

## SCHEDULE 17- ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

## 1 ACCOUNTING POLICIES:

**(a) Basis of Accounting:**

The accounts of the Company are prepared under the historical cost convention, in accordance with applicable Accounting Standards, for recognition of income and expenditure mercantile systems of accounting is followed except in the case of interest on deposit with Post Office Saving Bank Account which are accounted for on cash basis.

**(b) Use of Estimates**

The preparation of financial statements in under generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that effect the reported statements of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the year. The actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**(c) Fixed Assets:**

Fixed Assets are stated at cost and / or revalued cost less depreciation. Since certain machineries were purchased in Court auction at a consolidated price, any sale out of the said machineries is adjusted in the plant & machinery account at sale value.

**(d) Depreciation:**

Depreciation has been provided on straight line method on assets installed up to 30<sup>th</sup> June, 1987 at the rates corresponding to rates applicable under the Income Tax Rules in force at the time of acquisition /Installation of respective assets pursuant to circular No. 1/86 dated 21st May, 1986 issued by the Department of Company affairs in accordance with provisions of Section 205(2)(b) of the Companies Act, 1956 and on addition thereafter at the rates, basis and manner as specified in Schedule XIV to the Companies Act, 1956.

**(d) Investments:**

Investments are classified as Long Term & Short Term Investments . All long-term investments have been valued at cost. The market value of quoted investments in certain shares have eroded, being temporary in nature, therefore, no provision has been made in respect of unquoted investments for decrease in estimated realisable value on the basis of available information. Short-term investments have been valued at cost or net realisable value whichever is lower.

**(e) Valuation of Inventories:**

RAW MATERIALS, STORES & SPARES, WORK IN PROCESS, FINISHED GOODS	LOWER OF COST OR NET REALISABLE VALUE
LOOSE TOOLS	AT ESTIMATED VALUE
SCRAP	AT ESTIMATED REALISABLE VALUE

Notes:

- (i) Cost is arrived on weighted average basis.
- (ii) Cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

**(f) Foreign Currency Transactions:**

- (i) Transactions in foreign currency has been translated into Indian Rupees at the exchange rates prevailing at the date of transaction, any variation in receipt or payment has been adjusted in exchange gain/loss account, Assets and Liabilities outstanding as at year end have been converted into the Indian Rupees at year end exchange rates.
- (ii) Non-monetary assets and liabilities are translated at the rate prevailing on the date of transaction. Net variation arising out of the said transactions are adjusted to the costs of the respective non-monetary assets or liabilities, in the case of fixed assets upto the date of installation.
- (iii) The operations of foreign branches of company are integral in nature and financial statements of these branches are translated using the same principles and procedures as of its head office.
- (iv) In case of forward exchange contract or other financial instruments, the gain or loss is computed by multiplying the foreign currency amount of the forward exchange contract by the difference between the forward rate available at the end of the year and the contracted forward rate.

**(g) Excise Duty:**

Liability for Excise Duty in respect of finished goods and scrap not cleared from factory premises for sale is accounted for at the time of clearance from the factory premises. The policy has however, no impact on operating results and net current assets of the Company.

**(h) Expenditure During Construction Period**

All expenses including interest incurred up to the date of installation are capitalised together with the other direct costs.

**(i) Employees Benefits****1) Short Term Benefit**

The Undiscounted amount of short term employees benefits expected to be paid in exchange for the services rendered by employees is recognizing the period when the employee rendered the service. This benefit includes salary, wages, short term compensatory absence and bonus.

**2) Long Term Benefits**

- i. Defined Contribution Scheme (DCS) - such as Provident Fund and other Funds, Employees State Insurance Scheme are charged to the Profit and Loss Account as incurred as per the applicable Law/Rules.
- ii. Defined benefit Scheme (DFS) - The present obligation, Company's liability towards Gratuity and Leave Encashment, under such scheme is determined based on an actuarial valuation, using the Projected Unit Credit (PUC) method, carried out by an independent actuary. As per the requirement of "Accounting Standard 15 (Revised 2005) on Employees benefit. Actuarial gain and losses arising on such valuation are recognized immediately in the Profit and Loss account.
- iii. In case of Funded Defined Benefit Scheme the fair value of the plan assets is reduced from the gross obligation under defined benefit scheme to recognize the obligation on net basis.
- iv. Contributions are made to recognised Provident Fund, Employees State Insurance Scheme and are charged to revenue accounts. Gratuity, Benefit for encashment of leave salary is fully provided for on accrual basis.

