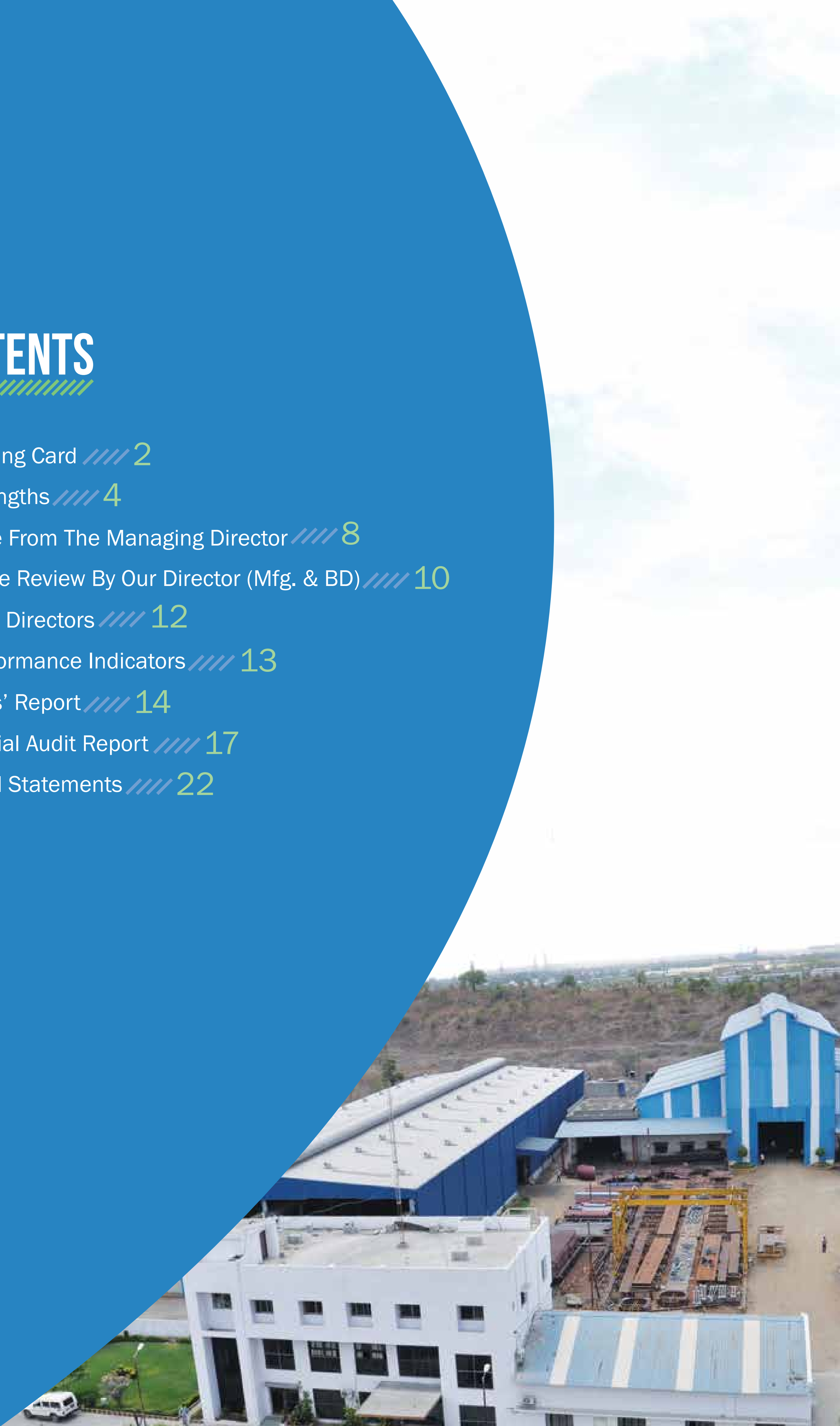
POWERING A REVOLUTION

SEAM INDUSTRIES LIMITED

8TH ANNUAL REPORT 2012-13

CONTENTS



India's goal of sustained economic growth is dependent on the availability of cheap, reliable and always on power. Power transforms society, enables enterprise and industry, increases trade and connectivity to markets and generates meaningful employment. It has a multiplier impact on the local economies. By completely transforming the economic landscapes of the country, it literally ushers in a revolution.

Where there was darkness, it brings light.

Where there was unemployment, it brings gainful employment.

Where there were local markets, it brings regional and national markets.

Where there was economic stagnation, it brings growth.

The economy depends on power companies to deliver power.

Power companies depend on us to deliver critical components that enable production of power.

Together, we are powering a revolution that will transform India.

OUR VISITING CARD

The driving passion to constantly improve, strive for excellence and meet challenges saw a micro enterprise transform into a Limited Company reaching the turnover of ₹ 172 Crores. Founded in the year 2005, SEAM INDUSTRIES LIMITED the subsidiary & manufacturing arm of ₹ 1500 Crores. Group SUNIL HI TECH ENGINEERS' emerged as a highly developed manufacturing company with key interest in supply of IBR & Non-IBR Pipings, Pressure Parts & Vessels and Technological Structure with a vision to become a complete EPMS 'Engineering, Procurement, Manufacturing & Services' company on international standards for Power, Cement, Steel, Fertiliser, Paper & allied industries and also marked its presence in Railways by registering itself as an approved vendor of RDSO Lucknow.

INTEGRATED SUPPLY CAPABILITIES IN AN AREA WITH CONCERTED DEMAND FROM MULTIPLE POWER PLANTS

The Company's strategic location in Butibori industrial area, near Nagpur with nearly 25,000 MW power plants being built in a 700 km radius makes it a vendor of choice for sourcing equipment, and services. The company is the only integrated large scale industrial house in this vicinity with the competitive capabilities, entrenched customer relationships, execution capabilities and logistics skills to cater to this large demand pipeline. Our location gives us a unique competitive capability to cater to this large existing demand in the region.

INTEGRATING DIVERSE CAPABILITIES INTO A UNIFIED VALUE PROPOSITION

Our diverse delivery capabilities include a mix of design, engineering, manufacturing and onsite installation that are applicable to the power, petroleum, petrochemical and sugar industries.

Our manufacturing capabilities include 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 per month.

Our installed capacities include

Technical structures
24,000 MT per annum

Piping, Tanks and Vessels
5,000 MT per annum

Pressure Parts
4,000 MT per annum

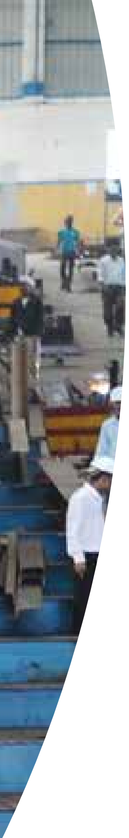
Our throughput includes:

- Various structures such as boiler and technological structures, heavy and medium built-up structures, and ducting with a capacity of up to 1,400 tonnes/month.
- Re-heater LTSH and economiser coils up to 500 MW, and water wall panels and all economiser and SH headers up to 500 MW.
- High pressure tubes of SA 347 H, SA213, T11, T2 and T91 carbon steel tubes for boilers up to 500 MW.
- Various SH and re-heater spray nozzles.
- Fabrication and supply of IBR carbon shed pipings up to 600 MW.
- Manufacture of tanks, vessels and heaters and pressure part bends up to 500 MW.
- Fabrication and supply of CW piping of up to 4,500 mm in diameter.
- Clarified and DM water lines and other piping systems.

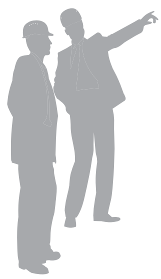
OUR STRENGTHS

AN ENABLING PHILOSOPHY

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



AN EMPOWERING VISION



To become an EPMS (Engineering, Procurement, Manufacturing and Services) Company of International standards for the power process industry.

A VALUE ENHANCING MISSION

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

HOUSING DIVERSE CAPABILITIES, DELIVERING AN INTEGRATED MIX OF PRODUCTS AND SERVICES ACROSS INDUSTRIES

Our approach to integrate diverse capabilities is to ensure that the "whole" of what we offer is greater than the sum of its parts.

This makes us a choice vendor for power plants, petroleum units, petrochemical industry and sugar companies seeking multiple deliverables from a single vendor with a single point responsibility, efficiency and ease of transaction.

