SEAM INDUSTRIES LIMITED

BACKBONE!

7TH ANNUAL REPORT 2011-12

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This document contains statements about expected future events and financial & operating results of Seam Industries Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's discussion and analysis of the Seam Industries Limited annual report 2011-12.

INSIDE THE REPORT

Message from the Managing Director

At Seam Industries Limited, our story is not just about supplying specialised engineering products and solutions. It is about emerging as an integral part of the customer's supply chain by maximising asset uptime and influencing profitability.

At Seam, we are attractively positioned to make this happen.

We possess decades of experience to cater to power plants and other core sector needs. In doing so, we possess an ability to strengthen India's energy needs and provide employment opportunities to hundreds of individuals.

This is what excites me: Almost 25,000 MW of thermal power capacity is coming up within a 700-km radius of our plant at Butibori (35 km from Nagpur). We are the only large-scale industrial house present in this vicinity with competitive barriers through robust customer relationships, deep execution capabilities, logistics and inventory management skills as well as an unmatched range (products and services).

The future is exciting as we expect to increase our turnover of Rs 118.53 cr (2011-12) to Rs 500 cr in about four years.

Sincerely,

Ratnakar Gutte

SEAM INDUSTRIES LIMITED SERVES AS THE BACKBONE OF THERMAL POWER PLANTS.

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 most Modern working practices, methods and tools to sustain constant growth at a good pace.

SEAM INDUSTRIES LIMITED SHOWCASES THE SUNIL HITECH GROUP'S TECHNOLOGICAL AND MANUFACTURING COMPETENCE THROUGH THE SUPPLY OF CRITICAL PRODUCTS AND SOLUTIONS TO HELP THE TIMELY COMMISSIONING OF PLANTS AND MAXIMISE THEIR UPTIME.

LEGACY
Part of the Rs. 1,320.19 cr Sunil Hitech Group, with interests in power plant BOP, sugar, cogeneration, distilleries, road construction, education and real estate sectors

CREDENTIALS
One of India's leading industrial conglomerates engaged in the manufacture of cutting-edge power plant equipment

PRESENCE
Two manufacturing units in Nagpur supported by a pan-India marketing presence

OUR SOLUTIONS MAKE IT POSSIBLE FOR OUR CUSTOMERS TO REPORT SUPERIOR RESULTS THAT CONTRIBUTE TO INDIA'S ENERGY SECURITY.

INSTALLED CAPACITY
- Technological Structure: 24,000 MT per annum
- Piping, Tanks and Vessels: 5,000 MT per annum
- Pressure Parts: 4,000 MT per annum

KEY FINANCIALS, 2011-12

TURNOVER (RS CR)	POST-TAX PROFIT (RS CR)	OPERATING PROFIT (RS CR)	CASH PROFIT (RS CR)	GROSS BLOCK (RS CR)	ROCE (PERCENT)
118.53	5.44	13.12	7.19	30.26	29.94

OUR COMPETENCIES

PEDIGREE
Seam Industries Ltd is part of the reputed Sunil Hitech Group of Companies engaged in the business of thermal power, sugar and allied products, road construction, education and real estate

LOCATION
Seam Industries' two manufacturing units are strategically located in MIDC, Butibori (35 km from Nagpur); nearly 25,000 MW of thermal power plant capacity is being commissioned within 700 kms over four years

SPREAD
Seam Industries' manufacturing facilities are spread across 40 acres, adequate for subsequent expansions

COMPREHENSIVE
Seam Industries manufactures critical products for core sectors (power, petroleum, petrochemicals and sugar), capitalising effectively on India's economic upturn

COMPETITIVE
Seam Industries' large integrated infrastructure coupled with backend suppliers have translated into a competitive cost structure, enabling it to win large contracts

TECHNOLOGY
Our gross block of Rs 30.26 cr (as on 31 March 2012) constitutes specialized equipment comprising Hi-Beam Automatic Welding Line, Automatic Multi-torch Panel Welding Machine, Bogie Hearth Stress Relieving Furnace, CNC Tube Bending Machine, Plasma CNC Cutting Machines, Tube Bending Machines, Tube End Forming Machines and Auto Panel Welding Machines, among others

CLIENT BASE
Seam Industries works with reputed customers like Bharat Heavy Electrical Limited, Andhra Pradesh Power Generation Corporation Limited, Chhattisgarh State Electricity Corporation Limited, Maharashtra State Power Generation Company Limited, Bhushan Steel Limited, Larsen & Toubro Limited, L&T-MHI Boilers Pvt. Ltd, Jaiprakash Associates Limited, among others

CERTIFIED
Seam Industries is ISO 9001:2008-certified, manufacturing world-class products

MANAGEMENT
Seam Industries is headed by reputed industrialists – Ratnakar Gutte (Managing Director), Sunil Gutte (Director), Vijay Gutte (Director) and M.T. Devarajan (COO, MFG & BD), supported by qualified team members

KEY PERFORMANCE INDICATORS

REVENUE (GROSS)

(RS CR)

OPERATING PROFIT

(RS CR)

CASH PROFIT

(RS CR)

POST-TAX PROFIT

(RS CR)

RETURN ON CAPITAL EMPLOYED (AVERAGE)

(PERCENT)

GROSS BLOCK

(RS CR)

CORPORATE REVIEW BY OUR COO

"WITHIN FOUR YEARS, OUR TURNOVER CROSSED RS 100 CR AND WE WILL LEVERAGE THIS MOMENTUM TO EMERGE AS A RS 500 CR ENGINEERING COMPANY OVER FOUR YEARS."

Q&A WITH MR M.T. DEVARAJAN, COO, SEAM INDUSTRIES LIMITED

Q The Company crossed Rs 100 cr in turnover for the first time in 2011-12. Is this performance in line with the overall blueprint?

A I am happy to note that our business is a microcosm of India's power sector. The country's urgent need is to create new power plant assets and upgrade existing ones can be distilled down to a single number – Seam Industries' highest-ever turnover of Rs 118.53 cr in 2011-12. Moreover, robust execution skills, raw material management capabilities and a focus on maximising value-added output, enabled our operating profit and PAT to register increases of 79.07 percent and 49.47 percent respectively.

Q What were some of the highlights of the Company's working in 2011-12?

A Our turnover grew following a sweating of our capacities and 'getting it right the first time every time'. Our overall capacity utilisation for pipe fabrication – the heart of our operations – climbed from 3,800 MT in 2010-11 to 4,200 MT in spite of operational complexities. We manufactured products as per customised requirements, which minimised rejects and 'return backs', resulting in larger orders.

We invested Rs 3 cr in establishing a Bogie Hearth Stress Relieving Furnace, the largest such asset in Central India. This asset has a capacity of 50 MT per firing (with dimensions of 20 m length by 3.5 m width and 3m height), enabling the accommodation of larger quantity of pressure parts. The full utilisation of this machine is expected to happen in 2012-13, which will strengthen realisations.

Q What were some of other positive developments of the year?

A We invested Rs 2.72 cr in a new fully-covered 2,900 sq. m shed meant exclusively for pipe fabrication. We housed equipment like cutting machines and EOT cranes in it. The shed permits all-weather operations, improving output and productivity. With this facility, we expect our overall pipe fabrication to rise to 6,500 MT in 2012-13.

In another significant development, years of hard work paid off when we became a registered vendor of Bharat Petroleum (BPCL) in January 2012. This created a robust foundation which not only de-risks our presence from an excessive presence in the power sector but diversify our revenues by entering the petroleum, oil and gas sectors, widening opportunities (city gas distribution, pipeline transportation, among others).

Q What were some of the products launched during the year?

A We maximised the output of value-added products comprising alloy steel pipes, pipe clamps, star columns and pressing and punching items, which are critical inputs in a thermal power plant. We are also additionally planning to manufacture of small boiler drums for industrial power plants. Our successful registration with BHEL, Hyderabad and BHEL, Haridwar will guarantee the off take of other additional products.

Q Did raw material price volatility impact operations?

A Our strategic location in Butibori makes it possible for us to source most of our raw materials from reputed manufacturers like SAIL, JSPL, ESSAR, Arcelor Mittal, Lloyds among others, from within a 25-km radius. This proximity makes it possible to optimise our inventory and liberate working capital. We entered into item rate contracts with most suppliers, making it possible for us to pass on cost increases. Besides, value-addition helped strengthen profitability.

