balance brought forward from previous year Add: Additions	139,909,310 139,909,310 -	139,909,310 119,909,310 20,000,000
2	Surplus (Statement of Profit & Loss) Balance brought forward from previous year Add: Net Profit/ (Loss) for the period Less: Transfer to Reserves Closing Balance	15,563,798 12,928,108 2,635,689 - 15,563,798	12,928,108 19,214,995 13,713,113 20,000,000 12,928,108
	Total	155,473,108	152,837,418

Note : 3 Long Term Borrowings

Sr. No	Particulars	Current Year	Previous Year
1	Secured Term Loan - From Bank	59,737,925	24,665,598
	Unsecured		
2	- Fixed Deposit	24,736,000	22,990,000
3	- From related parties	32,983,431	53,508,853
4	- Security Deposits from Dealer	31,265,862	23,233,804
	Total	148,723,218	124,398,255

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

S.No	Loan Amount	
1	Term Loan amounting Rs 36,445,506 (P.Y. Rs NIL).	Repayable in 157 monthly installments commencing from Dec, 2011. Last installment due in Dec., 2024. Rate of interest 10.65% p.a as at year end (P.Y. NIL.)
2	Term Loan amounting Rs Nil (P.Y. Rs 36,379,980).	Repayable in 148 monthly installments commencing from June, 2007. Such Loan was taken over by SCB. Rate of interest Nil (P.Y 12% p.a).
3	Term Loan amounting Rs 20,580,732 (P.Y. Rs 28,193,714).	Repayable in 48 monthly installments commencing from July, 2009. Last installment due in August, 2014. Rate of interest 13.50% p.a as at year end(P.Y.12.75% p.a.)
4	Term Loan amounting Rs 1,387,798 (P.Y. Rs 2,004,596).	Repayable in 60 monthly installments commencing from Oct,2008. Last installment due in June, 2014. Rate of interest 13.25% p.a as at year end. (P.Y. 12.50% p.a.)
5	Term Loan amounting Rs 356,733 (P.Y. Rs 968,265).	Repayable in 60 monthly installments commencing from May,2008. Last installment due in oct, 2012. Rate of interest 13.25% p.a as at year end. (P.Y. 12.50% p.a.)
6	Term Loan amounting Rs 2,279,486 (P.Y. Rs 4,086,548).	Repayable in 72 monthly installments commencing from March,2007. Last installment due in May, 2013. Rate of interest 13.25% p.a as at year end. (P.Y. 12.50% p.a.)
7	Term Loan amounting Rs 994,248 (P.Y. NIL).	Repayable in 36 monthly installments commencing from April,2011. Last installment due in March, 2014. Rate of interest 10.75% p.a as at year end. (P.Y. Nil)
8	Term Loan amounting Rs NIL (P.Y. 454,082).	Repayable in 36 monthly installments commencing from Nov.,2008. Last installment due in Nov., 2011. Rate of interest 12.25% p.a as at year end. (P.Y. 12.25% p.a.)
Nature of Security of sub Note 1.1 to 1.2 of Note no. 3:- Secured against mortgage of Jaypee Greens, Greater Noida, UP.		
Nature of Security of sub Note 1.3 to 1.8 of Note no. 3:- Secured by hypothecation of Machinery and vehicles.		

Installments falling due in respect of all the above Loans upto 31.03.2013 have been grouped under "Current maturities of long-term debt" (Refer Note 8)

Note : 4 Deferred Tax Liabilities

Sr. No	Particulars	(`) Current Year	(`) Previous Year
	Deferred Tax Liabilities		
	-Opening Balance	6,707,189	5,276,661
	-Additions during the Year	1,086,988	1,430,528
	Total	7,794,177	6,707,189

Note : 5 Short Term Borrowings

Sr. No	Particulars	(`) Current Year	(`) Previous Year
1	Secured Working Capital Loans Repayable on Demand - From Bank (including Packing Credit Limit)	322,857,957	248,235,542
	Total	322,857,957	248,235,542