AUTOMATING PROCESSES TO REDUCE MANPOWER AND INCREASE PRODUCTIVITY AND QUALITY

Installing a state-of-the-art modern H-Beam welding machine imported from Italy enables us to adopt a manufacturing process that is in sync with international standards. This significantly reduces our need for manpower as well as increases the efficiency of our operations. Automation has reduced our manpower requirement from an average of 500 people (for managing an output of 1,500 MT per month) to a mere 50.

CATERING TO BOTH INTERNAL AS WELL AS EXTERNAL CUSTOMERS

SEAM Industries provides support to the clients and projects of its parent company Sunil Hitech Engineers Ltd., while developing its own client base across various industries. This makes our order book robust and dependable, immune from vagaries or downturns in any one industry.

OUR STRENGTHS

LOCATION THAT IS CONDUCIVE TO EASY ACCESS OF RAW MATERIAL & RELIABLE LOGISTIC SUPPORT TO CUSTOMERS

SEAM Industries strategic location in the MIDC, Butibori, Nagpur - the Central part of India makes it easy to access raw materials from suppliers like SAIL, TATA, ISMT, MSL, JFE - Japan and Jindal that in proximity reduces logistics costs and attributes in supply of finished product within the shortest delivery schedule of the Project requirement of esteemed customers viz. Power, Petrochemical, Fertiliser, Steel, Railways etc.

DIVERSE CUSTOMER BASE

SEAM Industries during a short span of (8) eight years marked its presence in all major leading SEB's by extending supply of Pressure Parts in addition to its ongoing ARC with IBR-NIBR Pipings, Tanks & Vessels, and Technological Structure with BHEL Piping Centre, Chennai & BHEL Trichy for projects up to 800 MW. Keeping pace with effective capacity utilisation, SEAM has diversified into fabrication & erection of ROB / RUB Steel Girders and Doubling Projects.

SPECIALISED TECHNOLOGICAL RESOURCE & LAND BANK FOR EXPANSION...

SEAM is continuously revamping its resources to provide wide range of products & services that fully meet customers' requirement in terms of quality & quantity. As a step ahead, we have developed complete Heavy Fab-Shop duly equipped with all machineries & heat treatment facilities such as Bogie Hearth Stress Reliving Furnace and other quality testing viz. mechanical & chemical.

The Company is presently using just 33% of its 24-acre land bank enabling it to further expand its production as and when required.

STRONG GROWTH MOMENTUM

The Company is on a strong growth path with 25000 MW Power Projects being commissioned within 700 kms from its location in the coming four years. The combination of orders from Power, Railway & Infra sector ensures robust growth.

Ability to quick adaption of new technology, diversity, transformation of energy and effective utilisation of capacity are the driving force of SEAM Industries that helps to cope with the challenges.

SEAM is in sync with growing needs of the sectors like Power, Petroleum, Petrochemicals, Fertilisers, Sugar, Paper & Railways (steel girders -ROB/RUB projects) and its growth in terms of assets and revenue seem assured.

An arrangement that creates a robust foundation which diversifies our revenues by entering the petroleum, oil and gas sectors. We will soon be catering to the requirements for city gas distribution and pipeline transportation among others.

EBITDA

₹ 22.02 crore

RONW

26.82%

MESSAGE FROM THE MANAGING DIRECTOR

By working with core industries that are actuators of India's economic growth, we seek nothing less than contributing to a revolutionary change in India. At SEAM Industries, we cater to the diverse requirements of power plants, petroleum, petrochemicals and sugar industries with a view to emerge as an EPMS company of international repute. Our goal is to become an integral part of our customers' supply chain delivering efficiencies while furthering our client's goals. In core sectors, growth is dependent on both policies as well as the external macroeconomic conditions. Power, petroleum, petrochemicals and sugar industries are capital intensive undertakings and investments in these industries are directly related to the future economic outlook.

During the year under review, India experienced one of its lowest growth rates in the decade, and both consumer and investor sentiment was on the downswing.

Yet, it is our belief that India's long-term growth story is intact, and especially in the supply deficient sectors like Power, or the burgeoning demand-led sectors like petroleum and petrochemicals there will be sustained investments and growth.

After having tasted heady growth of 9%, India's policymakers and population still seeks high growth paths and barring any untoward circumstances, we believe that policy will ensure accelerated growth for the economy.

At SEAM, we are attractively positioned to capture this growth opportunity.

We have the infrastructure, the capabilities, the people and expertise to radically contribute to the efficient setting up and expansion of power plants, petroleum, petrochemical and sugar projects. In doing so, we have an opportunity to power India's revolution in economic development.

Our integrated capabilities are geared to deliver products and services that are diverse and in demand. We are ideally located in a region wherein there are power projects coming up with a total capacity of 25,000 MW. Our location which is within 700 kms distance from these projects acts as an added attraction, given our infrastructure and capabilities to deliver. Being in the central region of India, we are equally well placed to deliver our products and services to other sectors.

The combination of existing projects, enhanced capabilities, expandable production infrastructure and robust financials will ensure that we will accelerate towards our stated goal of reaching a turnover of ₹ 500 crores within the coming 4 years.

To this goal, each of us that are part of SEAM Industries, rededicate ourselves.

In the year under review, we have continued our growth with an enhanced top line of ₹ 172.17 crores, an EBITDA of ₹ 22.02 crores, and a PAT of ₹ 8.12 crores. The growth is in line with our past and is well paced to achieve our targets.

I would like to end my communiqué by recording my heartfelt thanks for the co-operation and meaningful participation extended to us by our bankers, our parent company, our directors, our top management, as well as our team. Last, but not the least, I would take this opportunity to thank our clients whose patronage helps us prove our mettle and deliver.

Thanking you,

Yours truly,

Ratnakar Gutte

After having tasted heady growth of 9%, India's policymakers and population still seeks high growth paths and barring any untoward circumstances, we believe that policy will ensure accelerated growth for the economy.

CORPORATE REVIEW BY OUR DIRECTOR (MFG. & BD)

SEAM has developed itself to cope-up with the challenges & always strive to meet and surpass our customers' requirement in terms of quality & quantity at the 'Right time, First time & Every time'.

AN INTERVIEW WITH MR. M.T. DEVARAJAN, DIRECTOR (MFG. & BD), SEAM INDUSTRIES LIMITED

Excerpts:

How do you rate the Company's performance for FY 2012-13?

Tremendously satisfying as we achieved complete utilisation of our overall capacity resulting in increased turnover for our Company.

What are the biggest achievement / highlights at SEAM Industries for the fiscal year?

The Power Sector has witnessed a slowdown due to non availability of Coal & linkage problems. Since we are a backward integrated Company serving the Power sector, we had to face the challenge of being an ancillary supplier to an industry that was experiencing a slowdown. We maintained our prime motto of "Continual Improvement in all spheres by Effective Capacity Utilisation" & diversified into Fabrication, Supply & Erection of Steel Girders – a business that delivered new avenues of revenue generation for our Company.

Why are these achievements so significant and can you tell us what helped you achieve these?

Our driving passion to continually improve, strive for excellence and meet challenges resulted in our Company diversifying into Fabrication, Supply & Erection of Steel Girders and Doubling Railway line projects during the short span. We added clients like M/s. Gammon India Limited, M/s. IL & FS Engineers Limited, M/s. Oriental Engineers Ltd. and established new avenues for generating revenues.

Certainly, our Promoter's Confidence and 'Man behind Machine' - our workforce working round the clock to achieve prime motto of Company helped us a lot.

Please corroborate these achievements with the core business strategy

Diversification into ROB / RUB and Doubling of Railway line projects has contributed to a great extent in increasing turnover of Technological Structure and also ensured utilisation of our spare capacity to the fullest. Our core business for Pressure Parts, Pipings (IBR & NIBR) and Tanks & Vessels with ongoing rate contracts & orders from PSUs, contribute to our revenue streams and we are on the verge of extending our supplies to Petrochemical, Oil & Fertiliser industries in the years to come.

Are there any other material and significant highlights that come to your mind – new products, new orders or any new partnerships that we can showcase in the AR?

Registration in Diesel Locomotive Works (DLW), Varanasi. Fabrication & Supply of Diesel Railway Wagons, Locomotive Engines & Miscellaneous Fabrication is on our target and as a step ahead, we bagged an order for Air Duct Assembly from DLW, Varanasi.

What were the main challenges faced by the Company during the year and what steps were taken to combat the same?

