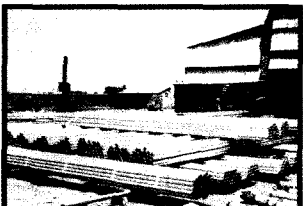




# TAMILNADU STEEL TUBES LIMITED

33<sup>rd</sup> ANNUAL REPORT 2011-2012





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# TAMILNADU STEEL TUBES LIMITED

Registered Office No.15, Kondi Chetty Street,  
Hindustan Chamber of Commerce Building, Chennai- 600 001.  
Phones: 2538 5653 / 2538 5673 / 2538 5733 ; Fax: 091-44-2538 7352  
e-mail: [tnstl@vsnl.net](mailto:tnstl@vsnl.net) website: [www.tamilnadusteeltubesltd.com](http://www.tamilnadusteeltubesltd.com)

## ANNUAL REPORT 2011-2012

### BOARD OF DIRECTORS AS ON 31.03.2012

		<b>Sri. RAKESH GOYAL</b> Managing Director
		<b>Sri. M.J. LAKSHMI NARASIMHA RAO</b>
		<b>Sri. MAHAVEER SINGH</b>
		<b>Sri. VIKRAM SINGH</b>
		<b>Sri. PRADIP KUMAR DUBEY</b>
<b>COMPANY SECRETARY</b>	:	<b>Mr PRAKASH CHANDRA PANDA</b> Company Secretary CHENNAI – 600 001.
<b>ADVISOR:-</b>		
<b>LEGAL</b>	:	<b>Mr P.R. SHANKAR, Advocate</b> High Court of Madras CHENNAI – 600 104.
<b>STATUTORY AUDITORS</b>	:	<b>M/s ABHAY JAIN &amp; CO.</b> Chartered Accountants CHENNAI - 600 001
<b>COST AUDITORS</b>	:	<b>Mrs LATHA VENKATESH</b> Cost Accountant CHENNAI - 600 001
<b>BANKERS</b>	:	<b>THE JAMMU AND KASHMIR BANK LTD.,</b> CHENNAI – 600 002.  <b>CITY UNION BANK LTD.</b> CHENNAI - 600 001
<b>WORKS</b>	:	<b>Plot : B-10</b> <b>Maraimalai Nagar, Industrial Complex,</b> <b>M. M. NAGAR - 603 209</b> <b>Kancheepuram Dist.</b>



**THIRTY THIRD ANNUAL GENERAL MEETING****NOTICE :**

**NOTICE** is hereby given that the 33<sup>rd</sup> Annual General Meeting of the Company will be held at 10.00 a.m. on Saturday, the 29<sup>th</sup> September 2012, at No. 143, "SIR PITTI THIYAGARAYA COMMUNITY CENTRE, G.N. Chetty Road, T.Nagar, Chennai-600 017, to transact the following business:

**ORDINARY BUSINESS:**

**1. To receive, consider and adopt the Balance Sheet** of the company as at 31<sup>st</sup> March 2012, the Statement of Profit and Loss for the year ended that date, and the Reports of the Board of Directors and Auditors thereon.

**2. To appoint Director/s:**

a) to appoint a Director in place of Sri Mahaveer Singh, who retires by rotation at this Meeting and being eligible, is proposed for re-appointment ;

b) to appoint a Director in place of Sri Pradip Kumar Dubey, who retires by rotation at this Meeting and being eligible, is proposed for re-appointment ;

**3. To appoint Auditors** to the Company to hold Office until the conclusion of the next Annual General Meeting, and to fix their remuneration. M/s Abhay Jain & Co. Chartered Accountants are proposed for re-appointment.

By Order of the Board

for **TAMILNADU STEEL TUBES LTD.**

Sd/-

**MAHAVEER SINGH**

Director

Place: CHENNAI

Date : 29.06..2012

**NOTE :-**

- i. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself, and the proxy need not be a Member. Duly executed Proxies must be deposited at the Regd. office of the company not less than 48 Hours before the time fixed for the Meeting.
- ii. The Register of Members and Share Transfer Books of the Company will remain closed from 22.09.2012 to 29.09.2012 (both days inclusive).
- iii. Members are requested to intimate any change in their addresses registered with the Company.
- iv. Members are requested to bring the copy of the Annual Report with them.
- v. No Gifts will be distributed.

**Explanatory Statement U/S 173(2) of the Companies Act 1956:-**

Mr Pradip Kumar Dubey, was appointed as an Independent Director by the Board on 07.11.2011 under Sec.260 of the Companies Act 1956. He ceases to be a Director at this General Meeting and a Shareholder having expressed with the intention to propose the appointment of Sri Pradip Kumar Dubey as a Director, a Resolution is proposed for appointing a Director. He is a Graduate with more than 15 years experience and he is not disqualified to act as a Director.

**DIRECTORS' REPORT**

**Your** Directors present the 33<sup>rd</sup> Annual Report on the working of the Company for the Year 2011-2012..

**RESULTS :-**
**( Rupees in Lacs)**

Particulars	This Year	Previous Year
Revenue from Operations & other Income	8,088.60	7,760.20
Cost of Material consumed	7,364.27	6687.75
Purchase of Stock in Trade	128.78	229.39
Changes in inventories of Finished Goods	(112.48)	(65.41)
Payment to Employees	88.46	72.99
Financial Expenses	79.65	231.25
Depreciation	21.56	21.61
Amortization Expenses	-	-
Other Expenses	422.63	584.78
Exceptional items	-	-
Extraordinary items	-	-
Profit before Tax	95.73	(2.16)
Current Tax	26.75	-
Deferred Tax	(2.05)	3.03
Profit / (Loss) for the period	71.03	0.87

The trend indicates a slight improvement in the operational results in spite of fall in global recession, fall in demand, and violent fluctuations in Steel Prices. Further improvement is expected in the coming year with revival of economy.

**EXPORT:-** No Export has been done during the year as well as in the previous year. The absence in Exports is due to un-remunerative overseas pricing and fall/variations in Dollar (\$) prices.

YOUR Company has become a "Sick" Industrial Company within the meaning of Clause (O) of Sec.3 of the Sick Industrial Companies (Special Provisions) Act 1985, and has been Registered with BIFR (Board for Industrial & Financial Reconstructions), New Delhi. Indian Bank (HO), Chennai-1 appointed as "Operating Agency" (O.A), by BIFR. The Hon' ble BIFR after examining the final report at their final hearing, passed Orders sanctioning the Rehabilitation Scheme by allowing certain concessions. As per the Sanctioned Scheme (SS), the company is acting on it by complying necessary formalities and regularly submitting Compliance Reports/Progress Reports periodically therefor. In view of the present status of the Company, the Company has submitted the Modified Draft Rehabilitation Scheme (MDRS) Proposal to the Hon'ble BIFR, for inclusion of certain non statutory liabilities and requested to accept MDRS, and the same was also allowed by the Hon'ble BIFR. Hence, the Company has submitted the necessary MDRS proposal to the O.A. (Operating Agency) viz. Indian Bank, and the process is going on.

**LISTING FEES:** Listing Fees has been paid up to date for the year 2011-12 for all the Stock Exchanges viz. Madras(Regional), Mumbai and Ahmedabad.

**PARTICULARS IN REGARD TO CONSUMPTION OF ENERGY:** Details are furnished in the Annexure.

**DIRECTORS :** Mr Mahaveer Singh & Mr Pradip Kumar Dubey, Directors, who retires by rotation at this Annual General Meeting, have been proposed for re-appointment

**INDUSTRIAL RELATIONS:** Industrial Relations have continued to be good during the year.



**REPORT ON CORPORATE GOVERNANCE :-** Your Board of Directors have taken note of the amendments to the Listing Agreement communicated by the Stock Exchanges as prescribed by SEBI and have also noted the Schedule for implementation of the Amendments.

a) **AUDIT COMMITTEE :-** Your Directors have constituted an Audit Committee consisting of Sri MJ Lakshmi Narasimha Rao (Independent Director) as Chairman, Mr Pradip Kumar Dubey (Independent/Non-Executive Director), Mr Mahaveer Singh and Mr Vikram Singh (Non-Executive Directors) as its present Committee Members, having regard to Annexure-2 under Clause 49 of the Listing Agreement, to consider matters specified in the paragraphs as well as any other matters that may be referred to the Committee under the provisions of the Corporate Governance.

b) **SHAREHOLDERS' GRIEVANCES COMMITTEE: -** Your Directors have also constituted a "Shareholders' Grievances Committee" consisting of Mr MJ Lakshmi Narasimha Rao (Director) as Chairman and Mr Mahaveer Singh and Mr Vikram Singh (Directors) as Committee Members, having regard to Annexure-2 under Clause-49 of the Listing Agreement, to consider matters specified in the paragraphs as well as any other matters that may be referred to the committee under the provisions of the Corporate Governance.

c) **DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE:** As per Clause 49-IV (G)(ia), of the Listing Agreement, (Amended) vide SEBI Circular dt. 08.04.2008:- All the Directors of the Company, viz. Mr Rakesh Goyal, Managing Director, Mr MJ Lakshmi Narasimha Rao, Mr Mahaveer Singh, Mr Vikram Singh, Mr Pradip Kumar Dubey, Directors, are not related to each other, and they are also not having any interest in any other Companies.

**REPORT ON MANAGEMENT DISCUSSION & ANALYSIS (MD & A) :** This Report in detail is included in "Report on Corporate Governance" annexed in this Annual Report.

**DIRECTORS' RESPONSIBILITY STATEMENT :-** In terms of Sec.217(2AA) read with Section 292A of the Companies Act 1956, we, the Directors of Tamilnadu Steel Tubes Ltd., state in respect of Financial Year 2011-12 that ;

- a) in the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures ;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the Profit of the Company for that period ;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this 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 on a "going concern" basis;

**LIST OF EMPLOYEES FALLING UNDER SEC.217(2A) OF THE COMPANIES ACT 1956 :-**  
Nil

**ACKNOWLEDGEMENT :-** Your Directors acknowledge and wish to place on record the support and co-operation received by the Company from Central Govt., State Govt., and the Bankers.