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

Note : 6 Trade Payable

Sr. No	Particulars	Current Year	Previous Year
1	Sundry Creditors for Raw Material	8,177,398	22,192,681
2	Sundry Creditors for Expenses	11,585,536	11,736,602
3	Expenses Payable	2,452,114	4,103,883
	Total	22,215,048	38,033,166

Note : 7 Other Current Liabilities

Sr. No	Particulars	Current Year	Previous Year
1	Current Maturities of Long Term Debt	2,367,427	47,832,977
2	Interest accrued and due on borrowings	96,428	54,914
3	Interest accrued but not due on borrowings	2,971,288	3,080,429
4	Advance From Customers	23,150,179	13,065,122
5	Statutory Liabilities	5,742,625	5,246,078
	Total	34,327,947	69,279,520

Note : 8 Short Term Provisions

Sr. No	Particulars	Current Year	Previous Year
1	Provision for Excise Duty on Finished Goods	4,438,054	3,765,632
	Total	4,438,054	3,765,632

Note No: 9 Tangible Assets

Particulars	Gross Block				Depreciation				Net Block	
	As on 01-04-2011	Additions during the Year	Sales/Adj. during the Year	Total as on 31-03-2012	Upto 31-03-2011	During the Year	Adjustment during the Year	Upto 31-03-2012	WDV. as on 31-03-2012	WDV. as on 31-03-2011
Land-Sahibabad	490,946	-	-	490,946	-	-	-	-	490,946	490,946
Land- B-5	4,954,518	-	-	4,954,518	-	-	-	-	4,954,518	4,954,518
Land- B-25/1	3,902,462	-	-	3,902,462	-	-	-	-	3,902,462	3,902,462
Mumbai Land	4,487,955	-	-	4,487,955	-	-	-	-	4,487,955	4,487,955
Land-Gurgaon	9,253,290	252,785	-	9,506,075	-	-	-	-	9,506,075	9,253,290
Warehouse at Mumbai	290,000	183,120	473,120	-	41,361	1,664	43,025	-	-	248,639
Office-I at Mumbai	196,500	-	-	196,500	144,363	2,607	-	146,970	49,530	52,137
Office-II at Mumbai	1,009,950	-	-	1,009,950	144,044	43,295	-	187,339	822,611	865,906
Factory Shed & Bldg.	12,064,901	-	-	12,064,901	4,746,835	731,807	-	5,478,642	6,586,259	7,318,066
Building-Gurgaon	-	25,586,035	-	25,586,035	-	45,440	-	45,440	25,540,595	-
Plant & Machinery	166,449,901	201,700	-	166,651,601	82,251,528	9,259,074	-	91,510,602	75,140,999	84,198,373
Furniture & Fixture	205,026	1,011,151	-	1,216,177	175,079	87,089	-	262,168	954,009	29,947
Office Equipment	1,450,311	185,426	-	1,635,737	782,679	81,965	-	864,644	771,093	667,632
Vehicles	13,311,502	2,351,868	2,311,887	13,351,483	7,524,023	1,972,957	1,880,645	7,616,335	5,735,148	5,787,479
Generator Set	4,494,143	1,425,000	-	5,919,143	3,390,010	179,820	-	3,569,830	2,349,313	1,104,133
Air-conditioners	737,781	2,021,664	-	2,759,445	345,917	58,350	-	404,267	2,355,178	391,864
Electrical Fitting	-	1,818,448	-	1,818,448	-	8,984	-	8,984	1,809,464	-
Computers	1,149,706	-	-	1,149,706	907,163	97,017	-	1,004,180	145,526	242,543
Total for the Year	224,448,891	35,037,197	2,785,007	256,701,081	100,453,002	12,570,069	1,923,670	111,099,401	145,601,680	123,995,889
Total for Prev. Year	183,309,345	42,172,279	1,032,733	224,448,891	82,483,127	18,669,631	699,756	100,453,002	123,995,889	100,826,218

Capital Work in Progress

Particulars	As at 01-04-2011	Additions	Total	Capitalized	As at 31-03-2012
Property at Gurgaon	16,965,866	8,620,169	25,586,035	25,586,035	-
Property at Mumbai	1,903,056	-	1,903,056	-	1,903,056
Total for the Year	18,868,922	8,620,169	27,489,091	25,586,035	1,903,056

