



# Advance Steel Tubes Ltd.

CIN : L2423IUP1978PLC004583

AN ISO 9001 : 2000 Company

Manufacturers of : 'ERW' M.S. Black & Galvanised Pipes,  
Steel Tubular Poles, Steel Structures, Metal Crash Barrier & Scaffoldings



**Sales Office :** 81, FUNCTIONAL INDUSTRIAL ESTATE, PATPARGANJ, DELHI-110092

Phones : 011-43041400 (100 Lines) Fax : 91-11-22145978

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## NOTICE TO THE MEMBERS

Notice is hereby given that the 41<sup>st</sup> Annual General Meeting of the members of ADVANCE STEEL TUBES LIMITED will be held on Wednesday, the 30<sup>th</sup> day of September, 2015 at 12:30 P.M. at the Registered office of the Company 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 31<sup>st</sup> March, 2015 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 31<sup>st</sup> March 2015.
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 ratify the appointment of Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of 42<sup>nd</sup> Annual General Meeting and to fix their remuneration and to pass the following resolution as Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, read with rules made thereunder, the appointment of M/s Ashok Somani & Associates, Chartered Accountants (Firm Registration No. 82504) be and are hereby ratified for a year until the conclusion of next Annual General Meeting to be held in the year 2016 and authorize the Board of Directors to fix their Remuneration.”

### **SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution for Regularisation of Additional Independent Director, Mrs. Parveen Gupta:-

**“ RESOLVED THAT** Mrs. Parveen Gupta, who was appointed as Additional Independent Director with effect from August 1<sup>st</sup>, 2015 on the Board of the Company in terms of Section 149, 152 of the Companies Act, 2013 and who holds the office up to this Annual General Meeting and in respect of whom a notice has been received from a member in writing alongwith the deposit required under Section 160 of the Companies Act, 2013, proposing her candidature for the office Of Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, to hold office as such for a period

5 (Five) consecutive years, with effect from the date of this meeting and that he shall not be liable to retire by rotation.”

**6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution for Regularisation of Additional Director, Mr. Aashish Agarwal:-**

“RESOLVED THAT Mr. Aashish Agarwal, who was appointed as additional Director of the Company with effect from August 17, 2015 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of conclusion of this Annual General Meeting and in respect of whom a notice has been received from a member in writing and alongwith the deposit required, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company.”

**7. To consider and if thought fit, to pass with or without modification (s) the following resolution as Ordinary Resolution for ratification of Remuneration of Cost Auditors of the Company for the year 2015-2016:**

“RESOLVED THAT pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with Companies (Cost Audit and Records) Rules, 2014 (including any statutory modification (s) of re-enactment thereof) (the act) and on the recommendation of the audit committee and approval by the Board of Directors at their meeting on 03<sup>rd</sup> September, 2015 the consent of the Company be and is hereby accorded for rectification of the below mentioned remuneration to the M/s Gopinathan Mohandas & Co. Cost Accountants as the Cost Auditors of the Company for the financial year 2015-2016 on the professional charge of as may be decided by the Board & service tax as applicable to conduct the audit of the cost accounting records for all the manufacturing facilities of the Company.”

By order of the Board  
For Advance Steel Tubes Limited

Sd/-

Place: Sahibabad  
Date: 03<sup>rd</sup> September, 2015

(Deoki Nandan Agarwal)  
Managing Director  
DIN:00586794

#### 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 26<sup>th</sup> September 2015 to 30<sup>th</sup> September 2015 (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**

As per the provisions of section 149 of the companies Act 2013 which came into effect from 1<sup>st</sup> 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.

Mrs. Parveen Gupta 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 Mrs. Parveen Gupta 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 of the accompanying notice for the approval by the shareholders of the company.

Except Mrs. Parveen Gupta 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.

The Board recommends resolution under item No. 5 to be passed as an Ordinary Resolution.

**ITEM NO. 6**

Mr. Aashish Agarwal was appointed as an Additional Director of the company w.e.f. August 17, 2015 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above Director holds office upto the date of the ensuing Annual General Meeting. In this regard Company has received a request in writing from a member of the Company proposing Mr. Aashish Agarwal candidature for the appointment as Director of the Company in accordance with the provisions of Section 160 of the Companies Act, 2013. The Board feels that presence of Mr. Aashish Agarwal on the Board is desirable and beneficial to the Company and hence recommend resolution No. 6 for adoption.

All the Directors, Except Mr. Jay Vilas Dubey, Mr. Naresh Chand Maheshwari and Mrs. Parveen Gupta, are in any way concerned or interested, financially or otherwise in passing this resolution.

The Board recommends resolution under item No. 6 to be passed as an Ordinary Resolution.

**ITEM NO. 7**

Section 148 (3) of the Companies Act, 2013 read with rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) ("the act"), requires the Board to appoint an individual, who is a Cost Accountant in practice or a firm of Cost Accountants in Practice, as Cost Auditor on the recommendations of the Audit Committee which shall also recommend remuneration

for such Cost Auditor and such remuneration shall be considered and approved by the Board of Directors and ratified subsequently by the members.

The Board of Directors at their meeting held on 03<sup>rd</sup> September, 2015, on recommendation of Audit Committee approved the appointment of M/s Gopinathan Mohandas & Co. Cost Accountants, as the Cost Auditors of the Company for the financial year 2015-2016 at a fees of Rs. 50,000/- plus out of pocket expenses and service tax as applicable for conducting the audit of the cost accounting records of the manufacturing facilities of the Company.

The resolution contained in Item No. 7 of the accompanying Notice, accordingly seek members' approval for ratification of remuneration of Cost Auditors of the Company for the Financial year 2015-2016.

None of the Directors/Key managerial personnel of the Company/ their relatives are, in any way, concerned or interested financially or otherwise in the ordinary resolution set out at Item No. 7 of the Notice.

The Board Commends this resolution for your approval.

By order of the Board  
For **Advance Steel Tubes Limited**

**Place: Sahibabad**  
Date: 03<sup>rd</sup> September, 2015

Sd/-  
(**Deoki Nandan Agarwal**)  
Managing Director  
DIN:00586794

## DIRECTOR'S REPORT

### TO THE MEMBERS OF ADVANCE STEEL TUBES LIMITED

The Directors have pleasure to present their 41<sup>st</sup> Annual Report on the business and operations of the Company alongwith the Audited Financial Statements for the year ended 31<sup>st</sup> March 2015.

#### Financial Results

	Year ended 31 <sup>st</sup> March 2015 (Rs In lacs)	Year ended 31 <sup>st</sup> March 2014 (Rs. In lacs)
Net Sales/Income from operations	9630.66	14211.84
Other income	149.94	253.37
Total Income	9780.60	14465.20
Profit Before Interest, depreciation & Tax	545.03	1116.03
Less: Interest	226.49	227.37
Depreciation	119.79	185.69
Profit Before Tax	198.75	702.97
Less: Previous Year Adjustments	515	-
Provision for current Year Income-tax	36.78	232.90
MAT Credit Entitlement	(13.01)	-
Deferred Tax	48.18	(33.41)
Net Profit After Tax	126.79	503.44
Add: Balance carried Forward from Profit & Loss Account	21.07	20.06
Less: Provision for earlier year Taxation	-	-
Net Profit After Tax and Adjustments	147.86	523.50
Dividends		
Interim Dividend	-	-
Final Dividend (Proposed)	14.80	14.80
Tax on Dividend	3.01	2.52
Tax on Dividend for Earlier Year	-	11433
Transferred to General Reserve	120.00	485.00
Balance Carried Forward to Balance Sheet	10.05	21.07
EPS( Basic)	17	68
(Diluted)	17	68

#### Dividend

Your Directors have recommended a dividend of Rs 2/- (Rupees Two) per equity share (last year Rs. 2/- (Rupees Two) per equity share) for the financial year ended March 31, 2015, amounting to Rs. 14,80,000/- (exclusive of tax of Rs. 3,01,293/-). The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

The dividend be will paid to members whose names appear in the Register of Members as on 30<sup>th</sup> September, 2015 as beneficial owners as on that date.

The dividend payout for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met by internal cash accruals.

#### **Transfer To The Investor Education And Protection Fund**

In terms of Section 125 of the Companies Act, 2013, no unclaimed dividend relating to the Financial Year 2014 is due for remittance onto the Investor Education and Protection Fund established by the Central Government.

#### **Reserves**

The Board proposes to carry Rs. 12,000,000/- to General reserves.

#### **Brief Description of the Company's Working During The Year/State Of Company's Affair**

Revenue for financial year 2014-2015 stood at Rs. 9780.60175/- Lacs. Gross profit before, depreciation, Interest and Tax but after prior period items stood at Rs. 5454.02565/- Lacs, and profit after Tax was Rs. 126.78684/- Lacs. The Market environment in Financial Year 2014-2015 was challenging.

The business has performed dull with productivity gains, growth in volume and low margins notwithstanding rise in input costs. Advance Steel Tubes limited business continues to be satisfied despite of several economic constraints. The Company's ability to neutralize cost increase and improve margins together with purchasing efficiencies, improvement in manufacturing yield/usage and expenses control helped in sustaining the profitability. The Volume & profit had been low as compared to last year due to lossess in the unit of the Company at Haridwar due to bad market conditions in power sector for demand and delay payment.

#### **Extracts Of Annual Return and Other Disclosures under Section 92 (3) Of the Companies Act, 2013 and Companies (Appointment and Remuneration) Rules, 2014**

The extract of Annual Return in Form No. MGT-9 Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014 as 'Annexure- 4' and Particulars of Contracts or arrangements with related parties referred to Sub-section (1) of Section 188 of the Companies Act, 2013 in Form No. AOC-2 Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 as 'Annexure- 5' duly certified by the Practicing Company Secretary is annexed hereto and forms part of this report.

#### **NUMBER OF BOARD MEETINGS**

During the year under review Board met 7 times on 30/04/2014, 30/05/2014, 14/08/2014, 03/09/2014, 14/11/2015, 14/02/2015, 27/03/2015 and the maximum gap between any two meetings did not exceed 120 days as stipulated under Section 173(1) of Companies Act, 2013 and four months as stipulated under Clause 49 of listing Agreement.

#### **DIRECTORS' RESPONSIBILITY STATEMENT {AS PER ANNEXURE GIVEN IN THE CSR RULES, 2014 }:-**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

a) in the preparation of the annual accounts for financial year ended 31st March, 2015, the applicable accounting standards have been followed and there is no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgments 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 or loss of the Company for that year;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts for the financial year ended 31st March, 2015 on a going concern basis.

e) The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosure to the Board that they fulfill all the requirements as to qualify their appointment as an Independent Director under the provisions of Section 149 of the Companies Act, 2013 as well as clause 49 of Listing Agreement. The Board confirms that the said Independent Directors meet the Criteria laid down under the Companies Act, 2013 as well as clause 49 of Listing Agreement.

The Board Proposes the terms of 5 years for the Independent Directors w.e.f. 1<sup>st</sup> April 2014 and they shall not be liable to retire by rotation.

Your directors proposes to appoint Mrs. Parveen Gupta as the Independent Woman Director of the Company to hold office of the Directors till 31<sup>st</sup> March 2020.