On Behalf of the Board

Sd/-

**RAKESH GOYAL**  
Managing Director

PLACE : CHENNAI  
DATE : 29.06.2012



ANNEXURE

Form for disclosure of particulars with respect to conservation of Energy:

A. POWER & FUEL CONSUMPTION :

	2011-2012	2010-2011
<b>1. ELECTRICITY</b>		
a) Purchased Unit KWH :	13,22,908	12,55,408
Total Amount :	68,87,371	70,33,551
Rate / Unit :	5.21	5.60
b) Own Generation	-	-
i. Through Diesel Generator Units :	3,09,355	2,60,585
Units per Ltr. of Diesel Oil :	2.50	2.50
Cost / Unit :	15.80	17.36
ii. Through Steam Turbine/Generator Units :	-	-
Units per Ltr. of Fuel Oil Gas Cost/Unit :	-	-
<b>2. COAL (Specify quality and where used)</b> :	-	-
Qty. (Tonnes) :	-	-
Total Cost :	-	-
Average Rate :	-	-
<b>3. FURNACE OIL</b>	-	-
Qty. (Ltrs./MTs) :	297.900 MT.	295.049MT.
Total Cost :	97,90,432	133,88,650
Average Rate per Ltr./Kg. :	32.86 / Kg.	45.38 / Kg.
<b>4. OTHER INTERNAL GENERATION</b>	-	-
Qty. :	-	-
Total Cost :	-	-
Rate / Unit :	-	-

B. CONSUMPTION PER UNIT PRODUCTION

PRODUCT DETAILS : E.R.W. MS PIPES AND GALVANIZED PIPES

UNIT	STANDARD	2010-2011	2011-2012
ELECTRICITY	110.28 UNIT/M.T. OF BLACK PIPES PRODUCTION	105.28 UNIT/M.T. OF BLACK PIPES PRODUCTION	
FURNACE OIL	26.59 LTR/M.T. OF BLACK PIPES GALVANIZED	33.44 Kg./M.T. OF BLACK PIPES GALVANIZED	
COAL OTHERS	-	-	

By Order of the Board

PLACE : CHENNAI  
DATE : 29.06.2012

Sd/-  
**RAKESH GOYAL**  
Managing Director

Sd/-  
**MAHAVEER SINGH**  
Director



**CORPORATE GOVERNANCE REPORT**
**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

**TAMILNADU STEEL TUBES LTD.** believes that good Corporate Governance is essential to achieve long term corporate goals and to enhance stakeholders value. The Company's philosophy on Corporate Governance envisages attainment of high-level transparency, accountability, and integrity in the functioning of the Company, the conduct of its business, its relationship with employees, stakeholders, creditors, customers and institutional lenders. The Company places due emphasis on regulatory compliance.

**2. BOARD OF DIRECTORS**
**A. COMPOSITION OF BOARD**

The Company's current policy is to maintain the independence of the Board, and to separate the functions of Governance and Management. The Board consists of 5 (Five) Directors as on 29.06.2012.

During the period ended 31<sup>st</sup> March 2012, Nine ( 9 ) Board Meetings were held on the following dates viz.14.05.11, 30.05.11, 13.07.11, 13.08.11, 26.08.11, 08.10.11, 07.11.11, 11.02.2012 and on 28.03.2012, presided by Sri MJ Lakshmi Narasimha Rao, Director, excepting on 08.10.2011 when Sri Vikram Singh/Director, was presided.

The composition and Category of Members of the Board are as under:

S.No.	Names	Category
01	Mr Rakesh Goyal	Managing Director
02.	Mr M.J.Lakshmi Narasimha Rao	Director (Independent)
03.	Mr Mahaveer Singh	Director (Independent)
04.	Mr Vikram Singh	Director
05.	Mr Pradip Kumar Dubey	Director (Independent)

None of these Directors/Managing Director, are as a Member/Chair-Person of any other Boards or Board Committees.

**B. PECUNIARY RELATIONSHIP [ as per Clause 49(IV)(E)(i) ]**

Non Executive Directors/Independent Directors are committed to the high level of Corporate Governance and as such, they do not have any material pecuniary relationship with the Company.

**C. ATTENDANCE RECORD OF THE DIRECTORS**

S.No.	Names	Board Meetings Attended during the period	Attendance at last AGM on 29.09.2011
01	Mr Rakesh Goyal	09	Present
02.	Mr M.J.Lakshmi Narasimha Rao	08	--
03.	Mr Mahaveer Singh	09	Present
04.	Mr Vikram Singh	09	Present
05.	Mr Pradip Kumar Dubey[fr.07.11.11]	02	--

**D. DETAILS OF REMUNERATION PAID TO DIRECTORS:**

01.	Mr Rakesh Goyal	-	Rs. 18,00,000
02.	Mr Mahaveer Singh	-	Rs. 5,52,000
03.	Mr Vikram Singh	-	Rs. 2,64,667

The Company pays Sitting Fees of Rs.200/- to the Director Mr MJ Lakshmi Narasimha Rao, and Mr Pradip Kumar Dubey, for each Board Meeting and Committee Meetings attended. No sitting fees were paid to Directors Mr Mahaveer Singh and Mr Vikram Singh.

**E. CODE OF CONDUCT & ETHICS**

The Company adopted the Code of Conduct and Ethics for Directors and Senior Management Personnel. The Code has been circulated to all the members of the Board and Senior Management. The Board of Directors and Senior Management Personnel have affirmed their compliance with the Code and a declaration along with certificate of compliance appears in the annexure to the Corporate Governance Report.

**3. COMMITTEE OF THE BOARD**
**I - AUDIT COMMITTEE**

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's overview responsibilities, an Audit Committee has been constituted as a Sub-Committee of the Board.

**a) Functions of the Committee :**

- i) Reviewing the Company's Financial and Risk Management Policies.
- ii) Reviewing the adequacy of Internal Control Systems and Internal Audit Reports, and their Compliance thereof.
- iii) Oversight of the Company's Financial Reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- iv) Reviewing Audit plans, audited and unaudited financial results and finding of Auditors and recommends to the Board for its approval.

**b) Composition of the Committee :**

S.No.	Names of the Committee Members	No. of Meetings held during the period	
		Held	Attended
01	Mr M.J. Lakshmi Narasimha Rao (Chairman)	04	04
02.	Mr Mahaveer Singh	04	04
03.	Mr Vikram Singh	04	04
04.	Mr Pradip Kumar Dubey	04	01

Mr Vikram Singh (Non Executive Director) and Mr Pradip Kumar Dubey, Mr Mahaveer Singh (both Independent Directors/Non Executive Directors on the Board) are Members of the Audit Committee, and Mr M J Lakshmi Narasimha Rao, (Independent Director) is the Chairman of the Audit Committee. Dates of Audit Committee Meeting held: 30.04.11, 30.07.11, 07.11.11 & 18.01.2012.

**II - SHAREHOLDERS' GRIEVANCES COMMITTEE**

The Company has constituted a Shareholders' Grievances Committee as a Sub-Committee to the Board of Directors, consisting of Mr MJ Lakshmi Narasimha Rao (Independent Director) as Chairman, Mr Mahaveer Singh (Non-Executive Director) and Mr Pradip Kumar Dubey Mr Vikram Singh (both Independent/ Non-Executive Directors) as Committee Members, having regard to Annexure-2 under Clause 49 of the Listing Agreement, to consider matters regarding redressal of Shareholders' complaints/grievances, and any other matters that may be considered necessary in relation to the shareholders of the company under the provisions of the Corporate Governance. Grievances Committee E-mail ID : [tnt.share@yahoo.in](mailto:tnt.share@yahoo.in) The company is also having website address (i.e) [www.tamilnadusteeltubesltd.com](http://www.tamilnadusteeltubesltd.com) in compliance of the Directions of SEBI / Stock Exchanges.

**4. GENERAL BODY MEETING**

Venue and time of the last three Annual General Meetings as under:

<b>Fin. Year</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>
2008-2009	29.09.2009	10.00 a.m.	RANI SEETHAI HALL 603, Anna Salai, Chennai – 6
2009-2010	29.09.2010	10.00 a.m.	RANI SEETHAI HALL 603, Anna Salai, Chennai – 6
2010-2011	29.09.2011	10.00 a.m.	RANI SEETHAI HALL 603, Anna Salai, Chennai – 6

All the Resolutions including the "Special Resolutions" (wherever applicable), set out in the respective Notices were passed by the Shareholders. The Company shall comply with the requirements relating to postal ballots as and when necessary.

**5. DISCLOSURES:**

**a) Related Party Transactions :-** As the Company do not have any transactions with any related parties, except Salary to Managing Director (MD) and Loans taken from Managing Director and relatives, as indicated in the "Notes on Accounts" the disclosure on this subject may not apply to us at present.

**b) Disclosures of Accounting Treatment :-**

The Accounting Standards are being followed by the Company in accordance with Indian GAAP, provisions of the Companies Act 1956, and comply in material aspects with the Accounting Standards notified U/S 211(3C) of the Act read with companies (Accounting) Standard Rules, 2006. There is no change in the Accounting Standard & Policies.

Transactions related to "Accounting" during the period are disclosed under Heading "Notes to the Financial Statements" attached to the Accounts in the Annual Report. During the last three years period, there was no strictures or penalties imposed by either SEBI or the Stock Exchanges or any other statutory authorities for non compliance of any other matter related to Capital Market.