Q What is the outlook for 2012-13?

A Nearly 25,000 MW of capacity is being commissioned within a 700-km radius from our plant in four years. We are preparing for this growth through a capex of Rs 100 cr over four years. This will be invested in our technological structure, pipes, tubes and coils and towers, column and vessel capacities. The result is that we expect to grow into a Rs 500 cr engineering company in four years.

BACKBONE OF THE POWER SECTOR

BOGIE HEARTH STRESS RELIEVING FURNACE

AT SEAM INDUSTRIES, THE BOGIE HEARTH STRESS RELIEVING FURNACE IS A POTENTIAL GAME-CHANGER FOR SOME VALID REASONS.

One, it is the largest such asset in Central India measuring 20 m (length) by 3.5 m (width) and 3 m (height), making it possible to take in larger products (pipes measuring 18-19 m in length) at one go and imparting a superior finish (through heat treatment). This has not only raised productivity but strengthened realisations. This unit represents an important piece in our asset portfolio and enables us to provide critical products to a number of core industries.

The capex of Rs 3 cr was largely funded out of internal accruals. We possess robust knowledge to operate this facility to optimum capacity, which will strengthen our viability.

OUR SHOWPIECE COMPLETED PROJECTS

- Design, Engineering and Supply of two sets of Reheater Rear Pendant Assembly for Unit –II & III, 210 MW of TNEB – Tuticorin Thermal Power Station
- Design, Engineering, Manufacture, Supply, Erection and Commissioning of the one set of Reheater Assembly for 210 MW of MSPGCL – Bhusawal Thermal Power Station
- Supply of LTSH coil assembly for 210 MW, Unit-IV of MSPGCL Parli Thermal Power Station
- Supply of Hot Reheater coil assemblies with upgraded materials (T-91) for Unit – II, 210 MW Boiler of TNEB – Mettur Thermal Power Station
- Supply, Fabrication and Erection of Economiser Coil block 1 & 2 for utility boiler of Power Plant at GAIL Pata
- Renovation work of Economiser Coil, Erection and Dismantling of Economiser Coils along with Supply of Seamless Boiler HOP Tubes for Economizer of 2x210 MW Unit – 2, CSEB Korba (CG)
- Supply of High Pressure LT Super Heater Coils (Upper and Lower Bank) for 210 MW BHEL Boiler of HTPS, Korba West
- Supply of Economizer J Bend and 90 o Bends for Unit – I, II & III Boiler of TNEB Tuticorin TPS

OUR ONGOING PROJECTS

For NTPC Limited:

- Supply of Economizer Middle Bank Coil Pair Assembly for 500 MW Boiler for Korba STPS

For BHEL:

- Annual Rate Contract for Supply of General Fabricated Structures, Auto Welded Beams & Boxes, Columns and Duct with vendors material as per engineering drawings, Quality Documents and technical specifications issued by BHEL, Trichy
- Annual Rate Contract for Supply of both IBR and non-IBR tanks and vessels (CBD and IBD) with vendors material issued by BHEL Piping Centre, Chennai
- Annual Rate Contract for Supply of IBR Carbon Steel Piping System, issued by BHEL Piping Centre, Chennai
- Annual Rate Contract for Supply of LP Piping issued by BHEL Piping Centre, Chennai
- Annual Rate Contract for the Fabrication of Pressure Parts such as Water Wall Panels, Headers and Coils with BHEL material, BHEL, Trichy

BACKBONE OF THE POWER SECTOR

EXCLUSIVE COVERED SHED FOR UNINTERRUPTED STRUCTURE FABRICATION

AT SEAM INDUSTRIES, WE ESTABLISHED AN EXCLUSIVE 2,900 SQ. M COVERED SHED IN NOVEMBER 2011 TO STRENGTHEN ALL-WEATHER STRUCTURE FABRICATION OPERATIONS AT A COST OF RS 2.72 CR (FUNDED FROM CASH FLOWS).

We incorporated cutting machines and EOT cranes in November 2011. This new structure fabrication facility was created at the right time, coinciding with our successful vendor registration with BPCL, making us an approved supplier. This will open up opportunities in the oil and gas pipeline distribution business in addition to fortifying our ability to cater to the piping needs of thermal power plants.

PRODUCTS AND SERVICES

Thermal power plants

- Technological structures
- IBR-certified piping systems
- High-pressure and high-temperature pressure parts (fin and fusion welds of panels, super heaters, re-heaters, headers for re-heaters and economisers)
- Products for tanks and vessels comprising (blow down tanks, de-aerators, feed storage tanks and HP and LP heaters)
- Valve skids

Sugar projects

- Bank tubes
- Trays and jackets
- Jacketed piping

Petroleum and petrochemical industries

- Distillation columns
- Volumetric condensers
- Miscellaneous vessels for air, oil and water sectors

BIG PICTURE

704 UNITS

INDIA'S PER CAPITA POWER CONSUMPTION, WHICH IS MINISCULE COMPARED WITH OTHER COUNTRIES AND IS EXPECTED TO RISE TO 1,000 UNITS BY 2012

52 BN UNITS

INDIA'S PROJECTED POWER DEFICIT IN 2013-14 (PROJECTED 41 BN UNITS IN 2014-15)

RS 2,400 BN

INDIA'S PROJECTED POWER T&D INVESTMENTS OVER THE TWELFTH PLAN PERIOD

49,000 MW

THE ESTIMATED POWER CAPACITY ADDITION DURING THE ELEVENTH PLAN, ALMOST 62% OF THE ENVISAGED CAPACITY ADDITION, WHICH WILL SPILL OVER TO THE TWELFTH PLAN

23,190 MW

PROJECTED POWER CAPACITY ADDITION IN INDIA IN 2012-13

110,000 MW

PROJECTED POWER GENERATION CAPACITY TO BE ADDED IN INDIA OVER FY10-15

Source Karvy

AT THE HELM

MR. RATNAKAR MANIKRAO GUTTE

Chairman and Managing Director

Mr. Ratnakar Manikrao Gutte, *Promoter,* has enriched the company with 30 years of experience in project execution, fabrication, erection, testing and commissioning of power plants. Ratnakar Manikrao Gutte, a man of mission, objective and planning has made the Company a brand name in the field of civil and power project execution within a very short span of time. Being a first generation entrepreneur, he possesses excellent on-the-job knowledge of engineering, the intricacies of civil construction, machinery installation, finance, banking, taxation, general management and commercial matters.

In recent years he was awarded with various prestigious awards like 'Life Time Udyog Achievement Award 2004' and 'Great Achiever in Industrial Excellence Award 2004', NCCL Entrepreneur of the Year, 2007-08, Bharat Vibhusan Samman Puraskar – 2009 to name a few.

During April 2011, he was honoured with the 'Marathwada Gaurav Award' by Shri Prithviraj Chavan, Hon'ble Chief Minister of Maharashtra, in the presence of Hon'ble State and Central Ministers, for his significant contribution in the field of industry as well as social services.

MR. SUNIL RATNAKAR GUTTE

Director

Sunil R. Gutte is a Mechanical Engineer from Pune University and underwent rigorous training at BHEL's Welding Research Institute in Tiruchirapalli and a training programme in project management from IIM, Ahmedabad. He possesses sound technical, managerial, and interpersonal skill. He has imparted the employees with zeal, eagerness to work for the organisation, a sense of belongingness among them and to contribute their best towards the development of the organisation as a whole and strengthen the Company to meet the future challenges and opportunities strategically.

He played a key role in broadening the Company's market. He pioneered paradigmatic changes in the management structure, reporting standards, structured decision-making, HR policies and Corporate Governance practices. He played a key role in transforming the Company into among only a few BOP players in India among India's leading power project executors.

With his strategic leadership and governance qualities, analytical skill, team building, he has marked his presence in the corporate sector.

MR. VIJAY RATNAKAR GUTTE

Director

Mr. Vijay R. Gutte is an MBA specialising in marketing and finance. He brings his up-to-date knowledge to this specialised field. His competence lies in understanding banking and finance, 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.

