

40th
ANNUAL REPORT
2013-14



ADVANCE STEEL TUBES LIMITED

40th
Annual Report
2013- 2014

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BOARD OF DIRECTORS

Shri Deoki Nandan Agarwal
Shri Daulat Ram Agarwal
Shri Lalit Agarwal
Shri Aashish Agarwal
Shri Jay Vilas Dubey
Shri Naresh Chand Maheshwari

AUDITORS

Ashok Somani & Associates
Chartered Accountants

BANKERS

Bank of India
The Federal Bank Limited
YES Bank Limited

REGISTERED OFFICE

45/3, Industrial Area, Site-IV,
Sahibabad, Ghaziabad U. P.

CORPORATE OFFICE

81, Functional Industrial Area,
Patparganj, Delhi - 110092

WORKS

45/3, Industrial Area, Site-IV,
Sahibabad, Ghaziabad U. P.

46/2/1 to 46/2/6
Industrial Area, Site-IV,
Sahibabad, Ghaziabad U. P.

46/4, Industrial Area, Site-IV,
Sahibabad, Ghaziabad U. P.

Plot No. 102, Phase III, Industrial Area
Gangayal, Jammu

Plot No. 2, Sector-3, I.I.E.,
Ranipur, Haridwar, Uttranchal

NOTICE TO THE MEMBERS

Notice is hereby given that the 40th Annual General Meeting of the members of ADVANCE STEEL TUBES LIMITED will be held on Tuesday the 30th day of September 2014 at 12.30 P.M at its Registered Office at 45/3, Industrial Area, Site-IV, Sahibabad to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2014 and the Profit & Loss Account for the year ended on that date and the Report of Directors' and Auditors' thereon.
2. To declare dividend for the year ended on 31st March 2014.
3. To appoint a Director in place of Shri Lalit Agarwal (DIN: 00109920) who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made thereunder, M/s Ashok Somani & Associates Chartered Accountants (Firm Registration no. 82504) retiring Auditors of the company, be and are hereby re-appointed as Statutory auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 43rd Annual General Meeting of the Company, subject to rectification by the members of the company at every Annual General Meeting on such remuneration as may be mutually agreed upon between the Board of Directors/Audit Committee and the Auditors."

SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Jay Bilas Dubey, (DIN: 00150464), Non Executive Director whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent director, and who has submitted a declaration that he meets the criteria for independence as provided in section 149 of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the company, not liable to retire by rotation for a term of 5 (five) consecutive years from the date of this Annual General Meeting."
6. To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Naresh Chand Maheshwari, (DIN: 00218051), Non Executive Director whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent director, and who has submitted a declaration that he meets the criteria for independence as provided in section 149 of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the company, not liable to retire by rotation for a term of 5 (five) consecutive years from the date of this Annual General Meeting."
7. To consider and if thought fit to pass the following resolution as an Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013 and in supersession of all earlier resolutions passed in this regards under the companies Act, 1956 (earlier in force), the consent of the company be and is hereby accorded to the Board of Directors of the company and/or any committee thereof to borrow at its discretion either from the company's Bank(s) or any other Indian or foreign Bank(s), Financial Institution(s) and or any other lending institutions or person from time to time such sum(s) of money(s) and the sum(s) to be borrowed together with the money(s) already borrowed by the company (apart from the temporary loans obtained from the company's Bankers/FIs in the ordinary course of business) with or without security on such terms and conditions as they may think fit shall exceed the aggregate of the paid up capital and free reserves of the company that is to say reserve not set apart for any specific purpose, provided that the total amount together with the money(s) already borrowed by the Board of Directors shall not exceed the sum of Rs. 50 Crores (Rupees Fifty Crores Only) at any point of time.
8. To consider and if thought fit to pass the following resolution as an Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013 and subject to the other approvals, if applicable or required under any statute(s)/rule(s)/regulation(s) or any law for the time being in force or

required from any other concerned authorities and in supersession of all earlier resolutions passed in this regards under the Companies Act, 1956, the Board of Directors of the Company/or Committee thereof be and are hereby authorized and shall be deemed to have always been so authorized to create such mortgages/ charges/ hypothecation and/or other encumbrances, in addition to the existing mortgages, charges, hypothecation and other encumbrances, if any created by the Company on all or any part of the immovable and/or movable properties, current and/or fixed assets, tangible or intangible assets, or stock in trade (including raw material, stores, spare parts, and component in stock or in transit) work in progress and debts and advances, claims of the company whatsoever situate, present or future in favour of Indian or foreign Bank(s), Financial Institution(s), Banks, Trustees for the holders of debentures/bonds and/or other instruments which may be issued on private placement basis or otherwise and other landing institution or organization or body corporate or such other person from whom the Company has borrowed or proposes to borrow money by way of term loan, working capital loan including fund based and non fund based limits, external commercial borrowings, commercial papers or any other financial instrument permitted by the appropriate authorities from time to time together with the interest, cost, charges and other incidental expenses in terms of agreements entered or to be entered into within the overall borrowing limit fixed pursuant to section 180(1)(c) of the Companies Act, 2013 i.e. Rs. 50 Crores (Rupees Fifty Crores Only).

"RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to negotiate and decide from time to time terms and conditions to execute such documents, deeds, writings, papers and /or agreements as may be required and do all such other acts deeds, matters and things as it may in its absolute discretion, deemed fit necessary or appropriate and settle any questions, difficulty or doubt that may arise in this regards.

By order of the Board
For Advance Steel Tubes Limited

Sd/-
(D. N. Agarwal)
Managing Director
DIN:00586794

Place : Sahibabad

Date : 3rd September, 2014

NOTES

1. A member entitled to attend and vote is entitled to appoint a PROXY to attend and on Poll to vote instead of himself and such PROXY need not be a member of the company. PROXIES in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon a person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights, may appoint a single person as proxy who shall not act as a proxy for any other member.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The register of members and Share Transfer Books will remain closed from 26th September 2014 to 30th September 2014 (both days inclusive) for the purpose of the Annual General Meeting and for payment of Dividend.
5. Pursuant to the requirement of listing Agreement of Stock Exchanges on Corporate Governance, the information about the directors, proposed to be at the AGM is given in Annexure to the Notice.
6. An explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of all the special businesses specified above is annexed hereto.
7. All documents referred to in the Notice and accompanying explanatory Statement as well as the Annual Report are open for inspection at the registered office of the company during the normal business hour upto the date of AGM.
8. Members desiring any information about accounts or otherwise, are requested to write to the company at least 10 days in advance of the Annual General Meeting to facilitate compliance thereof.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO 5 & 6**

As per the provisions of section 149 of the companies Act 2013 which came into effect from 1st April, 2014, the Independent Director shall hold office for a term upto five consecutive years on the Board of a company and are not liable to retire by rotation. Shri Jay Bilas Dubey and Shri Naresh Chand Maheshwari have given declaration to the Board that they meet the criteria of independence as provided under section 149 (6) of the Act.

In the opinion of the Board Shri Jay Bilas Dubey and Shri Naresh Chand Maheshwari meets the criteria of independence as prescribed under Section 149 of the Act and hence are now being placed before the members in General Meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the members at the registered office during normal business hours on any working days of the company.

The Directors recommend the Ordinary Resolutions as set out in item nos. 5 & 6 of the accompanying notice for the approval by the shareholders of the Company.

Except Shri Jay Bilas Dubey & Shri Naresh Chand Maheshwari for their respective appointment/re appointment no other Directors and Key Management Personnel of the Company or their relatives are concerned or interested, financially or otherwise in passing of this Ordinary Resolution.

ITEM NO. 7 & 8

The members of the company had on 28th September 1985 by way of the Ordinary Resolution passed at the Annual General Meeting had accorded its approval under section 293(1)(d) & 293(1)(a) of the Companies Act, 1956 for borrowing of sums by the company upto a limit not exceeding 10 Cr (Rupees Ten Crores) and to create securities for such borrowing by creation of mortgage, charge and /or hypothecation on movable and immovable assets of the company.

As per the provisions of Section 180 (1)(c) of the Companies Act, 2013 the Board of Director cannot except with the consent of shareholders by way of Special Resolution, borrow money apart from the temporary loans obtained from the company's bankers in the ordinary course of business in excess of the aggregate of paid up share capital and its free reserve and to create securities for such borrowings by creation of mortgage and/or charge and /or hypothecation on movable and immovable assets of the Company.

Further as per the clarification dated 25th March 2014 issued by Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under section 293 (1)(d) & 293 (1)(a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 i.e. upto 11th September 2014.

To cater the working capital needs fresh resolutions are proposed to borrow monies from time to time for the purpose of the company's business notwithstanding that the monies to be borrowed by the company together with the monies already borrowed by the company (apart from the temporary loans obtained from the company's Bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the company's paid up share capital and free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which monies may be so borrowed by the Board and which shall remain outstanding at any given point of time shall not exceed the sum Rs. '50 Crores (Rupees Fifty Crores) and to create the security for the borrowing by way of suitable mortgage, hypothecation or charge on all any of the movable and/or immovable properties of the Company.

The Board recommends the Special Resolutions as set out at item No. 7 & 8 for your approval.

None of the Directors and Key Management Personnel of the Company or their relatives are concerned or interested, financially or otherwise in passing of this Special Resolution.

