POWER

SEAM Industries Ltd.

Annual Report 2010-2011

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that the forward-looking statement will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

contents

Victories and successes are planned for. The environment and conditions are studied, advantages and disadvantages are measured, plans are formulated and strategies applied to achieve the ultimate goal. A successful play is one where all these factors fall in line to help achieve the mission that has been visualised

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powered up

Our Factory in Five Star Industrial Zone, Butibori MIDC, Nagpur, Maharashtra (India)

SEAM Industries Ltd. is a subsidiary of Sunil Hitech Engineers Ltd., a ₹ 80 crore company engaged in the fabrication, erection and commissioning related works required for Thermal Power Plant.

The Company was established in 2005 to provide manufacturing support and strengthen the vertical growth for its parent company. This backing ensured that SEAM Industries Ltd. was powered up and raring to go right from its inception. Now, the Company is coming into its own and is independently increasing its capabilities and expanding its customer base.

SEAM Industries Ltd. is an original equipment and component manufacturer of major structures, pressure parts and piping components required for boiler rehabilitation, renovation and modernisation works at power plants. SEAM Industries Ltd.'s design, engineering, manufacturing and on-site installation capabilities are applicable in both new power projects as well as expansion of existing units.

Manufacturing capabilities

An ISO 9001:2008 certified company; SEAM Industries Ltd. is spread across 24 acres in the industrial zone of MIDC Butibori near Nagpur, Maharashtra. The Company possesses a state-of-the-art technologically superior fabrication shop with an installed modern H-Beam automatic welding line (imported from Italy) with a capacity of 2,500 tonnes/ month.

Installed Capacities

- Technological structures = 16,000 MT per year
- Pipes & Tank, Vessels = 5000 MT per year
- Pressure Parts = 4000 MT per year

Products & Capabilities

- Manufactures various structures such as boiler structures, technological structures, heavy and medium built-up structures, ducting with capacity of up to 1,400 tonnes/ month
- Manufactures re-heater LTSH and economizer coils up to 500 MW
- Manufactures water wall panels and all economizer and SH headers up to 500 MW
- Supplies imported high pressure tubes of SA 347 H, SA 213, T11, T22 and T91 and carbon steel tubes for boilers up to 500 MW
- Manufactures various SH and re-heater spray nozzles
- Fabrication and Supply of IBR carbon shed pipings upto 600 MW
- Fabrication and supply of L.P. Pipings upto 600 MW.
- Manufactures tanks, vessels and heaters and pressure parts bends of up to 500MW
- Fabrication and supply of CW piping of up to 4,500 mm in diameter
- Manufactures clarified and DM water lines and other piping systems

Clientele

Inner side of the K-55 plant shed

Intermittence blow down tank

PHILOSOPHY

- Pursue international norms of time, cost and quality in manufacturing of products
- Strive to become the most dependable supplier by continuously enhancing standards
- Concentrate efforts towards growth of human resources and sustained asset building

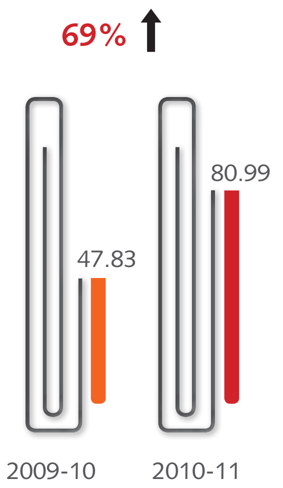
VISION

To become an EPMS (Engineering, Procurement, Manufacturing and Services Company) on international standards for power process industries.

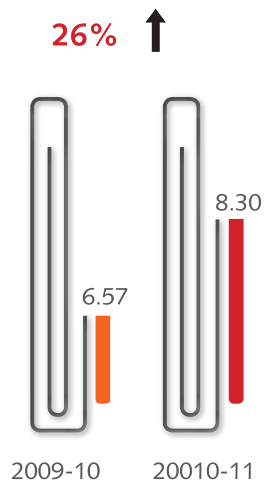
MISSION

Design, develop and implement cutting-edge practices, methods and tools to sustain constant growth at a good pace.

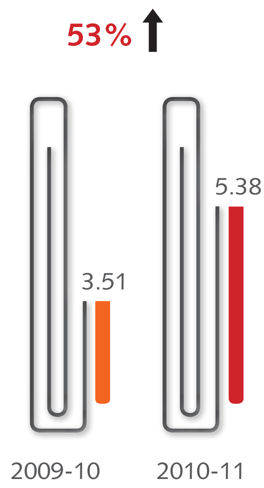
performance meter



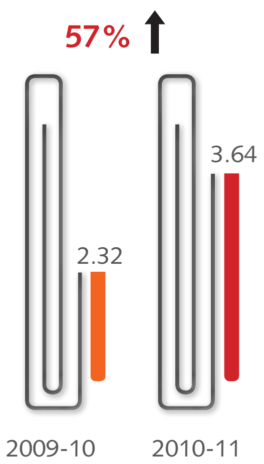
Revenues (₹ crores)



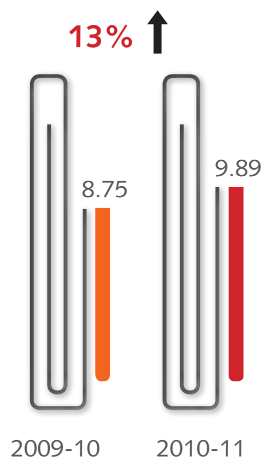
EBIDTA (₹ crores)



PBT (₹ crores)



PAT (₹ crores)



Gross block (₹ crores)

a power-packed 2010-11

- Received certification of NDT (Non Destructive Testing) Approval from BHEL for its laboratory
- Achieved the distinction of being amongst the top ten vendors of BHEL
- Successfully acquired individual and independent clients in the private sector, including the Jaypee Group
- Generated revenues from new products such as plate formed piping
- Installed fully automated four-torch machinery for water wall panels
- Installed a H-Beam automated welding line
- Implemented Kaizen for optimum utilization of resources
- Received Best Business Partner Award 2010-11 from BHEL.

Awarded as "Best Business Partner" By piping Center, BHEL, Chennai

the powers behind growth

SEAM Industries Ltd. has seven key competencies that it has successfully deployed to accelerate its progress within a Ltd. period. The Company intends to further hone its existing abilities to continue on its planned course.

Parentage synergies

SEAM Industries Ltd. provides vertical support to Sunil Hitech, and caters to the requirements of the parent company's power segment clients.

Advantage: Access to existing client base ensures smooth operations

State-of-the-art machinery

Investment in a state-of-the-art, modern H-Beam automatic welding line, imported from Italy enables the Company to adopt a manufacturing process in line with international standards.

Advantage: Efficient productivity with lesser human intervention results in cost-savings

Location

The Company's location in the power development zone gives it the strategic advantage of proximity to its customers and vendors.

Advantage: Prompt access enhances client confidence and lowers logistics cost

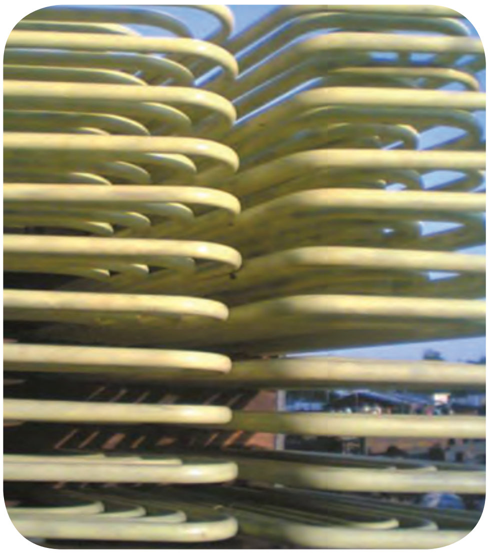
Intellectual capital

SEAM Industries Ltd. has focussed energies on engaging and nurturing a rich talent pool of experienced professionals to effectually leverage on its other capabilities.

Advantage: Proper guidance to the Company for achieving its vision

Packing and stacking of materials

Fabrication of Duct 500 MW



Coils

Reliable vendor base

Raw materials sourced from reputed groups like SAIL, TATA, ISMT, MSL, JFE-Japan and Jindal, equips the Company with confidence in its final products.