MRS. SWATI R. PHAD

Executive Director

Mrs. Swati R. Phad, working in the capacity of Executive Director, having more than three years of hands-on experience in handling the Company's overall management and administration. She is a team leader and has sound managerial skills developed through the culture of timeliness and belongingness among the employees in the organisation. She regularly interacts with the employees to know their weaknesses, problems they are facing in their respective working and suggests remedial measures for them. She has played a significant role in developing a corporate culture in the organization and sense of responsibility, belongingness and loyalty among the employee towards the organisation.

Additionally, she regularly participates in socially responsible activities as a part of the Company's Corporate Social Responsibility scheme. She regularly interacts with the underprivileged and takes various initiatives for their welfare like providing them with educational, medical facilities.

MR. PARAG A. SAKALIKAR

Director

Mr. Parag Sakalikar is a young entrepreneur. He holds a B.E. degree in Mechanical Engineering from Nagpur in 1998. After graduation, he joined as a trainee in the auditor training programme in ISO 9001-2000 from TUV Asia Pvt. Ltd and advance training in Maruti servicing vehicle from Maruti Udyog Ltd.

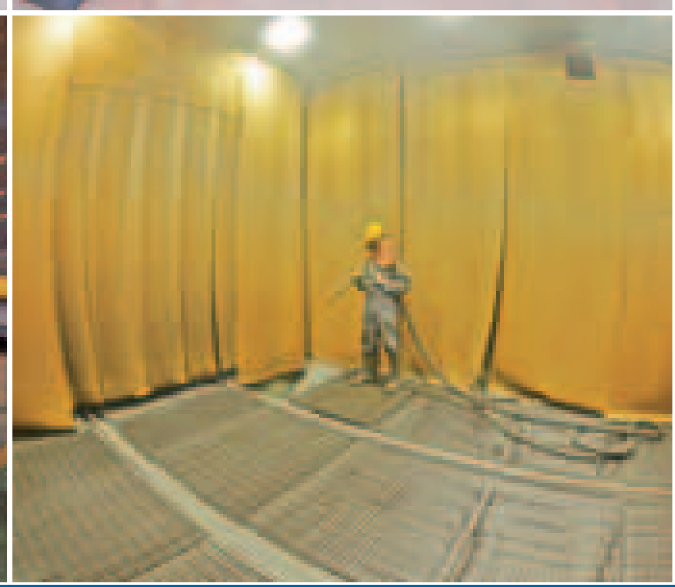
He established his own authorised automobile service station, (an ISO 9001:2000- certified company from TUV) for the entire range of Maruti vehicles. His company was awarded for good performance in Maharashtra from 2003-2007 including the entire western region (Maharashtra, Goa, Gujarat and Chhattisgarh) by Maruti Suzuki. He also set up an additional new Maruti authorised service station in Butibori MIDC with 'A' grade category. He possesses good financing, marketing and administration knowledge. He is also the Chairman of Audit Committee and Remuneration Committee of the Board.

MR. M.T. DEVARAJAN

Chief Operating Officer (MFG & BD)

Mr. Devarajan is a Mechanical Engineer. He had completed his Diploma in the year 1980. He had over 32 years of rich and vast experience in the field of Fabrication and Erection of the Power Plant Projects especially in Boiler Pressure Parts. He is actively involved in the Manufacturing of Boiler Components & Business Development activities for the company. Under his leadership the company has marked its presence among all leading power companies and various SEB's and the company had been awarded with the prestigious "Best Business Partner Award, 2011" from BHARAT HEAVY ELECTRICALS LIMITED.

Under his strong supervision and leadership, Seam Industries Limited is able to revamp the resources & is committed to further improve the quality standards, to cater the requirements of customers and also to achieve the target of Rs. 500 Crores as envisaged by the Board for the financial year 2014-15.








Directors' Report

With great pleasure, your Directors present their report for the financial year ended on 31st March' 2012.

Financial Performance

Rs. In lacs

Particulars	2011-12	2010-11
Net Sale/Revenue	11,853.13	8,086.73
Other Income	34.53	12.73
Total Income	**11,887.66**	**8,099.46**
Total Expenditure	11007.30	7,561.33
Profit Before Tax	880.36	538.14
Profit After Tax	543.77	363.79
Amount transferred to General Reserve	-	-
Surplus transferred to Balance Sheet	543.77	363.79

Operational Review

The Net sales/Revenue from Operations of your Company for the financial year ended on 31.03.2012 is Rs. 11,853.13 lacs, whereas it was Rs. 8,086.73 lacs for the financial year ended on 31.03.2011, thereby registered a significant growth of 46.58% over the last year's figure. Profit before tax for the financial year ended on 31.03.2012 is Rs. 880.36 lacs, whereas it was Rs. 538.13 lacs for the financial year ended on 31.03.2011, thereby registered a significant growth of 63.60% over the last year's figure.

Profit after tax is Rs. 543.77 lacs for the financial year 2011-12 and for the financial year 2010-11, it was Rs. 363.79 lacs showing a material growth of 49.47% over the last year's figure.

Your company does not have any discontinued operation as on date.

The top line and bottom line of the Company has 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 have not recommended any dividend for the financial year ended on 31st March, 2012.

Allotment of shares to Sunil Hitech Engineers Limited

In view of the growing business of your Company 'Sunil Hitech Engineers Limited' our holding Company has made an investment of Rs. 4,20,00,000/- only and your Board of Directors has, with the approval of shareholders vide special resolution dated 27.12.2011, allotted 14,00,000 equity shares of face value Rs. 10/- at premium of Rs. 20/- only to our holding company against such investments. These new shares are at par ranking pari passu in all respects with the existing equity shares of the Company.

Constitution of Audit Committee

Your Board of Directors vide their meeting held on 11.01.2012, has constituted the Audit Committee of the Board, under the membership of Parag A. Sakalikar, Sunil R. Gutte and Vijay R. Gutte, Directors of the Company, to meet the requirements of Section 292A of the Companies Act,

1956. All the members of the Committee have good knowledge of finance, accounts and other related taxation & legal aspects.

Future Prospects

Your Company 'SEAM Industries Limited' is an ISO 9001:2008 Company, a Subsidiary of 'Sunil Hitech Engineers Limited'. Your 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 of Thermal Power, Tanks and vessels, for Sugar Projects-tubes, jackets and piping's, for Petroleum Projects-columns, condensers and miscellaneous vessels.

Your Company is in the process of expanding its production base by increasing its productive capacity for structural steels to 2000 Metric Tonnes per month and for Piping and Pressure parts to 1000 Metric Tonnes per month. In addition to the above, new Shed expansion with the pipes fittings, manufacturing machines is under process.

Recently we have successfully registered with BHEL Hyderabad and BHEL Haridwar as their Contractor/Supplier/Vendor. Our successful registration with BHEL Hyderabad and BHEL Haridwar will guarantee to consume these additional products.

We maximized the output of value-added products comprising alloy steel pipes, pipe clamps, star columns and pressing and punching items, which are critical inputs in a thermal power plant and also we are planning to the manufacture of small boiler drums for industrial power plants.

The Infrastructure sector is in expansion mode. In the Union Budget 2012-13, Government of India has announced large packages to boost infrastructure sector specially the power sector. During 12th Fifth Year Plan, Government of India has already decided to expend major fund for capacity addition and generation and distribution of energy to meet the growing demand of energy. In the light all around growth of Power & Civil Sector, your Company being one of the major supplier to power / civil sector corporates, shall be in better position with its income and profitability in future years.

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' 2012 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.

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

Auditors Query and Management Reply

The Auditors raised a point in their Report regarding non disclosure of information as required under Micro Small and Medium Enterprises Act, 2006.

The Board replies that Your Company has taken initiative to identify the Micro Small and Medium Enterprises dealing with your Company and as on date of this report, your Company has not received confirmation of the status of Micro, Small and Medium Enterprises from some of the firms dealing with your Company. But very soon your Company shall get all information. In spite of that, your Company is making payment to all its vendors within due course of time and there is no complaint from any vendors regarding non receipt of payment in time as on date.

Secretarial Audit Report

Your Board of Directors is looking for a whole time Company Secretary for the Company, but not get a suitable candidate for the Company as on date. However Your Board of Directors has conducted Secretarial Audit Report from a Practising Company Secretary for the financial year ended on 31st March 2012 to check compliance of various provisions of the Companies Act, 1956 and other applicable law.