By order of the Board
For Advance Steel Tubes Limited

Sd/-
(D. N. Agarwal)

Managing Director
DIN:00586794

Additional Information on Directors seeking Appointment/re-appointment at the ensuing Annual General Meeting (in pursuance of clause 49 of the Listing Agreement):

As required under the Listing Agreement, the particulars of Directors proposed to be re-appointed/appointed are given below:

Name	Date of Birth	Qualification	Expertise in specific Functional Area	Date of Appointment on the Board of the Company	Other Directorships	Member of the Committees in other Companies
Shri Lalit Agarwal	07/10/1960	Graduate		14/11/1987	<ol style="list-style-type: none"> 1. Advance Enterprises Private Limited 2. Advance Ispat (India) Limited 3. Advance Hightech Agro Products Private Limited 4. Tak Buildtech Private Limited 5. Marda Commercial & Holdings Ltd 6. Tirupati Structural Limited 7. Sophia Exports Limited 8. Phool Chand Infrastructure Private Limited 9. Unitron Softech Private Limited 	<ol style="list-style-type: none"> 1. Sophia Exports Ltd. 2. Tirupati Structural Ltd.
Shri Jay Vilas Dubey	28/12/1967	Chartered Accountants	Finance	03/11/2011	<ol style="list-style-type: none"> 1. Shree Hari Barter Limited 2. Udgam Infotech And Real Estate Private Limited 3. Sunfast Tradelinks Private Limited. 4. Vasindra Communications Private Limited 	Nil
Shri Naresh Chand Maheshwari	08/07/1958	Chartered Accountants	Finance	03/11/2011	<ol style="list-style-type: none"> 1. Farsight Securities Limited 2. Tirupati Structural Limited 3. Association Of National Exchanges Members Of India 	Nil

DIRECTORS' REPORT

Dear Members

Your Directors take pleasure in presenting the Fortieth Annual Report of your company together with the Audited Statement of Accounts for the Year ended March 31, 2014.

1. FINANCIAL PERFORMANCE

	Current Year	(₹ In Lacs) Previous Year
Net Sales & Service	14211.83	16777.26
Profit before Depreciation, Interest & Taxes (PBDIT)	1199.32	1270.29
Less: Interest & Financial Charges	310.67	404.21
Depreciation	185.69	115.70
Profit Before Tax	702.96	750.38
Provision for Taxation		
- Current	232.93	152.73
- Current Tax relating to prior year	-	2.58
- MAT Credit Entitlement	-	(5.55)
- Deferred	(33.41)	17.10
Profit After Tax	503.44	583.51
Add: Balance Brought Forward	20.06	(110.24)
Amount available for Appropriations	<u>523.50</u>	<u>473.26</u>
Appropriations:		
Transferred to General Reserve	485.00	436.00
Dividend	14.80	14.80
Corporate Dividend Tax	2.51	2.40
Tax on Dividend for Earlier Years	0.11	-
Balance Carried Forward	<u>21.07</u>	<u>20.06</u>

Your directors recommended a dividend of 20% on Equity shares of Rs.10/- each for the Year ended 31st March 2014 to those members whose names appear in the register of members as on 26th September 2014.

OPERATIONS

During the financial year 2013-14, the Gross Sales decreased by 17.09% whereas profit before tax decreased by 6.32%. After the provisions for tax, the Company earned profit after tax of Rs 5.03 Crores.

CREDIT RATING

CRISIL has assigned long term rating BBB+ and short term rating A2 to the Company and outlook on the long term rating is stable.

PUBLIC DEPOSITS

No deposit was accepted during the year as covered u/s 58A of the Companies Act, 1956 and Companies (Acceptance of Deposit) Rule 1975.

6. DIRECTORS

Shri Lalit Agarwal, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and other applicable provisions of the Act, the Company is required to appoint Independent Directors. Since the Company has Mr. Jay Bilas Dubey and Mr. Naresh Chand Maheshwari as Independent Directors (who were appointed as Directors pursuant to the provisions of Companies Act, 1956 and were independent in terms of clause 49 of the Listing Agreement) therefore, it is proposed to appoint Mr. Jay Bilas Dubey and Mr. Naresh Chand Maheshwari as Independent Directors within the meaning of Section 149 and 152 of the Companies Act, 2013 read with schedule IV and Rules made thereunder, for a term of 5 (five) consecutive years with effect from the date of ensuing Annual General Meeting.

The Board recommends their appointment at the ensuing Annual General Meeting.

A brief profile of the above Directors seeking appointment/Re-appointment required under Clause 49 of the Listing Agreement is given in the notice of AGM.

7. AUDITORS

The Statutory Auditors of the Company, M/s Ashok Somani & Associates, Chartered Accountants (Firm Registration no. 82504) will retire at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment as statutory auditors. Pursuant to Section 141 of the companies Act, 2013 and relevant Rules prescribed thereunder, the Company has received a certificate from the auditor to the effect, inter alia, that their re-appointment, if made would be within the limits laid down by the Act.

Further Pursuant to Section 139 of the Companies Act, 2013 and other applicable provisions of the Act, the re-appointment of M/s Ashok Somani & Associates Chartered Accountants is proposed from the conclusion of this Annual General Meeting until the conclusion of the 43rd Annual General Meeting of the Company, subject to rectification by the members of the Company at every Annual General Meeting.

8. COST AUDITORS

As per Companies (Cost Records and Audit) Rules, 2014 there is no requirement for the appointment of cost auditors for the Company anymore and hence no cost auditor has been appointed.

9. CORPORATE GOVERNANCE

The Corporate Governance Report in terms of Clause 49 of the Listing Agreement is attached and forms part of this Annual Report.

A Certificate from Managing Director and Chief Financial Officer of the Company, confirming the correctness of the financial statements, adequacy of the internal control measures as enumerated in Clause 49 of the Listing Agreement is also enclosed.

10. HUMAN RESOURCES

The company continued to have cordial and harmonious relations with its employees.

The particulars required under sub clause (a) & (b) of the section 217 (2A) of the Companies Act, 1956 are not given as the same is in the prescribed limits.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm:

- i. That in the preparation of the annual accounts for the financial year ended 31st March 2014, the applicable accounting standards have been followed and no material departures have been made from the same;
- ii. That they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That they had prepared the annual accounts for the Financial Year ended 31st March, 2014 on a going concern basis

12. ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Information in accordance with the provision of section 217 (l) (e) of Companies Act, 1956 read with the Companies (Disclosures of particulars in the report of Board of Directors) Rules 1988 regarding conservation of energy, technology, absorption and foreign exchange earnings and outgo is given in the annexure.

13. ACKNOWLEDGEMENT

The Directors take the opportunity to acknowledge the support and assistance extended by the company's employees, Bankers, Customers, Suppliers and business associates.

For and on behalf of the Board

Sd/-
Lalit Agarwal
Director
DIN : 00109920

Sd/-
D. N. Agarwal
Managing Director
DIN : 00586794

Place : Sahibabad
Date : 3rd September, 2014

ANNEXURES TO THE DIRECTOR'S REPORT

Particulars required under the Companies (Disclosure of particulars in the report of Directors) Rules 1988, u/s 217 (1) (e) of the Companies Act, 1956.

CONSERVATION OF ENERGY

- a) Energy conservation measures taken Automatic voltage controller has been installed for reduction in electric consumption.
- b) Additional investments and proposals if any, being implemented for reduction of consumption of energy. There is no additional requirement right now; necessary up-gradation shall be initiated as and when required.
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods Improvement in efficiency, production, product quality and cost effectiveness.
- d) Total energy consumption and energy consumption per unit of production as per Form "A" in respect of industries specified in the Schedule

FORM "A"

(A) FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

POWER AND FUEL CONSUMPTION

1) ELECTRICITY	Current Year	Previous Year
a) Purchased units	2539531	2301077
Total Amount	1,79,58,668	1,50,04,127
Rate/unit (Rs.)	7.07	6.52

b) Own Generation through D.G. Sets

D.G. sets installed exclusively for the purpose of emergency power supply whenever there is power outage to keep the emergency system working.

2) FURNANCE OIL/HSD	Current Year	Previous Year
a) Quantity (Ltrs.)	335330	284850
Total Amount	1,56,37,380	1,22,27,712
Average Rate (Rs.)	46.63	42.92
b) Consumption per units of production:		
Electricity (Unit/Tonne)	59.95	69.27
Furnace Oil (Litre/Tonne)	28.06	30.30

Note: - The change in consumption of electricity is basically due to the change in the product mix.

FORM "B"

(B) FORM FOR DISCLOSURE WITH RESPECT TO TECHNOLOGY ABSORPTION:

- a) Efforts in brief made towards technology absorption None
- b) Benefits derived as a result of the above efforts
e.g. product improvement, cost reduction,
production development important institution etc. None
- c) In case of imported technology (imported during last
5 years reckoned from the beginning of the financial
year) following information may be furnished. None
 - (i) Technology imported
 - (ii) Year of import
 - (iii) Has technology been fully absorbed None
 - (iv) If not fully absorbed, area there this has not taken
place, thereof and future plan of action

(C) FOREIGN EXCHANGE EARNING AND OUTGO:

Total Foreign Exchange used and earned

	(Current Year)	(Rs. In lacs) (Previous Year)
Used	49.75	7.05
Earned	2,118.84	1,424.12

For and on behalf of the Board

Sd/-
Lalit Agarwal
Director
DIN : 00109920

Sd/-
D. N. Agarwal
Managing Director
DIN : 00586794

Place : Sahibabad
Date : 3rd September, 2014

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is based on principles such as conducting the business with all integrity and fairness, being transparent with regards to all transactions, making all the necessary disclosures and decisions, complying with all laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner. The good corporate Governance is actually needed to achieve the long term corporate goal and to increase the value of the shareholders.