Note : 10 Non-Current Investment

Sr. No	Particulars	Current Year	Previous Year
I	Investment in Joint Venture (Unquoted ,Trade) M/s Pir Panchal Construction JV, Jammu *	14,266,916	8,902,514
II	Quoted Other than Trade at cost less provision (Quoted) Investment in Equity Shares 25000 Equity Share of Rs.10/- each in Partap Industries Ltd. issued at Premium of Rs.10/- each (Previous Year 25000 Equity Shares) 60500 Equity Shares of Rs.10/- each in Uttam Value Steels Ltd. (Formerly Lloyd Steel Industries Ltd.) (Previous Year 60500 Equity Shares)	500,000 928,181	500,000 5,463,378
III	Unquoted Other than Trade at cost less provision (Unquoted) Investment in Equity Shares : Two Equity Shares of Rs. 100/- each in CIDCO, Mumbai	200	200
	Total	15,695,297	14,866,092
	Aggregate book value of unquoted Investments	14,267,116	8,902,514
	Aggregate book value of quoted Investments	1,428,181	5,963,378
	Market Value of quoted Investments	654,610	4,750,000
	Aggregate provision for diminution in value of Investments	-	-

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

Note : 11 Long Term Loans and Advances

Sr. No	Particulars	Current Year	Previous Year
I)	Capital Advances Unsecured, Considered Good	82,582,468	71,844,153
II)	Security Deposit Unsecured, Considered Good	4,980,491	3,914,999
III)	Other Loans & Advances	39,500	45,000
	Total	87,602,459	75,804,152

Note : 12 Inventories

Sr. No	Particulars	Current Year	Previous Year
1	Raw Material	149,283,187	107,768,632
2	Finished Goods	61,402,263	51,235,483
3	Rejection & Scrap	5,037,301	2,013,730
4	Consumables	1,216,400	1,433,726
	Total	216,939,151	162,451,571

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

Note : 13 Trade Receivables

Sr. No	Particulars	Current Year	Previous Year
1	Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, Considered Good :	14,935,402	9,573,574
2	Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, Considered Good :	125,481,756	135,550,434
	Total	140,417,158	145,124,008

Note : 14 Cash & Cash Equivalent

		(`)	(`)
Sr. No	Particulars	Current Year	Previous Year
1	Cash & Cash Equivalent		
	Cash Balance	1,436,481	862,874
	Bank Balance	373,547	624,760
	Sub Total (1)	1,810,028	1,487,634
2	Other Bank Balances		
	Fixed Deposits with Banks	17,341,934	19,336,471
	Accrued Interest on FDR's & Securities (In margin money with maturities more than three months and less than twelve months at inception)	1,136,528	533,300
	Sub Total (2)	18,478,462	19,869,771
	Total [1+2]	20,288,490	21,357,405

Note : 15 Short Terms Loans and Advances

		(`)	(`)
Sr. No	Particulars	Current Year	Previous Year
1	Advance to Suppliers and Others	21,650,315	23,586,307
2	Advance Income Tax/Refund Due	172,805	202,006
3	Prepaid Expenses	1,048,375	873,766
4	Advance Payment with Revenue Authorities (Indirect Taxes)	45,849,249	57,942,981
5	MAT Credit Entitlement	1,150,472	672,623
	Total	69,871,217	83,277,683

Note : 16 Revenue from Operations

		(`)	(`)
Sr. No	Particulars	Current Year	Previous Year
1	Sales (Finished Goods) - Domestic	1,131,705,371	841,280,783
2	Sales (Finished Goods) - Export	306,590,580	310,256,887
		1,438,295,951	1,151,537,670
3	Sales Traded Goods (Raw Material Cleared as such)	182,463,588	154,824,963
4	Job Work	3,042,170	4,062,247
5	Export Incentive	22,043,784	35,131,208
	Gross Revenue	1,645,845,492	1,345,556,088
6	Less: Excise Duty	(108,303,882)	(74,760,546)
	Total	1,537,541,610	1,270,795,542

