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SKIPPER STEELS LTD.

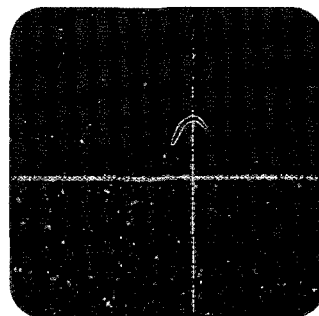
Annual Report 2008 - 09

NEW Name → SKIPPER LTD

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**GROWTH THROUGH
INFRASTRUCTURE**



Corporate Profile

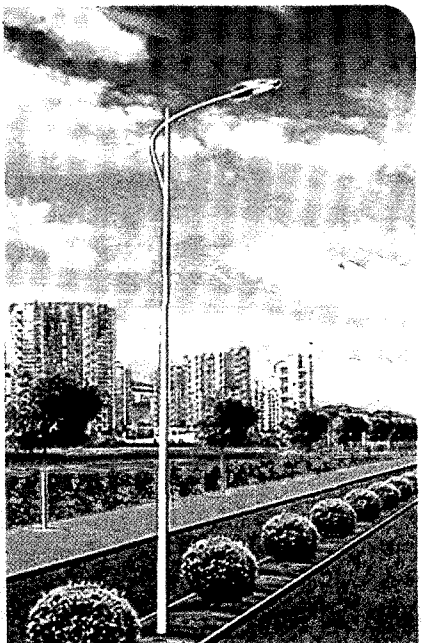
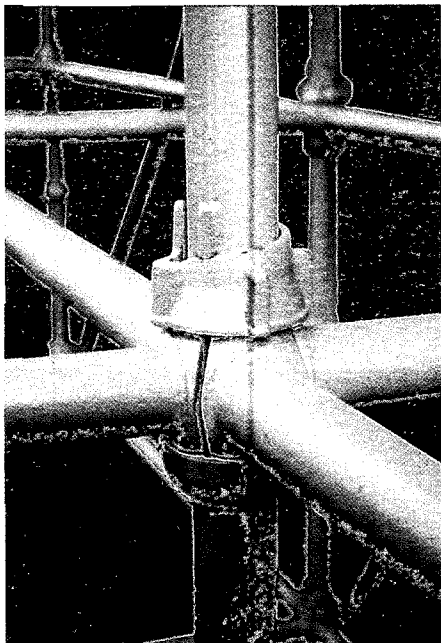
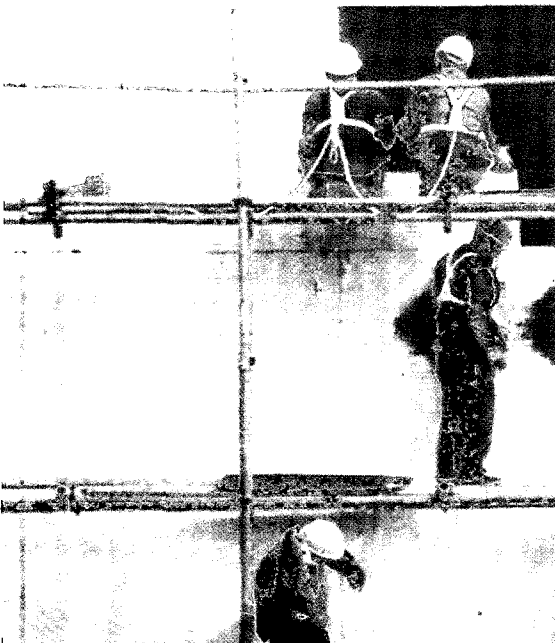
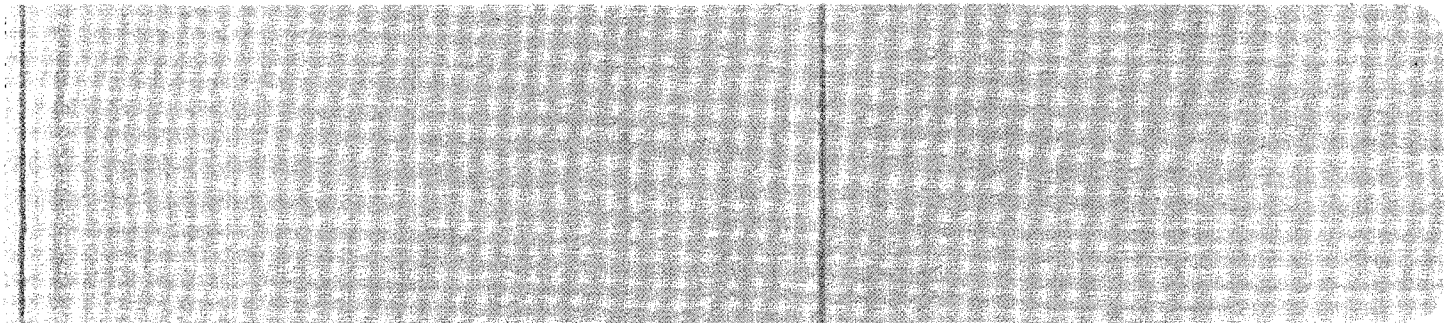
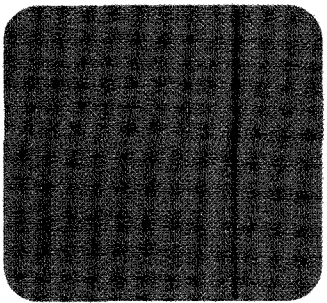
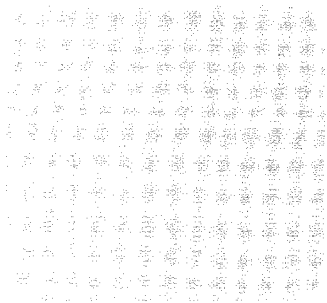
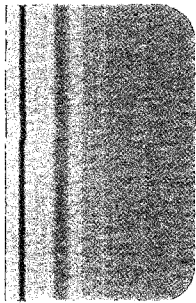
Skipper Steels is the flagship company of Bansal Group. We specialize in manufacture of ERW Tubes, Tubular Poles, Scaffoldings, Towers (Telecom & Transmission). Our portfolio of clients include Powergrid, Reliance, EMC & Bharti.

Registered Office

3A, Loudon Street, Mayur Apartments,
1st Floor, Kolkata – 700 017,
Phone : 033-2289-2327

Works

- a) **SSL Unit** : Jalan Industrial Complex, N H - VI
Vill. : Jangalpur, Post: Andul Mouri, Howrah – 711 302 (W.B.)
- b) **BCTL Unit** : Jalan Industrial Complex, N H - VI
Vill. : Jangalpur, Post: Andul Mouri, Howrah – 711 302 (W.B.)
- c) **Uluberia Unit** : N H - VI, Village : Madhabpur
Post : Mahishrekha, Howrah - 711 304 (W.B.)





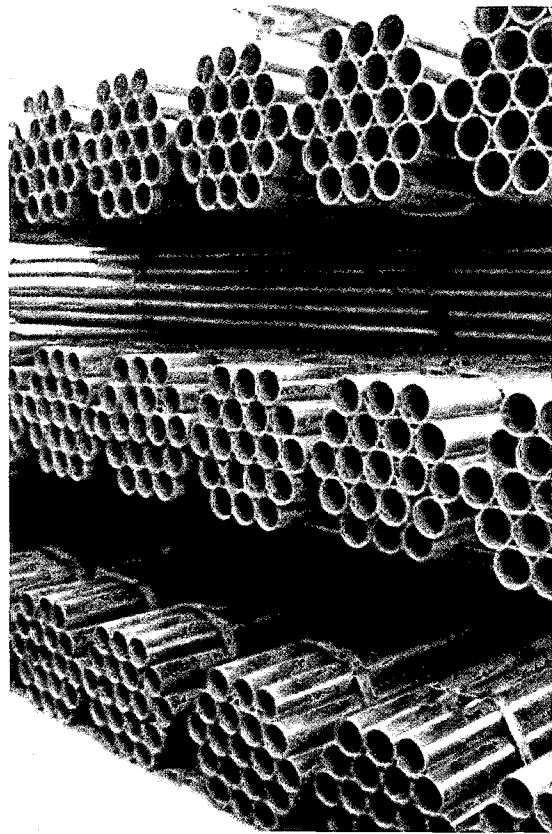
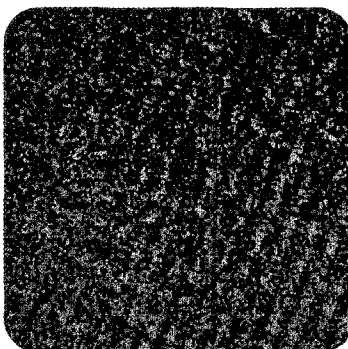
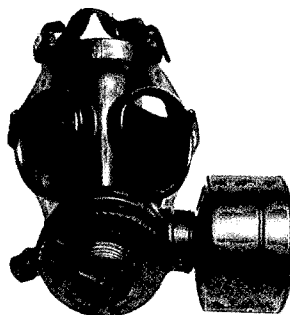
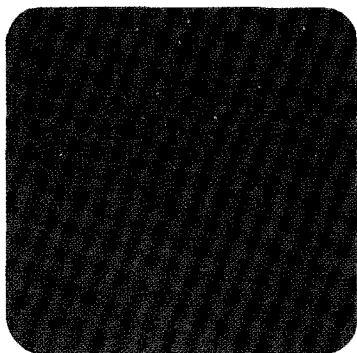
Corporate Vision

- We shall capitalize on the boon in infrastructure spending in India & across the world with our well diversified product range.
- We shall strive to innovate on one hand & rigorously work to attain 100% customer satisfaction on the other.

Core Values

Taking care of our people

At Skipper we respect each individual. A key element to our way of operating is to provide an environment where all our people can develop to their full potential. A second key element is our focus on safety.

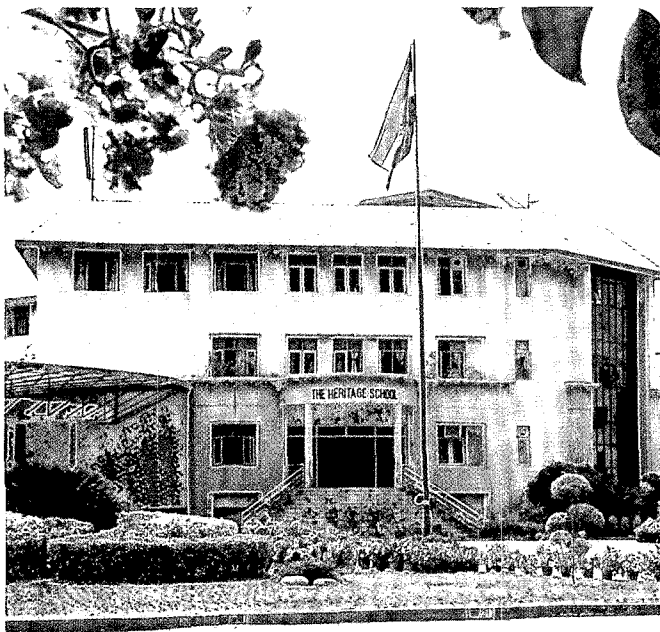


Taking care of our Customers & Suppliers

In our interactions with our customers & suppliers we constantly communicate and operate with integrity and honesty. We are offering more products to more markets in more states than ever before. We have operations in West Bengal, Assam, Orissa, Bihar, Jharkhand, Madhya Pradesh & are able to serve key emerging markets Indiadwide.

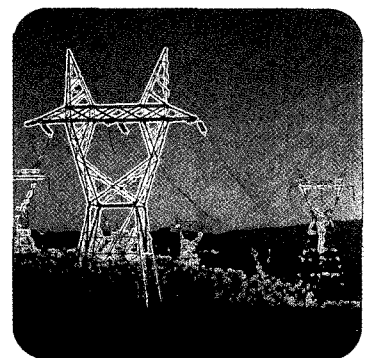
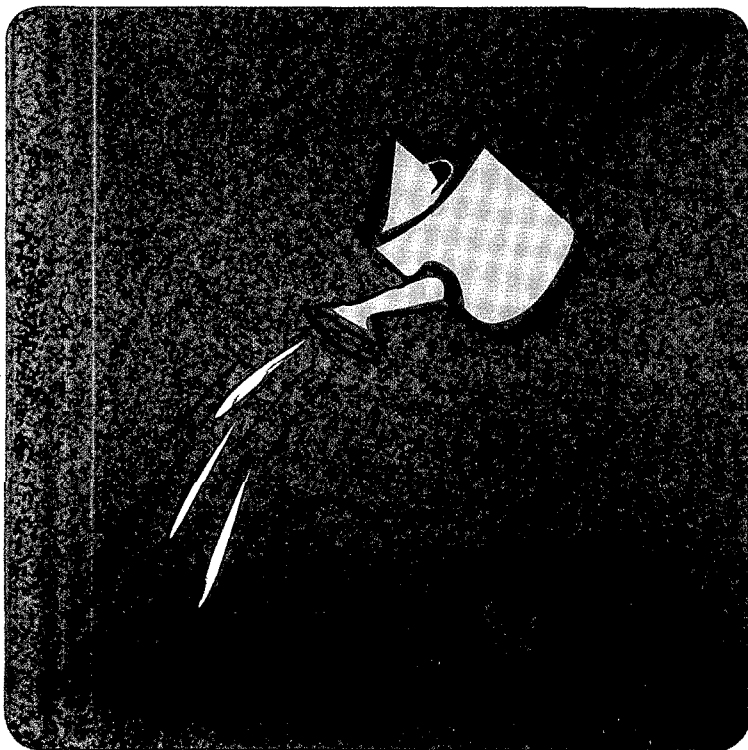
Taking care of our Communities

We care about our community & the environment we all share. Our people are deeply involved in community welfare.