The Company's philosophy of Corporate Governance is aimed at maximizing the shareholder's interest and protection of the interest of the other stakeholders.

BOARD OF DIRECTORS

Composition of the Board

The Board of Directors of the company have an optimum mix of Executive and Non Executive Directors. The Board of the Company is comprised of six members, out of whom two members are Executive Directors and four members are Non Executive Directors.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49(IV)(B)) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other Companies.

Details of the Board of Directors as on 31st March 2014 in terms of their directorship/membership in committees of Public Companies and attendance in the last Annual General Meeting & Board Meetings are as follows:

Name of the Director	Category	Shareholding in the Company (No. of Shares)	Number of other Director ships ¹	Number of Committee Memberships and Chairmanship in all Companies including Advance Steel Tubes Limited		No. of Board Meetings attended during the year	Attendance at the last AGM held on Sept. 30, 2013
				Member-ship	Chairman-ship		
Shri D N Agarwal	Managing Director	72050	2	2	Nil	6	Yes
Shri Aashish Agarwal	Executive	30450	2	1	Nil	6	Yes
Shri Daulat Ram Agarwal	Non Executive	40000	2	Nil	Nil	6	Yes
Shri Lalit Agarwal	Non Executive	53150	4	2	1	6	Yes
Shri N. C. Maheshwari	Non Executive, Independent	Nil	2	2	Nil	6	Yes
Shri J V Dubey	Non Executive, Independent	Nil	1	2	2	6	Yes

1. The directorships held by the directors, as mentioned above, do not include the directorships held in foreign companies, private limited companies and companies under Section 25 of the Companies Act.
2. The committees considered for the purpose are those prescribed under Clause 49(1)(C)(ii) of the Listing Agreement(s) viz. Audit Committee and Investor Grievance Committee of Indian Public Limited Companies.

Number of Board Meetings

During the year under review Board met six times on 01/04/2013; 05/05/2013; 13/08/2013; 03/09/2013; 14/11/2013 and 14/02/2014 and the maximum gap between any two meetings did not exceed four months as stipulated under clause 49.

Remuneration of Directors

The Company had paid Rs. 1800000/- as salary and Rs. 21600 as contribution to Provident Fund to its Directors during the financial year 2013-2014. Apart from this, the Company has not paid any performance linked incentives to any Director. The Company does not have any stock option scheme.

No remuneration is paid to Non Executive Directors and also no sitting fee is paid to the Directors for attending the Board or Committee meetings.

Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management of the Company. All Board members and senior management, that includes company executives who report directly to the Chairman and executive Directors, have affirmed their compliance with the said Code.

Committees of the Board

The Board has constituted various committees for smooth and efficient conduct of business. The minutes of the meetings of Committees of Directors are placed in the succeeding Board meeting for the Board to take note of the same.

Audit Committee

The role, power and terms of reference of the audit committee are as per clause 49 of the Listing Agreement. The broad terms and reference of the audit committee are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Review the Company's financial and accounting policies and practices;
3. Report to the Board with such recommendations as the Audit Committee may consider appropriate.
4. Review with the management the quarterly financial statements before submission to the board for approval.
5. To review with the management the annual financial statements before submission to the Board for approval with reference to:
 - a) Matters required to be included in Director's Responsibility Statement to be included in the Board report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - b) Change in accounting policies and practices and the reasons thereof.
 - c) Major accounting entries involving estimates based on exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliances with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in draft audit report.

The audit committee of the Company currently consists of three Directors headed by a Non Executive Independent Director Shri J. V. Dubey as Chairman. The details of composition, attendance at the meetings of the audit committee are as follows:

Name of the Director	Designation	Category	No. of meetings during the tenure of Director	
			Held	Attended
Shri J. V. Dubey	Chairman	Non Executive, Independent	5	5
Shri N. C. Maheshwari	Member	Non Executive, Independent	5	5
Shri D. N. Agarwal	Member	Executive	5	5

The Company Secretary of the company acts as the secretary of the committee.

During the year under review five meetings of the audit committee were held on 05/05/2013; 13/08/2013; 03/09/2013; 14/11/2013; and 14/02/2014.

Shareholders/Investors Grievance Committee

Terms of Reference

The Investors Grievance Committee focuses on shareholders' grievances and strengthening of investor relations. It looks into various investor complaints like transfer of shares, non-receipt of annual reports and other such issues.

Composition and Attendance

The Investor Grievance Committee comprises of three directors, two of whom are non-executive directors. During the Year under review there was no meeting held since the Company has not received any investors grievance.

General Body Meetings:

Details of the last three Annual General Meetings (AGMs) of the Company are as under:

Financial Year	Day & Date	Time	Venue	Special Resolutions passed
2010-11	Friday September 30, 2011	2.30 P.M.	45/3, Industrial Area, Site-IV, Sahibabad, U.P.	-
2011-12	Saturday September 29, 2012	1.30 P.M.	45/3, Industrial Area, Site-IV, Sahibabad, U.P.	-
2012-13	Monday September 30, 2013	12.30 P.M.	45/3, Industrial Area, Site-IV, Sahibabad, U.P.	-

Subsidiary Companies

The revised clause 49 of the listing agreement defines a "Material Non Listed Indian Subsidiary" as an unlisted subsidiary, incorporated in India whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively of the listed holding company and its subsidiary in the immediately preceding accounting year.

We do not have any Material Non Listed Indian Subsidiary.

Disclosures

a) Related Party Transactions

The Company had made some transactions with its associate companies during the year under review. Such related party transactions have been disclosed in the Notes to the Accounts appearing elsewhere in this report and the transactions happened on arm length basis.

b) Compliances made by the Company

There were no non-compliances during the last three years by the Company of any matter related to Capital Market. There were no penalties imposed or strictures passed on the Company by Stock Exchanges, SEBI or any other Statutory Authority.

Shareholders

a) Means of Communication

The company interacts with its shareholders through multiple forms of corporate and financial communication such as annual reports and result announcement.

The Annual Results of the Company were normally published in the following newspapers:

News Papers	Language	Region
Money Makers	English	Delhi
Dainik Mahaluxmi	Hindi	Delhi

General Shareholders' Information

1. Annual General Meeting : 30th September 2014
12:30 P.M. at 45/3, Industrial Area, Site-IV, Sahibabad, U.P.
2. Financial calendar : Tentative Schedule:

Accounting Year	April to March
Adoption of Quarterly Results for the Quarter ended June 30, 2014,	by Mid Aug, 2014
September 30, 2014	by Mid Nov, 2014
December 31, 2015	by Mid Feb, 2015
March 31, 2015	by Mid May, 2015
3. Book Closure Date : 26/09/2014 to 30/09/2014 (both days inclusive)
4. Dividend Payment Date : On or after Oct 5, 2014 but within the statutory time limit subject to the shareholders approval.
5. Listing on stock exchanges : Delhi Stock Exchange Limited (DSE)
U. P. Stock Exchange Association Ltd.
Calcutta Stock Exchange Association Ltd.
6. Stock Code :
7. Registrar and Transfer Agents : Nil
8. Share Transfer System : Share transfers in physical form can be lodged directly to the Company.

9 (a) Distribution of Shareholding as on 31 March 2014;

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1-500	43	48.31	12300	1.66
501-1000	11	12.36	10450	1.41
1001-2000	2	2.25	3500	0.47
2001-3000	5	5.62	13600	1.84
3001-4000	0	0.00	0	
4001-5000	5	5.62	24500	3.31
5001-10000	5	5.62	35300	4.77
10001 & Above	18	20.22	640350	86.54
Total	89	100	740000	100

(b) Category wise Distribution of Shareholding as on 31 March 2014:

Category	No. of Shareholder	% of Shareholding
A) Promoters Holding		
Promoters		
- Indian Promoters	15	74.95
- Foreign Promoters	0	0
- Body Corporate	0	0
Sub Total		
B) Non Promoters Holding		
a. Banks, Financial Institution	0	0
b. Private Corporate Bodies	1	4.73
c. Indian Public	73	20.32
d. NRIs/Trusts/Clearing Members	0	0
Total	89	100

10. No GDRs / ADRs / Warrants or any Convertible instruments have been issued by the Company during the year.

11. Site Locations : 45/3, Industrial Area Site-IV, Sahibabad, Ghaziabad, U.P. - 201010
Plot No. 102, Phase - III, Industrial Area, Gangayal, Jammu
Plot No 2, Sector-3, I.I.E., Ranipur, Haridwar, Uttranchal
42/1/1 to 42/1/6 Site IV, Sahibabad, Ghaziabad
42/4, Site IV, Sahibabad, Ghaziabad

12. Address for correspondence : Advance Steel Tubes Limited
Regd Office: 45/3, Industrial Area Site-IV, Sahibabad, Ghaziabad, U.P. - 201010

For and on behalf of the Board

Sd/-
Lalit Agarwal
Director

Sd/-
D. N. Agarwal
Managing Director

Place : Sahibabad
Date : 03.09.2014

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

I declare that the Company has received affirmation of compliance with the "Code of Business conduct for Directors and Senior Executives" laid down by the Board of Directors, from all the Directors and Senior Management Personnel of the Company, to whom the same is applicable, for the financial year ended 31st March 2014.

For Advance Steel Tubes Ltd.