- c) **C.E.O./C.F.O. Certification :-** A Certificate from the Managing Director of the Company was placed before the Board, which is also furnished as Annexure to this Report.
- d) **Number of Shares/Convertible Instruments held by Non-Executive Directors as per Clause 49(IV)(E)(iv) of the Listing Agreement :-** None of the Executive/Non-Executive Directors of the company are holding shares/convertible debentures.

## **6. REPORT ON MANAGEMENT DISCUSSION & ANALYSIS (MD & AR) :**

a) **Industry Structure & Developments :-** The Steel Industry has been going through a major recession during the recent years. However, the Steel Markets have shown signs of recovery. With the current trend of prices, the Steel Companies hope to leave the worst behind and come up with positive results in the coming years.

b) **Opportunities & Threats :-** During the period, even with the severe pressure on volume and price realization, your company has been able to post a substantial increase in its turnover. With the Steel Markets firming up, your Company hopes to achieve a much higher turnover in the years to come. Your company is well positioned to take advantage of attractive growth opportunities by offering wide range of products to suit the needs of the consumer in the Steel Industry.

c) **Performance (Product-wise) :** Your Company has been endeavoring to set new landmarks in the field of "In-House" product development - E.R.W. Black & Galvanized Steel Tubes/Pipes - in the Steel Market.

d) **Outlook :-** Your Company will seek attractive opportunities in other growth areas in the Steel Sector in the coming years.

e) **Risks and Concerns :-** Your Company is exposed to the normal Industry Risk Factors, and manages these risks by following prudent business and risk management practices.

f) **Adequacy of Internal Control :-** Your Company maintains a system of internal control, including suitable monitoring procedures. The internal auditors regularly conduct review of the financial and operating controls. Any significant issues, are brought to the attention of the Audit Committee of the Board.

### **g) Financial Performance (Operational Performance):-**

YOUR Company has become a "Sick" Industrial Company within the meaning of Clause (O) of Sec.3 of the Sick Industrial Companies (Special Provisions) Act 1985, and has been Registered with BIFR (Board for Industrial & Financial Reconstructions), New Delhi. Indian Bank (HO), Chennai-1 appointed as "Operating Agency" (O.A), by BIFR. The Hon'ble BIFR after examining the final report at their final hearing, passed Orders sanctioning the Rehabilitation Scheme by allowing certain concessions. As per the Sanctioned Scheme (SS), the company is acting on it by complying necessary formalities and regularly submitting Compliance Reports / Progress Reports periodically therefor.

In view of the present status of the Company, the Company has submitted the Modified Draft Rehabilitation Scheme (MDRS) Proposal to the Hon'ble BIFR, for inclusion of certain liabilities and requested to accept MDRS, and the same was also allowed by the Hon'ble BIFR.. Hence, the Company has submitted the necessary MDRS proposal to the O.A. (Operating Agency) viz. Indian Bank, and the process is going on.

h) **Human Resources :-** The Company continued to have cordial and harmonious relationship with its Employees during the period.

**7. MEANS OF COMMUNICATIONS**

The Quarterly Results are communicated to all Stock Exchanges whereby the Company's Shares are Listed as soon as the same are approved and taken on record by the Board of Directors of the Company. Further, the Results are published in Local Dailies such as "MAKKAL KURAL" (Tamil) and "TRINITY MIRROR" (English).

**8. GENERAL SHAREHOLDERS' INFORMATION**
**a) Annual General Meeting**

Date & Time : 29.09.2012, Saturday. 10.00 a.m.  
 Venue : "Sir Pitti Thiyagaraya Community Centre"  
 143, G.N.Chetty Road  
 T Nagar, Chennai-600 017

**b) Tentative Financial Calender for the Fin. Year 2012-2013**

Financial Reporting for the	<u>On or Before</u>
Quarter Ended : 30.06.2012	: 14.08.2012
Quarter Ended : 30.09.2012	: 15.11.2012
Quarter Ended : 31.12.2012	: 15.02.2013
Quarter Ended : 31.03.2013	: 15.05.2013

c) **Date of Book Closure** : 22.09.2012 to 29.09.2012  
 (Both days inclusive)

d) **Dividend Payment Date** : Not applicable

e) **Listing on Stock Exchanges** : 1. Madras Stock Exchange Ltd. (Regional)  
 2. Bombay Stock Exchange Ltd.  
 3. Ahmedabad Stock Exchange Ltd.

f) **Registrar & Transfer Agents** : The Company is having their own in-house Shares Dept.

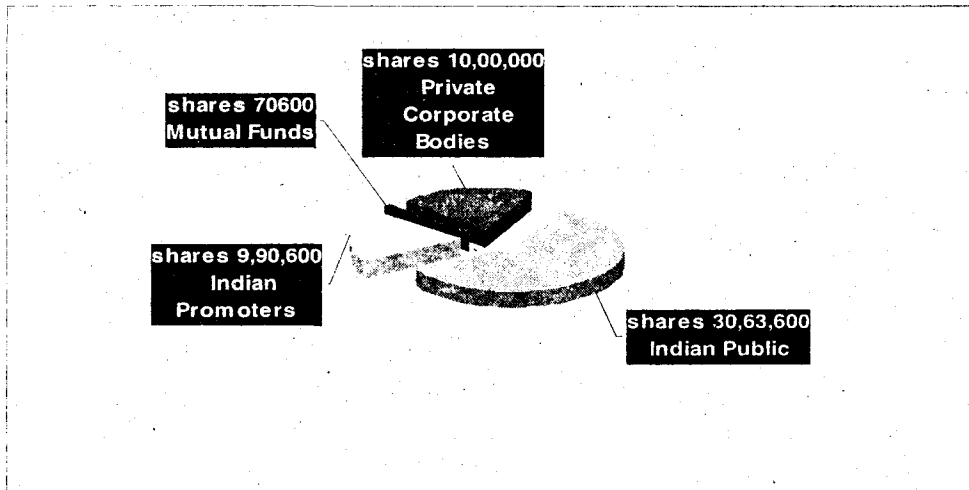
g) **Share Transfer System** : All the Share Transfers are done in physical form within 30 days from the date of receipt of Share Transfer Requests.

**h) Distribution of Shareholding as on 31.03.2012**

No. of Shares	Share Holders		Total No. of Shares	Percentage of Holding
	Number	%		
1 to 5,000	14,278	99.62	23,91,700	46.67
5,001 to 10,000	22	0.16	1,70,590	3.33
10,001 to 20,000	12	0.08	1,74,000	3.40
20,001 to 30,000	2	0.01	51,400	1.00
30,001 to 40,000	2	0.01	80,000	1.56
40,001 to 50,000	1	0.01	50,000	0.98
50,001 to 1,00,000	6	0.04	4,67,100	9.11
above 1,00,000	10	0.07	17,40,010	33.95
<b>TOTAL</b>	<b>14,333</b>	<b>100.00</b>	<b>51,24,800</b>	<b>100.00</b>

**i) Shareholding Pattern as on 31.03.2012 :**

S.No.	Category	No. of Shares Held	% of Share Holdings
01.	Indian Promoters	9,90,600	19.33
02.	Mutual Funds	70,600	1.38
03.	Private Corporate Bodies	10,00,000	19.51
04.	Indian Public	30,63,600	59.78
<b>Total</b>		<b>51,24,800</b>	<b>100.00</b>



**j) Address for Correspondence**

For any assistance with regard to Share Transfers, Transmission, issue of Duplicate Certificates, Change of Address, Non-receipt of Annual Reports etc., Investors are requested to write to the Regd. Office of the Company, viz. Tamilnadu Steel Tubes Ltd., Hindustan Chamber of Commerce Bldg., No. 15, Kondi Chetty Street, Chennai-600 001.

**k) Dematerialization of Shares :-**

The Company has approached CDSL and NSDL and the necessary action for dematerialization is in the process.

**l) Re-Appointment of Director/s (As per Clause 49 (IV)(G)(i) of the Listing Agreement) :**

S.No	Details	Mr. MAHAVEER SINGH	Mr. PRADIPKUMAR DUBEY
1	Brief Resume of Directors	54 Years B.A	48 Years B.A
2	Nature of his expertise in Specific functional areas	An experienced Technician particularly in E R W Tube Manufacturing and has more than 24 years experience in this industry.	An experienced Technician particularly in ERW Tubes and having a vast experience in this industry for more than 15 years
3	Name of the companies in which the person also holds the Directorship and the membership of Com- mittees of Board	NIL	NIL

**m) Company's C.I.N.**

[Corporate Identity Number] : L27110TN1979PLC007887

**n) Plant Location**

: B-10, Maraimalai Nagar Industrial Complex  
M.M. NAGAR – 603 209  
Kancheepuram District., Tamil Nadu.

**9. C.E.O. / C.F.O. CERTIFICATION:**

[ As per Clause-49 (V) of the Listing Agreement ]

**C E R T I F I C A T E**

This is to certify that to the best of our knowledge and belief,

a) We have reviewed the Balance Sheet of the Company as at 31<sup>st</sup> March 2012, the Profit & Loss Account and all its Schedules and Notes on Accounts as well as the Cash Flow Statements for the year ended that date, and the Directors' Report ;

b) these Statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading ;

c) these statements together present a true and fair view of the company, and are in compliance with the existing accounting standards and/or applicable laws and regulations

d) we are responsible for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the company; and they have also disclosed to the Auditors and the Audit Committee and confirm them to be adequate

e) there is no instances of significant fraud involving management or the significant role of employees in the Company's internal control systems, to be disclosed to the Auditors as well as the Audit Committee ;

f) we have indicated to the Auditors, the Audit Committee and in the Notes on Accounts as to the Accounting Policies being followed by the company during the year, and there were no changes in the Accounting Policies.