**(j) Revenue Recognition:**

- a. Sales are inclusive of excise duty and net of discounts/returns. Exports sales include Goods Invoiced against confirmed orders and cleared from Excise and Custom Authorities, also goods exported as third party exporter and exchange fluctuations.
- b. Export incentives in cash are recognized as income on Export being made. Benefits receivable under various schemes like Advance Licenses, Target Plus, Duty Free Import Authorisation etc. are recognized on certainty of their utilization and realization.
- c. Other items of Revenue are recognized in accordance with the accounting standard (AS 9) accordingly, wherever there are uncertainties in the ascertainment/realization of income are recognised at the time of receipt of payment thereof.

**(k) Tax on Income:**

Tax expenses for the year comprises of current tax, deferred tax and fringe benefit tax:

- a) Current tax is determined on the amount of tax payable in respect of taxable income for the period, using the applicable tax rates and tax laws in accordance with the provisions of Indian Income Tax Act, 1961.
- b) Deferred tax is recognized, subject to consideration of prudence, on timing differences, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date.
- c) Fringe Benefit tax is provided in accordance with the provisions of Income Tax Act, 1961.

**(l) Impairment of assets**

At each Balance Sheet date an assessment is made whether there is any indication of impairment of the carrying amount of the Company's assets. The recoverable amount of such assets are estimated, if any indication exists, impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.

**(m) Contingent Liabilities and Provisions**

Contingent Liabilities are disclosed by way of notes and are not recognized as an item of expense in the Profit and Loss Account. Contingent gains are not recognized. Provisions are recognized as liability only when they can be measured by using a substantial degree of estimation and where present obligations of the enterprise arise from past events the settlement of which is expected to result in an outflow of resources embodying economic benefits. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**2 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:**

	Current year Rs.	Previous year Rs.
a) Letters of Credit/Guarantees/Bond issued by Banks	152,508,510	28,536,625
b) Letter of Credit/Guarantees issued by Bank to Foreign Suppliers	720,000	96,923,262
c) Proportionate value of duty saved in terms of Letter of Undertaking given to Jt. Director General of Foreign Trade under Advance Authorisation Scheme and Export Promotion Capital Goods Scheme, where export obligation can be completed in future years	4,394,432	4,768,163
d) Claims against the Company not acknowledged as debts	Amount Unascertained	Amount Unascertained
e) Corporate Guarantee given for Body Corporate	-	-

**3 Provision has not been made in accounts in respect the following disputed dues :**

Sl. No.	Name of the Statute	Amount Rs.	Nature of dues	From Where Dispute is Pending
1	Central Excise Act, 1944 (and Cenvat Credit Rule)	361,009 (361,009)	Penalty Service Tax GTA for the Year 2006-07	Central Excise and Service Tax Appellate Tribunal New Delhi
		697,712 (697,712)	Service Tax(GTA)	Commissioner (Appeals) Central Excise, Faridabad
		697,712 (697,712)	Penalty Service Tax(GTA)	Commissioner (Appeals) Central Excise, Faridabad
		577,959 (577,959)	Service Tax Credit Availed on Outward Transport	pending for Adjudication before Deputy Commissioner Central Excise,
2	Income Tax Act, 1961	1,273,754	Asst. Year 2003-04	Rectification pending before Dy. Comm. of Income Tax ,Cir(7) Kolkata
		See Note Below (3,552,241)	Order U/s 263 and 143(3)	
		See Note Below	Asst. Year 2004-05 Order U/s 263 and 143(3)	Rectification pending before Dy. Comm. of Income Tax ,Cir(7) Kolkata
		613,148 (613,148)	Asst. Year 2007-08 Order U/s 143(3)	Rectification pending before Dy. Comm. of Income Tax ,Cir(7) Kolkata
		- (2,907,010)	Asst. Year 2008-09 Demand U/S 143(1)	Rectification pending before Dy. Comm. of Income Tax ,Cir(7) Kolkata
3	Fringe Benefit Tax Under Income Tax Act, 1961	- (221,210)	Asst. Year 2008-09 Demand U/S 115 WE	Rectification pending before Dy. Comm. of Income Tax ,Cir(7) Kolkata

**Note :**

The liability for the Asst. year 2003-04 and 2004-05 in respect of the demand raised by the Income tax department, has been provided, though the Appeal before the Commissioner Appeals are yet to be Disposed off.