Sd/-
D. N. Agarwal
Managing Director

Place : Sahibabad
Date : 03.09.2014

CEO/CFO CERTIFICATION

(Under clause 49 of Listing Agreement)

We D. N. Agarwal, Managing Director and Aashish Agarwal, Director (Finance) of Advance Steel Tubes Ltd. to the best of our knowledge and belief certify that:

1. We have reviewed financial statements and the cash flow statement for the financial Year ended 31st March 2014 and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. 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 our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and audit Committee, wherever applicable:
 - i. Deficiencies in the design or operation of such internal controls, if any, which come to our notice and steps have been taken/proposed to be taken to rectify these deficiencies;
 - ii. Significant changes in internal control over financial reporting during the year.
 - iii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
 - iv. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an Employee having a significant role in the Company's internal Control System over financial reporting.

For Advance Steel Tubes Ltd.

Sd/-
D. N. Agarwal
Managing Director

Sd/-
Aashish Agarwal
Director - Finance

Place : Sahibabad
Date : 03.09.2014

INDEPENDENT AUDITOR'S REPORT**To the Members of ADVANCE STEEL TUBES LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of Advance Steel Tubes Limited which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, which we have signed under reference to this report 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 gives a true and fair view of the financial position, financial performance and 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 conduct 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 requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures on a test basis 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 risk 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 principles used and the reasonableness of the accounting estimates made by management, as well as evaluating to overall presentation of financial statement.

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:

- a. In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2014.
- b. In the case of Statement of Profit and Loss, of the company; profit for the year ended on that date and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to :

- a. Note No.16 to financial statement, which describes Account Confirmation in respect of certain accounts of Debtors have not been received and they are subject to confirmations. The management is of the opinion that adjustment, if any, arising out of such reconciliation would not have material effect on the financial statement of the current year.
- b. Note no. 29 Point No. 1 to financial statement, which describes contingent liability not provided for claims under adjudication.

Our opinion is not qualified in respect of these matters.

Report on the Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), 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 Companies Act, 1956, 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 purposes 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 sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of the written representations received from the directors, as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Ashok Somani & Associates
Chartered Accountants
Firm Regd. No. 12171-N**

Sd/-

**CA Ashok Kumar Somani
Partner M. No. 82504**

Place : Sahibabad
Dated : 30/05/2014

ANNEXURE TO AUDITOR'S REPORT

(Referred to in paragraph 1 of the Auditor's Report of even date to the members of Advance Steel Tubes Limited on the financial statements for the year ended March 31, 2014)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased program over a period of 3 years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii) (a) The inventory of the Company has been physically verified by the management during the year / year end. In our opinion, the frequency of verification is reasonable.
- (b) The procedure of physical verification of inventories followed by the management is 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 the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) The provisions of clause 4(iii) (b), (c) & (d) of the Companies (Auditor's Report) Order, 2003 (Amendment) Order, 2004 are not applicable to the company.
- (c) The Company has taken unsecured loan during the year and the balance outstanding at the year-end is Rs. 546.06 lacs of the parties covered in the register maintained u/s 301 of companies act.
- (d) In our opinion and according to the information and explanations given to us by the management, the rate of interest and other terms and conditions of loans taken by the Company, are not prima facie prejudicial to the interest of the Company.
- (e) On the basis of our examination of records of the Company the payment of principal amount and interest are also regular.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control 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 control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be 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 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the rules framed there under.

- (vii) The company needs an internal audit system commensurate with the size and nature of its business.
- (viii) We have been informed by the management, cost records and cost audit have been prescribed under section 209 (1) (d) of the Companies Act, 1956 in respect of products manufactured by the company. However we are unable to verify the same.
- (ix) (a) According to the records of the company, the company is generally regular in depositing the undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, custom duty, excise duty, cess and other statutory dues as applicable with appropriate authorities.
- (b) According to the information and explanation given to us and the records of the company examined by us, there are no disputed dues of sale tax, income tax, custom tax wealth tax, excise duty and cess.
- (x) The Company has no accumulated losses as at March 31, 2014 and it has not incurred any cash losses in the financial year ended on that date or immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank as at the balance sheet date. The Company has neither raised any funds from any financial institution nor issued any debentures during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares or other securities.
- (xiii) The provisions of any special statute applicable by chit fund / nidhi / mutual benefit fund / societies 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 shares, securities, debentures and other investments.
- (xv) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) Based on information and explanations given to us and on the basis of overall examination the loans were applied for the purpose for which the loans were obtained.
- (xvii) On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, funds raised on a short-term basis have not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- (xix) The Company has not raised any money by public issue during the year.
- (xx) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For Ashok Somani & Associates
Chartered Accountants
Firm Regd. No. 12171-N

Sd/-

CA Ashok Kumar Somani
Partner M. No. 82504

Place : Sahibabad
Dated : 30/05/2014

BALANCE SHEET AS AT 31st MARCH, 2014

(In Rs.)

PARTICULARS	Note No.	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	7,400,000	7,400,000
(b) Reserves and Surplus	4	673,195,997	624,594,594
(2) Non Current Liabilities			
(a) Long Term Borrowings	5	43,683,882	35,717,337
(b) Other Long-Term Liabilities		-	-
(c) Long-Term Provisions	6	993,031	1,674,850
(3) Current Liabilities			
(a) Short Term Borrowings	7	156,975,849	196,885,992
(b) Trade Payables	8	94,604,055	96,621,238
(c) Other Current Liabilities	9	49,660,861	32,724,397
(d) Short Term Provisions	10	39,027,371	30,015,748
Total		1,065,541,046	1,025,634,156
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		114,189,352	123,266,238
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		85,057,216	67,427,606
(iv) Intangible Assets under development		-	899,374
(b) Non Current Investments	12	29,564,966	23,413,582
(c) Long-Term Loans and Advances	13	22,969,696	23,371,669
(d) Other Non-Current Assets		-	-
(e) Deferred Tax Assets (Net)	14	2,334,086	(1,007,078)
(2) Current assets			
(a) Current Investments		-	-
(b) Inventories	15	257,900,394	226,661,753
(c) Trade Receivables	16	354,545,801	420,659,063
(d) Cash & Cash Equivalents	17	119,642,985	64,069,289
(e) Short Term Loans & Advances	18	64,547,434	67,332,023
(f) Other Current Assets	19	14,789,116	9,540,637
Total		1,065,541,046	1,025,634,156

Significant accounting policies & Notes to Accounts 1, 2 & 29

In terms of our report attached.

For Ashok Somani & Associates
Chartered Accountants
Firm Regn. No. 12171-N

For and on behalf of the Board of Directors

Sd/-
A. K. Somani
Partner M. No. 82504

Sd/-
D. N. Agarwal
Managing Director

Sd/-
Lalit Agarwal
Director

Place : Sahibabad
Dated : 30/05/2014

Sd/-
Parul Mishra
Company Secretary

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

(In Rs.)

PARTICULARS	Note No.	Year Ended 31.03.2014	Year Ended 31.03.2013
I. REVENUE			
(1) Revenue from Operations (Gross)	20	1,534,421,695	1,850,725,905
Less: Excise Duty		113,238,091	172,999,578
Revenue from Operations (Net)		1,421,183,604	1,677,726,327
(2) Other income	21	25,336,567	15,935,854
Total Revenue		1,446,520,171	1,693,662,181
II. EXPENSES			
(a) Cost of Material Consumed	22	940,670,312	1,304,038,741
(b) Purchases of Stock-in-Trade	23	118,938,742	21,683,956
(c) Changes in Inventories of finished goods Work-in-progress and stock-in-trade	24	7,848,684	2,756,713
(d) Employee Benefits Expenses	25	52,926,082	51,408,373
(e) Finance Costs	26	31,067,757	40,421,398
(f) Depreciation and Amortization Expenses	11	18,569,145	11,570,495
(g) Other Expenses	27	206,202,861	186,744,461
Total Expenses		1,376,223,583	1,618,624,137
III Profit before exceptional & extraordinary items and tax (I - II)		70,296,588	75,038,044
IV Exceptional/Extraordinary Items		-	-
III Profit before Tax (I - II)		70,296,588	75,038,044
IV Tax Expenses:			
a) Current year Tax Expense (include Wealth Tax Rs. 3390 /- Pre.Year Rs.23530/-)		23,293,390	15,273,530
b) MAT Credit Entitlement		-	(555,416)
c) Current tax expense relating to prior years		-	258,527
d) Deferred tax		(3,341,164)	1,710,301
Total IV		19,952,226	16,686,942
V Profit/(Loss) for the period (III-IV)		50,344,362	58,351,102
VI Earning per Equity Share :	28		
(i) Basic		68	79
(ii) Diluted		68	79
Significant accounting policies & Notes to A/c's	1,2 & 29		

In terms of our report attached.

For **Ashok Somani & Associates**
Chartered Accountants
Firm Regn. No. 12171-N

For and on behalf of the Board of Directors

Sd/-
A. K. Somani
Partner M. No. 82504

Sd/-
D. N. Agarwal
Managing Director

Sd/-
Lalit Agarwal
Director

Place : Sahibabad
Dated : 30/05/2014

Sd/-
Parul Mishra
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

(In Rs.)

