

JOTINDRA STEEL & TUBES LIMITED

NOTICE

The Forty Third Annual General Meeting of the Company will be held as scheduled below:

Date : Friday, the 27th September, 2013

Time : 3.30 P.M.

Place : 14/3, Mathura Road, Faridabad-121003 (Haryana)

To transact the following business:

A. ORDINARY BUSINESS :

1. To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year 2012-2013 ended on 31st March, 2013.
2. (i) To appoint Director in place of Shri V. K. Sureka who retires under Article 119 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.

(ii) To appoint Director in place of Shri O. P. Bhardwaj who retires under Article 119 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the current year and fix their remuneration.

B. SPECIAL BUSINESS :

To consider and if thought fit, to pass with or without modifications, if any, the following Resolution :-

(i) As an Ordinary Resolution :-

“RESOLVED that the re-appointment of Shri A. K. Sureka as Managing Director of the Company made by the Board of Directors w.e.f. 1st July, 2013 on revised remuneration and perquisites not exceeding the limits prescribed under Section II of Part-II of Schedule XIII to the Companies Act, 1956, on the terms and conditions given here-in-below, be and is hereby considered and approved:-

- | | |
|--------------------------|--|
| 1. Period of Appointment | : Five Years with effect from 01.07.2013 |
| 2. Salary | : Rs. 98,000 per month
(Scale 98,000-7,000-126,000) |
| 3. Perquisites | : (A) Contribution to Provident Fund @ 12% of the salary per month.
(B) Gratuity @ half-a-month salary for each completed year of service.
(C) Earned Leaves as per the Rules of the Company which will be encashable at the end of the tenure, if not availed of.
(D) Furnished residential accommodation and reimbursement of expenditure incurred on Gas, Electricity, Water & Furnishing.
(E) Reimbursement of actual medical expenses of self & family. |

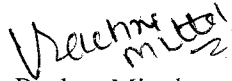
To consider and if thought fit, to pass with or without modifications, if any, the following Resolution :-

(ii) As an Ordinary Resolution :-

“RESOLVED that the re-appointment of Shri O. P. Bhardwaj as Director (Commercial) of the Company made by the Board of Directors w.e.f. 1st July, 2013 on revised remuneration and perquisites not exceeding the limits prescribed under Section II of Part-II of Schedule XIII to the Companies Act, 1956, on the terms and conditions given here-in-below, be and is hereby considered and approved:-

- | | | |
|---|-----------------------|--|
| 1 | Period of Appointment | : Five Years with effect from 01.07.2013 |
| 2 | Salary | : Rs.42,000 per month
(in the slab of 42,000-3,000-54,000) |
| 3 | Allowances | : Rs.28,000 per month
(in the slab of 28,000-2,000-36,000) |
| 4 | Perquisites | : (A) LTA equal to one month's salary in a financial year
(B) Encashment of unavailed earned leaves not exceeding 30 days in a financial year.
(C) Contribution to PPF by the Company @ 12% of the basic salary.
(D) Reimbursement of medical expenses subject to maximum of one month of the basic salary.
(E) Bonus as per Company Rules
(F) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service. |

By Order of the Board
Jotindra Steel & Tubes Ltd.


Rachna Mittal
Company Secretary

Faridabad
29th July, 2013

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/herself. The proxy need not be a member of the Company. A Proxy form is attached herewith.
- 2 The Register of members and share transfer books of the Company will remain closed from Monday, the 23rd September, 2013 to Friday, the 27th September, 2013 (both days inclusive).
- 3 Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is attached.
- 4 Since the Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliances by the companies through electronic mode, companies are now permitted to send various notices/documents to their shareholders through electronic mode to the registered e-mail address of the shareholders. The company, therefore, proposes to send all the documents to be sent to the shareholders including the General Meeting notices alongwith Audited Accounts and requisite reports thereon through electronic mode to all the shareholders on the e-mail address provided by them to the

Company/Depository Participants/Registrar & Transfer Agent of the company. Please note that these documents will also be available on the Company's Website www.jotindra.com for download by the shareholders. The members of the company who have registered their email address, are entitled to receive their communication in physical form upon request.

EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956, attached to the Notice dated 29th July, 2013 convening the 43rd Annual General Meeting)

SPECIAL BUSINESS-As an Ordinary Resolution(i)

Your Board of Directors re-appointed Shri A. K. Sureka as Managing Director w.e.f. 1st July, 2013 for a period of five years on the remuneration and perquisites as enumerated here-in-above in the Ordinary Resolution subject to the approval of the shareholders in their meeting and as such the shareholders are requested to consider and pass the above stated resolution. Mr. A. K. Sureka is very much suited to the aforesaid position since he has to his credit 15 years experience related to the job in question.

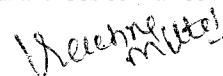
Except Shri A. K. Sureka and Shri V. K. Sureka, being his father, no other director is interested or concerned in the resolution.

SPECIAL BUSINESS-As an Ordinary Resolution(ii)

Your Board of Directors re-appointed Shri O. P. Bhardwaj as Director (Commercial) w.e.f. 1st July, 2013 for a period of five years on the remuneration and perquisites as enumerated here-in-above in the Ordinary Resolution subject to the approval of the shareholders in their meeting and as such the shareholders are requested to consider and pass the above stated resolution. Mr. O. P. Bhardwaj is very much suited to the aforesaid position since he has to his credit 32 years experience related to the job in question.

Except Shri O. P. Bhardwaj, no other director is interested or concerned in the resolution.

By Order of the Board
Jotindra Steel & Tubes Ltd.



Rachna Mittal
Company Secretary

JOTINDRA STEEL & TUBES LIMITED

DIRECTORS' REPORT

Your Directors submit the 43rd Annual Report along with the Audited Statement of accounts of your Company for the Financial Year ended 31st March, 2013.

WORKING RESULTS

	(Rs. In Lacs)	
	31-3-2013	31-3-2012
Profit before Depreciation	244.10	416.80
Depreciation	167.98	152.23
Profit	76.12	264.57
Less :		
Provision for Income Tax	14.50	65.00
Adjustment for MAT Credit	14.50	-
Provision (Adjustment) for Deferred Tax	32.26	47.72
Profit for the year after Tax	43.86	151.85
Balance brought forward from previous year	1351.05	1210.95
Balance carried to balance sheet	1427.78	1351.05

DIVIDEND

In order to conserve the resources of the company, the Board of Directors have no recommended payment of dividend to the equity shareholders of the company for the financial year 2012-13 closed on 31st March, 2013.

PERFORMANCE OF THE COMPANY

Since the Indian economy continued to be in the recessionary trend, the infrastructure activities during the year under review have slowed down to a great extent and as a result thereof demand of related products including Steel Tubes & Pipes slashed drastically. In the given subdued conditions, the sales of the company during the year under report decreased by 55% in comparison to that of the previous financial year resulting reduction in profits by over 70%.

Management in such unfavourable circumstances do not expect any improvement in the demand as the market may further slow-down in view of lower growth in the economy during the current financial year in comparison to the financial year 2012-13.

CORPORATE GOVERNANCE

A detailed Report on Corporate Governance is given in Annexure to this report. The Auditors' Certificate relating to compliance of the conditions of Corporate Governance, as stipulated in clause-49 of the Listing Agreement with the Delhi Stock Exchange where the shares of the Company are listed, is also enclosed.

MANAGEMENT DISCUSSION & ANALYSIS

Due to Indian economy having been continued to be in recessionary trend, slow down in the infrastructure activities and reduction in the demand of Steel Tubes & Pipes causing very low level of profits earned by the company during the year under review, the management is of the considered view that the company diversify its activities by exploring various other avenues including the alternative use of the company's land at Faridabad.

DIRECTORS

In pursuance of Article 119 of the Articles of Association of the Company, Shri V. K. Sureka and Shri O. P. Bhardwaj retire by rotation and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217 (2AA) of the Companies Act, 1956, it is hereby affirmed that :-

- a) in the preparation of annual accounts, all applicable accounting standards have been followed.
- b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under report and of the profit and loss of the Company for that period.
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- d) the Directors have prepared the annual accounts on a going concern basis.

FIXED DEPOSITS

The company has not accepted any deposits from public during the financial year under report and as such there were no fixed deposits outstanding as on 31st March, 2013.

AUDITORS

M/s. Salarpuria & Partners. Chartered Accountants, who retire at the conclusion of this Annual General Meeting, being eligible, offer themselves for re-appointment. Your Directors recommend that they be re-appointed as Auditors of the Company for the Financial year 2013-14 on such remuneration as may be fixed by the shareholders.

AUDITORS' REPORT

Auditors' observations in their Report are explained in various notes to the accounts and, therefore, do not call for any further comments.

FOREIGN EXCHANGE EARNINGS AND OUT GO

(a) Your Company exported goods of F.O.B. value during the year under review compared to Rs. 69,32,48,297 during the previous year	Rs. 21,41,39,194
(b) C.I.F. Value of Imports	
(i) Raw Material & Trading goods	Rs.14,28,55,359
(ii) Capital Goods	Rs. 21,99,539

CONSERVATION OF ENERGY

The required information in the prescribed form 'A'	Nil
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PARTICULARS OF TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT IN FORM 'B'

Nil

PERSONNEL & INDUSTRIAL RELATIONS

The Personnel & Industrial Relations during the year under review remained cordial.