#### **STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS**

The Board of Directors declare that the Independent Directors Mr. Naresh Chand Maheshwari and Mr. Jay Vilas Dubey and Mrs. Parveen Gupta are:

- a) in the opinion of the Board, are persons of integrity and possesses relevant expertise and experience.
- b) (i) Who were or were not a promoter of the Company or its holding, subsidiary or associate Company;  
(ii) Who are not related to promoters or Directors in the company, its Holding, Subsidiary or associate Company;
- c) Who have or had not any pecuniary relationship with its holding, subsidiary, or associate Company or their promoters or Directors, during the two immediately preceding financial year or during the current financial year;
- d) None of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company or their promoters, or Directors, amounting to two percent or more of its gross turnover of total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e) Who, either himself nor any of his relatives-
  - (i) Hold or has held the position of key managerial personnel or is or has been employee of the Company or its Holding, subsidiary or associate Company in any or the three financial years immediately preceding the year in which he is proposed to be appointed as Independent Director;
  - (ii) Is or has been an employee or propriety or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed of-
- (A) A firm of Auditors of Company Secretaries in Practice of Cost Auditors or the Company or its holding, subsidiary or associate Company; or



- (B) Any legal or consulting firm that has or had any transaction with the Company or its holding, subsidiary or associate Company amounting to ten percent or more of the gross turnover of such firm;
- (iii) Holds together with his relative two percent or more of the voting power of the Company; or
- (iv) Is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty five percent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two percent or more of the total voting power of the company; or
- (v) Who possesses such other qualification as may be prescribed.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE (FOR ALL COMPANIES)**

The information pertaining to conservation of energy, technology absorption, foreign exchange earning and outgo, as required under Companies Act, 2013, read with Companies (Accounts) Rules, 2014 is given as per Annexure -D” and forms part of Board’s Report.

#### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There is no Material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report like settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets etc.

- (i) There is no Disposal of substantial part of the Undertaking;
- (ii) No Change has been taken place in the Capital Structure;
- (iii) No serious breakdown has happened in the Financial Year;
- (iv) There is no Alteration in wage structure arising out of trade union negotiations;
- (v) There is no Material change occur concerning purchase of raw materials and sale of products etc.

#### **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

Company’s related parties are disclosed below:

1. Where Common Control Exists:

- Advance (Ispat) India Limited
- Tirupati Structural Limited
- Advance Enterprises Private Limited
- Tak Buildtech Private Limited
- Marda Commercial & Holdings Limited
- Sophia Exports Limited
- ADV Drilling Products PLC
- Advance Infr solutions Private Limited
- Advance Stimul Engineering Private Limited
- Shidhi Vinayak Agaricultural Private Limited

- Shubham Infradevelopers Private Limited
  - VN Realtors Private limited
  - VN Natural Resources Private Limited
  - Dahegaon Coal & Power Private Limited
2. Joint Venture
- Pir Panchal Constructions Private Limited
  - Advance Stimul Consortium

### **RISK MANAGEMENT POLICY IMPLEMENTATION**

In today's economic environment, risk management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. To our company's risk management is embedded in the business processes. Your Company has identified the following risks:-

1. **Human Resource Risk:-** Your Company's ability to deliver value is always dependent on its ability to attract, retain and nurture talent, attrition and non-availability of the required talent resource can affect the overall performance of the Company.- mitigation plans: By continuously benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent.
2. **Competition Risk:-** Your Company is always exposed to Competition risk from Asian Countries. The increase in competition can create pressure on margins, market share etc., Mitigation Plans:- By continuous efforts to enhance the brand image of the Company by focusing on R&D, quality, Cost, timely delivery and customer service. By introducing new product range commensurate with demands your Company plans to mitigate the risks so involved.
3. **Compliance Risk: -** Any default can attract penal provisions., Mitigation Plans:- By regularly monitoring and reviewing of changes in regulatory framework. By monitoring of compliance Management tools and regular internal audit.

### **CORPORATE SOCIAL RESPONSIBILITY**

The Company has developed the relevant Policy for CSR Activities. The Company shall find out ways and means to spend the same in the coming months and shall submit the relevant report in the ensuing year. The Company could not spend money before finalizing this report as the time was too short to identify suitable projects for spending the same.

The brief outline of the Policy adopted and the format as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out in 'Annexure-1' of this report.

### **DIRECTORS**

The Board consists of executive and Non-Executive Directors including Independent Directors who have wide and varied experience in different disciplines of corporate functioning. Sh. Aashish Agarwal has resigned from the office of the Whole-Time Director w.e.f 01/08/2015 for his pre-occupancies somewhere

else and inability to work as Whole-Time Director of the Company and Joined as Additional Director of the Company with effect from 17/08/2015.

Mrs. Parveen Gupta has appointed as Additional Director by the Board w.e.f. 01.08.2015 in the category of the Independent Woman Director to broad base the Board of Directors and comply with the requirements of Clause 49 of Listing Agreement for the Independent Directors. The company has received a notice from a member signifying his candidature for the office of the Director of the Company.

**PARTICULARS OF EMPLOYEES EMPLOYED THROUGHOUT THE FINANCIAL YEAR AND IN RECEIPT OF REMUNERATION NOT LESS THAN RS. 60 LACS P.A. OR RS. 5 LACS P.M.**

There is no such employee in the Company who is in receipt of remuneration of more than Rs. 60 Lacs p.a. or Rs. 5 lacs per month.

**DISCLOSURE OF DIRECTORS REMUNERATION**

The disclosure as required to be given for Directors Remuneration provided under Section 197(12) read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as following:

Name of Directors	Ratio of remuneration of each Director to the median remuneration of the employees	Percentage Increase in Remuneration of Each Director/CFO/CEO/Secretary	Percentage Increase in the Median Remuneration of Employees in the Financial Year	The explanation on the relationship between avg. increase in remuneration and Company Performance	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof	Comparison of each remuneration of KMP against the performance of the company
Shri Deoki Nandan Agarwal	5.49	No Increment has been made during the Financial year under Review.	0.00	n.a.	No Increase in Managerial Remuneration have been made during the last Financial Year	The Performance of the company is progressive and the remuneration of KMP are under the prescribed limits and feasible to the Company Performance
Shri Aashish Agarwal	2.74	No Increment has been made during the financial year under review.	0.00	n.a.	No Increase in Managerial Remuneration have been made during the last Financial Year	The Performance of the company is progressive and the remuneration of KMP are under the prescribed limits feasible to the Company Performance

## **AUDITORS AND THEIR REPORT**

Comments of the Auditors in their report and the notes forming part of the accounts, are self-explanatory and need no comments. During the year under review, the Auditors need not to be routed as they have not completed the tenure of three years.

Your Directors request that the appointment of Ashok Somani & Associates, Chartered Accountants, the Company's Auditors needs to be ratified at their Annual General Meeting and being eligible offers themselves for their ratification. The Company has received a certificate from the Auditors to the effect that their ratification, if made, would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

## **SECRETARIAL AUDIT AND THE APPOINTMENT OF SECRETARIAL AUDITORS**

The Company has appointed M/s NKS & Company, Company Secretaries to hold office of the Secretarial Auditors and to conduct the Secretarial Audit and the Secretarial Audit Report is being attached with the Directors' Report and is self-explanatory and needs no comments.

## **COST AUDITORS AND THEIR REPORT**

Comments of the Cost Auditors in their report are self explanatory and needs no comments.

M/s Gopinathan Mohandas & Co., the Company's Cost Auditors was appointed for the year 2014-2015 and has already obtained approval of the Central Government. The Company has received a certificate from the Cost Auditors to the effect that their re-appointment is in accordance with Section 141 of the Companies Act, 2013.

## **CORPORATE GOVERNANCE**

As required by Clause 49 of the Listing Agreement with the Stock Exchange, the Corporate Governance Report, Management discussion and analysis report and the Auditors Certificate regarding Compliance of conditions of Corporate Governance, Form part of the Annual Report as Annexure.

## **BUSINESS RESPONSIBILITY REPORT**

As stipulated under the Listing Agreement, the Business Responsibility report describing the initiatives taken by the Company from environmental, social and governance perspective is attached as part of the Annual Report.

## **FCOMPOSITION**

## **GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

**For and on Behalf of the Board**

**Place:** Sahibabad

**Date:** 30/05/2015

**Sd/-**  
**Deoki Nandan Agarwal**  
Managing Director  
DIN: 00586794

**Sd/-**  
**Lalit Agarwal**  
Director  
DIN: 00109920

## **ANNEXURES TO THE DIRECTORS' REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **INDUSTRY TREND AND DEVELOPMENT**

The global economy witnessed a marked slowdown emerging economies as well as developed countries showed less than anticipated growth rate. In Domestic markets macroeconomic conditions showed signs of improvements, there was marginal increase in the GDP growth, with inflation falling within satisfactory levels, improved market sentiment post elections and Rupee remaining stable throughout the year. However, the South Indian markets showed very slow sign of progress especially in the Steel Products industry. The economic scenario was quite challenging last year however the Company achieved better than expected results.

#### **OPPORTUNITIES AND THREATS**

The overall steel pipe demand is estimated to grow at the rate of 6% in 2015 the consumption growth may go beyond 6% if investment is made in the infrastructure segments, with the gradual reduction in the fiscal deficit and consumer price index. The company's continued focus on cost reduction, its trust on increasing the sale of its products and various other customer excellence initiatives should help in presenting improved performances.

#### **OUTLOOK**

The Company is operating with focused efforts on cost control, reduction in cycle times, economies of scale, improvement on operational efficiency and efficient Working Capital Management Program. This has helped the Company in controlling costs and also to be competitive. Timely delivery has reaffirmed the self dependable image created by the Company in the market.

#### **RISK AND CONCERN**

Financial charges in the form of interest is a massive matter of concerns for our Company as we are paying a substantial part of our profit in the form of our financial cost. Company is utilizing numerous bank facilities and consequently our financial cost is on the higher side. Serious efforts are required to bring it down. The prices of raw material and its volatility always have an impact. Inflation element also affects the Company in adverse manner as it is major factor responsible for hike in cost of elements of production viz .power & fuel, employees etc.

### **INTERNAL CONTROL SYSTEM**

The Company has proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly. The company has effective system in place for achieving efficiency in operations, optimum and affective utilization of resources, monitoring thereof and compliance with applicable laws.

### **HUMAN RESOURCE DEVELOPMENT**

The Company continues to give priority to its human assets. The Company provides a fair and equitable work environment to all its employees. The Company is working continuously to create and nurture an atmosphere which is highly motivated and result oriented.

### **FINANCIAL PERFORMANCE**

The financial performance of the Company for the year under review is discussed in detail in the Director's Report.

### **CAUTIONARY STATEMENT**

Statements made in this Management Discussion and analysis describing the Company's current position and expectations for the future may be "forward looking statements" within the meaning of the applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include the downtrend in the industry global domestic or both, significant changes in political or economic environment in India.

**Place:** Sahibabad  
**Date:** 03/09/2015

**For and on Behalf of the Board**

**Sd/-**  
**Deoki Nandan Agarwal**  
Managing Director  
DIN: 00586794

**Sd/-**  
**Lalit Agarwal**  
Director  
DIN: 00109920

## CORPORATE GOVERNANCE REPORT

The Company aims at not only its own growth but also maximization of the benefits to the shareholders, employees, customers, government and also the general public at large. For this purpose the Company continuously strives to improve its level of overall efficiency through good corporate governance, which envisages transparency, professionalism and accountability in all its operations. We at Advance Steel Tubes Limited, are committed to good corporate governance and its adherence to the best practices of true spirits at all times. Our corporate governance philosophy rests on five basic tenets viz., Board's Accountability, Value Creation, Strategic Guidance' Transparency and equitable treatment to all stakeholders.

### (A) BOARD OF DIRECTORS

#### Composition of Board and Category of Directors

As on 31<sup>st</sup> March, 2015 the Company's Board consists of Six Directors having considerable professional experience in their respective fields. Out of them two are Independent Directors Four are Non-Executive Directors and the Chairman and Managing Director is promoter and Executive Director of the Company. The Composition of Board is in conformity with Clause 49 of Listing Agreements with stock exchanges and as per Companies Act, 2013 which is effective as on 31<sup>st</sup> March, 2015.

