



SKIPPER STEELS LIMITED

ANNUAL REPORT

2006-2007

SKIPPER STEELS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sadhuram Bansal	Chairman
Mr. Sajan Kumar Bansal	Managing Director
Mr. Sharan Bansal	Director
Mr. Devesh Bansal	Director
Mr. Shankar Lal Poddar	Director
Mr. Roop Narayan Bhardwaj	Director

AUDITORS

Patanjali & Co.
Chartered Accountants
161/1, Mahatma Gandhi Road
Kolkata - 700 007

BANKERS

Oriental Bank of Commerce
ICICI Bank
HDFC Bank
State Bank of India

REGISTERED OFFICE

5D, Crescent Tower
229, A.J.C. Bose Road
Kolkata - 700 020.
Phone : 033-2289-2327, 033-2289-2328

WORKS

Jalan Complex
N.H. - VI, Vill. : Jangalour, Post : Andul Mouri
Howrah - 711 302

REGISTRAR & TRANSFER AGENT

ABS Consultants Pvt. Ltd.
Stephen House, Room No. 99
4, B.B.D. Bag East
Kolkata - 700 001
Phone : (033) 22301043, (033) 22430153

SKIPPER STEELS LIMITED

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the members of **SKIPPER STEELS LIMITED** will be held on, Monday, the 17th September, 2007 at 11.30 A.M. at the Registered Office of the Company at 5D, Crescent Tower, 229, A.J.C. Bose Road, Kolkata – 700 020 to transact the following business:

Ordinary Business

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 2007, Profit and Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
2. Declaration of Dividend for the year ended 31st March, 2007
3. To appoint a Director in place of Shri Devesh Bansal, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint auditors, M/s. Patanjali & Co., Chartered Accountants, Kolkata to hold office from the conclusion of this Annual General Meeting until the conclusion of the Next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

Special Business

5. Appointment of Shri Manindra Nath Banerjee as Director of the Company

To consider, and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Manindra Nath Banerjee in respect of whom the Company has received notice in writing under Section 257 of the Act from a member signifying his/her intention to propose Shri Manindra Nath Banerjee, as a candidate for the office of the director, be and is hereby appointed as Director of the Company subject to retirement by rotation under the Articles of Association of the Company.”

6. Re-appointment of Shri Sajan Kumar Bansal as Managing Director of the Company

To consider, and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT in terms of Article 125 of the Articles of Association of the Company and pursuant to the provisions of Sections 198, 269, 309, 311, 314, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (the said Act) and all guidelines for managerial remuneration issued by the Central Government from time to time consent of the Company be and is hereby granted for the re-appointment of Shri Sajan Kumar Bansal as the Managing Director of the Company for a further period of 3 years with effect from 1st October, 2007 upto 30th September, 2010 with liberty to either party to terminate the appointment on three months notice in writing to the other and on the terms as to remuneration and perquisites as being furnished in Explanatory Statement for this resolution annexed herewith.

7. Increase in sitting fees payable to the Directors

To consider and, if thought fit, to pass with, or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT the Clause (2) of Article No. 105 be substituted by the following clause:

“Each Director shall be paid out of the funds of the Company for attending the meetings of the Board or a committee thereof, by way of fee of upto Rs. 5,000 (Rupees Five Thousand only) for each meeting of the Board or of a Committee thereof attended by him as may be decided by the Board from time to time.

SKIPPER STEELS LIMITED

8. Re-Appointment of Shri Devesh Bansal as Whole-time director of the Company

To consider, and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in terms of Article 125 of the Articles of Association of the Company and pursuant to the provisions of Sections 198, 269, 309, 311, 314, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (the said Act) and all guidelines for managerial remuneration issued by the Central Government from time to time consent of the Company be and is hereby granted for the re-appointment of Shri Devesh Bansal as the Whole-time Director of the Company for a further period of 3 years with effect from 1st April, 2007 upto 31st March, 2010 with liberty to either party to terminate the appointment on three months notice in writing to the other and on the terms as to remuneration and perquisites as being furnished in Explanatory Statement for this resolution annexed herewith.

9. Appointment of Smt. Sumedha Bansal as employee of the Company

To consider and, if thought fit, to pass with, or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT the company hereby grants its approval and consent under section 314 of the Companies Act, 1956, to the appointment of Smt. Sumedha Bansal, a relative of Sri Sadhuram Bansal, Sri Sajan Kumar Bansal, Sri Sharan Bansal and Sri Devesh Bansal, who are the directors of the Company as an employee in the company at a salary of Rs. 18000 per month and that the directors be and they are hereby authorized to grant from time to time to Smt. Sumedha Bansal such increment or increments as the Directors may, in their discretion think fit."

By Order of the Board
For SKIPPER STEELS LIMITED

Place: Kolkata
Date: 14th August, 2007

(Sajan Kumar Bansal)
Managing Director

Registered Office:
5D, Crescent Tower,
229, A.J.C. Bose Road,
Kolkata – 700 020.
West Bengal

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The Proxy form should be lodged with the Company at its Registered Office, not later than 48 hours before the time of commencement of the meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to Special Business is annexed. All documents referred to in the above notice and explanatory statement are open for inspection at the Registered Office of the Company between 2.00 PM and 4.00 PM on all working days from Monday to Friday.
3. The Register of Members and Share Transfer Books will remain closed from 15th September, 2007 to 17th September, 2007 ((both days inclusive).
4. The dividend as recommended by the Board, if declared, will be paid on or after 17th September, 2007 to those members or their mandates:
 - a) whose names appear as beneficial owners as at the end of the business hours on 17th September, 2007 in the list of beneficial owners to be furnished by National Securities Depository Ltd. and Central Depository Services (India) Limited in respect of Shares held in electronic form and
 - b) whose names appear as Members in the register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/Registrar and Share Transfer Agents on or before 14th September, 2007

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5. The Company has listed its shares at The Calcutta Stock Exchange Association Ltd. and The U.P. Stock Exchange Association Ltd. and the Listing Fees for both the Stock Exchanges have been paid.
6. Members desiring any information on the accounts are requested to write to the Company at least ten days in advance, so as to enable the Management to keep the information ready at the meeting.
7. Members are requested to bring the admission slips along with their copies of the Report and Accounts to the meeting.
8. Any change of address of the members may please be notified to the Registrar and Share Transfer Agents of the Company quoting their registered folio.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 for item No. 5:

The Company has received valid notice from member proposing the candidature of Shri Manindra Nath Banerjee for the office of the director of the Company under provisions of Section 257 of the Companies Act, 1956 along with the requisite deposit of Rs. 500 as prescribed under the section. The Board considers it beneficial and in the interest of the Company to have the guidance and advice of Shri Manindra Nath Banerjee and accordingly recommend his appointment as director of the Company.

None of the Director is concerned or interested in the resolution set out at item no. 5.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 for item No. 6:

Shri Sajan Kumar Bansal has been in service of the Company for the last 23 years. He was appointed Managing Director of the Company with effect from 01.10.2002. His term as Managing Director is expiring on 30th September, 2007. The Board of Director of the Company considering his immense contribution to the Company has re-appointed him as Managing Director for a further period of 3 years with effect from 1st October, 2007 up to 30th September, 2010, subject to the approval of the Shareholders of the Company to the terms of his remuneration. He has contributed greatly in the Company achieving its present pre-eminent position in the industry. Considering his long association and experience with the business and affairs of the Company, his continuance with the Company is evidently to its benefit. The terms of remuneration are considered fair, just and reasonable and commended for your acceptance.

The terms of his remuneration are as under:

Category A

A. Remuneration

Basic Salary- Rs. 75,000 (Rupees Seventy Five Thousand only) per month subject to 10% increase in salary every year.