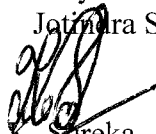
PARTICULARS OF EMPLOYEES

There was no employee who received remuneration of Rs. 60,00,000/- per annum if employed through-out the year or Rs. 5,00,000/- per month if employed for any part of the year during the financial year ended on 31st March, 2013. The particulars of employees under section 217(2-A) of the Companies Act, 1956 read with the Rules thereunder are thus not called for.

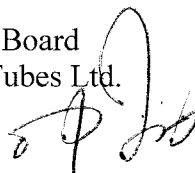
ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere thanks to banks and the customers for their support and co-operation. The Industrial relations remained cordial and the directors convey their thanks to the company's employees at all levels for their whole hearted support.

By Order of the Board
Jatindra Steel & Tubes Ltd.



A.K. Sureka
Managing Director



O.P. Bhardwaj
Director

Faridabad
29th July, 2013

REPORT ON CORPORATE GOVERNANCE AS ON 31-03-2013**1. The Company's Philosophy on Corporate Governance**

The Board of Directors and Management believe in adopting and practicing principles of good Corporate Governance with a view to :-

- Safeguard shareholders' interest through sound business decisions, prudent financial management and high standard of business ethics: and
- Achieve transparency, accountability and integrity in the dealings and transactions of the Company

2. Board of Directors**(i) Composition :-**

The Board of Directors comprised of Six Directors as under:-

Name of Director	Promoter Group Brief Particulars	Category
1. Shri V.K. Sureka	He is a graduate and an Industrialist having 41 years' experience in the Steel Industry. He joined the Board as promoter director w.e.f. 22 nd August, 1987.	Non-Executive
2. Shri O.P. Bhardwaj	He is B.Com (Honours) and having 32 years' experience of working in the Pipe Industry. He joined the Board as Director (Commercial) w.e.f. 1 st December, 2003.	Executive
3. Shri A. K. Sureka	He is in Business having 15 years working experience in Steel Industry and joined the Board as promoter director w.e.f. 1 st August, 2005.	Executive
	Independent	

- | | | |
|---------------------------|--|---------------|
| 4. Shri Deepak Kumar Garg | He is in service having 17 years' working experience in Steel Industry and joined the Board as an independent director w.e.f. 15 th May, 2006. | Non-Executive |
| 5. Shri S.J.S. Kamra | He is B.Com (Honours) and Fellow Member of The Institute of Chartered Accountants of India having 36 years' experience of controlling/ advising the financial matters of the Steel Industry. He joined the Board as an Independent Director w.e.f. 27 th March, 2004. | Non-Executive |

6. Shri Kubolay : He is Mechanical Engineer having 30 years Non-executive
Choudhary working experience and presently running his own stainless steel pipe manufacturing unit. He joined the Board as an independent director w.e.f. 21st March, 2007

2 (ii) Board Meetings and attendance

Eighteen Board Meetings were held during the financial year ended on 31st March, 2013 and the gap between two Board Meetings did not exceed four months.

The dates on which Board meetings were held are as follows :-

Sr.No.	Date of Meeting	Board strength	No. of Directors Present
1.	09.04.2012	6	3
2.	30.04.2012	6	3
3.	14.05.2012	6	3
4.	30.05.2012	6	4
5.	04.06.2012	6	4
6.	09.07.2012	6	3
7.	13.08.2012	6	4
8.	14.08.2012	6	4
9.	25.08.2012	6	4
10.	09.10.2012	6	2
11.	30.10.2012	6	2
12.	10.11.2012	6	4
13.	27.11.2012	6	2
14.	07.01.2013	6	2
15.	15.01.2013	6	2
16.	04.02.2013	6	2
17.	14.02.2013	6	4
18.	25.03.2013	6	2

(iii) Attendance of each Director at the Board meetings and last Annual General Meeting (AGM) and the number of Companies and committees where he is Director/Member:

Name of Director	Category of Directorship	Number of Board Meetings Attended	Attendance at the Last AGM held on 20.09.12	Number of Directorships in other public Ltd. Companies	Number of committee positions held in other Companies
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Shri V. K. Sureka	Non-Executive	06	No	2	-
Shri A. K. Sureka	Executive	12	No	1	-
Shri O.P. Bhardwaj	Executive	18	Yes	1	3
Shri S. J.S. Kamra	Non-Executive	07	Yes	-	-
Shri Deepak Kumar Garg	Non-Executive	09	No	3	2
Shri Kubolay Choudhary	Non-Executive	02	No	-	-

3. Audit Committee

The Board constituted an Audit Committee in accordance with the code of Corporate Governance. This Committee consisted of three non-executive directors Shri S.J.S. Kamra, Shri Deepak Kumar Garg and Shri K.Choudhary with Shri S.J.S. Kamra as its Chairman.

(i) The terms of reference of the Audit Committee are as per the guidelines set out in clause no. 49 of the listing agreement with the Delhi Stock Exchange where the shares of the Company are listed.

(ii) The Audit Committee during the financial year ended on 31st March, 2013 had seven meetings viz on 30th May, 2012, 04th June, 2012, 13th August, 2012, 14th August, 2012, 25th August, 2012, 10th November, 2012 and 14th February, 2013.

Attendance of Directors at the Audit Committee Meetings held during the financial year :-

Name of the Director	Category	No.of Meetings attended during the year 2012-13
Shri S.J.S. Kamra	Independent, Non-Executive	7
Shri Deepak Kumar Garg	-do-	5
Shri K.Choudhary	-do-	2

4. Remuneration Committee

The Board constituted a Remuneration Committee consisting of three non-executive directors namely S/Shri S.J.S. Kamra, Deepak Kumar Garg and Kubolay Choudhary with Shri S.J.S. Kamra as its Chairman to determine the remuneration package for the directors and as during the year under report, no remuneration packages were required to be fixed up, the Remuneration Committee did not have any meetings.

5. Remuneration Policy

No remuneration other than sitting fees of Rs.500/- plus re-imbursement of actual travel and incidental expenses incurred for attending Board Meeting is paid to each of the non-executive directors.

As regards payment to the Managing Director, Sh. A. K. Sureka was concerned, the same was made to him @ Rs.91,000/- per month as salary for the months April to June, 2012 and thereafter @ Rs. 98,000/- per month from July, 2012 to March, 2013 during the financial year closed on 31st March, 2013.

As regards payment to executive director Shri O.P. Bhardwaj, designated as Director (Commercial) was concerned, the same was made to him @ Rs.65,000/- per month as salary plus allowances for the months of April to June, 2012 and thereafter @ Rs.70,000/- per month from July, 2012 to 31st March, 2013.

Details of remuneration paid/payable to the directors during the financial year 2012-13 ended on 31st March, 2013 are as under:-

(i) Sitting fees paid to the Directors for attending meetings of the Board :-

	Rs.
Shri V.K. Sureka	3000.00

Shri S.J.S Kamra	3500.00
Shri Deepak Kumar Garg	4500.00
Shri K. Choudhary	1000.00

Total :	12000.00

(ii) Remuneration paid to Managing Director :-	
(a) Fixed salary	Rs. 11,55,000/-
(b) P.F.Contribution by the Company	Rs. 1,38,600/-

Total :	Rs. 12,93,600/-

(iii) Remuneration paid to Director (Commercial) :-	
(a) Fixed Salary	Rs 4,95,000/-
(b) Allowances	Rs 3,30,000/-
© P.F.Contribution by the Company	Rs. 59,400/-

Total	Rs. 8,84,400/-

6. Code of Conduct for the Directors & Senior Managerial Personnel

In compliance to the provisions of Clause 49 of the Listing Agreement, the Board has laid down a code of conduct for all the Board Members and Senior Managerial Personnel and all Board Members and Senior Managerial Personnel have affirmed compliance of code of conduct as on 31st March, 2013 and a declaration to that effect duly signed by the Managing Director is attached and forms part of this report.

7. Investors'/ Shareholders' Grievance Committee

This Committee, was constituted in accordance with the code of Corporate Governance, with a view to redress shareholders'/ investors' complaints etc. relating to delay in transfer of shares, demat, non-receipt of annual accounts, delays in balance sheet, split, duplicate, transmission, etc. of the shares issued by the Company. This Committee consisted of two Non-executive directors namely Shri K.Choudhary as Chairman and Shri Deepak Kumar Garg as member

Smt. Rachna Mittal, Company Secretary has been nominated as the Compliance Officer.

Number of pending transfers	Nil
Number of Shareholders'	Nil
Complaints received	
Number of Complaints	Nil
Not solved.	

8. General Body Meetings

(a) Details of location and time of holding of last three AGMs

AGM for the financial Year ended	Venue	Date	Time
2009-2010 40th AGM	14/3, Mathura Road, Faridabad	30.07.2010	3.30P.M.
2010-2011 41st AGM	14/3, Mathura Road, Faridabad	03.09..2011	3.30P.M.

(b) (i) Special Resolution u/s 372A of the Companies Act, 1956 relating to Corporate Guarantee as included in the notice for 40th Annual General Meeting held on 30th July, 2010 was got passed by Postal Ballots as required u/s 192A of the said Act. Shri L. M. Gupta, Practicing Company Secretary, was the Scrutinizer for conducting the Postal Ballot for the Special Resolution as contained in the notice of the 40th AGM. Details of the scrutinized Postal Ballots for the said AGM as per Scrutinizer's Report are as under :-

18 (Eighteen) Ballot Papers were received from the Shareholders representing in all 21,29,611 equity shares (70.94% of equity shares) which were in favour and none against the Special Resolution. There were no Ballots being invalid requiring to be rejected. Accordingly, approval of the shareholders to the Special Resolution was announced at the Annual General Meeting held on 30th July, 2010.