Advantage: Assures reliable quality

Strong financials

SEAM Industries Ltd. has displayed a two-fold growth since commencement of business in 2006. It has reported a strong EBIDTA margin of 10%, RONW of 28.64%.

Land bank

Of the 24 acres of land that SEAM possesses, 33% is currently operational. The Company thus has a large bank of unused land at its disposal for future endeavours.

Advantage: Scope for future expansions

Extended Water Wall Panel

chief operating officer's review

Dear friends,

The year 2010-11 was the third full financial year of the Company since its establishment. Within these three years, we witnessed a massive slowdown in the economies across the globe. India too was affected by this slowdown, but owing to some of the proactive measures undertaken by the Government, India recovered far better than other emerging economies. Moreover, the Government also laid a great impetus towards developing the infrastructure backbone of the economy. This created a wide growth opportunity for the Companies involved in the sectors which form the core of the country's development.

Since the Company has been catering to the growing requirements of India's power sector, it continued to maintain its growth momentum. The Company reported a topline increase of 72%, bottom-line increase of 57% with strong operating margins of 10.25%.

The Company obtained certification of NDT (Non Destructive Testing) Approval from BHEL and received recognition was becoming their top ten vendors. SEAM Industries Ltd.'s strong foundation has helped it to acquire customers in the private sector, independent from the shadow of the parent company. The products launched by the Company during the year have been well-received. More automated machinery has added more impetus to the Company's productivity. Kaizen, a six days workshop conducted four times a year, has also been introduced to strengthen resource optimization and cut production time.

The Indian power sector has traditionally witnessed energy shortage over the years. In 2011, the peak hour demand supply shortage was pegged at around 10.2%. Hence, significant amount of power generation will be required to fill up this gap. Moreover, the average per capita consumption

SEAM's strong foundation has helped it to acquire customers in the private sector, independent from the shadow of the parent company. The products launched by the Company during the year have been well received.

of electricity in India is estimated to be around 704 KWH as compared to that of some of the developed and emerging nations such as US (~15,000 KWH) and China (~1,800 KWH). The world average stands at 2,300 KWH. These facts represent a significant potential for sustainable growth in the demand for power in India.

Powering towards the future

Today, SEAM Industries Ltd.'s product lines consist of almost all the products that the industry requires, but at a lower scale. The Company has currently reached 20% of the industry size and is focussed on positioning its resources to strive to qualify for large scale products and gradually progress to 100%.

The Company is also looking to further use its proximity to its clientele to its advantage by adding servicing of power plants to its capabilities. Moreover, the absence of other power sector equipment manufacturers within a 200 km radius, gives SEAM Industries Ltd. an opportunity to generate additional revenue.

Best Wishes,
M. T. Deverajan
Chief Operating Officer (COO)

SEAM has currently reached 20% of the industry size and is focused on positioning its resources to strive to qualify for large scale products and gradually progress to 100%

the power of...

Factory at K-55 MIDC, Butibori, Nagpur

...technology

Superior technology and greater technical efficiency can significantly empower a Company to make its mark even amidst cut-throat competition. The power of technology is invaluable in helping a company to gain an advantage in its production activities, thus resulting in increased client satisfaction.

At SEAM Industries Ltd., we have invested over ₹ 15 crores towards installing automated state-of-the-art equipment for efficient operations. Our equipment bank consists of specialized H-Beam Automatic Welding line, Automatic Mutli Tourch Panel Welding Machine and Furnace.

Thus, the work process is entirely automated, involves minimal human intervention and results in quality output. Earlier 500 people were needed for managing an output of 1,500 tonnes per month. With the automation, the manpower requirement has reduced to 10% of the earlier requirement. Now, 50 people can manage the entire output.

...location

A good location presents a company with many benefits including enhanced operational efficiency, lower logistical costs and greater customer satisfaction. SEAM Industries Ltd.'s location in the industrial zone of MIDC Butbori (35 kms from Nagpur), Maharashtra plays an important role towards achieving smoother operations and an efficient supply chain.

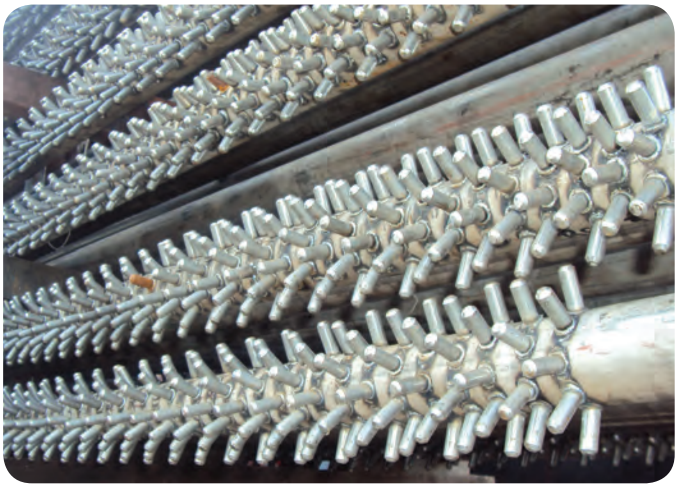
The Company's raw material base is within a radius of 20 km which ensures timely receipt of inputs. Also, there are major power development activities in Madhya Pradesh, Andhra Pradesh, Maharashtra and Chhattisgarh which lie within a radius of 500 km from Nagpur. This proximity to customers enables the Company to adhere to timely delivery of its products and services.

...execution

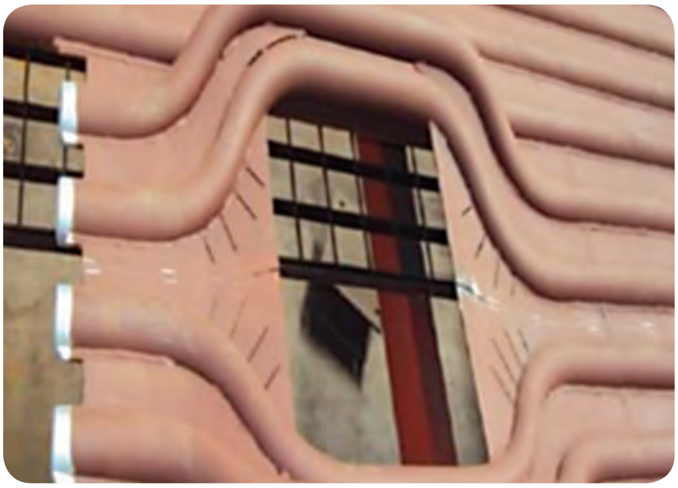
In order for all the capabilities of a company to be harnessed to the best advantage, they must be executed skilfully. SEAM Industries Ltd. started out as a subsidiary of Sunil Hitech with the benefits of an existing client base, technology and capital. Over the past two years, the Company has managed to wield its power of execution and establish itself as a company capable of handling and completing orders with an eye on quality.

A range of products and an ever-evolving portfolio has taken SEAM Industries Ltd. closer to its vision of becoming a ₹ 100 crore specialized PED company. The Company has also invested in strengthening its intellectual capital by recruiting talents with rich industrial experience. They are a big driving force towards achieving the Company's vision.

As a result, the Company has managed to establish its credibility and has emerged financially independent from its parent company. It has also started bagging orders from prestigious clients like the Jaypee Group, Bhushan Steel Ltd., of its own accord.