Category B

A. Provident Fund

Contribution to Provident Fund to the extent not taxable under the Income Tax Act, 1961.

B. Gratuity

Payable at a rate not exceeding half a month's salary for each completed year of service

C. Leave Pay

Encashment of earned leave as per Company rules at the end of the tenure.

Category C

A. Car

Free use of Company's car with driver for use on Company's business. Use of car for private purpose, if any, shall be billed by the Company to him.

B. Telephone

SKIPPER STEELS LIMITED

Free telephone facility at residence. Personal long distance calls, if any, shall be billed by the Company to him

C. Reimbursement of expenses

Reimbursement of entertainment, travelling and all other expenses, actually and properly incurred for the purpose of the Company.

The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limits prescribed from time to time under sections 198, 309, 310 and all other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the said Act, or any statutory modifications or re-enactment thereof for the time being in force, or otherwise as may be permissible at law.

Shri Sajan Kumar Bansal will not be entitled to sitting fees for attending the meetings of the Board of Directors of the Company so long as he functions as Managing Director.

This may be treated as an abstract required under section 302 of the Companies Act, 1956.

Shri Sajan Kumar Bansal himself and Shri Sadhuram Bansal, Shri Sharan Bansal and Shri Devesh Bansal are interested as relatives of director.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 for item No. 7:

At present the directors are entitled to sitting fees of upto Rs. 250 for every meeting of the Board which is very low in today's circumstances. Hence, it is recommended to increase the limit of sitting fee to Rs. 5000. Members' approval is sought for the increase of sitting fees.

All the directors may be considered interested in the resolution in their personal capacity and/or as relatives of directors.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 for item No. 8:

Shri Devesh Bansal has been in service of the Company for the last 3 years. He was appointed Whole-time Director of the Company with effect from 01.06.2005. His term as Whole-time Director has expired on 31st March, 2007. The Board of Director of the Company considering his immense contribution to the Company has re-appointed him as Managing Director for a further period of 3 years with effect from 1st April, 2007 up to 31st March, 2010, subject to the approval of the Shareholders of the Company to the terms of his remuneration. He has contributed greatly in the Company achieving its present pre-eminent position in the industry. The Company has shown commendable growth since his joining the Company. The terms of remuneration are considered fair, just and reasonable and commended for your acceptance.

The terms of his remuneration are as under:

Category A

B. Remuneration

Basic Salary- Rs. 35,000 (Rupees Thirty Five Thousand only) per month subject to 10% increase in salary every year.

Category B

D. Provident Fund

Contribution to Provident Fund to the extent not taxable under the Income Tax Act, 1961.

E. Gratuity

Payable at a rate not exceeding half a month's salary for each completed year of service

F. Leave Pay

Encashment of earned leave as per Company rules at the end of the tenure.

Category C

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- D. Car
Free use of Company's car with driver for use on Company's business. Use of car for private purpose, if any, shall be billed by the Company to him.
- E. Telephone
Free telephone facility at residence. Personal long distance calls, if any, shall be billed by the Company to him
- F. Reimbursement of expenses
Reimbursement of entertainment, travelling and all other expenses, actually and properly incurred for the purpose of the Company.

The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limits prescribed from time to time under sections 198, 309, 310 and all other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the said Act, or any statutory modifications or re-enactment thereof for the time being in force, or otherwise as may be permissible at law.

Shri Devesh Bansal will not be entitled to sitting fees for attending the meetings of the Board of Directors of the Company so long as he functions as Whole-time Director.

This may be treated as an abstract required under section 302 of the Companies Act, 1956.

Shri Devesh Bansal himself and Shri Sadhuram Bansal, Shri Sharan Bansal and Shri Sajan Kumar Bansal are interested as relatives.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 for item No. 9:

Smt. Sumedha Bansal, a relative of some of the directors of the Company is working in the Company and she has contributed to the growth of the Company. Considering her performance, the Board is of the opinion that salary of Smt. Sumedha Bansal has been increased with effect from 01.04.2007. Accordingly the Board recommends the increase in her salary for shareholders approval. Since, the salary is more than Rs. 10,000, shareholder's approval is necessary.

Sri Sadhuram Bansal, Sri Sajan Kumar Bansal, Sri Sharan Bansal and Sri Devesh Bansal, the directors of the Company may be considered as interested in the resolution as relatives.

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Directors' Report

To the Members of Skipper Steels Limited

Your Directors have pleasure in presenting the 26th Annual Report of your Company together with the Audited Accounts of the Company for the year ended 31st March, 2007.

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	Year ended	
	31 st March, 2007	31 st March, 2006
Gross Income	14099.36	4563.18
Net Income	12057.59	3865.62
Profit before Finance Cost, Depreciation, Extraordinary item and Taxation	851.01	333.40
Less: Finance Cost	284.73	77.30
Profit before Depreciation, Extraordinary item and Taxation	566.28	256.10
Less: Depreciation (net of transfer from Revaluation Reserve)	80.51	85.77
Profit before Extraordinary item and Taxation	485.77	170.33
Add : Depreciation for earlier years written back	108.87	-
Profit before Taxation	594.64	170.33
Less: Provision for Current Tax/Tax for earlier years/Deferred Tax/Fringe Benefit Tax	204.46	64.59
Profit after Taxation	390.18	105.74
Add; Balance brought forward from previous year	208.67	102.93
Profit available for appropriation	598.85	208.67
Appropriation:		
Dividend	17.00	-
Corporate Tax on Dividend	2.89	-
Balance Carried Forward	578.96	208.67

PERFORMANCE REVIEW FOR THE YEAR 2006-07

A. SALES ACHIEVEMENTS

The Company achieved a strong growth of more than 200% in the Sales value and operations during the year 2006-2007 by registering a Gross total income of Rs. 14099.36 lacs as against a value of Rs. 4563.18 lacs during the corresponding previous year.

B. PROFITABILITY

The Company earned Profit after Taxation of Rs. 390.18 Lacs as compared to Rs.105.74 Lacs in the previous year achieving growth of more than 268%.

DIVIDEND

Your directors are pleased to recommend a dividend of 10% i.e. Rs. 1 per Share for the financial year ended 31st March, 2007.

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CURRENT YEAR'S OUTLOOK

The Company is going ahead with an aim to maximizing its performance level and profit earning capacity. The Company has increased its operations in the segment of Trenchless Drilling and the revenue from the segment has almost doubled as compared to previous year. In the current year also we foresee a substantial increase in the level of performance in this segment. Your Company has increased the production of Towers in view of the demand from the Telecom sector and continued to supply Telecom Towers to the existing and as well as new clients. The Company is also doing tower erection work in addition to supplying the tower. As a results of which orders are blowing towards the company. There are better prospects for production and supply of communication towers. Almost all the telecom companies have become our clients. The Tube and Pole divisions of the Company are continuously contributing to the growth of the Company. There has been enough demand for the galvanized Tubes and Poles. The Company has plans to increase production and supply of tubes and poles during the year 2007-08.

FUTURE PLANS OF EXPANSION

Considering the buoyant demand for the products and marketing strength the Company has plans for mergers and acquisitions. The Company has in principle decided the merger of two other companies namely Bansal Cylinders & Tubes Ltd. and Vishwajyoti Tracon Pvt. Ltd. with the Company. Bansal Cylinders & Tubes Ltd. is at present engaged in manufacturing of Black Tower, M.S. Black Pipes which are similar to products of our company. Moreover Bansal Cylinders & Tubes Ltd. manufactures LPG Cylinders for domestic, industrial and auto cylinders which will be an added advantage of product mix.

The Company is also in the process of acquiring huge land at Uluberia on National Highway No. 6, Howrah, for future expansion of the Company.

DIRECTORS

Mr. Devesh Bansal retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment. The Board recommended his reappointment.