Name of the Director	Category	No. of Shares held as on 31 <sup>ST</sup> March, 2015	No. of outside Directorships held in Indian Public Companies	No. Of outside Committee Positions held in Audit/Stakeholders Relationship Committee		No. Of Board Meetings		Attended Last AGM held on 30 <sup>th</sup> September, 2014
				Member	Chairman	Held	Attended	
Shri Deoki Nandan Agarwal	Managing Director	72050	2	2	Nil	7	7	Yes
Shri Aashish Agarwal	Executive	30450	2	1	Nil	7	7	Yes



Shri Daulat Ram Agarwal	Non-Executive Director	40000	2	Nil	Nil	7	7	Yes
Shri Lalit Agarwal	Non-Executive Director	53150	4	2	1	7	7	Yes
Shri Naresh Chand Maheshwari	Non-Executive Independent Director	Nil	2	2	Nil	7	7	Yes
Shri Jay Vilas Dubey	Non-Executive Independent Director	Nil	1	2	2	7	7	Yes

#### **(B) NUMBER OF BOARD MEETING /ROLE OF BOARD OF DIRECTORS**

Your Company's Board of Directors plays primary role in ensuring good governance, smooth functioning of the Company and in the creation of shareholders value. The Board's role, functions and responsibilities and accountability are clearly defined. As part of its function, your Board periodically reviews all the relevant information required to be placed before it pursuant to Clause 49 of the Listing Agreement and in particular reviews and approves corporate strategies, business plans, annual budgets, projects and capital expenditure. Your Board not only monitors the Company's overall corporate performance it also sets standards of corporate behavior, ensures transparency in corporate dealing and compliance with laws and regulations.

Agenda of the Board Meeting and notes on agendas are circulated to the Directors as far as possible well in advance of each Board Meeting. At the Board Meeting elaborate presentations are made to the Board. The Members discuss each agenda items freely in detail. Seven Board Meetings were held on 30/04/2014, 30/05/2014, 14/08/2014, 03/09/2014, 14/11/2015, 14/02/2015, 27/03/2015 during the year.

#### **REMUNERATION OF DIRECTORS**

The Company has paid Rs. 1,800,000/- as salary and Rs. 21600 as contribution to Provident Fund to its Directors during the Financial Year 2014-2015. Apart from this, the Company has not paid any performance linked incentives to any Director. The Company does not have any stock option scheme.

## **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's executives who report directly to the Chairman and executive Directors, have affirmed their compliance with the said code.

## **COMMITTEES AT BOARD LEVEL**

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

### **(A) QUALIFIED AND INDEPENDENT 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 disclosure of its financial information to ensure that the financial statement is sufficient and credible.
2. Review of the Company's financial and accounting policies and practices.
3. Report of 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 Directors Responsibility statement to be included in Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
  - b) Change in accounting policies and practices and reasons thereof.
  - c) Major accounting entries involving estimates based on exercise of judgments 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 Jay Vilas Dubey as Chairman. The details of composition, attendance, at the meetings of the Audit Committee are as follows:-

Name of the Directors	Designation	Category	No. of meetings during the tenure of the Director	
			Held	Attended
Shri Jay Vilas Dubey	Chairman	Non-Executive, Independent	5	5
Shri Naresh Chand Maheshwari	Member	Non-Executive, Independent	5	5
Shri Deoki Nandan Agarwal	Member	Executive	5	5

## (B) SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

### Terms of Reference

The investors grievance committee focuses on Shareholder's 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 Shri Jay Vilas Dubey, Shri Naresh Chand Maheshwari and Shri Deoki Nandan Agarwal. Out of whom Shri Jay Vilas Dubey and Shri Naresh Chand Maheshwari are non-executive directors. During the year under review there was no meeting held since the company has not received any investor grievance.

## (C) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee has been formed in compliance with the provisions of Companies Act, 2013 for discharging the duties of the corporate towards the society in whole.

### Composition and Attendance

Name of the Directors	Designation	Category	No. of meetings during the tenure of the Director	
			Held	Attended
Shri Jay Vilas Dubey	Chairman	Non-Executive, Independent	1	1
Shri Naresh Chand Maheshwari	Member	Non-Executive, Independent	1	1
Shri Deoki Nandan Agarwal	Member	Executive	1	1

## GENERAL BODY MEETINGS:

Details of the last three Annual General Meetings of the Company are as under:-

Financial Year	Day & Date	Time	Venue	Special Resolutions Passed
----------------	------------	------	-------	----------------------------

2011-2012	Saturday September 29, 2012	01:30 P.M.	45/3, Industrial Area, Site- IV, Sahibabad, U.P.	-
2012-2013	Monday September 30, 2013	12:30 P.M.	45/3, Industrial Area, Site- IV, Sahibabad, U.P.	-
2013-2014	Tuesday September 30, 2014	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 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 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.

**Place:** Sahibabad  
**Date:** 03/09/2015

**For and on Behalf of the Board**

**Sd/-**  
**Deoki Nandan Agarwal**  
Managing Director  
DIN: 00586794

**Sd/-**  
**Lalit Agarwal**  
Director  
DIN: 00109920

## ANNEXURE – 1

# CORPORATE SOCIAL RESPONSIBILITY POLICY

### PHILOSOPHY

Recognizing that business enterprises are economic organs of society and draw on societal resources, it is our belief that a company's performance must be measured by its Triple Bottom Line contribution to building economic, social and environmental capital towards enhancing societal sustainability. We believe that in the strategic context of business, enterprises possess, beyond mere financial resources, the transformational capacity to create game-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. In line with this belief, we will continue crafting unique models to generate livelihoods and environmental capital. Such Corporate Social Responsibility ("CSR") projects are far more replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and environmental replenishment. These initiatives are independent of the normal conduct of our business. Programs, projects and activities (collectively "CSR Programs") carried out in this regard are the subject matter of this Policy.

### CSR POLICY

It is ASTL's policy:

1. ATSL shall undertake CSR projects in sectors as identified under Schedule VII of the Companies Act, 2013 with special focus on the areas given below, each of which is titled by the objective they seek to achieve:
  - **Arogya (Wellness)** - Nutrition, Health and Sanitation and Drinking Water projects
  - **Ujjwal (Towards a Bright future)** – Education initiatives
  - **Kaushal (Skill)** - Livelihood Generation and Skill development initiatives.
  - **Unnati (Progress)** - Rural Development
  - **Sashakt (Empowerment)** - Women Empowerment initiatives
  - **Saksham (Capable)** - Care of the elderly and differently abled.
  - **Harit (Green)** – Environment Centric Activities

### IMPLEMENTATION

1. CSR programmes will be undertaken by various work centers within the defined ambit of Schedule VII of Companies Act, 2013 with special focus on the heads as listed above.
2. Majority of the CSR programmes by value (at least 75%) may be implemented in and around the 'local areas' (within a radius of 100 Kms). The balance projects can be taken up anywhere in the country, as per the company requirement/imperatives from time to time.

3. CSR activities shall be undertaken through various agencies including registered trusts/ societies or companies or autonomous bodies/government departments. In case of NGOs/Trust/Pvt. Companies, an established track record of 03 years in undertaking similar projects or programs would be essential.

## REPORTING

1. An Annual Report on CSR containing details about the CSR policy and programmes implemented by the Company shall be included in the Board of Directors' Report for every FY, as per the format prescribed under the Rules to Section 135 of Companies Act, 2013.
2. Composition of the Company's CSR Committee will be included in the Annual Report on CSR.
3. The proforma containing the details of CSR activities to be undertaken by the Company will be annexed on an annual basis with the policy document.
4. The Board of Directors' Report shall include a Responsibility Statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.
5. If for some reason, the Company fails to spend 2% of the avg. net profit of the preceding three FYs on CSR, the reasons thereof, shall be furnished in the report of the Board of Directors under Section 134 (3) (o) of the Companies Act, 2013.

## GOVERNANCE

1. Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Programs to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.
2. The Board will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit.
3. The persons/bodies to which the implementation is assigned will carry out such CSR Programs as determined by the Board within the specified budgets and timeframes and report back to the Board on the progress thereon at such frequency as the Board may direct.
4. The Board shall review the implementation of the CSR Programs once a year and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programs in accordance with this Policy.
5. Once year the Board will provide a status update to the CSR Committee on the progress of implementation of the approved CSR Programs carried out during the year. It shall be the responsibility of the CSR Committee to review such reports and keep the Board apprised of the status of implementation of the same.
6. At the end of every financial year, the CSR Committee will submit its report to the Board.

## **CSR EXPENDITURE**

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programs undertaken in accordance with the approved CSR Plan. Moreover, any surplus arising from any CSR Programs shall be used for CSR. Accordingly, any income arising from CSR Programs will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

## **GENERAL PROVISIONS**

1. The Company shall execute all CSR activities and programmes in terms of the systems and procedures as detailed in the 'CSR Policy' (as maybe notified from time to time) which are aligned/based on the provisions of Section 135 of the Companies Act, 2013, the CSR Rules and the subsequent clarifications and amendments as notified by Ministry of Corporate Affairs.
2. If necessitated, new CSR activities / projects can be taken up during the course of a year, in addition to CSR activities already incorporated in the CSR policy of the Company on annual basis, with the Board's approval based on the recommendations of the CSR Committee. The same would be treated as amendment to the policy.
3. The surplus arising out of CSR projects or programmes or activities shall not form part of the business profit of the company.
4. No contribution shall be made to any political party through CSR Fund.
5. The CSR projects or programmes or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with Section 135 of the Act.

### REPORT ON CSR ACTIVITIES

S.No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or Programs Local Area or other/ specify the State & District where Project or Program is undertaken	Amount Outlay (budget) Project or program wise	Amount spent on the projects or programs Subheads: (1) Direct Expenditure (2) Overheads (Rs)	Cumulative Expenditure upto the reporting period (Rs)	Amount Spent : Direct or through Agency (Rs)
		NIL	NIL	8,91,904	NIL	NIL	NIL
	Sub Total						
	Overhead						
	Total CSR						



## DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

I declare that the Company has received affirmation of Compliance with the " Code of 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 31<sup>st</sup> March, 2015

For Advance Steel Tubes Limited

Date: 03/09/2015  
Place: Sahibabad

Sd/-  
(Deoki Nandan Agarwal)  
Managing Director

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### CEO/CFO CERTIFICATION (Under Clause 49 Of Listing Agreement)

We, Deoki Nandan Agarwal, Managing Director and Vatsal Agarwal, Chief Financial Officer of Advance Steel Tubes Limited to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statements for the financial year ended 31<sup>st</sup> March, 2015 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 significant role in the Company's internal Control System over financial reporting.

For Advance Steel Tubes Limited

Date: 03.09.2015  
Place: Sahibabad

Sd/-  
(Deoki Nandan Agarwal)  
Managing Director

Sd/-  
(Vatsal Agarwal)  
CFO

## Annexure-2

**CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION & FOREIGN EXCHANGE**  
Information as required under Companies Act, 2013 is given as under:

### A. Conservation of Energy

POWER & FUEL CONSUMPTION	CURRENT YEAR	PREVIOUS YEAR
1) Electricity (Purchased) Units	2957384	2539531
Total Amount	2,07,74,274	1,79,58,668
Rate Per Unit	7.02	7.07
2) Electricity (Generated) Units	-	-
3) Furnace Oil Consumed in KG	282200	283760
Total Amount	11,014,588.24	12,786,731
Rate Per Liter	39.03	45.06
4) HSD Consumed in KL	62975	60000
Total Amount	3,342,484	3,371,630
Rate Per Liter	55.71	56.19

### B. Consumption per unit of production

It is not feasible to maintain product category-wise energy consumption data, since we manufacture a large range of formulations and having different energy requirements.