Sd/-

Place : Chennai

Date : 29.06.2012

**RAKESH GOYAL**

Managing Director

**10. Declaration regarding compliance by Board Members and Senior Management Personnel with the Code of Conduct & Ethics : [As per Clause 49(I)(D)(ii) of Listing Agmt.]**

This is to inform you that the company has adopted a Code of Conduct & Ethics applicable to all the Members of the Board of Directors and Senior Management Personnel of the Company. I confirm that the company in respect the financial year ended March 31, 2012 received from all the Members of the Board of Directors and Senior Management Personnel of the Company, a declaration of compliance with the Code of Conduct and Ethics as applicable to them.

Sd/-

Place : Chennai

Date : 29.06.2012

**RAKESH GOYAL**

Managing Director

**11. NON MANDATORY REQUIREMENTS**

The Directors have not at the moment concentrated on "Non-Mandatory" requirements of the Stock Exchanges.



**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To:  
The Members of  
Tamilnadu Steel Tubes Limited  
CHENNAI.

We have examined the compliance of conditions of corporate governance by Tamilnadu Steel Tubes Limited, for the year ended on 31<sup>st</sup> March 2012, as Stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges in India.

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

In our opinion and to the best of information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For ABHAY JAIN & Co.,  
Chartered Accountants  
FRN No. : 000008S**

**Place : Chennai  
Date : 29.06.2012**

Sd/-  
**(A. K. JAIN)  
Partner  
M.No 70224**



**AUDITORS' REPORT****TO THE MEMBERS OF M/s TAMILNADU STEEL TUBES LTD.,  
CHENNAI**

1) We have audited the attached Balance Sheet of M/S. TAMILNADU STEEL TUBES LIMITED, as at 31st March 2012, the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2) We have conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3) As required by the Companies (Auditors Report) order, 2003 as amended by the companies (Auditors' Report) (amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement of matters specified in paragraph 4 and 5 of the said Order.

4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

a) We have obtained all the information and explanations, which to the best of our knowledge and belief where necessary for the purposes of our audit;

b) In our opinion, proper Books of Accounts as required by law has been kept by the Company, so far as it appears from our examination of those books.

c) The Balance Sheet, Profit and loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;

d) In our opinion, the Balance Sheet and Profit & Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the accounting standards as referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.

e) On the basis of written representation received from the Directors, as on 31st March 2012 and taken on record by the board of directors, we report that none of the Directors are disqualified as on March 31st, 2012 from being appointed as a director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.



f) In our opinion and to the best of our information and according to the explanations given to us, and the said accounts read together with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012 ;
- b) In the case of Profit and Loss Account of the Profit for the year ended on that date ;
- c) In the case of the Cash Flow Statement of the Cash Flow for the year ended as of that date.

**For ABHAY JAIN & CO.,  
Chartered Accountants  
FRN No. : 000008S**

**Place: Chennai  
Date : 29.06.2012**

Sd/-  
**(A. K. JAIN)  
Partner  
M. No. 70224**

**ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF M/s TAMILNADU STEEL TUBES LTD., CHENNAI, ON THE ACCOUNTS FOR THE YEAR ENDED 31.03. 2012.**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its 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 the nature of its Assets. No material discrepancies were noticed on such physical verification.
- (c) In our opinion, the Company has not disposed off any substantial part of the fixed assets during the year and the going concern status of the Company is not affected.
- (ii) (a) According to the information and explanations given to us, the Inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventories. There was no material discrepancy noticed on physical verification of inventories as compared to the Book Records.
- (iii) (a) According to the information and explanations given to us, the Company has taken Loan from one individual covered in the Register maintained under Section 301 of the Companies Act, 1956. The Maximum amount involved during the year was Rs 59.10 Lakhs and the year end balance of loan taken from such party was Rs.100.81 Lakhs.
- (b) According to the information and explanations given to us, the Company has not granted any loans to a Company or parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (c) According to the information and explanations given to us, the loans and advances granted is interest free and in the opinion of the management of the company, it is not prima facie prejudicial to the interest of the Company.
- (d) According to the information and explanations given to us, there is no over due amount of loans taken from or granted to Companies, Firms or other parties, listed in the Register maintained under Section 301 of the Companies Act 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our Audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the Register maintained under section 301 of the Companies Act, 1956 (1 of 1956) have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of Contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- (vi) In our opinion and according to information and explanations given to us, the company has not accepted any deposits from the public during the year under Report.
- (vii) In our opinion and according to information and explanation given to us, the Company has Internal Audit System commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the Books of Accounts relating to materials, labour and other other items of Cost maintained by the Company pursuant to the rules made by the Central Govt. for the maintenance of Cost Records under Section 209 (1) (d) of the Companies Act 1956, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed Statutory Dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, VAT, Wealth Tax, Customs Duty, Excise Duty, Cess, and other material Statutory Dues as applicable.
- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess are in arrears, at at 31<sup>st</sup> March 2012, for a period of more than six months from the date they became payable.
- (c) The disputed statutory dues aggregating to Rs. 567.38 Lakhs that have not been deposited on account of disputed matters pending before the appropriate authorities, are as under :

S.No	Nature of Disputed Statutory dues	Amount (Rs. in Lacs)	Forum where the Dispute is Pending
1	INCOME TAX DUES: i) Block Assessment ii) AY 1997-1998 iii) AY 1999-2000 iv) AY 2000-2001	164.09 40.09 88.22 257.06	Appeal pending before the Hon'ble Madras High Court
2	SERVICE TAX DUES: (From Nov. 1997 to June 1998)	1.60	Pending for inclusion in Modified Draft Rehabilitation Scheme (MDRS) before BIFR
3	Sales Tax Dues (Including interest and penalty) i) AY 2004-05 ii) AY 2005-06 iii) AY 2006-07	6.44 5.84 4.04	Appeal pending before Appellate Assistant Commissioner of Commercial Taxes, Chennai

- (x) In our opinion, the Accumulated Losses of the Company are not more than 50% of its net worth. The company has not incurred cash losses during the financial year covered by our audit report and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Financial Institutions and Banks.
- (xii) We are of the opinion, that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a Chit Fund or Nidhi / Mutual Benefit Fund / Society. Therefore, the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) Order 2003, are not applicable to the company.

- (xiv) In our opinion, the Company is not dealing in or trading in Shares, Securities, Debentures and other Investments. Accordingly, the provisions of Clause 4 (xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the company.
- (xv) In our opinion, the Company has not given any guarantee for the loans taken by others from banks or financial institutions is not prejudicial to the interest of the company.
- (xvi) In our opinion, the Company has not obtained any Term Loans during the Financial year.
- (xvii) According to the information and explanations given to us and on the overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments, no long-term funds have been used to finance short-term Assets except permanent Working Capital.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to Parties and Companies covered in the Register maintained under Section 301 of the Companies Act 1956..
- (xix) According to the information and explanations given to us during the period covered by our Audit Report, the Company has not issued any debentures..
- (xx) The Company has not raised any money by "Public Issue" during the year. Accordingly, the provisions of Clause 4(xx) of the Companies (Auditor's Report) Order 2003, is not applicable to the company.
- (xxi) According to the information and explanations given to us no fraud on or by the company have been noticed or reported during the course of our Audit.

**For ABHAY JAIN & CO.,  
Chartered Accountants  
FRN No. : 000008S**

**Place: Chennai  
Date : 29.06.2012**

Sd/-  
**(A. K. JAIN)**  
**Partner**  
**M. No. 70224**



# TAMILNADU STEEL TUBES LIMITED, CHENNAI

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2012

Particulars	Notes	Amount Rs. in Thousands			
		As at March 31 <sup>ST</sup> 2012		As at March 31 <sup>ST</sup> 2011	
<b>( I ) EQUITY AND LIABILITIES</b>					
<b>(1) SHAREHOLDERS' FUNDS</b>					
(a) SHARE CAPITAL	3	51,248.00		51,248.00	
(b) RESERVES & SURPLUS	4	(83,313.54)		(90,416.65)	
(c) MONEY RECEIVED AGAINST SHARE WARRANTS		NIL	(32,065.54)	NIL	(39,168.65)
<b>(2) SHARE APPLICATION MONEY PENDING ALLOTMENT</b>					
<b>(3) NON-CURRENT LIABILITIES</b>					
(a) LONG TERM BORROWINGS	5	19,156.53		19,174.22	
(b) DEFERRED TAX LIABILITIES (NET)	6	810.22		1,015.56	
(c) OTHER LONG TERM LIABILITIES		NIL		NIL	
(d) LONG TERM PROVISIONS		NIL	19,966.75	NIL	20,189.79
<b>(4) CURRENT LIABILITIES</b>					
(a) SHORT TERM BORROWINGS	7	26,871.17		21,498.58	
(b) TRADE PAYABLES	8	113,029.58		59,116.27	
(c) OTHER CURRENT LIABILITIES	9	146,100.30		126,265.61	
(d) SHORT TERM PROVISION		NIL	286,001.06	NIL	206,880.46
<b>TOTAL</b>			<b>273,902.27</b>		<b>187,901.60</b>
<b>( II ) ASSETS</b>					
<b>(1) NON CURRENT ASSETS</b>					
<b>(a) FIXED ASSETS</b>					
(i) TANGIBLE ASSETS	10	16,837.30		15,346.79	
(b) LONG TERM LOANS AND ADVANCES	11	3,741.67		3,394.34	
(c) OTHER NON-CURRENT ASSETS	12	655.66	21,234.64	1,412.16	20,153.29
<b>(2) CURRENT ASSETS</b>					
<b>(a) CURRENT INVESTMENTS</b>					
(b) INVENTORIES	13	97,864.60		65,504.58	
(c) TRADE RECEIVABLES	14	149,462.59		96,473.65	
(d) CASH & CASH EQUIVALENTS	15	241.80		221.04	
(e) SHORT TERM LOANS AND ADVANCES	16	5,098.66		5,549.05	
(f) OTHER CURRENT ASSETS		NIL	252,667.64	NIL	167,748.31
<b>TOTAL</b>			<b>273,902.27</b>		<b>187,901.60</b>