The Board of Directors of the Company appointed Mr. Roop Narayan Bhardwaj as additional Director at its meeting held on 01.04.2007. He holds office upto the date of the forthcoming Annual General Meeting (AGM) of Company. The Board appreciates his contribution during his tenure.

The Company has received representation from one of the Shareholder proposing the name of Mr. Manindra Nath Banerjee for appointment as director at the Annual General Meeting. Members approval has been sought for his appointment.

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, 2007, 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 20 to the Accounts and applied them consistently and made judgments and estimates
- iii. 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, 2007 and of the profit or loss of the Company for the year ended on that day;
- iv. the directors have taken proper and sufficient care for the maintenance of adequate accounting

SKIPPER STEELS LIMITED

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;

- v. the annual accounts for the year ended 31st March, 2007 have been prepared on a "going concern" basis.

PARTICULARS OF EMPLOYEES AND OTHER STATUTORY INFORMATION

There is no employee drawing more than Rs. 24,00,000/- per annum, where employed for full year or Rs. 2,00,000/- per month, where employed for a part of the year and hence provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable.

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 31.03.2007

CONSERVATION OF ENERGY

- (1) The Company is having a strong technical department headed by senior personnel to continuously monitor energy consumption and plan and execute energy conservation schemes. Effective measures are being taken for overall technology up gradation of Plant & Machinery in various units. The Company has plans to install energy efficient devices in the new projects also.
- (2) Total energy consumption and energy consumption per unit of production:

FORM - "A"

[A] POWER AND FUEL CONSUMPTION	
Sr.No.	Particulars
	Year 2006-07
1	Electricity
	a) Purchased
	Unit 1277963
	Total Amount (in Rs.) 5642661
	Rate / Unit (Rs.) 4.42
	b) Own generation
	(i) Through Diesel generator
	Unit 107670
	Total Amount (in Rs.) 1507385
	Rate / Unit (Rs.) 14
2	Coal
	Quantity N.A.
	Total Amount N.A.
	Rate / Unit (Rs.) N.A.

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3	Furnace Oil	
	Quantity (ltr)	550000
	Total Amount	12047438
	Rate / Unit (Rs.)	22
4	Others	
	Quantity	N.A.
	Total Amount	N.A.
	Rate / Unit (Rs.)	N.A.

[B] Consumption per unit of production	
Particulars	Unit per M.T.
MS Pipe / Pole	52
Structural Fabrication (Tower)	155

TECHNOLOGY ABSORPTION

TECHNOLOGY ABSORPTION

a) Research & Development (R&D)

Specific areas in which R&D carried out by the Company:

1. The Research & Development efforts of the Company continued to be directed towards Quality Control and improvement of in house expertise.
2. Efforts have been made to find the new areas with a view to expand the market for the product and services of the Company.

Benefits derived as a result of the above R&D

- i) There has been improvement in product quality, cost effectiveness, time saving and volume of working.

b) Technology Absorption, Adaptation and innovation:

- i) The company is assessing technical capability and feasibility on regular basis and is prepared for technical upgradation.
- ii) The recruitment of experienced and skilled manpower and technical persons is the step taken by the Company in respect of Technology updation.

Benefits derived as a result of the above efforts:

The above efforts have improved the quality of the product. Besides it has also improved the productivity and reduced the wastages.

Information regarding technology imported during last five years: Not Applicable

SKIPPER STEELS LIMITED

[C] Foreign Exchange earning / outgo Foreign Exchange Earned:

	2006-2007	2005-2006
Foreign Exchange earned	Nil	Nil
Foreign Exchange Outgo	483409	535385
C.I.F.Value of Imports	Nil	Nil

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

M/s. Patanjali & Co., Chartered Accountants, Kolkata, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. M/s. Patanjali & Co., Chartered Accountants, Kolkata, 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.

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 & TAKE-OVERS) REGULATIONS, 1997

Sri Sadharam Bansal, Sri Sajan Kumar Bansal, Sri Sharan Bansal, Sri Devesh Bansal, Sri Siddharth Bansal, Smt. Ram Murti Bansal, Smt. Meera Bansal, Smt. Sumedha Bansal, Smt. Rashmi Bansal, Cement Manufacturing Co. Ltd., Megha Technical & Engineers (P) Ltd., Bansal Cylinders & Tubes Ltd., Bansal Poles & Towers Ltd, Bansal TMT Steels Ltd., Swasti Agencies (P) Ltd., Sajan Kumar Bansal & Sons (HUF), Skipper Telelink Ltd. Transcend Infrastructure Limited.

COMPLIANCE CERTIFICATE

During the year under review, your Company had appointed M/s. J.Patnaik & Associates, Company Secretaries, under section 383A(1) of the Companies Act, 1956 for issuance of Compliance Certificate as prescribed under the Companies (Compliances) Certificates Rules, 2001. Compliance Certificate issued by J.Patnaik & Associates is annexed herewith.

HUMAN RESOURCES SOCIAL DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company firmly believes in all round development of human resources of the company as well as social development. As a social worker Mr. S.K.Bansal contributed some of his valuable time for the social growth of the country. At present he is the vice-president of Friends of Tribal Society, the renowned NGO.

The Company maintains absolute harmony and cordial relation with the workforce of the Company. The Company has not faced any labour trouble since its inception.

ACKNOWLEDGEMENT

The Board wishes to express appreciation and place on record its gratitude for the faith reposed in and co-operation extended to the Company by the Central and State Governments, Banks, Customers, Suppliers, Shareholders and business associates of the Company and dedicated staff for their continuous support to the growth of the Company.

For and on behalf of the Board

Place : Kolkata
Date : 14th August, 2007

Sajan Kumar Bansal
Managing Director

SKIPPER STEELS LIMITED

J.PATNAIK & ASSOCIATES

Company Secretaries

7A, Bentick Street

Suite-403, 4th Floor

Kolkata – 700 001

Phone : 2231-8702

Email:jpatnaikassociates@gmail.com

COMPLIANCE CERTIFICATE

To

The Members,

SKIPPER STEELS LIMITED

We have examined the registers, records, books and papers of SKIPPER STEELS LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2007. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated under, as per the provisions and the rules made thereunder and all entries therein have been duly recorded
 - i) Register of Member under section 150
 - ii) Register of Contracts under section 301
 - iii) Register of Directors under section 303
 - iv) Register of Directors' Share holding under section 307
 - v) Minutes Books of Meeting of Board of Directors under section 193
 - vi) Minutes Books of Meetings of General Meetings under section 193
 - vii) Register of charge under section 143
 - viii) Books of Accounts
 - ix) Register of Share Transfer
2. The Company has duly filed the forms and returns as stated under, with the Registrar of Companies :-
 - i) Annual Accounts u/s 220;
 - ii) Annual Return u/s 159;
 - iii) Compliance Certificate u/s.383A
 - iv) Form 23
 - iv) Form 8 u/s. 125/127/135
 - v) Form 8 u/s. 125/127/135
3. The company being a public limited company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met on 04/04/2006, 28/04/06, 22/05/06, 19/06/06, 24/06/06, 29/07/06, 05/09/06, 21/09/06, 30/10/06, 04/11/06, 17/11/06, 24/11/06,27/12/06, 30/01/06 08/02/07,23/02/07, 24/03/07, 29/03/07 and 31/03/07.

In respect of which meetings proper notices were given and the proceeding were properly recorded and signed in the Minutes Book maintained for the purpose.