Sr. No	Detail of Sale of Products	Current Year	Previous Year
	Manufactured Goods :		
1	Black Pipe/Tubes	915,983,806	448,097,041
2	Rejected Pipes /Scrap	55,398,394	47,144,809
3	GP Pipe/Tubes	418,284,459	633,316,524
4	Others	48,629,292	22,979,296
		1,438,295,951	1,151,537,670
	Trading Goods :		
1	Zinc	731,847	1,031,307
2	HR Strip/Coil	181,449,811	153,793,656
3	Steel Sockets	281,930	-
		182,463,588	154,824,963
	Total	1,620,759,539	1,306,362,633

Note : 17 Other Income

		(`)	(`)
Sr. No	Particulars	Current Year	Previous Year
1	Interest Earned on FDRs	1,826,900	1,292,894
2	Share Of Profit in joint Venture	5,364,402	3,710,931
3	Profit On Sale of Fixed Assets	7,508,663	267,023
4	Rental Receipts	304,032	-
5	Maintenance Receipts	41,935	-
6	Foreign Exchange Fluctuation	7,630,610	302,121
Total		22,676,542	5,572,969

Note : 18 Cost of Material Consumed

		(`)	(`)
Sr. No	Particulars	Current Year	Previous Year
1	Raw Materials	1,223,650,918	925,984,386
	Opening Stock	107,768,632	135,333,545
	Add: Purchase	1,265,165,473	898,419,473
	Less: Closing Stock	(149,283,187)	(107,768,632)
Total		1,223,650,918	925,984,386

Sr. No	Detail of Raw Material Consumed:	Current Year	Previous Year
1	HR Coil	1,148,760,369	830,842,385
2	Black pipe	16,249,170	17,681,983
3	Zinc & Others	58,641,379	77,460,018
Total		1,223,650,918	925,984,386

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

Note : 19 Change in Inventories

		(`)	(`)
Sr. No	Particulars	Current Year	Previous Year
1	Opening Stock		
	Finished Goods	53,249,213	73,145,638
Total-1		53,249,213	73,145,638
2	Closing Stock		
	Finished Goods	66,439,564	53,249,213
Total-2		66,439,564	53,249,213
Total (2-1)		(13,190,351)	19,896,425

Note : 20 Employee Benefit Expenses

		(`)	(`)
Sr. No	Particulars	Current Year	Previous Year
1	Salaries, Wages, Bonus etc.	18,733,046	15,270,032
2	Contribution to Provident and other Funds	1,833,536	1,179,784
3	Staff Welfare Expenses	187,336	316,494
Total		20,753,918	16,766,310

Note : 21 Financial Cost

Sr. No	Particulars	(`)	(`)
		Current Year	Previous Year
1	Interest Expense	33,858,105	34,977,382
2	Other Borrowing Cost	6,234,220	3,886,141
Total		40,092,325	38,863,523

Note : 22 Depreciation & Amortized Cost

Sr. No	Particulars	(`)	(`)
		Current Year	Previous Year
1	Depreciation	12,570,069	18,669,631
Total		12,570,069	18,669,631

Note : 23 Other Expenses

Sr. No	Particulars	(`)	(`)
		Current Year	Previous Year
<u>Manufacturing Expenses</u>			
1	Stores & Consumables	12,503,595	13,419,915
2	Job Work Charges	5,107,078	5,890,034
3	Power & Fuel Expenses	24,662,243	23,691,460
4	Repair & Maintenance :-		
	Building	2,727,052	61,597
	Plant & Machinery	4,773,951	2,330,600
<u>Administrative Expenses</u>			
5	Rent	616,993	631,500
6	Printing & Stationery	204,599	295,729
7	Postage & Telephone	666,541	828,629
8	Vehicle Running Expenses	1,071,443	766,254
9	Fees & Taxes	656,299	741,440
10	Travelling Expenses:		
	Directors	986,210	1,859,851
	Others	313,854	392,154
11	Legal & Professional Charges	359,368	682,764
12	Miscellaneous Expenses	213,573	121,718
13	Auditor's Remuneration	100,000	100,000
14	Insurance	190,042	122,693
15	Key-man Insurance	1,211,822	1,231,314
16	Office Expenses	398,119	166,680
<u>Selling & Distribution Expenses</u>			
17	Advertisement Expenses	453,238	213,085
18	Commission	5,557,643	7,183,548
19	Rebate & Discount	1,405,811	1,404,618
20	Freight Outward	24,334,499	21,586,985
21	Sales Promotion	2,069,619	674,085
22	Additional Entry Tax	385,470	1,197,990
23	Other Selling Expenses	182,535	-
Total		91,151,596	85,594,642