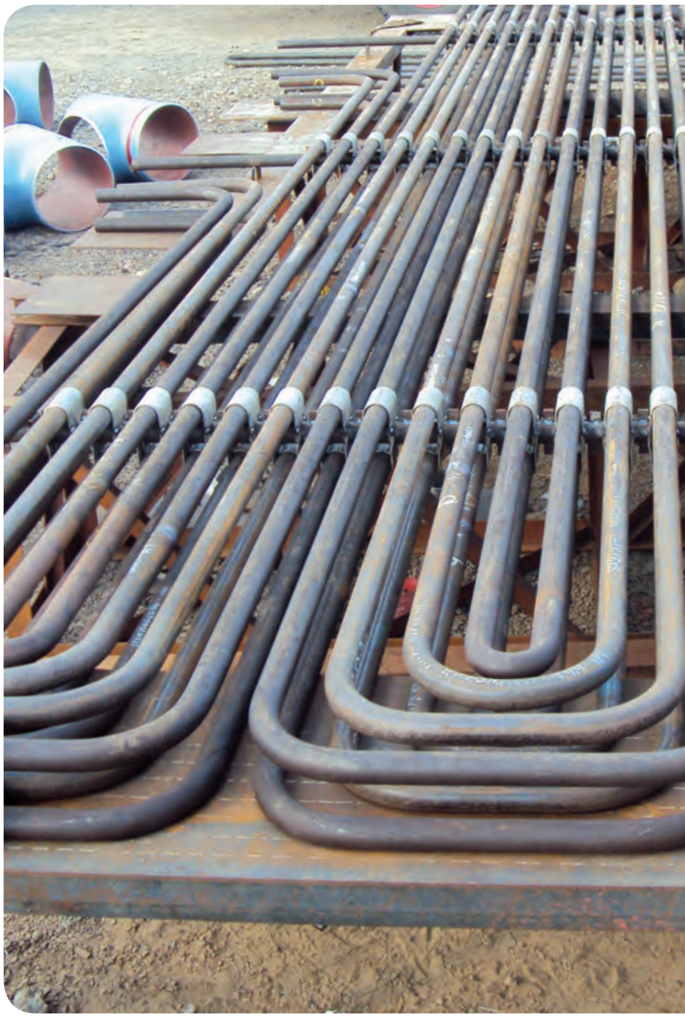
Packing and stacking of material



Water wall panel

a snapshot of the power sector in india

Power is a valuable player in the economic and infrastructural development of a country. In India, the surging economic growth of the country has effected an exponential growth in the demand for power. The scope for growth in this sector is widening rapidly and SEAM Industries Ltd. is ideally poised to make the most of these opportunities.



Power Points

- There are four sources of electricity generation – thermal, hydro, nuclear and renewable; Today, India ranks fifth, globally, in terms of total electricity generation
- The power sector has been recognized by the Government as key infrastructure to sustain economic growth of the nation
- The Central and State governments together own and operate over 85% of the installed power capacity in India
- Recent reforms in the power sector has led to increased participation by the private sector

Perspective 2012

- Per capita availability of 1,000 units
- Target installed capacity of over 200,000 MW
- Inter-regional transmission capacity of 37,000 MW
- Energy efficiency/conservation savings of about 15%
- Improvement in quality and reliability of power supply

(Source: Ministry of Power, GoI)

1,73,626.40 MW

India's total installed capacity of electricity generation as on 31st March, 2011

54.17%

Electricity generation through thermal power

21.62%

Electricity generation through hydro power

2.87%

Electricity generation through nuclear power

91,000 MW

The total capacity addition over the last five, 5 year plans, leading to tenth Five-Year Plan

78,700 MW

Planned capacity addition for the Eleventh Five-Year Plan

Profile of the Key Managerial Personals

Ratnakar Manikrao Gutte, Managing Director

Mr. Gutte brings thirty years of rich experience in project-execution i.e. fabrication, erection, testing and commissioning of power plants. He started his career in the power sector, working as a helper to a contractor engaged in rendering contractor-ship services to the State Electricity Board and he grew to the present rank by virtue of his sheer hard work and great insight.

Being a first-generation starter, with his working knowledge of engineering, finance, banking, general management and commercial matters, he empowered the Company with the necessary direction for growth and vision.

His key strength is delivering qualitative and timely services. His forte is strong liaisoning in the industry. In recognition of his services, he was honored with two national awards: 'Life Time Udyog Achievement Award 2004' and 'Great Achiever in Industrial Excellence Award 2004' by EGSI and IOCI respectively. He was awarded NCCL Entrepreneur of the year, 2007-08, by Nagpur Chamber of Commerce Ltd.. He has also been honored with the Bharat Vibhusan Samman Puraskar – 2009, which recognizes outstanding achievement in business excellence & quality and Individual achievement for economic and social development, organized by the Indian Organisation for Commerce and Industry. During the month of April 2011, He was honored with 'MARATHWADA GAURAV AWARD' by Shri Prithviraj Chavan the Hon'ble Chief Minister of Maharashtra in the presence of some Hon'ble state as well as central ministers, for his significant contribution in the field of Industry as well as social services.

Sunil Ratnakar Gutte, Director

Mr. Gutte has a degree in Mechanical Engineering from Pune, Maharashtra. He has undergone rigorous training at BHEL's Welding Research Institute in Tiruchirapalli on Welding Technology. He also completed an intensive training programme in project management from IIM, Ahmedabad, to have a broader perspective of the functioning of the Company. By virtue of his zeal and creativity, sound inter-personal relations and effective ability to motivate members of the Board on one hand and the work-force on the other, he has helped to synergise the human resource assets in the Company.

Kamlakar G Holkar, Director

Mr. Holkar, an engineer from Ujjain University, served BHEL, an esteemed organisation in the power sector for over four decades. He retired from BHEL as General Manager (Western Region). During his tenure, he had also undergone a specialised training programme in General Electric, UK. He has a sound experience in manufacturing, construction, testing, commissioning, repair and services in the power sector. He has to his credit the construction, testing and commissioning of a 500 MW thermal power plant at Chandrapur for the MSEB, a task that was accomplished in record time. His key strength is powerful leadership through efficient and effective administration resulting in fast-track completion of important projects.

Vijay Ratnakar Gutte, Director

Mr. Vijay R. Gutte is an MBA specialising in marketing and finance. He brings up-to-date knowledge to this specialised field. His competence lies in understanding banking and finances, airline industry and taxation as he has completed various projects in these fields. He continuously monitors end-to-end processes and transaction quality to analyse defects and identify remedies. He creates a sense of belongingness among employees. He believes in maintaining a timely schedule across each facet of life and is prompt in his commitments.

Parag Ashok Sakalikar, Director

Mr. Sakalikar, a young entrepreneur, has a Diploma in Mech. Engg. and a B.E. in Mech. Engg. He established his own authorised Automobile service station, (an ISO 9001:2000 certified company) for the entire range of Maruti vehicles. His company was awarded for its performance in Maharashtra from 2003-2007 and also in entire western region by Maruti Suzuki. He has also setup additional new Maruti authorised service station in Butibori MIDC with 'A' Grade category.

Mrs. Swati Phad, Director

Swati Phad has more than two years of hands-on experience in taking care of the Company's overall management and administration. She regularly interacts with the employees including the senior management personnel to know the areas of their weakness / shortcomings, where improvements could be made. She has played a significant role in creating a sense of belonging ness among the employees and in developing Cordial relations within the Organization. She is contributing towards the growth of Company through her key strengths like team building, to motivate employees to contribute their best towards the organization and also she is very prompt for her commitments.

director's report

With great Pleasure, your Directors present their report for the financial year ended on 31st March' 2011.

Financial Performance

₹ In lacs

Particulars	2010-11	2009-10
Net Sales	8086.73	4708.73
Other Income	12.73	74.01
Total Income	**8099.46**	**4782.74**
Total Expenditure	7561.33	4431.34
Profit Before Tax	538.14	351.40
Profit After Tax	363.79	231.96
Amount Transferred to General Reserve	-	-
Balance Transferred to Balance Sheet	687.02	323.22

Operational Review

The Net sales of your Company for the financial year ended on 31.03.2011 is ₹ 8086.73 lacs, whereas it was ₹ 4708.73 lacs for the financial year ended on 31.03.2010, thereby registering a significant growth of 71.74% over the last year's figure. Profit before tax for the financial year ended on 31.03.2011 is ₹ 538.14 lacs, whereas it was ₹ 351.40 lacs for the financial year ended on 31.03.2010, a significant growth of 53.14% over the last year's figure.

Profit after tax is ₹ 363.79 lacs for the financial year 2010-11 and for the financial year 2009-10, it was ₹ 231.96 lacs showing a material growth of 56.83% over the last year's figure.

The top line and bottom line of the Company have shown significant growth, showing the growth potential of the Company and its ability to maintain its growth momentum in future years.

Dividend

In order to conserve resources for future plans, the Board of Directors has not recommended any dividend for the financial year ended on 31st March' 2011.