5. The Company has closed its Register of Members from 21/09/06 to 28/09/06 (both days inclusive).

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6. The Annual General Meeting for the financial year ended on 31st March, 2006 was held on 28/09/2006 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. Two Extra Ordinary General Meetings were held on 01.09.2006 and 09.03.2007 during the year.
8. There are no transactions falling within the limit of section 295 of the Act.
9. The Company has not entered into any contract covered under the provisions of section 297 of the Act.
10. The Company was duly made entries in the register to maintained under section 301 of the Act.
11. The provisions of Section 314 of the Act, were not applicable to the Company during the financial year.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has
 - (i) not deposited any amount in separate Bank Account as no dividend was declared during the financial year.
 - (ii) not posted any warrants to any Member of the Company as no dividend was declared during the financial year.
 - (iii) No amount unpaid in dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which has remain unclaimed or unpaid for a period of seven years and hence transferring of the same to the Investor Education and Protection Fund does not arise.
 - (iv) duly complied with the applicable requirements of Section 217 of the Act .
14. The Board of Directors of the Company is duly constituted and the appointment of additional director was duly made in compliance with the provisions of the Act .
15. The Company has not appointed any Managing Director/Whole Time Director/Manager, during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Govt. Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the any provisions of the Act during the financial year.
18. The directors duly disclosed their interest in other firms/companies and those were duly recorded in the register kept for that purpose.
19. The Company has issued Equity Shares during the year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares during the financial year.
22. The Company was not required to keep in abeyance rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not taken deposits under the provision of section 58A and 58AA read with the Companies (Acceptance of Deposit) Rules, 1975/the applicable direction issued by the Reserve Bank of India/any other authority.
24. The borrowings of the company are within the limit of Section 293(1)(d) of the Act.
25. The investments made by the Company are within the limit of section 372A of the Companies Act, 1956.
26. The Company has not altered the provisions of the Memorandum during the year under scrutiny with respect to situations of the Company's Registered Office from one state to another.

SKIPPER STEELS LIMITED

27. The Company has altered the provisions of the Memorandum during the year under scrutiny with respect to Objects of the Company.
28. The Company has altered the provisions of the Memorandum during the year under scrutiny with respect to the Name of the Company.
29. The Company has altered the provisions of the Memorandum during the year under scrutiny with respect to Share Capital of the Company.
30. The Company has not altered its Articles of Association during the financial year.
31. As explained to us, there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the year under certification.
33. The provisions of Section 418 of the Companies Act, 1956 is not applicable since the Company has not constituted any provident fund of its own.

Place: Kolkata
Dated: 14/08/2007

Signature :
Name of Company Secretary
J. Patnaik
FCS No. : 5045
C. P. No. : 3102

For J. Patnaik & Associates
Company Secretaries
J. Patnaik, Partner

SKIPPER STEELS LIMITED

PATANJALI & CO.

Chartered Accountants

161/1, Mahatma Gandhi Road

Kolkata – 700 007

Phone No. 033-2268 9802

Email- sharmavirat@rediffmail.com

AUDITORS' REPORT

TO THE MEMBERS OF SKIPPER STEELS LIMITED

1. We have audited the attached Balance Sheet of **SKIPPER STEELS LIMITED** as at 31st March 2007 and also the Profit & Loss Account of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
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 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. Attention is invited to Note No. 4 regarding change in the method of depreciation which hitherto was provided on written down value method has been provided on straight line method. As a result of which, depreciation amounting to Rs. 1,41,04,579 has been written back by crediting Rs. 1,08,87,405 to the Profit and Loss Account and Rs. 32,17,174 to Revaluation Reserve Account. Further, depreciation for the year is lower by Rs. 1,06,07,486 as compared to previous year with consequent effect on Profit and Loss Account, Fixed Assets and Revaluation Reserves. Had the method of depreciation not changed, fixed assets would have been Rs. 17,86,19,482 (as against reported figure of Rs. 20,01,14,733), profit for the year before adjustment figure would have been Rs. 3,79,69,576 (as against reported figure of Rs. 4,85,77,062 and Reserves and Surplus figure would have been Rs. 13,75,76,311 (as against reported figure of Rs. 15,90,71,202).
4. The earlier Auditor's Report dated 12th June, 2007 on the original accounts for the year ended 31st March, 2007 has been revised to take into effect the declaration of dividend on equity shares at the rate of 10% and dividend tax thereon. We have been informed that the original accounts have not been circulated with the shareholders prior to its adoption at the Annual General meeting as yet.
5. 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 paragraph 4 and 5 of the said Order, to the extent applicable.
6. Further to our comments in the annexure referred to as above, 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 the books;
 - (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956, to the extent applicable.
 - (v) On the basis of written representations received from the directors of the Company, as on 31st March, 2007, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2007 from being appointed as a director in terms of clause (g) of sub-section (i) of section 274 of the Companies Act, 1956, and
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - A. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007 and
 - B. In the case of the Profit and Loss Account, of the profit for the year ended on that date.
 - C. In the case of Cash Flow Statement of the cash flows for the year ended on that date.

For PATANJALI & CO.

Chartered Accountants

(PATANJALI SHARMA)

Partner

Place: Kolkata

Date : 14th August, 2007

Membership No. 14993

SKIPPER STEELS LIMITED

Annexure to Auditors' Report

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

- (i)
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to information and explanation given to us, the company has not disposed off any major fixed assets during the year.
- (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.
 - (c) The company is maintaining proper records of inventory. 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 from three other companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 45,55,000 and the year-end balance of loans taken from such parties was Rs. Nil. The Company had taken loan from four directors. The maximum amount involved during the year was Rs. 1,94,50,000 and the year-end balance of loans taken from directors was Rs. 51,00,000. 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

SKIPPER STEELS LIMITED

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) In our opinion, the company does not have a formal internal audit system. As informed to us, the Company is in process of setting up an internal audit system 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 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. 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.
- (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

SKIPPER STEELS LIMITED

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.

Place: Kolkata
Dated: the 14th day of August, 2007

For PATANJALI & CO.
Chartered Accountants
(PATANJALI SHARMA)
Partner

Membership No. 14993

SKIPPER STEELS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2007

	Schedules	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
A. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	17001750	12001750
Reserves & Surplus	2	157082082	174083832
			71969635
			83971385
LOAN FUNDS			
Secured Loan	3	246779958	152938330
Unsecured Loan	4	59845883	306625841
			56320036
			209258366
DEFERRED TAX LIABILITY		12404113	5175834
TOTAL:		493113786	298405585
B. APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	222277557	204638685
Less : Depreciation		27551846	33523302
Net Block		194725711	171115383
Capital Work in Progress		5389022	200114733
			—
			171115383
INVESTMENTS	6	6557850	2515350
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	168028446	98514297
Sundry Debtors	8	267916249	51749001
Cash & Bank Balances	9	12788783	7209407
Loans & Advances	10	31666098	34986405
		480399576	192459110
LESS: CURRENT LIABILITIES	11	193958373	67684258
NET CURRENT ASSETS		286441203	124774852
		493113786	298405585

NOTES TO THE ACCOUNTS

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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.**
Chartered Accountants

(**PATANJALI SHARMA**)
Partner
Membership No. 14993

Kolkata
Dated : the 14th day of August, 2007

For and on behalf of Board of Directors

(**SAJAN KUMAR BANSAL**)
Managing Director
(**SHARAN BANSAL**)
Director
(**DEVESH BANSAL**)
Director