The slowdown in the power sector was the main challenge faced & we almost resolved this by diversifying into Fabrication, Supply & Erection of ROB/RUB Steel Girders.

What are the revenue and overall business outlook for the forthcoming fiscal?

We have orders lined-up for all our products. Our key area of expansion covers ROB/RUB Steel Girders, Doubling Railway line, Misc. fabrication of DLW Varanasi, Infrastructure Projects with ongoing key business of Pressure Parts, Piping and Tanks & Vessels, thereby maintaining our target of ₹ 225 Crores for the next fiscal.

How would you describe the future outlook of the Company? Where do you see the maximum numbers of orders coming from in the years ahead? How do you plan to tackle the growing competition in the industry?

We are completely geared-up as a Heavy Fab-shop in the Central India dedicated to Power, Railways & Infra Projects coming in & around the country. With the present scenario in mind, more number of orders are expected from Railway's ROB / RUB Projects and Doubling Railway lines.

SEAM has developed itself to cope-up with the challenges & always strive to meet and surpass our customers' requirement in terms of quality & quantity at the 'Right time, First time & Every time'.

Where do you rate SEAM Industries at this juncture on the mission to moving to the ₹ 500 Crore mark?

SEAM Industries is committed towards the specified goal. Undoubtedly, the journey at present is in the midst of the sea.

...Smiles........

M.T. Devarajan
Director (Mfg. & BD)

BOARD OF DIRECTORS

MR. RATNAKAR MANIKRAO GUTTE
Chairman and Managing Director

Mr. Ratnakar Manikrao Gutte, Promoter, has enriched the Company with 31 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 Vibhushan 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*

Mr. 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 organisation 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.

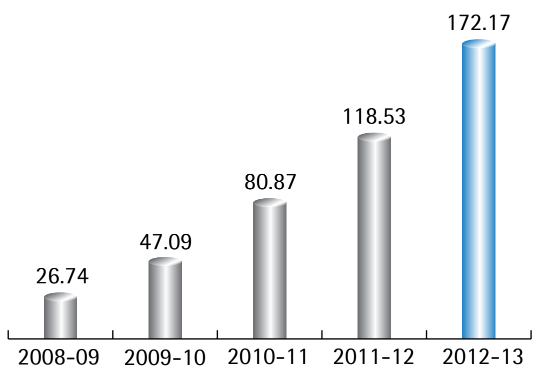
MR. M.T. DEVARAJAN *Director (MFG. & BD)*

Mr. Devarajan is a Mechanical Engineer. He had completed his Diploma in the year 1980. He had over 33 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.

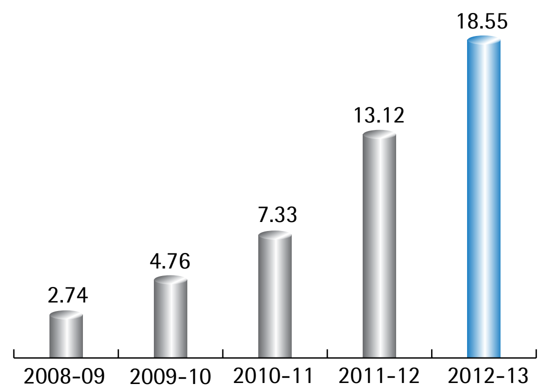
Under his strong supervision and leadership, SEAM Industries Limited is able to revamp the resources & is committed to further improve the quality standards, to cater the requirements of customers and also to achieve the target of ₹ 500 Crores as envisaged by the Board for the financial year 2014-15.

KEY PERFORMANCE INDICATORS

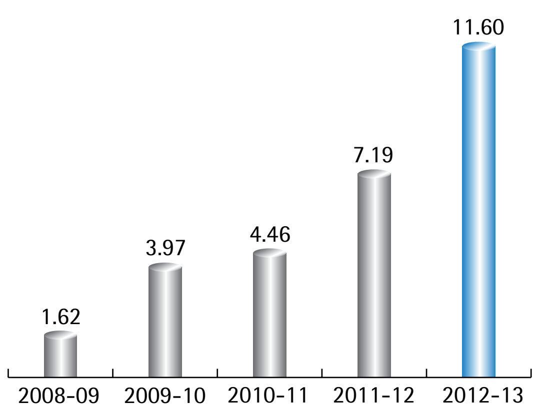
REVENUE (GROSS) (₹ CR)



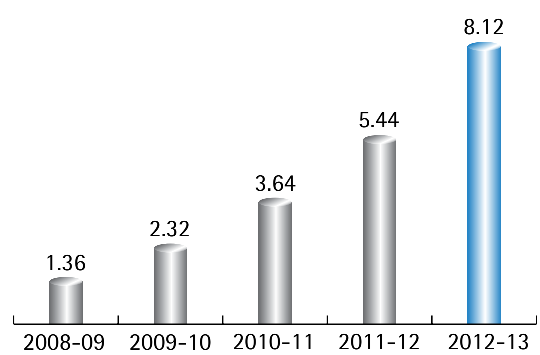
OPERATING PROFIT (₹ CR)



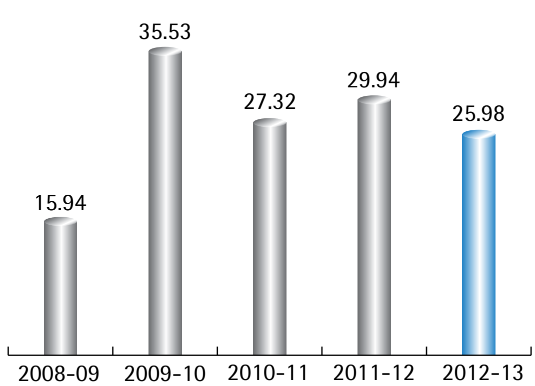
CASH PROFIT (₹ CR)



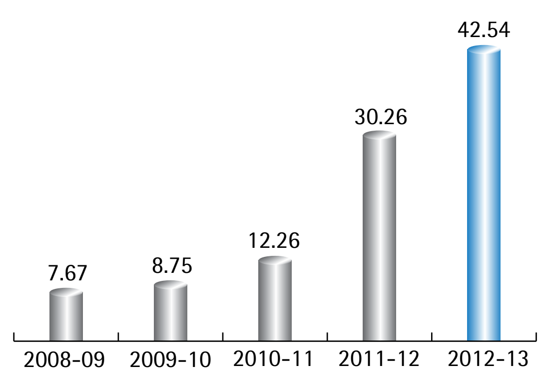
POST-TAX PROFIT (₹ CR)



RETURN ON CAPITAL EMPLOYED (AVERAGE) (%)



GROSS BLOCK (₹ CR)



DIRECTORS' REPORT

With great Pleasure, your Directors present their report for the financial year ended on 31st March, 2013.

Financial Performance

₹ In lacs

Particulars	2012-13	2011-12
Net Sales /Revenue	17,217.15	11,853.13
Other Income	27.88	34.53
Total Income	**17,245.04**	11,887.66
Operating Profit	2255.84	1528.14
Interest & Financial Charges	718.62	473.05
Depreciation	347.50	174.73
Profit Before Tax	1189.72	880.36
Tax	377.63	336.59
Profit After Tax	812.09	543.77
Amount Transferred to General Reserve	-	-
Surplus transferred to Balance Sheet	812.09	543.77

Operational Review

The Net sales / Revenue from Operations of your Company for the financial year ended on 31.03.2013 is ₹ 17,217.15 lacs, whereas it was ₹ 11,853.13 lacs for the financial year ended on 31.03.2012, registered a significant growth of 45.25% over the last year's figure. Profit before tax for the financial year ended on 31.03.2013 is ₹ 1189.72 lacs, whereas it was ₹ 880.36 lacs for the financial year ended on 31.03.2012, thereby registered a significant growth of 35.14% over the last year's figure.

Profit after tax is ₹ 812.09 lacs for the financial year 2012-13 and for the financial year 2011-12, it was ₹ 543.77 lacs showing a material growth of 49.34% over the last year's performance.

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

The Result shows the potential of your Company to perform even in uncertainties and challenging environment. 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, 2013.

Audit Committee

The Audit Committee of the Company met five times during the financial year 2012-13 to review the financial statements of accounts, internal controls & audit systems, scope of audit in details. Mr. Parag Sakalikar who is a non executive director is the Chairman of the audit Committee and Mr. Sunil R. Gutte and Mr. Vijay R. Gutte are the members of the Committee.