Significant Accounting Policies and Notes of Financial Statements 1 to 31 as per our Report of even date

for **ABHAY JAIN & Co.**  
Chartered Accountants  
FRN No. :000008S

Sd/-  
**RAKESH GOYAL**  
MANAGING DIRECTOR

Sd/-  
**MAHAVEER SINGH**  
DIRECTOR

Sd/-  
**(A. K. JAIN)**  
Partner  
M.No. 70224

Place: Chennai  
Date : 29.06.2012



# TAMILNADU STEEL TUBES LIMITED, CHENNAI

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> March 2012

Particulars	Notes	Year Ended	Year Ended
		31.03.2012	31.03.2011
		(Rs. In '000)	(Rs. In '000)
REVENUE FROM OPERATION	17	808,742.95	775,328.27
OTHER INCOME	18	117.22	691.68
<b>TOTAL REVENUE</b>		<b>808,860.17</b>	<b>776,019.94</b>
<b>EXPENSES</b>			
COST OF MATERIAL CONSUMED	19	736,427.21	668,775.69
PURCHASE OF STOCK-IN-TRADE	20	12,878.17	22,939.03
CHANGES IN INVENTORY OF FINISHED GOODS	21	(11,248.24)	(6,540.65)
PAYMENTS TO EMPLOYEES	22	8,845.73	7,298.78
FINANCIAL EXPENSES	23	7,965.47	23,124.81
DEPRECIATION	24	2,156.13	2,160.88
AMORTIZATION EXPENSES		-	-
OTHER EXPENSES	25	42,262.93	58,477.51
<b>TOTAL EXPENSES</b>		<b>799,287.40</b>	<b>776,236.05</b>
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		9,572.77	(216.11)
EXCEPTIONAL ITEMS	26	-	-
PROFIT BEFORE EXTRAORDINARY ITEMS		9,572.77	(216.11)
EXTRAORDINARY ITEMS	27	-	-
PROFIT BEFORE TAX		9,572.77	(216.11)
CURRENT TAX	28	2,675.00	-
DEFERRED TAX	29	(205.34)	302.62
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>7,103.11</b>	<b>86.52</b>

### EARNINGS PER EQUITY SHARE

(1) BASIC	0.001386	0.000017
(2) DILUTED	0.001386	0.000017

Significant Accounting Policies and Notes of Financial Statements 1 to 31 as per Report of even date.

for ABHAY JAIN & Co.  
Chartered Accountants  
FRN No. :000008S

Sd/-  
**RAKESH GOYAL**  
MANAGING DIRECTOR

Sd/-  
**MAHAVEER SINGH**  
DIRECTOR

Sd/-  
(A. K. JAIN)  
Partner  
M.No. 70224

Place : Chennai  
Date : 29.06.2012



# TAMILNADU STEEL TUBES LIMITED, CHENNAI

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2012

PARTICULARS	AMOUNT Rs. in '000			
	F.Y. 2011-2012		F.Y. 2010-2011	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
NET PROFIT BEFORE TAX		9,572.77		(216.11)
DEPRECIATION	2,156.13		2,160.88	
INTEREST PAID	7,965.47		6,251.21	
LOSS ON SALE OF FIXED ASSETS	263.64		11.64	
INTEREST RECEIVED	(72.25)		-	
OTHER INCOME	(44.97)		-	
		10,268.02		8,423.72
<b>OPERATING PROFIT BEFORE CHANGE OF WORKING CAPITAL</b>		<b>19,840.79</b>		<b>8,207.61</b>
<b>ADJUSTMENT FOR:</b>				
INVENTORIES	(32,360)		(5,447.99)	
TRADE RECEIVABLES	(52,988.94)		(17,359.81)	
LONG TERM DEPOSITS	(379.95)		(2,271.11)	
OTHER NON CURRENT ASSETS	789.12			
SHORT TERM LOANS AND ADVANCES	450.39			
TRADE PAYABLES	53,913.31		10,922.94	
OTHER CURRENT LIABILITIES	19,834.70		12,087.65	
		(10,741.39)		(2,068.31)
<b>CASH GENERATED FROM OPERATION</b>		<b>9,099.41</b>		<b>6,139.30</b>
LESS: TAX PAID		2,675.00		0
<b>NET CASH FROM OPERATING ACTIVITY</b>		<b>6,424.41</b>		<b>6,139.30</b>
<b>CASH FLOW FROM INVESTING</b>				
LOSS ON SALE OF FIXED ASSETS	(263.64)		0.00	
SALE OF FIXED ASSETS	861.17		28.49	
PURCHASE OF FIXED ASSETS	(4,507.82)		(4,108.71)	
ADD: INSURANCE CLAIM RECEIVED	44.974		0.00	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(3,865.31)</b>		<b>(4,080.21)</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
PROCEEDS FROM LONG TERM BORROWINGS SECURED LOAN	(17.70)		4,239.94	
PROCEEDS FROM SHORT TERM BORROWINGS	5,372.59		0.00	
INTEREST RECEIVED	72.25		0.00	
INTEREST PAID	(7,965.47)	<b>(2,538.33)</b>	(6,251.21)	<b>(2,011.26)</b>
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>20.76</b>		<b>47.82</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>		<b>20.76</b>		<b>47.82</b>
OPENING BALANCE OF CASH & CASH EQUIVALENTS		221.04		173.22
CLOSING BALANCE OF CASH & CASH EQUIVALENTS		241.80		221.04

As per our report of even date.

For **ABHAY JAIN & Co.**  
Chartered Accountants  
FRN: 000008S

Sd/-  
**RAKESH GOYAL**  
MANAGING DIRECTOR

Sd/-  
**MAHAVEER SINGH**  
DIRECTOR

Sd/-  
**(A. K. JAIN)**  
Partner

Place: Chennai  
Date : 29.06.2012



**1) CORPORATE INFORMATION**

TAMILNADU STEEL TUBES LTD. (The Company) is a Public Limited Company domiciled in India and incorporated under the provisions of Indian Companies Act 1956. Its Shares are Listed on Stock Exchanges in India. The Company is engaged in the business of Manufacturing and Selling a reputed Brand of Black Pipe (ERW Pipe) & G.I. Pipe. The Company caters only domestic market.

**2) SIGNIFICANT ACCOUNTING POLICIES****a) Change in Presentation of Financial Statements :**

During the year ended 31<sup>st</sup> March 2012, the Revised Schedule VI Notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its Financial Statements. However it has significant impact on presentation and disclosures made in Financial Statement. the Company has also reclassified the previous year figures in accordance with the requirement in the current year.

**b) BASIS OF PREPARATION OF FINANCIAL STATEMENT.**

The Financial Statements are prepared under historical cost convention in accordance with the generally accepted Accounting Principles in India and the provision of the Companies Act 1956.

**c) USE OF ESTIMATES.**

The preparation of financial statement in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reported period. Although these estimates are based on the management's best knowledge of current events & actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of asserts or liabilities in future periods.

**d) TANGIBLE FIXED ASSETS.**

The fixed assets, acquired are stated at cost, net of accumulated depreciation and accumulated impairment losses if any. The cost comprises purchase prize, borrowing costs if capitalized criteria are met and directly attributable cost or bringing the assets to the working conditions for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to the item of fixed assets is added to its book value only if it increases the future benefits from the exiting assets beyond its previously assessed standard performance. All other expenses on exiting fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

**e) DEPRECIATION ON TANGIBLE ASSETS**

Depreciation on fixed assets is calculated on straight line value method (SLV) on the fixed assets using the rates arrived at based on the useful lives estimated by the management or those or those prescribed under the schedule XIV to the Companies Act 1956. Depreciation for Additions to / Deletions from owned Assets is calculated on prorated basis from/to the day of addition / deletion.

**f) INVENTORIES**

Raw materials, components, store and spares are valued at lower of cost and net realizable value. However materials and other items held for the use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

**g) REVENUE RECOGNITION**

Revenue from sale of products is recognized when practically all obligations connected with the transaction risks and rights to the buyer have been fulfilled and excluded sales tax and state value added taxes. This usually occurs upon dispatch and collection of the receivable is reasonably certain.

Interest income is recognized using time proportion method based on the rates implicit in the transaction.

**h) EMPLOYEE BENEFITS**

- Contribution to provident fund and other recognized fund is charged to Profit & Loss Account.
- Liability for Leave Encashment is provided for as and when the entitlement is ascertained.
- In respect of Gratuity, the Company offers a non contributory defined benefit Plan to its Employees. The liability for the same as at the year end is provided for on the basis of Actuarial Valuation. But during the year under audit no provision is made as there is an excess provision.

**i) EXCISE DUTY/ SERVICE TAX/ SALES TAX AND VALUE ADDED TAX.**

Excise Duty/ Service Tax is accounted on the basis of both, payments in respect of goods cleared / service provided as also provision made for goods lying in bonded warehouse if there is Sales Tax/Value added Tax is charged to Profit & Loss A/c

**j) PROVISION FOR CURRENT TAX AND DEFERRED TAX**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of income tax act 1961.