SKIPPER STEELS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	Schedules	Year ended 31.03.2007	Year ended 31.03.2006
		Rs.	Rs.
A. INCOME			
Sales (Net) & Operations			
Gross Sales	12	1405822204	455403351
Less : Excise Duty		156139726	54469805
Sales Tax/Vat		48037247	15286504
Net Amount		1201645231	385647042
Profit on sale of Investments		1537500	201
Other Income	13	2576389	914831
Increase / (Decrease) in Stock	14	52070030	55171533
		1257829150	441733607
B. EXPENDITURE			
Materials Consumed	15	1020586575	354424772
Manufacturing and drilling Expenses	16	83207249	29877601
Personnel Expenses	17	17342055	9499309
Administrative, Selling & Other Expenses	18	51592318	14592223
Finance Charges	19	28473140	7729557
Depreciation	5	8050751	424700915
C. PROFIT			
Profit Before Adjustment		48577062	17032692
Add : Depreciation for earlier year written back (Refer Note No. 4 in Schedule 20)		10887405	—
Profit Before Tax		59464467	17032692
Less : Provision for Taxation			
Income tax-current year		12000000	3000000
Income tax -earlier years		668362	(520320)
Fringe Benefit Tax-current year		550000	425000
Deferred tax		7228279	3554382
PROFIT AFTER TAX		39017826	10573630
Add: Profit brought forward from previous year		20866538	10292904
PROFIT AVAILABLE FOR APPROPRIATION		59884364	20866534
APPROPRIATION			
Proposed Dividend		1700175	—
Corporate Tax on Dividend		288945	—
Balance Carried Forward		57895244	20866534
		59884364	20866534
Weighted Average number of Equity Shares of Rs. 10 each		1211134	1200175
Basic and Diluted Earning Per Share		23.23	8.81

NOTES TO THE ACCOUNTS

20

The schedules referred to above form an integral part of Profit & Loss Account
In terms of our report of even date annexed herewith
For PATANJALI & CO.

Chartered Accountants
(PATANJALI SHARMA)

Partner
Membership No. 14993

Kolkata
Dated : the 14th day of August 2007

For and on behalf of Board of Directors

(SAJAN KUMAR BANSAL)
Managing Director
(SHARAN BANSAL)
Director
(DEVESH BANSAL)
Director

SKIPPER STEELS LIMITED

As at 31.03.2007
Rs.

As at 31.03.2006
Rs.

SCHEDULE - 1

SHARE CAPITAL

Authorised

2000000 Equity Shares of Rs. 10 each

20000000

20000000

Issued, Subscribed & Paid Up Capital

1700175 (Previous year 1200175) Equity Shares of
Rs. 10 each fully paid up in cash

17001750

12001750

17001750

12001750

SCHEDULE - 2

RESERVES AND SURPLUS

Revaluation Reserve

As per Last Account 37203129

37647032

Less : Depreciation on Revaluation of

Fixed Assets Written back (Refer Note No. 4 in

Schedule No. 20)

3217174

—

40420303

37647032

Less : Depreciation on Revaluation of

Fixed Assets

133437

40286866

443903

37203129

Share Premium Account

As per last Account

12000000

12000000

Add : Received during the year

45000000

57000000

—

12000000

General Reserve

As per last Account

1899972

189972

Profit & Loss Account

57895244

20866534

157082082

71969635

SCHEDULE - 3

SECURED LOAN

Term Loan

From Oriental Bank of Commerce

Secured against hypothecation of fixed asset

financed and equitable mortgage of land

and building

76224450

63445051

(Due within one year : Rs. 1,66,00,000)

Cash Credit

From Oriental Bank of Commerce

167431755

83985641

Secured by way of hypothecation of stock, book

debts and other current assets of the Company,

both present and future, equitable mortgage of

land and building and personal guarantee of

Directors

SKIPPER STEELS LIMITED

Hire Purchase Loan

Secured against hypothecation of respective fixed
assets financed

From Banks

3123753

5507638

246779958

152938330

SCHEDULE - 4

UNSECURED LOAN

(Including Interest accrued thereon)

From Bodies Corporate

54100000

49575000

From Directors

5100000

6070848

Interest accrued & due

645883

674188

59845883

56320036

**SCHEDULE 5
FIXED ASSETS**

Description	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 01-04-2006 Rs.	Additions Rs.	Sales/Adj stment Rs.	As at 31.03.2007 Rs.	As at 01-04-2006 Rs.	For the Year Rs.	Written back Rs.	Sales/Adj stment Rs.	As at 31.03.2007 Rs.	As at 31.03.2007 Rs.	As at 31.03-2006 Rs.
Land and Land Development	38674158	6340693	390848	44624003	—	—	—	—	—	44624003	38674158
Building	52118623	3250634	614180	54755077	8111793	1791946	4245256	40971	5617512	49137565	44006830
Plant & Machinery	101618322	9348932	447124	110520130	21117586	5263509	7733329	—	18647766	91872364	80500736
Furniture & Fixture	1770658	143672	34324	1880006	638550	127937	71771	—	694716	1185290	1132108
Vehicles	10456924	86583	45166	10498341	3655373	1000796	2064317	—	2591852	7906489	6801551
Total	204638685	19170514	1531642	222277557	33523302	8184188	14114673	40971	27551846	194725711	171115383
Previous Year	100189173	105386199	936687	204638685	25303161	9021356	801215	—	33523302	171115383	

Capital work in Progress

5389022

Notes :

1. The gross block includes revaluation as on 31st March, 1997 carried out by approved valuers on the basis of replacement value amounting to Rs. 4,35,20,129
2. Gross block of vehicle include assets acquired on hire purchase basis amounting to Rs. 7106356 (Previous year Rs. 13486308)

SKIPPER STEELS LIMITED

SKIPPER STEELS LIMITED

SCHEDULE - 6

INVESTMENTS

	As on			As on		
	31.03.2007			31.03.2006		
	FACE VALUE	NUMBER	AMOUNT	FACE VALUE	NUMBER	AMOUNT
	Rs.		Rs.	Rs.		Rs.
LONG TERM TRADE INVESTMENT						
QUOTED SHARES (FULLY PAID UP)						
BMW Industries Limited		—	—	10	100000	612500
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			<u>633860</u>			<u>1246360</u>
LONG TERM NON TRADE INVESTMENTS						
UNQUOTED SHARES (FULLY PAID UP)						
Shyam Century Ferrous Limited		—	—	10	40833	1224990
Bansal Cylinders & Tubes Limited	10	100000	4655000	10	—	—
			<u>4655000</u>			<u>1224990</u>
LONG TERM NON TRADE INVESTMENTS						
QUOTED SHARES (FULLY PAID UP)						
Century Plyboards (I) Limited	10	30625	1224990		—	—
ICICI Bank Limited	10	150	42000	10	150	42000
			<u>1266990</u>			<u>42000</u>
LONG TERM TRADE UNQUOTED INVESTMENTS (FULLY PAID UP)						
Jindal Vijaynagar Steels Limited-Warrants		—	—		446	—
National Savings Certificate			2000			2000
			<u>2000</u>			<u>2000</u>
Aggregate of Book Value						
Quoted Investments			1900850			1288360
Unquoted Investments			4657000			1226990
Total			<u>6557850</u>			<u>2515350</u>
Aggregate Market Value of Quoted Investments			<u>10407327</u>			<u>1177112</u>

Note : 30625 equity shares of Century Plyboards (I) Limited was received against 40833 equity shares of Shyam Century Ferrous Limited following & scheme of Arrangement.

As at 31.03.2007
Rs.

As at 31.03.2006
Rs.

SCHEDULE - 7

INVENTORIES

(As taken, valued & certified by the management)

Raw Materials	43145541	20567381
(Including goods in transit: Rs. 52,02,337 Previous year Rs. Nil)		
Stores & Spare Parts	2321202	4921001
Work In Process	103442512	37913397
Finished Goods	18320932	34464607
Scrap & Waste	798259	947911
	<u>168028446</u>	<u>98514297</u>

SKIPPER STEELS LIMITED

As at 31.03.2007

As at 31.03.2006

Rs.

Rs.