- 4 As per consistent accounting practice followed by the Company, Excise Duty aggregated approximately to Rs.37,32,679 (Rs.6,58,252) on finished goods not cleared from factory is neither provided for nor the same as considered for valuation of Closing Stock. This policy has no impact on the profit for the year.
- 5 Estimated amount of contracts remaining to be executed on Capital accounts Rs. 1,74,75,297 (Rs. 44,85,335 ) against which advances made amounting to Rs. 1,21,25,504 (Rs. 44,85,335).
- 6 The Company purchased and, building and plant & machinery in Court Auction for Rs.85,21,000 in earlier years out of which Rs.43.00 Lacs was allocated to Land & Building vide Court Order for registration of properties, the Board of Directors allocated Rs.10.00 Lacs to Land and Rs.33.00 Lacs to Building respectively and depreciation charged accordingly. Out of plant & machinery so purchased certain machineries have been sold in earlier years in respect of which sale value has been adjusted in the cost of plant & machinery in the respective years.
- 7 The Company has filed a suit against the Hong-Kong and Shanghai Banking Corporation for realisation of Rs.19,34,730 for expenses incurred in connection with clearing the title of Property which was purchased in Court Auction and other damages/losses suffered by the Company for which no adjustment has been made in the books of accounts.
- 8
  - a) Term Loan from Karnataka Bank Limited is Secured by way of hypothecation of Plant and Machinery funded and collaterally secured by way of Equitable mortgage of Land & Building/Industrial infrastructure situated at Sohna Road, Mauza Gouchi, Ballabgarh District, Faridabad, Plant & Machinery and other fixed assets and Personal Guarantees of Shri V.K. Sureka, Managing Director, Shri Navneet Sureka, Director and Shri Akhil Sureka, Director. The Instalments due within the period of next twelve months are Rs.48,00,000.
  - b) Over Draft /Shipping Loan- Pre Shipment Credit/ Bills Limit- Post Shipment Credit and Non-Fund Base Limits for Letter of Credits, Bank Guarantees and/or Forward Exchange contracts from Karnataka Bank Limited are Secured by way of charge over entire current assets of the Company, both present and future on pari-passu with Standard Chartered Bank and also collaterally secured by way of Equitable mortgage of Land & Building/Industrial infrastructure situated at Sohna Road, Mauza Gouchi, Ballabgarh District, Faridabad, Plant & Machinery and other fixed assets and Personal Guarantees of Shri V.K. Sureka, Managing Director, Shri Navneet Sureka, Director and Shri Akhil Sureka, Director. Outstanding Bank Guarantees/Letters of Credit were also secured by charge created in favour of the Bank.
  - c) Loans from Standard Chartered Bank consists of :
    - (A) Overall limits of Rs. 209,000,000/- (Rupees Twenty Crores Ninety Lakhs only) interchangeable between Bank guarantee, Import/ Inland/ Sight/ Usance Letter of Credit, Buyer's Credit, Payment Undertaking, Post Shipment Facility restricted to Rs. 65,000,000/- (Rupees Six Crores Fifty Lakhs only),
    - (B) overall Onetime facility of Rs. 185,000,000/- (Rupees Eighteen Crores Fifty Lakhs only) interchangeable between Post Shipment Finance facility, Pre-Shipment Finance facility and Import/ Inland / Sight / Usance Letter of credit facility and Pre shipment facility restricted to Rs. 100,000,000/- (Rupees Ten Crores only).
    - (C) Import/ Inland/ Sight/ Usance Letter of Credit restricted to Rs. 150,000,000/- (Rupees Fifteen Crores only),

(D) Forex Forward LER facility of Rs. 102,000,000/- (Rupees Ten Crores Twenty Lacs Only).