### C. Energy Conservation Measures

- a. Improvisation and continuous monitoring of Power factor and replacement of weak capacitors, periodic checking of capacitors
- b. Alternative energy sources like Gas & steam have been used in place of electricity.
- c. Provision of storage tanks with electricity heaters to utilize the same instead of steam and use of DG set with smaller capacity for limited use at night or on weekly off/holiday.
- d. The Company has endeavored to optimize the use of energy resources and taken adequate steps to avoid wastage & use latest production technology & equipments.

### D. Technology Absorption

Disclosure of particulars with respect to technology absorption:-

1. **Specific areas in which R&D carried out by the Company**
  - a. Quality upgradation
  - b. Developing wide range of products
  - c. Productivity enhancement
  - d. Quality control management
2. **Benefits derived as a result of the Above R&D**

- a. Increase in productivity and utilization.
- b. Repeat orders from customers due to consistency in quality

**3. Future Plan of Action**

- a. Cost- efficiency in manufacturing operations through better methods and techniques of production
- b. Increase range of products
- c. Developing of new markets

**4. Expenditure in R&D**

Specific expenditure of recurring or capital nature is not involved.

**E. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.
- b) Information in respect of Foreign exchange earning and outgo is:

	Current Year	Previous year
Earning (in Rs.)	Nil	21,18,84,280
Outgo (in Rs.)	Nil	Nil

**For Advance Steel Tubes Limited**

**Date: 03.09.2015**  
**Place: Sahibabad**

**Sd/-**  
**(Deoki Nandan Agarwal)**  
**Managing Director**

**Sd/-**  
**(Vatsal Agarwal)**  
**CFO**

## ANNEXURE 3 NOMINATION & REMUNERATION POLICY

### Introduction

The Company considers human resources as its invaluable assets. This policy on Nomination & Remuneration of Directors, Key Managerial Personnel (KMP) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the listing agreement in order to equitable remuneration to Directors, Key Managerial Personnel (KMP) and employees of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company.

### Objective

The key objectives of the Committee would be:

- (a) To guide the board in relation to appointment and removal of Directors, Key Managerial Personnel and senior management.
- (b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- (c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and senior management.

### Definitions

- **“Board”** means Board of Directors of the Company.
- **“Company”** means Advance Steel Tubes Limited.
- **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- **“Key Managerial Personnel”** means
  - (i) CEO or the Manager or the Managing Director of the Company
  - (ii) Company Secretary
  - (iii) Whole- Time Director
  - (iv) CFO
  - (v) Such other officer as may be prescribed
- **“Nomination & Remuneration Committee”** shall mean a Committee of the Board of Directors of the company, constituted in accordance with the provision of Section 178 of the Companies Act, 2013 and the Listing Agreement.
- **“Policy or this Policy”** means Nomination & Remuneration Policy.
- **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisite as defined under the Income- Tax Act, 1961.
- **“Senior Management”** mean personnel of the Company who are the members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

## **POLICY FOR APPOINTMENT OF DIRECTORS, KMPs, AND SENIOR MANAGEMENT**

### **Appointment Criteria and qualification**

1. The committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level recommend to the Board his/her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.

### **Term/Tenure**

1. Managing Director/Whole- Time Director/Manager (Managerial personnel):- The Company shall appoint or reappoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.
2. An Independent Director shall hold office for a term upto five consecutive years on the board of the Company and will be eligible for re-appointment on passing of special resolution by the Company and such appointment in the board's Report. No independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
3. A whole- Time KMP of the company shall not hold office in more than one Company except in its subsidiary company at the same time.

### **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and senior management at regular interval.

## **POLICY RELATING TO REMUNERATION FOR DIRECTORS, KMPs AND OTHER EMPLOYEES**

### **General**

1. The remuneration/compensation/commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration & commission paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

**Annexure-4**

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2015**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L24231UP1978PLC004583
2.	Registration Date	23/03/1978
3.	Name of the Company	Advance Steel Tubes Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non- Government Company
5.	Address of the Registered office & contact details	45/3,Industrial Area, Site-IV,Sahibabad, Ghaziabad, U.P. 201020 011-43041400, E-mail: ino@advance.co.in
6.	Whether listed company	Listed
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Black and GI Pipes	2431	39.76
2	Structure	2431	30.36
3	Poles	2431	18.11

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**







B) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Aashish Agarwal	30450	4.11	Nil	30450	4.11	Nil	Nil
2.	Daulat Ram Agarwal	40000	5.41	Nil	40000	5.41	Nil	Nil
3.	Lalit Agarwal	53140	7.18	Nil	53140	7.18	Nil	Nil
4.	Deoki Nandan Agarwal	72050	9.74	Nil	72050	9.74	Nil	Nil
5.	Shyama Devi Agarwal	13200	1.78	Nil	13200	1.78	Nil	Nil
6.	Himani Agarwal	40250	5.44	Nil	40250	5.44	Nil	Nil
7.	Sadanand Agarwal	26700	3.61	Nil	26700	3.61	Nil	Nil
8.	Sanmukh Agarwal	38650	5.22	Nil	38650	5.22	Nil	Nil
9.	Shalini Agarwal	5000	0.68	Nil	5000	0.68	Nil	Nil
10.	Romil Agarwal	36600	4.95	Nil	36600	4.95	Nil	Nil
11.	Laxmi Devi Agarwal	31200	4.22	Nil	31200	4.22	Nil	Nil
12.	D.N. Agarwal (HUF)	41500	5.61	Nil	41500	5.61	Nil	Nil
13.	Daulat Ram Agarwal (HUF)	32500	4.39	Nil	32500	4.39	Nil	Nil
14.	Shashi Agarwal	66550	8.99	Nil	66550	8.99	Nil	Nil
15.	Suchita Agarwal	26800	3.62	Nil	26800	3.62	Nil	Nil

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	554600	74.95	554600	74.95
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	No Change	No Change	No Change	No Change
	At the end of the year	554600	74.95	554600	74.95

**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	126050	17.03	126050	17.03
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the end of the year	126050	17.03	126050	17.03

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	195650	26.43	195650	24.63
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change	No Change	No Change	No Change

At the end of the year	195650	26.43	195650	26.43
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V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	13,88,99,788	6,48,01,372	-	20,37,01,160
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	13,88,99,788	6,48,01,372	-	20,37,01,160
<b>Change in Indebtedness during the financial year</b>				
* Addition	2,45,33,775	51,14,657	-	2,96,48,432
* Reduction	30,41,605	2,04,19,566	-	2,34,61,171
<b>Net Change</b>	2,14,92,170	(1,53,04,909)	-	61,87,261
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	16,03,91,958	42,99,87,371	-	20,33,89,329
ii) Interest due but not paid	-	64,99,092	-	64,99,092
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	16,03,91,958	4,94,96,463	-	20,98,88,421

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Daulat Ram Agarwal (Managing Director)	Aashish Agarwal (Whole- Time Director)	Vatsal Agarwal (CFO)	
1	Gross salary	1200000	600000	600000	2400000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act	-	-	-	-

#### B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Naresh Chand Maheshwari		Jay Vilas Dubey		
1	Independent Directors					
	Fee for attending board /committee meetings	2500/- Per Meeting		2500/- Per Meeting		5000/- Per meeting
	Commission	-		-		-
	Others, please specify	-		-		-
	Total (1)	-		-		-
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-		-		-
	Commission	-		-		-
	Others, please specify	-		-		-
	Total (2)	-		-		-
	Total (B)=(1+2)	2500/- Per Meeting		2500/- Per Meeting		5000/- Per Meeting
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

#### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary	2,40,000	6,00,000	8,40,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
		-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	-	-	-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Place: Sahibabad  
Date: 03/09/2015

For and on Behalf of the Board

Sd/-  
Deoki Nandan Agarwal  
Managing Director  
DIN: 00586794

Sd/-  
Lalit Agarwal  
Director  
DIN: 00109920

**Annexure-5**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable as no such transactions has been taken place.**

(a) Name(s) of the related party and nature of relationship: N.A.

(b) Nature of contracts/arrangements/transactions: Nil

(c) Duration of the contracts / arrangements/transactions: N.A.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.

(e) Justification for entering into such contracts or arrangements or transactions

(f) Date(s) of approval by the Board: N.A.

(g) Amount paid as advances, if any:

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

(a) Name(s) of the related party and nature of relationship:  
Company's related parties are disclosed below:

Nature of Relationship- Common Control

- Advance (Ispat) India Limited
- Tirupati Structural Limited
- Advance Enterprises Private Limited
- Tak Buildtech Private Limited
- Marda Commercial & Holdings Limited
- Sophia Exports Limited
- ADV Drilling Products PLC
- Advance Infrasonolutions Private Limited

- Advance Stimul Engineering Private Limited

Nature Of Relationship: Joint Venture

- Pir Panchal Constructions Private Limited
- Advance Stimul Consortium

(b)

(b) Nature of contracts/arrangements/transactions: Loans & Advances

(c) Duration of the contracts / arrangements/transactions:

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

(e) Date(s) of approval by the Board, if any:

(f) Amount paid as advances, if any:

- 1) Advance Infrsolutions private limited - Rs. 92000
- 2) Pir Panchal (Joint Venture) - Rs. 5,000,000/-

**Place:** Sahibabad  
**Date:** 03/09/2015

**For and on Behalf of the Board**

Sd/-  
**Deoki Nandan Agarwal**  
Managing Director  
DIN: 00586794

Sd/-  
**Lalit Agarwal**  
Director  
DIN: 00109920

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

For the Financial Year ended on 31<sup>st</sup> March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT**

For the Financial Year ended on 31<sup>st</sup> March, 2015

To,  
The Members,  
**ADVANCE STEEL TUBES LIMITED**  
**45/3 INDUSTRIAL AREA SITE IV SAHIBABAD**  
**GHAZIABAD-201020**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ADVANCE STEEL TUBES LIMITED** (hereinafter called the company), having its Registered Office at **45/3 INDUSTRIAL AREA SITE IV SAHIBA BAD, GHAZIABAD, UTTAR PRADESH-201020**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **ADVANCE STEEL TUBES LIMITED** for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:





- (i) The Companies Act, 2013 (the Act) and the rules made there under for which we report that the Company:;
1. Maintained various statutory registers and minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings in compliance with the Act;
  2. Generally filled all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies ('ROC') and other authorities and all the formalities relating to the same in compliance with the Act;
  3. Serviced the requisite documents on its members, stock exchanges, auditors and the registrar of companies in compliance with the Act;
  4. Circulated agenda of the Board Meetings and Committee Meetings adequately in advance. Further, Board Meetings and Committee Meetings were held in compliance with the Act and the resolutions passed by circulation were duly noted by the Board in their subsequent meeting. Further, the requirement of quorum for all the meetings were in compliance with the Act;
  5. Sought necessary approvals of the Board of Directors, Committee of Directors and members as per the requirement of the Act;
  6. Directors had complied with the requirements of disclosures as per the provisions of the Act and complied with the code of business conduct & ethics for directors and management personnel;
  7. Independent Directors have complied with the eligibility of appointment and their being independent.
  8. Complied with the provisions of appointment and re-appointment of Directors. Further, complied with the provisions of appointment and tenure of Independent Directors on the board of the Company;
  9. Complied with the provisions of the Act with respect to registration of modification and satisfaction of charge. There was no creation of charge during the audit period;
  10. Complied with the provisions of loans and investments of the Company's funds;
  11. Complied with the provisions with respect to appointment and remuneration of Auditors;
  12. Complied with the provisions with respect to transfers and transmissions of the Company's shares;
  13. Complied with all other applicable provisions of the Act and the Rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;



(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under.