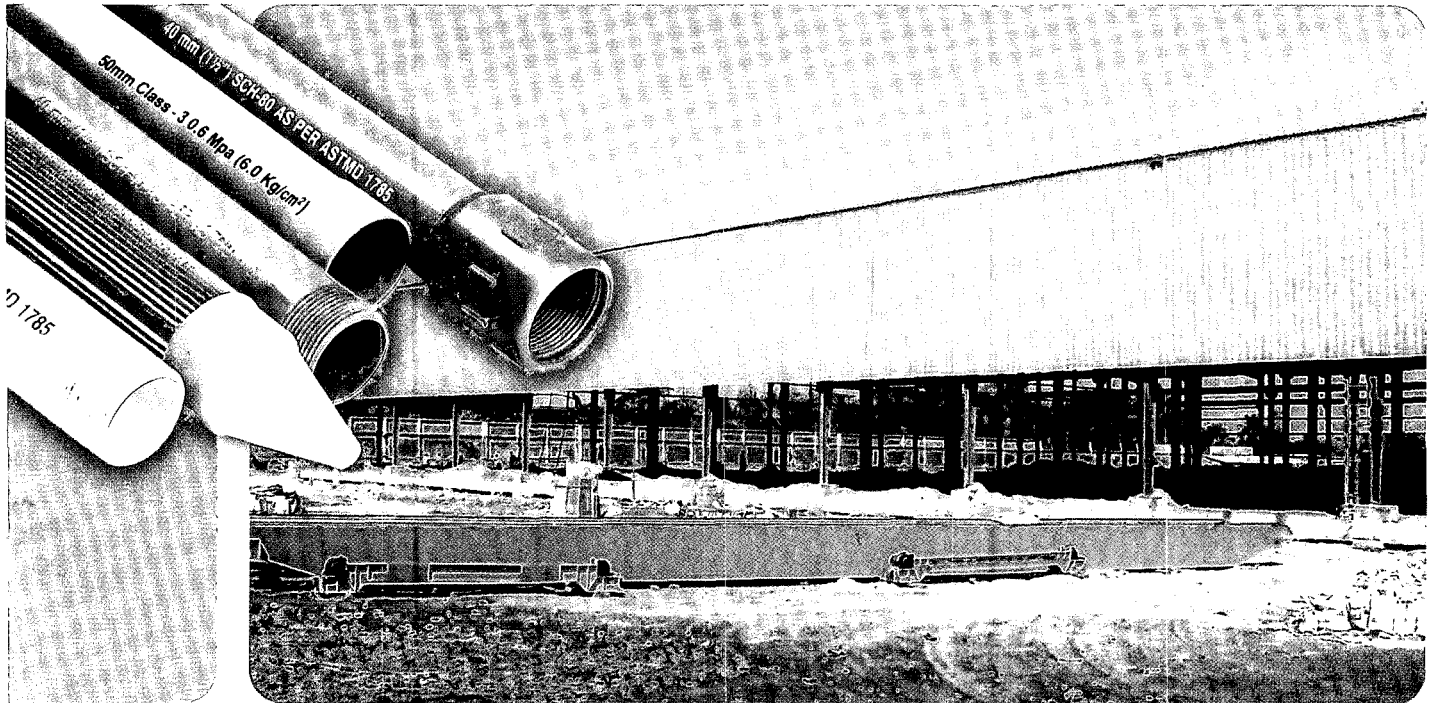
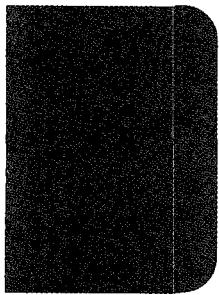
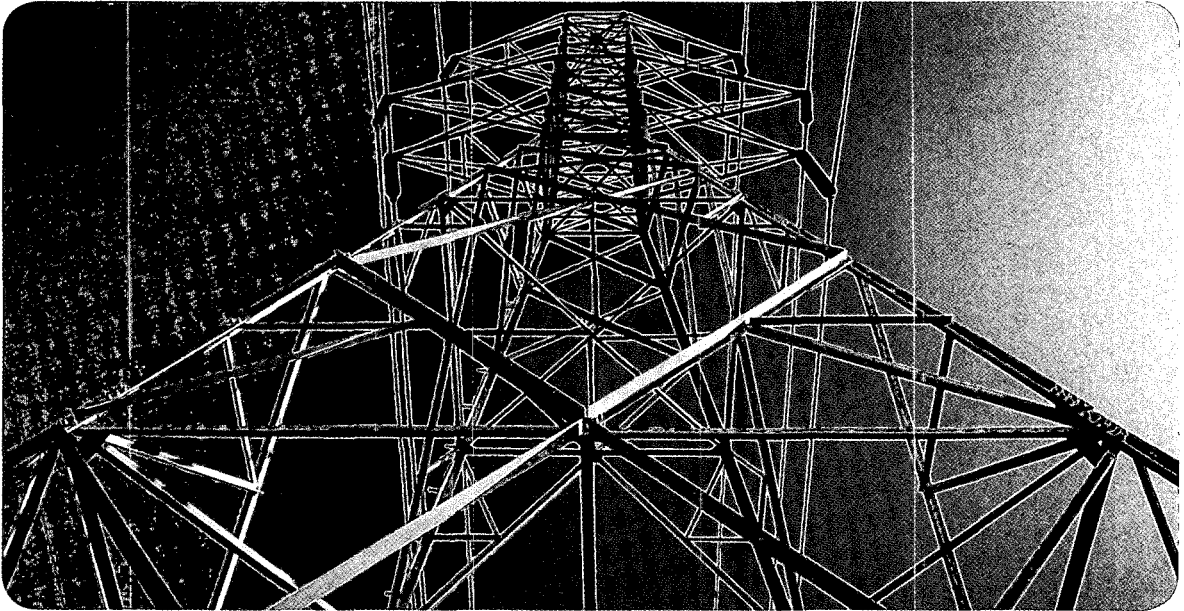


India Grows - We grow

The company continues to progress by leaps and bounds and we have become the largest manufacturer of ERW tubes in the secondary sector of Eastern India. We are optimistic of our growth in the telecom sector because a majority of India's population possesses cellular subscriptions and the number can only increase. Thus we strive constantly to ensure that Skipper emerges as one the most competitive brands and we provide our customers with products of the highest quality.



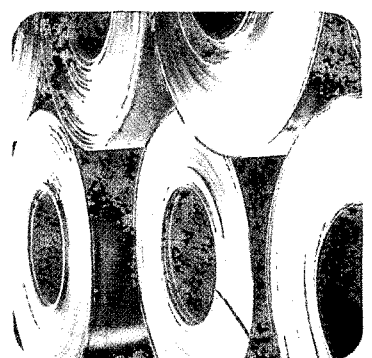
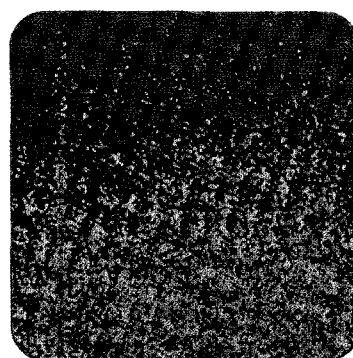
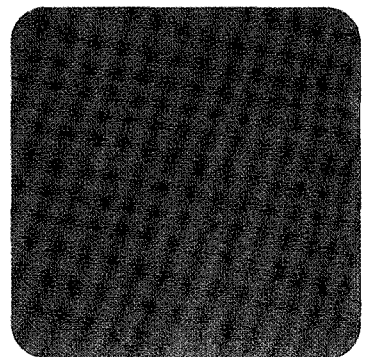
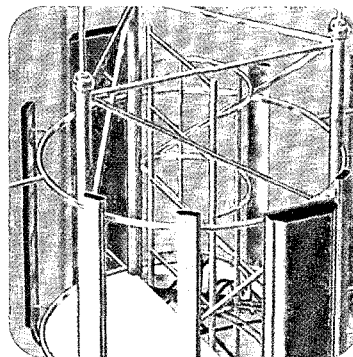
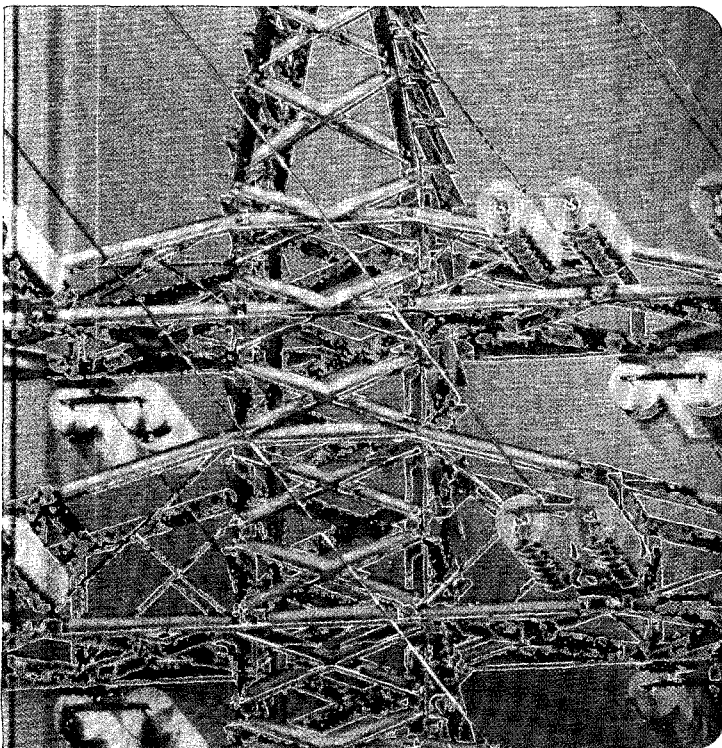
With the largest Tower manufacturing unit in Eastern India, our company has made pioneering inroads in the field of Power Transmission with the first 800KV Transmission towers in India being produced at our unit. The company's order book position is optimized for the next two years with orders for over 500KM of Line tower parts.



Our new manufacturing unit at Uluberia, expected to be fully commissioned by March 2010, will not only house the largest Skelp rolling mill in Eastern India but will also double our existing Tube making capacity. The estimated project cost is Rs. 150 crores for its complete integration.

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NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the members of SKIPPER STEELS LIMITED will be held on, Monday, the 29th June, 2009 at 11.00 A.M. at the Registered Office of the Company at 3A, Loudon Street, Kolkata – 700 017 to transact the following business:

Ordinary Business

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 2009, 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, 2009
3. To appoint a Director in place of Shri Sadhuram Bansal, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as ordinary resolution.:

“RESOLVED THAT M/s. Patanjali & Co., Chartered Accountants and M/s. Agrawal & Agrawal, Chartered Accountants be and are hereby appointed as auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and are hereby authorized to fix their remuneration.”

Special Business

5. To Consider and if thought fit to pass with or without modification the following as special Resolution

“RESOLVED THAT pursuant to provisions of Section 81(1A) and in suppression of the resolution passed at the Extra-ordinary General Meeting held on 4th December, 2008 and all other applicable provisions, if any, of the Companies Act, 1956 and enabling provisions in the Memorandum and Articles of Association of the Company as amended and Listing agreements entered into by the Company with the Stock Exchanges, where the shares of the Company are listed and subject to the guidelines/rules/ regulations made by the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned authorities and departments in this regard and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications as may be prescribed or imposed by any of them in granting such approvals, permissions and sanctions and which may be agreed to by the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the Board of Directors to offer/issue/allot, out of the unissued Authorized Share Capital 7,50,000 (Seven Lacs Fifty Thousand) Equity Shares of Rs. 10 each at a premium of Rs. 190/- per share to Company(ies) /Individuals/ Promoter(s) / Employee(s) / other investor(s), whether or not the member of the Company whose details are given below, by making preferential offer of Equity Shares”

| Sl. No. | Name of Proposed Applicants | Address | No. of Shares |
|---------|-----------------------------|---|---------------|
| 1 | Durga Nirman Pvt Ltd | 52, Weston Street, Kolkata – 700012 | 50000 |
| 2 | Koel Vyapaar Pvt Ltd. | 71, Canning Street, Kolkata – 700001 | 100000 |
| 3 | Muskan Dealers Pvt Ltd. | 63, Radha Bazar Street, Kolkata – 700001 | 100000 |
| 4 | Nawab Vyapaar Pvt Ltd | 71, Canning Street, Kolkata – 700001 | 100000 |
| 5 | Padmavati Abasan Pvt Ltd. | 52, Weston Street, Kolkata – 700012 | 50000 |
| 6 | Panther Vyapaar Pvt Ltd. | 52/3B, Strand Road, Kolkata – 700006 | 50000 |
| 7 | Tanisha Trading Pvt Ltd | 11, Bysack Street, Kolkata – 700007 | 50000 |
| 8 | Transit Vinimay Pvt Ltd. | 9, Mangoe Lane, Kolkata – 700001 | 125000 |
| 9 | Vanila Vinimay Pvt Ltd | 24/25, Bacharam Chowdhury Lane, Howrah – 711101 | 100000 |
| 10 | Variety Dealcom Pvt Ltd. | 3, Khalisha Kota Pally, Kolkata – 700051 | 25000 |
| | Total | | 750000 |



"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties, doubts that may arise in regard to the offer/issue/allotment of the Shares and in regard to utilization of proceeds of the issue of shares towards the Company's activities/ other corporate needs and finalise such documents as it may think fit."

6. To Consider and if thought fit to pass with or without modification the following as ordinary resolution

"RESOLVED THAT in suppression of earlier Resolutions and pursuant to Section 293(1)(d) and other applicable provisions of the Companies Act 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of moneys on such terms and conditions and with or without security as the Board of Directors may think fit which, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say. Reserves not set apart for any specific purpose, provided that the total amount of money/moneys so borrowed by the Board shall not at any time exceed the limit of Rs. 500 Crores (Rupees Five Hundred Crores only)."

7. Increase in remuneration of Mr. Shankar Lal Poddar acting as Whole time Director of the Company

"RESOLVED THAT pursuant to the provisions of Sections 198,309,310 and other applicable provisions of the Companies Act, 1956 and subject to the limits specified in Schedule XIII to the said Act the consent of the Company be and is hereby accorded to the payment of enhanced remuneration to Mr. Shankar Lal Poddar the Whole Time Director of the Company with retrospective effect from 1st April, 2009 as set out below

Category A

- A. Remuneration

Basic Salary- Rs. 34,550 (Rupees Thirty four thousand five hundred Fifty only) per month

Bonus as per Company rules

House Rent Allowance- 40% of Basic Salary

Conveyance Allowance- Rs.800 per month

Reimbursement of Medical Expenses upto Rs. 15000/- per annum

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.

Category C

- A. Car

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

- B. 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.



Mr. Shankar Lal Poddar 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.

By Order of the Board
For SKIPPER STEELS LIMITED

Place : Kolkata
Date : 5th June, 2009

(Arbind Kumar Jain)
Company Secretary

Registered Office :

3A, Loudon Street, 1st Floor,
Kolkata - 700 017
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 FORTY EIGHT 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 25th June 2009 to 29th June, 2009 ((both days inclusive).
4. The dividend as recommended by the Board, if declared, will be paid on or after 29th June, 2009 to those members or their mandates:
 - a) whose names appear as beneficial owners as at the end of the business hours on 29th June, 2009 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 before 25th June, 2009
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. In case of transfer of shares held in physical form the applicant transferee are requested to provide copy of PAN Card along with application for transfer as per SEBI circular No. MRD/DoP/ Cir-05/2009 dated May 20, 2009
9. 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.



The Explanatory Statement relating to the special business mentioned in the Notice as required by Section 173(2) of the Companies Act 1956

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

The members of the Company have at the Extra-ordinary General Meeting of the company held on 4th December, 2008 given their consent under section 81(1A) of the Companies Act, 1956 for issuance of 20,00,000 Equity Shares of Rs. 10 each at a premium of Rs. 190/- per share. Out of these 20,00,000 Equity Shares the company has already allotted 12,50,000 Equity Shares after getting approval in Extraordinary General Meeting held on 26th March, 2009. The Company wants to allot the remaining 7,50,000 Equity Shares to the applicants whose names are mentioned in the resolution for fulfilling the immediate requirement of fund for the purpose of setting up a mini integrated steel plant at Uluberia, West Bengal,. Members' consent is again required as per the Chapter XIII of SEBI (Disclosure & Investors Protection) Guidelines 2000 - Guidelines for Preferential Issues. Therefore, the Resolution embodied in the Notice is proposed as Special Resolution.

None of the Director has any concern or interest in the said Resolution, except to the extent they or their related concerns may subscribe to share capital of the Company in their capacity as promoters.

Further as per the Chapter XIII of SEBI (Disclosure & Investors Protection) Guidelines 2000 - Guidelines for Preferential Issues the additional disclosures are as follows :

1. The object of the issue is to part finance the setting up of mini integrated steel Plant at Uluberia
2. The Promoters along with their relative and group companies are not intending to subscribe to the offer
3. Proposed Shareholding Pattern is as follows

| Consequential Changes, if any in the shareholding pattern of the Company before and after the offer | Pre Allotment In terms of Shares | | Post Allotment In terms of Shares | |
|---|-------------------------------------|---------------|--------------------------------------|---------------|
| | No. | % | No. | % |
| a) Promoter Group | 4270775 | 67.85 | 4270775 | 60.63 |
| b) MF/FIs/FIs/Banks/NRIs/OCBs | 0 | 0.00 | 0 | 0.00 |
| c) Domestic Strategic investors-Body Corporates | 1310250 | 20.82 | 2060250 | 29.24 |
| d) Public | 713400 | 11.33 | 713400 | 10.13 |
| Total No. of Shares | 6294425 | 100.00 | 7044425 | 100.00 |

4. The allotment of Shares is proposed to be completed within 15 days from the date of passing of the resolution
5. The Proposed allottees as mentioned in the resolution are Body Corporate who will be allotted 10.65% of post preferential issue capital
6. The Shares to be allotted to the abovementioned allottees, shall be subject to lock in period in accordance with clause 13.3.1 of the Chapter XIII of the SEBI (Disclosure & Investors Protection) Guidelines, 2000 and subsequent amendments thereto.

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

The company has already started construction work for setting up a mini integrated steel Plant at Uluberia, West Bengal the estimated cost of which is expected to be around Rs.185 Crores. In addition the Company also requires fund for the purpose of its existing operations. The promoters of the Company are arranging fund for the projects from various sources viz issue of Equity Shares, Borrowings from Banks etc. Hence the consent of shareholders is sought for approving the borrowing limit of Rs. 500 Crores even if the same exceeds the aggregate of Paid up Capital and free reserves of the Company.