SEAM's strong foundation has helped it to acquire customers in the private sector, independent from the shadow of the parent company. The products launched by the Company during the year have been well-received.

Future Prospects

Your Company 'SEAM Industries Ltd.' is an ISO9001:2008 Company, a Subsidiary of 'Sunil Hitech Engineers Ltd.'. This Company basically deals with 'Structural & Technical fabrication' and Erection, and manufactures various products required in the execution of Power and Infrastructure Projects such as Pressure Parts for Thermal Power, Tanks and Vessels, for Sugar Projects – tubes, jackets and pipings, for Petroleum Projects – columns, condensers and miscellaneous vessels.

In view of the growing demand for boiler components, Your Company is expanding its production base by increasing its productive capacity for structural steels to 2000 M. Tonnes per month and for Piping and Pressure parts to 1000 M. Tonnes per month. In addition to the above, Shed expansion is under process.

Currently the Energy Sector is in booming phase. Most of the Corporates in Power / Energy Sectors and Infrastructrure Sectors is in expansion mode. The Government of India had also announced packages to meet the growing demand of energy. Your Company, being one of the supplier to the Companies dealing in Energy Sector, Infrastructure sector, expects better result in years to come.

Directors Responsibility Statement

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

a) In the preparation of Annual Accounts of the Company, the applicable Accounting Standards have been followed along with proper explanation to material departure from the same, if there any.

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 a true & fair view of the state of affairs of the Company at the end of the financial year ended on 31st March' 2011 and of the Profit of the Company for the year ended on that date.

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularity.

SEAM's strong foundation has helped it to acquire customers in the private sector, independent from the shadow of the parent company. The products launched by the Company during the year have been well-received.

d) The Directors have prepared the Annual Accounts of the Company on a going concern basis.

Directors

Mr. Sunil R. Gutte Director of the Company is liable to retire by rotation at the forthcoming annual general meeting of the Company and the Board of Directors recommends his reappointment.

Auditors

M/s K. K. Mankeshwar & Co., Chartered Accountants, having ICAI Firm Reg. No. 106009W shall hold office upto the conclusion of the forthcoming Annual General Meeting of the Company. The Board of Directors recommends their reappointment as Auditors of the Company.

Particulars of employees

As required by the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 there is no Employee which comes under the purview of the aforesaid section read with the aforesaid Rules.

Particulars of employees

Information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are annexed and form part of this report.

Acknowledgement

The Directors of your Company express their gratitude for the valuable support extended by Shareholders, Customers, Bankers and Vendors. Yours Directors place on record their appreciation for the valuable contribution made by the employees at all levels towards the development of the Company. With the whole hearted support of Employees, Bankers and our valuable customers, your company will reach the new limits of success and growth.

By the order of the Board

Place: Nagpur
Dated: 30.04.2011

sd/-
(Ratnakar M. Gutte)
Managing Director

annexure to directors' report

a) Conservation of Energy

Your Company realizes the importance of Energy conservation. We regularly take initiatives to reduce the consumption of energy in our day to day operations. In the financial year 2010-11, we incurred ₹ 50.79 lacs towards 'Power & Fuel' whereas in the financial year 2009-10, we incurred ₹ 29.10 lacs.

Particulars	2010-11	2009-10
Production in Tonnes	10402.03	6545.92
Power & Fuel Consumption (in ₹)	41,44,188/-	29,10,451/-

b) Technology Absorption

Your Company is doing business by its own means, by utilizing all its available resources in best possible way. It has not initiated any Research & Development Activity so far.

c) Foreign Exchange Earnings and Outgo

There is no Foreign Exchange Earnings & Outgo during the Financial Year 2010-11.

By the order of the Board

Place: Nagpur
Dated: 30.04.2011

sd/-
(Ratnakar M. Gutte)
Managing Director

financial statements

auditors' report

To,

The Members of SEAM Industries Limited.

1. We have audited the attached Balance Sheet of SEAM INDUSTRIES LIMITED, as at 31st March 2011, the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by Companies (Auditor's Amendment) Order 2004 (the "Order"), issued by the Central Government in terms of sub section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure 'A' a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we also report that:
   (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (b) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of the books;
   (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
   (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement read together with Notes thereon comply with the mandatory accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
   (e) On the basis of written representations received from the Directors of the Company as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the Director is disqualified from being appointed as a director of the company under 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, the said financial statements together with the 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:
      (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
      (ii) In case of the Profit and Loss Account, of the PROFIT for the year ended on that date; and
      (iii) In the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

As Per Our Report Attached,
ASHWIN MANKESHWAR
Partner
Membership No. 046219
For and on behalf of
K.K.MANKESHWAR & CO.
Chartered Accountants
FRN: - 106009W

Place: Nagpur
Date: 30th April, 2011

Annexure 'A' To Auditors' Report

(Referred to in paragraph 3 of the Auditors' report of even date to the members of SEAM INDUSTRIES LIMITED on the Financial Statements for the year ended 31st March, 2011)

1. In respect of fixed assets:
   a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
   b. As explained to us, the management has during the year, physically verified the fixed assets. There was no material discrepancies noticed on such verification. In our opinion, having regard to the size of the Company and the nature of its operations, the frequency of verification is reasonable.
   c. The company has not disposed of any substantial part of fixed assets during the year and the going concern status of the company is not affected.
2. In respect of inventories:
   a. The Inventory has been physically verified 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 is maintaining proper records of inventories. As explained to us there were no materials discrepancies noticed on physical verification of inventories, as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the company to / from Companies, firms or other parties covered in the registered maintained under section 301 of the Companies Act, 1956:
   a. The company has taken unsecured loan from one company covered in the register maintained under section 301 of The Companies Act 1956.The maximum amount involved during the year was ₹ 4,00,00,000 and the year-end balance of loan taken from such parties was ₹ 3,00,00,000.

      The company has not granted any loan secured or unsecured to any companies/firms covered in the register maintained under section 301 of the Companies Act, 1956
   b. In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
   c. There is no overdue amount in respect of loan taken by the Company. In respect of loan taken by the Company, these are repayable on demand and therefore the question of overdue amount does not arise.
4. 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 for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness in internal controls.
5. In respect of transactions covered under section 301 of the Companies Act, 1956:
   a. In our opinion and according to the information and explanations given to us the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under section 301 of the Companies Act. 1956 have been so entered.
   b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the 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 regards to prevailing market prices at the relevant time.
6. In our opinion and according to the explanations given to us, the company has not accepted any deposit from the public within the meaning of section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and the rules framed there under.
7. In our opinion the company has an internal audit system commensurate with its size and the nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.

Annexure 'A' To Auditors' Report

(Referred to in paragraph 3 of the Auditors' report of even date to the members of SEAM INDUSTRIES LIMITED on the Financial Statements for the year ended 31st March, 2011)

9. In respect of statutory dues:

a. According to the records of the Company, except for delays in depositing Tax deducted at source and Tax collected at source, all undisputed statutory dues including Provident fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service Tax, Excise Duty, cess and other statutory dues have been generally regularly deposited with the appropriate authorities.

According to the information and explanation, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2011 for a period of more than six month from the date of becoming payable.

b. According to the information and explanation given to us and the records of the company, no dues in respect of Income tax, Wealth tax, Sale tax, Service Tax, Excise Duty, and other statutory dues have been regularly deposited with the appropriate authorities.

10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.

11. According to the information and explanation given to us, in our opinion the company has not defaulted in repayment of dues of financial institution or bank, as at the balance sheet date.

12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares debentures and other securities.

13. In our opinion the Company is not a chit fund or nidhi / mutual benefit fund / society therefore clause 4 (xiii) of the Companies (Auditors Reports) order 2003 is not applicable to the Company.

14. The Company is not dealing or trading in shares, securities, debentures and other investments.

15. The Company has not given guarantees for loans taken by others from banks or financial institutions.

16. In our opinion, according to the information and explanation given to us and to the best of our knowledge and belief on an overall basis, the term loans taken and / or utilised during the year have been applied for the purpose for which they were obtained.

17. According to the information and explanation given to us and on the basis of an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment and vice versa.