(ii) Special Resolution u/s 372A of the Companies Act, 1956 relating to Corporate Guarantee as included in the notice for 42nd Annual General Meeting held on 20th September, 2012 was got passed by Postal Ballots as Required u/s 192A of the said Act. Shri L. M. Gupta, Practicing Company Secretary, was the Scrutinizer for conducting the Postal Ballot for the Special Resolution as contained in the notice of the 42nd AGM. Details of the scrutinized Postal Ballots for the said AGM as per Scrutinizer's Report are as under :-

21 (Twenty-one) Ballot Papers were received from the Shareholders representing in all 23,42,203 equity shares (78.02% of equity shares) which were in favour and none against the Special Resolution. There were no Ballots being invalid requiring to be rejected. Accordingly, approval of the shareholders to the Special Resolution was announced at the Annual General Meeting held on 20th September, 2012.

9. Brief Resume of Directors seeking re-appointment

1. Shri V. K. Sureka :-

Shri V. K. Sureka is an Industrialist having 41 years' experience in the Steel Industry. He joined the Board as a Promoter Director w.e.f. 22nd August, 1987. He is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

2. Shri O. P Bhardwaj :-

Shri O. P. Bhardwaj is B.Com.(Hons.) having 32 years' experience of working in the Pipe Industry. He joined the Board as an executive director w.e.f. 1st December, 2003. He is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

10. Disclosure

(a) Materially Significant related party transactions

- i Transactions with related parties have been disclosed in schedule 14 of the Annual Accounts for the year 2012-13.

- ii The terms & conditions of the above mentioned transactions are not prejudicial to the interest of the Company and there is no transaction of material nature. The closing balances of such related parties, wherever outstanding, are not overdue.

(b) Details of non-compliance by the company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There was no instance of penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority as well as non-compliance of any matter related to the capital markets during the last three years.

11. Means of Communication

The quarterly and yearly results are published in English in widely circulating "Money Makers" and in Hindi in "Maha Laxmi" from Delhi & Haryana.

12. General Shareholder information

AGM : Date, time and venue	43 rd AGM to be held on Friday, the 27 th September, 2013 at 3.30 P.M. at 14/3, Mathura Road, Faridabad-121003 (Haryana)
Financial Calendar (Tentative)	
Results for quarter ending June 30, 2013	14 th August, 2013
Results for quarter ending September 30, 2013	14 th November, 2013
Results for quarter ending December 31, 2013	14 th February, 2014
Results for quarter ending March 31, 2014	30 th May, 2014
• Date of Book closure	Monday, the 23 rd September, 2013 to Friday, the 27 th September, 2013 (both days inclusive)
Stock Code – Physical	3286 on Delhi Stock Exchange
Demat ISIN Number for NSDL and CDSL.	INE 173F01016
• High/low of market price of the Company's shares traded on the Stock Exchange during the financial year ended 31st March, 2013.	The shares have not been traded during the financial year 2012-13. The last quoted price was of Rs.2/- per share as per transactions on Delhi Stock Exchange on 22 nd May, 1998

Registrar & Transfer Agents

M/s.Beetal Financial & Computer Services (P) Ltd.,BEETAL HOUSE, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass

Mandir, New Delhi-110062
Phone No. 29961281 (6 Lines)
Fax No. 29961284

- Share Transfer System

All the transfers received are processed by the Registrar and Share Transfer Agent. Share Transfers are registered and returned within a maximum of 15 days from the date of lodgment if documents are complete in all respect. In case the shares are transferred through Demat mode, the procedure is adopted as stated in Depositories Act, 1996.

- Share holding pattern as on 31-03-2013

Category	Nos. of Shares	Percentage
Promoters	18,24,346	60.77
Persons acting in concert	-	-
Mutual Funds and UTI	-	-
Banks, Financial Institution & Insurance Companies.	950	0.03
FII's	-	-
Private Corporate Bodies	-	-
-	-	-
Indian Public	11,76,620	39.20
NRI's/ OBCs	-	-
Total	30.01,916	100.00

- Distribution of shareholding as on 31st March, 2013.

No. of Shares		Folios		Amount	
From	To	Number	% to Total	Rs.	% to Total
(1)		(2)	(3)	(4)	(5)
1	- 500	2413	95.56	23,47,290	7.82
501	- 1000	49	1.94	3,75,800	1.25
1001	- 2000	12	0.48	1,57,800	0.53
2001	- 3000	4	0.16	91,500	0.30
3001	- 4000	-	-	-	-
4001	- 5000	2	0.08	81,410	0.27
5001	- 10000	2	0.08	1,63,680	0.55
10001	and above	43	1.70	2,68,01,680	89.28
Total		2525	100.00	3,00,19,160	100.00

Declaration of Managing Director

The Code of Conduct for the Directors and the Senior Managerial Personnel was adopted by the Board of Directors. All the Board Members and Senior Managerial Personnel have affirmed that they have complied with the code of conduct during the financial year ended on 31st March, 2013.



A .K. Sareka
Managing Director

Faridabad

Dated : 29th July, 2013

SALARPURIA & PARTNERS

CHARTERED ACCOUNTANTS

To the Members of
Jotindra Steel & Tubes Limited

We have examined the compliance of conditions of corporate governance by Jotindra Steel & Tubes Limited for the year ended on 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopt 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, certify the Company has complied with the conditions of corporate governance as stipulated in the above mentioned.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Investors' Grievance Committee.

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

For SALARPURIA & PARTNERS
FIRM REGN.NO.302113E
CHARTERED ACCOUNTANTS


(KAMAL KUMAR GUPTA)
PARTNER
M.NO.89190

Place: New Delhi

Date: 03/06/2013



SALARPURIA & PARTNERS

CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the Members of JOTINDRA STEEL AND TUBES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of JOTINDRA STEEL AND TUBES LIMITED ("the company") which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- (ii) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date;
and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



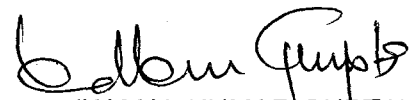
SALARPURIA & PARTNERS

CHARTERED ACCOUNTANTS

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For SALARPURIA & PARTNERS
FIRM REGISTRATION NO.-302113E
CHARTERED ACCOUNTANTS


(KAMAL KUMAR GUPTA)
PARTNER
M. No. 89190

Place: 1008, Chiranjiv Tower,
43, Nehru Place,
New Delhi-110 019
Date: 03/06/2013



SALARPURIA & PARTNERS

CHARTERED ACCOUNTANTS

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Ref. to point 1 of paragraph "Report on Other Legal and Regulatory Requirements" of our Report of even date)

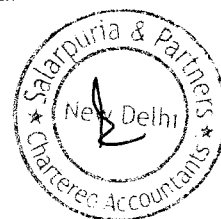
- a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. All the fixed assets have not been verified by the management during the year but, according to the information and explanations given to us, there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies between the book records and the physical inventory have been noticed in respect of the assets physically verified.
- c. During the year, in our opinion, the Company has not disposed off a substantial part of its fixed assets.
- a. The inventory of the Company has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. On the basis of our examination of record of inventory, in our opinion, the Company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the Company.
- a. The Company has taken unsecured loans from 3 (Three) parties covered under the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 178.68 Lacs and the balance outstanding at the close of the year was Rs. 178.68 Lacs.
- b. In our opinion the rate of interest, wherever applicable and other terms and conditions of unsecured loans taken by the company are prima facie not prejudicial to the interests of the company.
- c. The Company is regular in repayment of principal amount and interest also.
- d. There are no terms and conditions for repayment of loans taken. As explained to us these loans are repayable on demand with mutual consent, keeping in view there is no over due amount of loans taken from companies, firms or other parties listed in the register maintained U/s.301 of the Companies Act, 1956.
- e. The Company has given advances to 11 (eleven) parties covered under the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 636.11 Lacs and the balance outstanding at the close of the year is 78.04 Lacs.



SALARPURIA & PARTNERS

CHARTERED ACCOUNTANTS

- f. In our opinion the terms and conditions of unsecured loans taken by the company are prima facie not prejudicial to the interests of the company.
- g. The loans given are recovered as stipulated.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items are of a special nature for which alternative quotations are not available, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.
- v. a. According to the information and explanations given to us, the transactions that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act 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 the prevailing market prices at the relevant time. However, in respect of certain transactions including for purchases and sale of goods, prevailing market prices at the relevant time are not available as these transactions are of a special nature.
- vi. The Company has not accepted any deposits from the Public during the year under report.
- vii. In our Opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained in respect of steels, tubes & pipes and other steel Products. We have not, however, made a details examination of the records with a view to determine whether they are accurate or complete.
- ix. a. According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, Income-Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax, Cess and others as applicable have been regularly deposited by the Company during the year with the appropriate authorities.
b. As at 31st March, 2013, according to the records of the Company, the following are the particulars of disputed dues on account of sales tax, income tax, custom duty, wealth tax, excise duty, service tax and cess matters that have not been deposited.