Appointment of Cost Auditor

The Board of Directors has appointed M/s Ujwal P. Loya & Co. Cost Auditors having FRN 101399 as the Cost Auditor for the Company for the financial year 2013-14 to conduct audit of cost records, issue compliance report and to fulfill all other compliances as may be required under the provisions of the Companies Act, 1956 and under all other applicable rules, regulations or guidelines issued hereunder.

Future Prospects

Your Company 'Seam Industries Limited' is an ISO 9001:2008 Company, a Subsidiary of 'Sunil Hitech Engineers Limited' (a leading Infrastructure Project Executor of India mainly deals in Power, Civil and Road / Highway Projects). Your Company deals with 'Structural & Technical Fabrication' and Erection, and manufactures various products required in the execution of Power and Infrastructure Projects. It manufactures and supplies technological structures, Pressure parts, Boiler parts, Piping and fittings, Tanks and Vessels and miscellaneous components for thermal power projects, for Sugar Projects – tubes, jackets and piping's, for Petroleum Projects – columns, condensers and miscellaneous vessels.

Power business in India is one of the most promising sector. This sector offers lots of opportunities to the corporate dealing in various segment of power business, viz construction projects, development and distribution. Your Company being one of the renowned suppliers to Power sector Companies shall be in more better position in coming years due to growing opportunities in power sector. In addition to the power sector, your Company supplies various components, parts to Companies dealing in infrastructure, cement, Steel, Aluminum, Fertilizer business.

To meet the growing demand of companies dealing in various segment of - Power, Infrastructure, Cement, Steel, Aluminum & Fertilizer business, your Company has increased 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. Recently your Company developed a new shed for Pressure Parts to increase its production base. Government of India has also announced major packages to boost infrastructure – Roads / Highways and Power sectors which in turn offer good opportunities to the Companies dealing in aluminum, steel and cement business as development of infrastructure is not possible without cement, steel, aluminum. Hence your Company being one of the supplier to the Companies dealing in Power, Roads, Steel, Aluminum and Cement business, shall be in better position in coming 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, 2013 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.

Secretarial Audit Report

Your Board of Directors is searching for a whole time Company Secretary for the Company, but has not got a suitable candidate for the Company as of now. However Your Board of Directors has conducted Secretarial Audit of the Company Secretarial records from a Practicing Company Secretary for the financial year ended on 31st March 2013 to check compliance of various provisions of the Companies Act, 1956 and other applicable law and as reported by the Auditor, there is no non compliances on the part of the Company for the financial year ended on 31st March 2013, which may affect the interest of the Company or its creditors, bankers and shareholders.

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

Mrs. Swati R. Phad Executive Director of the Company is liable to retire by rotation at the forthcoming annual general meeting and the Board of Directors recommends her reappointment subject to the approval of shareholders in the ensuing annual general meeting.

The Board of Directors has appointed Mr. Ratnakar M. Gutte as Managing Director and Mr. Sunil R. Gutte and Mr. Vijay R. Gutte as the Executive Directors of the Company with effect from 29.10.2012 for a period of five years in accordance with the approval of shareholders by way of special resolutions passed separately on 29.11.2012 for their appointment.

The Board of Directors has appointed, subject to such other approvals, Mr. M. T. Devarajan as the Executive Director of the Company with effect from 11th January 2013 for a period of five years.

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. M/s K. K. Mankeshwar & Company have given their consent under section 224(1B) of the Companies Act, 1956 for their reappointment for the financial year 2013-14. The Board of Directors recommends their reappointment as Auditors of the Company for the financial year 2013-14 from the conclusion of ensuing annual general meeting to the conclusion of next annual general meeting.

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.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

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 has been mentioned below;

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 2012-13, we incurred ₹ 87.28 lacs towards 'Power & Fuel' whereas in the financial year 2011-12, we incurred ₹ 90.65 lacs.

Particulars	Unit	Current year 2012-13	Previous Year 2011-12
Production			
Piping & Structure	MT	9059.54	11081.89
Pressure parts	SETS	90.00	96.00
Pressure parts	MTRs	1746.27	1230.00
Pressure parts	NOS.	669016.00	6094.00
Power & Fuel Consumption (in ₹)		87,28,207/-	90,65,018/-

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 Foreign Exchange Outgo during the Financial Year 2012-13 is $ 58700 (Fifty Eight Thousand Seven Hundred Dollars) for advance given for purchase of Machinery. There is no Foreign Exchange Earnings during the Financial Year 2012-13.

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: May16, 2013
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-440010
Maharashtra

I have examined the registers, records and documents of Seam Industries Limited ("the Company") for the Financial Year ended on 31st March, 2013 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 Regulation and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) are not applicable to the Company.

I report that, based on my examination and verification of the registers, records and documents produced to me and according to the information and explanation 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 under the Act, and Memorandum and Article of Association of the Company, unless specifically provided in the clause hereunder:

a) Maintenance of statutory registers and documents and making in them necessary entries;

b) Closure of Registers of Members from 24-09-2012 to 29-09-2012 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 Member, Auditors and Registrar of Companies;

e) Notice of Board Meetings and Committee meetings of Directors;

f) The meetings of Directors and Committee of Directors;

g) The 7th Annual General Meeting held on 29th September, 2012;

h) Minutes of proceedings of General Meeting and of Board and other meetings. *There was an Extra Ordinary General Meeting dated 29/11/2012 in which special resolution for appointment of Managing Director and whole time director was passed. However, Form 23 was delayed.*

i) Approval of Shareholders, the Board of Directors, the Committee of Directors, and government authorities, wherever required;

j) Constitution of Board of Directors and appointment, retirement and re-appointment of Directors. There was appointment of Managing Director and Whole-time Directors on 29/10/2012 at Extra Ordinary General Meeting. However, Form 32 and Form 25 C were delayed.

k) Remuneration of Directors including the Managing Director and Whole-Time Director;

l) Appointment and Remuneration of Auditors;

m) There was no Transfer and Transmission of the Company's Shares during the reporting period.

n) Form of Balance Sheet as prescribed under Part I of revised Schedule VI to the Act and requirements as to Statement of Profit & Loss as per Part II of the said Schedule;

o) The Company has created Charges under Section 125 of the Companies Act, 1956 on various occasions and have duly filed Form 8 for the same.

p) There was no Investment of the Company's funds including inter corporate loans and investments;

q) Company has not given any guarantees during the reporting period.

r) Contracts, common seal, registered office and publication of name of the Company; and

s) Generally, all other applicable provisions of the Act and the Rules made under that Act.

I further report that

a) The Directors of the Company has obtained Director Identification Number as per Section 266A of the Act.

b) The Directors have complied with the requirements as to disclosure of interest and concern 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. The Company has entered into a contract with a company under Section 297 of the Companies Act, 1956, in which one of its Director who also happens to be independent Director of its holding Company is also acting as Director in the Company with which contract has been entered . However till date there is no transaction between these two Companies.

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.

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

I further report that 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, including any amendments thereof till the date of report.

c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992.

Manish Pande
Practicing Company Secretary
Membership No. FCS 5004
Certificate of Practice no. 3424

Place: Nagpur, Maharashtra
Date: 16/05/2013

INDEPENDENT AUDITOR'S REPORT

To, The Members of
SEAM INDUSTRIES LIMITED
Nagpur.

1. **Report on the financial Statements**
   We have audited the accompanying financial statements of SEAM INDUSTRIES LIMITED, which comprise the Balance Sheet as on March 31, 2013, the Statement of Profit & Loss, Cash flow Statement for the year ended on that date annexed there to and a summary of significant accounting policies & other explanatory information.

2. **Management's Responsibility for the Financial Statements**
   Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. **Auditor's Responsibility**
   Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. **Opiniown**
   In our opinion and to the best of our information and according to the explanations given to us, the financial statements read together with notes give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

   b. in the case of the Statement of Profit & Loss, of the Profit for the year ended on that date; and

   c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. **Report on Other Legal and Regulatory Matters**
   As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together referred as the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956, (The 'Act') and on the basis of such checks of the books and records of the Company, we enclose in the Annexure 'A' a Statement on the matter specified in paragraph 4 and 5 of the said order.