None of the Director has any concern or interest in the said Resolution.



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

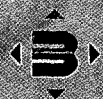
Mr. Shankar Lal Poddar has been the director of the Company since last three and half years. He has been giving his valuable contribution and the company aspires to get more contribution from him. Hence the Board of Director of the Company has decided to increase his remuneration with effect from 1st April, 2009 subject to the approval of the Shareholders and his remuneration is considered fair, just and reasonable.

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

None of the Directors except, Mr. Shankar Lal Poddar himself, are interested in this resolution.

Details of directors retiring by rotation and seeking re-appointment

| | |
|---------------------------------|---|
| Name | Mr. Sadhu Ram Bansal |
| Date of Birth | October 01, 1935 |
| Date of Appointment | January 09, 2006 |
| Experience | He has more than 50 years experience in business and industry. He is the main promoter of the Company and laid down the roots of the Company. He has played an important role in the growth and development of the Company. |
| Social Service | He is a well known social worker. He is actively engaged in the affairs of many NGOs. |
| Directorship in other companies | Utkarsh Tubes & Pipes Limited |
| Shareholding in the Company | 348618 shares |

**DIRECTORS' REPORT***Dear Shareholders*

Your Directors have pleasure in presenting the 28th Annual Report of your Company together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2009.

Financial Results

(Rupees in lacs)

| Particulars | Financial Year | |
|---|----------------|-----------|
| | 2008-09 | 2007-08 |
| Gross Income | 41,469.73 | 36,586.18 |
| Net Income | 36,619.49 | 31,514.48 |
| Profit before Finance Cost, Depreciation, and Taxation | 2,791.27 | 2,410.80 |
| Less : Finance Cost | 1,130.74 | 846.92 |
| Profit before Depreciation and Taxation | 1,660.53 | 1,563.88 |
| Less : Depreciation (net of transfer from Revaluation Reserve) | 243.05 | 153.38 |
| Profit before Taxation | 1,417.48 | 1,410.50 |
| Less : Provision for Current Tax/Tax for earlier years/Deferred Tax/Fringe Benefit Tax/Wealth Tax | 514.26 | 491.20 |
| Profit after Taxation | 903.22 | 919.30 |
| Add : Balance brought forward from previous year | 1,447.14 | 578.95 |
| Profit available for appropriation | 2,350.36 | 1,498.25 |
| Appropriation : | | |
| Dividend | 62.95 | 43.68 |
| Corporate Tax on Dividend | 10.70 | 7.42 |
| Balance Carried Forward | 2,276.71 | 1,447.14 |

Amalgamation of Skipper Infrastructure Limited

The Honourable High Court at Calcutta has vide order dated 24th March, 2009 approved the Scheme of Amalgamation providing for amalgamation of Skipper Infrastructure Limited (SIL) with effect from 1st April, 2008 with the Company. Accordingly financial statements for the year ended 31st March, 2009 have been prepared after giving effect to the amalgamation of SIL. Your directors foresee a bright future for the business of the Company with the utilization of assets of SIL.

Performance Review for the year 2008-09

The financial highlights for the year 2008-09 include the financials of erstwhile Skipper Infrastructure Limited pursuant to order dated 24th March, 2009 of the Honorable High Court At Calcutta for amalgamation of erstwhile Skipper Infrastructure Limited with the Company, hence, are not comparable with that of the previous years figures.

A. SALES ACHIEVEMENTS

The total gross income of the Company for the year is Rs. 41469.73 Lacs showing a continuous trend of growth.

B. PROFITABILITY

In spite of growth of 13% in turnover, profit before taxation rose marginally from Rs. 1410.50 Lacs to Rs. 1417.48 reflecting the present market condition. However profit after taxation fell from Rs. 919.30 Lacs to Rs. 903.22 primarily because of requirement of higher provision towards taxation.



Dividend

Your directors are pleased to recommend a dividend of Re. 1 per Share for the financial year ended 31st March, 2009 on 6294425 Equity Shares. It includes dividend on 676000 Equity Shares allotted to the Shareholders of erstwhile Skipper Infrastructure Limited which stands amalgamated with the Company pursuant to the order dated 24th March, 2009 of the High Court at Calcutta.

Current year's outlook

The Company's performance level as well as profitability is expected to improve during the current year. The Company is already having plenty of orders for transmission towers and more and more orders are expected to flow in. With the continuous rise in demand for towers, better performance level is expected during the current year. The performance of the pipe and pole division of the Company is as usual very well. The scaffolding division is performing excellently and the same is expected to contribute towards the growth of the Company. In the current year one major improvement that is expected is the commencement of production at some divisions of our new Unit at Uluberia.

Future plans of expansion

The Company is undergoing construction work on the 30 acres (Approx.) Land on NH -6 at Madhabpur, Uluberia for setting up of an integrated plant with upstream integration of the present products and addition of few new products. The Company is also considering for setting up PVC/HDPE Pipe Plant for more diversification and greater product mix. The company expects to commence the trial production during the year 2009-10. The marketing Strategies are being framed for sale of new as well as existing products of the Company in order to increase the overall volume of operation

Directors

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

Directors' responsibility statement

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

- i. in the preparation of the Annual Accounts for the year ended 31st march, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the directors have selected such accounting policies as mentioned in Schedule 21 to the Accounts and applied them consistently and made judgments and estimates;
- 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, 2009 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 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, 2009 have been prepared on a "going concern" basis.

Particulars of employees and other statutory information

The information on particulars of employees under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended) for the financial year ended 31st March, 2009 are given below :-

| | |
|------------------------------------|---------------------------------|
| Name of Employee & (Age) | : Sajan Kumar Bansal (51 Years) |
| Designation/ Nature of duties | : Managing Director |
| Gross Remuneration (Rs.) | : 36,00,000/- |
| Qualification | : B. Com |
| Experience in years | : 25 years |
| Date of Commencement of Employment | : 26.10.1984 |
| Particulars of Last Employment | : First Employment |

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


Conservation of energy, technology absorption, foreign exchange earnings and outgo

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the Financial Year Ended 31st March, 2009:-

Conservation of energy

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

Total energy consumption and energy consumption per unit of production:

FORM - "A"
[A] POWER AND FUEL CONSUMPTION
Year

| Sl. No. | Particulars | 2008-09 |
|----------|------------------------------|----------|
| 1 | Electricity | |
| | Unit | 3358251 |
| | Total Amount (in Rs.) | 15409450 |
| | Rate / Unit (Rs.) | 4.59 |
| | b) Own generation | |
| | (i) Through Diesel generator | 101316 |
| | Unit | |
| | Total Amount (in Rs.) | 1640609 |
| | Rate / Unit (Rs.) | 14.26 |
| 2 | Coal | |
| | Quantity | N.A. |
| | Total Amount | N.A. |
| | Rate / Unit (Rs.) | N.A. |
| 3 | Furnace Oil | |
| | Quantity (litre) | 755221 |
| | Total Amount | 18493947 |
| | Rate / Unit (Rs.) | 24.49 |
| 4 | Others | |
| | Quantity | N.A. |
| | Total Amount | N.A. |
| | Rate / Unit (Rs.) | N.A. |

[B] CONSUMPTION PER UNIT OF PRODUCTION

| Particulars | No. of Units |
|-----------------------------------|--------------|
| MS Pipe / Pole (Per M.T.) | 29 |
| Structural Fabrication (Per M.T.) | 86 |
| LPG Cylinders (Per Piece) | 4 |



Technology absorption

A) Research & Development (R&D)

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

B) Technology Absorption, Adaptation and innovation:

Information regarding technology imported during last five years: Not Applicable

C) Foreign Exchange earning / outgo Foreign Exchange Earned:

| | 2008-2009 | 2007-2008 |
|-------------------------|-----------|-----------|
| Foreign Exchange earned | Nil | Nil |
| Foreign Exchange Outgo | 2473470 | 652478 |
| C.I.F. Value of Imports | 15118700 | 4429333 |

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

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

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

Fixed deposits

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

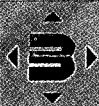
Auditors

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

Compliance certificate

Your Company has obtained a Compliance Certificate from M/s. J. Patnaik & Associates, Company Secretaries, for the financial year ended 31st March, 2009 pursuant to the proviso to section 383A(1) of the Companies Act, 1956 read with Companies (Compliance Certificates) Rules, 2001 framed there under, which is annexed to the Directors' Report and form an integral part of the said Report. The observation made in the Compliance Certificate are self explanatory and therefore, do not call for any other comments.

**Listing information**

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

Corporate governance

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

Management discussion & analysis report

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

CEO/CFO certification

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

Compliance certificate for corporate governance

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

Human resources, social development and industrial relations

The Human Resource assets are integral to the Company's ongoing success. Your directors seek to provide most conducive working environment to its human resource. The Company always makes efforts to ensure all round development of human resources of the company as well as social development.

The Company maintains harmonious and cordial relation with its 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 to all the stakeholders for the faith reposed in and co-operation extended to the Company by the Central and State Governments, Banks, Customers, Suppliers, Shareholders, business associates of the Company, dedicated staff and society as a whole for their valuable support extended to the Company.

For and on behalf of the Board

Place: Kolkata

Date: 5th day of June, 2009

Sajan Kumar Bansal

Managing Director



REPORT ON CORPORATE GOVERNANCE

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

1. Company's philosophy on Code of Governance

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

2. Board Composition and Particulars of Directors

a) Board Composition

The Board consists of 6 Directors. The Board is in the process of inducting more independent directors to make it more broad based, effective and to achieve optimum combination. The composition of the Board and category of Directors are as follows:

| Sl | Name | Designation | Whether Promoter | Whether Executive | Whether Independent |
|----|----------------------------|--------------------|------------------|-------------------|---------------------|
| 1. | Mr. Sadhu Ram Bansal | Chairman | Yes | No | No |
| 2. | Mr. Sajan Kumar Bansal | Managing Director | Yes | Yes | No |
| 3. | Mr. Sharan Bansal | Wholetime Director | Yes | Yes | No |
| 4. | Mr. Devesh Bansal | Wholetime Director | Yes | Yes | No |
| 5. | Mr. Shankar Lal Poddar | Wholetime Director | No | Yes | No |
| 6. | Mr. Manindra Nath Banerjee | Director | No | No | Yes |

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

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

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

| Sl | Name of the Director | No. of other directorships and other committee memberships/chairmanships held | | |
|----|----------------------------|---|-----------------------|-------------------------|
| | | Directorships | Committee Memberships | Committee Chairmanships |
| 1. | Mr. Sadhu Ram Bansal | 2 | Nil | Nil |
| 2. | Mr. Sajan Kumar Bansal | 9 | Nil | Nil |
| 3. | Mr. Sharan Bansal | 5 | Nil | Nil |
| 4. | Mr. Devesh Bansal | 4 | Nil | Nil |
| 5. | Mr. Shankar Lal Poddar | Nil | Nil | Nil |
| 6. | Mr. Manindra Nath Banerjee | 1 | 3 | Nil |

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

During the year, fourteen Board Meetings were held during the year. The dates on which the meetings were held are: 02 May 2008, 17 June 2008, 29 July 2008, 14 August 2008, 02 September 2008, 06 September 2008, 01 October 2008, 30 October 2008, 10 December 2008, 24 December 2008, 27 January 2009, 25 February 2009, 20 March 2009 and 31 March 2009.



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

| Sl | Name of the Director | Number of Board Meetings held | Attendance Particulars | |
|----|----------------------------|-------------------------------|------------------------|-----|
| | | | Board Meeting | AGM |
| 1. | Mr. Sadhu Ram Bansal | 14 | 8 | Yes |
| 2. | Mr. Sajan Kumar Bansal | 14 | 13 | Yes |
| 3. | Mr. Sharan Bansal | 14 | 10 | Yes |
| 4. | Mr. Devesh Bansal | 14 | 10 | Yes |
| 5. | Mr. Shankar Lal Poddar | 14 | 10 | Yes |
| 6. | Mr. Manindra Nath Banerjee | 14 | 8 | Yes |

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

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

3. Audit Committee

The Company is in the process of formation of Audit Committee. The process will be completed once adequate independent directors are inducted in the Board.

4. Remuneration Committee

a) Remuneration Policy

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

b) Details of remuneration paid to Directors

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

| Sl | Name of the Director | Designation | Remuneration (Rs.) |
|----|------------------------|-------------------|--------------------|
| 1. | Mr. Sajan Kumar Bansal | Managing Director | 36,00,000 |
| 2. | Mr. Sharan Bansal | Wholtime Director | 18,00,000 |
| 3. | Mr. Devesh Bansal | Wholtime Director | 18,00,000 |
| 4. | Mr. Shankar Lal Poddar | Wholtime Director | 5,89,367 |

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

The salient features of terms of appointment are :

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



The Company does not pay any remuneration to non-executive directors. During the year, the directors have voluntarily waived sitting fees for the meetings attended by them.

5. Shareholders/Investors Grievance Committee

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

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

| Name of the Directors | Designation | Committee Meetings held | Committee Meetings Attended |
|------------------------|-------------|-------------------------|-----------------------------|
| Mr. Sadhu Ram Bansal | Chairman | One | One |
| Mr. Shankar Lal Poddar | Member | One | One |

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

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

6. Management Discussion and Analysis

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

7. General Body Meetings

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

| Year Ended | Location | Date | Time | No. of special resolution passed |
|------------|---|------------|----------|----------------------------------|
| 31.03.2006 | 229, A J C Bose Road, Kolkata - 700 020 | 28.09.2006 | 11.30 AM | 1 |
| 31.03.2007 | 229, A J C Bose Road, Kolkata - 700 020 | 17.09.2007 | 11.30 AM | 2 |
| 31.03.2008 | 3A, Loudon Street, Kolkata - 700 017 | 05.09.2008 | 4.00 PM | 2 |

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

8. Disclosure on materially significant related party transaction

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

9. Code of conduct

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

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management Executives in respect of financial year 2008-09.

Sajan Kumar Bansal
Managing Director and CEO

10. Disclosure of Accounting Treatment

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



11. Risk Management

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

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

The Company had made a preferential issue of 12,50,000 equity shares of Rs. 10 each at a premium of Rs. 190 each aggregating to Rs. 25,00,00,000 during the year. The proceeds from the issue had been utilized towards acquisition of capital assets for the new and existing projects and towards repayment of liabilities incurred for the said projects.

13. CEO/CFO certification

CEO/CFO certificate is separately enclosed to the Report

14. Details of non-compliances

There has been no instance of non-compliance by the Company on any matter relating to capital market. No penalty or strictures have been imposed by Stock Exchange or SEBI or any other statutory authority during the last three years.

15. Means of communication

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

16. General Shareholder Information

Annual General Meeting

| | |
|-----------------------|---|
| Date | 29 June, 2009 |
| Time | 11.00 AM |
| Venue | 3A, Loudon Street, Kolkata - 700 017 |
| Financial Year | 01 April, 2008 to 31 March, 2009 |
| Book closure date | 25 June 2009 to 29 June 2009 (both days inclusive) |
| Dividend payment date | Your directors have recommended payment of dividend at the rate of 10% i.e. Re. 1 per Equity Share for the financial year 2008-2009. Such dividend, if declared, at the ensuing Annual General Meeting will be paid within thirty days from the date of declaration . |

Listing on stock exchanges

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

The Company has paid listing fees to the respective stock exchanges upto financial year 2008-2009.