In addition to the above, Your Company has a separate Internal Audit Department, having competent personnel, to exercise check on operational aspects of the Company. The Internal Audit Department submits its report to the Management on monthly basis, which is very much helpful in avoiding fraud or other misconduct.

Directors

Mr. Vijay 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.

Mr. Kamlakar G. Holkar, who was a Director of the Company has resigned from Directorship from 10th June, 2011 due to his unfavourable health. The Board acclaimed his contribution towards the Company and wishes him all the best for future.

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.

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. During the financial year 2011-12, we incurred Rs. 90.65 lacs towards 'Power & Fuel' whereas in the financial year 2010-11, we incurred Rs. 65.26 lacs.

Particulars	Current Year 2011-12	Previous Year 2010-11
Production in Tonnes	11081.89	10402.03
Power & Fuel Consumption (in Rs.)	90,65,018/-	65,25,967/-

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 and Development activity so far.

c) Foreign Exchange Earnings and Outgo

There is Foreign Exchange Outgo during the Financial Year 2011-12 of $ 58700 (Fifty Eight Thousand Seven Hundred Dollars) for advance given for purchase of Machinery. There is no Foreign Exchange Earnings during the Financial Year 2011-12.

Acknowledgement

The Directors of your Company express their gratitude for the valuable support extended by Shareholders, Customers, bankers and Vendors. Your 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.

On behalf of the Board
For SEAM Industries Limited

Date: 28/06/2012
Place: Nagpur

Ratnakar Manikrao Gutte
Managing Director

SECRETARIAL AUDIT REPORT

To
The Board of Directors,
Seam Industries Limited,
97, East High Court Road,
Ramdaspeth, Nagpur- 400 010
Maharashtra

I have examined the registers, records and documents of Seam Industries Limited ("the Company") for the financial year ended on 31st March, 2012 maintained under the provisions of:

- The Companies Act, 1956 and the Rules made under that Act;
- The Depositories Act, 1996 and the Regulations and the Bye Laws framed under the Act are not applicable to the Company.
- The Regulations and Guidelines prescribed under the

Securities and Exchange Board of India Act, 1992 (SEBI Act) are not applicable to the Company.

1. I report that, based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company, the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 ("the Act") and the Rules made under the Act, and Memorandum and Articles of Association of the Company, unless specifically provided the clause hereunder:

a) Maintenance of statutory registers and documents and making in them necessary entries;
b) Closure of Register of Members from 19-09-2011 to 24-09-2011 both days inclusive;
c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Ministry of Corporate Affairs, New Delhi;
d) Service of documents by the Company on its Members, Auditors and Registrar of Companies;
e) Notice of Board meetings and Committee meetings of Directors;
f) The meetings of Directors and Committees of Directors;
g) The 6th Annual General Meeting held on 24TH September, 2011;
h) Minutes of proceedings of General Meetings and of Board and other meetings;
i) Approvals of shareholders, the Board of Directors, the Committee of Directors and government authorities, wherever required;
j) Constitution of the Board of Directors and appointment, retirement and re-appointment of Directors;
k) Remuneration of Directors including the Managing Director and Whole-time Directors;
l) Appointment and remuneration of Auditors;
m) Transfers and transmissions of the Company's shares and issue and delivery of original and duplicate Certificates of shares;
n) Form of Balance sheet as prescribed under Part I of revised Schedule VI to the Act and requirements as to Profit & Loss Account as per Part II of the said Schedule;
o) The Company has created charge under Section 125 of the Companies Act, 1956 on various occasions and has duly filed Form 8 for the same. However in case of financial assistance availed from ICICI Bank for car loan, the prescribed Form 8 was not found as on date.
p) Investment of the Company's funds including inter corporate loans and investments;
q) Contracts, common seal, registered office and publication of name of the Company; and
r) Generally, all other applicable provisions of the Act and the Rules made under that Act.

2. I further report that:

a) The Directors of the Company have obtained Director Identification Number as per Section 266A of the Act.
b) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities.
c) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management personnel.
d) The Company has obtained all necessary approvals of the Central Government and / or other authorities, under the Act.
e) There was no prosecution initiated against the company. The Company was not required to apply for compounding of offence under the respective provisions of the Companies Act, 1956. No other fines or penalties were imposed on the Company under the Companies Act, 1956.
f) The Board was not required to obtain exemption under Section 212(8) of the Companies Act, 1956.

3. I further report that as the shares of the Company are not listed on any Recognised Stock Exchange the provisions of Depositories Act, 1996 and the Regulations and the Bye Laws framed there under are not applicable to the Company.

4. I further report that, the Company was not required to comply with the provisions of

a) Equity Listing Agreements.
b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

Manish Pande
Practising Company Secretary
Membership No. FCS 5004
Certificate of Practice No. 3424
Place: Nagpur, Maharashtra
Date: 07/07/2012

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 2012, the related Statement of Profit and Loss 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 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 para 3 above, attention is drawn to Note 16 (III) (3) regarding non disclosure of information as required under Micro, Small and Medium Enterprises Development Act,2006.

5. 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 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement 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 2012, 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 2012;

      (ii) In case of the Statement of Profit and Loss, of the PROFIT for the year ended on that date; and

      (iii) In the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

For K.K.MANKESHWAR & CO.
Chartered Accountants
FRN: - 106009W

ABHAY UPADHYE
Partner
Membership No.049354

Nagpur, 28 June, 2012

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, 2012)

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 Rs.3,00,00,000 and the year-end balance of loan taken from such parties was Rs. 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.

9. In respect of statutory dues:
   a. According to the records of the Company, 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, 2012 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 records of the company examined by us, there are no dues of income tax, sales tax, wealth tax, custom duty, excise duty, service tax and cess which have not been deposited on account of any dispute.

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 utilized 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 funds raised on short-term basis have not been used for long-term purposes.

18. According to the information and explanation given to us, the Company has made preferential allotment of shares to one party covered in the register maintained in section 301 of the act; in our opinion, the price at which shares have been issued is not prejudicial to the interest of the company by issuing 1400000 shares having face value Rs. 10 at a premium of Rs.20 per share.

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.

For K.K.MANKESHWAR & CO.
Chartered Accountants
FRN: - 106009W

ABHAY UPADHYE
Partner
Membership No.049354

Nagpur, 28 June, 2012

Balance Sheet as at 31st March 2012

(Figures in ₹)

Particulars	Note No.	As at 31 March 2012	As at 31st March 2011
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
(a) Share capital	1	55,300,000	41,300,000
(b) Reserves & surplus	2	168,579,238	85,701,753
2. SHARE APPLICATION MONEY PENDING ALLOTMENT		–	–
3. NON-CURRENT LIABILITIES			
(a) Long-term borrowings	3	77,265,815	77,352,051
(b) Other Long term liabilities		24,699,524	–
(c) Long-term provisions	5	1,028,980	758,937
(d) Deferred tax liability	6	4,777,541	–
4. CURRENT LIABILITIES			
(a) Short-term borrowings	7	292,863,463	154,355,815
(b) Trade payables & Other Current Liabilities	8	421,285,760	326,938,686
(c) Short-term provisions	9	8,640,369	1,522,557
Total		1,054,440,690	687,929,799
II. ASSETS			
NON-CURRENT ASSETS			
1. (a) Fixed assets	10		
(i) Tangible assets		252,886,854	68,638,350
(ii) Intangible assets		1,997,814	–
(iii) Capital work-in-progress		23,665,571	23,781,873
(b) Non-current investments	11	1,600,000	–
(c) Deferred tax assets (net)		–	2,623,741
2. CURRENT ASSETS			
(a) Inventories	12	105,205,739	41,481,573
(b) Trade receivables	13	620,120,830	464,795,121
(c) Cash and cash equivalents	14	23,698,957	8,044,596
(d) Short-term loans and advances	15	25,264,925	78,564,545
Significant Accounting Policies & Notes	16		
Total		1,054,440,690	687,929,799

The notes refered to above form an integral part of financial statements as per our report attached.
As per our Report attached

For K.K.MANKESHWAR & CO.
Chartered Accountants
FRN: - 106009W

Abhay Upadhye
Partner
Membership No. 049354

For SEAM INDUSTRIES LIMITED

Ratnakar M Gutte
Managing Director

Sunil R Gutte
Director

Nagpur, 28 June, 2012

Statement of Profit & Loss for the year ended 31 March, 2012

(Figures in ₹)