6. **Further to our comments in the Annexure referred to in paragraph 5 above, as required by section 227 (3) of the Act, We report that:**

   i. 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;

   ii. In Our opinion, proper books of account as required by Law have been kept by the company so far as appear from our examination of those books;

   iii. The Balance Sheet, Statement of Profit & Loss & Cash Flow Statement dealt with by this Report is in agreement with the books of account;

   iv. In our opinion, the Balance Sheet, Statement of Profit & Loss & Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

   v. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   vi. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

ABHAY UPADHYE
Partner
Membership No. 049354

For & on behalf of

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

Place: Nagpur,
Date: 16th May, 2013.

ANNEXURE 'A' TO AUDITORS' REPORT

(The annexture referred to in our report of even date to the members of **SEAM INDUSTRIES LIMITED** on the Financial Statements for the year ended 31st March, 2013)

In terms of information and explanations given to us and books and records examined by us in the normal course of audit and to the best of our information and belief, we state that:

1. **In respect of fixed assets:**
    a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

    b. The fixed assets were physically verified during the year by the Management in a phased manner, which in our opinion is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.

    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 at reasonable intervals. Materials lying with third parties have substantially been physically verified. In our opinion, the frequency of verification is reasonable.

    b. In our opinion, 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. 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 register maintained under section 301 of the Companies Act, 1956:**
    a. The company has not taken any unsecured loan during the year from Companies/firms covered under section 301 of The Companies Act 1956, however it has Outstanding Unsecured loan from One Party covered in the register maintained under section 301 of the Companies Act 1956. Total Outstanding balance as on 31st March, 2013 was ₹ 300 Lakhs.

    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. 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. 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. 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. 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. 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. No order has been passed by the Company Law Board on the Company.

7. In our opinion the company has an internal audit system commensurate with its size and the nature of its business.

8. We have broadly reviewed the books of accounts and records maintained by the Company relating to the products of the Company pursuant to the rules by the Central Government for the maintenance of Cost records under Section 209 (1) (d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination o f the records with a view to determining whether they are accurate or complete.

9. **In respect of statutory dues:**
    a. 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.

    There are no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six month from the date of becoming payable.

b. 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 as on 31st March, 2013 and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.

11. The company has not defaulted in repayment of dues of financial institution or bank, as at the balance sheet date.

12. 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. 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. 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 other than temporary development of such funds.

17. On 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 other than temporary development of such funds.

18. The Company has not made preferential allotment of shares to any party covered in the register maintained in section 301 of the act.

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

ABHAY UPADHYE
Partner
Membership No. 049354

For & on behalf of
K.K.MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W

Nagpur, dated the
16th May 2013

BALANCE SHEET

AS AT 31ST MARCH, 2013

(Figures in ₹)

Particulars	Note No.	As on 31.03.2013	As on 31.03.2012
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS FUNDS			
(a) Share capital	1	55,300,000	55,300,000
(b) Reserves & surplus	2	249,788,025	168,579,238
2. NON-CURRENT LIABILITIES			
(a) Long-term borrowings	3	108,367,403	77,265,815
(b) Other Long term liabilities	4	155,113,955	24,699,524
(c) Long-term provisions	5	4,387,965	2,418,417
(d) Deferred tax liability	6	8,522,746	4,777,541
3. CURRENT LIABILITIES			
(a) Short-term borrowings	7	378,304,233	292,863,463
(b) Trade payables	8	411,554,250	381,730,323
(c) Other Current Liabilities	9	47,954,762	39,810,929
(d) Short-term provisions	10	8,621,564	6,995,440
TOTAL		**1,427,914,903**	**1,054,440,690**
II. ASSETS			
NON-CURRENT ASSETS			
1. (a) Fixed assets	11		
(i) Tangible assets		302,128,294	252,886,854
(ii) Intangible assets		1,198,688	1,997,814
(iii) Capital work-in-progress		39,662,339	23,665,571
(b) Non-current investments	12	1,600,000	1,600,000
2. CURRENT ASSETS			
(a) Inventories	13	354,325,306	105,205,739
(b) Trade receivables	14	599,154,073	620,120,830
(c) Cash and Bank balance	15	32,251,092	23,038,336
(d) Short-term loans and advances	16	96,362,033	25,264,925
(e) Other Current Assets	17	1,233,078	660,621
Significant Accounting Policies & Notes	18		
TOTAL		**1,427,914,903**	**1,054,440,690**

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

For & on behalf of Board of Directors

Abhay Upadhye
Partner
Membership No. 049354

Ratnakar M Gutte
Managing Director

Sunil R Gutte
Director

For & on behalf of
K. K. Mankeshwar & CO.
Chartered Accountants
FRN: - 106009W

Place: Nagpur
Dated: 16th May, 2013

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2013

(Figures in ₹)

Particulars		Note No.	For the Year ended 31 March, 2013	For the Year ended 31 March, 2012
I.	Gross Revenue from operations	19	1,721,715,116	1,185,312,922
II.	Other income	20	2,788,737	3,452,672
III.	**Total Revenue (I + II)**		**1,724,503,853**	**1,188,765,594**
IV.	**Expenses:**			
	Cost of materials consumed	21	1,319,914,080	872,393,779
	(Increase)/ Decrease in Inventories	22	(34,196,656)	(18,201,723)
	Employee benefits expenses	23	69,452,528	41,006,153
	Finance costs	24	71,862,229	47,305,062
	Depreciation and amortization expenses	11	34,750,338	17,472,814
	Other expenses	25	143,749,151	140,753,965
	Total expenses		**1,605,531,670**	**1,100,730,050**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		**118,972,183**	**88,035,544**
VI.	**Tax expense:**			
	(1) Current tax / MAT		34,018,192	25,328,895
	(2) Deferred tax		3,745,205	7,401,282
	(3) Tax Expense relating to prior years		-	927,882
VII.	**Profit (Loss) for the period from continuing operations (V-VI)**		**81,208,786**	**54,377,485**
VIII.	**Profit (Loss) for the period**		**81,208,786**	**54,377,485**
IX.	**Earnings per equity share:**			
	(1) Basic	26	14.69	12.78
	(2) Diluted		14.69	12.78

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

For & on behalf of Board of Directors

Abhay Upadhye
Partner
Membership No. 049354

Ratnakar M Gutte
Managing Director

Sunil R Gutte
Director

For & on behalf of
K. K. Mankeshwar & CO.
Chartered Accountants
FRN: - 106009W

Place: Nagpur
Dated: 16th May, 2013

CASH FLOW STATEMENT

AS ON 31ST MARCH, 2013

(Figures in ₹)

Particulars			As on 31st March 2013	As on 31st March 2012
1.	**Cash Flow from Operating activities**			
	(a)	Profit from operating activities before exceptional items and taxes	118,972,183	88,035,544
		Adjustments:		
		Depreciation and amortization	34,750,338	17,472,814
		Interest and Finance costs	71,862,229	47,305,062
		Bad Debts written off	1,755,504	1,240,205
		(Gain)/Loss on sale of fixed assets	-	
		Misc. Expenditure Write off	118,573	-
		Interest Income	(1,370,087)	(734,023)
	(b)	Working capital changes:		
		- Increase in inventories	(249,119,567)	(63,724,166)
		- Decrease /(Increase) in trade receivables	19,092,680	(156,565,914)
		- Decrease/ (increase) in short-term loans and advances	(71,097,108)	53,299,620
		- Increase /(Decrease) in other current assets	660,621	-
		- Increase in trade payables	29,823,927	89,493,292
		- Increase/ (Decrease) in other current liabilities	9,738,159	-
		- Increase /(Decrease) in provisions	2,982,505	6,699,742
		- Decrease /Increase) in Fixed Deposits held as Margin Money	-	
		- Tax paid during the year	(33,405,025)	(20,714,882)
	Total of (1)		**(65,235,069)**	**61,807,294**
2.	**Cash Flow from Investing Activities**			
	(a)	Increase in Fixed assets	(83,192,652)	(203,719,132)
	(b)	Decrease in Capital work in progress	(15,996,768)	116,302
	(c)	Investment in subsidiaries/associates/business ventures	-	(1,600,000)
	(d)	Decrease in other long-term loans and advances	-	
	(e)	Decrease in other non-current assets	-	
	(f)	Decrease in non Current Investments	-	
	(d)	Interest received	137,009	734,023
	Total of (2)		**(99,052,411)**	**(204,468,807)**
3.	**Cash Flow from Financing activities**			
	(a)	Proceeds from Equity Share Capital	-	14,000,000
	(b)	Increase /(Repayment) of long-term borrowings	29,507,262	(86,237)
	(b)	Increase /(Repayment) of Short-term borrowings	85,440,770	138,507,648
	(c)	Securities Premium	-	28,000,000
	(d)	Capital Subsidy received	-	500,000
	(e)	Proceeds from other long-term liabilities	130,414,432	24,699,524
	(f)	Interest and other finance costs	(71,862,229)	(47,305,062)
	Total of (3)		**173,500,235**	**158,315,873**
	NET CASH FLOWS (1+2+3)		**9,212,756**	**15,654,360**
III.	**Net (decrease)/increase in cash and cash equivalents (I-II)**		**9,212,756**	**15,654,360**
	Add: Cash and cash equivalents at the beginning of the period		**23,038,336**	**7,383,976**
IV.	**Cash and cash equivalents at the end of the period**		**32,251,092**	**23,038,336**