Note : 24 Exceptional Item

Sr. No	Particulars	(`)	(`)
		Current Year	Previous Year
1	Loss on Sale of Shares	401,858	137,119
Total		401,858	137,119

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

- a) Bank Guarantees of Rs.767.46 Lacs (Previous year Rs.862.82 Lacs).
- b) Bills Discounted of Rs.54.86 Lacs (Previous Year Rs.301.05 Lacs)
- c) Leave Encashment of Rs.2.58 Lacs (Previous Year Rs.1.92 Lacs)
- d) Accrued Liability in respect of Gratuity Outstanding of Rs.28.90 Lacs (Previous Year Rs.25.70 Lacs)
- e) Outstanding letters of credit amounting to Rs.125.00 Lacs. (Previous year Rs.125.00 Lacs)
- f) Entry Tax Payable Rs.111.42 Lacs (Previous Year NIL)
- g) Corporate Guarantees of Rs.3000.00 Lacs (previous Year NIL) given to Union Bank of India on account of Bank Guarantees furnished by Union Bank of India to the Jammu & Kashmir Govt on account of contracts awarded to M/s Pir Panchal Construction Pvt.Ltd., Joint Venture, an association of person, in which our company is one of the participant.

Note No.26

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

Note No.27

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

Note No.28 Disclosure regarding computation of EPS in accordance with AS-20

Particulars	<i>(Figures in `)</i>	
	2012	2011
Basic EPS		
Profit After Tax As per P&L A/c (Rs.)	26.35.689	1,37,13,114
Weighted Avg. Number of Equity Share	2,48,900	2,48,900
Basic EPS(Rs.)	10.59	55.09
Diluted EPS		
Profit After Tax As per P&L A/c (Rs.)	26.35.689	1,37,13,114
Diluted Number of Equity Shares O/s	2,48,900	2,48,900
Diluted EPS (Rs.)	10.59	55.09
Computation of Diluted Number of Equity Shares		
1. Basic Shares	2,48,900	2,48,900
2. Share Application Money of which share are allotted during the year	--	--
3. Issue Price Per Share in Rs	--	--
4. Number of Shares at above issue Price	--	--
5. Total Diluted Equity Shares (1+4)	2,48,900	2,48,900

Note No.29 Segment Reporting (AS-17)

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

Note No.30 Related Party Disclosures (AS 18)

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

A. List of Related Parties

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

1. M/s Advance Hightech Agro Products Pvt. Ltd.
2. M/s Hi Tech Pipes Ltd.
3. M/s Harso Steels Pvt. Ltd.
4. M/s Ravi Developers Pvt. Ltd.
5. M/s Gujarat Hi-Tech Steel Pvt. Ltd.
6. M/s Harbans Lal (HUF)
7. M/s Naresh Kumar & Sons (HUF)
8. M/s Richi Bansal (HUF)

Key Management Personnel

1. Mr. Naresh Bansal
2. Mr. Richi Bansal
3. Mr.Subhash Chander Khurana

Relatives of Key Management Personnel

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

B. Detail of Related Party Transactions

Particulars	Enterprises over which KMP and relatives of such personnel exercise significant control	Key Management Personnel	Relatives of such key Management Personnel
Purchase of Goods	31,03,212	--	--
Sales of Goods	36,34,078	--	--
Job Work Expenses	10,41,764	--	--
Job Work Income	8,94,830	--	--
Remuneration Paid	--	35,27,616	3,00,000
Interest Paid	9,18,902	34,799	14,91,260
Rent Paid	--	--	4,80,000