18. According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the registered maintained under section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures during the year. Hence, reporting on paragraph 4 (xix) of Companies (Auditor's Report) Order, 2003 pertaining to creation of security or charged for debentures does not arise.

20. The Company has not raised any money by way of public issues during the year. Accordingly reporting on paragraph 4 (xx) of Companies (Auditor's Report) Order, 2003 is not applicable to the company.

21. During the course of our examination of the books and records of the company, carried out in accordance with the Generally Accepted Accounting Practices In India, and in accordance to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

As Per Our Report Attached,
ASHWIN MANKESHWAR
Partner
Membership No. 046219
For and on behalf of
K.K.MANKESHWAR & CO.
Chartered Accountants
FRN: - 106009W

Place: Nagpur
Date: 30th April, 2011

balance sheet as at 31st March, 2011

Amount in ₹

	Sch.	As at 31st March, 2011		As at 31st March, 2010	
I. SOURCES OF FUNDS :					
1. Shareholders Fund :					
Capital	A	4,13,00,000		4,13,00,000	
Reserve & Surplus	B	8,57,01,753		4,88,22,458	
			12,70,01,753		**9,01,22,458**
2. Loan Funds :					
Secured Loans	C	20,87,07,865		10,71,69,158	
Unsecured Loans	D	3,00,00,000		-	
			23,87,07,865		10,71,69,158
Total			**36,57,09,618**		**19,72,91,616**
II. APPLICATION OF FUNDS :					
3. Fixed Assets :	E				
Gross Block		9,88,68,646		8,74,85,780	
Depreciation		3,02,30,296		2,19,71,504	
Net Block		6,86,38,350		6,55,14,276	
Capital Work In Progress		2,37,81,871		79,33,251	
			9,24,20,221		**7,34,47,527**
4. Investments	F		**66,77,478**		**19,36,536**
5. Deferred Tax Asset (net)			**26,23,741**		**20,84,717**
6. Current Assets,Loans and Advances:					
Inventories	G	4,14,81,573		12,11,86,940	
Sundry Debtors	H	46,47,95,121		22,03,73,085	
Cash & Bank Balances	I	13,67,118		1,20,60,451	
Loans & Advances	J	11,89,43,069		4,22,81,263	
		62,65,86,881		39,59,01,739	
Less:-Current Liabilities and provisions:					
Liabilities	K	32,30,14,600		25,60,47,519	
Provision for income tax		3,95,84,103		2,16,10,648	
		36,25,98,703		27,76,58,167	
Net Current Asset			**26,39,88,178**		**11,82,43,572**
7. Miscellaneous Expenditure	L		-		15,79,264
(To the extent not written off)					
Total			**36,57,09,618**		**19,72,91,616**
Notes to Accounts	M				

The Schedules referred to above and Notes to Accounts form an integral part of Balance sheet

As per our report attached

For SEAM Industries Limited

Ashwin Mankeshwar
Partner
Membership No. 046219
For and on behalf of
K. K. Mankeshwar & Co.
Chartered Accountants
FRN: 106009W
Nagpur, dated the 30th April, 2011

Ratnakar M. Gutte
Director

Sunil R. Gutte
Director

profit & loss account

for the year ended 31st March, 2011

Amount in ₹

	Schedule	31st March, 2011	31st March, 2010
INCOME			
Sales	N	80,86,73,292	47,08,72,735
Other Income	O	12,73,131	74,01,367
Total		**80,99,46,423**	**47,82,74,102**
EXPENDITURE			
Raw Material Consumed	P	59,63,38,684	31,92,36,677
Manufacturing Expenses	Q	8,35,80,220	5,90,97,504
Administrative Expenses	R	2,85,28,344	2,25,49,813
Personnel Cost	S	1,68,98,501	1,14,14,491
Interest & Financial Charges	T	2,09,48,892	1,41,05,095
Miscellaneous expenses written off		15,79,264	2,25,609
Depreciation (Refer note 6 of Schedule T (II))		82,58,792	1,65,04,541
Total		**75,61,32,697**	**44,31,33,730**
PROFIT BEFORE TAX		5,38,13,726	3,51,40,372
Provision for Tax		1,79,73,455	1,46,26,430
Deferred Tax Expense / (Income)		(5,39,024)	(26,82,221)
PROFIT AFTER TAX		3,63,79,295	2,31,96,163
Surplus Brought Forward from previous year		3,23,22,458	91,26,294
Balance for Appropriation		-	-
Total		**6,87,01,753**	**3,23,22,458**
Less: Transferred to General Reserve		-	-
Surplus carried to Balance Sheet		6,87,01,753	3,23,22,458
Basic Earning Per Share		8.81	5.62
Notes forming part of Profit & Loss Account.	U		

The Schedules referred to above and Notes to Accounts form an integral part of this Profit & Loss account

As per our report attached

For SEAM Industries Limited

Ashwin Mankeshwar
Partner
Membership No. 046219
For and on behalf of
K. K. Mankeshwar & Co.
Chartered Accountants
FRN: 106009W
Nagpur, dated the 30th April, 2011

Ratnakar M. Gutte
Director

Sunil R. Gutte
Director

cash flow statement for the year ended 31st March, 2011

		31st March, 2011	31st March, 2010
			Amount in ₹
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit BEFORE tax and extraordinary items	5,38,13,726	3,51,40,372
	Add / (Less)		
	Depreciation	79,79,723	1,65,04,541
	Amortisation of Leasehold Land	2,79,069	-
	Provision for Gratuity & Leave Encashment	9,58,937	-
	Misc. Expenditure Write off	15,98,407	2,25,609
	Interest & financial Charges	25,01,418	1,41,05,095
	Interest Income	(2,44,791)	(75,265)
	Operating Profit before Working Capital Changes	6,68,86,489	6,59,00,352
	Adjustment for		
	Trade & Other Receivables & Advances	(24,72,73,921)	(13,53,41,590)
	Inventory / WIP	7,97,05,367	(6,92,11,973)
	Trade & Other Payables	6,67,67,081	15,61,16,689
	Cash Used in Operations	(3,39,14,984)	1,74,63,477
	Direct Taxes (Paid)	1,63,00,000	90,00,000
	Subtotal (A) : Net Cash Used in Operating Activity	(5,02,14,984)	84,63,477
B.	CASH FLOW FROM INVESTMENT ACTIVITIES		
	Purchase of Fixed Assets	(2,72,31,486)	(1,86,79,107)
	Advance for Assets (Capital WIP)	(5,82,88,000)	-
	Purchase of Investments	(47,40,942)	-
	Interest Received	2,44,791	75,265
	Subtotal (B) : Net Cash Used in Investment Activity	(9,00,15,637)	(1,86,03,842)

cash flow statement for the year ended 31st March, 2011

		31st March, 2011	Amount in ₹ 31st March, 2010
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Issue of Share Capital Including Security Premium		
	Proceeds from Warrants		
	Proceeds / (Repayment) from long term borrowing (NET)		
	Loans Accepted / (Repaid) during the year (NET)	13,15,38,707	3,52,95,141
	Interest & Financial Charges	(25,01,418)	(1,41,05,095)
	District Industries Centre (DIC) Grant Received	5,00,000	5,00,000
	Subtotal (C) : Net Cash Used in Financing Activities	12,95,37,289	2,16,90,046
	Net Increase / (Decrease) in cash & Cash Equivalents (A+B+C)	(1,06,93,333)	1,15,49,681
	Cash & Cash Equivalent at Beginning of the Year	1,20,60,451	5,10,770
	Cash & Cash Equivalent at Closing of the Year	13,67,118	1,20,60,451

NOTES

1. The above statement has been prepared following the Indirect Method.
2. Increase in Fixed Assets are stated inclusive of movements of Capital work in progress and Capital advances.
3. Proceeds from long term and other borrowings are shown net of repayments.
4. Cash and Cash Equivalents represent Cash and Bank Balances only.
5. Figures for the previous year have been rearranged and regrouped wherever necessary to conform to Current year's classification.