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 & on behalf of Board of Directors

Abhay Upadhye
Partner
Membership No. 049354

Ratnakar M Gutte
Managing Director

Sunil R Gutte
Director

For & on behalf of

K. K. Mankeshwar & CO.
Chartered Accountants
FRN: - 106009W

Place: Nagpur
Dated: 16th May, 2013

NOTES FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2013

NOTE 1 - SHARE CAPITAL

1.1

(Figures in ₹)

Particulars	As at 31st March 2013		As at 31st March 2012	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹ 10 each.	10,000,000	100,000,000	10,000,000	100,000,000
Issued				
Equity Shares of ₹ 10 each	5,530,000	55,300,000	5,530,000	55,300,000
Subscribed and Paid up				
Equity Shares of ₹ 10 each fully paid	5,530,000	55,300,000	5,530,000	55,300,000
Total	**5,530,000**	**55,300,000**	**5,530,000**	**55,300,000**

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

(Figures in ₹)

Particulars	As at 31st March 2013		As at 31st March 2012	
	Number	Amount	Number	Amount
At the beginning of the period	5,530,000	55,300,000	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**	**5,530,000**	**55,300,000**

1.3 Terms of Equity Shares

a) The Equity shares has, the face value a ₹ 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) Rights of ShareHolders at the time of dissolution - N.A.

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 2013		As at 31st March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sunil Hitech Engineers Limited- Holding Co.	4,900,000	88.61	4,900,000	88.61
Mr. Ratnakar M. Gutte- Managing Director	400,000	7.23	400,000	7.23
Mr. Sunil R. Gutte- Director	179,970	3.25	179,970	3.25
MR. Vijay Gutte - Director	50,000	0.90	50,000	0.90
Other Nominal Shareholder	30	0.00	30	0.00
Total	**5,530,000**	**100.00**	**5,530,000**	**100.00**

NOTES FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2013

NOTE 2 - RESERVES & SURPLUS

(Figures in ₹)

Particulars		As at 31st March 2013 Amount	As at 31st March 2012 Amount
a.	**Capital Reserves**		
	Opening Balance	2,500,000	2,000,000
	(+) Recevied during the year	-	500,000
	(-) Written Back in Current Year		
	Closing Balance	**2,500,000**	**2,500,000**
b.	**Securities Premium Account**		
	Opening Balance	28,000,000	-
	Add : Securities premium credited on Share issue	-	28,000,000
	Closing Balance	**28,000,000**	**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	123,079,239	68,701,753
	(+) Net Profit/(Net Loss) For the current year	81,208,786	54,377,485
	Closing Balance	204,288,025	123,079,238
	Total	**249,788,025**	**168,579,238**

2.2 The Capital reserve represents the Capital Subsidy from District Industry Centre, Nagpur. It was sanctioned in the Year 2008-09 for Capital Expansion Purposes.

NOTE 3 - LONG TERM BORROWINGS

3.1

(Figures in ₹)

Particulars	As at 31st March 2013 Amount	As at 31st March 2012 Amount
Secured		
Term Loans-		
From Banks	78,367,403	4,72,65,815
Unsecured borrowings		
Loan & Advances from related parties	30,000,000	30,000,000
Total long term borrowings	**108,367,403**	**7,72,65,815**

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

Long term loans from Oriental Bank of Commerce & Punjab National Bank Of India 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. All Secured Loans have Personal Guarantees of Following:

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, 2013

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,Santa Fie Car and Tata Bus 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 ₹ 30 Lacs each commenced from January 2011 (Total Outstanding Loan - ₹ 278.97 Lacs out of which ₹ 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 ₹ 35 Lacs each commence from April 2012 (Total Outstanding Loan - ₹ 468.88 Lacs out of which ₹ 140 Lacs classified in Other Current Liabilities)
(iii) Vehicle loans 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 2013	As at 31st March 2012
	Amount	Amount
Due to Others	155,113,955	24,699,524
Total	**155,113,955**	**24,699,524**

Note : Due to others include related party of ₹ 2,36,88,829

Note 5 - Long Term Provisions

(Figures in ₹)

Particulars	As at 31st March 2013	As at 31st March 2012
	Amount	Amount
(a) Provision for employee benefits-		
Gratuity	1,662,054	1,028,980
Leave Encashment	2,725,911	1,389,437
Total	**4,387,965**	**2,418,417**

NOTES FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2013

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, 2013 comprise of timing differences on account of:

(Figures in ₹)

Particulars		As at 31st March 2013 Amount	As at 31st March 2012 Amount
(a)	**Deferred Tax Asset:**		
	Expenditure Disallowed under the Income Tax Act	1,809,545	-
	Total	**1,809,545**	**-**
(b)	**Deferred Tax Liability:**		
	Higher depreciation claimed under tax laws	9,451,186	3,764,537
	Expenditure allowed on Payment under the Income Tax Act	881,105	1,013,004
	Total	**10,332,291**	**4,777,541**
(c)	**Net Deferred Tax Liability:**	8,522,746	4,777,541
	Closing Net Deferred Tax Liability / (Assets)	8,522,746	4,777,541
(d)	**Opening Deferred tax Liability / (Asset)**	4,777,541	(2,623,741)
	Net Deferred Tax Charged to Statement of Profit & Loss	**3,745,205**	**7,401,282**

NOTE 7 - SHORT TERM BORROWINGS

7.1

(Figures in ₹)

Particulars	As at 31st March 2013 Amount	As at 31st March 2012 Amount
Short Term Borrowings		
Secured		
Loans from banks		
Cash Credit from banks	378,304,233	292,863,463
Total	**378,304,233**	**292,863,463**

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.
The Cash Credit limit of Oriental Bank of Commerce is ₹ 28 Crores.

(ii) Security

Corporate Guarantee of Sunil Hitech Ltd.
Personal Guarantees of Ratnakar Gutte , Sudhamati Gutte, Sunil Gutte and Vijay Gutte

(b) HSBC Bank:

(i) First Pari-Passu charge on stocks and receivables (Required, independant 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 asstes (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)

NOTES FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2013

NOTE 8 - TRADE PAYABLES
8.1

(Figures in ₹)

Particulars	As at 31st March 2013 Amount	As at 31st March 2012 Amount
Due to Micro, Small and Medium Enterprises	26,915,657	-
Due to Other	342,476,892	339,303,808
Due For Services	42,161,701	42,426,515
Total	**411,554,250**	**381,730,323**

NOTE 9 - OTHER CURRENT LIABILITIES

(Figures in ₹)

Particulars	As at 31st March 2013 Amount	As at 31st March 2012 Amount
Current maturities of long term debt	26,245,146	27,839,472
Advance from Customer	4,480,270	6,564,855
security deposits	6,110,569	-
Statutory Dues	6,010,012	1,069,111
Liabilities for Expenses	5,108,765	4,337,491
Total	**47,954,762**	**39,810,929**

NOTE 10 - SHORT TERM PROVISIONS

(Figures in ₹)

Particulars		As at 31st March 2013 Amount	As at 31st March 2012 Amount
(a)	Provision for employee benefits-		
	Bonus	2,491,836	1,688,805
	Leave Encashment	334,142	182,810
	Gratuity	58,594	
(b)	Provision for Income Tax	5,736,992	5,123,825
Total		**8,621,564**	**6,995,440**

NOTES FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2013

NOTE 11 - FIXED ASSETS

(Figures in ₹)