SALARPURIA & PARTNERS

CHARTERED ACCOUNTANTS

Sl. No.	Name of the Statute	Amount	Nature of dues	Forum Where Dispute is Pending
1	Central Excise Act, 1944 (Rule 25 of Cenvat Credit Rule for FY 2007-08)	12,30,282	Duty on Input Sales	Commissioner of Central Excise, Faridabad
2	Central Excise Act, 1944 (Rule 25 of Cenvat Credit Rule for FY 2004-05 to 2008-09)	58,90,625	Duty on Input Sales	Commissioner of Central Excise, Faridabad
3	Central Excise Act, 1944 (Rule 25 of Cenvat Credit Rule for 2007-08 to Sept. 2009)	17,81,282	Service Tax	Joint Commissioner of Central Excise, Faridabad
4	Central Excise Act, 1944 (Rule 14 of Cenvat Credit Rule for FY 2009-10)	19,59,357	Duty on Input Sales	Additional Commissioner of Central Excise, Faridabad
5	Central Excise Act, 1944 (Rule 2 & 3 of Cenvat Credit Rule for October-09 to Dec.-10)	12,54,997	Service Tax	Commissioner of Central Excise, Faridabad
6	Cenvat credit Rule 2004 (Rule 14 of Cenvat Credit Rule April 11 to August 2011)	4,43,947	Service Tax	Assistant Commissioner of Central Excise, Faridabad
7	Cenvat credit Rule 2004 (Rule 14 of Cenvat Credit Rule Jan 11 to March 2011)	4,03,037	Service Tax	Assistant Commissioner of Central Excise, Faridabad
8	Income Tax Act 1961 (for Assessment year 2009-10)	24,69,203	Income Tax	Commissioner of Income Tax Appeals VII, New Delhi

x. The Company has no accumulated losses as at 31st March, 2013, and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

xi. Based on our audit procedures and on the information and explanations given by management, we are of the opinion that the company has not been defaulted in repayment of its dues to any financial institution and banks during the year.



SALARPURIA & PARTNERS

CHARTERED ACCOUNTANTS

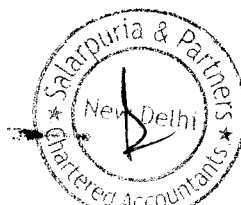
- Xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of any special statute as specified under clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
- xv. According to the information and explanations given to us, in our opinion the terms and conditions of guarantees given by the company in respect of loans taken by M/s Amrapali Silicon City Private Limited from Commercial Banks amounting to Rs. 300 Crores and M/s. Mauria Udyog Limited Rs. 49.60 Crores from Banks and /or Financial Institutions are prima facie not prejudicial to the interests of the company.
- xvi. In our opinion and according to the information and explanations given to us, the term loans taken by the company during the year under report have been applied for the purpose for which they have raised .
- xvii. Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment, and vice versa. Accordingly, the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx. During the period covered by our audit report, the Company has not raised any money by public issue.
- xxi. To the best of our knowledge and belief and 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 SALARPURIA & PARTNERS
FIRM REGN.NO.302113E
CHARTERED ACCOUNTANTS


(KAMAL KUMAR GUPTA)
PARTNER
M.NO.89190

1008, Chiranjiv Tower
43, Nehru Place
New Delhi-110019

Date : 03/06/2013



SALARPURIA & PARTNERS

CHARTERED ACCOUNTANTS

To the Members of
Jotindra Steel & Tubes Limited

We have examined the compliance of conditions of corporate governance by Jotindra Steel & Tubes Limited for the year ended on 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to 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, certify the Company has complied with the conditions of corporate governance as stipulated in the above mentioned.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Investors' Grievance Committee.

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

For SALARPURIA & PARTNERS
FIRM REGN.NO.302113E
CHARTERED ACCOUNTANTS



(KAMAL KUMAR GUPTA)
PARTNER
M.NO.89190

Place: New Delhi

Date: 03/06/2013



BALANCE SHEET AS AT 31ST MARCH, 2013

	Notes	As at 31st March, 2013 (Rs.)	As at 31st March, 2012 (Rs.)
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	1	53,537,723	53,537,723
Reserves & Surplus	2	257,023,712	248,175,679
Sub-total - Shareholders' funds		310,561,435	301,713,402
NON CURRENT LIABILITIES			
Long Term Borrowings	3	251,496,417	357,865,012
Deferred Tax Liability (Net)	4	30,225,897	26,999,892
Sub-total - Non-current liabilities		281,722,314	384,864,904
CURRENT LIABILITIES			
Short Term Borrowings	5	449,738,870	492,631,681
Trade Payables	6	676,727,179	1,398,146,629
Other Current Liabilities	7	1,015,151,076	948,125,242
Short Term Provisions	8	41,750,435	40,046,641
Sub-total - Current liabilities		2,183,367,560	2,878,950,192
TOTAL - EQUITY AND LIABILITIES		2,775,651,309	3,565,528,499
ASSETS			
Non Current Assets			
FIXED ASSETS			
Tangible Assets	9	301,488,774	308,251,039
Capital Work in Progress	9	86,208,281	78,233,145
De-Capitalised Assets	9	19,354,103	-
Non Current Investments	10	225,000	225,000
Long Term Loans & Advances	11	52,322,576	28,591,844
Sub-total - Non Current assets		459,598,734	415,301,028
CURRENT ASSETS			
Inventories	12	220,940,369	373,049,704
Trade Receivables	13	1,580,257,186	2,275,646,770
Cash & Bank Balances	14	61,469,355	103,568,811
Short Term Loans & Advances	11	276,494,476	345,257,045
Other Current Assets	15	176,891,189	52,705,141
Sub-total - Current assets		2,316,052,575	3,150,227,471
TOTAL - ASSETS		2,775,651,309	3,565,528,499

Significant Accounting Policies and Other Notes on Accounts

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As per our report attached

For SALARPURIA & PARTNERS

Firm Regn. No.302113E

CHARTERED ACCOUNTANTS


(KAMAL KUMAR GUPTA)
PARTNER

M.No. 89190

Place: New Delhi

Date : 03/06/2013


(A.K. SUREKA)
MG.DIRECTOR


(O.P. BHARDWAJ)
DIRECTOR


(RACHNA MITTAL)
COMPANY SECRETARY




JOTINDRA STEEL AND TUBES LIMITED**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31st****March, 2013**

	2012-13	2011-12
	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before tax	7,611,989	26,457,419
Adjustments for:		
Provision for Gratuity and Leaves	253,329	(309,610)
Depreciation	16,798,007	15,222,554
Profit/ Loss on sale of fixed Assets	1,450,023	(206,603)
Interest Received	(34,964,122)	(39,208,208)
Payment for Taxes	(593,683)	(8,537,237)
Interest paid	77,526,065	102,797,513
Operating Profit before Working Capital Changes	68,081,608	96,215,828
(Increase)/Decrease in Sundry Debtors	695,389,583	(1,063,786,619)
(Increase)/Decrease in Inventories	152,109,335	68,990,922
(Increase)/Decrease in Loans and Advances	(72,648,014)	139,517,469
Increase/(Decrease) in Current Liabilities	(654,393,615)	780,870,140
NET CASH FROM OPERATING ACTIVITIES	188,538,897	21,807,740
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Addition to Fixed Assets	(43,871,004)	(116,563,974)
Sales of Fixed Assets	5,056,000	957,016
Investment	-	-
Interest Received	34,964,122	39,208,208
NET CASH (USED)/GENERATED IN INVESTING ACTIVITIES	(3,850,882)	(76,398,750)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment/Proceeds - Borrowings	(149,261,406)	164,228,364
Interest paid	(77,526,065)	(102,797,513)
NET CASH USED IN FINANCING ACTIVITIES	(226,787,471)	61,430,851
NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)	(42,099,456)	6,839,841
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	103,568,811	96,728,970
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	61,469,355	103,568,811

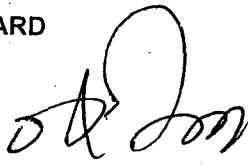
As per our report attached

For SALARPURIA & PARTNERS**Firm Regn. No.302113E****CHARTERED ACCOUNTANTS**


(KAMAL KUMAR GUPTA)

PARTNER**M.No. 89190****Place: New Delhi****Date : 03/06/2013****BY ORDER OF THE BOARD**


(A.K. SUREKA)
MG.DIRECTOR



(O.P. BHARDWAJ)
DIRECTOR



(RACHNA MITTAL)
COMPANY SECRETARY

JOTINDRA STEEL AND TUBES LIMITED

1 : SHARE CAPITAL	As at 31-03-2013	As at 31-03-2012
	Rs.	Rs.
AUTHORISED		
55,00,000(55,00,000) Equity Shares of Rs.10 each	55,000,000	55,000,000
30,00,000 (30,00,000) Redeemable Preferential Shares of Rs.10 each	30,000,000	30,000,000
15,00,000 (15,00,000) Convertible Preferential Shares of Rs.10 each	15,000,000	15,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
ISSUED		
30,05,341(30,05,341) Equity Shares of Rs.10 each	30,053,410	30,053,410
30,00,000(30,00,000) Non-Cumulative Redeemable Preferential Shares of Rs.10 each	30,000,000	30,000,000
	<u>60,053,410</u>	<u>60,053,410</u>
SUBSCRIBED AND PAID UP		
30,01,916(30,01,916) Equity Shares of Rs.10 each fully of these (60,000 Shares have been allotted as fully paid up pursuant to a contract without payment being received in cash)	30,019,160	30,019,160
10,00,000(10,00,000) Non-Cumulative Redeemable Preferential Shares	10,000,000	10,000,000
13,50,000 (13,50,000) Non-Cumulative Compulsorily Convertible Preference Shares	13,500,000	13,500,000
Add: Amount paid on 3425 Equity Shares forfeited.	18,563	18,563
	<u>53,537,723</u>	<u>53,537,723</u>

1.1 Share holdersholding 5% or more of shareholding	31.03.2013	31.03.2012
	No. of Shares % held	No. of Shares % held
a) Vishnu Kumar Sureka	868,593.00 0.29	868,593.00 0.29
b) Akhil Kumar Sureka	758,626.00 0.25	758,626.00 0.25
1.2 Out of these 1350000 Preference Shares are redeemable at the option of the company at any time before expiry of 20 years from the date of allotment. These shares are redeemable at a premium of Rs.50/- per share.		
1.3 On 26th October 2010 on 100% conscent of NRI allottes for alteration of Class of Preference shares from Non Cumulative Redeemable Preference Shares to Non- Cumulative Compulsorily Convertible Preference Shares .		
1.4 On 29th November , 2010 the company at an Extra Ordinary General Meeting as paased a Special Resolution to the above effect of alteration in Class of Shareholders..		