For SEAM Industries Limited

As per our report attached
Ashwin Mankeshwar
Partner
Membership No. 046219
For and on behalf of
K. K. Mankeshwar & Co.
Chartered Accountants
FRN: 106009W
Nagpur, dated the 30th April, 2011

Ratnakar M. Gutte
Director

Sunil R. Gutte
Director

schedules forming a part of balance sheet as at 31st March, 2011

Amount in ₹

	31st March 2011	31st March 2010
SCHEDULE "A":		
Share Capital		
Authorised		
100,00,000 Equity Shares of ₹ 10 each	10,00,00,000	10,00,00,000
Issued and Subscribed		
41,30,000 Equity Shares of ₹ 10 each	4,13,00,000	4,13,00,000
*out of these, 3500000 equity shares are held by Sunil Hitech Engineers Limited (Holding co).		
Total	**4,13,00,000**	**4,13,00,000**

	31st March 2011	31st March 2010
SCHEDULE "B" :		
Reserves & Surplus		
I General Reserve		
As per Last Balance Sheet	1,50,00,000	1,50,00,000
Sub Total I	**1,50,00,000**	**1,50,00,000**
II Profit & Loss Account		
As per Profit and Loss Account	6,87,01,753	3,23,22,458
Sub Total II	**6,87,01,753**	**3,23,22,458**
III Capital Reserve		
Capital subsidy received from District Industries Centre (DIC)	20,00,000	15,00,000
Sub Total III	**20,00,000**	**15,00,000**
Total	**8,57,01,753**	**4,88,22,458**

	31st March 2011	31st March 2010
SCHEDULE "C":		
Secured Loans		
Term Loans From Banks*	5,43,52,051	1,02,19,839
(Due within 1 year, ₹ 1,20,00,000)		
Working Capital Facilities from Banks*	15,43,55,814	9,69,49,320
Total	**20,87,07,865**	**10,71,69,159**

Notes:

*Refer Notes to Accounts Point No.11 of Schedule U(III)

	31st March 2011	31st March 2010
SCHEDULE "D":		
Unsecured Loans		
From Shareholders (Holding Co.)	3,00,00,000	-
(Due within 1 year, NIL)		
Total	**3,00,00,000**	**-**

schedules forming a part of balance sheet as at 31st March, 2011

SCHEDULE "E" :

Fixed Assets

Amount in ₹

Particulars	Gross Block (at Cost)				Depreciation			Net Block	
	As at 1.4.2010	Addition/ Adjustment during the year	Sale/ Adjustments/ Disposal during the year	Total as at 31.3.2011	As at 1.4.2010	During the Period	Total as at 31.3.2011	As on 31.3.2011	As on 31.3.2010
Leasehold Land*	95,42,803	35,48,500	33,61,878	97,29,425	-	2,79,069	2,79,069	94,50,356	95,42,803
Factory Shed & Office Building	3,95,69,799	50,98,524	-	4,46,68,323	1,03,02,233	33,78,032	1,36,80,265	3,09,88,058	2,92,67,566
Plant & Machinery	3,05,75,870	22,72,810	-	3,28,48,680	83,96,001	31,91,099	1,15,87,100	2,12,61,580	2,21,79,869
Motor Vehicle	23,75,108	9,93,957	-	33,69,065	11,11,585	5,61,900	16,73,485	16,95,580	12,63,523
Air Conditioner	49,750	54,986	-	1,04,736	5,445	12,187	17,632	87,104	44,305
Electrical Installation	24,32,223	7,69,600	-	32,01,823	9,53,557	2,09,789	11,63,346	20,38,477	14,78,666
Office Equipment	6,43,084	4,31,256	-	10,74,340	1,63,753	84,684	2,48,437	8,25,903	4,79,331
Furniture & Fixture	13,30,791	12,33,942	-	25,64,733	5,66,547	2,82,047	8,48,594	17,16,139	7,64,245
Computers & Softwares	9,66,352	3,41,169	-	13,07,521	4,72,383	2,59,985	7,32,368	5,75,153	4,93,969
Total	**8,74,85,780**	**1,47,44,744**	**33,61,878**	**9,88,68,646**	**2,19,71,504**	**82,58,792**	**3,02,30,296**	**6,86,38,350**	**6,55,14,277**
Previous Year	**7,67,39,924**	**1,07,45,856**	**-**	**8,74,85,780**	**54,66,962**	**1,65,04,541**	**2,19,71,503**	**6,55,14,276**	**-**

*Note: The depreciation during the year represents amortisation of Leasehold Land of ₹ 98277 for the current year and ₹ 180792 upto 31st March,2010

schedules forming a part of balance sheet as at 31st March, 2011

Amount in ₹

	31st March 2011	31st March 2010
SCHEDULE "F":		
Investments		
Term Deposits with Oriental Bank of Commerce (It includes Interest of ₹ 244791.00 accrued but not due)	66,77,478	19,36,536
Total	**66,77,478**	**19,36,536**

	31st March 2011	31st March 2010
SCHEDULE "G" :		
Inventories		
(Lower of the cost or Net Realisable Value as taken, Valued & Certified by the Management)		
Raw Materials -At Cost	3,33,68,679	6,90,87,617
Stock of Stores and Spares - At Cost	65,63,279	66,73,564
Stock in Process -At Cost	15,49,615	4,54,25,759
Total	**4,14,81,573**	**12,11,86,940**

	31st March 2011	31st March 2010
SCHEDULE "H" :		
Sundry Debtors		
Debts outstanding for a period exceeding six months- Unsecured -Considered Good	1,73,85,861	11,47,81,106
Other Debts- Unsecured -Considered Good	44,74,09,260	10,55,91,980
Total	**46,47,95,121**	**22,03,73,086**

	31st March 2011	31st March 2010
SCHEDULE "I" :		
Cash and Bank Balances		
Cash in Hand	9,50,860	1,00,544
Bank Balances with Scheduled Banks On Current Accounts	4,16,258	1,19,59,907
Total	**13,67,118**	**1,20,60,451**

schedules forming a part of balance sheet as at 31st March, 2011

Amount in ₹

	31st March 2011	31st March 2010
SCHEDULE "J" :		
Loans & Advances		
Unsecured -Considered Good:		
Advances,Deposits and Prepaid Expenses recoverable in cash or in kind or for value to be received	1,45,418	56,806
Capital Advance (Holding Company)	5,82,88,000	-
Security Deposit & EMD Receivable	21,10,298	10,15,419
Creditors having Debit balances	92,17,318	1,04,62,179
Balance With Excise /VAT Authorities	98,74,271	83,11,774
Advance Tax Including Tax Deducted At Source	3,92,93,352	1,87,68,307
Advance for Land Purchase	-	35,17,600
Imprest Advance	14,412	1,49,178
Total	**11,89,43,069**	**4,22,81,263**

	31st March 2011	31st March 2010
SCHEDULE "K " :		
Current Liabilities & Provisions		
A) **Liabilities**		
Creditors for Raw Materials	29,26,51,055	17,67,68,513
Creditors for Capital assets	37,45,846	1,42,384
Creditors for expenses	1,91,55,649	2,25,82,930
Advance from Customers	10,40,000	5,34,86,881
Liability for expenses	41,46,145	21,68,966
Taxes and Duties Payable	10,57,949	4,80,225
Security Deposit Payable	12,17,956	4,17,620
	32,30,14,600	25,60,47,519
B) **Provisions**		
Income tax	3,95,84,103	2,16,10,648
Total	36,25,98,703	27,76,58,167

SCHEDULE "L " :		
Miscellaneous Expenditure		
Pre-operating Expenditures	-	15,79,264
Total	**-**	**15,79,264**

SCHEDULE "M" NOTES TO THE FINANCIAL STATEMENTS.

Significant Accounting Policies And Notes

I. Nature Of Business:

The company is in the business of manufacturing, fabricating, assembling, designing and construction of boiler parts or similar items used in manufacture of Thermal power plants / Hydro Power Plants or like.

II. Significant Accounting Policies:

A. Accounting Convention

The Financial Statements are prepared on an accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles In India, provisions of the Company's Act, 1956 and comply in material aspects with the accounting standards notified under section 211 (3C) of the Company's Act, 1956 read with Company's (Accounting Standards) Rule, 2006.

B. Cash Flow Statement

The Cash flow Statement has been prepared under the "Indirect Method" in accordance with the requirements of Accounting Standard -3 "Cash flow Statement".