2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and policies under the said Regulations;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. **Not Applicable as the Company.**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable as the Company has not issued any debt securities.**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review;** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable as the Company has not bought back/propose to buyback any of its securities during the financial year under review;**

3. We have also examined Compliance with the other applicable Acts.

(a) Payment Of Wages Act, 1936, and rules made there under,

(b) The Minimum Wages Act, 1948, and rules made there under,

(c) Employees' State Insurance Act, 1948, and rules made there under,

(d) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made



there under,

(e) The Payment of Bonus Act, 1965, and rules made there under,

(f) Payment of Gratuity Act, 1972, and rules made there under,

(g) Factory Act, 1948

(h) Air pollution act, 1981

(i) Water pollution act, 1974

(j) Contract Labour (Regulation & Abolition) Act, 1970,

(k) Central Excise Act and Customs Act

(m) Service Tax Act

(n) Other Acts

4. We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India under the Provisions of Companies Act, 1956 (**Not Notified hence not applicable to the Company during the audit period**).

(ii) The Listing Agreements entered into by the Company with Delhi Stock Exchange Limited, U.P. Stock Exchange Association Limited and Calcutta Stock Exchange Association Limited where the equity shares of the Company are Listed.

During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc. mentioned below:

1. Form MGT-14 not filed for Borrowings Rs. 400000 dated Resolution 03/09/2014
2. Six Copy of Annual Report whether Sent to the all three Stock exchange according to Clause 31 of the Listing agreement, where company share is listed could not be verified.
3. Out Come of Annual General Meeting whether sent to all three Stock Exchange, where company share are listed could not be verified.
4. Minutes of Annual General Meeting whether sent to all three Stock Exchange could not be verified.
5. Disclosure of voting results of Annual General Meeting whether sent to the Stock Exchange according to Clause 35A of the Listing Agreement could not be verified.
6. Listing Compliance for intimating to the stock Exchange for appointment of Chief Financial



Officer not sent.

7. Outcome of Board Meeting regarding declaration of Dividend whether intimated to stock exchange according to Clause 20 of the Listing Agreement could not be verified.
8. The company has whether intimated to the Stock Exchange the date on which dividend shall be paid/dispatched could not be verified.
9. For intimation for Appointment of Independent Director as to Listing Compliance is not completed.

5. We have relied on the information and representation made by the Company and its Officers for Systems and mechanism formed by the Company for Compliances under applicable Acts, Laws, and regulations to the Company.

**6. We further report that**

As per the information furnished and on the basis of the forms, returns and registers maintained, the Board had the requisite balance of rotational, non-rotational, independent and women director and the composition of the Board was as per provisions of the Act during the period under review. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

The Company has intimated all the Directors about the dates of the board/committee meetings before the beginning of the financial year. Further, all notices were generally sent in advance to all Directors to schedule the board meetings. The agenda of the meeting was sent adequately in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions were carried through while the dissenting members' views, if any, was captured and recorded as part of the minutes.

We further report that there were adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The Board periodically reviewed reports of the compliances with all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non - compliances. The Company has developed comprehensive legal compliance scheduling and management software by which specific compliance tasks were assigned to each individual. The software enables in planning and monitoring all



compliance activities across the Company.

We further report that during the audit period the Company has no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards.

**Place:** New Delhi  
**Date:** 29-05-2015



For **NKS & Company**

*Nitesh K*  
( **Nitesh Kumar Sinha** )  
**Practicing Company Secretary**  
**FCS No.-7536**  
**C P No.:7648**

**Note:** This report is to be read with our letter of even date by the Secretarial Auditor, which is annexed as '**ANNEXURE B**' and forms an integral part of this report, which is available on the website of the Company.

**'ANNEXURE B'**

**To,  
The Members,  
ADVANCE STEEL TUBES LIMITED  
45/3 INDUSTRIAL AREA SITE IV SAHIBABAD  
GHAZIABAD-201020**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company:

**Place:** New Delhi  
**Date:** 29-05-2015



*Nitesh Kumar*  
For **NKS & Company**  
**(Nitesh Kumar Sinha)**  
Practicing Company Secretary

CP No.: 7648  
FCS No.-7536



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF ADVANCE STEEL TUBES LIMITED**

**1. Report on the Financial Statements**

We have audited the accompanying financial statements of ADVANCE STEEL TUBES LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**2. Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

**3. Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.





**Ashok Somani & Associates**  
Chartered Accountants

Flat No. 401, Mohan Bhawan,  
152, Sarai Julena, New Delhi-25.  
Telefax : +91-11-2692 3105

E-Mail : somaniashok@gmail.com

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, 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 on the financial statements.

#### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the 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.



**C-12, Tarang Apartment, 19-Patparganj, Delhi-110 092.**  
**Phone : 22721001, Mobile : 9711114753**





## 5. Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a) Note 29(1)(c) to the financial statements which, describes the uncertainty related to the outcome of demands filed against the Company by the VAT / Sales Tax / Excise Duty / Service Tax / Income Tax Department.
- b) Note 29(1)(d) in the financial statement which, describes the uncertainty related to the UPPTCL against EPC Project through PNC Infratech Limited & A2Z Maintenance & Engineering Services Ltd. has retained Rs. 4,44,51,701/- from time to time payments against any forcible penalties for which extension of time has applied and is expected to extend time hence no penalties shall be demanded as the delays caused due to land owner from where transmission line has to pass
- c) Note No. 29(5) to the 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.

Our opinion is not modified in respect of these matters.

## 6. Other Matters

The financial statements and the other financial information include the Company's proportionate share in jointly controlled assets of Rs.777.66 Lac, liabilities of Rs.479.73 Lac, expenditure of Rs.202.94 Lac in regards to Pir Panchal Construction (P) Ltd. – JV and assets of Rs.375.32 Lac, liabilities of Rs.354.64 Lac & expenditure of Rs.218.06 Lac in regards to Advance Stimul Consortium and the elements making up the Cash Flow Statement and related disclosures in respect of an Unincorporated Joint Venture which is based on statement from the respective operators and certified by the management.

Our opinion is not modified in respect of these matters.





## 7. Report on other Legal and Regulatory Requirements

- 1) As required by the companies (Auditor's Report) Order, 2015 (" the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  - i. In respect of its fixed assets:
    - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
    - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - ii. In respect of its inventories:
    - a) The inventories have been physically verified during the year by the management. 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 inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
    - c) The Company has maintained proper records of inventories. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.
  - iii. In respect of the loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:
    - a) The principal amounts are repayable over varying periods up to five years, while the interest is payable annually, both at the discretion of the Company.
    - b) In respect of the said loans and interest thereon, there are no overdue amounts.





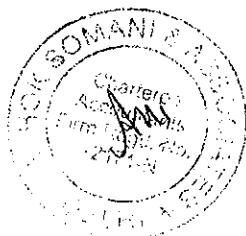
- iv. In our opinion and according to the information and explanations given to us, the Company has an adequate internal control system commensurate with its size and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2015 are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months from the date of becoming payable.
- b) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:





Sl. No.	Name of Statute	Nature of Dues	Amount (in Lac)	Period to which the amount relates	Forum where dispute is pending
1.	Income Tax	Income Tax	15.70	AY 2011-12	CIT (A) - Kolkata
2.	Income Tax	Income Tax	5.32	AY 2012-13	CIT (A) - Kolkata
3.	Central Sale Tax	CST	0.31	FY 2005 - 06	Tribunal - Gzb.
4.	Central Sale Tax	CST	2.85	FY 2007 - 08	Tribunal - Gzb.
5.	Central Sale Tax	CST	3.19	FY 2008 - 09	Tribunal - Gzb.
6.	Service Tax Act	Service Tax	52.11	FY 2009 - 10	Commissioner, Gzb.
7.	Service Tax Act	Service Tax	22.08	FY 2011 - 12	Addl. Comm., Gzb.
8.	Service Tax Act	Service Tax	45.64	FY 2011 - 12	Addl. Comm., Gzb.
9.	Service Tax Act	Service Tax	11.36	FY 2012 - 13	Addl. Comm., Gzb.
10.	Excise Duty Act	Excise Duty	21.14	FY 2007 - 08	Addl. Comm., Gzb.
11.	Excise Duty Act	Excise Duty	4.45	FY 2008 - 09	Addl. Comm., Gzb.
12.	Excise Duty Act	Excise Duty	0.74	FY 2009 - 10	Asstt. Comm., Gzb.
13.	Excise Duty Act	Excise Duty	0.57	FY 2011 - 12	Asstt. Comm., Gzb.

- c) According to the records of the Company, there are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under.
- viii. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- ix. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks as at the balance sheet date. The company neither raised any funds from financial institutions, nor issued any debenture during the year.
- x. According to the information and explanations given to us, Company has not given guarantees for loans taken by others from banks and financial institutions.





- x. The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
- xii. In our opinion and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

2) As required by section 143(3) of the Act, we report that:

- a) We have sought and 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, the 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29(1)(c) to the financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses.





**Ashok Somani & Associates**  
Chartered Accountants

Flat No. 401, Mohan Bhawan,  
152, Sarai Julena, New Delhi-25.  
Telefax : +91-11-2692 3105

E-Mail : somaniashok@gmail.com

- iii. There were no amounts which required to be transferred, to the Investors Education and Protection Funds by the Company.

For Ashok Somani & Associates

Chartered Accountants

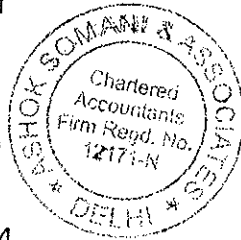
Firm Reg. No.012171-N

*Ashok Somani*

(Ashok Kumar Somani)

Partner

Membership No.082504



Place: Sahibabad

Dated: 30/05/2015

**Advance Steel Tubes Limited**

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BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2015

CIN : L24231UP1978PLC004583

Particulars	Note No.	Figures as at 31.03.2015	Figures as at 31.03.2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	7,400,000	7,400,000
(b) Reserves and Surplus	4	684,093,388	673,195,997
<b>(2) Non Current Liabilities</b>			
(a) Long Term Borrowings	5	44,363,089	43,683,882
(b) Other Long-Term Liabilities		-	-
(c) Long-Term Provisions	6	1,778,282	993,031
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	7	160,333,467	156,975,849
(b) Trade Payables	8	27,629,623	94,604,055
(c) Other Current Liabilities	9	28,749,309	49,660,861
(d) Short Term Provisions	10	14,378,408	39,027,371
<b>Total</b>		<b>968,725,566</b>	<b>1,065,541,046</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Fixed Assets	11		
(i) Tangible Assets		225,337,073	114,189,352
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		-	85,057,216
(iv) Intangible Assets under development		-	-
(b) Non Current Investments	12	32,084,075	29,564,966
(c) Long-Term Loans and Advances	13	14,275,100	22,969,696
(d) Other Non-Current Assets		-	-
(e) Deferred Tax Assets (Net)	14	(2,484,432)	2,334,086
<b>(2) Current assets</b>			
(a) Current Investments		-	-
(b) Inventories	15	222,491,566	257,900,394
(c) Trade Receivables	16	294,840,620	354,545,801
(d) Cash & Cash Equivalents	17	123,855,855	119,642,985
(e) Short Term Loans & Advances	18	58,060,692	64,547,434
(f) Other Current Assets	19	265,017	14,789,116
<b>Total</b>		<b>968,725,566</b>	<b>1,065,541,046</b>
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

*Ashok Somani*  
Ashok Kumar Somani  
Partner M. No. 82504  
C-12, Tarang Apartment,  
19, Patpar Ganj, Delhi - 110 092

For and on behalf of the Board of Directors

*D. N. Agarwal*  
D. N. Agarwal  
(Managing Director)  
DIN: 00586794  
B-16, Swasthya Vihar, Delhi

*Lalit Agarwal*  
Lalit Agarwal  
(Director)  
DIN: 00109920  
B-16, Swasthya Vihar, Delhi

*Parul Mishra*  
Parul Mishra  
(Company Secretary)