- i) Equitable mortgage of Farm House located at 8, Bhogan Villa Avenue, Westend Greens, Rajoukari, New Delhi owned by Veshno Devi Properties Pvt. Ltd., Farm House located at 921/1 Min, 922, 923 Min, Village Rajokri, Mehrauli, New Delhi, owned by Bhama Properties Pvt. Ltd, able Mortgage of Residential Property at Plot no. 836, Udyog Vihar, Phase V, Gurgaon, Haryana owned by Magnum Products Pvt. Ltd. Negative Lien of Commercial property located at Shop at South Extension, New Delhi .
  - ii) Mutual funds securities owned by Mr. VK Sureka , Mr. NK Sureka and a body corporate namely Bihariji Ispat Udyog Limited and Fixed Deposit liened to the facilities
  - iii) Corporate guarantee of body corporate namely Jotindra Steel & Tubes Ltd., Veshno Devi Properties Pvt. Ltd., Bihariji Ispat Udyog Limited , Bihariji Fancy Fibers & Fabrics LIMITED., Srinarayan Raj Kumar Merchants Ltd. Quality Synthetic Industries Ltd. and Magnum Products Pvt. Ltd and Personal Guarantee of Shri V.K. Sureka, Mr. Navneet Sureka and Mr. Akhil Sureka.
- d) Working Capital Limits from Allahabad Bank consists of Fund Base Limits of Rs. 20,00,00,000/- (Rupees Twenty Crores only) and Letter of Credit Limit of Rs. 60,00,00,000/- (Rupees Sixty Crores only) are secured by way of charge over entire current assets of the Company, both present and future on pari-passu with Karnataka Bank and Standard Chartered Bank and also collaterally secured by way of Registered mortgage of 5.09 Acre agricultural Land known as Mauria Garden situated at samalka village , tehsil Vasant Vihar, Dist. South West Near Rajokri Flyover NH-8 New Delhi and Personal Guarantees of Shri V.K. Sureka, Managing Director, Shri Navneet Sureka, Director and Shri Akhil Sureka, Director and Corporate Guarantees of M/s Deepak Hotels Pvt. Limited in favour of the Bank .
- e) The Auto Loan from HDFC, Kotak Mahindra Bank, Mahindra & Mahindra Financial Services Limited and BMW Financial Services Limited are secured by way of Hypothecation of the Vehicles financed by the Bank and Personal Guarantee of Shri V.K. Sureka, Managing Director and Shri Navneet Sureka, Director of the company.
- f) The other Loans include Rupee Term Loan from Religare Finvest Limited which is a joint loan in the name of M/s S.K.D. Estates Private Limited, Mauria Udyog Limited, Mr. Vishnu Kumar Sureka, Mrs. Prem Lata Sureka, Mr. Navneet Kumar Sureka, Mrs. Deepa Sureka and Mr. Akhil Kumar Sureka is secured against mortgage of Property at Farm House at Mustil NO.18, Khasra No.20/2, 21, 23/1, Village Samalaka, Vasant Vihar, New Delhi belongs to M/s S.K.D. Estates Private Limited. Since the Loan was disbursed to/and utilised by the co-applicant M/s Mauria Udyog Limited, hence all the transaction related thereto have been recorded in the Financial Statements of the Company. The Instalments due within the period of next twelve months are Rs. 2,46,87,372 (Previous year 2,46,87,372)
- g) Rs.3,00,35,615 Equivalent UAE Dirham 24,70,034.16 (Previous year Rs. 3,29,50,232 Equivalent UAE Dirham 26,89,814.82 ) in respect of a **Forward Lease Housing arrangement with M/s Tamweel PJSC, Dubai, UAE entered** by the Dubai Branch of the Company, against which the title deeds of the property of the company at commercial Unit No. 511, Liberty House, DISC, Dubai, UAE, costing Rs.7,16,65,245 (Equivalent UAE Dirham 58,50,224.06) has been put as mortgage with the Tamwell PJSC.

The total exposure under the aforesaid agreement in foreign currency amounting to UAE Dirham 28,84,000 is repayable in 111 Equated monthly instalments (EMI of UAE Dirham 39,951 per month) along with a pre determined Variable Rental @10% p.a. (termed as profit in the respective agreement with the party) and taxes/levies thereto . Since the amount of variable rental paid together with the State Levy in the form of " Takaful Family Protection contribution" are in the nature of "payment of Interest on borrowings" , hence forth the said variable Rental paid during the year amounting to Rs. 31,57,117 Equivalent UAE Dirham 2,59,631.34 (Previous year Rs. 17,47,018 Equivalent UAE Dirham 1,42,613.73 ) has been shown under the head Interest to others .

The outstanding balance as on the balance sheet date has been converted into reporting currency at the exchange rate prevailing as on that date. The Instalments due within the period of next twelve months are Rs. 58,72,797 (Equivalent UAE Dirham 4,79,412).