C. Fixed Assets And Capital Work In Progress:

i. Fixed assets are stated at cost of acquisition and subsequent improvement thereto including Freight, Duties, Taxes and other incidental expenses related to acquisition and installation.

ii. Expenditure during construction period including interest on specific borrowings for new major project is capitalised prior to the date of commercial operations

D. Depreciation:

Depreciation on Fixed Asset is provided on Written Down Value Method in accordance with Schedule XIV of the Companies Act, 1956 however Leasehold Land is amortised over the period of lease.

E. Inventory Valuation:

Items of inventories are measured at lower of cost or net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. Raw material and components & Work in Progress are determined on FIRST IN FIRST OUT BASIS.

F. Revenue Recognition:

i. Revenue from the sale of products is recognised on dispatch of goods to the customer, which corresponds to transfer of significant risk and reward of ownership and is net off excise duty, sales tax and trade discounts.

ii. Revenue from interest income is recognised on accrual basis.

G. Employee Benefits / Retirement Benefits:

Contribution to defined contribution scheme such as provident fund, other superannuation funds etc. are charged to the Profit and Loss account as incurred. The company also provides for retirement benefits in the form of Gratuity and such defined benefits are charged to the Profit and Loss account based on actuarial valuations, as at the balance sheet date, made by an independent actuary. However provision for Leave Encashment made as per the management estimates.

schedules forming a part of Profit & Loss account for the year ended 31st March, 2011

H. Taxation:

Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from the "timing difference" between book and taxable profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in the future.

I. Provisions And Contingencies:

The company creates a provision when there is a present obligation as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made, where there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

III. Notes To Accounts:

1. Contingent Liability
   - Bank Guarantee outstanding is ₹ 89,44,189 (Previous year ₹ Nil)
2. Capital Commitment:
   - Estimated amount of contract remaining to be executed on Capital Account is ₹ 10,00,000 (Previous year ₹ Nil)
3. SEAM INDUSTRIES LTD. which was originally incorporated on 17th May 2005 under the Company's Act, 1956 as SUNIL HI-TECH ENGINEERS AND MANUFACTURERS PRIVATE LIMITED, after being duly passed necessary resolution on 30th December, 2010 in terms of section 31/21 read with section 44 of the Company's Act, 1956, the said PRIVATE LIMITED COMPANY has been converted into SEAM INDUSTRIES LIMITED w.e.f. 10th February 2011 and the certificate has been issued pursuant to section 23(1) of the Company's Act, 1956 by the Registrar of Companies, Maharashtra, Mumbai and change of name has been reported to all concerned departments.
4. The Company is in the process of identifying the suppliers under Micro, Small and Medium Enterprises Development Act 2006 and in the absence of adequate response, the company is unable to produce the information.
5. As per the Company Accounting policy, a provision of ₹ 2,00,000 in respects of Leave Encashment was provided in the books of accounts.
6. Miscellaneous expenditure amounting to ₹15,79,264 (opening balance as on 01/04/2010) charged to Profit & Loss account.
7. Amortisation of Leasehold Land:

   ₹ 2,79,069 being amortised amount of Leasehold Land up to 31st March 2011 which corresponds to four Leasehold lands which is being charged to Profit and Loss Account, out of which ₹ 1,80,792 corresponds to period before 1st April 2010.
8. Interest of ₹ 2,44,791 on term deposit, accrued but not due during the year.

9. Disclosure as required by Accounting Standards:

A. Information on Related Parties as required by Accounting Standard AS-18 "Related Party Disclosure"

a. Name of the related parties

i.	Holding Company	-	Sunil Hi-tech Engineers Limited.
ii.	Subsidiaries	-	Nil
iii.	Fellow Subsidiaries	-	Nil
iv.	Associates	-	Nil

b. As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosure of transactions with related parties is given below:

Sr. No.	Nature of Transactions	Name of the Related Parties	Amount (₹)
(a)	Remuneration / Professional fees	Swati R. Gutte (Director)	10,01,876
(b)	Interest paid on Inter corporate loan during the year.	Sunil Hi-Tech Engineers Ltd (Holding Company)	34,65,755
(c)	Purchase of Consumable Materials.	Sunil Hi-Tech Engineers Ltd (Holding Company)	11,80,925
(d)	Sale of finished goods and services.	Sunil Hi-Tech Engineers Ltd (Holding Company)	2,47,62,716
(e)	Inter corporate loan taken during the year.	Sunil Hi-Tech Engineers Ltd (Holding Company)	4,00,00,000
(f)	Inter corporate Loan repaid during the year.	Sunil Hi-Tech Engineers Ltd (Holding Company)	1,00,00,000
(g)	Capital advance given during the year.	Sunil Hi-Tech Engineers Ltd (Holding Company)	5,82,88,000

c. Key Managerial Personnel

Mr. Ratnakar M Gutte	-	Managing Director
Mr. Sunil R Gutte	-	Director
Mr. Vijay R Gutte	-	Director

d. Relative of Key Managerial Personnel

Mrs. Swati Gutte Phad	-	Daughter of Mr.Ratnakar. M. Gutte.

B. Deffered Tax Assets/ Liabilities :- Due To timing difference are in respect of

Sr. No.	Particulars	2010-11	2009-10
1.	Difference Between book & Tax Depreciation	1,30,525	24,92,557
2.	Provision For Bad & doubtful Debts/Advances/Expenses	66,435	0
3.	Disallowance of Expenditure As per Income Tax	3,42,064	1,89,664
4.	Net Deferred Tax (Assets)	5,39,024	26,82,221

schedules forming a part of Profit & Loss account for the year ended 31st March, 2011

	2010-11	2009-10
10. Earnings Per Share:		
Profit Computation for Basic EPS		
Net Profit after tax attributable to equity Shareholders (in ₹)	3,63,79,295	2,31,96,163
Number of shares for Basic Earning per share	41,30,000	41,30,000
Number of shares for Diluted Earning per share	41,30,000	41,30,000
Basic earnings per share	8.81	5.62
Diluted earnings per share	8.81	5.62
Nominal value per equity share	10	10

11. The Term loan from bank are secured by: -
    a. First charge by way of Hypothecation on all Plant & Machinery.
    b. First charge by way of equitable mortgage of Factory Land and building situated at K-43/2, Five Star Industrial Zone, Butibori, MIDC, Nagpur.
    c. Personal Guarantees of:
       - Mr. Ratnakar M. Gutte
       - Mr. Sunil R. Gutte
       - Mr. Vijay R. Gutte
    d. Corporate Guarantee: -

       The above is also collaterally secured by way of corporate guarantee of M/s. Sunil Hi-Tech Engineers Ltd. (Holding Co.)
    e. Second charge by way of hypothecation on all the current assets of the borrower company for securing their working capital facility.
12. Figures of the previous year have been re-arranged and regrouped, wherever necessary to make them comparable to the classification of current year.

For SEAM Industries Limited

As per our report attached
Ashwin Mankeshwar
Partner
Membership No. 046219
For and on behalf of
K. K. Mankeshwar & Co.
Chartered Accountants
FRN: 106009W
Nagpur, dated the 30th April, 2011

Ratnakar M. Gutte
Director

Sunil R. Gutte
Director

Amount in ₹

	31st March 2011	31st March 2010
SCHEDULE "N " :		
Sales		
Net Sales :		
Structures	36,44,81,597	27,43,37,658
Pressure Parts	1,04,58,167	1,94,53,510
Sale of Carbon Steel Piping	42,75,37,825	17,67,96,597
Job Work	61,95,703	2,84,970
Total	**80,86,73,292**	**47,08,72,735**

	31st March 2011	31st March 2010
SCHEDULE "O " :		
Other Income		
Interest on Term Deposits (Accrued but not due)	2,44,791	67,25,691
Sale of scrap	10,28,340	6,75,676
Total	**12,73,131**	**74,01,367**