Particulars	Note No.	Year ended 31 March 2012	Year ended 31st March 2011
I. Net Revenue from operations	17	1,185,312,922	808,673,292
II. Other income	18	3,452,672	1,273,131
III. Total Revenue (I + II)		**1,188,765,594**	**809,946,423**
IV. Expenses:			
Cost of materials consumed	19	868,454,789	552,462,540
(Increase)/ Decrease in Inventories	20	(18,201,723)	43,876,144
Employee benefits expenses	21	38,726,153	20,617,912
Finance costs	22	47,305,062	21,272,712
Depreciation and amortization expenses	10	17,472,814	8,258,791
Other expenses	23	146,972,955	108,065,333
Miscellaneous Expenses written off		–	1,579,264
Total expenses		1,100,730,050	756,132,696
V. Profit before tax (III- IV)		88,035,544	53,813,727
VI. Tax expense:			
(1) Current tax / MAT		25,328,895	17,973,455
(2) Deferred tax		7,401,282	(539,024)
(3) Tax Expense relating to prior years		927,882	
VII. Profit (Loss) for the period from continuing operations (V-VI)		54,377,485	36,379,296
VIII. Profit/(loss) from Discontinuing operations (after tax)		–	–
IX. Profit (Loss) for the period (VII+VIII)		54,377,485	36,379,296
X. Earnings per equity share:			
(1) Basic	24	12.78	8.81
(2) Diluted		12.78	8.81

The notes refered to above form an integral part of financial statements as per our report attached.
As per our Report attached

For **K.K.MANKESHWAR & CO.**
Chartered Accountants
FRN: - 106009W

For SEAM INDUSTRIES LIMITED

Abhay Upadhye
Partner
Membership No. 049354

Ratnakar M Gutte
Managing Director

Sunil R Gutte
Director

Nagpur, 28 June, 2012

Cash Flow Statement for the year ended 31st March 2012

(Figures in ₹)

Particulars	Year ended 31st March 2012	Year ended 31st March 2011
1. Cash Flow from Operating activities		
(a) Profit from operating activities before exceptional items and taxes	88,035,544	53,813,726
Adjustments:		
Depreciation and amortization	17,472,814	8,258,792
Interest and Finance costs	47,305,062	2,501,418
Sundry Balances written off	1,240,205	–
Misc. Expenditure Write off	–	1,579,264
Interest Income	(734,023)	(244,791)
(b) Working capital changes:		
– Increase in inventories	(63,724,166)	79,705,367
– Increase in trade receivables	(156,565,914)	(244,422,036)
– Decrease in short-term loans and advances	53,299,620	(2,851,885)
– Increase in short term borrowings	138,507,648	57,406,494
– Increase in trade payables & Other Current Liabilities	89,493,292	66,786,224
– Decrease in provisions	6,699,742	958,937
– Tax paid during the year	(20,714,882)	(16,300,000)
Total of (1)	200,314,942	(7,191,510)
2. Cash Flow from Investing Activities		
(a) Increase in Fixed assets	(203,719,132)	(27,231,486)
(b) Decrease in Capital work in progress	116,302	(58,288,000)
(c) Investment in subsidiaries/associates/business ventures	(1,600,000)	–
(d) Interest received	734,023	244,791
Total of (2)	(204,468,807)	(85,274,695)
3. Cash Flow from Financing activities		
(a) Proceeds from Equity Share Capital	14,000,000	–
(b) Repayment of long-term borrowings	(86,237)	–
(c) Securities Premium	28,000,000	–
(d) Capital Subsidy received	500,000	500,000
(e) Proceeds from other long-term liabilities	24,699,524	74,132,213
(f) Interest and other finance costs	(47,305,062)	(2,501,418)
Total of (3)	19,808,225	72,130,795
NET CASH FLOWS (1+2+3)	15,654,360	(5,952,391)
Net (decrease)/increase in cash and cash equivalents	15,654,360	(5,952,391)
Add: Cash and cash equivalents at the beginning of the period	8,044,596	13,996,987
Cash and cash equivalents at the end of the period	23,698,956	8,044,596

NOTES

1. The above statement has been prepared following the Indirect Method.
2. Increase in Fixed Assets are stated exclusive 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.

As per our Report attached

For K.K.MANKESHWAR & CO.
Chartered Accountants
FRN: - 106009W

Abhay Upadhye
Partner
Membership No. 049354

For SEAM INDUSTRIES LIMITED

Ratnakar M Gutte
Managing Director

Sunil R Gutte
Director

Nagpur, 28 June, 2012

Notes forming part of the Balance Sheet as at 31st March 2012

Note 1 SHARE CAPITAL

(Figures in ₹)

1.1

Particulars	As at 31st March 2012		As at 31st March 2011	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs 10 each.	10,000,000	10,00,00,000	10,000,000	10,00,00,000
Issued				
Equity Shares of Rs 10 each	5,530,000	55,300,000	4,130,000	41,300,000
Subscribed and Paid up				
Equity Shares of Rs 10 each fully paid	5,530,000	55,300,000	4,130,000	41,300,000
Total	**5,530,000**	**55,300,000**	**4,130,000**	**41,300,000**

1.2 Reconciliation of number of shares outstanding at the beginning and at the end of reporting period

At the beginning of the period	4,130,000	41,300,000	4,130,000	41,300,000
Add : Shares issued during the year	1,400,000	14,000,000	–	–
At the end of reporting period	**5,530,000**	**55,300,000**	**4,130,000**	**41,300,000**

1.3 Terms of Equity Shares

a) The Equity shares are issued at premium of Rs. 20/- per share, the face value is Rs 10/- per share .

b) Voting rights of Equity share Holders - As per the number of shares held ranking parri passu in all respects.

c) Dividend Rights of Shares Holders - As per the number of shares held ranking paripassu in all respects.

d) The company has not issued any equity shares other than cash during the year.

1.4 Details of Shares in respect of each class including more than 5% in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate:

Name of Shareholder	As at 31st March 2012		As at 31st March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sunil Hitech Engineers Limited- Holding Co.	4,900,000	88.61	3,500,000	84.74
Mr. Ratnakar M. Gutte- Managing Director	400,000	7.23	400,000	9.69
Mr. Sunil R. Gutte- Director	179,970	3.25	180,000	4.36
Mr. Vijay Gutte - Director	50,000	0.90	50,000	1.22

Notes forming part of the Balance Sheet as at 31st March 2012

Note 2 RESERVES & SURPLUS

(Figures in ₹)

2.1	Particulars	As at 31st March 2012	As at 31st March 2011
a.	Capital Reserves		
	Opening Balance	2,000,000	1,500,000
	(+) Received during the year	500,000	500,000
	Closing Balance	2,500,000	2,000,000
b.	Securities Premium Account		
	Opening Balance	–	–
	Add : Securities premium credited on Share issue	28,000,000	–
	Closing Balance	28,000,000	–
c.	General Reserves		
	Balance as per last Balance Sheet	15,000,000	15,000,000
	Closing Balance	15,000,000	15,000,000
d.	Surplus		
	Opening balance of Statement of Profit & Loss	68,701,753	32,322,458
	(+) Net Profit/(Net Loss) For the current year	54,377,485	36,379,296
	Closing Balance	123,079,238	68,701,753
	Total	168,579,238	85,701,753

2.2 The Capital reserve represents the Capital Subsidy received during the year from District Industry Centre, Nagpur amounting to Rs. 5,00,000. It was sanctioned in the Year 2008-09 for Capital Expansion Purposes. Total Amount sanctioned was Rs. 25,00,000 and Rs. 5,00,000 is received each Year till 31st March, 2012.

2.3 The Company has credited Rs. 2,80,00,000 (14,00,000 equity shares at Rs. 20 each) to Securities Premium Account during the year.

Note 3 LONG TERM BORROWINGS

3.1 Particulars	As at 31st March 2012	As at 31st March 2011
Secured		
Term Loans		
From Banks	47,265,815	47,352,051
Unsecured borrowings		
Loan & Advances from related parties	30,000,000	30,000,000
Total long term borrowings	77,265,815	77,352,051

3.2 **Details of Long Terms Loans from Bank availed by company are stated as under:**

Long term loans from Oriental Bank of Commerce are secured by way of:-

(i). First Pari Passu equitable mortgage charge over the assets created/ to be created from the term loans.