#### 9 Current Liabilities includes:

Acceptances amounting to Rs. 99,02,33,172 (Previous year Rs.26,98,66,841) represents letters of credit/counter Guarantee (including Foreign currency buyer's credit amounting to NIL (Previous year Rs. 2,49,46,841) issued to suppliers out of Non Fund base limits sanctioned by Karnataka Bank Limited

- 10 (i) In pursuance of liberal policy of Government to allow parallel marketing of Liquefied Petroleum Gas. Company started LPG division for marketing of Liquefied Petroleum Gas during the year 1993-1994, but due to unfeasibility, the said division as per an agreement made on 12th August, 1994 had already been transferred to another Company M/s BYGGING INDIA LIMITED and all the expenditures, income and liabilities had been transferred to the said Company from the date of inception to the date of agreement.
- (ii) Recovery suit for Rs.32,40,707 filed against M/s. Bygging India Limited by the dealers of the above referred LPG Division is also pending with the Honourable Delhi High Court wherein the Company has also been made a party.

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- 11 The Company is in the process of identifying Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Therefore, it is not possible for the Company to ascertain whether payment to such enterprises has been done within 45 days from the date of acceptance of supply of goods or services rendered by such enterprises and to make requisite disclosure. The disclosure as required under the said act is as under:

a)	Principal amount due to supplier under MSMED Act	Not ascertained	Not ascertained
b)	Interest due to suppliers on above.	N.A.	N.A.
c)	Any payment made to suppliers beyond appointed date (Section 16 of the Act)	Not ascertained	Not ascertained
d)	Interest due and payable to suppliers under MSMED Act.	N.A.	N.A.
e)	Interest accrued & remaining unpaid as at 31.03.2010	N.A.	N.A.
f)	Interest remaining due & payable as per Section 23 of the Act.	N.A.	N.A.

- 12 In the opinion of the management, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated. The balances of Sundry Debtors, Sundry Creditors and Loans and Advances and commission on sales & purchases are however, subject to confirmations and adjustments, if any.

13 Disclosure pursuant to Accounting Standard-15 on "Employees Benefits"

Description	Current Year	Previous Year
<b>A Defined Contribution Scheme</b>		
Contribution to Defined contribution plan recognised as expenses for the year:		
Employers' Contribution to Provident Fund	226,782	318,347
Employers' Contribution to Family Pension Fund	488,288	346,987
Employers' Contribution to Employees State Insurance	92,231	99,350
<b>B Details of Defined Benefit Scheme:</b>		
Contribution to Defined contribution plan recognised as expenses for the year :		
Provision for Leave Encashment	423,277	357,096
Contribution to Employees Group Gratuity Scheme	202,710	291,155
<b>The details in respect of Gratuity, a defined Benefit scheme (based on Actuarial valuation) are as under:</b>		
<b>a) Change in obligations over the year ended 31 March, 2011</b>		
Present value of Obligation at the begning of the year	2,445,325	2,050,300
Current Service cost	249,911	227,706
Past Service Cost	-	(120,031)
Interest Cost	700	(290)
Actuarial (gains)/losses	141,554	347,697
Benefit paid	(51,895)	(60,057)
<b>Present Value of Defined Benefit Obligation at the end of the Year</b>	<b>2,785,595</b>	<b>2,445,325</b>
<b>b) Change in Plan Assets (Reconciliation of opening and closing balances)</b>		
Fair value of Plan Assets at the beginning of the year	2,625,943	2,050,300
Expected return on Plan Assets	211,547	180,618
Actuarial (gains)/losses	-	-
Contributions	-	455,082
Benefit Paid	(51,895)	(60,057)
<b>Fair value of Plan Assets at the end of the year</b>	<b>2,785,595</b>	<b>2,625,943</b>
<b>c) Reconciliation of Fair value of assets and obligation</b>		
Fair value of Plan Assets at the end of the year	2,785,595	2,625,943
Present value of Obligation at the end of the year	2,785,595	2,445,325
<b>Amount recognised in Balance Sheet</b>	<b>-</b>	<b>180,618</b>
<b>d) Expenses recognised during the year</b>		
Current Service cost	249,911	227,706
Past Service Cost	-	(120,031)
Interest Cost	700	(290)
Other charges	22,092	16,691
Actuarial (gains)/losses	141,554	347,697
Expected return on plan assets	(211,547)	(180,618)
<b>Total</b>	<b>202,710</b>	<b>291,155</b>

e) Principal actuarial assumptions at the balance sheet (expressed as weighted averages):

- Discount rate - 8%
- Salary growth rate : For Gratuity Scheme - 6%
- Attrition rate: For gratuity scheme the attrition rate varies from 1 to 3% for various age groups.
- The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## 14 Derivative Instruments and Unhedged Foreign Currency Exposure