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

Market Price Data

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

Registrar and Share Transfer Agents

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

ABS Consultants Private Limited
Stephen House, Room No. 99, 6th floor,
4, B B D Bag (East), Kolkata-700 001
Telephone No.: +91 33 2220 1043
Fax No. +91 33 2243 0153
Email:absconsultant@vsnl.net



Share Transfer System

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

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

Distribution of shareholding as at 31 March, 2009

| Category | No. of shareholders | | No. of shares | |
|-----------------|---------------------|---------------|---------------|---------------|
| | Total | % | Total | % |
| 1-500 | Nil | Nil | Nil | Nil |
| 501-1000 | Nil | Nil | Nil | Nil |
| 1001-2000 | Nil | Nil | Nil | Nil |
| 2001-3000 | Nil | Nil | Nil | Nil |
| 3001-4000 | Nil | Nil | Nil | Nil |
| 4001-5000 | Nil | Nil | Nil | Nil |
| 5001-10000 | Nil | Nil | Nil | Nil |
| 10001 and above | 32 | 100.00 | 5618425 | 100.00 |
| Total | | 100.00 | | 100.00 |

Shareholding pattern

| Category | As at 31 March, 2009 | |
|--------------------------|----------------------|--------------------|
| | No. of shares | % of share capital |
| Promoters | 3845775 | 68.45 |
| Private Corporate Bodies | 1059250 | 18.85 |
| Indian Public | 713400 | 12.70 |
| Total | 5618425 | 100.00 |

Shareholding of directors as at 31 March, 2009

| Name of Directors | No. of shares held | % of share capital |
|----------------------------|--------------------|--------------------|
| Mr. Sadhu Ram Bansal | 348618 | 6.20 |
| Mr. Sajan Kumar Bansal | 738752 | 13.15 |
| Mr. Sharan Bansal | 217210 | 3.87 |
| Mr. Devesh Bansal | 184850 | 3.29 |
| Mr. Shankar Lal Poddar | Nil | Nil |
| Mr. Manindra Nath Banerjee | Nil | Nil |

Dematerialization of shares and liquidity

As at 31 March, 2009, 27% of the total shares of the Company representing 1510175 shares were held in dematerialized form.

Plant Locations

a) SSL unit

Jalan Industrial Complex
N H- VI; Village: Jangalpur, Post: Andul Mouri
Howrah-711 302 (West Bengal)



b) BCTL Unit

Jalan Industrial Complex
N H- VI, Village: Jangalpur, Post: Andul Mouri
Howrah-711 302 (West Bengal)

c) Uluberia Unit

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

Address for correspondence

The Company Secretary
Skipper Steels Limited
3A, Loudon Street, Kolkata - 700 017
Telephone: +91 33 2289 2327/5731
Fax: +91 33 2289 5733
Email: arbind.jain@bansalgroup.co.in
Website: www.bansalgroup.co.in

For and on behalf of the Board of Directors

Place : Kolkata
Date : 5th Day of June, 2009

Sajan Kumar Bansal
Managing Director



Certificate by Chief Executive Officer and Director in charge of Finance

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

1. We hereby certify that for the financial year ended 31st March, 2009 on the basis of the review of the financial statements and the Cash flow statement and to the best of our knowledge and belief that :-
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of knowledge and belief, no transactions entered into by the company during the year 2008-09, which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors those deficiencies, of which we are aware, in the design and operation of the internal control systems and that we have taken the required steps to rectify those deficiencies.

We further certify that :

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

Place : Kolkata
Date : 5th June, 2009

Sajan Kumar Bansal
Managing Director

Sharan Bansal
Director



Compliance Certificate on Corporate Governance

The Members of Skipper Steels Limited

We have examined the compliance of the conditions of Corporate Governance by Skipper Steels Limited for the year 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, subject to the following:

1. The number of non-executive directors is less than fifty percent of the strength of the Board of Directors;
2. The number of independent director is not one-third of the strength of the Board of Directors;
3. A qualified and independent audit committee is not set up;
4. The quarterly compliance report is yet to be submitted to the concerned stock exchanges.

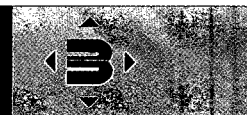
We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement subject however to the compliance of Clause 49(I) & 49(II) which is in stage of implementation.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted.

Place : Kolkata

Date : 5th Day of June, 2009

For Agrawal & Agrawal
Chartered Accountants
(Durga Prasad Poddar)
Partner
Membership No.09543



Compliance Certificate

To
THE MEMBERS
M/S. SKIPPER STEELS LIMITED
3A, Loudon Street, 1st Floor,
Kolkata - 700 017
West Bengal

We have examined the registers, records, books and papers of **M/S. 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 the Company for the financial year ended on 31st March, 2009. 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 in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies.
3. The Company, being a public limited company, comments are not required relating to the number of members etc.
4. The Board of Directors duly met on 02/05/2008, 17/06/2008, 29/07/2008, 14/08/2008, 02/09/2008, 06/09/2008, 01/10/2008, 30/10/2008, 10/12/2008, 24/12/2008, 27/01/2009, 25/02/2009, 20/03/2009 and 31/03/2009 in respect of which meetings proper notices were given and the proceedings thereof were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 01/09/2008 to 05/09/2008 (both days are inclusive) during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2008 was held on 5th September, 2008 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 04/12/2008 and 26/03/2009 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.
8. The Company has not advanced any loan to its Directors or persons or firms or companies referred to under Section 295 of the Companies Act.
9. The Company has not entered into any contract covered under the provisions of section 297 of the Act, wherever necessary.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Companies Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company
 - i) has opened separate Bank Account as dividend of Rs. 1 per share was declared during the financial year.
 - ii) has posted warrants to the Members of the Company as dividend was declared during the financial year.
 - iii) has 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) has duly complied with the applicable requirements of Section 217 of the Act.
 - v) has issued share certificates on allotment of shares during the financial year.
14. The Board of Directors of the Company is duly constituted in compliance with the provisions of the Act.



15. The appointment of two Whole Time Directors has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act. However, no Managing Director or Manager were appointed 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 Company Law Board, Central Government, Regional Director and/or such authorities as prescribed under the provisions of the Act. However, it has obtained the necessary approval of the High Court regarding the following matters during the financial year :

| Particulars | Sections |
|---|--------------------|
| Merger of Bansal Cylinders & Tubes Ltd. and Vishwajyoti Tracon Pvt. Ltd. with Skipper Steels Ltd. | Section 391 to 394 |
| Merger of Skipper Infrastructure Ltd. with Skipper Steels Ltd. | Section 391 to 394 |

18. The directors have duly disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and Rules made thereunder and those were duly recorded in the register kept for that purpose.
19. The Company has issued 2668250 shares on 01/10/2008 and 1250000 shares on 31/03/2009 during the financial year and complied with the provisions of the Act.
20. The Company has not bought back shares during the financial year.
21. The Company has not redeemed any preference shares/debentures 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 Company has in compliance with the provisions of the Act made a borrowing from The State Bank of India during the financial year ending 31st March, 2009.
25. The Company, has not made any loans or advances or given guarantees or provided securities to other bodies corporate, thus no entries are required to be done in the register maintained for the purpose.
26. The Company has not altered the provisions of the Memorandum during the year under scrutiny with respect to situation of the Company's Registered Office from one state to another.
27. The Company has not altered the provisions of the Memorandum during the year under scrutiny with respect to Objects of the Company.
28. The Company has not 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, prosecution was initiated by the ROC vide case no. C/1460 2007 for non-filing/delay filing of Annual Return and Balance Sheet for the year 2005-2006. The Company u/s. 621 A of the Act, compounded the said offence and paid a fine of Rs. 1000/- as imposed.
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 : 14/05/2009

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

**ANNEXURE A**

Registers as maintained by the Company

1. Register of Members u/s. 150.
2. Register of Transfer u/s. 108.
3. Register of Directors etc. u/s. 303.
4. Register of Directors' shareholding u/s. 307.
5. Register of Companies & Firms in which Directors are interested u/s. 301.
6. Investment Register u/s. 372A.
7. Minutes of Board Meetings u/s. 193.
8. Minutes of General Meetings u/s. 193.
9. Books of Accounts u/s. 209.

ANNEXURE B

Forms and Returns filed with ROC by the Company during the financial year.

| Sl. No. | Forms and Returns | Filed under Section | Date of filing |
|---------|------------------------|---------------------|----------------|
| 1. | Annual Return | 159 | 27/11/2008 |
| 2. | Balance Sheet | 220 | 19/12/2008 |
| 3. | Compliance Certificate | 383A | 04/10/2008 |
| 4. | Form 5 | 97 | 03/04/2008 |
| 5. | Form 21 | 394 | 17/06/2008 |
| 6. | Form 23 | 192 | 05/08/2008 |
| 7. | Form 18 | 146 | 06/08/2008 |
| 8. | Form 25C | 269 | 07/08/2008 |
| 9. | Form 25C | 269 | 07/08/2008 |
| 10. | Form 25C | 269 | 07/08/2008 |
| 11. | Form 25C | 269 | 07/08/2008 |
| 12. | Form 25C | 269 | 07/08/2008 |
| 13. | Form 25C | 269 | 07/08/2008 |
| 14. | Form 25C | 269 | 07/08/2008 |
| 15. | Form 23 | 192 | 11/09/2008 |
| 16. | Form 23 | 192 | 11/09/2008 |
| 17. | Form 23 | 192 | 11/09/2008 |
| 18. | Form 25C | 269 | 11/09/2008 |
| 19. | Form 23 | 192 | 04/10/2008 |
| 20. | Form 8 | 125 | 24/11/2008 |
| 21. | Form 5 | 97 | 03/01/2009 |
| 22. | Form 2 | 75 | 08/01/2009 |
| 23. | Form 23 | 192 | 03/02/2009 |
| 24. | Form 8 | 125 | 06/02/2009 |
| 25. | Form 32 | 303 | 28/03/2009 |
| 26. | Form 2 | 75 | 08/04/2009 |



Management Discussion and Analysis Report

(forming part of the Report of the Directors for the year ended 31st March, 2009)

Industry Structure and Developments

The products and services of the Company are directly linked to construction and infrastructure sector. Year 2008-2009 was a challenging year for the sector. There was visible slow down in the economy. India's Gross Domestic Product growth slowed down to around 6.5 percent from a robust 9 percent growth in 2007-2008. This had a direct impact on the growth prospects of the Company. The telecom sector, particularly showed a visible slowdown, with many of the tower companies deferring their acquisition plans.

However, in view of various stimulus measures adopted by the Government, with particular stress on housing and infrastructure sector, the economy of the country is poised to be on a growth trajectory again. Most analysts predict a growth rate more than 7 percent in the current year. In addition, the current industry scenario foresees the bright future for transmission tower industry in India. The demand of transmission towers in the power sectors is expected to rise manifold. The Company is in a good position to encash on this surge on this demand as it is one of the approved suppliers of Power Grid led projects.

Opportunities and Threats

The Company sees an exciting opportunity in infrastructure sector, in the coming years. In difficult times, it is only the fittest which survive. The Company is in the industry for last 30 years. It has strong commitment towards quality and puts a high stress on being cost competitive. Because of all these strengths, the Company sees the current slow down as an opportunity. It is with this philosophy in mind, the Company has gone ahead with its expansion plans and is setting up a Greenfield project at Uluberia, West Bengal.

The major threats for your company would come from adverse fluctuations in raw material prices. The other major threat is high interest rates prevailing in the country. The financial institutions and banks have not lowered the interest rates significantly, in spite of the best efforts of the Government and Reserve Bank of India. This has a major impact on bottom line of the Company. The company is cautious to tackle such threats.

Segment-wise or product-wise performance

Iron and Steel Segment

The segment consists of:

1. Black pipes and GI pipes
2. Tubular poles
3. Scaffolding
4. Towers (Telecom and transmission)

The turnover of this segment increased from Rs. 283.79 crores in 2007-2008 to Rs. 343.61 crores in 2008-2009 showing a growth of more than 20%. The profit of this segment also increased from Rs. 18.80 crores in 2007-2008 to 21.48 crores showing a growth of more than 14%.

Infrastructure Projects Segment

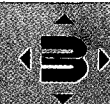
This segment consists of Tower erection services and trenchless drilling services. This segment was the most to suffer due to slowdown in telecom sector. The turnover of the segment grew from Rs. 15.36 crores in 2007-2008 to Rs. 16.28 crores in 2008-2009 showing a modest growth of 5 percent. The profit grew from Rs. 3.82 crores in 2007-2008 to Rs. 4.28 crores in 2008-2009 showing a growth of 12 percent.

LPG Cylinders

The segment proved to be a laggard for the Company. The turnover of the Company reduced from Rs. 15.89 crores in 2007-2008 to Rs. 6.33 crores in 2008-2009. The profit also reduced from Rs. 0.54 crores to 0.10 crores in 2008-2009. This was mainly because lower off take by oil marketing companies, high raw material price and intense competition in the sector. The Company is in the process of re-look at the segment.

Outlook

As discussed earlier, the Company is highly optimistic of the revival of the economy in the current year. This augurs well for the Company as a whole. The Company sees demand for its products to rise, particularly in the second half of the year. The transmission tower segment is expected to be major source of revenue for the Company in the year and high growth is expected in this product. The telecom sector is also set to revive. The Government's policy on giving a boost to the housing sector in terms on incentives towards lower interest rates is also expected to have a positive effect on the real estate industry. This is going to have positive effect on our products like black pipes, GI pipes and scaffolding. The new unit at Uluberia is also expected to commence production from September, 2009 onwards in a phased manner. This unit is expected to substantially contribute towards the growth of both topline and bottomline of the Company.



Risk and Concerns

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

Some of the key risks affecting your Company are:

Business Risk

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

Perception Risk

The Company is often perceived as an iron and steel company only, whereas it is more than just iron and steel company. The Company is largely into catering to telecom power industries. The Company is gradually moving towards value-added product and services. The Board of Directors is also in thick of discussion towards change in the name of the Company to bring a change in the perception of the Company.

Financial Risk

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

Interest Rate Risk

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

Liquidity Risk

The Company is in the midst of major expansion of a new project at Uluberia. Any delay in funding by the banks and default in payments by Company's clients can lead to liquidity crisis for the Company. The Company has very good relations with its bankers. It has never defaulted on any of its commitments with its bankers. It envisages no such problem in future finance from the banks. The Company puts high emphasis on timely collection. Necessary steps are immediately taken on the possibility of any default.

Market Risk

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

Event Risk

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

Internal Control systems and their adequacy

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

Discussion on financial performance with respect to operation performance

During the financial year, the turnover of the Company increased from Rs. 315.14 crores to Rs. 366.19 crores showing an increase of 16 percent. The profit before tax marginally increased from Rs. 14.10 crores to Rs. 14.17 crores. This is reflective of the overall slow down in the economy.

**Material developments in Human Resources/ Industrial Relations front including number of people employed**

The Company has a wide base of approximately 400 employees comprising of professional in various fields viz marketing, technical, commercial, finance etc. The growth of the Company is a key factor in attracting professional talent in the Company. Harmonious Industrial Relation continued to prevail at all the units. The Company continued its focus on development of Human Capital. The Company firmly believes in the immense potential of its human resources to bring about innovation and initiatives in developing the organization and ensuring its success.

Forward Looking Statements

This report contains forward looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

For and on behalf of Board of Directors

Place : Kolkata
Date: 5th day of June, 2009

Sajan Kumar Bansal
Managing Director



AUDITORS' REPORT

The Members of

SKIPPER STEELS LIMITED

1. We have audited the attached Balance Sheet of **SKIPPER STEELS LIMITED**, as at 31st March, 2009, the Profit and Loss Account and Cash Flow Statement for the year ended 31st March, 2009. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Attention is invited to Note No. 2, Schedule 21 as regards Scheme of Amalgamation (the Scheme) of the erstwhile Skipper Infrastructure Limited (SIL), with the Company under section 391(2) and 394 of the Companies Act, 1956 which was sanctioned by the Honourable High Court at Calcutta on March 24, 2009 and became effective from May 05, 2009. In terms of said Scheme of Amalgamation, inter alia, the whole of the assets and liabilities of SIL are transferred to and vested in the Company as a going concern with effect from the appointed date viz. April 01, 2008. We have incorporated the accounts of SIL, giving effect of the Scheme.
5. Further to our comments in the Annexure referred to above in Paragraph 3, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet and the Profit and Loss account dealt with by this report are in agreement with the books of account submitted to us;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with other notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the 'State of Affairs' of the Company as at 31st March 2009;
 - (b) in the case of the Profit and Loss Account, of the 'Profit' for the year ended on that date; and
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **Patanjali & Co.**
Chartered Accountants

For **Agrawal & Agrawal**
Chartered Accountants

(**Patanjali Sharma**)

(**Durga Prasad Poddar**)

Place : Kolkata

Partner

Partner

Dated : 14th May, 2009

Membership No. 14993

Membership No. 09543

**ANNEXURE TO AUDITORS' REPORT**

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

- (i) (a) According to information and explanations given to us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) *As informed to us, some of the fixed assets could not be physically verified during the year. As explained to us, the Company is in a process of formulating a regular programme for verification of fixed assets, once the above records are compiled.*
- (c) According to information and explanation given to us, the company has not disposed off a substantial part of its fixed assets and the going concern status of the Company is not affected.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. However, the procedures for verification in certain areas needs to be further streamlined.
- (c) The company is maintaining proper records of inventory, except for certain items of consumable stores, which as explained to us is not material. According to information and explanation given to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of accounts.
- (iii) (a) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(iii)(a) to 4(iii)(d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (b) The company had not taken any loan, secured or unsecured, from companies covered in the register maintained under section 301 of the Companies Act, 1956. The Company had taken loan from four directors. The maximum amount involved during the year was Rs. 4,05,50,000 and the year-end balance of loans taken from directors was Rs. 2,25,00,000. 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 having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 58A and 58AA or any relevant provisions of the Companies Act, 1956 and the rules framed there under with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) The Company has an internal audit system, which in our opinion is commensurate with the size and nature of its business. However, internal audit system needs to be further formalized and certain more areas need to be brought under the purview of the internal audit system.
- (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, except for delay in some cases. There is no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute except for the following :

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

(x) The Company has no accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xv) According to information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that 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 made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. The shares have been issued at the same price at which they have been issued to parties who are not covered under section 301 of the Companies Act, 1956, and as such, are prima facie not prejudicial to the interest of the Company.