**DEFERRED TAXES**

Deferred tax resulting from "Timing Difference" between taxable and accounting income is accounted for the using the tax rate and loss that are enacted or substantively enacted as on balance sheet date. Deferred tax is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future

**k) SEGMENT REPORTING**

The accounting policies adopted for the segment reporting are in line with the accounting policies stipulated. The company primarily operates in single business segments which is steel tubes (black & Gi pipes), and accordingly there is no primary segments to be reported as per accounting standard 17 "SEGMENT REPORTING"

**D) EARNING PER SHARE**

The basic earning per equity share is computed by dividing the net profit or loss of the attributable to the equity share holders by the weighted average number of equity share holders outstanding during the reported period. The number of shares used in diluted earnings per share and also the weighted average number of shares considered for deriving basic earning per share which may be issued on the conversion of all dilutive potential shares, unless the results would be anti-dilutive.

m) The company has been declared by the board for industrial financial reconstruction as a sick industrial company within the meaning of sec 3(1) (o) of sick industrial companies (special provisions) Act 1985.

n) Provision for rates and taxes (under current liability) includes a sum of Rs.3,08,44,000/- being Stamp Duty payable on acquisition of Factory Land situated at Marimalai Nagar, Industrial Estate Chengleput Taluk, Kancheepuram Dist., which was recognized as Revenue Expenses in the Financial Year 2009-10.

**o) IMPAIRMENT OF ASSETS (AS-28)**

In the opinion of the company, the recoverable amount of fixed assets of the company will not be lower than the book value of the fixed assets. Hence no provision has been made for impairment

p) The Company has paid in full the agreed liability of rs.10 Crores as per the OneTime Settlement (OTS) entered into with Jammu & Kashmir Bank Ltd, together with interest and the Company is in the process of obtaining closure letter / NOC from the Bank

The balance of Rs.1.44 Crores in Capital Loan Account and Rs.0.35 Crore in Packing Credit account due to Jammu & Kashmir Bank are not yet confirmed.

q) The company is in the process of appointing a full time company secretary.

**r) CONTINGENT LIABILITIES**

Appeals for sales tax dues (including interest and penalty) that are pending before appellate assistant Commissioner of commercial taxes, Chennai as follows

Assessment Years	Amount ( in Lakhs)
i. A.Y. 2004-05	6.44
ii. A.Y. 2005-06	5.84
iii. A.Y. 2006-07	4.04

s) Service Tax due for the period November 1997 to June 1998 is Rs. 1.60 Lakhs.

t) The Company has addressed letters to the suppliers and service provider seeking information from them as to whether they fall under the categories of "Micro Small and Medium Enterprises". The Company is yet to receive replies from them.

u) Other Current liabilities includes a sum of Rs.49.41 Lakhs towards interest payable on Customs Duty as per JDGFT Letter F.No.04/88/40/00090/AM00, dt.08.03.11 which was debited to General Expenses in the Financial Year Ended 31.03.2011.



# TAMILNADU STEEL TUBES LIMITED, CHENNAI

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2012

NOTES	NOTES ON FINANCIAL STATEMENTS	As On 31.03.2012 (Rs IN '000)	As On 31.03.2011 (Rs IN '000)
3	<b>SHARE CAPITAL</b>		
	<b>AUTHORISED CAPITAL</b>		
	11,000,000 EQUITY SHARES OF RS.10/- EACH	110,000.00	110,000.00
	40,000 6% REDEEMABLE CUMULATIVE PREFERENCE SHARES OF RS.10/- EACH	4,000.00	4,000.00
		<b>114,000.00</b>	<b>114,000.00</b>
3.1	<b>ISSUED, SUBSCRIBED &amp; PAID-UP CAPITAL</b>		
	5,124,800 EQUITY SHARES OF RS.10/- EACH FULLY PAID UP IN CASH	51,248.00	51,248.00
	<b>TOTAL</b>	<b>51,248.00</b>	<b>51,248.00</b>
3.2	<b>DETAILS OF SHAREHOLDINGS MORE THAN 5% SHARES</b>	NIL	NIL
3.3	<b>THE RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW</b>		
	EQUITY SHARES AT THE BEGINNING OF THE YEAR	51,248.00	51,248.00
	ADD: SHARES ISSUED ON PREFERANTIAL ALLOTMENT	-	-
	ADD: BONUS SHARES ISSUED	-	-
	<b>EQUITY SHARES AT THE END OF THE YEAR</b>	<b>51,248.00</b>	<b>51,248.00</b>
4	<b>RESERVES &amp; SURPLUS</b>		
4.1	<b>CAPITAL RESERVE</b>		
	RESERVE STATE SUBSIDY	1,178.00	1,178.00
	FORFEITED SHARES	1,999.89	1,999.89
	<b>TOTAL</b>	<b>3,177.89</b>	<b>3,177.89</b>
4.2	<b>GENERAL RESERVE</b>		
	BALANCE B/F	-	7,814.23
	LESS: TRANSFERRED TO PROFIT AND LOSS A/C	-	(7,814.23)
	<b>TOTAL</b>	<b>-</b>	<b>-</b>
4.3	<b>PROFIT AND LOSS ACCOUNT</b>		
	PROFIT AND LOSS ACCOUNT DEBIT	(93,594.53)	(101,495.29)
	LESS: ADJUSTED AGAINST GENERAL RESERVE	-	7,814.23
	PROFIT FOR THE YEAR	7,103.11	86.52
	<b>TOTAL</b>	<b>(86,491.42)</b>	<b>(93,594.54)</b>
	<b>TOTAL</b>	<b>(83,313.54)</b>	<b>(90,416.65)</b>
5	<b>LONG TERM BORROWINGS</b>		
	<b>SECURED</b>		
	CAPITAL LOAN WITH J & K BANK	14,425.00	14,425.00
	PACKING CREDIT LOAN WITH J & K BANK	3,455.00	3,455.00
	<b>SECURITIES OFFERED</b>		
	( Secured by hypothecation of Stock-in-trade, Stores, Spares & Consumables, Book debts & Receivables, both present & future and further secured by residual charge on Fixed Assets)		
	<b>SECURED</b>		
	HDFC CAR LOANS		
	( Secured by hypothecation of Motor Car Under Hire Purchase Agreement)	1,276.53	1,294.22
	<b>TOTAL</b>	<b>19,156.53</b>	<b>19,174.22</b>



# TAMILNADU STEEL TUBES LIMITED, CHENNAI

NOTE S	NOTES ON FINANCIAL STATEMENTS	As On 31.03.2012 (Rs in '000')	As On 31.03.2011 (Rs. In '000')
6	<b>DEFERRED TAX LIABILITY (NET)</b> DEFERRED TAX LIABILITY RELATED TO FIXED ASSETS DEFERRED TAX ASSETS FOR THE YEAR <b>TOTAL</b>	1,015.56 (205.34) <b>810.22</b>	1,318.19 (302.62) <b>1,015.56</b>
7	<b>SHORT TERM BORROWINGS</b> <b>SECURED</b> HDFC CAR LOAN <b>TOTAL</b>	1,889.25 <b>1,889.25</b>	1,381.47 <b>1,381.47</b>
7.1	<b>SECURITIES OFFERED</b> ( SECURED BY HYPOTHECATION OF MOTOR CAR UNDER HIRE PURCHASE AGREEMENT)		
7.2	<b>UNSECURED</b> FROM DIRECTOR INTER CORPORATE LOANS <b>TOTAL</b> <b>TOTAL OF SHORT TERM BORROWINGS</b>	10,081.93 14,900.00 <b>24,981.93</b> <b>26,871.17</b>	4,171.93 15,945.18 <b>20,117.11</b> <b>21,498.58</b>
8	<b>TRADE PAYABLES</b> TRADE CREDITORS RAW MATERIAL & GENERAL PURCHASE TRADE CREDITORS EXPENSES <b>TOTAL</b>	98,938.33 14,091.25 <b>113,029.58</b>	50,371.86 8,744.41 <b>59,116.27</b>
9	<b>OTHER CURRENT LIABILITIES</b> DEPOSIT TRADE SECURITY OTHER LIABILITIES ADVANCE FROM CUSTOMERS TDS PAYABLE CITY UNION BANK PROVISION FOR GRATUITY PROVISION FOR INCOME TAX FOR EARLIER YEAR PROVISION FOR INCOME TAX FOR THE FY 2011-12 <b>TOTAL</b>	43,948.94 37,248.56 783.40 1,973.39 2,470.11 2,055.07 54,945.83 2,675.00 <b>146,100.30</b>	24,631.55 42,289.56 817.58 1,386.35 - 2,194.74 54,945.83 - <b>126,265.61</b>
10	<b>LONG TERM DEPOSITS WITH GOVT. &amp; OTHERS</b>		
10.1	<b>DEPOSIT WITH GOVT. &amp; SEMI-GOVT</b> INPUT SERVICE TAX FBT EXCESS PAID FY 2007-08 FBT EXCESS PAID FY 2008-09 IT ADVANCE ITTDS(CESS) RECEIVABLE ITTDS RECEIVABLE ITTDS SURCHARGE RECEIVABLE SALES TAX APPEAL DEPOSIT 04-05 (SCH III) SALES TAX APPEAL DEPOSIT 05-06 (SCH III) SALES TAX APPEAL DEPOSIT 06-07 (SCH III) TELEPHONE DEPOSIT DEPOSIT TELEPHONE & TELEX SALES TAX DEPOSIT DEPOSIT E.B METER C.D. DEPOSIT H.T SERVICE. DEPOSIT M.E.S. <b>TOTAL</b>	1,693.87 29.29 7.98 231.72 1.54 136.21 1.68 113.62 118.73 80.67 1.00 71.21 4.00 35.00 1,210.87 4.30 <b>3,741.67</b>	1,360.73 29.29 7.98 231.72 1.54 89.39 1.68 113.62 118.73 80.67 1.00 71.21 4.00 35.00 1,243.49 4.30 <b>3,394.34</b>