2 : RESERVES & SURPLUS	As at 31-03-2013	As at 31-03-2012
	Rs.	Rs.
Capital Reserve	750	750
Capital Redemption Reserve		
Balance brought forward	4,836,500	3,661,500
Add: Transfer from Profit and Loss Account	<u>1,175,000</u>	<u>1,175,000</u>
	6,011,500	4,836,500
Share Premium		
Balance brought forward	108,233,150	108,233,150
Profit & Loss Account		
Profit during the year (as per statement annexed)	4,385,984	15,185,250
Balance Brought Forward from Previous Year	135,105,279	121,095,029
Adjustment for MAT Credit for earlier Year	4,462,049	-
Capital Redemption Reserve	<u>(1,175,000)</u>	<u>(1,175,000)</u>
	142,778,312	135,105,279
	<u>257,023,712</u>	<u>248,175,679</u>



3 : LONG TERM BORROWINGS	As at 31-03-2013		As at 31-03-2012	
	Rs.		Rs.	
Secured Loans	Non Current	Current	Non Current	Current
TERM LOANS				
Standard Chartered Bank	-	-	17,903,869	14,578,500
ICICI Home Finance Ltd.	20,890,280	1,855,461	22,745,741	910,528
Intec Capital Ltd.	36,163,466	40,554,445	17,250,666	8,368,281
	57,053,746	42,409,906	57,900,276	23,857,309
EQUIPMENT LOAN				
ICICI Bank Ltd.	14,076,028	13,080,864	6,196,999	5,049,182
L&T Finance Limited	1,213,090	1,057,810	-	-
HDFC Bank Ltd.	20,258,332	20,247,070	32,289,869	14,619,477
	35,547,450	34,385,744	38,486,868	19,668,659
AUTO LOANS				
HDFC Bank Ltd.	193,518	1,183,571	1,377,089	1,056,338
ICICI Bank Ltd.	361,199	632,039	1,068,195	1,061,465
State Bank of Patiala	205,598	127,000	-	-
Tata Capital Ltd.	16,229	182,950	199,178	162,964
	776,545	2,125,560	2,644,462	2,280,767
Unsecured loans				
From Companies- Related Party	1,896,696	-	1,711,820	-
From Companies- Others- Interest Free	148,017,187	-	249,621,586	-
From Directors- Interest Free	8,204,793	-	7,500,000	-
	158,118,676	-	258,833,406	-
	251,496,417	78,921,210	357,865,012	45,806,735

b. (i)

Term Loan from ICICI Home Finance (Balance as on 31.03.2013 of Rs.1,15,65,649 (previous year Rs.1,19,89,405) is a joint loan in the name of M/s. Quality Synthetic Industries Ltd. and Shri Vishnu Kumar Sureka, where Jotindra Steel & Tubes Ltd., is a Co-applicant. The loan is secured by way of equitable mortgage of Property at First Floor, Pramukh Plaza, Wing "A" Chakala Road, Chakala, Andheri (East), Mumbai owned by M/s. Quality Synthetic Industries Ltd., and also personal guarantee of Mr.Akhil Kumar Sureka, Managing Director & Mr. Vishnu Kumar Sureka, Authorised Signatory of the said Company.

(ii) Term Loan from ICICI Home Finance (Balance as on 31.03.2013 of Rs.1,11,80,092 (previous year 1,16,66,866) is a joint loan in the name of M/s. Bihariji Ispat Udyog Ltd. and Shri Navneet Kumar Sureka, where Jotindra Steel & Tubes Ltd., is a Co-applicant. The loan is secured by way of equitable mortgage of Property at First Floor, 2nd Portion, Pramukh Plaza, Wing "A" Chakala Road, Chakala, Andheri (East), Mumbai owned by M/s. Bihariji Ispat Udyog Ltd., and also personal guarantee of Mr. Navneet Kumar Sureka, Managing Director & Mr.Vishnu Kumar Sureka, Authorised Signatory of the said Company.

c The loan from Intec Capital Limited is secured against Exclusive lien hypothecation mark on the performa and invoices for purchase of Scaffolding and the personal guarantee of Mr. Vishnu Kumar Sureka(Director) and Mr. Akhil Kumar Sureka (Managing Director).The Scaffolding purchased have been shown as Stock in Trade, for which exclusion from the banks having first charge on entire working Capital is pending for Loan in excess of Rs. 285 Lacs

d The Auto Loans and Equipment Loans from HDFC Bank, L&T Finance Ltd. & ICICI Bank are secured against the hypothecation of the vehicles/Equipments financed by the said banks.

4 : DEFERRED TAX LIABILITY(NET)	As at 31-03-2013		As at 31-03-2012	
	Rs.		Rs.	
Particulars				
Fixed Assets		35,813,654		27,501,777
Provision for Gratuity, Leaves Encashment & Bonus		(646,618)		(501,885)
Carried Forward Business Losses		(4,941,139)		-
		30,225,897		26,999,892

5: SHORT TERM BORROWINGS	As at 31-03-2013		As at 31-03-2012	
	Rs.		Rs.	

WORKING CAPITAL LOANS ;

State Bank of Patiala	349,896,056	332,664,824
Union Bank of India	99,842,815	159,966,857
	449,738,870	492,631,681



- a Working capital loans are secured by way of hypothecation of entire Current Assets of the Pipe Division (Faridabad & Hardwar Units) of the Company both present & future and first pari passu charge among StateBank of Patiala, Indian Overseas Bank and Union bank of India over the fixed assets of the company (excluding specific assets charged to other lenders) including :

A. Securities held with State Bank of Patiala (charge sharing on Pari-passu basis)

- (i) Equitable mortgage of a part of factory land and building at Plot No.14/3 Mathura Road, Faridabad measuring 24k 13m appx.
- (ii) Plot no. C-152 situated at Prakash Industrial estate G.T. Road Ghaziabad in the name of M/S Sri Narayan Rajkumar Merchants Ltd.
- (iii) Three residential plot(a)F-203.F-204,(b)F-205 and (c)F-206 At Lakshay Deep building at Sant Nagar,New Delhi. In the name of M/S Chakra Exports Pvt.Ltd.
- (iv) Plot no.231,Block B Okhala Ind. Area, New Delhi in the name of the company.
- (v) Equitable mortgage of factory land and building at plot no.14/3 Mathura Road, Faridabad measuring 13Kanal and 19Marla in the name of the company

B. Securities hand with UBI(charge sharing on Pari-passu basis)

- (i) Equitable mortgage of a part of factory land and building at plot no.14/3 Mathura Road, Faridabad measuring 70K 9M.
- (ii) Equitable mortgage of land measuring 4060sq meters situated at Plot No.10, Sector-3, SIDCUL,Industrial Area,Haridwar in the name of company
- (iii) Pledge of 55193 shares of the company in the name of Promoter Directors of the company

The above loan is also secured by the corporate guarantee of M/s Chakra Exports Pvt. Ltd. and M/s Sri Narayan Raj Kumar Merchants Limited and also personal guarantee of Shri Navneet Kumar Sureka, Authorised Signatory and Shri Akhil Kumar Sureka, Shri Vishnu Kumar Sureka both directors of the Company.

C. Securities hand with Indian Overseas Bank (charge sharing on Pari-passu basis)

- b (i) Hypothecation of all the goods purchases/acquired under Letter of Credits
- (ii) Equitable mortgage of land measuring 4963.09 sq meters situated at Plot No. 200, Bulandshar Road, Industrial area, Site I , B.S. Road, Ghaziabad,Uttar Pradesh.