	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	70,296,588.00	75,038,044.00
Adjustments For		
Depreciation	18,569,145.00	11,570,495.00
Interest Income	(6,568,832.00)	(3,140,251.00)
Interest On Borrowing	22,737,256.00	31,094,258.00
Loss/Profit On Sale Of Assets	(67,779.00)	(35,726.00)
Provision for Gratuity & Leave	(845,620.00)	255,277.00
Operating Profit before working capital changes	104,120,758.00	114,782,097.00
Adjustments For		
Trade & Other Receivable	49,234,197.00	(16,879,337.00)
Investment in Joint Venture Co.	(6,151,384.00)	(8,597,593.00)
Inventories	(31,250,074.00)	5,004,381.00
Trade Payable & Other Liabilities	16,102,137.00	54,754,205.00
Cash Generated From Operation	132,055,634.00	149,063,753.00
Interest Paid	(22,737,256.00)	(31,094,258.00)
Direct Tax Paid	924,148.00	(16,709,726.00)
Interest Received	6,568,832.00	3,140,251.00
Cash Flow Before Extraordinary Item	116,811,358.00	104,400,020.00
Prior Period Adjustment		-
Net Cash From Operating Activities	116,811,358.00	104,400,020.00
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(28,166,140.00)	(15,364,717.00)
Sale of Fixed Assets	2,011,424.00	120,000.00
Net Cash Used In Investing Activities	(26,154,716.00)	(15,244,717.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed From Long Term Borrowing	18,044,117.00	(21,061,927.00)
Proceed From Cash Credits	(49,551,323.00)	(28,641,199.00)
Investment to Joint Venture		-
Dividend Paid	(1,966,550.00)	-
Net Cash Flow From Financing Activities	(33,473,756.00)	(49,703,126.00)
Net Increase In Cash And Cash Equivalents	57,182,886.00	39,452,177.00
Cash and Cash Equivalents (Opening Balance)	62,460,099.00	24,617,112.00
Cash and Cash Equivalents (Closing Balance)	119,642,985.00	64,069,289.00

As per our report of even date attached.

For **Ashok Somani & Associates**
Chartered Accountants
Firm Regn. No. 12171-N

For and on behalf of the Board of Directors

Sd/-
A. K. Somani
Partner M. No. 82504

Sd/-
D. N. Agarwal
Managing Director

Sd/-
Lalit Agarwal
Director

Place : Sahibabad
Dated : 30/05/2014

Sd/-
Parul Mishra
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

(Annexed to forming part of the accounts for the year ended 31st March 2014)

NOTE NO. 1 - NATURE OF OPERATION

The Company is engage in the manufacturing of MS Steel Tubes & Pipes, Poles, Part of Transmission Line Tower & Structure and EPC Contract at its various units at Sahibabad (U.P.) Haridwar (U.K.), and Jammu (J&K).

NOTE NO. 2 - SIGNIFICANT ACCOUNTING POLICIES**a. Accounting Convention**

The Financial Statements are prepared under the historical cost convention on accrual basis of accounting in accordance with generally accepted accounting principals, applicable Accounting Standards prescribed in the Companies (Accounting Standards) Rules 2006, and as per the relevant provisions of the Companies Act, 1956./read with general circular 08/2014 dt.04/04/2014

b. Revenue recognition

- i) Sales recorded net of returns, are recognized on dispatch and price adjustments for sales made during the year, if any are recorded upon receipt of confirmed customer order.
- ii) Export benefits / Incentives are accounted on accrual basis and grouped with sales.
- iii) Revenue from EPC contracts/projects & construction contracts are recognized on a 'Percentage of Completion Method' measured on the basis of stage of completion which is reported for contract / project under execution, where such revenue being thirty percent or more of the total value of the contract/ project. Such contract prices are either fixed or subject to price escalation clauses.
- iv) Revenues are recognized in proportion the value of work done (measured by the stage of completion) when the outcome of the contact can be estimated reliably. The estimates of contract cost and the revenue thereon are reviewed periodically by management and the cumulative effect of any changes in estimates in proportion to the cumulative revenue is recognized in the period in which such changes are determined. When the total contract cost is estimated to exceed total revenues from the contract, the loss is recognized.
- v) Other income / interest are recognized on accrual basis, however where ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

c. Fixed Assets

Fixed Assets are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation. However cenvat credit / VAT credit wherever taken has been reduced from the cost of acquisition.

d. Depreciation

Depreciation is charged on straight-line method (SLM) at the rates prescribed under Schedule XIV of the Companies Act, 1956. Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, the depreciation on such assets is calculated on a pro-rata basis from the date of such addition or, as the case may be, up-to the date on which such asset has been sold discarded, demolished or destroyed.

e. Inventories

- i) Raw Materials and Finished Goods are valued at lower of cost or market value.
- ii) Semi-finished goods, packing materials and Stores and Spares are valued at cost.
- iii) In case of Finished Goods and semi-finished goods Cost is determined adding material, labour and related factory overheads.
- iv) Goods return and stock with consignment agent is inclusive of excise duty.
- v) Traded Goods are valued at lower of cost or market value.
- vi) Material Cost is ascertained on first in first out (FIFO) basis. (Net of CENVAT & VAT).

f. Foreign Currency Transaction

All incomes & expenditure in foreign currency are recorded at the rate of exchange notified by certain authority on the date of transaction. Assets / Liability, remaining unsettled are translated at the rate of exchange prevailing on the Balance Sheet date. The effect of exchange fluctuation is recognized to the Profit & Loss account except in case of fixed assets, which is adjusted to the carrying cost of such fixed Assets.

g. Retirement and Other Employee Benefits**i. Defined Contribution Plans**

Defined Contribution plans are the provident fund scheme, Employee's State Insurance and Government Pension Fund Scheme for eligible employees. The Company's contribution to the Defined Contribution Plans is recognized in the profit & loss account in the financial year to which they relate.

ii. Defined Benefit Plans

- a) Retirement benefits in the form of gratuity are provided for on the basis of actuarial valuation made by an independent Actuary as on the balance sheet date.
- b) The provision for leave is accrued and provided for, based on the actuarial valuation made by an independent Actuary as on the balance sheet date.

h. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

i. Investments

Investments are carried at the lower of cost or quoted / fair value, computed category wise. Long-term investments are stated at cost. Provision for diminution in the value of the long-term investments is made only if; such decline is other than temporary in the opinion of the management.

j. Impairment of Assets

At each balance sheet date, the Company assets where there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds the recoverable amount, an impairment loss is recognized in the profit and loss account to the extent the carrying amount exceeds the recoverable amount.

k. Joint Venture

Interest in jointly controlled entity is accounted for as an investment in accordance with Accounting Standard (AS-13), Accounting for Investments.

l. Taxes on Income

Current tax liability is provided based on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961 after considering tax allowances and exemptions.

m. Segment Reporting

The company operates in a single business segment identified as "Steel Pipes and allied products". In the absence any other reportable segment, no further disclosures are required in terms of the Accounting Standard (AS - 17) on Segment Reporting issued by the Institute of Chartered Accountants of India.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2014

(In Rs.)

Particulars	As at 31.03.2014	As at 31.03.2013
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NOTE NO. 3 : SHARE CAPITAL:

(a) Authorised

50,00,000 Equity shares of Rs. 10/-each	50,000,000	50,000,000
---	------------	------------

(b) Issued, Subscribed and Paid-up

7,40,000 Equity shares of Rs.10/-each	7,400,000	7,400,000
	7,400,000	7,400,000

(c) The rights/ term attached to equity shares:

The Company has only one class of shares having a par value of Rs. 10/- per shares.

(d) Reconciliation of the number of Shares outstanding:

	Year ended	
	31/03/2014	31/03/2013
Equity shares outstanding at the beginning of the year	740,000	740,000
Equity shares allotted during the year	-	-
Equity shares outstanding at the end of the year	740,000	740,000

(e) Detail of shareholders holding more than 5% shares in the Company.

	Name of Shareholders	As on 31st March, 2014		As on 31st March, 2013	
		% of holding	Nos. of shares	% of holding	Nos. of shares
i)	Mr. Daulat Ram Agrawal	5.41	40,000	5.41	40,000
ii)	Mr. Deoki Nandan Agarwal	9.74	72,050	9.74	72,050
iii)	Ms. Himani Agarwal	5.44	40,250	5.44	40,250
iv)	Mr. Lalit Agarwal	7.18	53,150	7.18	53,150
v)	Mr. Vatsal Agarwal	5.22	38,650	5.22	38,650
vi)	Mrs. Shashi Agarwal	8.99	66,550	8.99	66,550
vii)	D. N. Agarwal (HUF)	5.61	41,500	5.61	41,500

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2014

(In Rs.)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE NO. 4: RESERVE AND SURPLUS:		
(a) Capital Reserve:		
Balance B/F	125,000	125,000
Add : Addition during the year	-	-
Less: Deductions during the year	-	-
	125,000	125,000
(b) Share Premium A/c:		
Balance B/F	5,000,000	5,000,000
Add : Addition during the year	-	-
	5,000,000	5,000,000
(c) General Reserve:		
As per last balance sheet	617,463,248	573,863,248
Add : Trf. from P&L Accounts	48,500,000	43,600,000
	665,963,248	617,463,248
(d) Profit & loss A/c:		
Opening Balance in Profit & Loss Account	2,006,346	(11,024,663)
Add : Surplus during the year	50,344,362	58,351,102
Amount available for appropriations	52,350,708	47,326,439
Less: Appropriation		
T/F to General Reserve	48,500,000	43,600,000
Dividend on Equity Shares	1,480,000	1,480,000
Tax on Dividend	251,526	240,093
Tax on Dividend for earlier year	11,433	-
Surplus carried to Balance Sheet	2,107,749	2,006,346
Total Reserve & Surplus	673,195,997	624,594,594

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2014

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE NO. 5: LONG TERM BORROWING :		
(a) From Bank (Secured):		
(i) Term Loans:	-	-
Long term maturities of Finance Lease obligations**		
Housing Loan from ICICI Bank**	-	37,738,005
Housing Loan from Standard Chartered Bank**	46,725,311	-
Vehicle Loan from Banks*	-	223,815
(ii) From Other Parties (Secured):		
Vehicle Loan *	-	360,554
Less: Current Maturity Of Long Term Debt [See Note -9(a)]	3,041,429	2,605,037
	43,683,882	35,717,337

Additional Information

**Housing loan from bank secured against an exclusive charge of specified immovable properties of the company on a first charge basis. Further loan repayable with in a period 120 months as per repayment schedule.