(xix) According to the information and explanations given to us, the Company has not issued any debentures.

(xx) According to the information and explanations given to us, the Company has not raised any money by public issues.

(xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **Patanjali & Co.** For **Agrawal & Agrawal**
Chartered Accountants Chartered Accountants

(**Patanjali Sharma**) (**Durga Prasad Poddar**)

Place : Kolkata Partner Partner

Dated : 14th May, 2009 Membership No. 14993 Membership No. 09543

**BALANCE SHEET** as at 31st March, 2009

(Amount in Rs.)

| | SCHEDULE | As at 31.03.2009 | | As at 31.03.2008 | |
|--|----------|-----------------------|-----------------------|-----------------------|-----------------------|
| A. SOURCES OF FUNDS | | | | | |
| Shareholders' Fund | | | | | |
| Share Capital | 1 | 5,61,84,250 | | 1,70,01,750 | |
| Equity Share Suspense (Refer Note No. 2, Schedule 21) | | 67,60,000 | | 2,66,82,500 | |
| Reserves & Surplus | 2 | 77,40,63,673 | 83,70,07,923 | 44,75,57,840 | 49,12,42,090 |
| Loan Funds | | | | | |
| Secured Loan | 3 | 94,77,64,427 | | 73,02,25,037 | |
| Unsecured Loan | 4 | 13,87,16,508 | 1,08,64,80,935 | 14,37,88,538 | 87,40,13,575 |
| Deferred Tax Liability | | | 3,79,65,939 | | 3,36,06,590 |
| Total | | | <u>1,96,14,54,797</u> | | <u>1,39,88,62,255</u> |
| B. APPLICATION OF FUNDS | | | | | |
| Fixed Assets | | | | | |
| Gross Block | 5 | 60,52,96,371 | | 58,82,63,110 | |
| Less : Depreciation | | 8,05,41,417 | | 5,95,91,154 | |
| Net Block | | 52,47,54,954 | | 52,86,71,956 | |
| Capital Work in Progress | | 30,93,38,142 | 83,40,93,096 | 33,01,951 | 53,19,73,907 |
| Investments | 6 | | 19,02,850 | | 22,77,850 |
| Current Assets, Loans and Advances | | | | | |
| Inventories | 7 | 55,19,15,965 | | 42,56,79,555 | |
| Sundry Debtors | 8 | 78,14,01,022 | | 54,28,36,917 | |
| Cash and Bank Balances | 9 | 2,63,39,190 | | 2,42,59,169 | |
| Loans and Advances | 10 | 18,18,69,193 | | 19,30,76,887 | |
| | | <u>1,54,15,25,370</u> | | <u>1,18,58,52,528</u> | |
| Less : Current Liabilities and Provisions | 11 | | | | |
| Current Liabilities | | 40,54,45,213 | | 31,58,92,319 | |
| Provisions | | 1,06,21,306 | | 53,49,711 | |
| | | <u>41,60,66,519</u> | | <u>32,12,42,030</u> | |
| Net Current Assets | | | <u>1,12,54,58,851</u> | | <u>86,46,10,498</u> |
| | | | <u>1,96,14,54,797</u> | | <u>1,39,88,62,255</u> |
| Notes to the Accounts | 21 | | | | |

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

For **Patanjali & Co.**
Chartered Accountants

For **Agrawal & Agrawal**
Chartered Accountants

(**Patanjali Sharma**)
Partner
Membership No. 14993

(**Durga Prasad Poddar**)
Partner
Membership No. 09543

Place : Kolkata
Dated : 14th May, 2009

For and on behalf of Board

Sajan Kumar Bansal
Managing Director

Sharan Bansal
Director

Devesh Bansal
Director

Arbind Kumar Jain
Company Secretary


PROFIT AND LOSS ACCOUNT for the year ended 31st March, 2009

(Amount in Rs.)

| | SCHEDULE | As at 31.03.2009 | As at 31.03.2008 |
|---|----------|------------------|------------------|
| A. INCOME | | | |
| Sales (Net) & Operations | | | |
| Gross Sales | 12 | 4,71,19,53,097 | 4,02,76,68,958 |
| Less : Excise Duty | | 35,48,75,005 | 37,18,98,112 |
| Sales Tax / Value Added Tax | | 13,01,49,540 | 13,52,72,696 |
| Net Amount | | 4,22,69,28,552 | 3,52,04,98,150 |
| Less : Inter unit sales | | 56,49,79,620 | 36,90,50,534 |
| | | 3,66,19,48,932 | 3,15,14,47,616 |
| Profit on sale of Investments | | - | 45,000 |
| Other Income | 13 | 58,26,190 | 50,84,165 |
| Increase / (Decrease) in Stock | 14 | 13,07,41,288 | 11,26,48,926 |
| | | 3,79,85,16,410 | 3,26,92,25,707 |
| B. EXPENDITURE | | | |
| Materials Consumed | 15 | 3,13,23,51,371 | 2,65,80,40,607 |
| Manufacturing and Project Expenses | 16 | 22,18,88,627 | 23,10,55,730 |
| Personnel Expenses | 17 | 5,39,83,567 | 4,38,85,690 |
| Administrative, Selling and Other Expenses | 18 | 11,37,87,204 | 9,51,63,253 |
| Finance Charges | 19 | 11,30,73,853 | 8,46,92,094 |
| Depreciation | 20 | 2,43,04,911 | 1,53,38,340 |
| | | 3,65,93,89,533 | 3,12,81,75,714 |
| Less : Self consumption of iron and steel products | | 26,21,015 | - |
| | | 3,65,67,68,518 | 3,12,81,75,714 |
| C. PROFIT | | | |
| Profit Before Tax | | 14,17,47,892 | 14,10,49,993 |
| Less : Provision for Taxation | | | |
| Income Tax-current year | | 4,50,00,000 | 3,85,00,000 |
| Income Tax-earlier years | | - | (38,087) |
| Wealth Tax-current year | | 67,000 | 43,000 |
| Fringe Benefit Tax-current year | | 20,00,000 | 13,60,000 |
| Fringe Benefit Tax-earlier years | | - | 53,071 |
| Deferred Tax | | 43,59,349 | 92,02,458 |
| | | 5,14,26,349 | 4,91,20,442 |
| Profit After Tax | | 9,03,21,543 | 9,19,29,551 |
| Add : Profit brought forward from previous year | | 14,47,13,958 | 5,78,95,244 |
| Profit available for appropriation | | 23,50,35,501 | 14,98,24,795 |
| APPROPRIATION | | | |
| Proposed Dividend | | 62,94,425 | 43,68,425 |
| Corporate Tax on Dividend | | 10,69,738 | 7,42,414 |
| Balance Carried Forward | | 22,76,71,338 | 14,47,13,956 |
| | | 23,50,35,501 | 14,98,24,795 |
| Weighted Average number of Equity Shares of Rs. 10 each | | 51,15,144 | 43,68,425 |
| Basic and Diluted Earning Per Share | | 17.66 | 21.04 |
| Notes to the Accounts | 21 | | |

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

For and on behalf of Board

 For **Patanjali & Co.**
Chartered Accountants

 For **Agrawal & Agrawal**
Chartered Accountants

Sajan Kumar Bansal
Managing Director

Sharan Bansal
Director

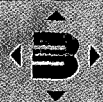
Devesh Bansal
Director

Arbind Kumar Jain
Company Secretary

(Patanjali Sharma)
Partner
Membership No. 14993

(Durga Prasad Poddar)
Partner
Membership No. 09543

 Place : Kolkata
Dated : 14th May, 2009


SCHEDULES forming part of the accounts
(Amount in Rs.)

| | As at 31.03.2009 | | As at 31.03.2008 | |
|---|---------------------|---------------------|---------------------|---------------------|
| 1 SHARE CAPITAL | | | | |
| Authorized | | | | |
| 1,00,00,000 (Previous Year 25,00,000) Equity Shares of Rs.10/- each | | <u>10,00,00,000</u> | | <u>2,50,00,000</u> |
| Issued, Subscribed & Paid-Up Capital | | | | |
| 56,18,425 (Previous Year 17,00,175) Equity Shares of Rs.10/- each | | | | |
| fully paid up (includes 26,68,250 Equity Shares allotted for consideration other than cash) | | <u>5,61,84,250</u> | | <u>1,70,01,750</u> |
| | | <u>5,61,84,250</u> | | <u>1,70,01,750</u> |
| 2 RESERVES & SURPLUS | | | | |
| Revaluation Reserve | | | | |
| As per Last Account | 4,00,45,629 | | 4,02,86,866 | |
| Less : Depreciation on Revaluation of Fixed Asstes (Refer Note No. 7, Schedule 21) | <u>2,41,237</u> | <u>3,98,04,392</u> | <u>2,41,237</u> | <u>4,00,45,629</u> |
| Securities Premium Account | | | | |
| As per last Account | 21,60,12,924 | | 5,70,00,000 | |
| Add : Transferred on amalgamation | 62,89,688 | | 15,90,12,924 | |
| Add : Received during the year | <u>23,75,00,000</u> | <u>45,98,02,612</u> | - | <u>21,60,12,924</u> |
| General Reserve | | | | |
| As per last Account | 4,67,85,331 | | 18,99,972 | |
| Add : Transferred on amalgamation | - | <u>4,67,85,331</u> | <u>4,48,85,359</u> | <u>4,67,85,331</u> |
| Profit & Loss Account | | <u>22,76,71,338</u> | | <u>14,47,13,956</u> |
| | | <u>77,40,63,673</u> | | <u>44,75,57,840</u> |
| 3 SECURED LOANS | | | | |
| Term Loan | | | | |
| From Oriental Bank of Commerce | 18,61,69,119 | | 12,16,37,171 | |
| From State Bank of India | 8,05,31,428 | | 3,90,94,686 | |
| From Union Bank of India | - | <u>26,67,00,547</u> | <u>4,77,51,660</u> | <u>20,84,83,517</u> |
| (Due within one year : Rs. 6,29,69,773) | | | | |
| (Previous year : Rs. 3,58,24,063) | | | | |
| Cash Credit Rupee Loans | | | | |
| From Oriental Bank of Commerce | 23,99,49,570 | | 29,35,29,440 | |
| From State Bank of India | 19,13,08,296 | | 14,58,53,728 | |
| From Union Bank of India | <u>3,40,29,287</u> | | <u>6,70,63,013</u> | |
| | <u>46,52,87,153</u> | | <u>50,64,46,181</u> | |
| Foreign Currency Loans | | | | |
| From State Bank of India | <u>20,67,88,522</u> | <u>67,20,75,675</u> | - | <u>50,64,46,181</u> |
| Hire Purchase Loan | | | | |
| From Bank | 89,88,205 | | 1,01,90,358 | |
| From Others | - | <u>89,88,205</u> | <u>51,04,981</u> | <u>1,52,95,339</u> |
| | | <u>94,77,64,427</u> | | <u>73,02,25,037</u> |
| 4 UNSECURED LOANS | | | | |
| From Bodies Corporate | | <u>11,54,70,420</u> | | <u>12,91,00,000</u> |
| From Directors | | <u>2,25,00,000</u> | | <u>1,33,50,000</u> |
| Interest Accrued and Due | | <u>7,46,088</u> | | <u>13,38,538</u> |
| | | <u>13,87,16,508</u> | | <u>14,37,88,538</u> |

1. Term Loan is secured against hypothecation of fixed assets financed and equitable mortgage of land and building and personal guarantee of directors.
2. Cash Credit Loan is 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.
3. Hire Purchase Loan is secured against hypothecation of respective fixed assets financed.

SCHEDULES forming part of the accounts

5 FIXED ASSETS

(Amount in Rs.)

| Description | GROSS BLOCK | | | | | DEPRECIATION | | | | | NET BLOCK | |
|------------------------------|---------------------|--------------------------------|--------------------|----------------------|---------------------|---------------------|--------------------------------|--------------------|----------------------|---------------------|---------------------|---------------------|
| | As at 01.04.2008 | Transferred on amalgamation | Additions | Sales/ Adjustment | As at 31.03.2009 | As at 01.04.2008 | Transferred on amalgamation | For the year | Sales/ adjustment | As at 31.03.2009 | As at 31.03.2009 | As at 31.03.2008 |
| Land and Land Development | 10,21,07,393 | 1,22,75,053 | 85,34,135 | - | 12,29,16,581 | - | - | - | - | - | 12,29,16,581 | 10,21,07,393 |
| Building | 11,12,96,955 | - | 1,01,97,221 | - | 12,14,94,176 | 1,15,66,630 | - | 37,18,271 | - | 1,52,84,901 | 10,62,09,275 | 9,97,30,325 |
| Plant & Machinery | 33,79,05,476 | - | 5,50,28,624 | 6,54,16,857 | 32,75,17,243 | 4,21,11,550 | - | 1,76,77,468 | 26,14,035 | 5,71,74,983 | 27,03,42,260 | 29,57,93,926 |
| Furniture & Fixtures | 80,86,960 | - | 7,26,466 | - | 88,13,426 | 13,33,425 | - | 6,08,393 | - | 19,41,818 | 68,71,608 | 67,53,535 |
| Vehicles | 2,88,66,326 | - | 34,89,106 | 78,00,487 | 2,45,54,945 | 45,79,549 | - | 26,83,200 | 11,23,035 | 61,39,714 | 1,84,15,231 | 2,42,86,777 |
| Total | 58,82,63,110 | 1,22,75,053 | 7,79,75,552 | 7,32,17,344 | 60,52,96,371 | 5,95,91,154 | - | 2,46,87,333 | 37,37,070 | 8,05,41,417 | 52,47,54,955 | 52,86,71,956 |
| Previous Year | 22,22,77,557 | 16,11,63,538 | 21,37,18,188 | 88,96,173 | 58,82,63,110 | 2,75,51,846 | 1,78,26,204 | 1,55,79,577 | 13,66,473 | 5,95,91,154 | 52,86,71,956 | |
| Capital Work in Progress | | | | | | | | | | | 30,93,38,142 | 33,01,951 |

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. 1,47,48,509 (Previous year Rs. 1,81,53,846)
- 3) Land includes lands in respect of which execution of conveyance deeds are in process.
- 4) The proceeds from preferential issue has been utilized towards expenditure for acquisition of capital assets.