M. No.: A16018  
909, Hindon Heights, Sector - 4,  
Vaishali, Ghaziabad (UP)

Place : Sahibabad  
Date : 30/05/2015

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

CIN : L24231UP1978PLC004583

Particulars	Note No.	Figures Year ended 31.03.2015	Figures Year ended 31.03.2014
<b>I REVENUE</b>			
(1) Revenue from Operations (Gross)	20	1,054,211,485	1,534,421,695
Less: Excise Duty		91,145,148	113,238,091
Revenue from Operations (Net)		963,066,337	1,421,183,604
(2) Other income	21	14,993,838	25,336,567
<b>Total Revenue</b>		<b>978,060,175</b>	<b>1,446,520,171</b>
<b>II EXPENSES</b>			
(a) Cost of Material Consumed	22	705,480,300	940,670,312
(b) Purchases of Stock-in-Trade	23	15,105,933	118,938,742
(c) Changes in Inventories of finished goods Work-in-progress and stock-in-trade	24	(1,931,668)	7,848,684
(d) Employee Benefits Expenses	25	54,945,647	52,926,082
(e) Finance Costs	26	30,254,454	31,067,757
(f) Depreciation and Amortization Expenses	11	11,978,759	18,569,145
(g) Other Expenses	27	142,352,146	206,202,861
<b>Total Expenses</b>		<b>958,185,571</b>	<b>1,376,223,583</b>
III Profit before exceptional & extraordinary items and tax (I - II)		19,874,604	70,296,588
IV Exceptional/Extraordinary Items		-	-
III Profit before Tax (I - II)		19,874,604	70,296,588
IV Tax Expenses:			
a) Current year Tax Expense (include Wealth Tax Rs. 11138/- Pre.Year Rs.3390/-)		3,678,072	23,293,390
b) MAT Credit Entitlement		(1,301,185)	-
c) Current tax expense relating to prior years		515	-
d) Deferred tax		4,818,518	(3,341,164)
<b>Total IV</b>		<b>7,195,920</b>	<b>19,952,226</b>
V Profit/(Loss) for the period (III-IV)		12,678,684	50,344,362
VI Earning per Equity Share :	28		
(i) Basic		17	68
(ii) Diluted		17	68
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

*Ashok Somani*  
Ashok Kumar Somani  
Partner M. No. 82504  
C-12, Tarang Apartment,  
19, Patpar Ganj, Delhi

Place : Sahibabad  
Date : 30/05/2015

For and on behalf of the Board of Directors

*D. N. Agarwal*  
D. N. Agarwal  
(Managing Director)  
DIN: 00586794  
B-16, Swasthya Vihar, Delhi

*Lalit Agarwal*  
Lalit Agarwal  
(Director)  
DIN: 00109920  
B-16, Swasthya Vihar, Delhi

*Parul Mishra*  
Parul Mishra  
(Company Secretary)  
M. No.: A16018  
909, Hindon Heights, Sector - 4,  
Vaishali, Ghaziabad (UP)



**CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2015

CIN : L24231UP1978PLC004583

	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Items	19,874,604.00	70,296,588.00
Adjustments For		
Depreciation	11,978,759.00	18,569,145.00
Interest Income	(11,462,568.00)	(6,568,832.00)
Interest On Borrowing	22,649,202.00	22,737,256.00
Loss/Profit On Sale Of Assets	(23,480.00)	(67,779.00)
Provision for Gratuity & Leave	972,080.00	(845,620.00)
Operating Profit before working capital changes	43,988,597.00	104,120,758.00
Adjustments For		
Trade & Other Receivable	89,410,618.00	49,234,197.00
Investment in Joint Venture Co.	(2,519,109.00)	(6,151,384.00)
Inventories	35,408,828	(31,250,074.00)
Trade Payable & Other Liabilities	(95,690,261.00)	16,102,137.00
Cash Generated From Operation	70,598,673.00	132,055,634.00
Interest Paid	(22,649,202.00)	(22,737,256.00)
Direct Tax Paid	(22,244,246.00)	924,148.00
Interest Received	11,462,568.00	6,568,832.00
Cash Flow Before Extraordinary Item	37,167,793.00	116,811,358.00
Prior Period Adjustment		
Net Cash From Operating Activities	37,167,793.00	116,811,358.00
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(38,070,784.00)	(28,166,140.00)
Sale of Fixed Assets	25,000.00	2,011,424.00
Net Cash Used In Investing Activities	(38,045,784.00)	(26,154,716.00)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed From Long Term & Short Term Borrowing	(12,475,266.00)	18,044,117.00
Proceed From Cash Credits	18,662,527.00	(49,551,323.00)
Investment to Joint Venture		
Dividend Paid	(1,096,400.00)	(1,966,550.00)
Net Cash Flow From Financing Activities	5,090,861.00	(33,473,756.00)
Net Increase in Cash & Cash Equivalents	4,212,870.00	57,182,886.00
Cash and Cash Equivalents (Opening Balance)	119,642,985.00	62,460,099.00
Cash and Cash Equivalents (Closing Balance)	123,855,855.00	119,642,985.00

For and on Behalf of the Board of Directors

Lalit Agarwal  
(Director)  
DIN: 00109920  
B-16, Swasthya Vihar, Delhi

D. N. Agarwal  
(Managing Director)  
DIN: 00586794  
B-16, Swasthya Vihar, Delhi

As per our report of even date attached  
for Ashok Somani & Associates  
Chartered Accountants

Ashok Kumar Somani  
Partner M. No. 82504  
C-12, Tarang Apartment,  
19, Patpar Ganj, Delhi

Parul Mishra  
(Company Secretary)  
M. No.: A16018

909, Hindon Heights, Sector - 4,  
Vaishali, Ghaziabad (UP)

Place : Sahibabad  
Date : 30/05/2015

**Advance Steel Tubes Limited**

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH 2015**

Particulars	Figures as at 31.03.2015	Figures as at 31.03.2014		
<b>Note No. 3: Share Capital:</b>				
(a) <u>Authorised</u> 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		
(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:				
	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		
<b>(e) Detail of shareholders holding more than 5% shares in the Company.</b>				
Name of Shareholders	As on 31st March, 2015		As on 31st March, 2014	
	% 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) Mrs. 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
<b>Note No. 4: Reserve and Surplus:</b>				
(a) <b>Capital Reserve:</b>				
Balance B/F	125,000		125,000	
Add : Addition during the year	-		-	
Less: Deductions during the year	-		-	
	125,000		125,000	
(b) <b>Share Premium A/c:</b>				
Balance B/F	5,000,000		5,000,000	
Add : Addition during the year	-		-	
	5,000,000		5,000,000	
(c) <b>General Reserve:</b>				
As per last balance sheet	665,963,248		617,463,248	
Add : Trf. from P&L Accounts	12,000,000		48,500,000	
	677,963,248		665,963,248	
(d) <b>Profit &amp; loss A/c:</b>				
Opening Balance in Profit & Loss Account	2,107,749		2,006,346	
Add : Surplus during the year	12,678,684		50,344,362	
Amount available for appropriations	14,786,433		52,350,708	
Less: Appropriation				
T/F to General Reserve	12,000,000		48,500,000	
Dividend on Equity Shares	1,480,000		1,480,000	
Tax on Dividend	301,293		251,526	
Tax on Dividend for earlier year	-		11,433	
Surplus carried to Balance Sheet	1,005,140		2,107,749	
<b>Total Reserve &amp; Surplus</b>	<b>684,093,388</b>		<b>673,195,997</b>	

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**Advance Steel Tubes Limited**

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Particulars	Figures as at 31.03.2015	Figures as at 31.03.2014
<b>Note No. 5: Long Term Borrowing :</b>		
(a) From Bank (Secured):		
(i) Term Loans:		
Long term maturities of Finance Lease obligations**	-	-
Housing Loan from Standard Chartered Bank**	43,683,706	46,725,311
Vehicle Loan from Banks*	5,871,248	-
(ii) From Other Parties (Secured):		
Vehicle Loan *	-	-
Less: Current Maturity of Long Term Debt [See Note -9(a)]	5,191,865	3,041,429
	<u>44,363,089</u>	<u>43,683,882</u>

**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	1,778,282	993,031
	<u>1,778,282</u>	<u>993,031</u>

**Note No. 7: Short Term Borrowings**

(a) From Banks:		
Cash Credit (Secured)*	110,837,004	92,174,477
(b) Loans From related Party (Unsecured)		
Marda Commercial & Holdings (P) Ltd.	48,942,463	64,247,372
(c) Loan from other Parties	554,000	554,000
	<u>160,333,467</u>	<u>156,975,849</u>

**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.

**Note No. 8: Trade Payables**

## Sundry Creditors

- Dues of micro & small and medium Enterprises
- Others Trade Payable

	-	-
	27,629,623	94,604,055
	<u>27,629,623</u>	<u>94,604,055</u>

**Note No. 9: Other Current Liabilities**

(a) Current Maturity of Long Term Debt [See Note -5]	5,191,865	3,041,429
(b) Statutory Dues	2,804,665	3,294,592
(c) Security deposit	25,000	25,000
(d) Unclaimed dividend	424,600	41,000
(e) Credit balance of Customers	12,520,441	35,177,778
(f) Liability for Expenses	7,782,738	8,081,062
	<u>28,749,309</u>	<u>49,660,861</u>

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

Sl. No.	Description of Assets	Gross Block				Accumulated Depreciation			Net Block	
		Balance as at 01.04.2014	Addition/ during the year	Disposals during the year	Balance as at 31.03.2015	Depreciation/ Amortization during the year	Disposed during the year	Total Depreciation upto 31.03.2015	Balance as at 31.03.2015	Balance as at 31.03.2014
I.	<b>Tangible Assets:</b>									
	Freehold Land	-	-	-	20,624,687	-	-	-	-	-
	Leasehold Land	20,624,687	-	-	20,624,687	-	-	-	20,624,687	20,624,687
	Building	45,027,001	89,825,895	-	134,852,896	2,155,516	-	12,263,356	122,589,540	34,919,161
	Plant & Machinery	113,576,264	24,327,878	-	137,904,142	4,507,885	-	68,556,952	69,347,190	49,527,197
	Furniture & Fixtures	3,211,154	137,203	-	3,348,357	428,028	-	2,653,840	694,517	985,342
	Vehicles	14,153,032	8,467,369	30,400	22,590,001	7,994,330	28,880	11,514,357	11,075,644	6,158,702
	Office Equipments	2,934,612	196,680	-	3,131,292	1,033,863	-	2,415,115	716,177	1,553,360
	Computers	3,128,400	172,975	-	3,301,375	304,560	-	3,012,057	289,318	420,903
	<b>Total</b>	<b>202,655,150</b>	<b>123,128,000</b>	<b>30,400</b>	<b>325,752,750</b>	<b>11,978,759</b>	<b>28,880</b>	<b>100,415,677</b>	<b>225,337,073</b>	<b>114,189,352</b>
II.	Intangible Assets	-	-	-	-	-	-	-	-	-
III.	Capital work in progress	-	-	-	-	-	-	-	-	-
IV.	Intangible assets under developments	-	-	-	-	-	-	-	-	85057216
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85057216</b>
	<b>Previous year</b>	<b>232,365,171.00</b>	<b>11,435,904.00</b>	<b>41,145,925.00</b>	<b>202,655,150.00</b>	<b>109,098,933.00</b>	<b>39,202,280.00</b>	<b>88,465,798.00</b>	<b>114,189,352.00</b>	<b>123,266,238.00</b>

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**Advance Steel Tubes Limited**