*Term Loan from bank secured against an exclusive charge on specified vehicles of the company on a first charge basis. Further loan repayable with in a period 36 to 60 months as per repayment schedule.

NOTE NO. 6: LONG TERM PROVISIONS :

(a) Provision for Employee Benefits	993,031	1,674,850
	993,031	1,674,850

NOTE NO. 7: SHORT TERM BORROWINGS

(a) From Banks:		
Cash Credit (Secured)*	92,174,477	141,725,800
(b) Loans From related Party (Unsecured)		
Marda Commercial & Holdings (P) Ltd.	64,247,372	54,606,192
(c) Loan from other Parties	554,000	554,000
	156,975,849	196,885,992

Additional Information

*Cash Credit from banks secured on pari-passu basis against hypothecation of inventories and book debts & fixed assets and mortgage of specified immovable properties of the company on a second pari-passu basis.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2014

(In Rs.)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE NO. 8: TRADE PAYABLES		
Sundry Creditors		
- Dues of micro & small and medium Enterprises	-	-
- Others Trade Payable	94,604,055	96,621,238
	<u>94,604,055</u>	<u>96,621,238</u>
NOTE NO. 9: OTHER CURRENT LIABILITIES		
Current Maturity of Long Term Debt [See Note -5]	3,041,429	2,605,037
Statutory Dues	3,294,592	5,069,820
Security deposit	25,000	25,000
Unclaimed dividend	41,000	527,550
Credit balance of Customers	35,177,778	11,324,758
Liability for Expenses	8,081,062	13,172,232
	<u>49,660,861</u>	<u>32,724,397</u>
NOTE NO. 10: SHORT TERM PROVISIONS :		
Provision for Employee Benefits	3,691,347	3,912,027
Provision for Income Tax	23,290,000	15,250,000
Provision for Dividend	1,480,000	1,480,000
Dividend Distribution Tax	251,526	240,093
Dividend Distribution Tax on Earlier Year	11,433	-
Provision for Wealth Tax	3,390	23,530
Other Provision		
Provision for Entry Tax	10,299,675	9,110,098
	<u>39,027,371</u>	<u>30,015,748</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014
NOTE NO. 11: FIXED ASSETS

Sl. No.	Description of Assets	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
		Balance as at 01.04.2013	Addition/ Disposal during the year	Disposals during the year	Balance as at 31.03.2014	Depreciation/ Amortization as on 01.04.2013	Depreciation/ Amortization during the year	Disposed during the year	Total Depreciation upto 31.03.2014	Balance as at 31.03.2014	Balance as at 31.03.2013
I.	Tangible Asset:										
	Freehold Land	-	-	-	-	-	-	-	-	-	-
	Leasehold Land	20,624,687	-	-	20,624,687	-	-	-	-	20,624,687	20,624,687
	Building	45,027,001	-	-	45,027,001	8,757,060	1,350,780	-	10,107,840	34,919,161	36,269,941
	Plant & Machinery	143,818,411	10,903,778	41,145,925	113,576,264	87,643,347	15,608,000	39,202,280	64,049,067	49,527,197	56,175,064
	Furniture & Fixtures	3,150,381	60,773	-	3,211,154	2,054,052	171,760	-	2,225,812	985,342	1,096,329
	Vehicles	14,095,004	58,028	-	14,153,032	6,824,588	1,169,742	-	7,994,330	6,158,702	7,270,416
	Office Equipments	2,521,287	413,325	-	2,934,612	1,278,033	103,219	-	1,381,252	1,553,360	1,243,254
	Computers	3,128,400	-	-	3,128,400	2,541,853	165,644	-	2,707,497	420,903	586,547
	Total	232,365,171	11,435,904	41,145,925	202,655,150	109,098,933	18,569,145	39,202,280	88,465,798	114,189,352	123,266,238
II.	Intangible Assets	-	-	-	-	-	-	-	-	-	-
III.	Capital work in progress	-	-	-	-	-	-	-	-	-	-
IV.	Intangible assets under developments	-	-	-	-	-	-	-	-	85,057,216	67,427,606
	Total	-	-	-	-	-	-	-	-	85,057,216	899,374
	Previous year	222,130,001	11,185,322	950,152	232,365,171	98,394,316	11,570,497	865,880	109,098,933	85,057,216	68,326,980
										123,266,238	123,735,685

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2014

(In Rs.)

Particulars	As at 31.03.2014	As at 31.03.2013
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NOTE NO. 12: NON CURRENT INVESTMENTS

Trade Investment in Joint Venture :

Investment in partnership firm (Pir Panchal construction-JV)	27,205,302	22,335,332
Investment in partnership firm (Advance Stimul Consortium)	2,359,664	1,078,250
	<u>29,564,966</u>	<u>23,413,582</u>

Additional Information

Name of the Joint Venture	Place of incorporation	Share In Profit	Share In Profit
Pir Panchal Construction Pvt. Ltd. - Joint Venture	India	25.00%	25.00%
Advance Stimul - Consortium	India	50.00%	50.00%

NOTE NO. 13: LONG TERM LOANS & ADVANCES

(a) Loans & Advances (Unsecured, Considered Good)		
Security Deposits	3,787,696	3,671,669
(b) Loans & Advances to related Party		
Secured, Considered Good	-	-
Unsecured, Considered Good	14,132,000	19,700,000
Doubtful	-	-
(c) Capital Advances		
Secured, Considered Good	-	-
Unsecured, Considered Good	5,050,000	-
Doubtful	-	-
	<u>22,969,696</u>	<u>23,371,669</u>

NOTE NO. 14 : DEFERRED TAX (ASSETS)/LIABILITIES (NET)

Deferred Tax Assets on Account of:

Provision for Doubtful Debts	6,221,828	2,659,564
Disallowance u/s 43B of the Income Tax Act, 1961	4,320,551	4,376,618
Business Profit/Loss carry forward	-	-
Other Disallowance	32,503	279,395
	<u>10,574,882</u>	<u>7,315,577</u>

Deferred Tax Liabilities on account of:

Deprecation	8,240,796	8,322,655
	<u>8,240,796</u>	<u>8,322,655</u>
Deferred Tax (Assets)/Liabilities (Net)	<u>2,334,086</u>	<u>(1,007,078)</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2014

(In Rs.)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE NO. 15: INVENTORIES		
(a) Raw Material*		
(b) Finished Goods*	174,043,218	134,266,984
(c) Stock-in-Trade	69,287,978	76,779,822
(d) Stores & Spares*	-	-
(e) Scrap	12,125,572	12,814,481
	2,443,626	2,800,466
	<u>257,900,394</u>	<u>226,661,753</u>

Additional Information

- * Raw Materials and Finished Goods are valued at lower of cost or market value.
- * Packing materials and Stores and Spares are valued at cost.

NOTE NO. 16: TRADE RECEIVABLES

(a) Outstanding for a period exceeding six months		
Secured, Considered Good	-	1,288,276
Unsecured, Considered Good	90,977,162	33,740,570
Doubtful	19,176,538	8,197,147
	<u>110,153,700</u>	<u>43,225,993</u>
Less: Provision for Doubtful Debts	19,176,538	8,197,147
	<u>90,977,162</u>	<u>35,028,846</u>
(b) Outstanding for a period less than six months		
Secured, Considered Good	12,739,962	53,492,426
Unsecured, Considered Good	250,828,677	332,137,791
Doubtful	-	-
	<u>263,568,639</u>	<u>385,630,217</u>
Total (a+b)	<u>354,545,801</u>	<u>420,659,063</u>

Additional Information

Trade receivable include those Company / Firm in which any director is a member / director is member / director	19,394,517	9,114,680
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2014

(In Rs.)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE NO. 17: CASH AND CASH EQUIVALENTS		
(a) Balances with Banks:		
- in Current Account	3,659,112	2,339,947
- in Fixed Deposit	85,000,000	-
- Deposit as Margin/Earnest Money	29,941,737	61,218,718
(b) Cash in Hand	1,042,136	510,624
	<u><u>119,642,985</u></u>	<u><u>64,069,289</u></u>

NOTE NO. 18: SHORT TERM LOANS & ADVANCES

(a) Loans & Advances (Unsecured, Considered Good)

Suppliers

Secured, Considered Good

Unsecured, Considered Good

Employees

Security/Earnest Money

Other Advances*

9,391,362	7,558,158
749,756	1,353,963
2,082,095	2,877,600
1,695,878	20,615,200

(b) Others:

Balance with Revenue Authority

Advance Income-Tax

23,684,895	11,382,929
26,943,448	23,544,173
<u><u>64,547,434</u></u>	<u><u>67,332,023</u></u>

Additional Information

*Other advances mainly included Price Escalation, rebate on purchases of raw material and sales tax under protest etc.