6 : TRADE PAYABLES	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
Sundry Creditors for Goods & Services	659,931,453	1,364,188,303
Employees' Dues	725,397	626,343
Statutory Dues	16,070,329	33,331,983
	676,727,179	1,398,146,629

7 : OTHER CURRENT LIABILITIES	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
Current Maturities of Long Term Borrowings (Refer Note 3)	78,921,210	45,806,735
Acceptance	525,924,413	756,046,983
Advances & Deposits	410,266,189	146,271,468
Temporary Bank Over Draft	39,210	-
Others	55	55
	1,015,151,076	948,125,242

Acceptances amounting represents letters of credit/counter Guarantee / Foreign currency buyer's credit issued to suppliers out of Non Fund base limits sanctioned by:

	As at 31.03.2013	As at 31.03.2012
State Bank of Patiala	525,924,413	394,246,984
Union Bank of India	-	211,800,000
Indian Overseas Bank	-	150,000,000
	525,924,413	756,046,984

8 : SHORT TERM PROVISIONS	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
For Gratuity	1,726,702	1,481,642
For Leave Encashment	73,268	64,939
For Income Tax	39,950,465	38,500,000
	41,750,435	40,046,641



JOTINDRA STEEL AND TUBES LIMITED
Note 9 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION WRITTEN OFF				NET BLOCK	
	As at 31st March, 2012	Additions during the year	Sales/ Disposals during the year	As at 31st March, 2013	Upto 31st March, 2012	During the year	Adjustment on sale/disposals	Upto 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A. Tangible Assets (Owned)										
Land (Freehold & Leasehold)	8,506,537			8,506,537	-	-		-	8,506,537	8,506,537
Buildings	49,769,498		19,685,554	30,083,943	9,762,674	1,004,804	331,451	10,436,027	19,647,916	40,006,824
Residential Flats	535,791			535,791	241,157	8,733		249,890	285,901	294,634
Plant & Machinery	223,909,239	29,022,579	1,984,178	250,947,640	35,996,758	11,045,829	518,640	48,523,947	204,423,693	187,912,481
Electrical Installations	8,594,902			8,594,902	2,936,831	408,258		3,345,089	5,249,813	5,658,071
Furniture & Fixtures	1,253,257			1,253,257	468,053	79,331		547,384	705,873	785,204
Refrigeration & Air Conditioners	841,374	60,500		901,874	172,782	42,729		215,511	686,363	668,592
Office Equipments	5,006,603	41,000		5,047,603	1,526,340	238,309		1,764,649	3,282,954	3,480,263
Laboratory Equipments	2,164,233			2,164,233	329,546	102,801		432,347	1,731,886	1,834,687
Pollution Control Equipments	703,695			703,695	239,260	33,426		272,686	431,009	464,435
Dies & Jigs	8,871,488			8,871,488	2,828,423	421,396		3,249,819	5,621,669	6,043,065
Vehicles	24,089,492	605,000	3,129,000	21,565,492	4,587,187	2,240,715	670,249	6,157,653	15,407,839	19,502,305
Commercial Vehicle	38,407,871	6,166,790	5,930,680	38,643,981	5,313,929	1,171,676	3,348,946	3,136,659	35,507,322	33,093,942
Total "A"	372,653,979	35,895,869	30,729,412	377,820,436	64,402,940	16,798,007	4,869,286	76,331,661	301,488,774	308,251,039
B. Capital Work in Progress										
Lease Hold Land, Building, Plant & Machinery (See Note 23.5.a)									58,228,403	58,828,803
Plant & Machinery									10,594,342	10,594,342
Advance against Residential Flat									-	8,810,000
Building Under Construction									17,385,536	-
Total "B"									86,208,281	78,233,145
C De-Capitalised Assets										
Building									19,354,103	-
Total "C"									19,354,103	-
Total "A+B+C"	372,653,979	35,895,869	30,729,412	377,820,436	64,402,940	16,798,007	4,869,286	76,331,661	407,051,158	386,484,184
Previous Year	(234,142,137)	(139,680,819)	(1,168,977)	(372,653,979)	(49,598,949)	(15,222,554)	(418,564)	(64,402,939)	(386,484,185)	(285,893,178)



10 : NON CURRENT INVESTMENTS NON TRADE - AT COST	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
SHARES AND SECURITIES		
A. In Government Securities		
Kisan Vikas Patra	25,000	25,000
B. In Mutual Fund		
SBI PSU Fund Growth	200,000	200,000
(Market value of quoted Investments Rs. 1,43,184)		
a) Quoted		
600 fully paid up Equity Shares of Rs.10 each of Haryana Concast Limited.(Market value Rs.Nil (Rs.Nil)	6,000	6,000
Less: Provision for diminution	(6,000)	(6,000)
	<u>225,000</u>	<u>225,000</u>

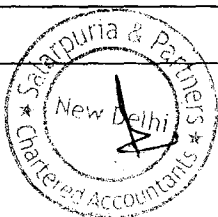
11: LOANS & ADVANCES (Unsecured, considered good)	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
Long Term		
Loans to Related Parties	11,736,718	6,449,532
Loans to Others	1,176,182	1,176,182
Security & Other Deposits	39,409,676	20,966,130
	<u>52,322,576</u>	<u>28,591,844</u>
Short Term		
Advances recoverable in cash or in kind		
or for value to be received. -Related Parties	550,000	520,000
-Others	199,217,199	222,786,647
Export Incentives Receivable	16,596,177	16,768,703
Balances in VAT Accounts	2,324,090	13,607,246
Balances in Excise Duty Accounts	9,800,698	55,986,847
Income Tax payments/tax deducted at source	42,093,799	35,587,602
MAT Credit Receivable	5,912,514	-
	<u>276,494,476</u>	<u>345,257,045</u>
Total	<u>328,817,052</u>	<u>373,848,889</u>

12: INVENTORIES	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
(As per inventories taken, valued & certified by the management)		
Stores, Spares & Packing Materials	20,296,675	11,224,065
Raw Materials	23,169,315	108,194,809
Finished Goods	168,987,140	232,557,217
Work in Progress	7,792,787	7,931,945
Scrap	694,452	9,070,553
Goods In Transit	-	4,071,115
	<u>220,940,369</u>	<u>373,049,704</u>

13: TRADE RECEIVABLE (Unsecured, Considered good)	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
Debts outstanding for a period exceeding six months	305,266,417	373,133,141
Other debts	1,274,990,769	1,902,513,629
	<u>1,580,257,186</u>	<u>2,275,646,770</u>

14: CASH AND BANK BALANCES	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
Cash in hand (As per books and certified by the management))	2,839,683	339,511
Balance with Scheduled Banks:		
In Current Accounts	771,996	2,969,679
In Margin Money Accounts	57,857,675	100,259,621
Maturity within 12 months (Pledged for Letter of Credit /Guarantees issued by banks)		
	<u>61,469,355</u>	<u>103,568,811</u>

15: OTHER CURRENT ASSETS	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
Interest Receivable	1,040,821	1,844,375
Prepaid Expenses	254,075	416,065
Claims Receivable	175,596,293	49,005,076
Others	-	1,439,625
	<u>176,891,189</u>	<u>52,705,141</u>



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1 SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accounts of the company are prepared under the historical cost convention, in accordance with applicable Accounting Standards, for recognition of income and expenditure mercantile systems of accounting is followed.

B. Use of Estimates

The preparation of financial statements in under generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that effect the reported statements of assets and liabilities and the disclosure of contingent liabilities on the date of financial statement and the reported amounts of revenue and expenses during the year. The actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

C. Revenue Recognition

- a. Sales are inclusive of excise duty and net of discounts/returns. Exports sales include Goods Invoiced against confirmed orders and cleared from Excise and Custom Authorities, also goods exported as third party exporter and exchange fluctuations. In respect of fabrication and erection activities, bills raised for extra work, over run charges and other miscellaneous claims are accounted for on the basis of certainty of realisation. Bills/final bills of Job Work done by the company are accounted for on the basis of certification by the principals and correspondingly the liability for job work done by the sub contractors are accounted for at the same time.
- b. Export incentives in cash are recognized as income on Export being made. Benefits receivable under various schemes like Advance Licenses, Target Plus, Duty Free Import Authorisation etc. are recognized on certainty of their utilization and realization.
- c. Other items of Revenue are recognized in accordance with the accounting standard (AS 9) accordingly, wherever there are uncertainties in the ascertainment/realization of income are recognised at the time of receipt of payment thereof.
- d. Overdue interest and other claims are accounted for on the basis of certainty of realisation.

D. Recognition of Profit on Long Term Contracts

In respect of fabrication and erection activities, the work certified by the principals is included in Sales at contractual rates.

E. Fixed Assets

Fixed Assets are stated at cost less depreciation.

De-Capitalised Assets are stated at lower of written down value as on the date of decapitalisation or estimated net realisable value.

F. Depreciation

Depreciation has been calculated on assets acquired up to 30th June, 1987 on straight line method as per provisions of Section 205 (2)(b) of the Companies Act, 1956 to fall in line with the views expressed by the department of Company Affairs vide its Circular No.1/86 dated 21st May, 1986. Depreciation on assets acquired thereafter has been provided on straight line method in accordance with the rates and basis prescribed in Schedule XIV of the Companies Act, 1956.

G. Expenditure during construction period

Direct cost of procurement/ installation of Fixed Assets have been capitalised.

H. Investments

Investments are stated at cost less provision for diminution in value of investments.

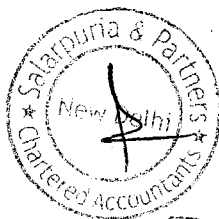
I. Valuation of Inventories

Loose Tools	- At Cost
Stores, Spares and Packing Materials & Raw Materials.	
Work in process & Finished goods	- At lower of cost or net realisable value.
Scrap	- At estimated realisable value

Note: Cost of raw material, components and stores & spares is determined on first in first out/weighted average basis. Cost of finished goods & work in process comprises of materials, labour and other related overheads including depreciation.

J. Excise Duty/Customs Duty

Liability for Excise Duty in respect of finished goods and scrap not cleared from factory premises for sale is accounted for at the time of clearance from the factory premises. The policy has however, no impact on operating results and net current assets of the Company.



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K. Foreign Currency Transactions

- (i) Transactions in foreign currency has been translated into Indian Rupees at the exchange rates prevailing at the date of transaction, any variation in receipt or payment has been adjusted in exchange gain/loss account, Assets and Liabilities outstanding as at year end have been converted into the Indian Rupees at year end exchange rates.
- (ii) Non-monetary assets and liabilities are translated at the rate prevailing on the date of transaction. Net variation arising out of the said transactions are adjusted to the costs of the respective non-monetary assets or liabilities, in the case of fixed assets upto the date of installation.
- (iii) The operations of foreign branches of company are integral in nature and financial statements of these branches are translated using the same principles and procedures as of its head office.
- (iv) In case of forward exchange contract or other financial instruments, the gain or loss is computed by multiplying the foreign currency amount of the forward exchange contract by the difference between the forward rate available at the end of the year and the contracted forward rate.