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Particulars	Figures as at 31.03.2015	Figures as at 31.03.2014
<b>Note No. 10: Short Term Provisions :</b>		
(a) Provision for Employee Benefits	3,553,686	3,691,347
(b) Provision for Income Tax	3,666,934	23,290,000
(c) Provision for Dividend	1,480,000	1,480,000
(d) Dividend Distribution Tax	301,293	251,526
(e) Dividend Distribution Tax on Earlier Year	11,433	11,433
(f) Provision for Wealth Tax	11,138	3,390
(g) Other Provision		
Provision for Entry Tax	5,353,924	10,299,675
	<u>14,378,408</u>	<u>39,027,371</u>

**Note No. 12: Non Current Investments**

## Trade Investment in Joint Venture :

Investment in partnership firm (Pir Panchal construction-JV)	29,792,682	27,205,302
Investment in partnership firm (Advance Stimul Consortium)	2,291,393	2,359,664
	<u>32,084,075</u>	<u>29,564,966</u>

<b>Additional Information</b>			
Name of the Joint Venture	Place of incorporation	Share in Profit	Share in Profit
Pir Panchal Construction Pvt. Ltd. - JV	India	25%	25%
Advance Stimul - Consortium	India	50%	50%

**Note No. 13: Long Term Loans & Advances**

(a) Loans & Advances (Unsecured, Considered Good)		
Security Deposits	4,267,696	3,787,696
(b) Loans & Advances to related Party		
Secured, Considered Good	-	-
Unsecured, Considered Good	10,007,404	14,132,000
Doubtful	-	-
(c) Capital Advances		
Secured, Considered Good	-	-
Unsecured, Considered Good	-	5,050,000
Doubtful	-	-
	<u>14,275,100</u>	<u>22,969,696</u>

**Note No. 14 : Deferred Tax (Assets)/Liabilities (Net)**

Deferred Tax Assets on Account of:		
Provision for Doubtful Debts	6,426,718	6,221,828
Disallowance u/s 43B of the Income Tax Act, 1961	2,435,347	4,320,551
Business Profit/Loss carry forward	-	-
Other Disallowance	330,683	32,503
	<u>9,192,748</u>	<u>10,574,882</u>
Deferred Tax Liabilities on account of:		
Depreciation	11,677,180	8,240,796
	<u>11,677,180</u>	<u>8,240,796</u>
<b>Deferred Tax (Assets)/Liabilities (Net)</b>	<u>(2,484,432)</u>	<u>2,334,086</u>

**Note No. 15: Inventories**

(a) Raw Material*	135,905,158	174,043,218
(b) Finished Goods*	69,712,582	69,287,978
(c) Stock-in-Trade	-	-
(d) Stores & Spares*	12,923,136	12,125,572
(e) Scrap	3,950,690	2,443,626
	<u>222,491,566</u>	<u>257,900,394</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.

**Advance Steel Tubes Limited**

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Particulars	Figures as at 31.03.2015	Figures as at 31.03.2014
<b>Note No. 16: Trade Receivables</b>		
(a) Outstanding for a period exceeding six months		
Secured, Considered Good	-	-
Unsecured, Considered Good	126,493,941	90,977,162
Doubtful	19,808,039	19,176,538
	146,301,980	110,153,700
Less: Provision for Doubtful Debts	19,808,039	19,176,538
	126,493,941	90,977,162
(b) Outstanding for a period less than six months		
Secured, Considered Good	-	12,739,962
Unsecured, Considered Good	168,346,679	250,828,677
Doubtful	-	-
	168,346,679	263,568,639
<b>Total (a+b)</b>	<b>294,840,620</b>	<b>354,545,801</b>

**Additional Information**

Trade receivable include those Company/Firm in which any director is a member/director

3,329,189

19,394,517

**Note No. 17: Cash and Cash Equivalents**

(a) Balances with Banks:		
- in Current Account	3,950,786	3,659,112
- in Fixed Deposit	89,872,750	85,000,000
- Deposit as Margin/Earnest Money	29,645,387	29,941,737
(b) Cash in Hand	386,932	1,042,136
	123,855,855	119,642,985

**Note No. 18: Short Term Loans & Advances**

(a) Loans & Advances (Unsecured, Considered Good)		
Suppliers		
Secured, Considered Good	-	9,391,362
Unsecured, Considered Good	8,226,133	-
Employees	1,064,563	749,756
Security/Earnest Money	3,545,387	2,082,095
Other Advances*	10,980,050	1,695,878
(b) Others:		
Balance with Revenue Authority	18,854,663	23,684,895
Advance Income-Tax	15,389,896	26,943,448
	58,060,692	64,547,434

\*Other advances mainly included Price Escalation, rebate on purchases of raw material.

**Note No. 19: Other Current Assets**

(a) Export Incentives	35,980	14,441,208
(b) Unamortised/Prepaid Expenses	229,037	347,908
	265,017	14,789,116

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH 2015

Particulars	Figures Year ended 31.03.2015	Figures Year ended 31.03.2014
<b>Note No. 20: Revenue from Operations:</b>		
(a) Sale of products	958,502,310	1,426,612,883
(b) Sale of Services	95,709,175	92,952,838
(c) Other Operating Revenues (Export incentives)	-	14,855,974
	1,054,211,485	1,534,421,695
<b>Less:</b>		
(d) Excise Duty	91,145,148	113,238,091
<b>Total</b>	<b>963,066,337</b>	<b>1,421,183,604</b>

**Note No. 21: Other Income:**

(a) Interest Income (TDS Rs. 1138501/- Prev. Year Rs. 579343/-)	11,462,568	6,568,832
(b) Net gain on foreign currency transactions (other than considered as finance cost)	-	10,123,901
(c) Other Non operating income comprises:		
i) Rental Income	-	36,000
ii) Share of Profit from Joint Venture	2,519,110	5,690,400
iii) Commission received	-	-
iv) Profit on Sale of assets	23,480	67,779
v) Liabilities / provisions no longer required written back	-	1,022,318
vi) Miscellaneous Income	963,680	331,474
vii) Prior Period Income	25,000	460,983
viii) Excise Duty Refund	-	1,034,880
	<b>14,993,838</b>	<b>25,336,567</b>

**Note No. 22: Cost of Materials Consumed:**

(a) Opening Stock	144,286,542	124,473,853
(b) Add: Purchases During the Year	687,602,808	960,483,001
	831,889,350	1,084,956,854
Less: Closing Stock	126,409,050	144,286,542
<b>Consumption</b>	<b>705,480,300</b>	<b>940,670,312</b>

**Additional Information:****Product Wise Break -Up of Consumption**

H.R. Coil	421,395,715	633,515,529
Zinc	76,196,664	76,525,107
Black Pipe	43,400,475	59,725,216
Socket	2,964,354	9,132,212
Other Raw Material	161,523,092	161,772,248
	<b>705,480,300</b>	<b>940,670,312</b>

**Note No. 23: Purchase of Traded Goods:**

Pipes & Pipe Fittings Accessories	15,105,933	118,938,742
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Particulars	Figures Year ended 31.03.2015	Figures Year ended 31.03.2014
<b>Note No. 24: Changes in inventories of finished goods, work-in-progress and stock-in-trade:</b>		
(1) Inventories at the beginning of the year:		
(a) Work-in-Progress	-	-
(b) Finished Goods	71,731,604	79,580,288
(c) Stock-in-Trade	-	-
(2) Inventories at the end of the year:		
(a) Work-in-Progress	-	-
(b) Finished Goods	73,663,272	71,731,604
(c) Stock-in-Trade	-	-
(Increase)/Decrease during the year	<u>(1,931,668)</u>	<u>7,848,684</u>

**Note No. 25: Employees Benefit Expenses**

(a) Salaries & Wages#	47,847,628	46,392,878
(b) Contributions to provident and other funds*	3,151,840	2,809,243
(c) Staff welfare expenses **	3,946,179	3,723,961
	<u>54,945,647</u>	<u>52,926,082</u>

**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		21,858,830	19,336,720
(ii) Others interest	1,319,649		6,113,905
Less: "Interest recovered from parties"	529,277	790,372	2,713,369
(TDS on interest Rs. 41486/- PY Rs.219087/-)		<u>22,649,202</u>	<u>3,400,536</u>
(b) Other Borrowing Costs*		<u>7,605,252</u>	<u>8,330,501</u>
		<u>30,254,454</u>	<u>31,067,757</u>

**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.

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Particulars	Figures Year ended 31.03.2015	Figures Year ended 31.03.2014
<b>Note No. 27: Other Expenses</b>		
(a) Consumption of stores and spare parts	29,843,596	41,105,310
(b) Power & Fuel	35,056,288	35,991,017
(c) Rent	2,288,832	2,785,373
(d) Machinery Hiring Charges	-	8,000
(e) Repair & Maintenance - Building	1,850,710	689,825
(f) Repair & Maintenance - Plant & Machinery	761,433	1,198,801
(g) Insurance Expenses	814,977	1,383,663
(h) Rates & Taxes	2,190,673	2,241,472
(i) <u>Other Miscellaneous Expenses</u>		
(i) Job/Erection Charges	30,474,131	36,831,553
(ii) Carriage Inward	3,222,125	5,228,762
(iii) Testing, Inspection & ISI Marking Fee	449,691	538,129
(iv) Freight Outward	2,699,718	14,395,574
(v) Commission & Brokerage	5,579,273	11,759,666
(vi) Claims & Shortage	2,015,000	9,637,098
(vii) Consignment Expenses	-	-
(viii) Rebate & Discount	2,380,806	4,608,652
(ix) Packing Expenses	929,945	1,712,795
(x) Advertisement & Publicity	23,625	40,303
(xi) Sales Promotion expenses	792,541	593,647
(xii) Traveling Expenses	2,735,141	3,572,795
(xiii) Vehicle running, maintenance & Conveyance Expenses	6,870,579	7,465,023
(xiv) Electricity Expenses	24,924	25,575
(xv) Entry Tax Paid	107,076	-
(xvi) Provision for Entry Tax	-	1,366,275
(xvii) Printing & Stationery	616,209	677,199
(xviii) Other Repairs	1,541,605	1,467,596
(xix) Postage, Telegraph & Telephones	1,351,719	1,431,965
(xx) Capital WIP W/off.	-	899,374
(xxi) Auditor's Remuneration		
- Audit Fee	220,000	220,000
- Tax Audit Fees	35,000	35,000
- Certification	2,500	2,500
- Cost Audit Fees	50,000	50,000
(xxii) Legal & Professional Charges	4,269,180	3,906,523
(xxiii) Loss on Sale of DEPB	878,699	218,542
(xxiv) Service Tax Paid	658,085	777,229
(xxv) Bad Debts	-	-
(xxvi) Miscellaneous Expenses	465,164	574,143
(xxvii) Charity & Donation	24,100	1,000
(xxviii) Miscellaneous Balance W/off.	97,327	423,284
(xxix) Excess Provision of Export Income W/off	235,653	1,359,807
(xxx) Net loss/gain on foreign currency transactions	164,320	-
(xxxi) Liabilities / Provisions for Doubtful Debts	631,501	10,979,391
	<u>142,352,146</u>	<u>206,202,861</u>
<b>Note No. 28: Earning per Equity Share</b>		
(a) Net profit as per Profit & Loss statement	12,678,684	50,344,362
(b) Weighted average number of share of Rs. 10/- each end of the year	<u>740,000</u>	<u>740,000</u>
	<u>17</u>	<u>68</u>

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**SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

(Annexed to forming part of the accounts for the year ended 31<sup>st</sup> March 2015)

**NOTE NO. 1 - NATURE OF OPERATION**

The Company is engaged 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 principles, unless otherwise stated and comply with the accounting standard referred to in section 133 of the Companies Act 2013 read with rule 7 of company (Accounts) Rules 2014 to the extent applicable.

**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 & erection 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 contract 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 II of the Companies Act, 2013. 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

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sold discarded, demolished or destroyed. Also assets having higher life span as Companies Act, 2013 the difference of depreciation amounting to Rs. 17,59,631/- has been charged to the current year earnings as per the age defined in Schedule II of the Companies Act, 2013.