(i)

**Forwarded Contract Outstanding at the Balance sheet date.**

Particulars of Contract	2010-11	2009-10	Purpose
Sale Euro to INR ( US \$ to INR)	2,000,000.00	\$ 30,00,000	Hedged as expected receivables against future sales
Sale Euro to US \$(Euro to INR)	1,000,000.00	€ 30,00,000	Hedged as expected receivables against future sales

The company has entered into Forward contracts to the tune of Euro 30,00,000 (Previous year \$ 30,000,000 and € 30,000,000 ) for hedging its US Dollar (\$) and Indian Rupee [Previous year US Dollar (\$) and Euro (€)] revenues for a period up to ten months from the date of the Balance Sheet. The Premium paid has been allocated in proportion to the period cover under the balancesheet and future period premium has been carried as prepaid premium on such contracts. Under the said Contracts , the rate of USD INR and Euro INR has been fixed for the entire period of the contract. Valuation of these contracts computed as on March 31, 2011 indicates gain of Rs.11,37,000 which has been provided for and disclosed as exchange fluctuation in the Profit and Loss Account.

(ii) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Amount receivable and payable as at March 31, 2011 in foreign currency on account of the following:

Particulars	2010-2011			2009-2010		
	Rs.	Value in foreign currency		Rs.	Value in foreign currency	
<b>Receivable</b>						
Sale of Goods	2,527,662	GBP	35,153	3,910,181	GBP	57,477
	162,554,531	USD	36,451,455	298,411,625	USD	6,610,803
	96,807,463	EURO	1,531,279	172,448,424	EURO	2,847,563
Advance for import of Goods/and otherservices	393,569	USD	6,138	27,084,000	USD	600,000
Balances with Banks in India	65	EURO	1	2,059,772	USD	45,630
Balances with Banks of Overseas Branches	102,651	USD	2,299	62,873	USD	1,398
	136,705	EURO	2,134	128,423	EURO	2,120
	297,282	AED	24,448	22,056	AED	1,801
<b>Payable</b>						
Services	225,619	GBP	3,137	351,916	GBP	5,173
	20,620,240	USD	461,819	31,641,512	USD	700,964
	9,227,850	EURO	144,986	15,759,039	EURO	260,222
Import of Goods	151,806,687	USD	3,399,926	31,061,904	USD	674,161
	1,336,773	GBP	18,585	3,886,360	AED	317,254
Advance against Exports	10,688,598	USD	239,440	5,942,875	USD	131,654
Forward Lease Arrangements (Tamwell PJSC)	30,035,615	AED	24,70,034.16	32,950,232	AED	2,689,815

**15 RELATED PARTY DISCLOSURE (AS IDENTIFIED BY THE MANAGEMENT), AS REQUIRED BY ACCOUNTING STANDARD 'AS-18' ARE GIVEN BELOW :**

**i) LIST OF RELATED PARTIES**

**(a) Where Control Exists:-**

(i) Akshi Exports (P) Ltd.	(xviii)	Puranmal Foods India Pvt. Ltd.
(ii) Bhama Properties (P) Ltd.	(ixx)	Quality Synthetic Industries Ltd.
(iii) Bihariji Fancy Fibers & Fabrics Ltd.	(xx)	Ram Forgings Pvt. Ltd.
(iv) Bihariji Ispat Udyog Ltd.	(xxi)	S.K.D. Estates Private Ltd.
(v) Bihariji Solar Power Pvt. Ltd.	(xxii)	Saroj Metal Works Pvt. Ltd.
(vi) Bihariji Vidyut Pvt. Ltd.	(xxiii)	Sri Narayan Steel Industries Pvt. Ltd.
(vii) Chakra Exports (P) Ltd.	(xxiv)	Srinarayan Raj Kumar
(viii) Deepak Hotels Private Ltd.	(xxv)	Srinarayan Raj Kumar Merchants Ltd.
(ix) G L Estates Pvt. Ltd.	(xxvi)	Sureka Tubes Industries Pvt. Ltd.
(x) J.S.T. Engineering Services Ltd.	(xxvii)	Udayanchal Leasing Exports (P) Ltd.
(xi) Jotindra Steel & Tubes Ltd.	(xxviii)	VL Estates (P) Ltd.
(xii) JST Solar Energy Pvt. Ltd.	(xxix)	VL Land & Housing Pvt. Ltd.
(xiii) JST Solar Vidyut Pvt. Ltd.	(xxx)	V.K. Flats Pvt. Ltd.
(xiv) Magnum Products Pvt. Ltd.	(xxxi)	Vaishnoudevi Properties Pvt. Ltd.
(xv) Mauria Power Generation Pvt. Ltd.	(xxxii)	Vee Em Infocentre Pvt. Ltd.
(xvi) Mauria Power Projects Pvt. Ltd.	(xxxiii)	Vee Kay Surgical Pvt. Ltd.
(xvii) Mauria Solar Pvt. Ltd.		