L. Contingent Liabilities

Disputed liabilities and claims against the Company including claims by Taxation Authorities pending in appeals, are treated as contingent liabilities. Claims against the company are reduced by counter claims of the company in order to determine the contingent liabilities.

M. Employees Benefits**1) Short Term Benefit**

The Undiscounted amount of short term employees benefits expected to be paid in exchange for the services rendered by employees is recognizing the period when the employee rendered the service. This benefit includes salary, wages, short term compensatory absence and bonus.

2) Long Term Benefits

Contributions are made to recognised Provident Fund, Employees State Insurance Scheme and are charged to revenue accounts. Gratuity and Benefit for encashment of leave salary is fully provided for on accrual basis as per valuation made by the management.

N. Taxes on Income

1. Provision for current income tax is made on the basis of assessable income under the Income Tax Act, 1961.
2. Deferred income tax is recognised on timing differences between taxable income and accounting income which originated in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws enacted as on the balance sheet date.

O. Impairment of assets

At each Balance Sheet date an assessment is made whether there is any indication of impairment of the carrying amount of the Company's assets. The recoverable amount of such assets are estimated, if any indication exists, impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.

II OTHER NOTES ON ACCOUNTS**1 CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR**

	2012-13	2011-12
	Rs.	Rs.
(i) Letters of Guarantee issued by Banks	26,304,632	36,816,992
(ii) Letters of Credit issued by Banks	485,000,000	681,700,000
(iv) Sales Tax Demand Pending appeals	3,629,623	5,607,987
(v) Proportionate value of duty saved in terms of Letter of Undertaking given to Jt. Director General of Foreign Trade under EPCG Scheme, where export obligation can be completed in future years	NIL	NIL
(vi) Corporate Guarantee given for Body Corporate	NIL	3,496,000,000
(vii) Claims against the Company not acknowledged as debts.	Amount unascertained	Amount unascertained

2 Provision have not been made in accounts in respect of Arrears of

Dividend on 9.5% redeemable cumulative preference shares already redeemed in past 33,867 (Rs.33,867)



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- 3 The disputed dues on account of Income Tax, CENVAT, Interest on E.Duty and Penalty has not been provided in the accounts and deposited as the matter is pending Adjudication before concerned authorities.

Sl. No.	Name of the Statute	Amount	Nature of dues	Forum Where Dispute is Pending
1	Service Tax Rules, 1994 (Rule 6 of Cenvat Credit Rule for FY 2006-07)	NIL (64,348)	Service Tax of Goods Transport Agency	Commissioner Appeal of Service Tax, Faridabad
2	Central Excise Act, 1944 (Rule 25 of Cenvat Credit Rule for FY 2007-08)	12,30,282	Duty on Input Sales	Commissioner of Central Excise, Faridabad
3	Central Excise Act, 1944 (Rule 25 of Cenvat Credit Rule for FY 2004-05 to 2008-09)	5,890,625	Duty on Input Sales	Commissioner of Central Excise, Faridabad
4	Central Excise Act, 1944 (Rule 25 of Cenvat Credit Rule for 2007-08 to Sept. 2009)	1,781,282	Service Tax	Joint Commissioner of Central Excise, Faridabad
5	Central Excise Act, 1944 (Rule 14 of Cenvat Credit Rule for FY 2009-10)	1,959,357	Duty on Input Sales	Additional Commissioner of Central Excise, Faridabad
6	Central Excise Act, 1944 (Rule 2 & 3 of Cenvat Credit Rule for October-09 to Dec.-10)	1,254,997	Service Tax	Commissioner of Central Excise, Faridabad
7	Cenvat credit Rule 2004 (Rule 14 of Cenvat Credit Rule April 11 to August 2011)	443,947	Service Tax	Assistant Commissioner of Central Excise, Faridabad
8	Cenvat credit Rule 2004 (Rule 14 of Cenvat Credit Rule Jan 11 to March 2011)	403,037	Service Tax	Assistant Commissioner of Central Excise, Faridabad
9	Income Tax Act 1961 (for Assessment year 2009-10)	2,469,203	Income Tax	Commissioner of Income Tax Appeals VII, New Delhi

- 4 Estimated amount of Capital Contracts remaining to be executed (Net of Advance) Rs .NIL (Rs. 31,83,799).

- 5
- The Company has acquired the Unit of M/s R M Ispat Private Limited at Plot No. 200, Bulandshar Road, Industrial area, Site I, BS road, Ghaziabad, UP, admeasuring 4963.09 Sq.m.on as is where is basis. The Original Lease Deed is not yet been registered/transferred in the name of Company.
 - The Company has plans to reconstruct the unit as such has kept the entire plant as 'Capital Work in Progress'. The allocation to each and every item of Fixed Assets shall be done on completion of the restructuring of the Plant. However ,in the absence of proper valuation of Plant and Machinery and other Stock items the value of each such items have not been assigned as yet.
 - During the year scrap materials amounting to Rs.39,91,955 lying at the aforesaid plant site were sold, inabsence of allocated cost thereof, profit or loss out of the said transaction has not been recognised,yet the entire sale proceed has been credited to Capital work in Progress.



JOTINDRA STEEL AND TUBES LIMITED

6. During Past year ended 31st March,2012, Steel Tubes valued US\$ 23,87,572 (INR 11,80,79,950) was shipped for customers in USA. However, before the shipment reaches destination ports. USA authorities imposed very heavy import duty (CVD @ 285.9%) on Steel Tubes imported from India. On account of levy of above duty imported Steel Tubes from India become very costly in USA and thus unviable product. Consequent to above, company diverted the material to other customers outside USA at the original invoiced price i.e. US\$ 2387572

7. Claims recoverable includes:

- a. Rs. 3,05,16,000 (equivalent to US\$ 600000) represent amount of claim lodged with the remitting bank in India against the commission remitted to M/s Frame Building Systems Fzc, USA, which was withheld by the corresponding bank under instruction of Federal Govt. in USA.

The United States District Court of Southern District of New York has issued a summons in the name of the company on a third party claim in matter of Jeremny levin and Dr. Luile Levin v/s Bank of New York, JP Morgan Chase & Co. Societ General and Citi Bank. As per the opinion of the management there shall be no financial obligation on the company under this case.

- b. Rs. 25,00,000 represent amount Bank Guarantee invoked by the Mumbai Port Trust against disputed charges by them for the goods imported in previous year.

8. Cash in hand includes foreign currency US \$ 3 (\$3) equivalent to Rs. 155 (Rs.131)

9. Earning Per Share:

	2012-13	2011-12
Profit for the year after tax	4,385,984	15,185,251
Average Number of Equity Shares during the year	3,001,916	3,001,916
Earning Per Share in rupees	1.46	5.06

10. In the opinion of the management, current assets, loans and advances will have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated. The balances of sundry debtors, sundry creditors and loans and advances are however, subject to confirmations and adjustments, if any.

- 11(A) Shareholders at an Extra Ordinary General Meeting on 29-11-2010 has accorded their consent for variation in rights on receipt of consent from all the holders of existing 13,50,000 Non Convertible Redeemable Cumulative Preference Shares, asking to convert their holding into "Convertible Preference Shares into Equity Shares of Rs. 10/- each at a premium of Rs. 50/- each, subject to the approval from the The Delhi Stock Exchange Association Ltd.(DSE) The Approval from the RBI under FEMA Regulations have not been received so far. The "DSE" has also not given its consent to the variation in rights stating that it requires approval of the RBI under FEMA Regulations.

- (B) The RBI has asked the company to arrange shortfall of Rs. 13,01,395, which has been received from the respective parties. The matter is still pending with the RBI.

- (C) The board of directors at their meeting held on 01/07/2010 decided not to recommend the Proposed dividend on Non Cumulative Preference Shares Rs.48,958 and Tax thereon, which was provided in the audited accounts for the year ended 31/03/2010. According to the Board of directors there have been some error on calculation of dividend payable and the amount provided was less than that, hence forth it was decided that no dividend is recommended and accordingly entries made in the accounts have been reversed

12 Sundry Creditors :

The Company is in the process of identifying Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Therefore, it is not possible for the Company to ascertain whether payment to such enterprises has been done within 45 days from the date of acceptance of supply of goods or services rendered by such enterprises and to make requisite disclosure. The disclosure as required under the said act is as under:

- | | |
|---|-----------------|
| a) Principal amount due to supplier under MSMED Act | Not ascertained |
| b) Interest due to suppliers on above. | N.A. |
| c) Any payment made to suppliers beyond appointed date (under Section 16) | Not ascertained |
| d) Interest due and payable to suppliers under MSMED Act. | N.A. |
| e) Interest accrued & remaining unpaid as at 31.03.2013 | N.A. |
| f) Interest remaining due & payable as per Section 23 of the Act. | N.A. |



13 Disclosure pursuant to Accounting Standard-15 "Employees Benefits"

a) The Company has adopted Accounting Standard 15 for employees Benefit. However the actuarial valuation for the liability for defined schemes have not been made as yet.