SCHEDULE - 8

SUNDRY DEBTORS

(Unsecured, considered Good)

Debts outstanding for a period exceeding six months

Other Debts

17000870

7984902

250915379

43764099

267916249

51749001

SCHEDULE - 9

CASH AND BANK BALANCES

Cash in hand (As certified)

530110

346495

Cheque in hand

620256

563421

Balances with Scheduled Banks

In Current Accounts

2326507

160489

In Fixed Deposit Accounts

9311910

11638417

6139002

6299491

(Pledged against guarantees issued by Bank and

Letter of Credit issued by Bank)

12788783

7206407

SCHEDULE - 10

LOANS, ADVANCES AND DEPOSITS

(Unsecured, considered Good)

Advances

13693302

12137499

(Recoverable in cash or in kind or for value to be received or pending adjustments)

Unbilled revenues

481824

1763060

Balances with Central Excise Department

7127027

13895151

Tax and Tax Deducted at sources (net of provision)

—

1273505

Deposits

10363945

5917190

31666098

34986405

SCHEDULE - 11

CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES

Bills payable

39664864

Sundry Creditors

For Capital Goods

1853362

5508475

For Goods

111479437

36878982

For Expenses

22792111

8504366

For Others

9209516

142334426

3061211

53953034

Due to a Scheduled Bank in Current Account

against Excess issue of cheques

—

41315

Unearned revenues

349564

24300

Advances and Deposits received

7087770

13665609

189436624

67684258

PROVISIONS

Provision for Income Tax (net of payments)

2532629

—

Proposed Dividend

1700175

—

Corporate Tax on Dividend

288945

4521749

—

193958373

67684258

SKIPPER STEELS LIMITED

	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
SCHEDULE - 12		
SALES (NET) AND OPERATIONS		
Finished Goods & Others	1361199473	421614188
Labour Charge	11985055	17316270
(Gross, Tax deducted at source Rs.171559, Previous Year 337660)		
Income from Drilling Operations	32637676	16472893
(Gross, Tax deducted at source Rs. 260850, Previous year Rs.596712)	<u>1405822204</u>	<u>455403351</u>

SCHEDULE - 13		
OTHER INCOME		
Rent	—	32400
Interest	674675	462850
(Gross, Tax deducted at source Rs.115325 Previous year Rs.51306)		
Dividend	231812	12214
Profit on sale of Fixed Assets (Net)	619934	162602
Insurance claim received	—	68352
Miscellaneous Income	1049968	10000
Liabilities no longer required written back (net)	—	166413
	<u>2576389</u>	<u>914831</u>

SCHEDULE - 14			
INCREASE/(DECREASE) IN STOCK			
Opening Stock			
Work In Process	37913397		6976494
Finished Goods	34464607		6953437
Scrap & Waste	647911		252654
	<u>73025915</u>		<u>14182585</u>
Less: Vat credit available on opening stock	—	73025915	569104
			<u>13613481</u>
Less : Closing Stock			
Work In Process	103442512		37913397
Finished Goods	18320932		34464607
Scrap & Waste	798259	122561703	947911
			<u>73025915</u>
Increase /(Decrease) in Stock		49535788	59412434
(Increase)/Decrease in Excise Duty on Finished Goods		2534242	(4240601)
		<u>52070030</u>	<u>55171533</u>

SKIPPER STEELS LIMITED

SCHEDULE - 15

MATERIAL CONSUMED

Raw Materials Consumed (Including
Conversion Charges and procurement
expenses

Opening Stock	20567381	20070002
Add : Purchases	1043164735	354922151
	<u>1063732116</u>	<u>374992153</u>
Less : Closing Stock	43145541	20567381
Consumption of Raw Materials	<u>1020586575</u>	<u>354424772</u>

SCHEDULE - 16

MANUFACTURING AND DRILLING EXPENSES

Stores & Spare Parts Consumed	26195855	5674540
Power & Fuels	7151496	5702863
Labour Charges	44948088	18114145
Machine Rent	3000000	—
Miscellaneous Expenses	355700	106777
Repairs to		
Plant & Machinery	528683	245335
Building	<u>1027427</u>	<u>33941</u>
	<u>1556110</u>	<u>279276</u>
	<u>83207249</u>	<u>29877601</u>

SCHEDULE - 17

PERSONNEL EXPENSES

Salaries, Wages & Allowances	14873059	7695164
Directors' Remuneration	707076	579160
Employers' Contribution to Statutory Funds	423263	252836
Workmen & Staff Welfare Expenses	<u>1338657</u>	<u>972149</u>
	<u>17342055</u>	<u>9499309</u>

SCHEDULE - 18

ADMINISTRATIVE, SELLING AND OTHER EXPENSES

Rent	292580	448648
Rates & Taxes	200668	57136
Insurance Charges	3326256	708737
Electricity Charges	55168	77405
Postage & Courier Expenses	91553	34211
Telephone & Fax Expenses	1203129	747955
Printing & Stationeries	423993	418406
Travelling & Conveyance Expenses	5678196	2189895
Bank Charges & Commission	4940542	687736
Freight, Packing & Handling Expenses	12370014	1216767
Legal & Professional Expenses	1311358	561694
Vehicle Maintenance Expenses	1415100	1278642
Other Maintenance Expenses	4051453	2346953
Security Service Charges	744056	428158

SKIPPER STEELS LIMITED

Advertisement & Sales Promotion Expenses	1964191		2062799
Commission on Sales	1684976		380703
Discount	296016		2100
Local Taxes	2294168		75566
Miscellaneous Expenses	3056960		815962
Sundry Balance Written Off	5192941		—
Charity and Donation	925000		—
Auditor's Remuneration			
As Audit Fees	45000	25000	
For Tax Audit	10000	12500	
For Certification	19000	15250	52750
	<u>74000</u>	<u>15250</u>	<u>52750</u>
	<u>51592318</u>		<u>14108103</u>

SCHEDULE - 19

FINANCE CHARGES

Interest to Bank			
On Term Loan	7185878	319764	
On Cash Credit Account	11152237	5879012	
Other Interest	9829006	1278262	7477038
	<u>28167121</u>	<u>1278262</u>	<u>7477038</u>
	<u>306019</u>		<u>252519</u>
Hire Purchase Charges	<u>28473140</u>		<u>7729557</u>

Schedule 20
Notes to Accounts**1. Significant Accounting Policies:****A) ACCOUNTING POLICIES**

The accounts are prepared in accordance with accounting principles generally accepted in India.

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.
- (iv) Bonus to employees is accounted for at the time of payment only.

C) FIXED ASSET

Fixed assets are stated at cost of acquisition or construction inclusive of expenditure incurred upto the asset is put to use and as reduced by cenvat credit, if any.

D) DEPRECIATION

Depreciation on Fixed Assets is provided for on straight line method in the manner and at the rates specified in schedule XIV of the Companies Act, 1956.

E) 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.

F) 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.
- (ii) Work in process is valued at cost.
- (iii) Finished goods are valued at lower of cost or net realizable value
- (iv) Scrap and wastage valued at net realizable value.

G) BORROWING COSTS

Borrowing costs incurred in relation to the acquisition of assets are capitalised as part of the cost of such assets upto 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.

SKIPPER STEELS LIMITED

H) 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.

I) IMPAIRMENT OF ASSETS

All the fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment loss being the excess of carrying value over the recoverable value of the assets are charged to the profit and loss account in the respective financial years. The impairment loss recognized in the prior years is reversed in such cases where the recoverable value exceeds the carrying value, upon reassessment in the subsequent years.

J) 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.

K) 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) recognised as income or expense in the period in which they arise in other cases.

L) RETIREMENT BENEFITS

Encashment of earned leave is accounted for on cash basis. Contribution to gratuity funds is being made under cash accumulation scheme of Life Insurance Corporation of India. Other retirement benefit is accounted for on cash basis.