<b>(b) Key Management Personnel</b>	1	Mr. V.K.. Sureka	(Managing Director)
	2	Mr. N.K.. Sureka	(Director Finance & Works)
	3	Mr. A.K.. Sureka	(Director)
	4	Mr. Puneet Saraf	(Whole Time Director) Part of the year
<b>(c) Relative of key Management personnel (with whom transaction have taken place during the year).</b>	1	Smt. P.L.Sureka	(Wife of Managing Director)
	2	Smt. Deepa Sureka	(Wife of a Director)
	3	Smt. Ruchi Saraf	(Wife of a Director)
<b>(d) Other related parties</b>		NIL	

**ii) TRANSACTION WITH RELATED PARTIES**

Type of Related Party	Description of the Transaction	Volume of the Transactions		Amount Outstanding			
		Current Year	Previous Year	Receivable		Payable	
				Current Year	Previous Year	Current Year	Previous Year
Where control exists	Sale of Goods and other items	456,670,621	158,326,075	77,080,058	-	-	-
	Purchase of Goods and other items	190,228,782	765,893,878	-	104,853,464	186,961,401	-
	Interest Paid	927,543	4,713,740	-	-	-	-
	Interest Received	13,170,814	13,644,468	-	10,719,022	-	-
	Corporate Guarantee taken	4,008,500,000	3,412,500,000	-	-	-	-
	Loan & Advances Refunded	48,689,821	67,151,326	-	-	-	-
	Loan & Advances Received	35,202,540	76,076,519	-	-	9,170,059	22,480,912
	Loan, Advances given & Deposits Refund	70,722,030	221,164,395	-	-	-	-
	Loan & Advances Given	341,242,519	223,885,593	295,643,244	-	-	-
	Rent Received	1,725,000	1,855,000	-	-	-	-
	Rent Paid	163,500	114,000	61,500	-	-	-
	Job work Charges Paid	2,017,788	480,806	-	-	-	-
	Job work Charges Received	1,475,060	201,337	-	-	-	-
	Purchase of Shares held as Investment	-	19,600,000	-	-	-	-
Brokerage & Commission Paid	-	48,000	-	-	-	-	
Others	7,967,001	1,379,894	-	-	-	-	
Key Management Personnel	Loan & Advances Refunded	22,900,000	28,516,307	-	-	-	-
	Loan & Advances Received	37,350,000	55,385,907	-	-	-	32,131,900
	Loan & Advances Given/ Received Back	-	1,483,693	-	-	-	-
	Interest Paid	2,411,372	116,252	-	-	-	104,626
	Remuneration to Directors( Other than Gratuity)	2,330,029	2,336,308	-	-	-	-
Relative of Key Management Personal	Employees Remuneration	869,392	716,092	261,797	-	-	-
	Rent Paid	780,000	390,000	-	-	-	245,640
Other Related Parties	NIL	-	-	-	-	-	-

- NOTE :**
- In respect of above parties, there is no provision for doubtful debts as on 31<sup>st</sup> March, 2011 and no amount has been written off or written back during the year in respect of debts due from them.
  - Out of above certain transaction requires approval from members and Central Government, which is yet to be taken.

## 16 SEGMENT REPORTING

(Rs. in Lacs)