NOTE NO. 19: OTHER CURRENT ASSETS

(a) Export Incentives	14,441,208	8,858,872
(b) Unamortised/Prepaid Expenses	347,908	681,765
	<u><u>14,789,116</u></u>	<u><u>9,540,637</u></u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2014

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
NOTE NO. 20: REVENUE FROM OPERATIONS:		
(a) Sale of products	1,426,612,883	1,786,972,542
(b) Sale of Services	92,952,838	55,288,347
(c) Other Operating Revenues (Export incentives)	14,855,974	8,465,016
Less:	1,534,421,695	1,850,725,905
(d) Excise Duty	113,238,091	172,999,578
Total	1,421,183,604	1,677,726,327

NOTE NO. 21: OTHER INCOME:

(a) Interest Income (TDS Rs. 579343/- Prev. Year Rs. 2,39,893/-)	6,568,832	3,140,251
(b) Net gain on foreign currency transactions (other than considered as finance cost)	10,123,901	3,400,525
(c) Other Non operating income comprises:		
i) Rental Income	36,000	216,000
ii) Share of Profit from Joint Venture	5,690,400	8,597,593
iii) Commission received	-	34,517
iv) Profit on Sale of assets	67,779	35,727
v) Liabilities / provisions no longer required written back	1,022,318	-
vi) Miscellaneous Income	331,474	511,241
vii) Prior Period Income (Exempted)	460,983	
viii) Excise Duty Refund	1,034,880	-
	25,336,567	15,935,854

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2014

(In Rs.)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
NOTE NO. 22: COST OF MATERIALS CONSUMED:		
(a) Opening Stock	124,473,853	118,472,609
(b) Add: Purchases During the Year	960,483,001	1,310,039,985
	1,084,956,854	1,428,512,594
Less: Closing Stock	144,286,542	124,473,853
Consumption	940,670,312	1,304,038,741
Additional Information:		
Product Wise Break -Up of Consumption		
H.R. Coil	633,515,529	1,006,134,231
Zinc	76,525,107	70,182,303
Black Pipe	59,725,216	26,123,268
Socket	9,132,212	7,082,960
Other Raw Material	161,772,248	194,515,979
	940,670,312	1,304,038,741
NOTE NO. 23: PURCHASE OF TRADED GOODS:		
Pipes & Pipe Fittings Accessories	118,938,742	21,683,956
	118,938,742	21,683,956
NOTE NO. 24: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE:		
(1) Inventories at the beginning of the year:		
(1) Inventories at the beginning of the year:		
(a) Work-in-Progress	-	-
(b) Finished Goods	79,580,288	80,612,867
(c) Stock-in-Trade	-	1,724,134
(2) Inventories at the end of the year:		
(a) Work-in-Progress	-	-
(b) Finished Goods	71,731,604	79,580,288
(c) Stock-in-Trade	-	-
(Increase)/Decrease during the year	7,848,684	2,756,713

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2014

(In Rs.)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
NOTE NO. 25: EMPLOYEES BENEFIT EXPENSES		
(a) Salaries & Wages#	46,392,878	45,025,311
(b) Contributions to provident and other funds*	2,809,243	2,809,986
(c) Staff welfare expenses **	3,723,961	3,573,076
	52,926,082	51,408,373

Additional Information

- # Salaries and wages would include: Salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service / employment. Employee would deem to include directors, in full time or part time employment of the Company, but would exclude directors who are not under a contract of employment with the Company.
- * Contribution to provident fund and other funds would include contributions to other funds like gratuity fund, etc. Pertaining to employees. Contributions to ESIC, Labour Welfare Fund and other such funds where the benefit an employee derives is not directly linked to the contributions made on his behalf are to be grouped as part of Staff welfare expenses.
- Penalties and other similar amounts paid to the statutory authorities are not in the nature of 'contribution' and should not be included above.
- ** Staff welfare expenses would include contribution/accrual for post-employment medical benefits, ESIC, Labour Welfare Fund, etc.

NOTE NO. 26: FINANCE COST

(a) Interest Expense on Borrowings			
(i) Interest on borrowings		19,336,720	24,573,342
(ii) Others interest	6,113,905		8,937,293
Less: "Interest recovered from parties"	2,713,369	3,400,536	2,416,377
(TDS on interest Rs.219087/- PY Rs.43017/-)		22,737,256	31,094,258
(b) Other Borrowing Costs*		8,330,501	9,327,140
		31,067,757	40,421,398

Additional Information

*Other borrowing costs would include commitment charges, loan processing charges, guarantee charges, loan facilitation charges, discounts / premiums on borrowings, other ancillary costs incurred in connection with borrowings or amortisation of such costs, etc.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH, 2014

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
NOTE NO. 27: OTHER EXPENSES		
(a) Consumption of stores and spare parts	41,105,310	34,149,256
(b) Power & Fuel	35,991,017	30,960,779
(c) Rent	2,785,373	2,815,425
(d) Machinery Hiring Charges	8,000	185,000
(e) Repair & Maintenance - Building	689,825	1,384,609
(f) Repair & Maintenance - Plant & Machinery	1,198,801	776,078
(g) Insurance Expenses	1,383,663	1,336,557
(h) Rates & Taxes	2,241,472	4,840,329
(i) Other Miscellaneous Expenses		
(i) Job/Erection Charges	36,831,553	40,314,141
(ii) Carriage Inward	5,228,762	4,435,346
(iii) Testing, Inspection & ISI Marking Fee	538,129	592,512
(iv) Freight Outward	14,395,574	10,230,685
(v) Commission & Brokerage	11,759,666	14,433,778
(vi) Claims & Shortage	9,637,098	3,351,310
(vii) Consignment Expenses	-	27,850
(viii) Rebate & Discount	4,608,652	5,770,578
(ix) Packing Expenses	1,712,795	785,729
(x) Advertisement & Publicity	40,303	33,256
(xi) Sales Promotion expenses	593,647	803,857
(xii) Traveling Expenses	3,572,795	2,723,151
(xiii) Vehicle Maintenance & Conveyance Expenses	7,465,023	5,646,640
(xiv) Electricity Expenses	25,575	28,647
(xiii) Entry Tax Paid	-	519,776
(xiii) Provision for Entry Tax	1,366,275	-
(xiv) Printing & Stationery	677,199	700,549
(xiii) Other Repairs	1,467,596	1,518,153
(xiii) Postage, Telegraph & Telephones	1,431,965	1,350,879
(xiii) Capital WIP W/off.	899,374	200,000
(xiii) Auditor's Remuneration		
- Audit Fee	220,000	220,000
- Tax Audit Fees	35,000	35,000
- Certification	2,500	4,000
- Cost Audit Fees	50,000	50,000
(xxiv) Legal & Professional Charges	3,906,523	3,903,386
(xxv) Loss on Sale of DEPB	218,542	272,046
(xxiv) Service Tax Paid	777,229	2,263,462
(xxv) Bad Debts	-	1,880,143
(xxiv) Miscellaneous Expenses	574,143	622,583
(xxv) Charity & Donation	1,000	12,303
(xxiv) Miscellaneous Balance W/off.	423,284	2,356,800
(xxv) Excess Provision of Export Income W/off	1,359,807	-
(xxiv) Prior Period Expenses (Net)	-	21,612
(xxv) Liabilities / Provisions for Doubtful Debts	10,979,391	5,155,740
(xxiv) Scholarship	-	32,516
	206,202,861	186,744,461
NOTE NO. 28: EARNING PER EQUITY SHARE		
(a) Net profit as per statement of Profit / Loss	50,344,362	58,351,102
(b) Weighted average No. of share of Rs.10/- each of the end of the year	740,000	740,000
	68	79

NOTE NO. 29 - OTHER INFORMATION / DISCLOSURE

1. Contingent Liabilities

A.	Current Year (Amount in Rs)	Previous Year (Amount in Rs)
Bank Guarantees	176,619,254	217,229,310
Liquidity Damage	-	9,176,586

B. In the matter of entry tax from 30th Sep'08 to Nov'11 Company has preferred an appeal in the Hon'ble Supreme Court against order of Hon'ble High Court and as per the interim order 50% of disputed Tax & interest liability has ordered to pay cash and balance to submitted Bank Guarantee which stands complied. The company however has account for the entire disputed liability no further provision for the interest as may arise as per the order of Hon'ble supreme court against Bank Guarantee submitted for Entry tax Rs 9,110,098 in compliance to interim order.

2. Estimated amount of contract remaining to be executed on capital account and not provided for Rs.50,50,000 (P.Y. Rs.60,00,000/-).
3. Share of profit from Pir Panchal Construction & Advance Stimul Consortium has recognized based on provisional accounts and further share of profit increase / decrease shall account for in next year based on audited balance sheet & P&L and accordingly last year increase in share of profit of Rs.460983/- has been recognized during the year.
4. Based on the information / documents available with the Company, information as per the requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as under : -

	(Amount in Rs)	
	2013-2014	2012-2013
(i) Principal amount remaining unpaid to any supplier at the end of accounting year.	-	-
(ii) Interest due on above	-	-
Total of (i) & (ii)	-	-
(iii) Amount of interest paid by the Company to the suppliers.	-	-
(iv) Amounts paid to the suppliers beyond the respective due date.	-	-
(v) Amount of interest due and payable for the period of delay in payments but without adding the interest specified under the Act.	-	-
(vi) Amount of interest accrued and remaining unpaid at the end of accounting year.	-	-
(vii) Amount of 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 enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of this Act.	-	-

5. Inventory lying with third party / consignees are subject to confirmation.
6. Certain balances of Sundry Debtors / Creditors, Advance from Customers are subject to confirmation.

7. Related Party Disclosure

Company's related parties in terms of AS- 18 are as disclosed below:-

1. Relationships

(a) Related parties in Advance Steel Tubes Limited where common control exists:

- Advance Ispat (India) Limited
- Tirupati Structurals Limited
- Advance Enterprises (P) Limited
- Tak Buildtech Private Limited
- Marda Commercial & Holding Limited
- Sophia Exports Limited
- ADV Drilling Products PLC
- Advance Infra Solutions (P) Limited.
- Advance Stimul Engineering (P) Ltd.