M) 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 and 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. Contingent liabilities not provided in respect of:

Amount in rupees

Particulars	31.03.2007	31.03.2006
a) Sales tax liability against which Company has preferred appeals with the appropriate authorities.	Nil	59,41,856
b) Disputed income tax demand	Nil	4,92,538
c) Bills discounted	3,47,23,768	Nil
d) Bank guarantee issued by Bank	14,52,30,439	3,57,01,426

SKIPPER STEELS LIMITED

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 as (a) and (b) above pending resolution of the appellate proceedings.
 - (iii) In respect of matters at (c), 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 (d), the cash outflows, if any, could generally occur at any time during the subsistence of the liability to which the guarantee relate.
3. Estimated amount of contracts pending execution on capital account (net of advances) is Rs. 3,86,385 (Previous year Rs. 17,75,482).
 4. With a view to more appropriate presentation of the financial statements, depreciation which hitherto was provided on written down value method has been provided on straight line method. As a result of which, depreciation amounting to Rs. 1,41,04,579 has been written back by crediting Rs. 1,08,87,405 to the Profit and Loss Account and Rs. 32,17,174 to Revaluation Reserve Account. Further, depreciation for the year is less by Rs. 1,06,07,486, with consequent effect on Profit and Loss Account, Fixed Assets and Revaluation Reserves.
 5. Sundry creditors Include Rs. 4,50,37,945 (Previous year Rs. 1,54,21,966) being liabilities against which letters of Credit has been issued by bank. (against margin money kept as fixed deposit with the bank.
 6. Disclosures pursuant to Accounting Standard-7 regarding Construction Contracts issued by the Institute of Chartered Accountants of India:

Particulars	Amount in rupees	
	31.03.2007	31.03.2006
a) Contract revenue recognized for the year	4,46,22,731	3,37,89,163
b) Aggregate amount of contract costs incurred and recognized profits (less recognized losses)	1,32,260	17,63,060
c) Amount of customer advances outstanding for contract in progress	Nil	Nil
d) Retention amount due from customers for contracts in progress	Nil	Nil

7. In the opinion of the management, no impairment loss is required to be charged to Profit & Loss Account at the end of the financial year.
8. Advances include advance of Rs. Nil (Previous year Rs. 3,55,551) due Debtors include Rs. 15181 (Previous Year Rs. Nil) due from a private company in which directors are interested as director.
9. The Company is in the process of obtaining information from the various suppliers about the status of Small Scale or Ancillary Industries as defined under the "Industries (Development and Regulation) Act, 1951." Accordingly, the information relating to their dues/over-dues has not been furnished.
10. Fixed monthly remuneration has been paid to a director in terms of provisions of provisions under Schedule XIII of the Companies Act, 1956. Computation of net profits in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956:

SKIPPER STEELS LIMITED

Amount in rupees

Particulars	2006-2007	2005-2006
Profit before taxation	4,85,77,062	1,70,32,692
Add: Depreciation as per accounts	80,50,751	85,77,453
Managerial Remuneration	7,07,076	5,79,160
	5,73,34,889	2,61,95,305
Less: Depreciation as per Section 350 of the Companies Act, 1956	80,50,751	73,89,086
Profit on sale of fixed assets	6,19,934	1,62,602
Profit on sale of investments	15,37,500	201
Net Profit for the year	4,71,26,704	1,86,43,416
Managerial remuneration as percentage of above	1.50	3.11

11. The Company has recognised 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 on 01.04.2006	Charge/(reversal) during the year	Balance as on 31.03.2007
	Rs.	Rs.	Rs.
<u>Deferred tax liability</u> Difference between book and tax depreciation	51,75,834	72,28,279	1,24,04,113

12. 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.

13. Earning per share

Particulars	31.03.2007	31.03.2006
Profit after taxation as per Profit & Loss account (Without considering Write back of depreciation consequent to change in method of depreciation)	2,81,30,421	1,05,73,630
Weighted average number of equity shares	12,11,134	12,00,175
Basic and dilutive earning per share of Rs. 10 each	23.23	8.81

14. The figures relating to previous year have been re-grouped and re-arranged, wherever necessary.

SKIPPER STEELS LIMITED

15. 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**
Sajan Kumar Bansal
Sharan Kumar Bansal
Devesh Kumar Bansal
- 2) **Parties where key management personnel along with their relatives have significant influence**
Cement Manufacturing Company Ltd.
Megha Technical Engineers (P) Ltd.
Bansal Cyliners & Tubes Ltd.
Bansal TMT Steels Ltd.
Bansal Poles & Towers Ltd.
Skipper Telelink Limited
Swasti Agencies (P) Ltd.
- 3) **Relatives of key management personnel**
Sadhu Ram Bansal

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

	In relation to Item		
	A(1)	A(2)	A(3)
a) Rendering or receiving of service (including remuneration)	707076	8878968	—
	579160	—	—
b) Loan taken	19550000	—	1000000
	1500000	—	4500000
c) Loan taken refunded	18420848	500000	3100000
	13575000	10000	—
d) Advance taken	—	4300000	—
e) Advance given	—	3200000	—
f) Advance given received back	—	3325000	—
g) Advance taken refunded	—	3169551	—
	—	3325000	—
h) Purchase	—	87603975	—
i) Rent Received	—	—	—
	—	31876598	—
(j) Rent given	—	60000	—
	—	32400	—
	—	600000	—
(k) Sales and operations	—	35781674	—
	—	32292096	—
(l) Sale of investment	—	4655000	—
(m) Investment	—	—	—
(n) Payable	2700000	4771705	2400000
	1570848	2067237	4500000
	—	—	—
(o) Receivable	—	420551	—

Figures in normal fonts relates to previous year

SKIPPER STEELS LIMITED

16. Segment Information for the year ended 31st March, 2007

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

I) Iron & Steel items.

II) Drilling operations

- There are no items to be reported under geographical segments, considered as secondary segment, as the entire activity is based in India.

- There are no inter-segment revenues.

Reportable Segments	31/3//2007			31/3/2006		
	Iron and steel items	Drilling Operations	Total	Iron and steel items	Drilling Operations	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue						
External Sales/receipts	1373184528	32637676	1405822204	423643954	16472893	440116847
Segment results	61397429	14016972	75414401	20233824	5649771	25883595
Unallocated Corporate income/ (expenses) (net of expense/income)			961126			(1584196)
Operating Profit			76375527			24299399
Interest expenses			28473140			7729557
Interest income			674675			462850
Profit before adjustment'			48577062			17032692
Add : Depreciation written back			10887405			—
Profit before tax			59464467			17032692
Less: Taxes			20446641			6459062
Profit after tax			39017826			10573630
Segment Assets	629249739	40359818	669609556	332614595	22046019	354660614
Unallocated assets			17462603			11429229
Total Assets			687072159			366089843
Segment Liabilities	193608809	349564	193958373	67419215	265043	67684258
Unallocated liabilities			319029954			214434200
Total Liabilities			512988327			282118458
Capital Expenditure	13046541	—	13046541	96017601	3244625	99262226
Unallocated			6123973			6123973
Total Capital Expenditure			19170514			105386199
Depreciation	5129437	1493194	6622631	5801448	906083	6707531
Unallocated			1428120			1869922
Total			8050751			8577453

In terms of our report of even date annexed herewith

For PATANJALI & CO.
Chartered Accountants

(PATANJALI SHARMA)
Partner
Membership No. 14993

Kolkata

Dated : the 14th day of August, 2007

For and on behalf of Board of Directors

(SAJAN KUMAR BANSAL)
Managing Director
(SHARAN BANSAL)
Director
(DEVESH BANSAL)
Director