SCHEDULES forming part of the accounts
(Amount in Rs.)

| | As at 31.03.2009 | | | As at 31.03.2008 | | |
|---|-------------------|---------|------------------|-------------------|---------|--------------------|
| | Face Value Rs. | Numbers | Amount Rs. | Face Value Rs. | Numbers | Amount Rs. |
| 6 INVESTMENTS | | | | | | |
| Long Term Trade Investments | | | | | | |
| Quoted Shares (Fully Paid Up) | | | | | | |
| Unimetals Alloy Limited | 10 | 500 | 5,000 | 10 | 500 | 5,000 |
| JSW Steel Limited | 10 | 2187 | 5,57,500 | 10 | 2187 | 5,57,500 |
| JSW Steel Limited | 10 | 446 | 71,360 | 10 | 446 | 71,360 |
| Total | | | <u>6,33,860</u> | | | <u>6,33,860</u> |
| Long Term Non Trade Investments | | | | | | |
| Unquoted Shares (Fully Paid Up) | | | | | | |
| Transcend Infrastructure Limited | - | - | - | 10 | 375000 | 3,75,000 |
| | | | <u>-</u> | | | <u>3,75,000</u> |
| Long Term Non Trade Investments | | | | | | |
| Quoted Shares (Fully Paid Up) | | | | | | |
| Century Plyboards (I) Limited* | 1 | 306240 | 12,24,990 | 10 | 30625 | 12,24,990 |
| ICICI Bank Limited | 10 | 150 | 42,000 | 10 | 150 | 42,000 |
| | | | <u>12,66,990</u> | | | <u>12,66,990</u> |
| Long Term Trade Unquoted Investments | | | | | | |
| (Fully Paid Up) | | | | | | |
| National savings Certificate | | | 2,000 | | | 2,000 |
| | | | <u>2,000</u> | | | <u>2,000</u> |
| Aggregate of Book Value Quoted Investments | | | 19,00,850 | | | 19,00,850 |
| Unquoted Investments | | | 2,000 | | | 3,77,000 |
| Total | | | <u>19,02,850</u> | | | <u>22,77,850</u> |
| Aggregate Market Value of Quoted Investments | | | <u>93,88,191</u> | | | <u>2,09,44,537</u> |
| * Face value has been changed from Rs. 10 to Re 1 during the year | | | | | | |

| | As at 31.03.2009 | | As at 31.03.2008 | |
|---|------------------|---------------------|------------------|---------------------|
| | | | | |
| 7 INVENTORIES | | | | |
| (As taken, valued and certified by the management) | | | | |
| Raw Materials | | 12,50,37,090 | | 13,46,69,717 |
| (Including goods in transit Rs. 1,19,68,607, Previous year Rs. Nil) | | | | |
| Stores and Spare Parts | | 1,75,43,896 | | 1,48,46,714 |
| (Including goods in transit Rs. 51,103, Previous year Rs. Nil) | | | | |
| Work In Process | | 28,07,07,168 | | 21,85,74,707 |
| Finished Goods | | 12,54,16,148 | | 5,15,01,587 |
| Scrap and Waste | | 32,11,663 | | 60,86,830 |
| | | <u>55,19,15,965</u> | | <u>42,56,79,555</u> |
| 8 SUNDRY DEBTORS | | | | |
| (Unsecured, considered good) | | | | |
| Debts outstanding for a period exceeding six months | | 9,20,98,920 | | 3,83,80,261 |
| Other Debts | | 68,93,02,102 | | 5,04,45,656 |
| | | <u>78,14,01,022</u> | | <u>54,28,36,917</u> |


SCHEDULES forming part of the accounts

(Amount in Rs.)

| | As at 31.03.2009 | As at 31.03.2008 |
|---|---------------------|---------------------|
| 9 CASH AND BANK BALANCES | | |
| Cash in hand (As Certified) | 14,23,464 | 10,53,603 |
| Balances with Scheduled Banks | | |
| - In Current Account | 19,45,036 | 8,59,525 |
| - In Fixed Deposit Accounts | 2,29,70,690 | 2,23,46,041 |
| (Pledged against guarantees issued by Bank and Letters of Credit issued by Bank) | | |
| | <u>2,63,39,190</u> | <u>2,42,59,169</u> |
| 10 LOANS, ADVANCES AND DEPOSITS | | |
| (Unsecured, considered Good) | | |
| Advances | 6,73,66,193 | 6,83,71,991 |
| (Recoverable in cash or in kind or for value to be received or pending adjustments) | | |
| Unbilled Revenues | 5,67,48,442 | 6,77,61,845 |
| Balances with Central Excise Department | 3,93,18,500 | 3,62,89,966 |
| Tax and Tax Deducted at source (net of provision) | - | 31,34,886 |
| Deposits | 1,84,36,058 | 1,75,18,199 |
| | <u>18,18,69,193</u> | <u>19,30,76,887</u> |
| 11 CURRENT LIABILITIES AND PROVISIONS | | |
| Current Liabilities | | |
| Bills payable | 1,99,84,629 | 7,79,98,413 |
| Sundry Creditors* | | |
| For Capital Goods | 1,40,11,108 | 25,30,082 |
| For Goods | 28,86,42,776 | 12,05,64,080 |
| For Expenses# | 5,58,32,075 | 6,61,66,901 |
| For others | 93,12,307 | 1,36,14,825 |
| Due to a Scheduled Bank in Current Account against excess issue of cheques | - | 58,943 |
| Unearned Revenue | 31,51,000 | - |
| Forward Contracts (net) | 46,80,000 | - |
| Advances and Deposits received | 98,31,318 | 3,49,59,075 |
| | <u>4,05,445,213</u> | <u>31,58,92,319</u> |
| Provisions | | |
| Provision for Income Tax (net of payments) | 30,37,556 | - |
| Provision for Fringe Benefit Tax (net of payments) | 1,54,700 | 1,95,872 |
| Provision for Wealth Tax | 64,887 | 43,000 |
| Proposed Dividend | 62,94,425 | 43,68,425 |
| Corporate Tax on Dividend | 10,69,738 | 7,42,414 |
| | <u>1,06,21,306</u> | <u>53,49,711</u> |
| | <u>41,60,66,519</u> | <u>32,12,42,030</u> |

* Include Rs. 7,23,997 (Previous year Rs. Nil) due to micro and small enterprises

Includes Rs. 19,592 (Previous year Rs. 2,81,104) due to directors



SCHEDULES forming part of the accounts

(Amount in Rs.)

| | Year ended 31.03.2009 | Year ended 31.03.2008 |
|--|-----------------------|-----------------------|
| 12 SALES (NET) AND OPERATIONS | | |
| Finished Goods and others (Gross, Tax deducted at source Rs. 12,13,429, Previous Year Rs. 1,96,127) | 4,58,08,39,633 | 3,85,68,69,422 |
| Labour Charges (Gross, Tax deducted at source Rs. Nil, Previous Year Rs. 3,61,174) | 2,25,165 | 1,59,50,936 |
| Income from infrastructure projects (Gross, Tax deducted at source Rs. 30,43,284, Previous Year Rs. 10,89,874) | 13,08,88,299 | 15,48,48,600 |
| | <u>4,71,19,53,097</u> | <u>4,02,76,68,958</u> |
| 13 OTHER INCOME | | |
| Interest (Gross, Tax deducted at source Rs. 3,61,245, Previous year Rs. 2,62,968) | 23,21,888 | 20,03,951 |
| Dividend | 1,91,632 | 1,500 |
| Sundry Liabilities written back (net of write offs) | 20,11,490 | - |
| Power Subsidy | - | 30,78,714 |
| Miscellaneous Income | 130,1180 | - |
| | <u>58,26,190</u> | <u>50,84,165</u> |
| 14 INCREASE / (DECREASE) IN STOCK | | |
| Opening Stock | | |
| Work In Process | 21,85,74,707 | 10,34,42,512 |
| Finished Goods | 5,15,01,587 | 1,83,20,932 |
| Scrap and Waste | 60,86,830 | 7,98,259 |
| | 27,61,63,124 | 12,25,61,703 |
| Add : Transferred on Amalgamation | | |
| Work in Process | - | 64,18,258 |
| Finished Goods | - | 33,35,72,15 |
| Scrap and Waste | - | 3,10,140 |
| | - | 4,00,85,613 |
| | 27,61,63,124 | 16,26,47,316 |
| Less : Closing Stock | | |
| Work in Process | 28,07,07,168 | 21,85,74,707 |
| Finished Goods | 12,54,16,148 | 5,15,01,587 |
| Scrap & Waste | 32,11,663 | 60,86,830 |
| | 40,93,34,979 | 27,61,63,124 |
| Increase / (Decrease) in Stock | 13,31,71,855 | 11,35,15,808 |
| (Increase) / Decrease in Excise Duty on Finished Goods | (24,30,567) | (8,66,882) |
| | <u>13,07,41,288</u> | <u>11,26,48,926</u> |
| 15 MATERIAL CONSUMED | | |
| Raw Materials Consumed (Including Conversion Charges and procurement expenses) | | |
| Opening Stock | 13,46,69,717 | 43,14,5542 |
| Add : Transferred on Amalgamation | - | 4,74,51,950 |
| Add : Purchases | 3,12,27,18,744 | 2,70,21,12,832 |
| | 3,25,73,88,461 | 2,79,27,10,324 |
| Less : Closing Stock | 12,50,37,090 | 13,46,69,717 |
| Consumption of Raw Materials | <u>3,13,23,51,371</u> | <u>2,65,80,40,607</u> |


SCHEDULES forming part of the accounts
(Amount in Rs.)

| | Year ended 31.03.2009 | Year ended 31.03.2008 |
|--|-----------------------|-----------------------|
| 16 MANUFACTURING AND PROJECT EXPENSES | | |
| Stores and Spare Parts Consumed | 6,63,61,380 | 7,50,05,567 |
| Power and Fuels | 1,73,54,654 | 1,88,87,915 |
| Labour Charges | 13,34,87,786 | 13,43,77,660 |
| Miscellaneous Expenses | 20,34,400 | 10,98,582 |
| Repairs to | | |
| Plant and Machinery | 15,07,872 | 12,70,086 |
| Building | 11,42,535 | 4,15,920 |
| | <u>26,50,407</u> | <u>16,86,006</u> |
| | <u>22,18,88,627</u> | <u>23,10,55,730</u> |
| 17 PERSONNEL EXPENSES | | |
| Salaries, wages and Allowances | 4,18,77,425 | 3,68,06,352 |
| Directors' Remuneration | 77,80,402 | 36,00,000 |
| Employers' Contribution to Statutory Funds | 16,47,664 | 10,37,290 |
| Workmen and Staff Welfare Expenses | 26,78,076 | 24,42,048 |
| | <u>5,39,83,567</u> | <u>4,38,85,690</u> |
| 18 ADMINISTRATIVE, SELLING AND OTHER EXPENSES | | |
| Rent | 27,61,466 | 9,37,164 |
| Rates and Taxes | 31,57,287 | 12,29,283 |
| Insurance Charges | 23,14,233 | 22,10,861 |
| Electricity Charges | 4,05,509 | 2,59,715 |
| Postage and Courier Expenses | 2,42,578 | 2,15,388 |
| Telephone and Fax Expenses | 30,06,127 | 24,77,121 |
| Printing and Stationery Expenses | 14,86,796 | 10,59,424 |
| Travelling and Conveyance Expenses | 1,19,30,836 | 1,32,38,879 |
| Bank Charges and Commission | 64,70,177 | 77,73,039 |
| Freight, Packing and Handling Expenses (net) | 1,53,11,153 | 2,07,05,507 |
| Legal and Professional Expenses | 1,80,82,803 | 91,63,832 |
| Vehicle Maintenance Expenses | 25,01,862 | 18,38,008 |
| Other Maintenance Expenses | 40,08,127 | 73,90,289 |
| Security Service Charges | 50,74,298 | 27,40,151 |
| Premium on Foreign Exchange Contracts | 4,24,222 | - |
| Advertisement and Sales Promotion Expenses | 40,74,993 | 39,10,912 |
| Commission | 43,55,997 | 45,08,049 |
| Discount | 40,92,536 | 4,42,286 |
| Local Taxes | 20,56,481 | 4,23,509 |
| Loss on Sale of Fixed Assets | 95,24,367 | 23,97,816 |
| Loss on Hedging Transaction | - | 10,81,357 |
| Sundry Balances Written Off | - | 38,04,443 |
| Contribution toward Charity | 44,36,000 | 16,61,000 |
| Item Pertaining to Previous Year | 1,22,073 | - |
| Miscellaneous Expenses | 77,57,283 | 55,02,051 |
| Auditors' Remuneration | | |
| As Audit Fees | 1,00,000 | 1,00,000 |
| As Tax Audit Fees | 10,000 | 10,000 |
| In other capacity, in respect of | | |
| Company Law Matters | 30,000 | 4,500 |
| Taxation Matters | 6,000 | 24,500 |
| Other Matters | 44,000 | 54,169 |
| | <u>1,90,000</u> | <u>1,93,169</u> |
| | <u>11,37,87,204</u> | <u>9,51,63,253</u> |

**SCHEDULES** forming part of the accounts

(Amount in Rs.)

| | Year ended 31.03.2009 | | Year ended 31.03.2008 | |
|--|-----------------------|---------------------|-----------------------|--------------------|
| 19 FINANCE CHARGES | | | | |
| Interest to Bank | | | | |
| On Term Loan | 2,27,02,572 | | 1,75,75,659 | |
| On Cash Credit Account | 6,57,95,890 | 8,84,98,462 | 4,51,46,713 | 6,27,22,372 |
| Other Interest | | 2,32,73,192 | | 2,11,03,864 |
| Hire Purchase Charges | | 13,02,199 | | 8,65,858 |
| | | 11,30,73,853 | | 8,46,92,094 |
| 20 DEPRECIATION | | | | |
| On Fixed Assets | | 2,46,87,333 | | 1,55,79,577 |
| Less : Transferred to Capital Work in Progress | 1,41,185 | | - | |
| Transferred from Revaluation reserve | 2,41,237 | 3,82,422 | 2,41,237 | 2,41,237 |
| (Refer Note No. 7, Schedule 21) | | 2,43,04,911 | | 1,53,38,340 |



SCHEDULES

21 NOTES TO ACCOUNTS

1. Significant Accounting Policies:

A) ACCOUNTING POLICIES

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

B) REVENUE RECOGNITION

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

C) USE OF ESTIMATES

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

D) FIXED ASSET

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

E) 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.

F) IMPAIRMENT OF ASSETS

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

G) INVESTMENTS

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

H) INVENTORIES

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

**SCHEDULES forming part of the accounts****21 NOTES TO ACCOUNTS (contd.)****I) BORROWING COSTS**

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

J) GOVERNMENT GRANTS

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

K) TAXATION

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

L) FOREIGN CURRENCIES

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

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

M) RETIREMENT AND OTHER EMPLOYMENT BENEFITS

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

N) 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. (a) In terms of a Scheme of Amalgamation (the Scheme) of the erstwhile Skipper Infrastructure Limited (SIL-formerly Bansal Poles & Towers Limited), primarily engaged in the business of iron and steel products, with the Company under section 391(2) and 394 of the Companies Act, 1956 which was sanctioned by the Honourable High Court at Calcutta on March 24, 2009 and became effective from May 05, 2009, inter alia, the whole of the assets and liabilities of SIL are transferred to and vested in the Company as a going concern with effect from the appointed date viz. April 01, 2008.



SCHEDULES forming part of the accounts

21 NOTES TO ACCOUNTS (contd.)

(b) The Scheme, inter alia, provides for transfer and vesting of:

- All the properties, assets, rights and powers of SIL and all the debts, liabilities, duties and obligations of SIL which shall include all rights, powers, interests, authorities, privileges, liberties and all properties and assets, moveable or immovable, freehold or leasehold, real or personal, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wherever situate including land, buildings, plant and machinery, office equipments, inventories, investments in shares, debentures, bonds and other securities, sundry debtors, cash and bank balances, loans and advances, leases and all other interests and rights in or arising out of such property together with all liberties, easements, advantages, exemptions, approvals, licenses, trade marks, patents, copyrights, import entitlements and other quotas, if any, held, applied for or as may be obtained or are entitled to together with the benefit of all respective contracts and engagements and all respective books, papers, documents and records of the SIL.
- All debts, liabilities, duties and obligations of SIL, including liabilities on account of secured and unsecured loans and guarantees, sundry creditors, sales tax, excise, bonus, gratuity and other taxation and contingent liabilities.
- All exemptions, benefits, concessions and incentives under any scheme of Union and State Governments, including Sales Tax Incentive Scheme to the Company.
- All the employees of SIL along with employee related benefits to the Company.