Particulars	Gross Block (at Cost)				Accumulated Depreciation			Net Block	
	As at 1.4.2012	Additions During The Year	Sale/ Adjustments/ Disposal during the year	Total as at 31.03.2013	As at 1.4.2012	During the year	Total as at 31.03.2013	As on 31.03.2013	As on 31.3.2012
Leasehold Land	23,927,432	-	-	23,927,432	457,407	249,320	706,727	23,220,705	23,470,025
Factory Shed & Building	166,388,876	5,540,610	-	171,929,486	22,368,988	14,569,637	36,938,625	134,990,861	144,019,888
Plant & Equipments	85,269,867	71,468,316	-	156,738,183	17,961,108	14,340,029	32,301,137	124,437,046	67,308,758
Heavy Motor Vehicle	1,057,943	1,520,105	-	2,578,048	773,818	323,874	1,097,692	1,480,356	734,069
Motor Vehicle	9,374,352	1,139,218	-	10,513,570	1,857,076	2,214,500	4,071,576	6,441,994	7,067,332
Air Conditioner	129,791	26,860	-	156,651	30,015	16,735	46,750	109,901	99,776
Electrical Installation	7,716,530	1,739,325	-	9,455,855	1,613,030	1,027,180	2,640,210	6,815,645	6,103,500
Office Equipment	1,605,154	315,027	-	1,920,181	411,803	194,484	606,287	1,313,894	1,193,351
Furniture & Fixture	3,039,512	779,876	-	3,819,388	1,187,116	427,787	1,614,903.00	2,204,485.00	1,852,396
Computers & Softwares	2,078,321	663,314	-	2,741,635	1,040,562	587,666	1,628,228	1,113,407	1,037,759
Tangible Assets Total (A)	300,587,778	83,192,651	-	383,780,429	47,700,923	33,951,212	81,652,135	302,128,294	252,886,854
ERP Software	2,000,000	-	-	2,000,000	2,186	799,126	801,312	1,198,688	1,997,814
Intangible Assets Total (B)	2,000,000	-	-	2,000,000	2,186	799,126	801,312	1,198,688	1,997,814
Capital Work In Progress (C)	23,665,571	39,662,339	23,665,571	39,662,339	-	-	-	39,662,339	23,665,571
Total (A+B+C)	326,253,349	122,854,990	23,665,571	425,442,768	47,703,109	34,750,338	82,453,447	342,989,321	278,550,239
Previous Year	122,650,519	375,872,197	172,269,367	302,587,778	30,230,296	17,472,814	47,703,110	278,550,239	

11.1

(A) Fixed assets are stated at cost of acquisition (net of CENVAT & VAT), installation or construction including financing costs till commencement of commercial production other direct expenses incurred to bring the assets to its present location and condition less accumulated depreciation thereon.

(B) Depreciation is provided on Written Down Value Method in the manner and at the rates prescribed in Schedule XIV to the Companies Act, 1956.

(C) Fixed asset individually costing ₹ 5000 or less are depreciated 100%, except when they are part of larger capital investment program.

NOTE 12: NON CURRENT INVESTMENTS

(Figures in ₹)

Particulars	As at 31st March 2013	As at 31st March 2012
	Amount	Amount
Other Investments		
Investment in Equity instruments	1,600,000	1,600,000
Total	**1,600,000**	**1,600,000**

NOTES FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2013

Details of Other Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost Yes / No	If Answer to Column (12) is 'No' - Basis of Valuation
			2013	2012			2013	2012	2013	2012		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Investement in Equity Instruments											
	Gangakhed Sugar and Energy Ltd.	Controlled Entity	40,000	40,000	Unquoted	Fully Paid Up	0.06	0.06	1,600,000	-	Yes	-
	Total								1,600,000	-		

NOTE 13 - INVENTORIES

13.1

(Figures in ₹)

Particulars	As at 31st March 2013 Amount	As at 31st March 2012 Amount
Raw materials	283,984,468	76,550,857
Stock In Process	23,597,420	19,751,338
Finished Goods	30,350,574	-
Stores and spares	16,392,844	8,903,544
Total	**354,325,306**	**105,205,739**

13.2 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.

NOTES FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2013

NOTE 14 - TRADE RECEIVABLES

14.1 (Figures in ₹)

Particulars	As at 31st March 2013 Amount	As at 31st March 2012 Amount
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.	263,240,540	6,312,871
(c) Doubtful	-	-
	263,240,540	6,312,871
Provision for doubtful debts	-	-
Sub-total (a)	**263,240,540**	**6,312,871**
Other Receivables		
(a) Secured, considered good	-	
(b) Unsecured, considered good	212,968,846	573,200,019
(c) Doubtful	-	-
	212,968,846	573,200,019
Provision for doubtful debts	-	-
Sub-total (b)	**212,968,846**	**573,200,019**
Debts Due by Companies in which Director is a Partner or Director or Member		
(a) Secured, considered good	-	
(b) Unsecured, considered good,	122,944,688	40,607,940
(c) Doubtful	-	-
Provision for doubtful debts	-	-
Sub-total (c)	**122,944,688**	**40,607,940**
Total (a+b+c)	**599,154,073**	**620,120,830**

NOTE 15 - CASH & BANK BALANCE

15.1 (Figures in ₹)

Particulars	As at 31st March 2013 Amount	As at 31st March 2012 Amount
Cash & Cash Equivalants:		
On current accounts	1,613,602	10,372,685
Cash on hand	1,902,049	1,390,831
Others		
Fixed Deposits (Held as Margin Money)	28,735,441	11,274,820
Total	**32,251,092**	**23,038,336**

NOTE 16 - SHORT TERM LOANS AND ADVANCES

16.1 (Figures in ₹)

Particulars	As at 31st March 2013 Amount	As at 31st March 2012 Amount
Other loans & advances, unsecured, considered good		
Employee advances	521,711	16,912
Capital Advances	5,851,982	4,914,591
Balance with statutory authorities	39,694,336	16,057,820
Prepaid expenses	592,781	19,020
Advances to Suppliers	46,404,099	502,706
Short term security deposit	3,297,124	3,753,876
Total	**96,362,033**	**25,264,925**

NOTES FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2013

NOTE 17 - OTHER CURRENT ASSETS

17.1

(Figures in ₹)

Particulars	As at 31st March 2013	As at 31st March 2012
	Amount	Amount
Interest Accrued On Fixed Deposits	1,233,078	660,621
Total	**1,233,078**	**660,621**

NOTE: 18

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.

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.

NOTES FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2013

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 ₹ 3,91,37,527 (Previous year ₹ 3,23,03,995).

2. Commitment:

Estimated amount of contract remaining to be executed on Capital Accounts is ₹ 10,40,000(Previous year ₹ 10,00,000)

3. 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 Hi-tech Engineers Limited.
ii.	Subsidiaries	-	None
iii.	Fellow Subsidiaries	-	None
iv.	Associates	-	None
v.	Other reladed party	-	Gangakhed Sugar and Energy Limited

b. Transactions during the year with Related Parties:-

Sr. No.	Name of the Related Parties	Nature of Transactions	Amount (₹)	Balance as on 31st March, 2013	Balance as on 31st March, 2012
(a)	Swati Phad (Director)	Remuneration/ Professional fees	18,00,000	89,518 (Cr.)	92,742 (Cr)
(b)	Sunil Gutte	Rent paid	2,94,000	Nil	Nil
(c)	Sunil Hi-Tech Engineers Ltd. (Holding Company)	Interest paid on Inter corporate loan during the year.	33,00,001	9,92,55,859 (Dr.)	1,40,91,602 (Cr)
		Purchase of Consumable Materials.	3,78,58,333		
		Sale of finished goods and services.	12,33,38,801		
		Service charges paid during the year	32,72,730		
		Inter corporate loan outstanding during the year.	3,00,00,000	3,00,00,000 (Cr.)	3,00,00,000 (Cr)
(d)	Gangakhed Sugar & Energy Ltd.	Sales during the year	4,44,621	4,22,689 (Dr)	Nil

c. Key Managerial Personnel

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

d. Relative of Key Managerial Personnel

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

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

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE 19 - REVENUE FROM OPERATIONS

(Figures in ₹)

Particulars	For the year ended 31st March 2013 Amount	For the year ended 31st March 2012 Amount
(a) Sale of Products		
Structures, Boiler parts and Components	1,724,167,672	1,253,056,010
(b) Other Operating revenue		
Job Work Receipts	112,590,516	22,030,285
Gross revenue from operations	1,836,758,188	1,275,086,295
Less:		
(c) Excise duty	115,043,072	89,773,373
Net revenue from operations (a)+(b)-(c)	**1,721,715,116**	**1,185,312,922**