Also, Collateral security of

(ii). Land And Building at Five Star Industrial Zone, MIDC, Butibori Industrial Area,Nagpur

(iii). Freehold Land at Nagpur - Jabalpur Road, Village Bende, Tahsil Ramtek, District Nagpur

(iv). Freehold Land (situated in agricultural area) bearing GAT No. 421, Parli Vaijnath-Nagpur Road, Village Tokwadi, Tahsil Parli Vaijnath, District Beed.

(v). Second charge by way of:-

A. Personal Guarantees of:

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

Notes forming part of the Balance Sheet as at 31st March 2012

Note 3 LONG TERM BORROWINGS *(Contd.)*

B. Corporate Guarantee: -

Collaterally secured by way of corporate guarantee of M/s. Sunil Hi-Tech Engineers Ltd. (Holding Co.)

C. Second charge by way of hypothecation on all the current assets of the borrower company for securing their working capital facility.

3.3 Term Loan Bank include Long Term Vehicle Loans availed by company are stated as under:

From ICICI bank for purchase of Sunny Nissan and Santa Fie Car and loan from HDFC bank for the purchase of AUDI Car against hypothecation of the respective Vehicles.

3.4 Loan & Advances from related parties is the amount payable to Sunil High- tech Engineers Limited (Holding Company).

3.5 Nature of Security and terms of repayment for secured borrowings:

Nature of Security	Terms of Repayment
Term Loans from Banks (i) Oriental Bank Of Commerce (Loan II) - (1) First charge on assets created From the term Loan.	In 20 quarterly instalments of Rs.30 Lacs each commenced from January 2011 (Total Outstanding Loan - Rs.400.50 Lacs out of which Rs.120 Lacs classified in Other Current Liabilities)
(ii) Oriental Bank Of Commerce (Loan III) - (1) First charge on assets to be created From the term Loan.	In 20 quarterly instalments of Rs.35 Lacs each commence from April 2012 (Total Outstanding Loan - Rs.293.66 Lacs out of which Rs.140 Lacs classified in Other Current Liabilities)
(iii) Vehicle loan from HDFC & ICICI are secured by way of hypothecation of vehicles	Equated monthly instalments beginning from the month subsequent to taking the lease.

Note 4 OTHER LONG TERM LIABILITIES

(Figures in ₹)

Particulars	As at 31st March 2012	As at 31st March 2011
Due to Related Party	24,699,524	–
Total	24,699,524	–

Note 5 LONG TERM PROVISIONS

Particulars	As at 31st March 2012	As at 31st March 2011
(a) Provision for employee benefits-		
Gratuity	1,028,980	758,937
Total	1,028,980	758,937

Note 6 DEFERRED TAX ASSETS/LIABILITY (NET)

In terms of Accounting Standard 22, the computation has been made to the extent there is a reasonable certainty that these will be realised in future. The Deferred tax asset and liability as at 31st March, 2012 comprise of timing differences on account of:

Particulars	As at 31st March 2012	As at 31st March 2011
(a) Deferred Tax Asset:		
Expenditure allowed on Payment under the Income Tax Act	–	630,808
Lower depreciation claimed under tax laws (Net of unabsorbed depreciation)	–	4,290,419
Total	–	4,921,227
(b) Deferred Tax Liability:		
Higher depreciation claimed under tax laws (Net of unabsorbed depreciation)	3,764,537	2,264,841
Expenditure Disallowed under the Income Tax Act	1,013,005	32,645
Total	4,777,541	2,297,486
(c) Net Deferred Tax Liability:	4,777,541	(2,623,741)
Closing Net Deferred Tax Liability / (Assets)	4,777,541	(2,623,741)
(d) Opening Deferred tax Liability / (Asset)	(2,623,741)	(2,084,717)
Net Deferred Tax Charged to Statement of Profit & Loss	7,401,282	(539,024)

Notes forming part of the Balance Sheet as at 31st March 2012

Note 7 SHORT TERM BORROWINGS

(Figures in ₹)

7.1

Particulars	As at 31st March 2012	As at 31st March 2011
Short Term Borrowings		
Secured		
Loans from banks		
Cash Credit from banks	292,863,463	154,355,815
Total	**292,863,463**	**154,355,815**

7.2 Details of cash credit (secured) availed from bank and description of security and name of guarantors provided for such loans.

(a) Oriental Bank of Commerce :

(i) The loan from Oriental Bank of Commerce is secured by way of hypothecation of Raw Materials, Stock in process, Finished Goods and receivables and other current assets of the company both current and future.

(ii) Security

Corporate Guarantee of Sunil Hitech Ltd.

Personal Guarantees of Ratnakar Gutte, Sunil Gutte and Vijay Gutte

(b) HSBC Bank :

(i) First Pari-Passu charge on stocks and receivables (Required, independent charge to be created prior to disbursal and to be perfected within 3 months from the date of first disbursal).

(ii) Second Pari-Passu charge on following fixed assets (Required to be perfected within 3 months from the date of first disbursal.

a) Charge by way of EQM of Factory Land & Building situated at Butibori, Five Star Industries Area, Nagpur.

b) All that land situated in Village Kirmit, Butibori, Industrial Area, Nagpur.

c) All those pieces and parcels of the non-agricultural land situated at Village - Kandri,Ramtek District - Nagpur,standing in the name of M/s Sunil Hi Tech Ltd (Holding Company).

d) Land situated within the limits of Gram Panchayat Tokwadi, Tahsil Pardi and District Beed, standing in the name of Shri Ratnakar Manikrao Gutte (Managing Director)

Note 8 TRADE PAYABLES & OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2012	As at 31st March 2011
Sundry Creditors - Micro, Small and Medium Enterprises	–	–
Sundry Creditors - Others	287,228,399	278,669,237
Sub-total (a)	**287,228,399**	**278,669,237**
Other liabilities		
Current maturities of long term debt	27,839,472	7,000,000
Advance from Customer	6,564,855	–
Creditors - Contractors	10,680,589	13,988,879
Creditors for Capital Goods	52,075,409	3,745,846
Statutory Dues	813,619	1,272,498
Liabilities for Expenses	36,083,417	22,262,226
Sub-total (b)	**134,057,361**	**48,269,449**
Total (a) + (b)	421,285,760	326,938,686

Notes forming part of the Balance Sheet as at 31st March 2012

Note 9 SHORT TERM PROVISIONS

(Figures in ₹)

	Particulars	As at 31st March 2012	As at 31st March 2011
(a)	Provision for employee benefits-		
	Provident Fund	255,492	168,942
	Bonus	1,688,805	862,863
	Leave Encashment	1,572,247	200,000
(b)	Provision for Income Tax	5,123,825	290,752
	Total	8,640,369	1,522,557

Note 10 FIXED ASSETS

	Gross Block (at Cost)				Accumulated Depreciation			Net Block	
Particulars	As at 01.04.2011	Additions during the year	Sale/ Adjustments/ Disposal during the year	Total as at 31.03.2012	As at 01.04.2011	During the year	Total as at 31.03.2012	As on 31.03.2012	As on 31.03.2011
Leasehold Land	9,729,425	14,198,007	–	23,927,432	279,069	178,338	457,407	23,470,025	9,450,356
Factory Shed & Office Building	44,668,323	121,720,553	–	166,388,876	13,680,265	8,688,723	22,368,988	144,019,888	30,988,058
Plant & Machinery	32,848,680	52,421,187	–	85,269,867	11,587,100	6,374,009	17,961,109	67,308,758	21,261,580
Motor Vehicle	3,369,065	7,063,230	–	10,432,295	1,673,485	957,409	2,630,894	7,801,401	1,695,580
Air Conditioner	104,736	25,055	–	129,791	17,632	12,383	30,015	99,776	87,104
Electrical Installation	3,201,823	4,514,707	–	7,716,530	1,163,346	449,684	1,613,030	6,103,500	2,038,477
Office Equipment	1,074,340	530,814	–	1,605,154	248,437	163,366	411,803	1,193,351	825,903
Furniture & Fixture	2,564,733	474,779	–	3,039,512	848,594	338,522	1,187,116	1,852,396	1,716,139
Computers & Softwares	1,307,521	770,800	–	2,078,321	732,368	308,194	1,040,562	1,037,759	575,153
Tangible Assets Total(A)	98,868,646	201,719,132	–	300,587,778	30,230,296	17,470,628	47,700,924	252,886,854	68,638,350
ERP Software	–	2,000,000	–	2,000,000	–	2,186	2,186	1,997,814	–
Intangible Assets Total(B)	–	2,000,000	–	2,000,000	–	2,186	2,186	1,997,814	–
Office Building and Factory Shed	525,078	113,210,023	113,600,731	–		–	–	134,370	525,078
Plant and machinery	23,256,795	50,318,042	50,683,176	–		–	–	22,891,661	23,256,795
Furniture & Fixture	–	157,549	157,549	–		–		–	–
Computer & Software	–	2,316,425	2,316,425	–		–	–	–	–
Electrical Installation	–	6,151,026	5,511,486	–		–	–	639,540	–
Capital Work In Progress (C)	23,781,873	172,153,065	172,269,367	–	–	–	–	23,665,571	23,781,873
Total (A+B+C)	122,650,519	375,872,197	172,269,367	302,587,778	30,230,296	17,472,814	47,703,110	278,550,239	92,420,223