(c) The amalgamation has been accounted for under the "pooling of interest" method as prescribed by Accounting Standard (AS-14) issued by the Institute of Chartered Accountants of India. Accordingly, the assets, liabilities and reserves of SIL as at April 01, 2008 have been taken over at their book values. As stipulated in the Scheme of Amalgamation, all reserves, except for Securities Premium Account, of the transferor companies have been transferred to the General Reserves Account. The balance in Securities Premium Account of the transferor companies is transferred to Securities Premium Account.

(d) In consideration of the Scheme, the Company shall issue and allot 6,76,000 fully paid up equity shares of the Company of Rs. 10 each to the shareholders of SIL in the ratio of 5 equity shares of the Company for 2 equity shares of SIL. Pending allotment the equity shares have been shown under Equity Share Suspense Account.

(e) Accordingly, the amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the Scheme at the following summarized values :

(Amount in Rs.)

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

As per the Scheme, the Authorized Share Capital of the Transferor Company shall stand merged into and combined with the Authorized Share Capital of the Transferee Company, without any further act of deed, and without payment of any registration or filing fee on such combined Authorized Share Capital. Accordingly, the Authorized Share Capital of the Company resulting from the amalgamation of the Transferor Company with the Transferee Company shall be a sum of Rs.11,00,00,000 divided into 1,10,00,000 Equity Shares of Rs.10 each.

**SCHEDULES** forming part of the accounts**21 NOTES TO ACCOUNTS (contd.)**

3. Contingent liabilities not provided in respect of:

(Amount in Rs.)

| Particulars | 31.03.2009 | 31.03.2008 |
|---|---------------------|--------------|
| a) Claims against the Company not acknowledge as debt | | |
| Disputed tax / duties | 5,73,04,830 | 3,14,13,901 |
| b) Bills Discounted | 88,27,759 | 13,86,30,487 |
| c) Bank guarantee issued by Banks | 29,09,36,375 | 24,88,23,300 |

Notes:

- (i) The Company does not expect any reimbursements in respect of the above contingent liabilities.
 - (ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) pending resolution of the appellate proceedings.
 - (iii) In respect of matters at (b), the cash outflows, if any, could occur on default by the parties whose bills have been discounted by the bank.
 - (iv) In respect of matters at (c), the cash outflows, if any, could generally occur at any time during the subsistence of the liability to which the guarantees relate.
4. Estimated amount of contracts pending execution on capital account (net of advances) and not provided for is Rs. 13,14,08,233 (Previous year Rs. Nil).
 5. Sundry creditors include Rs. nil (Previous year Rs. 10,10,16,805) being liabilities against which Letters of Credit has been issued by Bank (against margin money kept as fixed deposit with the bank).
 6. The Gross Block of Fixed Assets includes Rs. 4,35,20,129 (Previous Year Rs. 4,35,20,129) on account of revaluation of Fixed Assets carried out in the past. Consequent to the said revaluation there is an additional charge of depreciation of Rs. 2,41,237 (Previous Year Rs. 2,41,237) and an equivalent amount, has been withdrawn from Revaluation Reserve and credited to the Profit and Loss Account.
 7. Expenditure on account of premium on forward exchange contracts to be recognized in the profit and loss account of subsequent accounting period aggregates to Rs. 28,95,778 (Previous Year Rs. Nil).
 8. The Company has decided to continue accounting for transactions in foreign currency as per Accounting Standard-11- Effects of changes in foreign exchange rates and not to exercise the option of deferment of exchange fluctuation on long term liabilities granted by Companies (Accounting Standard) Amendment Rules, 2009 issued by the Ministry of Corporate Affairs on 31st March, 2009.
 9. 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.
 10. Advances include advance of Rs. nil (Previous year Rs. 61,59,339) due from a company in which directors are interested as director and Debtors include Rs. nil (Previous Year Rs. 1,91,580) due from a private Company in which directors are interested as director.
 11. The information regarding amounts due to creditors registered under the Micro, Small and Medium Enterprises Development Act, 2006, has been given to the extent available with the Company. The required disclosures of outstanding dues of micro enterprises and small enterprises are as under:

(Amount in Rs.)

| Particulars | 2008-2009 | 2007-2008 |
|---|-----------------|-----------|
| Principal amount remaining unpaid as at 31st March | 7,23,997 | Nil |
| Interest amount remaining unpaid as at 31st March | Nil | Nil |
| Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year | Nil | Nil |
| Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006. | Nil | Nil |
| Interest accrued and remaining as at 31st March | Nil | Nil |
| Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise. | Nil | Nil |



SCHEDULES forming part of the accounts

21 NOTES TO ACCOUNTS (contd.)

12. Fixed monthly remuneration has been paid to a director in terms 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 :

(Amount in Rs.)

| Particulars | 2008-2009 | 2007-2008 |
|---|---------------------|---------------------|
| Profit before taxation | 14,17,47,892 | 14,10,49,993 |
| Add : Depreciation as per accounts | 2,43,04,911 | 1,53,38,340 |
| Managerial Remuneration | 77,89,762 | 36,00,000 |
| Loss on sale of Fixed Assets | 95,24,367 | 23,97,816 |
| | 18,33,66,932 | 16,23,86,149 |
| Less : Depreciation as per Section 350 of the Companies Act, 1956 | 2,43,04,911 | 1,53,38,340 |
| Profit on sale of fixed assets | Nil | Nil |
| Profit on sale of investments | Nil | 45,000 |
| Net Profit for the year | 15,90,62,021 | 14,70,02,809 |
| Managerial remuneration as percentage of above | 4.90 | 2.45 |

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

(Amount in Rs.)

| Particulars | 31.03.2009 | 31.03.2008 |
|--|--------------|--------------|
| a) Contract revenue recognized for the year | 13,08,88,299 | 15,74,30,303 |
| b) Aggregate amount of contract costs incurred and recognized profits (less recognized losses) | 8,71,96,858 | 6,77,61,845 |
| c) Amount of customer advances outstanding for contracts in progress as at March 31 | 62,27,042 | 13,00,000 |
| d) Retention amounts due from customers for contracts in progress as at March 31 | 89,10,515 | 78,358 |

14. 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.
15. The Company had made a preferential issue of 12,50,000 equity shares of Rs. 10 each at a premium of Rs. 190 each aggregating to Rs. 25,00,00,000 during the year. The proceeds from the issue had been utilized towards acquisition of capital assets for the new and existing projects and towards repayment of liabilities incurred for the said projects.
16. The disclosures required under Accounting Standard 15 "Employees Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

Defined Contribution Plan

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

(Amount in Rs.)

| Contribution to Provident and other funds | 2008-2009 | 2007-2008 |
|---|------------------|-----------------|
| Employer's Contribution to Provident Fund | 3,09,585 | 1,85,536 |
| Employer's Contribution to Pension Scheme | 7,05,004 | 4,21,091 |
| Employees Deposit Linked Insurance | 42,321 | 55,610 |
| Workmen and Staff Welfare Fund | | |
| Employees State Insurance Corporation | 4,97,149 | 2,74,323 |
| Labour Welfare Fund | 3,424 | 2,583 |
| Total | 15,57,483 | 9,39,953 |

**SCHEDULES** forming part of the accounts**21** NOTES TO ACCOUNTS (contd.)**Defined Benefit Plan**

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

(Amount in Rs.)

| Particulars | Gratuity (Funded) | |
|--|-------------------|------------|
| | 2008-2009 | 2007-2008 |
| a. Reconciliation of opening and closing balances of Defined Benefit obligation | | |
| Defined Benefit obligation at beginning of the year | 12,16,229 | 9,21,809 |
| Current Service Cost | 4,47,928 | 1,52,114 |
| Interest Cost | 97,299 | 69,136 |
| Actuarial (Gain) / Loss | 80,127 | 73,171 |
| Benefits paid | Nil | Nil |
| Defined Benefit obligation at year end | 18,41,583 | 12,16,230 |
| b. Reconciliation of opening and closing balances of fair value of plan assets | | |
| Fair value of plan assets at beginning of the year | 16,58,790 | 11,45,802 |
| Expected return on plan assets | 1,49,291 | 1,03,366 |
| Actuarial Gain / (Loss) | Nil | Nil |
| Employer Contribution | 4,73,415 | 3,30,206 |
| Benefits Paid | Nil | Nil |
| Fair value of plan assets at year end | 22,81,496 | 15,79,374 |
| Actual return on plan assets | 1,49,291 | 1,03,366 |
| c. Reconciliation of fair value of assets and obligations | | |
| Fair value of plan assets as at 31st March | 22,81,496 | 15,79,374 |
| Present value of obligation as at 31st March | 18,41,583 | 12,16,230 |
| Net Asset / (liability) recognized in Balance Sheet | (4,39,913) | (3,63,145) |
| d. Expenses recognized during the year | | |
| Current Service Cost | 4,47,928 | 1,52,114 |
| Interest Cost | 97,299 | 69,136 |
| Expected return on plan assets | 1,49,291 | 1,03,366 |
| Actuarial (Gain) / Loss | 80,127 | 73,171 |
| Net Cost | 4,76,063 | 1,91,055 |

| | | |
|--|-----------------------|-----------------------|
| Investment Details | | |
| L.I.C. Group Gratuity (Cash Accumulation Policy) % of invested funds | 100 | 100 |
| Actuarial Assumption | | |
| Mortality Table (L.I.C.) | 1994-96 (ultimate) | 1994-96 (ultimate) |
| Discount Rate (per annum) | 8.00% | 8.00% |
| Expected Rate of return on plan assets (per annum) | 8.00% | 8.00% |
| Rate of escalation in salary (per annum) | 3.00% | 6.00% |

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



SCHEDULES forming part of the accounts

21 NOTES TO ACCOUNTS (contd.)

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

| Particulars | Amount in Rupees |
|------------------------------------|--------------------|
| Salary, Wages and Allowances | 67,19,739 |
| Staff and Labour Welfare Expenses | 80,730 |
| Carriage Inwards | 39,923 |
| Weighment Charges | 5,880 |
| Power & Fuel | 5,72,862 |
| Bank Charges | 17,852 |
| Travelling and Conveyance Expenses | 31,47,619 |
| Crane Expenses | 50,275 |
| Insurance Charges | 17,410 |
| Legal & Consultancy Charges | 53,27,817 |
| Vehicle Maintenance Expenses | 4,89,711 |
| Printing & Stationary | 9,646 |
| Rates and Taxes | 9,87,806 |
| Recruitment Expenses | 4,46,413 |
| Repair & Maintenance | 19,364 |
| Security Charges | 5,08,440 |
| Telephone Charges | 15,694 |
| Miscellaneous Expenses | 4,97,713 |
| Depreciation on fixed assets | 1,41,185 |
| Fees for increase of Share Capital | 2,74,500 |
| Hire Purchase Charges | 89,557 |
| Interest on Loan | 1,11,09,838 |
| Total | 3,05,69,974 |

18. 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 Rs.)

| Particulars | Balance as on 01.04.2008 | Charge During the year | Balance as on 31.03.2009 |
|--|-----------------------------|---------------------------|-----------------------------|
| Deferred Tax Liability | | | |
| Difference between book and tax depreciation | 3,36,06,590 | 43,59,349 | 3,79,65,939 |

19. Earning per share

(Amount in Rs.)

| Particulars | 2008-2009 | 2007-2008 |
|--|--------------------|-------------|
| Profit after taxation as per Profit & Loss account | 9,03,21,543 | 9,19,29,551 |
| Weighted average number of equity shares | 51,15,144 | 43,68,425 |
| Basic and diluted earning per share of Rs. 10 each | 17.66 | 21.04 |

20. The figures for the current year include figures of erstwhile Skipper Infrastructure Limited on amalgamation and are therefore to that extent not strictly comparable with figures of previous year.

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


SCHEDULES forming part of the accounts

21 NOTES TO ACCOUNTS (contd.)

22. 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 Bansal
Devesh Bansal

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

Cement Manufacturing Company Ltd.
Megha Technical Engineers (P) Ltd.
Bansal TMT Steels Ltd.
Skipper Telelink Limited
Swasti Agencies (P) Ltd.

3) Relatives of key management personnel

Sadhu Ram Bansal
Sumedha Bansal
Rashmi Bansal

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

| | 2008-2009 In relation to item | | | 2007-2008 In relation to item | | |
|--|----------------------------------|-------------|-----------|----------------------------------|-------------|-----------|
| | A(1) | A(2) | A(3) | A(1) | A(2) | A(3) |
| a) Rendering or receiving of service (including remuneration) | 72,00,000 | - | 6,54,000 | 36,00,000 | - | 4,89,200 |
| b) Loan Taken | 2,72,50,000 | - | 41,00,000 | 1,25,50,000 | - | - |
| c) Loan taken refunded | 2,08,00,000 | - | 14,00,000 | 2,33,50,000 | - | 9,00,000 |
| d) Advance taken | - | 1,50,00,000 | 13,000 | - | 22,50,000 | - |
| e) Advance given | - | 1,50,36,243 | - | - | 1,27,22,695 | - |
| f) Advance given received back | - | 1,42,034 | - | - | 99,83,033 | - |
| g) Advance taken refunded | - | 3,00,000 | - | - | 45,50,000 | - |
| h) Rent given | 60,000 | 9,55,000 | - | - | 3,00,000 | - |
| i) Sales and operations | - | 17,52,935 | - | - | 8,37,631 | - |
| j) Payable | 1,83,00,000 | - | 42,13,000 | 1,19,60,346 | 4,00,000 | 15,00,000 |
| k) Receivable | - | - | - | - | 3,73,445 | - |

23. Segment Information for the year ended 31st March, 2009

The business segment has been considered as primary segment.

1 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 products
- II) Infrastructure Projects
- III) LPG Cylinder

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

3 There are no inter-segment revenues.


SCHEDULES forming part of the accounts
24 NOTES TO ACCOUNTS (contd.)
(Amount in Rs.)

| Reportable Segments | 31.03.2009 | | | | 31.03.2008 | | | |
|--|-----------------------|-------------------------|---------------|----------------|-----------------------|-------------------------|---------------|----------------|
| | Iron & Steel Products | Infrastructure Projects | LPG Cylinders | Total | Iron & Steel Products | Infrastructure Projects | LPG Cylinders | Total |
| Revenue | | | | | | | | |
| External Sales/Receipts | 3,43,61,20,610 | 16,28,54,753 | 6,32,75,872 | 3,66,22,51,235 | 2,83,78,68,002 | 15,36,23,600 | 15,89,50,756 | 3,15,04,42,358 |
| Segment Results | 21,47,92,936 | 4,28,10,738 | 9,64,367 | 25,85,68,041 | 18,80,47,470 | 3,81,97,125 | 54,48,174 | 23,16,92,769 |
| Unallocated Corporate income/(expenses)(net of expense/income) | | | | (60,68,183) | | | | (79,54,633) |
| Operating Profit | | | | 25,24,99,858 | | | | 22,37,38,136 |
| Interest expenses | | | | 11,30,73,854 | | | | 8,46,92,094 |
| Interest Income | | | | 23,21,888 | | | | 20,03,951 |
| Profit before tax | | | | 14,17,47,892 | | | | 14,10,49,993 |
| Less : Taxes | | | | 5,14,26,349 | | | | 4,91,20,442 |
| Profit after tax | | | | 9,03,21,543 | | | | 9,19,29,551 |
| Segment Assets | 2,09,77,29,881 | 15,25,19,327 | 3,70,15,234 | 2,28,72,64,442 | 1,33,31,81,329 | 16,94,43,387 | 12,07,40,015 | 1,62,33,64,731 |
| Unallocated assets | | | | 9,02,56,873 | | | | 9,34,74,447 |
| Total Assets | | | | 2,37,75,21,315 | | | | 1,71,68,39,178 |
| Segment Liabilities | 39,42,04,252 | 2,08,28,640 | 4,50,987 | 41,54,83,879 | 27,43,40,694 | 3,53,65,193 | 68,88,345 | 31,65,94,232 |
| Unallocated liabilities | | | | 1,12,50,29,514 | | | | 90,23,12,238 |
| Total Liabilities | | | | 1,54,05,13,393 | | | | 1,21,89,06,470 |
| Capital Expenditure | 7,11,09,427 | - | 1,99,527 | 7,13,08,954 | 13,19,67,204 | 6,60,11,024 | 4,55,376 | 19,84,33,604 |
| Unallocated | | | | 66,66,598 | | | | 1,52,84,585 |
| Total Capital Expenditure | | | | 7,79,75,552 | | | | 21,37,18,189 |
| Depreciation | 1,61,37,268 | 29,64,766 | 17,82,433 | 2,08,84,467 | 98,46,374 | 12,82,907 | 17,64,579 | 1,28,93,860 |
| Unallocated | | | | 33,54,583 | | | | 24,44,480 |
| Total | | | | 2,42,39,050 | | | | 1,53,38,343 |