**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.

**NOTE NO. 29 - OTHER INFORMATION / DISCLOSURE**

**1. Contingent Liabilities**

A.	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
Bank Guarantees (including BG in the matter of Entry Tax)	200,392,703	176,619,254

B. The Company has preferred in appeal in the matter of Entry Tax liability from 30<sup>th</sup> September, 2008 to November, 2011 in the Hon'ble Supreme Court. As per the interim order 50% of disputed Tax & interest liability has ordered to deposit in cash and for the balance in Bank Guarantee, however Company has deposited most of the dues except the Rs.46,47,395/- for which Bank Guarantee of Rs.48,37,372/- has been provided. The Company has account for the entire disputed liabilities except interest on unpaid liability. Provision of such interest will be made on the disposal of the said appeal.

C. In the matter of Sale Tax / Central Sale Tax / VAT Act, Central Excise / Service Tax Act & Income Tax Act where the respective disputes have created demand the company has preferred appeal against the said demand at the appropriate authority. The management is of the view that these appeals will get disposed of in favor of the Company, hence no provision has been made however the Company has deposited partial payment and shown these as amount recoverable.

<u>Matter of litigation</u>	<u>Amount of demand</u>
i) Central Sale Tax	6,34,862/-
ii) Excise Duty	40,88,130/-
iii) Service Tax	1,31,19,436/-
iv) Income Tax	14,21,840/-



D. The Company has taken the EPC Project of UPPTCL through PNC Infratech Limited & A2Z Maintenance & Engineering Services Limited. The land owners from where transmission line is passing are creating & hampering the work, hence there is delay in completing the project. As per the terms of agreement UPPTCL has retained Rs. 4,44,51,701/- as penalty from time to time out of running payments. The company has already applied for the extension of time and is expected to get the time extended and expect no penalties shall be finally levied because of the above. The above amount is kept as recoverable from them and consider good. Liability if any on this account will be accounted for on the final outcome.

2. Share of profit from Pir Panchal Construction Pvt. Ltd. & 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 decrease in share of profit of Rs.22,42,943/- has been recognized during the year.

a. Pir Panchal Construction Pvt. Ltd. – JV	22,21,412/-
b. Advance Stimul Consortium	21,531/-

3. 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.)	
	<u>2014-2015</u>	<u>2013-2014</u>
(i) Principal amount remaining unpaid to any supplier at the end of accounting year.	--	--
(ii) Interest due on above	--	--
<b>Total of (i) &amp; (ii)</b>	--	--
(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.	--	--

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(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. -- --

4. Inventory lying with third party / consignees are NIL.
5. Confirmations 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.

**6. 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 Structural Limited
- Advance Enterprises (P) Limited
- Vishal Equity Services (P) Ltd
- 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 Consortium

(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:

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# Advance Steel Tubes Limited

CIN : L24231UP1978PLC004583



ADVANCE

Particulars	Transaction during the Year 2014-2015						Outstanding Balance As at 31.03.2015		
	Loan Given	Loan Taken Back	Loan Taken	Loan Repaid	Sales & Service	Purchase/ Services	Loan Liability	Loan Assets	Debtors/ Creditors
Marda Commercial & Holdings Limited	-- (--)	-- (--)	5,842,358 (4,003,371)	32,592,358 (1,153,371)	-- (--)	-- (--)	43,827,806 (64,247,372)	-- (--)	-- (--)
Advance Ispat (India) Limited	-- (--)	-- (--)	-- (13,500,000)	-- (13,500,000)	30,311,542 (64,961,721)	-- (--)	-- (--)	-- (--)	-- (11,137,213)
ADV Drilling Products PLC, Ethiopia	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
Tirupati Structural Ltd.	-- (--)	-- (--)	-- (--)	-- (--)	6,714,208 (1,291,693)	56,502 (108,756)	-- (--)	-- (--)	1,669,814 (754,248)
Advance Enterprises Pvt. Ltd.	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	1,348,320 (1,348,320)	-- (--)	-- (--)	-- (--)
Advance Infra Solutions Pvt. Ltd.	92,000 (4,000,000)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	5,007,404 (4,432,000)	-- (--)
Pir Panchal Construction Pvt. Ltd. - Joint Venture	-- (--)	4,700,000 (97,000,000)	-- (--)	-- (--)	-- (6,650,000)	-- (--)	-- (--)	5,000,000 (9,700,000)	1,237,500 (7,887,500)
Indian LPG Cylinders (A unit of Vishal Equity Services (P) Ltd.	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	421,875 (421,875)
Advance Stimul Engineering (P) Ltd.	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)

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

Managerial Remuneration u/s 198 of the Companies Act, 2013 to Directors.

Particulars		Gross Salary Current Year (Rs)	Gross Salary Previous Year (Rs.)
1) D.N. Agarwal	Managing Director / (CEO)	1220100	1218000
2) Aashish Agarwal	Whole Time Director	620100	618000
3) Parul Mishra	Company Secretary	240000	240000

## 7. Segment Reporting

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

## 8. Employee Benefits:

### (a) Defined Contribution Plans

The Company has recognized the contribution / liability in the Profit & Loss Account for the financial year 2014-15.

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9. (a) 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)	
	(2014-15)	(2013-14)	(2014-15)	(2013-14)
<b>1. Amount recognized in Balance Sheet</b>				
Present value of funded obligations	11,933,517	12,053,909	--	--
Fair value of plan assets	11,893,337	11,034,698	--	--
Present value of unfunded obligations	--	--	985,823	932,774
Unrecognized past service cost				
<b>Net Liability / (Assets)</b>	<b>100,180</b>	<b>1,019,211</b>	<b>985,823</b>	<b>932,774</b>
<b>Amount in Balance Sheet</b>				
Liability	100,180	1,019,211	985,823	932,774
Assets				
<b>Net Liability / (Assets)</b>	<b>100,180</b>	<b>1,019,211</b>	<b>985,823</b>	<b>932,774</b>
<b>2. Expenses recognized in the Profit &amp; Loss Account</b>				
Current service cost	814,391	889,550	132,364	134,264
Interest on defined benefit obligation	934,340	1,049,433	81,618	81,395
Expected return on plan assets	(946,585)	(1,070,400)	--	--
Net actuarial losses / (gain) recognized in the year	(112,786)	639,140	(22,884)	(180,097)
Past service cost				
Losses / (gains) on "Curtailments and Settlements"				
<b>Total, included in "Employee Benefit Expense"</b>	<b>689,360</b>	<b>1,507,723</b>	<b>191,098</b>	<b>35,562</b>
<b>3. Actual return on plan assets</b>	<b>904,555</b>	<b>967,450</b>	<b>--</b>	<b>--</b>
<b>4. Reconciliation of benefit obligations and plan assets for the period.</b>				
<b>a) Change in defined benefit obligation</b>				
Opening defined benefit obligation	11,679,248	11,993,517	932,774	1,017,440
Current Service Cost	814,391	889,550	132,364	134,264
Past Service Cost				
Interest cost	934,340	1,049,433	81,618	81,395
Actuarial losses / (gains)	(154,816)	536,190	(22,884)	(180,097)
Liabilities extinguished on curtailments	--	--	--	--
Liabilities extinguished on settlements	--	--	--	--
Liabilities assumed on acquisition	--	--	--	--
Exchange difference on foreign plans	--	--	--	--
Benefits paid	(1,279,646)	(2,414,781)	(138,049)	(120,228)
<b>Closing defined benefit obligation</b>	<b>11,993,517</b>	<b>12,053,909</b>	<b>985,823</b>	<b>932,774</b>
<b>b) Change in fair value of assets</b>				
Opening fair value of plan assets	10,818,114	11,893,337	--	--
Expected return on plan assets	946,585	1,070,400	--	--
Actuarial (gain) / losses	(42,030)	(102,950)	--	--

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# Advance Steel Tubes Limited

CIN : L24231UP1978PLC004583



ADVANCE

Assets distributed on settlements	--	--	--	--
Contributions by employer	1,450,314	588,692	--	--
Assets acquired due to acquisition	--	--	--	--
Exchange difference on foreign plans	--	--	--	--
Benefits paid	--	--	--	--
<b>Closing fair value of plan assets</b>	<b>11,893,337</b>	<b>11,034,698</b>	--	--
<b>5. Assets information</b>				
<b>Category of assets</b>				
Investment with Insurer	100%	100%	--	--
Others	--	--	--	--
<b>6. Summary of the actuarial assumptions</b>				
Discount rate	8.75%	7.75%	7.75%	8.75%
Expected rate of return on assets	8.75%	8.75%	--	--
Future salary increase	6.25%	5.25%	5.25%	6.25%

	(2014-15)	(2013-14)	(2012-13)	(2011-12)	(2014-15)	(2013-14)
<b>7. Amount for the current &amp; previous year are as follows.</b>						
a) Defined benefit obligation	12,053,909	11,993,517	11,679,248	9,897,277	932,774	1,017,440
b) Plan Assets	11,034,698	11,893,337	10,818,114	9,079,040	--	--
c) Surplus / (Deficit)	(1,019,211)	(100,180)	(861,134)	(818,237)	932,774	(1,017,440)
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.7.00 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 31<sup>st</sup> March, 2015, based on actuarial valuation amounting to Rs.985,823/- (P.Y. Rs.932,774/-) Lac has been recognized in the profit & loss account.

10. 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):

*JMS*

- (a) Aggregate amount of each of the assets, liabilities, income and expenses related to interest in Pir Panchal Construction Pvt. Ltd. – JV and Advance Stimul Consortium- Joint Venture.

Particulars	Pir Panchal Construction (P) Ltd. - JV		Advance Stimul Consortium	
	Current Year (Provisional)	Previous Year (Audited)	Current Year (Provisional)	Previous Year (Audited)
Assets	77,76 5,795	80,868,818	37,531,803	45,106,797
Reserves & Surplus	29,792,683	24,983,890	2,067,774	2,129,845
Liabilities	47,973,112	55,884,928	35,464,030	42,976,952
Income	27,578,905	72,546,550	21,806,374	71,105,801
Expenses	20,293,958	68,592,081	21,868,446	69,797,029
Tax Expense	2,476,153	1,384,371	--	5,03,318
Contingent Liability - BG O/s	--	--	--	--
Capital Commitments	--	--	--	--

- (b) List of Joint Ventures

Sr. No.	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

11. Earning in Foreign Exchange

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

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

Sr. No.	Particulars	As at 31 <sup>st</sup> March '2015		As at 31 <sup>st</sup> March '2014	
		USD (\$)	INR (Rs.)	USD (\$)	INR (Rs.)
1.	Trade Receivables	NIL	NIL	NIL	NIL

13. 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)

*Adw*

14. Expenditure in Foreign Currency Rs.604,000/- (P.Y. Rs.4,975,616/-)

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

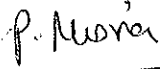
For and on behalf of the Board of Directors.

As per our report of even date attached

For Ashok Somani & Associates

Chartered Accountants

Firm Regn. No. 12171-N



Parul Mishra  
Company Secretary

M. No.: A16018

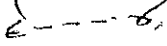
909, Hindon Heights, Sector - 4,  
Vaishali, Ghaziabad (UP)



Lalit Agarwal  
Director

DIN: 00109920

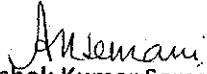
B-16, Swasthya Vihar, Delhi



D. N. Agarwal  
Managing Director

DIN: 00586794

B-16, Swasthya Vihar, Delhi



Ashok Kumar Somani  
Partner, M. No. 82504

C-12, Tarang Apartment,  
19, Patpar Ganj, Delhi

Place: Sahibabad

Dated: 30/05/2015