SCHEDULE "P" :		
Raw Material Consumed		
Opening Stock (A)	12,11,86,940	5,19,74,967
Add: Purchases		
Raw Material Purchase		
Structures & Pressure parts	23,76,62,425	25,87,21,832
Carbon Steel Piping	27,02,44,389	11,41,75,225
Tanks	-	69,80,016
Others Allied Purchases	87,26,503	85,71,577
Total (B)	**51,66,33,317**	**38,84,48,650**
Less : Closing Stock		
Raw Material	3,33,68,679	6,90,87,617
Stores & Spares	65,63,279	66,73,564
Stock in process	15,49,615	4,54,25,759
Total (C)	**4,14,81,573**	**12,11,86,940**
Raw Material Consumed (A+B-C)	**59,63,38,684**	**31,92,36,677**

schedules forming a part of Profit & Loss account for the year ended 31st March, 2011

Amount in ₹

	31st March 2011	31st March 2010
SCHEDULE "Q" :		
Manufacturing Expenses		
Spares & Consumables	27,66,207	21,75,659
Custom Duty & Clearing charges	-	10,26,371
Power & fuel	50,78,990	29,10,451
Fuel Oil & Lubricants	14,46,977	12,60,355
Freight & Cartage	7,77,523	6,52,695
Job Work charges	5,62,67,988	4,14,48,568
Loading and unloading Charges	2,61,255	-
General Charges	23,780	19,110
Hydra Crane Hire Charges	6,46,866	12,67,184
Inspection Expenses	9,04,040	3,60,118
Packing & Forwarding Charges	1,26,933	1,37,490
Radiography Charges	1,20,820	31,691
Testing Charges	2,45,964	94,916
Transportation Charges	97,71,853	44,19,343
Wages	41,96,972	29,55,168
Water Charges	9,44,052	3,38,385
Total	**8,35,80,220**	**5,90,97,504**

SCHEDULE "R":		
Administration Expenses		
Office Expenses	89,68,048	38,79,326
Operating Expenses	29,88,010	14,70,121
Statutory Charges	1,13,921	1,53,731
Indirect Factory Expenses	1,13,61,437	1,50,31,590
Late Delivery charges	18,58,177	-
Value Added Tax	12,50,082	-
Travelling & Conveyance Expenses	19,88,669	20,15,045
Total	**2,85,28,344**	**2,25,49,813**

Amount in ₹

	31st March 2011	31st March 2010
SCHEDULE "S " :		
Personnel Cost		
Salaries & wages including stipend	1,13,37,322	85,22,222
Directors Remuneration	10,01,876	-
Contribution to Provident & other funds	31,38,335	15,22,333
Staff welfare including allowances	14,20,968	13,69,936
Total	**1,68,98,501**	**1,14,14,491**

	31st March 2011	31st March 2010
SCHEDULE "T " :		
Interest & Finance Charges		
Bank Charges & commission	14,91,902	16,50,982
Interest on cash credit	1,29,99,617	89,15,576
Interest on Term Loan	25,01,418	11,93,755
Interest on Unsecured Loans	39,55,955	23,44,782
Total	**2,09,48,892**	**1,41,05,095**

schedules forming part of Profit & Loss Account 2011

SCHEDULE "U"

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH (3) TO (4D) OF PART II SCHEDULE VI OF COMPANIES ACT 1956 TOGETHER WITH OTHER NOTES

1. Particulars in respect of goods Manufactured,Licensed and Installed Capacities :

(Quantity in '000)

Class of Goods	Licensed Capacity Annual		Installed Capacity Annual		Actual Production Annual	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year

Note : Since all the Boiler components are in different units thus bifurcation is not possible

2. Particulars in respect of Stock of Finished Goods and Sales :

Stock of Finished Goods and Sales

(Figures ₹ in '000)

Class of Goods	Opening Stock			Purchases		Closing Stock		Sales	
	Unit	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value

*Since all the Boiler components are in different units thus bifurcation is not possible

* Since items being numerous, it is not possible for us to give quantitative details thereof.

3. Analysis of Materials consumed :

(Figures ₹ in '000)

	Quantity			Amount	
	Unit	**Current Year**	Previous Year	**Current Year**	Previous Year

*Since all the Boiler components are in different units thus bifurcation is not possible

4. Value of Imports on CIF basis

(Figures ₹ in '000)

	Current Year	Previous Year
a) Raw Materials and Consumables	0	0
b) Capital Goods	0	0
	0	0

Note: Purchase of imported items through canalising agents are treated as indigenous purchases.

(Figures ₹ in '000)

5. Expenditure in Foreign Currency	Current Year	Previous Year
	0	0
	0	0

(Figures ₹ in '000)

6. Earnings in Foreign Currency	Current Year	Previous Year
a. FOB Value of Exports	0	0
	0	0

7. Value of imported raw materials, spare parts and components (excluding stores) consumed and the value of all indigenous raw materials, spare parts and components (excluding stores) similarly consumed and the percentage of each to the total consumption -

(Figures ₹ in '000)

	Amount		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Imported	0	0	0.00%	0.00%
Indigenous	0	0	0.00%	0.00%
	0	0	0.00%	0.00%

8. Particulars of amount remitted during the year in Foreign currencies on account of dividends the number of non-resident shareholders together with the number of shares held by them on the dividends were due and the year to which the dividend related:

(Figures ₹ in '000)

9. Remuneration paid/payable to the Managerial Personnels:	Current Year	Previous Year
Salaries	1002	940
	1002	940

The above remuneration does not include the Company's contribution to Provident Fund

schedules forming a part of Profit & Loss account for the year ended 31st March, 2011

(Figures ₹ in '000)

		Current Year	Previous Year
10.	**Amount paid/payable to Auditors:**		
	Audit Fees(including ser.tax)	143.39	130
	In other Capacity	-	0
	Out of pocket expenses	-	0
		143.39	130

11. The aggregate value of stores and spare parts consumed during the year amounts to ₹ 2766 thousand (PY: ₹ 2175 thousand) which were charged to various account heads" including capital expenditure.

12. Figures for the previous year has been rearranged, regrouped and recasted wherever necessary to conform to the current year's figures.

For SEAM Industries Limited

As per our report attached
Ashwin Mankeshwar
Partner
Membership No. 046219
For and on behalf of
K. K. Mankeshwar & Co.
Chartered Accountants
FRN: 106009W
Nagpur, dated the 30th April, 2011

Ratnakar M. Gutte
Director

Sunil R. Gutte
Director

balance sheet abstract and company's general business profile.

Additional information pursuant to the provisions of Part IV of Schedule VI of Companies Act 1956

Registration Details.

Registration No.	U28120MH2005PLC153364	State code	11
Balance Sheet Date	31 (DD) 03 (MM) 2011 (YYYY)		

Capital Raised during the Year (Amount in ₹ Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

Position of Mobilisation & Deployment of funds (Amount in ₹ Thousands)

Total Liabilities	365710	Total Assets	365710
Sources of Funds		**Application of Funds**	
Paid up-Capital	41300	Net Fixed Assets:	92420
Reserves & Surplus:	85702	Investment	6677
Secured Loans	208708	Net Current Assets	263988
		Deferred Tax Assets	2624
Unsecured Loans	30000	Misc. Expenditure	0

Performance of Company (Amount in ₹ Thousands)

Turnover/Other income	809946	Total Expenditure	756133
Profit/Loss before Tax	53814	Profit/Loss after Tax	36379
Earning per share	8.81	Dividend Rate NIL %	0.00

Generic Names of two Principal Products/Services of company (as per monetary terms)

Product Description

Item code No. (ITC Codes)

Structure pressure parts, carbon piping, tubes, Towers, Column & Vessels.	84029020

For SEAM Industries Limited

As per our report attached
Ashwin Mankeshwar
Partner
Membership No. 046219
For and on behalf of
K. K. Mankeshwar & Co.
Chartered Accountants
FRN: 106009W
Nagpur, dated the 30th April, 2011

Ratnakar M. Gutte
Director

Sunil R. Gutte
Director

corporate information

BOARD OF DIRECTORS
Mr. Ratnakar M. Gutte – Managing Director
Mr. Sunil R. Gutte – Director
Mr. Vijay R. Gutte – Director
Mr. Kamlakar G. Holkar – Director
Mr. Parag A. Sakalikar – Director
Mrs. Swati Phad – Director

AUDITORS
K.K. Mankeshwar & Co.
Chartered Accountants.
7 - Kingsway,
Nagpur - 440 001

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Bank of India
Oriental Bank of Commerce
Axis Bank Ltd.

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