(b) Joint Venture

- Pir Panchal Construction Pvt. Ltd.
- Advance Stimul Consortiom

(c) Key Management Personnel

- 1) Mr. D. N. Agarwal
- 2) Mr. Aashish Agarwal.

2. The following transactions were carried out with related parties in the ordinary course of business. Transactions with parties in item (a) above:

Particulars	Transaction during the Year 2013-2014						Outstanding Balance As at 31.03.2014		
	Loan Given	Loan Taken Back	Loan Taken	Loan Repaid	Sales & Service	Purchase	Loan Liability	Loan Assets	Debtors/ Creditors
Marda Commercial & Holdings Limited	- (-)	- (-)	4,003,371 (11,240,133)	1,153,371 (34,508,881)	- (-)	- (-)	64,247,372 (54,606,192)	- (-)	- (-)
Advance Ispat (India) Limited	- (-)	- (-)	13,500,000 (-)	13,500,000 (-)	64,961,721 (-)	- (-)	- (-)	- (-)	11,137,213 (-)
ADV Drilling Products PLC, Ethiopia	- (-)	- (-)	- (-)	- (-)	- (38,544,246)	- (-)	- (-)	- (-)	- (4,951,830)
Tirupati Structurals Ltd.	- (-)	- (-)	- (-)	- (-)	1,291,693 (3,366,898)	108,756 (30,712)	- (-)	- (-)	754,248 (-39,722)
Advance Enterprises Pvt. Ltd.	- (-)	- (-)	- (-)	- (-)	1,348,320 (1,348,320)	- (-)	- (-)	- (-)	- (19,635)
Advance Infra Solutions Pvt. Ltd.	4,000,000 (-)	- (-)	- (-)	- (-)	- (-)	- (14,002,761)	- (-)	4,432,000 (-)	- (-441,356)
Pir Panchal Construction Pvt. Ltd. - Joint Venture	- (50,00,000)	10,000,000 (50,00,000)	- (-)	- (-)	6,650,000 (26,600,000)	- (-)	- (-)	9,700,000 (19,700,000)	7,887,500 (13,837,500)
Indian LPG Cylinders (A unit of Vishal Equity Services (P) Ltd.)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	421,875 (421,875)
Advance Stimul Engineering (P) Ltd.	- (1,512,286)	- (1,512,286)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)

3. The detail of payment to key management personnel is as under:

Managerial Remuneration u/s 198 of the Companies Act, 1956 to Directors.

	Current Year (Rs)	Previous Year (Rs)
Salary	1,800,000	1,800,000
Contribution to Provident Fund	21,600	21,600

8. Segment Reporting

The Company is operating in a single business / geographical segment and therefore no additional disclosures are required.

9. Employee Benefits:

(a) Defined Contribution Plans

The Company has recognized the contribution / liability in the Profit & Loss Account for the financial year 2013.

10. (b) Defined Benefit Plans & other Long Term Benefits:

The following disclosures are made in accordance with AS-15 (Revised) pertaining to Defined Benefit Plans & Other Long Term Benefits:

	(Amount in Rs.)			
	Gratuity (Funded Plan)		Leave Encashment (Unfunded Plan)	
	(2013-14)	(2012-13)	(2013-14)	(2012-13)
1. Amount recognized in Balance Sheet				
Present value of funded obligations	11,933,517	11,679,248	--	--
Fair value of plan assets	11,893,337	10,818,114	--	--
Present value of unfunded obligations	--	--	932,774	1,017,440
Unrecognized past service cost				
Net Liability / (Assets)	100,180	861,134	932,774	1,017,440
Amount in Balance Sheet				
Liability	100,180	861,134	932,774	1,017,440
Assets				
Net Liability / (Assets)	100,180	861,134	932,774	1,017,440
2. Expenses recognized in the Profit & Loss Account				
Current service cost	814,391	826,437	134,264	163,385
Interest on defined benefit obligation	934,340	791,782	81,395	64,405
Expected return on plan assets	(946,585)	830,732	--	--
Net actuarial losses / (gain) recognized in the year	(112,786)	699,921	(180,097)	81,755
Past service cost				
Losses / (gains) on "Curtailements and Settlements"				
Total, included in "Employee Benefit Expense"	689,360	1,487,408	35,562	309,545
3. Actual return on plan assets	904,555	818,793	--	--
4. Reconciliation of benefit obligations and plan assets for the period.				
a) Change in defined benefit obligation				
Opening defined benefit obligation	11,679,248	9,897,277	1,017,440	805,060
Current Service Cost	814,391	826,437	134,264	163,385
Past Service Cost				
Interest cost	934,340	791,782	81,395	64,405
Actuarial losses / (gains)	(154,816)	687,982	180,097	(81,755)
Liabilities extinguished on curtailments	--	--	--	--
Liabilities extinguished on settlements	--	--	--	--
Liabilities assumed on acquisition	--	--	--	--
Exchange difference on foreign plans	--	--	--	--
Benefits paid	(1,279,646)	(524,230)	120,228	(97,165)
Closing defined benefit obligation	11,993,517	11,679,248	932,774	1,017,440

b) Change in fair value of assets

Opening fair value of plan assets	10,818,114	9,079,040	--	--
Expected return on plan assets	946,585	830,732	--	--
Actuarial (gain) / losses	(42,030)	(11,939)	--	--
Assets distributed on settlements	--	--	--	--
Contributions by employer	1,450,314	1,444,511	--	--
Assets acquired due to acquisition	--	--	--	--
Exchange difference on foreign plans	--	--	--	--
Benefits paid	--	--	--	--
Closing fair value of plan assets	11,893,337	10,818,114	--	--

5. Assets information

Category of assets

Investment with Insurer	100%	100%	--	--
Others	--	--	--	--

6. Summary of the actuarial assumptions

Discount rate	8.75%	8.00%	8.75%	8.00%
Expected rate of return on assets	8.75%	9.15%	--	--
Future salary increase	6.25%	5.50%	6.25%	5.50%

(2013-14) (2012-13) (2011-12) (2010-11) (2013-14) (2012-13)

7. Amount for the current & previous year are as follows.

a) Defined benefit obligation	11,993,517	11,679,248	9,897,277	9,040,510	1,017,440	805,060
b) Plan Assets	11,893,337	10,818,114	9,079,040	7,851,196	--	--
c) Surplus / (Deficit)	(100,180)	(861,134)	(818,237)	1,189,314	(1,017,440)	(805,060)
d) Experience adjustment on Plan Assets	--	--	--	--	--	--
e) Experience adjustment on Plan liabilities	--	--	--	--	--	--

Note:

- The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- The company estimates that the amount to be contributed to the Gratuity fund for the financial year 2014-15 will be Rs.13.00 Lac.
- Comparative values of defined plans for the current year & previous three years instead of four financial years, as required by AS-15 (Revised), are provided, this being the year of adoption of the standard.
- The liability towards the earned leave for the year ended 31st March, 2014, based on actuarial valuation amounting to Rs.932774/- (P.Y. Rs.212380/-) Lac has been recognized in the profit & loss account.

11. Disclosure of the Company's interest in joint venture as per the Accounting Standard relating to financial reporting of interest in Joint Venture (AS 27):

a) Aggregate amount of each of the assets, liabilities, income and expenses related to interest in Pir Panchal Construction Pvt. Ltd. - JV and advance stimol consortium- Joint Venture.

Particulars	Pir Panchal Construction		Advance Stimul	
	Current Year	Previous Year	Current Year	Previous Year
Assets	85,330,194	101,581,003	44,697,674	12,950,712
Reserves & Surplus	27,205,302	22,335,332	2,150,238	970,375
Liabilities	58,124,892	79,245,672	42,547,436	11,980,338
Income	74,784,794	105,399,374	71,755,177	43,498,277
Expenses	67,526,029	93,572,532	70,418,040	42,710,889
Tax Expense	2,467,254	3,758,426	511,289	301,248
Contingent Liability - BG outstanding		--		--
Capital Commitments	-	-	-	-

b) List of Joint Ventures

Sr.	Name of the Joint Venture	Interest	Place of Incorporation
1.	Pir Panchal Construction Pvt. Ltd. - Joint Venture	25%	India
2.	Advance Stimul - Consortium	50%	India

12. Earning in Foreign Exchange

FOB Value of Export Rs. 211,884,280/- (P.Y. Rs. 142,412,011/-)

13. The Company has the following unhedged exposures in foreign currencies as at the year end:

Sr. No.	Particulars	As at 31st March '2014		As at 31st March '2013	
		USD	INR	USD	INR
1.	Trade Receivables	NIL	NIL	252,720	13,745,423

14. Value of import on CIF basis

Raw Material Rs. NIL (P.Y. Rs. NIL)

Capital Goods Rs. NIL (P.Y. Rs. NIL)

Store Goods Rs. NIL/- (P.Y. Rs. NIL)

15. Expenditure in Foreign Currency Rs.4,975,616/- (P.Y. Rs.405,113/-)

16. Previous year figures have been regrouped and recast to the extent possible & wherever necessary to make them comparable with the current year's figure.

As per report of even date attached,

For Ashok Somani & Associates

Chartered Accountants

Firm Regn. No. 12171-N

Sd/-

A. K. Somani

Partner M. No. 82504

Place : Sahibabad

Dated : 30/05/2014

For and on behalf of the Board of Directors

Sd/-

D. N. Agarwal
Managing Director

Sd/-

Lalit Agarwal
Director

Sd/-

Parul Mishra
Company Secretary