NOTE 20 - OTHER INCOME

(Figures in ₹)

Particulars	For the year ended 31st March 2013 Amount	For the year ended 31st March 2012 Amount
(a) Sale of Scrap	1,365,250	2,595,125
(b) Interest from Fixed Deposits	1,370,087	734,023
(c) Miscellaneous Income	53,400	123,524
Total	**2,788,737**	**3,452,672**

NOTE 21 - COST OF MATERIALS CONSUMED

21.1

(Figures in ₹)

Particulars	For the year ended 31st March 2013 Amount	For the year ended 31st March 2012 Amount
(a) Opening stock of Inventory		
Material	85,454,401	39,931,958
Add : Purchases	1,534,836,991	917,916,222
Sub-Total (a)	**1,620,291,392**	**957,848,180**
Less : Closing stock of inventory	300,377,312	85,454,401
(b) Cost of material consumed	**1,319,914,080**	**872,393,779**

21.2 - Details of various raw materials

(Figures in ₹)

Particulars	For the year ended 31st March 2013 Amount	For the year ended 31st March 2012 Amount
Breakup of raw material consumed:		
Piping & Pressure Parts	371,282,224	397,418,495
Stores & Spares (Consumables & Non Consumables)	74,497,104	32,172,133
Structures	874,134,752	442,803,151
	1,319,914,080	**872,393,779**

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2013

21.3 - Value of Imported and Indigenous goods:-

(Figures in ₹)

Particulars	For the year ended 31st March 2013	%	For the year ended 31st March 2012	%
(a) Raw Material				
Indigenous	1,245,416,976	100%	840,221,646	100%
Imported	-	0%	-	0%
(b) Components & Spare Parts				
Indigenous	74,497,104	100%	32,172,133	100%
Imported	-	0%	-	0%

21.4 - Value of Imports Calculated on C.I.F Basis By the Company During The Financial Year In Respect of :-

(Figures in ₹)

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
(a) Raw Material	-	-
(b) Components & Spare Parts	-	-
(c) Capital Goods	33,589,988	-

NOTE 22 - CHANGES IN INVENTORIES IN CASE OF STOCK IN PROCESS

(Figures in ₹)

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
Opening Stock:		
Finished Goods	-	-
Stock In Process	19,751,338	1,549,615
Sub-total (a)	**19,751,338**	**1,549,615**
Closing Stock :		
Finished Goods	30,350,574	-
Stock In Process	23,597,420	19,751,338
Sub-total (b)	**53,947,994**	**19,751,338**
Net (Increase)/Decrease in Stocks (a-b)	**(34,196,656)**	**(18,201,723)**

NOTE 23 - EMPLOYEE BENEFITS EXPENSES

23.1

(Figures in ₹)

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
Salaries & Wages Includes Managerial Remunration	63,077,959	37,447,045
Contribution to Provident & Other Funds	2,535,559	1,943,047
Staff and Labour Welfare Expenses	3,839,010	1,616,061
Total	**69,452,528**	**41,006,153**

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2013

23.2 - 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.

(Figures in ₹)

		31.03.13		31.03.12	
	Particulars	**Gratuity Unfunded**	**Leave encashment (Unfunded)**	**Gratuity Unfunded**	**Leave encashment (Unfunded)**
a)	**Reconciliation of Opening and closing balances of Defined benefit Obligation**				
	Defined Benefit Obligation at year beginning	1,028,980	1,572,247.00	758,937.00	1,028,980.00
	Current Service Cost	299,058	-	231,433.00	-
	Interest Cost	113,481	-	80,264.00	-
	Plan Amendments	-	-	-	-
	Actuarial (gain)/loss	280,130	-	(41,654)	-
	Benefits Paid	-84,993	-	-	-
	Liabilities assumed on Acquisation	83,992			
	Defined benefit obligations at year end	1,720,648	3,060,053	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	-	-	1,028,980	1,572,247
	Present Value of obligation as at year end	1,720,648	3,060,053.00	(1,028,980)	(1,572,247)
	Amount recognised in balance sheet	(1,720,648)	(3,060,053.00)		
d)	**Expenses recognised during the period (Under the head "Employee Benefit Expenses)**				
	Current Service Cost	299,058	-	231,433	-
	Interest Cost	113,481	-	80,264	-
	Past Service Cost	-	-	-	-
	Expected return on plan assets	-	-	-	-
	Actuarial (gain) / loss	280,130	-	(41,654)	-
	Net Cost	692,669	-	270,043	-
e)	**Discount Rate (Per Annum)**	8.10%	8.10%	8.65%	0.00%
f)	**Expected rate of return on plan assets (per annum)**	0.00%	0.00%	0.00%	0.00%
g)	**Salary esclation rate(per annum)**	6.00%	6.00%	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, 2013

NOTE 24 - FINANCE COSTS

(Figures in ₹)

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
Interest	66,490,119	43,171,656
Other Borrowing Cost	5,372,110	4,133,406
Total	**71,862,229**	**47,305,062**

Note 25 - Other expenses

(Figures in ₹)

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
Manufacturing Expenses		
Crane Hire charges	5,697,703	3,145,675
Transportation Expenses	6,317,661	23,159,665
Water Charges	1,820,685	1,090,954
Power & Fuel	8,728,207	9,065,018
Repairs and Maintenance - Plant & Machinery *	2,038,802	4,070,915
Testing & Inspection charges	1,964,950	2,207,766
Job work charges	74,208,094	65,410,335
Factory expenses	4,085,557	2,495,786
Service charges	3,272,730	1,315,144
Excise Duty on year end inventory on finished goods	3,788,216	-
Adminstrative Expenses		
Insurance Charges	282,980	780,382
Rates and Taxes, excluding taxes on Income	40,349	43,115
Office & Other Expenses	5,331,536	2,276,197
Travelling and Conveyance	3,436,658	4,047,683
Repairs and Maintenance - Buildings	1,694,141	3,000,253
Repairs and Maintenance - Others	2,872,790	3,096,568
Security Expenses	3,562,463	2,664,814
Rent	3,420,194	2,737,350
Advertisement Charges	907,390	254,060
Legal and Professional Charges	2,611,851	4,194,471
Business Promotion	3,085,850	1,739,158
Late Delivery Charges	2,311,267	2,202,765
Bad Debts Written Off	1,755,504	1,240,205
Miscellaneous Expenses	118,573	140,686
Payment to Auditors		
For Statutory Audit	300,000	300,000
For Tax Audit	50,000	75,000
For Taxation Matters	-	-
For Cost Audit	45,000	
Total	**143,749,151**	**140,753,965**

* Includes Stores & Spare Consumed Note

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE 26 - EARNINGS PER SHARE

(Figures in ₹)

Profit Computation for Basic EPS		2012-13	2011-12
(a)	Net Profit after tax attributable to equity Shareholders	81,208,787	54,377,485
(b)	Weighted Number of shares for Basic Earnings per share	5,530,000	4,256,230
(c)	Weighted Number of shares for Diluted Earnings per share	5,530,000	4,256,230
(a)/(b)	Basic earnings per share	14.69	12.78
(a)/(c)	Diluted earnings per share	14.69	12.78
(e)	Nominal value per equity share	10	10

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
Mr. M.T. Devarajan – Director

AUDITORS

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

BANKERS

Oriental Bank of Commerce
Punjab National Bank

R & T AGENTS

M/s. Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai 400072

REGISTERED OFFICE

97, East High Court Road
Ramdaspeth
Nagpur 440010
Tel: 91-712-2562087/88, 3959214
Fax: 91-712-2562091
E-mail: info@seamlimited.com, cs@seamlimited.com

FACTORY

1) K-43/2 Five Star Industrial Zone
MIDC, Butibori, Nagpur 441122
(M.S) India
Tel: 91-7104-265468
Fax No.: 91-7104-265467
E-mail: info@seamlimited.com,

2) K-55 Five Star Industrial Zone
MIDC, Butibori, Nagpur 441108, (M.S) India
Tel: 91-7104-265468
Fax No.: 91-7104-265467
E-mail: info@seamlimited.com

WEB SITE
www.seamlimited.com

SEAM

WWW.SEAMLIMITED.COM

Design Concept & Copy : WYATT COMMUNICATIONS (info@wyatt.co.in)