Note 11 NON CURRENT INVESTMENTS

11.1	Particulars	As at 31st March 2012	As at 31st March 2011
	Other Investments		
	Investment in Equity instruments	1,600,000	–
	Total	1,600,000	–

11.2 Details of other Investments

Name of the Body Corporate	Subsidiary/ Associate/JV/ Controlled Entity / Other	No. of Shares/ Units		Quoted / Unquoted	Partly paid/ Fully paid	Extent of Holding (%)		Amount (Rs.)		Whether stated at Cost Yes / No	If Answer to Column (12) is 'No' - Basis of Valuation
		2012	2011			2012	2011	2012	2011		
Investment in Equity Instruments											
Gangakhed Sugar and Energy Ltd.	Controlled Entity	40,000	–	–	–	5.75%	–	1,600,000	–	Yes	–
Total		40,000	–					1,600,000	–		

Notes forming part of the Balance Sheet as at 31st March 2012

Note 12 INVENTORIES

(Figures in ₹)

12.1 Particulars	As at 31st March 2012	As at 31st March 2011
Raw materials	76,550,857	33,368,679
Stock In Process	19,751,338	1,549,615
Stores and spares	8,903,544	6,563,279
Total	105,205,739	41,481,573

12.2 Raw Material, Stores & Spare parts, etc., are valued at cost. Finished goods and Stock In Process are valued at cost or net realizable value which ever is lower.

Note 13 TRADE RECEIVABLES

Particulars	As at 31st March 2012	As at 31st March 2011
Trade Receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
(a) Secured, considered good	–	–
(b) Unsecured, considered good.	6,312,871	17,385,861
(c) Doubtful	–	–
Provision for doubtful debts	–	–
Sub–total (a)	6,312,871	17,385,861
Other Receivables		
(a) Secured, considered good	–	–
(b) Unsecured, considered good	573,200,019	444,922,631
(c) Doubtful	–	–
Provision for doubtful debts	–	–
Sub–total (b)	573,200,019	444,922,631
Debts Due by Companies in which Director is a Partner or Director or Member		
(a) Secured, considered good	–	–
(b) Unsecured, considered good,	40,607,940	2,486,629
(c) Doubtful	–	–
Provision for doubtful debts	–	–
Sub-total (c)	40,607,940	2,486,629
Total (a+b+c)	620,120,830	464,795,121

Note 14 CASH & CASH EQUIVALENTS

Particulars	As at 31st March 2012	As at 31st March 2011
Balances with banks		
On current accounts	10,372,685	416,258
Fixed Deposits (more than 12 months maturity)	11,935,441	6,677,478
Cash in hand	1,390,831	950,860
Total	23,698,957	8,044,596

Notes forming part of the Balance Sheet as at 31st March 2012

Note 15 SHORT TERM LOANS AND ADVANCES

(Figures in ₹)

Particulars	As at 31st March 2012	As at 31st March 2011
Other loans & advances, unsecured, considered good		
Employee advances	16,912	14,413
Capital Advances	4,914,591	65,102,218
Balance with statutory authorities	16,057,820	10,020,052
Prepaid expenses	19,020	145,418
Advances to Supplier	502,706	1,172,146
Short term security deposit	3,753,876	2,110,298
Total	25,264,925	78,564,545

Note 16

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. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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. USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

C. 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".

D. FIXED ASSETS - TANGIBLE

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 capitalized prior to the date of commercial operations

E. FIXED ASSETS – INTANGIBLE

Assets identified as Intangible assets are stated at cost including incidental expenses thereto, and are amortized over a predetermined period.

F. 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 amortized over the period of lease.

G. INVENTORY VALUATION:

Items of inventories are measured at lower of cost or net realizable 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.

Notes forming part of the Balance Sheet as at 31st March 2012

Note 16 *(Contd.)*

H. REVENUE RECOGNITION

i. Revenue from the sale of products is recognized 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 Job Work recognized when significant risk and reward is transferred to the customer.

iii. Revenue from interest income is recognized on accrual basis.

I. INVESTMENTS

Current investments are carried at lower of cost and quoted/ Fair Value, computed category wise. Long- Term Investments are stated at cost. Provision for diminution in the value of Long- Term Investments is made only if such a decline is other than temporary.

J. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

K. EMPLOYEE BENEFITS / RETIREMENT BENEFITS:

i. Short term employee benefits are charged off in the year in which the related services are rendered.

ii. Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

L. 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 recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in the future.

M. 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 ACCOUNT

1. Contingent Liability

   Bank Guarantee outstanding is Rs. 3,23,03,995 (Previous year Rs. 89,44,189)

2. Commitment:

   Estimated amount of contract remaining to be executed on Capital Account is Rs. 10,00,000 (Previous year Rs. 10,00,000)

3. 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.

4. Information on Related Parties as required by Accounting Standard AS-18 “Related Party Disclosure” as under:-

a. Name of the Related Parties and Relationships:

i.	Holding Company	–	Sunil Hitech Engineers Limited.
ii.	Subsidiaries	–	Nil
iii.	Fellow Subsidiaries	–	Nil
iv.	Associates	–	Nil

Notes forming part of the Statement of Profit and Loss for the year ended 31st March 2012

Note 16 *(Contd.)*

b. Transactions during the year with Related Parties

Sr. No.	Name of the Related parties	Nature of Transactions	Amount (Rs.)	Balance as on 31 March, 2012
(a)	Swati Phad (Director)	Remuneration / Professional fees	18,00,000	920,742 (Cr)
(b)	Sunil Hitech Engineers Ltd. (Holding company)	Interest paid on Inter corporate loan during the year.	3,308,325	
		Purchase of Consumable Materials.	21,585,253	
		Sale of finished goods and services.	142,307,264.00	140,91,602 (Cr)
		Inter corporate loan outstanding during the year.	30,000,000	
		Service charges paid during the year	1,315,144	
		Job work charges received during the year (excluding excise duty of ₹10,28,502).	2,645,563	
		Fixed Assets Purchased during the year.	123,717,246.91	

c. **Key Managerial Personnel**

Mr. Ratnakar M Gutte	–	Managing Director
Mr. Sunil R Gutte	–	Director
Mr. Vijay R Gutte	–	Director
Mrs. Swati Phad	–	Director

5. Figures of the previous year have been re-arranged and regrouped, wherever necessary to make them comparable to the classification of current year.