C. Amount due to / from Related Parties as on 31st March 2012

Particulars	Enterprises over which KMP and relatives of such personnel exercise significant control	Key Management Personnel	Relatives of such key Management Personnel
Amount due to Related Parties	51,50,505	2,21,71,272	28,70,046
Amount due from Related Parties	--	--	--

Note No.31 Value of Exports

Particulars	2012	2011
Value of Exports (FOB) (₹)	30,65,90,580	31,02,56,887

Note No.32 Expenditure in Foreign Currency

Particulars	2012	2011
Expenditure in Foreign Currency	5,54,272	12,40,157

Note No.33 Value of Imports on CIF basis

Particulars	2012	2011
Value of Imports (CIF) – Raw Material	---	2,18,74,878

Note No.34

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

Note No.35

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

Note No.36 Auditors Remuneration (excluding Service Tax)

Particulars	2012	2011
Statutory Audit Fees	80,000	80,000
Tax Audit Fees	20,000	20,000
Other Services	--	--
Total	1,00,000	1,00,000

Note No.37 Break-up of Managerial Remuneration

Particulars	2012	2011
Salary	34,24,800	34,22,200
Contribution to Provident Fund	23,616	20,496
Other Perquisites	79,200	61,200
Total	35,27,616	35,03,896

Note No.38 Breakup of Directors Travelling Expenses

Particulars	2012	2011
i). Foreign Travelling	7,93,532	15,96,061
ii). Inland Travelling	1,92,678	2,63,790
Total	9,86,210	18,59,851

Note No.39

On the basis of information available with the company, it does not owe any outstanding dues towards Small Scale Industrial Undertaking amended Schedule VI of the companies Act, 1956 vide Notification NO. GSR 129 (E) dated 22.02.99, in case the sum owned is Rs. 1.00 Lac or more which is outstanding for more than 30 days as at 31st March, 2012.

Note No.40

On the basis of information available with the company, the Company does not have any amounts due to suppliers under the Micro, Small and Medium Enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March 2012.

Note No.41

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

Note No.42

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

Note No.43

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

As per our separate audit Report of even date attached

For VAPS & Company

Chartered Accountants

Firm Regn. No. 003612N

Sd/-

P.K.Jain

Partner

M No. 82515

For and on behalf of the Board

Sd/-

Naresh Kumar Bansal

Managing Director

Sd/-

Richi Bansal

Director

Place : New Delhi

Date : August 29,2012

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

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

2) Fixed Assets

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

3) Impairment of Assets

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

4) Depreciation

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

5) Inventories Valuation

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

6) Foreign Exchange Transactions

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

7) Duties & Credits

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

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

9) Retirement Benefits

- a) The total accrued liability in respect of employees covered by the Payment of Gratuity Act, 1972, as actuarially determined in accordance with the relevant provisions of AS-15 issued by ICAI, and not provided for amounts to Rs.28,89,903/- (Previous Year Rs.25,69,684/-).
- b) Leave Encashment amounting to Rs.2,58,021/- (Previous Year Rs.1,91,909/-) has been not provided for.

10) Borrowing Cost

Borrowing cost is charged to the Profit & Loss Account, except cost of borrowing for the acquisition of qualifying assets, which is capitalized till the date of commercial use of the assets. In compliance of AS-16, the Borrowing Cost amounting to Rs.52,95,997/- (Previous Year Rs.40,48,307/-) has been capitalized during the year to the corresponding Capital Assets.

11) Taxes on Income

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

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

12) Revenue Recognition

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

13) Investments

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

14) Provision and Contingencies

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

15) Cash Flow Statement

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

16) Earnings per Share

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

As per our separate audit Report of even date attached

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

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

For and on behalf of the Board

Sd/-
Naresh Kumar Bansal
Managing Director

Sd/-
Richi Bansal
Director

Place : New Delhi
Date : August 29,2012