# TAMILNADU STEEL TUBES LIMITED, CHENNAI

## FIXED ASSETS NOTES

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Rate %	COST AS ON 01.04.2011	ADDITIONS DURING THE YEAR	DELETIONS	TOTAL AS ON 31.03.2012	AS ON 01.04.2011	FOR THE YEAR	DELETION	TOTAL AS ON 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011
LAND		2,461,142	-	-	2,461,142	-	-	-	-	2,461,142	2,461,142
BUILDING	3.34%	5,783,603	-	-	5,783,603	4,493,280	193,172	-	4,686,452	1,097,151	1,290,323
PLANT & MACHINERY	4.75%	60,513,016	1,844,993	-	62,358,009	55,073,130	1,280,593	-	56,353,723	6,004,286	5,439,886
ELECTRICAL INSTALLATION	4.75%	2,740,573	-	-	2,740,573	2,740,573	-	-	2,740,573	-	-
AIR CONDITIONERS	4.75%	612,675	128,490	-	741,165	244,768	23,122	-	267,890	473,275	367,907
OFFICE EQUIPMENT	4.75%	846,444	65,000	-	911,444	523,919	20,050	-	543,969	367,475	322,525
COMPUTER	16.21%	1,067,144	104,190	-	1,171,334	950,894	298,333	-	980,727	190,607	116,250
FURNITURE & FITTINGS	6.33%	383,017	-	-	383,017	327,043	4,374	-	331,417	51,600	55,974
VEHICLES	9.50%	6,025,559	2,365,142	1,297,296	7,093,405	732,780	604,986	436,127	901,639	6,191,766	5,292,779
<b>TOTAL</b>		<b>80,433,173</b>	<b>4,507,815</b>	<b>1,297,296</b>	<b>83,643,692</b>	<b>65,086,387</b>	<b>2,156,130</b>	<b>436,127</b>	<b>66,806,390</b>	<b>16,837,302</b>	<b>15,346,786</b>

<b>PREVIOUS YEAR FIGURES</b>		<b>76,387,048</b>	<b>4,108,705</b>	<b>62,582</b>	<b>80,433,171</b>	<b>62,947,963</b>	<b>2,160,876</b>	<b>22,455</b>	<b>65,086,384</b>	<b>15,346,787</b>	
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# TAMILNADU STEEL TUBES LIMITED, CHENNAI

NOTES	NOTES ON FINANCIAL STATEMENTS	As On 31.03.2012 (Rs in '000)	As On 31.03.2011 (Rs. In '000)
11	<b><u>OTHER NON CURRENT ASSETS</u></b>		
11.1	<b><u>DEPOSIT OTHERS</u></b>		
	EXPORT INS AGENCY (ISFTA)	4.71	4.71
	DEPOSIT SAIL	-	770.00
	HINDUSTAN ZINC LTD MOU DEPOSIT	300.21	300.21
	DEPOSIT CELL PHONE	8.50	8.50
	DEPOSIT OFFICE RENT	218.00	218.00
	DEPOSIT FOR PETROL	15.00	10.00
	DEPOSIT SECURITY DEPOSIT	75.24	75.24
	DEPOSIT FOR GAS	34.00	25.50
	<b>TOTAL</b>	<b>655.66</b>	<b>1,412.16</b>
12	<b><u>INVENTORIES</u></b>		
	RAW MATERIALS (VALUED AT COST)	47,738.71	25,777.01
	FINISHED PRODUCT (VALUED AT COST OR MARKET VALUE WHICHEVER IS LESS)	48,681.46	37,443.17
	OTHER GOODS	151.07	141.12
	STORES AND SPARES	1,293.35	2,143.27
	<b>TOTAL</b>	<b>97,864.60</b>	<b>65,504.58</b>
13	<b><u>TRADE RECEIVABLES</u></b> (UNSECURED CONSIDERED GOOD)		
	MORE THAN SIX MONTHS	27.59	1,235.65
	LESS THAN SIX MONTHS	149,435.00	95,238.00
	<b>TOTAL</b>	<b>149,462.59</b>	<b>96,473.65</b>
14	<b><u>CASH &amp; CASH EQUIVALENTS</u></b>		
	CASH ON HAND	196.80	101.24
	BALANCE WITH BANK (IN CURRENT ACCOUNT)	45.00	119.80
	<b>TOTAL</b>	<b>241.80</b>	<b>221.04</b>
15	<b><u>SHORT TERM LOANS &amp; ADVANCES</u></b> (UNSECURED CONSIDERED GOOD, RECEIVABLES IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED)		
	ADVANCE TO SUPPLIERS	2,896.58	4,485.15
	ADVANCE FOR EXPENSES TO SUPPLIERS	5.00	373.82
	ADVANCES TO OTHERS	204.88	216.89
	RECEIVABLES FROM ICICI(GABSON)	4.89	4.89
	PREPAID EXPENSES	220.02	150.38
	CENVAT CREDIT AND P&L ACCOUNT	1,368.82	293.15
	SALES TAX	397.96	24.24
	OTHER RECEIVABLES	0.52	0.52
	<b>TOTAL</b>	<b>5,098.66</b>	<b>5,549.05</b>
16	<b><u>REVENUE FROM OPERATIONS</u></b>		
	SALES	930,048.07	884,799.72
	LESS: EXCISE DUTY	121,305.12	109,471.45
	<b>TOTAL</b>	<b>808,742.95</b>	<b>775,328.27</b>



# TAMILNADU STEEL TUBES LIMITED, CHENNAI

		As On 31.03.2012 (Rs. In '000)	As On 31.03.2011 (Rs. In '000)
<b>NOTES</b>	<b><u>NOTES ON FINANCIAL STATEMENTS</u></b>		
17	<b><u>OTHER INCOME</u></b>		
	INTEREST RECEIVED	72.25	68.03
	INSURANCE CLAIM RECEIVED	44.97	203.78
	SUNDRY BALANCE WRITTEN BACK	-	419.87
	<b>TOTAL OTHER INCOME</b>	<b>117.22</b>	<b>691.68</b>
	 <b><u>TOTAL INCOME</u></b>	<b>808,860.17</b>	<b>776,019.94</b>
18	<b><u>COST OF MATERIALS CONSUMED</u></b>		
18.1	<b><u>COST OF RAW MATERIALS CONSUMED:</u></b>		
	OPENING STOCK	25,777.01	25,231.02
	ADD: PURCHASE	698,220.63	610,938.43
		<b>723,997.65</b>	<b>636,169.45</b>
	LESS: CLOSING STOCK	47,738.71	25,777.01
	<b>RAW MATERIAL CONSUMED</b>	<b>676,258.93</b>	<b>610,392.44</b>
18.2	<b><u>MANUFACTURING EXPENSES:</u></b>		
	CARRIAGE INWARD	5,064.98	3,696.80
	LABOUR CHARGES	14,234.12	11,286.13
	CONSUMPTION OF STORES	25,764.05	28,550.64
	POWER & FUEL	11,888.98	11,843.78
	MACHINERY MAINTENANCE	3,037.22	2,554.62
	SECURITY CHARGES	178.94	451.29
	<b>TOTAL</b>	<b>60,168.28</b>	<b>58,383.25</b>
	 <b>TOTAL COST OF MATERIALS CONSUMED</b>	<b>736,427.21</b>	<b>668,775.69</b>
19	<b><u>PURCHASE OF STOCK IN TRADE</u></b>		
	PURCHASE OF BLACK PIPE C.S.T	648.06	22,939.03
	PURCHASE OF BLACK PIPE T.N.G.S.T	12,230.11	-
	<b>TOTAL</b>	<b>12,878.17</b>	<b>22,939.03</b>
20	<b><u>CHANGES IN INVENTORIES OF FINISHED GOODS STOCK IN PROCESS &amp; STOCK IN TRADE</u></b>		
	<b><u>CLOSING INVENTORIES :</u></b>		
	FINISHED GOODS	48,681.46	37,443.17
	OTHER GOODS	151.07	141.12
	<b>TOTAL</b>	<b>48,832.53</b>	<b>37,584.29</b>
	<b><u>OPENING INVENTORIES:</u></b>		
	FINISHED GOODS	37,443.17	30,880.02
	OTHER GOODS	141.12	163.62
	<b>TOTAL</b>	<b>37,584.29</b>	<b>31,043.64</b>
	 <b><u>CHANGE IN INVENTORY</u></b>	<b>(11,248.24)</b>	<b>(6,540.65)</b>



		As On 31.03.2012 (Rs. in '000)	As On 31.03.2011 (Rs. in '000)
<b>NOTES</b>	<b><u>NOTES ON FINANCIAL STATEMENTS</u></b>		
21	<b><u>EMPLOYEE BENEFITS EXPENSES</u></b>		
	SALARY	5,931.50	5,256.15
	LEAVE SALARY	244.05	-
	BONUS	305.06	233.41
	P.F. COMPANY'S CONTRIBUTION	442.12	382.79
	E.S.I COMPANY'S CONTRIBUTION	285.87	272.42
	GRATUITY	-	63.78
	STAFF WELFARE	1,637.13	1,090.24
	<b>TOTAL</b>	<b>8,845.73</b>	<b>7,298.78</b>
22	<b><u>FINANCIAL EXPENSES</u></b>		
	INTEREST TO BANK	270.18	1,558.61
	BANK CHARGES	14.36	32.13
	INTEREST TO OTHERS	7,680.93	17,437.77
	FINANCE COST PRIOR YEAR	-	4,096.30
	<b>TOTAL</b>	<b>7,965.47</b>	<b>23,124.81</b>
23	<b><u>DEPRECIATION</u></b>		
	DEPRECIATION FOR THE YEAR	2,156.13	2,160.88
	<b>TOTAL</b>	<b>2,156.13</b>	<b>2,160.88</b>
24	<b><u>AMORTIZATION EXPENSES</u></b>		
	AMORTIZATION EXPENSES FOR THE YEAR	-	-
	<b>TOTAL</b>	-	-
25	<b><u>OTHER EXPENSES</u></b>		
	RENT & LEASE RENT	605.75	586.30
	POSTAGE AND TELEGRAM	57.40	55.70
	TELEPHONE	346.29	275.51
	INSURANCE	456.24	380.93
	CONVEYANCE	513.16	325.54
	TRAVELLING EXPENSES	447.85	460.14
	PRINTING & STATIONERY	335.34	375.49
	SUBSCRIPTION & MEMBERSHIP FEES	120.15	134.83
	OFFICE MAINTENANCE	231.33	329.60
	DONATION	651.35	570.95
	VEHICLE MAINTENANCE	522.50	123.69
	MISCELLANEOUS EXPENSES	134.00	114.94
	PROFESSIONAL CHARGES	579.16	605.83
	AMC CHARGES	1,271.86	754.60
	SALES TAX	164.36	172.65
	RATES & TAXES	28.02	44.70
	REPAIRS & MAINTENANCE	645.36	20,970.20
	LOSS ON SALE OF FIXED ASSETS	1,817.26	4,606.64
	AUDIT FEES	263.64	11.64
	DIRECTORS SALARY	100.00	50.00
	DIRECTORS' SITTING FEES	2,616.67	2,293.07
	BAD DEBTS	3.00	1.80
	FREIGHT & TRANSPORTATION	1,970.24	56.51
	EXCISE DUTY	4,619.19	4,400.83
	ADVERTISEMENT	202.45	-
	SALES PROMOTION	95.62	92.22
	COMMISSION & BROKERAGE	3,116.08	1,508.24
	<b>TOTAL</b>	<b>42,262.93</b>	<b>58,477.51</b>