Note 17 REVENUE FROM OPERATIONS

(Figures in ₹)

Particulars	Year ended 31st March 2012	Year ended 31st March 2011
(a) **Sale of Products - Finished Goods**		
Structures, Boiler parts and Components	1,253,056,010	870,018,921
(b) **Other Operating revenue**		
Job Work Receipts	22,030,285	6,195,703
Gross revenue from operations	1,275,086,295	876,214,624
Less:		
(c) Excise duty	89,773,373	67,541,332
Net revenue from operations (a)+(b)-(c)	**1,185,312,922**	**808,673,292**

Note 18 OTHER INCOME

Particulars	As at 31st March 2012	As at 31st March 2011
(a) Sale of Scrap	2,595,125	1,028,340
(b) Interest from Fixed Deposits	734,023	244,791
(c) Miscellaneous Income	123,524	–
Total	3,452,672	1,273,131

Notes forming part of the Statement of Profit and Loss for the year ended 31st March 2012

Note 19 COST OF MATERIALS CONSUMED

(Figures in ₹)

19.1 Particulars	Year ended 31st March 2012	Year ended 31st March 2011
(a) Opening stock of Inventory		
Material	39,931,958	75,761,181
Add : Purchases	913,977,232	516,633,317
less : Purchase return	–	–
Sub–Total(a)	**953,909,190**	**592,394,498**
Less : Closing stock of inventory	85,454,401	39,931,958
(b) Cost of material consumed	**868,454,789**	**552,462,540**

19.2 Details of various raw materials

Breakup of raw material consumed :		
Piping & Pressure Parts	397,418,495	289,944,106
Stores & Spares (Consumables & Non Consumables)	28,101,218	8,836,788
Structures	442,935,076	253,681,646
	868,454,789	**552,462,540**

19.3 Value of Imported & Indigenous Goods

Particulars	Year ended 31st March 2012	%	Year ended 31st March 2011	%
(a) Raw Material				
Indigenous	840,353,571	100%	54,362,572	100%
Imported	–		–	
(b) Spare Parts & Components				
Indigenous	28,101,218	100%	8,836,788	100%
Imported	–		–	

Note 20 CHANGES IN INVENTORIES IN CASE OF STOCK IN PROCESS

Particulars	Year ended 31st March 2012	Year ended 31st March 2011
Opening Stock :		
Finished Goods	-	-
Stock In Process	1,549,615	45,425,759
Sub-total (a)	**1,549,615**	**45,425,759**
Closing Stock :		
Finished Goods	–	–
Stock In Process	19,751,338	1,549,615
Sub-total (b)	**19,751,338**	**1,549,615**
Net (Increase) / Decrease in Stocks (b-a)	(18,201,723)	43,876,144

Notes forming part of the Statement of Profit and Loss for the year ended 31st March 2012

Note 21 EMPLOYEE BENEFITS EXPENSES

(Figures in ₹)

21.1 Particulars	Year ended 31st March 2012	Year ended 31st March 2011
Salaries & Wages	32,756,855	17,021,685
Contribution to Provident & Other Funds	4,833,237	2,832,040
Staff and Labour Welfare Expenses	1,136,061	764,187
Total	**38,726,153**	**20,617,912**

21.2 Defined benefit Plan:

The Present Value of obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligations. The obligation for leave encashment is recognized in the same manner as gratuity.

Particulars	31.03.2012	
	Gratuity (unfunded)	Leave encashment (unfunded)
a) Reconciliation of Opening and closing balances of Defined benefit Obligation		
Defined Benefit Obligation at year beginning	758,937	1,028,980.00
Current Service Cost	231,433	–
Interest Cost	80,264	–
Plan Amendments	–	–
Actuarial (gain)/loss	(41,654)	–
Benefits Paid		–
Defined benefit obligations at year end	1,028,980	1,572,247.00
b) Reconciliation of Opening and closing balances of Fair value of plan assets		
Fair Value of plan assets at year beginning	–	–
Expected Return on Plan Assets	–	–
Actuarial gain/(loss)	–	–
Employer's Contribution	–	–
Benefit Paid	–	–
Fair Value of Plan Assets at year end	–	–
Actual Return on Plan Assets	–	–
c) Reconciliation of Fair value assets and obligations		
Fair Value of plan assets as at year end	–	–
Present Value of obligation as at year end	1,028,980	1,572,247.00
Amount recognised in balance sheet	(1,028,980)	(1,572,247.00)
d) Expenses recognised during the period (Under the head "Employee Benefit Expenses)		
Current Service Cost	231,433	–
Interest Cost	80,264	–
Past Service Cost	–	–
Expected return on plan assets	–	–
Actuarial (gain) / loss	41,654	–
Net Cost	270,043	–
e) Discount Rate (Per Annum)	8.65%	0.00%
f) Expected rate of return on plan assets (Per Annum)	0.00%	0.00%
g) Salary escalation rate (Per Annum)	6.00%	6.00%

Note: Actuarial valuation has been carried out using the Projected Unit Credit Method. The company has started doing actuarial valuation from the current year, hence previous year figures have not been reported.

Notes forming part of the Statement of Profit and Loss for the year ended 31st March 2012

Note 22 FINANCE COSTS

(Figures in ₹)

Particulars	Year ended 31st March 2012	Year ended 31st March 2011
Interest	43,171,656	19,456,890
Other Borrowing Cost	3,318,068	1,491,902
Processing charges	815,338	323,920
Total	**47,305,062**	**21,272,712**

Note 23 OTHER EXPENSES

Particulars	Year ended 31st March 2012	Year ended 31st March 2011
Other Manufacturing Expenses		
Hire charges	3,145,675	646,866
Transportation Expenses	22,034,441	18,480,436
Water Charges	1,090,954	944,052
Power & Fuel	9,065,018	6,525,967
Repairs and Maintenance - Buildings	3,000,253	1,206,641
Repairs and Maintenance - Plant & Machinery	1,000,832	186,898
Repairs and Maintenance - Others	3,096,568	1,544,471
Stores & Spares Consumed	3,177,105	2,766,207
Freight & Cartages	1,125,224	777,523
Testing & Inspection charges	2,207,766	1,270,824
Job work charges	65,410,335	56,267,988
Factory expenses	2,133,495	1,189,886
Security Expenses	2,664,814	1,911,838
Other Manufacturing Expenses	362,291	261,255
Administrative Expenses		
Insurance Charges	1,260,382	1,057,355
Rates and Taxes, excluding taxes on Income	43,115	46,310
Sales Tax and VAT Expenses	2,164,045	1,250,082
Office & Other Expenses	2,276,197	1,120,494
Travelling and Conveyance	4,047,683	1,902,987
Packing & forwarding expenses	893,810	126,933
Rent	2,737,350	1,105,200
Service charges	1,315,144	624,316
Service tax on Outward Transportation	1,025,673	753,220
Director's Remuneration	1,800,000	1,001,876
Legal and Professional Charges	4,194,471	2,182,546
Business Promotion	1,739,158	845,305
Professional Tax	2,500	2,500
Late Delivery Charges	2,202,765	1,858,177
Miscellaneous Expenses	1,380,891	77,180
Payment to Auditors		
For Audit Fees		
Statutory Audit Fees	300,000	130,000
For Taxation Matters	75,000	–
For reimbursement of expenses	–	–
Total	**146,972,955**	**108,065,333**

NOTES

All stores and spares consumed are indigenous.

Notes forming part of the Statement of Profit and Loss for the year ended 31st March 2012

Note 24 EARNINGS PER SHARE

(Figures in ₹)

Profit Computation for Basic EPS		2012	2011
(a)	Net Profit after tax attributable to equity Shareholders	54,377,485	36,379,296
(b)	Weighted Number of shares for Basic Earnings per share	4,256,230	4,130,000
(c)	Weighted Number of shares for Diluted Earnings per share	4,256,230	4,130,000
(d)	Basic earnings per share (a)/(b)	12.78	8.81
(e)	Diluted earnings per share (a)/(c)	12.78	8.81
(f)	Nominal value per equity share	10	10

As per our Report attached

For K.K.MANKESHWAR & CO.
Chartered Accountants
FRN: - 106009W

For SEAM INDUSTRIES LIMITED

Abhay Upadhye
Partner
Membership No. 049354

Ratnakar M Gutte
Managing Director

Sunil R Gutte
Director

Nagpur, 28 June, 2012

Notes

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ratnakar Manikrao Gutte – Managing Director
Mr. Sunil Ratnakar Gutte - Director
Mr. Vijay Ratnakar Gutte - Director
Mrs. Swati Phad – Director
Mr. Parag A. Sakalikar - Director

AUDITORS

K. K. Mankeshwar & Co.
Chartered Accountants
243, "SHRIKA RESIDENCY",
Central Road, Dharampeth, Nagpur- 440010

BANKERS

Oriental Bank of Commerce
Punjab National Bank
UCO Bank

R & T AGENTS

M/s. Bigshare Services Private Limited
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WEB SITE

www.seamlimited.com

Seam Industries Limited, K-55, Unit-II, Heavy Fab Shop

SEAM

SEAM INDUSTRIES LIMITED