SKIPPER STEELS LIMITED

17. Additional Information pursuant to the provisions of para-graphs 3 & 4 of Part II of Schedule VI of the Companies Act, 1956 (as certified by the management)

a. Licensed Capacity, Installed Capacity and Production

		Year Ended	
	Unit	31.03.2007	31-03-2006
Licensed Capacity			
M.S. Pipe	M.T.	24000	24000
Steel tubular pole	M.T.	10080	10080
Structural fabrication	M.T.	24000	24000
Galvanising Plant	M.T.	24000	24000
Installed Capacity			
M.S. Pipe	M.T.	24000	24000
Steel tubular pole	M.T.	10080	10080
Structural fabrication	M.T.	24000	24000
Galvanised Plant	M.T.	24000	24000

		Year Ended	
		31.03.2007	31-03-2006
Production			
M.S. Pipe	M.T.	11171	8945
Steel tubular pole	PCS.	17582	21308
Galvanised Tubes	MTR.	441433	94240
VP Rings	PCS.	336150	—
Structural fabrication	M.T.	10524	1097
VP Rings (job work)	PCS.	116495	232750

b. Particulars of Sales, Purchase and Stock

	Year ended 31.03.2007			Year ended 31.03.2006	
	Unit	Quantity	Amount	Quantity	Amount
			Rs.		Rs.
<u>Opening Stock</u>					
<u>Finished goods</u>					
M.S. Pipe	M.T.	300	7751035	234	6794811
Steel tubular pole	PCS.	1009	3016893	15	52101
Galvanised Pipes	MTR.	15959	685147	—	—
Structure/Towers	M.T.	471	23011532	—	—
VP Rings	PCS.	—	—	4630	106525
			34464607		6953437

SKIPPER STEELS LIMITED

		Year ended 31.03.2007		Year ended 31.03.2006	
		Quantity	Amount	Quantity	Amount
			Rs.		Rs.
<u>Sales & Operations</u>					
<u>Finished goods</u>					
M.S. Pipe	M.T.	11135	331885170	8879	239901843
Steel tubular pole	PCS.	18266	95986590	20314	78034868
Galvanised Pipes	MTR.	428490	43553521	78281	3884139
VP Rings	PCS.	336150	9478002	—	—
Billets/H R Strips/Angles/bars	M.T.	10198	232178853	2293	50852673
Structural fabrication	M.T.	10884	603157447	626	35941801
Others			44959890		12998864
Total			<u>1361199473</u>		<u>421614188</u>

Labour charges

VP Rings (job work)	PCS.	116495	349485	232750	407313
Structural fabrication (job work)			—		13412247
Erection charges			10323166		2269239
Others			1312404		1227471
			<u>11985055</u>		<u>17316270</u>

Closing Stock

Finished goods

M.S. Pipe	M.T.	336	9041014	300	7751035
Steel tubular pole	PCS.	325	1030599	1009	3016893
Galvanised Pipes	MTR.	28902	3127458	15959	685147
Structure/Tower	M.T.	111	5121861	471	23011532
			<u>18320932</u>		<u>34464607</u>

c. Particulars of raw material consumed

Iron and steel products*	M.T.	37947	1016652029	14891	350711406
Zinc	M.T.	726	3713366	60	3713366
Others			221180		—
Total			<u>1020586575</u>		<u>352224772</u>

*includes material sold-10198 m.t. valued at Rs. 217119018 (Previous year 2293 m.t. valued at Rs. 43989779)

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

SKIPPER STEELS LIMITED

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 31.03.2007		Year ended 31.03.2006	
	Amount	% of total	Amount	% of total
	Rs.	%	Rs.	%
<u>Raw Materials</u>				
Indigenous	1020586575	100.00	351744382	99.24
Imported	—	—	2680390	0.76
Total	1020586575	100.00	354424772	100.00
<u>Stores & Spare Parts</u>				
Indigenous	26195855	100.00	5674540	100.00
Imported	—	0.00	—	—
Total	26195855	100.00	5674540	100.00

e. C.I.F. value of Imports (on payment basis)

Components and spare parts	—	34081
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f. Expenditure in Foreign Currency

Travelling expenses (Capitalised)	483409	535385
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g. Earnings in foreign currency

	—	—
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SKIPPER STEELS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	31.03.2007 Rs.	31.03.2006 Rs.
A CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit before Tax and Extraordinary Items	48577062	17032692
Adjustment for:		
Depreciation	8050751	8577453
Profit on Sale of Fixed Assets	(619934)	(162602)
Profit on sale of investments	(1537500)	(201)
Interest Expenses	28473140	7729557
Interest Received	(674675)	(462850)
Rent received	—	(32400)
Dividend Received	(231812)	(12214)
Operating profit before Working Capital Changes	82037032	32669435
Adjustment for:		
Trade and other receivables	(214120446)	(14750360)
Inventories	(69514149)	(62335869)
Trade and other payables	121752366	32387950
Cash Generated from Operations	(79845197)	(12028844)
Adjustment for:		
Interest paid	(27827257)	(7729557)
Direct taxes paid	(9296898)	(3098901)
Cash flow before Extraordinary Items	(116969352)	(22857302)
Extraordinary Items	—	—
NET CASH FROM/(USED IN) OPERATING ACTIVITIES A	(116969352)	(22857302)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(24559536)	(104337794)
Sale of Fixed Assets	2100510	298074
Investment made	(4655000)	(1296350)
Sale of investment	2150000	201
Rent received	—	32400
Interest Received	559350	411544
Dividend Received	231812	12214
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)	(24172864)	(104879711)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of capital	50000000	—
Changes in Bank Borrowings	93841628	101268272
Proceeds from Borrowings	130301695	27832911
Repayment of Borrowings	(127421731)	(2996929)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)	146721592	128801491
NET INCREASE/(DECREASE) IN CASH A+B+C	5579376	1064478
OPENING CASH & CASH EQUIVALENTS*	7209407	6144929
CLOSING CASH & CASH EQUIVALENTS*	12788783	7209407

- Cash and Cash Equivalents represent cash and bank balances as indicated in Schedule 9 to the Annual Accounts and include Margin money against fixed deposit.
- 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.
- Total tax paid during the year (including tax deducted at source on interest received) amounted to Rs. 94,12,223 (Previous year Rs. 31,50,207).
- Previous year's figures have been regrouped/rearranged wherever necessary.

For **PATANJALI & CO.**

Chartered Accountants

(**PATANJALI SHARMA**)

Partner

Membership No. 14993

Kolkata

Dated : the 14th day of August, 2007

For and on behalf of Board of Directors

(**SAJAN KUMAR BANSAL**)

Managing Director

(**SHARAN BANSAL**)

Director

(**DEVESH BANSAL**)

Director

SKIPPER STEELS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFILE

I. Registration details

Registration No.	33408
State Code (Refer code list)	21
Balance Sheet Date	31 March 2007
	Date Month Year

II. Capital raised during the year

Amount in Rs.thousands

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	5000

III. Position of Mobilisation and deployment of funds

Total liabilities	493114
Total assets	493114

Sources of funds

Paid up capital	17002
Reserves & Surplus	157082
Secured loans	246780
Unsecured loans	59846
Deferred tax liability	12404

Application of funds

Net fixed assets	200115
Investments	6558
Net current assets	286441
Miscellaneous expenditure	—
Accumulated losses	—

IV. Performance of the Company

Turnover (including other income)	1205759
Total expenditure	1146295
Profit/loss before tax	59464
Profit/loss after tax	39018
Earning per Share in Rs.	23.23
Dividend rate (%)	10

SKIPPER STEELS LIMITED

V. Generic name of three principal products/services of Company (as per monetary terms)

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 PATANJALI & CO.
Chartered Accountants

(PATANJALI SHARMA)
Partner
Membership No. 14993

Kolkata
Dated : the 14th day of August, 2007

For and on behalf of Board of Directors

(SAJAN KUMAR BANSAL)
Managing Director
(SHARAN BANSAL)
Director
(DEVESH BANSAL)
Director