NOTES	NOTES ON FINANCIAL STATEMENTS	As On 31.03.2012 (Rs. in '000)	As On 31.03.2011 (Rs. in '000)
25.1	<b><u>PAYMENT TO AUDITORS</u></b>		
	AUDIT FEES	75.00	35.00
	TAX AUDIT FEES	25.00	15.00
	<b>TOTAL</b>	<b>100.00</b>	<b>50.00</b>
26	<b><u>EXCEPTIONAL ITEMS</u></b>		
	EXCEPTIONAL ITEMS FOR THE YEAR	-	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>
27	<b><u>EXTRAORDINARY ITEMS</u></b>		
	EXTRAORDINARY ITEMS FOR THE YEAR	-	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>
28	<b><u>CURRENT TAX</u></b>		
	CURRENT TAX FOR THE YEAR	2,675.00	-
		<b>2,675.00</b>	<b>-</b>
29	<b><u>DEFERRED TAX</u></b>	(205.34)	302.62
30	<b><u>RELATED PARTY DISCLOSURE</u></b>		
30.1	<b><u>NATURE OF RELATIONSHIP</u></b>		
	<b><u>KEY MANAGERIAL PERSON</u></b>		
	I. HOLDING COMPANY	NIL	NIL
	II. SUBSIDIARIES	NIL	NIL
	III. KEY MANAGERIAL PERSONNEL		
	RAKESH GOYAL		
	MAHAVEER SINGH		
	IV. RELATIVES OF KEY MANAGERIAL PERSONNEL		
	DURGADEVI GOYAL		
	DRISHYA GOYAL		
	SAATVIK GOYAL		
	SAACHI GOYAL		
	INDERSAIN GOYAL		
	INDERSAIN GOYAL-HUF (S)		
	RAKESH GOYAL-HUF		
30.2	<b><u>RELATIVES OF KEY MANAGERIAL PERSONNAL</u></b>		
	<b><u>NATURE OF TRANSACTION</u></b>		
	DIRECTORS' REMUNERATION	2,626.03	2,324.45
	SALARY	489.36	480.00
	INTEREST PAID ON TRADE DEPOSITS	2,041.27	656.23
	LEASE RENT	300.00	280.55
	LOANS TAKEN	5,910.00	4,171.93
	TRADE DEPOSIT TAKEN	13,575.00	7,831.55
	LEASE RENT DEPOSIT	500.00	-
	SALE OF PIPES	257.35	-
	<b>TOTAL</b>	<b>23,072.98</b>	<b>13,420.25</b>



NOTES	NOTES ON FINANCIAL STATEMENTS	As On	As On
		31.03.2012 (Rs.in '000)	31.03.2011 (Rs. in '000)
31	<b>GENERAL</b>		
	a) BALANCE IN SUNDRY DEBTORS/CREDITORS AND ADVANCES ARE SUBJECT TO CONFIRMATION		
	b) PREVIOUS YEAR FIGURES RE-ARRANGED AND RE-GROUPED WHEREVER NECESSARY		
	c) TAX DEDUCTED AT SOURCE FROM THE PAYMENT TO CONTRACTORS, PROFESSIONAL CHARGES AND SALARIES HAVE BEEN DEPOSITED IN TIME		
	d) EARNINGS IN FOREIGN EXCHANGE	NIL	NIL
	e) EXPENDITURE IN FOREIGN CURRENCY	AED 41.00 Rs. 520 ERO 57.00 Rs. 3,811 GBP 168.84 Rs. 12,863	NIL

SIGNATURE TO NOTES TO ACCOUNTS FROM No. 1 to No. 31  
AS PER OUR REPORT OF EVEN DATE

for ABHAY JAIN & Co.  
Chartered Accountants  
FRN No. : 000008S

Sd/-  
RAKESH GOYAL  
MANAGING DIRECTOR

Sd/-  
MAHAVEER SINGH  
DIRECTOR

Sd/-  
(A. K. JAIN)  
Partner

Place: Chennai  
Date : 29.06.2012



# TAMILNADU STEEL TUBES LIMITED, CHENNAI

## ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (As per part IV to Schedule VI to the Companies Act, 1956)

### I. REGISTRATION DETAILS

Registration No. L27110TN1979PLC007887 State Code 1 8  
BALANCE SHEET DATE 3 1 0 3 2 0 1 2

### II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue N I L Rights Issue N I L  
Bonus Issue N I L Private Placement N I L

### III. Position of Mobilisation and Deployment of Funds (Amount in Thousands)

Total Liabilities 2 7 3 9 0 2 Total Assets 2 7 3 9 0 2

#### SOURCES OF FUNDS

Paid up Capital 5 1 2 4 8 Reserve & Surplus ( 8 3 3 1 3 )  
Secured Loans 2 1 0 4 6 Unsecured Loan 2 8 4 1 1 1  
Deferred Tax Liability 8 1 0

#### Application of Funds

Net Fixed Assets 1 6 8 3 7 Investments N I L  
Net Current Assets 2 5 7 0 6 5 Misc. Expenditure N I L

### IV. Performance of company (Amount in Thousands)

Total Income 8 0 8 8 6 0 Total Expenditure 7 9 9 2 8 7  
Profit (+)/Loss(-) Before Tax 9 5 7 3 Profit(+)/ Loss (-) After Tax 7 1 0 3  
Earnings Per Share 1 . 3 9 Dividend Rate N I L

### V. Generic Names Of Three Principal Products/Services of the Company

(As per monetary terms) 3 1 3 0 8 0 0 2  
Item Code No. (ITC Code)  
Major Product Description : S T E E L T U B E S

FOR AND ON BEHALF OF THE BOARD

**RAKESH GOYAL**  
(Managing Director)

**MAHAVEER SINGH**  
(Director)

Place : Chennai  
Date : 29.06.2012.



**ATTENDANCE SLIP**

Folio No: \_\_\_\_\_

Name and Address \_\_\_\_\_

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company. I hereby record my presence at the 33<sup>rd</sup> ANNUAL GENERAL METTING of the Company to be held on Saturday the 29<sup>th</sup> September, 2012 at "Sir Pitti Thiyagaraya" Community Centre, No.143 G.N.Chetty Road, T.Nagar, Chennai-17, and at any adjournment thereof.

Member's/Proxy's Name (In block letters) \_\_\_\_\_

Member's/Proxy's Signature \_\_\_\_\_

**Note:**

1. Please sign this Attendance Slip and hand over at the Attendance Verification Counter at the Entrance of the Meeting Hall.
2. This attendance slip is valid only in case shares are held on the date of meeting.
3. REGRET NO GIFTS.

**TAMILNADU STEEL TUBES LTD**

Registered office: No. 15, Kondi Chetty Street  
Chennai 600 001

**PROXY FORM**

I/WE \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_

Hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_

As my/our Proxy and to vote for me/us or my/our behalf at the 33 Annual General Meeting of the Company to be held on Saturday the 29 September 2012, at 10.00 am and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signature(s) \_\_\_\_\_

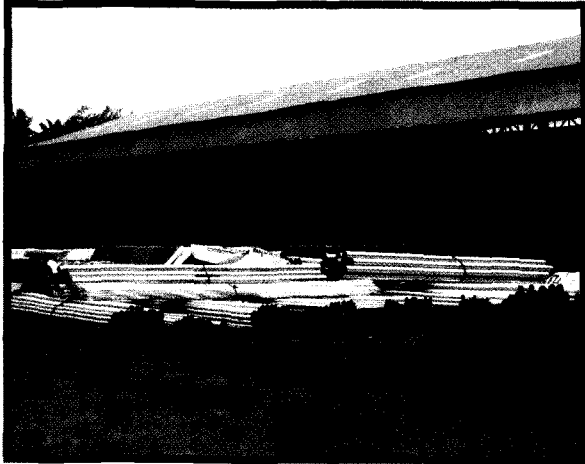
Ledger Folio No. \_\_\_\_\_

No. of shares held \_\_\_\_\_

Please affix Re.1 Revenue Stamp

**Note:**

1. The Proxy need not be a member.
2. The proxy from signed across Re.1 Revenue Stamp should reach the Company's Registered Office atleast 48 hours before the scheduled time of meeting.
3. Please fill in full particulars.



If Undelivered Please Return to:

**TAMILNADU STEEL TUBES LTD.,**

Regd. Office : Hindustan Chamber of Commerce Bldg.  
15, Kondi Chetty Street,  
Chennai - 600 001