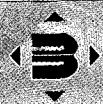
24. Additional information pursuant to the provisions of paragraphs 3 & 4 of Part II of Schedule VI of the Companies Act, 1956 (as certified by the management)

a. Licensed Capacity, Installed Capacity and Production

(Amount in Rs.)

| | Unit | Year Ended 31.03.2009 | Year Ended 31.03.2008 |
|---|------|--------------------------|--------------------------|
| Licensed Capacity | | | |
| M.S. Pipe | M.T. | 94,000 | 72,000 |
| Steel Tubular Pole, Scaffolding & Accessories | M.T. | 25,080 | 25,080 |
| Structural Fabrication | M.T. | 2,49,000 | 44,000 |
| Galvanising Plant | M.T. | 48,000 | 24,000 |
| LPG Cylinders | PCS. | 6,00,000 | 6,00,000 |
| Installed Capacity | | | |
| M.S. Pipes | M.T. | 54,000 | 54,000 |
| Steel Tubular Pole | M.T. | 18,810 | 18,810 |
| Galvanised Plant | M.T. | 48,000 | 24,000 |
| Structural Fabrication | M.T. | 60,000 | 44,000 |
| LPG Cylinders | PCS. | 6,00,000 | 6,00,000 |
| Production | | | |
| M.S. Pipes | M.T. | 32,751 | 31,468 |
| Steel Tubular Pole, Scaffolding & Accessories | M.T. | 3,037 | 4,307 |
| Galvanised Pipes | M.T. | 8,767 | 4,481 |
| Structural Fabrication* | M.T. | 22,360 | 20,051 |
| LPG Cylinders | PCS. | 63,158 | 1,86,802 |

* includes 2,516 M.T. (Previous year 2,538 M.T.) inter unit transfer of semi-finished fabrication items



SCHEDULES forming part of the accounts

21 NOTES TO ACCOUNTS (contd.)

b. Particulars of Sales, Purchases and Stock

| | Unit | Year ended 31.03.2009 | | Year ended 31.03.2008 | |
|---|------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | Quantity | Amount Rs. | Quantity | Amount Rs. |
| Opening Stock | | | | | |
| Finished Goods | | | | | |
| M.S. Pipes | M.T. | 1,317 | 4,52,67,071 | 336 | 90,41,014 |
| Steel Tubular Pole, Scaffolding & Accessories | M.T. | 88 | 15,87,597 | 58 | 10,30,599 |
| Galvanised Pipes | M.T. | 87 | 44,21,076 | 95 | 31,27,458 |
| Structural Fabrication | M.T. | - | - | 111 | 51,21,861 |
| LPG Cylinders | PCS. | 260 | 2,25,843 | - | - |
| | | | <u>5,15,01,587</u> | | <u>1,83,20,932</u> |
| Transferred on amalgamation | | | | | |
| Finished Goods | | | | | |
| M.S. Pipes | M.T. | - | - | 1,174 | 3,29,77,280 |
| LPG Cylinders | PCS. | - | - | 450 | 3,79,935 |
| | | | <u>-</u> | | <u>3,33,57,215</u> |
| Sales & Operations* | | | | | |
| Finished Goods | | | | | |
| M.S. Pipes | M.T. | 25,937 | 1,06,66,04,317 | 26,408 | 89,32,66,007 |
| Steel Tubular Pole, Scaffolding & Accessories | M.T. | 3,083 | 16,37,04,968 | 4,277 | 24,61,51,085 |
| Galvanised Pipes | M.T. | 8,735 | 37,95,70,528 | 4,489 | 19,61,37,654 |
| Structural Fabrication | M.T. | 20,784 | 1,30,62,55,566 | 20,162 | 1,13,88,39,971 |
| Billets/H R Strips/Angles/Bars | M.T. | 41,919 | 1,45,10,43,930 | 43,800 | 1,10,77,34,761 |
| Zinc | M.T. | 37 | 30,92,125 | - | - |
| Cylinder Valves | PCS. | 45,586 | 23,85,793 | - | - |
| LPG Cylinders | PCS. | 63,418 | 6,99,99,165 | 1,86,992 | 17,59,14,783 |
| Others | | | 13,81,83,241 | | 9,88,25,161 |
| Total | | | <u>4,58,08,39,633</u> | | <u>3,85,68,69,422</u> |
| *includes inter unit sales | | | | | |
| M.S. Pipes | M.T. | 7,705 | 29,38,79,269 | 7,523 | 22,16,48,018 |
| Steel Tubular Pole, Scaffolding & Accessories | M.T. | 901 | 3,19,91,724 | 138 | 51,94,576 |
| Galvanised Pipes | M.T. | 6 | 2,18,677 | - | - |
| Structural Fabrication | M.T. | 2,516 | 11,33,17,170 | 2,538 | 9,87,66,960 |
| Billets/H R Strips/Angels/bars | M.T. | 3,762 | 12,16,87,646 | 1,131 | 3,02,85,537 |
| Zinc | M.T. | 37 | 27,14,869 | - | - |
| Labour Charges | | | - | | 1,19,30,443 |
| Machine Rent | | | - | | 12,25,000 |
| Others | | | 11,70,265 | | - |
| | | | <u>56,49,79,620</u> | | <u>36,90,50,534</u> |
| Captive consumption of finished goods | | | | | |
| M.S. Pipes | M.T. | 6,976 | | 5,253 | |
| Closing Stock | | | | | |
| Finished goods | | | | | |
| M.S. Pipes | M.T. | 1,155 | 3,84,31,406 | 1,317 | 4,52,67,071 |
| Steel Tubular pole, scaffolding & Accessories | M.T. | 42 | 17,79,010 | 88 | 15,87,597 |
| Galvanised Pipes | M.T. | 119 | 46,05,847 | 87 | 44,21,076 |
| Structural Fabrication | M.T. | 1,576 | 8,05,99,885 | - | - |
| LPG Cylinders | PCS. | - | - | 260 | 2,25,843 |
| | | | <u>12,54,16,143</u> | | <u>5,15,01,587</u> |
| Consumed | | | | | |
| Iron and Steel Products* | M.T. | 91,155 | 2,95,40,05,760 | 96,772 | 2,43,06,68,620 |
| Zinc | M.T. | 1,661 | 12,88,00,028 | 1,511 | 20,19,04,340 |
| Valves | PCS. | 1,05,464 | 71,92,948 | 1,86,611 | 1,41,10,685 |
| Others | | | 4,23,52,635 | | 1,13,56,962 |
| Total | | | <u>3,13,23,51,371</u> | | <u>2,65,80,40,607</u> |

* Includes material sold - 36,855 M.T. valued at Rs. 118,25,88,066 (Previous year 42,670 M.T. valued at Rs. 101,33,63,326)

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



SCHEDULES forming part of the accounts

21 NOTES TO ACCOUNTS (contd.)

- 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 31.03.2009 | | Year ended 31.03.2008 | |
|----------------------------------|-----------------------|-----------------|-----------------------|-----------------|
| | Amount Rs. | % of Total % | Amount Rs. | % of Total % |
| Raw Material | | | | |
| Indigenous | 3,13,23,51,371 | 100.00 | 2,65,44,75,111 | 99.87 |
| Imported | - | - | 35,65,496 | 0.13 |
| Total | 3,13,23,51,371 | 100.00 | 2,65,80,40,607 | 100.00 |
| Stores & Spares Parts | | | | |
| Indigenous | 6,63,61,380 | 100.00 | 7,50,05,567 | 100.00 |
| Imported | - | - | - | - |
| Total | 6,63,61,380 | 100.00 | 7,50,05,567 | 100.00 |

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

(Amount in Rs.)

| Particulars | 31.03.2009 | 31.03.2008 |
|---------------|-------------|------------|
| Raw Materials | Nil | 35,65,496 |
| Capital Goods | 1,51,18,700 | 8,63,837 |

- f. Expenditure in Foreign Currency

(Amount in Rs.)

| Particulars | 31.03.2009 | 31.03.2008 |
|---------------------------|------------|------------|
| Sales Promotion Expenses | 2,88,134 | Nil |
| Travelling | 20,46,738 | 2,80,246 |
| Subscription | 56,489 | Nil |
| Legal & Professional Fees | 40,264 | 3,72,232 |
| Miscellaneous Expenses | 41,845 | Nil |

(Amount in Rs.)

| | 31.03.2009 | 31.03.2008 |
|---------------------------------|------------|------------|
| g. Earnings in Foreign Currency | Nil | Nil |

**CASH FLOW STATEMENT** for the year ended 31st March, 2009

(Amount in Rs.)

| Particulars | 31.03.2009 | 31.03.2008 |
|--|-----------------------|-----------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax & Extraordinary Items | 14,17,47,892 | 14,10,49,993 |
| Adjustment for : | | |
| Depreciation | 2,43,04,911 | 1,53,38,340 |
| (Profit)/Loss on Sale of Fixed Assets | 95,24,367 | 23,97,816 |
| Profit on sale of investments | - | (45,000) |
| Interest Expenses | 11,30,73,853 | 8,46,92,094 |
| Interest Received | (23,21,888) | (20,03,951) |
| Divident Received | (1,91,632) | (1,500) |
| Operating profit before Working Capital Changes | 28,61,37,503 | 24,14,27,792 |
| Adjustment for : | | |
| Trade and other receivables | (22,91,91,296) | (30,20,42,451) |
| Inventories | (12,62,36,410) | (16,38,80,712) |
| Trade and other payables | 8,95,39,148 | 5,40,57,292 |
| Cash Generated from Operations | 2,02,48,945 | (17,04,38,079) |
| Adjustment for : | | |
| Interest paid | (11,36,66,303) | (8,40,88,921) |
| Direct taxes paid | (4,05,52,598) | (4,54,40,778) |
| Cash flow before Extraordinary Items | (13,39,69,955) | (29,99,67,778) |
| Extraordinary Items | - | - |
| Net Cash From / (Used In) Operating Activities | (13,39,69,955) | (29,99,67,778) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (38,38,70,557) | (19,55,04,084) |
| Sale of Fixed Assets | 5,99,55,907 | 51,31,884 |
| Investment made | - | (3,75,000) |
| Sale of investment | 3,75,000 | 10,48,40,016 |
| Interest Received | 19,60,643 | 17,40,983 |
| Divident Received | 1,91,632 | 1,500 |
| Net Cash from / (used in) Investing Activities | (3,21,387,376) | (8,41,64,701) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| proceeds from issue of capital | 25,00,00,000 | - |
| Divident paid including dividend distribution tax | (51,10,839) | (19,89,120) |
| Changes in Bank Borrowings (net) | 22,26,44,371 | 34,86,48,753 |
| Proceeds from Borrowings | 19,24,15,439 | 16,57,66,800 |
| Repayment of Borrowings | (20,27,00,000) | (12,33,61,819) |
| Net Cash from / (used in) Financing Activities | 45,72,48,971 | 38,99,64,614 |
| Net Increase / (Decrease) in Cash | 18,91,640 | 49,32,135 |
| Opening Cash & Cash Equivalents* | 2,42,59,169 | 1,27,88,783 |
| Cash & Cash Equivalents Transferred on Amalgamation | 1,88,381 | 65,38,251 |
| | 2,63,39,190 | 2,42,59,169 |
| Closing Cash & Cash Equivalents* | 2,63,39,190 | 2,42,59,169 |

- Cash and Cash Equivalents represent cash and bank balances as indicated in Schedule 9 to the Annual Accounts and include fixed deposit pledged as margin money.
- 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. 4,09,13,843 (Previous year Rs. 4,57,03,746).

For and on behalf of Board

For Patanjali & Co.
Chartered Accountants

For Agrawal & Agrawal
Chartered Accountants

Sajan Kumar Bansal
Managing Director

Sharan Bansal
Director

Devesh Bansal
Director

Arbind Kumar Jain
Company Secretary

(Patanjali Sharma)
Partner
Membership No. 14993

(Durga Prasad Poddar)
Partner
Membership No. 09543

Place : Kolkata
Dated : 14th May, 2009



BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFILE

| | |
|--|----------------------------|
| I. REGISTRATION DETAILS | |
| Registration No. | 33408 |
| State Code (Refer code list) | 21 |
| Balance Sheet Date | 31st March, 2009 |
| II. CAPITAL RAISED DURING THE YEAR | |
| (Amount in Rs. Thousands) | |
| Public Issue | NIL |
| Right Issue | NIL |
| Bonus Issue | NIL |
| Private placement | 12,500 |
| III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS | |
| Total Liabilities | 19,61,455 |
| Total Assets | 19,61,455 |
| SOURCES OF FUNDS : | |
| Paid-up Capital | 56,184 |
| Share Capital Suspense | 6,760 |
| Reserves & Surplus | 7,74,064 |
| Secured Loans | 9,47,764 |
| Unsecured Loans | 1,38,717 |
| Deferred Tax Liability | 37,966 |
| APPLICATION OF FUNDS : | |
| Net Fixed Assets | 8,34,093 |
| Investments | 1,903 |
| Net Current Assets | 11,25,459 |
| Miscellaneous Expenditure | - |
| Accumulated Losses | - |
| IV. PERFORMANCE OF THE COMPANY | |
| Turnover (including Other Income) | 36,67,775 |
| Total Expenditure | 35,26,027 |
| Profit/Loss Before Tax | 1,41,748 |
| Profit/Loss After Tax | 90,322 |
| Earning Per Share in Rs. | 17.66 |
| Dividend Rate (%) | 10 |
| 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 and on behalf of Board

For **Patanjali & Co.**
Chartered Accountants

For **Agrawal & Agrawal**
Chartered Accountants

Sajan Kumar Bansal
Managing Director

Sharan Bansal
Director

Devesh Bansal
Director

Arbind Kumar Jain
Company Secretary

(Patanjali Sharma)
Partner
Membership No. 14993

(Durga Prasad Poddar)
Partner
Membership No. 09543

Place : Kolkata
Dated : 14th May, 2009

Corporate Information

BOARD OF DIRECTORS

| | |
|-----------------------------------|--------------------------|
| Mr. Sadhuram Bansal | <i>Chairman</i> |
| Mr. Sajan Kumar Bansal | <i>Managing Director</i> |
| Mr. Sharan Bansal | <i>Director</i> |
| Mr. Devesh Bansal | <i>Director</i> |
| Mr. Shankar Lal Poddar | <i>Director</i> |
| Mr. Manindra Nath Banerjee | <i>Director</i> |

AUDITORS

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

Agarwal & Agarwal
Chartered Accountants
74, Bentinck Street
Kolkata - 700 001

BANKERS

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

REGISTERED OFFICE

3A, Loudon Street
Mayur Apartments, 1st Floor, Kolkata - 700 017
Phone : 033-2289 2327

WORKS

- a) SSL Unit :** Jalan Industrial Complex
N H - VI, Vill: Jangalpur, Post: Andul Mouri
Howrah - 711 302 (W.B.)
- b) BCTL Unit :** Jalan Industrial Complex
N H - VI, Vill: Jangalpur, Post: Andul Mouri
Howrah - 711 302 (W.B.)
- c) Uluberia Unit :** N H - VI, Village: Madhabpur
Post: Mahishrekha, Howrah - 711 304 (W.B.)

REGISTRAR & TRANSFER AGENT

ABS Consultants Pvt. Ltd.
Stephen House, Room No. 99
4, B. B. D. Bag East, Kolkata - 700 001
Phone : 033-2230 1043, 033-2243 0153