b) **Defined Contribution Scheme**

		2012-13	2011-12
Contribution to Defined contribution plan recognised as expenses for the year			
Employers' Contribution to Provident Fund	Rs.	479,640	476,152
Employers' Contribution to Family Pension Fund	Rs.	63,907	65,752
Employers' Contribution to Employees State Insurance	Rs.	134,214	140,579

c) **Details of Defined Benefit Scheme:**

Contribution to Defined contribution plan recognised as expenses for the year :

Provision for Gratuity	Rs.	245,060	(309,507)
Provision for Leave Encashment	Rs.	12,918	(102)

The details in respect of Gratuity, a defined Benefit scheme (based on Actuarial valuation) are as under:

a) **Change in obligations over the year ended 31 March, 2013**

Present value of Obligation at the beginning of the year	1,481,642	1,791,150
Current Service cost	185,492	169,347
Past Service Cost	-	-
Interest Cost	121,901	156,726
Actuarial (gains)/losses	(62,333)	(635,581)
Benefit paid	-	-
Present Value of Defined Benefit Obligation at the end of the Year	1,726,702	1,481,642

b) **Change in Plan Assets (Reconciliation of opening and closing balances)**

Fair value of Plan Assets at the beginning of the year	-	-
Expected return on Plan Assets	-	-
Actuarial (gains)/losses	-	-
Contributions	-	-
Benefit Paid	-	-
Fair value of Plan Assets at the end of the year	-	-

c) **Reconciliation of Fair value of assets and obligation**

Fair value of Plan Assets at the end of the year	-	-
Present value of Obligation at the end of the year	-	-
Amount recognised in Balance Sheet	-	-

d) **Expenses recognised during the year**

Current Service cost	185,492	169,347
Past Service Cost	-	-
Interest Cost	121,901	156,726
Other charges	-	-
Actuarial (gains)/losses	(62,333)	(635,580)
Expected return on plan assets	-	-
Total	245,060	(309,507)

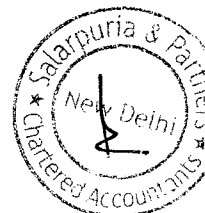
e) **Principal actuarial assumptions at the balance sheet (expressed as weighted averages):**

- 1 Discount rate -8.25% (8.75%)
- 2 Salary growth rate : For Gratuity Scheme - 5%
- 3 Attrition rate: For gratuity scheme the attrition rate varies from 1 to 2% for various age groups.
- 4 The estimates of future salary increases, considered in actuarial valuation, take into account inflation,

Details in respect of Leave Encasment, a defined Benefit scheme (based on Actuarial valuation) are as under:

a) **Change in obligations over the year ended 31 March, 2013**

Present value of Obligation at the beginning of the year	64,999	65,101
Current Service cost	7,590	9,786
Past Service Cost	-	-
Interest Cost	5,348	5,696
Actuarial (gains)/losses	(4,669)	(15,584)
Benefit paid	-	-



b) Change in Plan Assets (Reconciliation of opening and closing balances)

Fair value of Plan Assets at the begining of the year	-	-
Expected return on Plan Assets	-	-
Actuarial (gains)/losses	-	-
Contributions	-	-
Benefit Paid	-	-
Fair value of Plan Assets at the end of the year	-	-

c) Reconciliation of Fair value of assets and obligation

Fair value of Plan Assets at the end of the year	-	-
Present value of Obligation at the end of the year	-	-
Amount recognised in Balance Sheet	-	-

d) Expenses recognised during the year

Current Service cost	7,590	9,786
Past Service Cost	-	-
Interest Cost	5,348	5,696
Other charges	-	-
Actuarial (gains)/losses	(4,669)	(15,584)
Expected return on plan assets	-	-
Total	8,269	(102)

e) Principal actuarial assumptions at the balance sheet (expressed as weighted averages):

- Discount rate -8.25%(8.75%)
- Salary growth rate : For Gratuity Scheme - 5%
- Attrition rate: For gratuity scheme the attrition rate varies from 1 to 2% for various age groups.
- The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

14 RELATED PARTY DISCLOSURE (AS IDENTIFIED BY THE MANAGEMENT), AS REQUIRED BY**i) (a) Where control exists:**

- | | |
|---|---|
| i) Mauria Udyog Limited | xv) Bhama Properties (P) Ltd. |
| ii) Sri Narayan Raj Kumar Merchants I | xvi) P.D.Metal Industries (P) Ltd. |
| iii) Bihariji Ispat Udyog Limited | xvii) Udayanchal Leasing & Exports Ltd. |
| iv) Quality Synthetic Industries Limitec | xviii) Vee Em Info centre Pvt. Ltd. |
| v) Saroj Metal Works (P) Ltd. | xix) Chakra Exports (P) Ltd. |
| vi) Ram Forgings Pvt.Ltd. | xx) JST Solar Energy Pvt. Ltd. |
| vii) Sri Narayan Steel Industries Pvt.Ltc | xxi) JST Solar Vidyut Pvt. Ltd. |
| viii) Sureka Tubes Industries Pvt.Ltd. | xxii) Bihariji infortech Pvt. Ltd. |
| ix) Veshnoudevi Properties Pvt.Ltd. | xxiii) S.K.D. Estates Private Ltd. |
| x) V.K.Flats Pvt.Ltd. | xxiv) Deepak Hotels Private Ltd. |
| xi) Bihariji Fancy Fiber & Fabrics Ltd. | xxv) VL Land & Housing Pvt. Ltd. |
| xii) JST Engineering Services Ltd. | xxvi) G L Estates Pvt. Ltd. |
| xiii) V L Estates (P) Ltd. | xxvii) Vee Kay Surgical Pvt. Ltd. |
| xiv) Akshi Exports (P) Ltd. | xxviii) Magnum Products Pvt. Ltd |

(b) Key Management Personnel

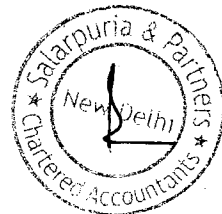
- Mr. Akhil Kumar Sureka
- Mr. V.K. Sureka
- Mr. O.P. Bhardwaj

**(c) Relative of Key Management Per:
(with whom transaction have taken**

- Sh.Navneet Sureka
- Mrs. Richa Sureka

(d) Other related parties

None



[Handwritten signatures]

ii) TRANSACTIONS WITH RELATED PARTIES

Description of the nature of the transaction	Volume of Transactions		Balance as on 31.3.2013	
	Current Year	Previous year	Receivable	Payable
Where Control Exists				
Purchase of Goods	41,792,053	63,264,868	-	-
Corporate Guarantee Taken	1,200,000,000	1,200,000,000	-	-
Service Charges paid	1,601,240	1,556,198	-	-
Service Charges Income	1,910,775	1,326,389	-	-
Sale of Goods	50,373,685	175,988,251	-	-
Rent Paid	7,313,790	7,211,320	-	-
Rent Received	2,400,000	3,970,800	-	-
Interest on Loan received	2,033,226	6,640,969	-	-
Interest on Loan Paid	205,418	157,442	-	-
Advances given	75,272,620	18,980,000	7,804,463	-
Loans & Advances taken	-	-	-	2,026,654
Loans taken repaid	-	129,958	-	-
Advances given received back	69,929,783	84,329,200	-	-
Key Management Personnel				
Loan Taken	100,000	7,500,000	-	8,204,793
Remuneration	2,483,396	2,507,245	-	-
Board Meeting Fee	3,000	2,500	-	-
Relative of Key Management Personnel				
Rent Paid	1,500,000	748,980	-	-
Remuneration	1,842,399	414,154	-	-
Other related parties				
	-	-	-	-

Notes: In respect of above parties there is no provision for doubtful debts as on 31st March, 2013 and no amount has been written off or written back during the year in respect of debts due from /to them. Out of above certain transactions requires approval from members and Central Govt. which is yet to be taken.



15 Derivative Instruments and Unhedged Foreign Currency Exposure

(i) Forwarded Contract Outstanding at the Balance sheet date.

Particulars of Contract	2012-13	2011-12	Purpose
Sale Euro to INR (US \$ to INR)	NIL	1,859,413.92	Hedged as expected receivables

(ii) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Amount receivable and payable as at March 31, 2013 in foreign currency on account of the following:

Particulars	2012-2013		2011-2012	
	Value		Value	
Receivable	Rs.	US\$	Rs.	US\$
Sale of Goods	71,057,119	1,308,967	148,460,592	2,919,005
Payable				
Advance against Exp	22,263,743	410,128	47,711,785	938,100

16 ADDITIONAL INFORMATION

(i) C.I.F.Value of Imports

Raw material & Trading goods

142855359

(161,559,411)

Capital Goods

2199539

(30,885,931)

(ii) F.O.B.Value of Exports

214139194

(693,248,297)

(iii) Expenditure in foreign currency - Travelling

2652872

(1,785,161)

(iv) Expenditure in foreign currency - Commission

Nil

(NIL)

(v) Remittance in foreign currency on account of dividend

Nil

(NIL)

(vi) Income in Foreign Currency

Nil

(NIL)

17 Comparative figures for the previous year have been regrouped and recast wherever necessary.

As per our report attached.

As per our report attached.

For SALARPURIA & PARTNERS

Firm Regn. No.302113E

CHARTERED ACCOUNTANTS

Kamal Kumar Gupta
(KAMAL KUMAR GUPTA)

PARTNER

M.No. 89190

Place: New Delhi

Date : 03/06/2013

A.K. SUREKA
(A.K. SUREKA)

MG.DIRECTOR

O.P. BHARDWAJ
(O.P. BHARDWAJ)

DIRECTOR

Rachna Mittal
(RACHNA MITTAL)
COMPANY SECRETARY