	Current year	Previous year
1 Segment Revenue (Net Sales / Income from each segment should be disclosed under this head)		
a) Segment A - Manufacturing	17,864.33	12,651.31
b) Segment B - Merchandising	62,298.48	46,277.11
c) Segment C - Investments & Finance	3.43	2.57
d) Others	99.49	148.84
Total	<b>80,265.73</b>	<b>59,079.83</b>
Less: Inter Segment Revenue	NIL	NIL
Net Sales / Income from operations	<b>80,265.73</b>	<b>59,079.83</b>
2 Segment Results Profit (+) / Loss (-) before Tax		
a) Segment A - Manufacturing	575.46	63.73
b) Segment B - Merchandising	861.44	939.78
c) Segment C - Investments & Finance	3.43	(17.01)
d) Others	99.49	148.64
Total	<b>1,539.82</b>	<b>1,135.14</b>
Less: i) Interest**	353.05	484.64
ii) Other Un-allocable expenditure net of un-allocable Income.		
Total Income before Tax	<b>1,186.77</b>	<b>650.50</b>
* Profit / Loss before Tax and after interest in case of segments having operations which are primarily of financial nature.		
** Other than the interest pertaining to the segments having operations, which are primarily of financial nature.		
3 Capital Employed # (Segment Assets – Segment Liabilities)		
a) Segment A - Manufacturing	4,249.05	7,884.12
b) Segment B - Merchandising	522.66	(1,890.00)
c) Segment C - Investments & Finance	269.27	364.79
d) Others	-	-
Total	<b>5,040.98</b>	<b>6,358.91</b>

17 The provision for deferred tax Liability / (Assets) has been made for adjustment for timing difference as detailed here under:-

Particulars	Balance as on 01.04.2010	Adjustment for the year	Balance as on 31.03.2011
Depreciation	15,766,238	3,746,485	19,512,723
Gratuity & Earned Leave	(212,525)	82,444	(130,081)
	<b>15,553,713</b>	<b>3,828,929</b>	<b>19,382,642</b>

18 Earning per share :-

	Current year	Previous year
Net Profit as per Profit & Loss Account (Rs.)	<b>74,839,493</b>	28,190,589
Average No. of Equity Shares during the year	<b>4,440,000</b>	4,440,000
Earning per share in Rupees	<b>16.86</b>	6.35

19 Additional Information :-

(i) Licensed & Installed Capacities:

ITEM MANUFACTURED	UNITS	LICENSED CAPACITY	INSTALLED CAPACITY @	
LPG CYLINDER	Nos.	Not Applicable	18,00,000	(18,00,000)
LPG VALVES	Nos.	Not Applicable	18,00,000	(18,00,000)
LPG REGULATOR	Nos.	Not Applicable	12,00,000	(12,00,000)

@ as Certified by the Management.



## (ii) Quantitative Details:

NAME OF THE PRODUCT MANUFACTURED / TRADED	UNITS	OPENING STOCKS		PRODUCTION	PURCHASES		SALES LESS DISCOUNTS		CLOSING STOCKS	
		QUANTITY	AMOUNT Rs.	QUANTITY	QUANTITY	AMOUNT Rs.	QUANTITY	AMOUNT Rs.	QUANTITY	AMOUNT Rs.
<b>MANUFACTURED :</b>										
LPG CYLINDERS	Nos.	29,994 * (20,870)	28,026,197 (30,505,074)	1,308,145 (894,546)	- (-)	- (-)	1,315,208 (885,422)	1,412,409,073 (1,026,867,041)	22,931 * (29,994)	25,161,650 (28,026,197)
LPG VALVES	Nos.	56,795 (10,058)	3,666,310 (626,957) @	2,476,826 (1,108,392)	- (-)	- (-)	2,479,741 (1,061,655) @	131,374,913 (55,917,153)	53,880 (56,795)	3,164,653 (3,666,310)
LPG DP REGULATORS	Nos.	30,328 (14,647)	1,914,205 (752,182)	674,198 (437,183)	- (-)	- (-)	674,555 # (421,502)	57,836,568 (36,254,574)	29,971 (30,328)	2,002,400 (1,914,205)
BRASS ADOPTER	Nos.	- (-)	- (-)	(475)	- (-)	- (-)	(475)	(23,136)	- (-)	- (-)
CYLINDER ACCESSORIES & PARTS	Nos.	See Note below	- (-)	See Note below	- (-)	- (-)	See Note below	8,396,043 (5,624,091)	- (-)	- (-)
TERRY TOWEL	Kgs.	47,566.24 (5,120,122.00)	12,446,541 (16,055,872)	164,895.71 (316,115.20)	- (-)	- (-)	144,758.31 (319,750,180)	43,637,898 (77,149,250)	67,503.64 (47,566.24)	25,228,187 (12,446,541)
TOWEL FABRIC	Kgs.	- (-)	- (-)	741.82	- (-)	- (-)	741.82	254,515 (651,746)	- (-)	- (-)
READYMADE GARMENTS	Nos.	- (-)	- (-)	20,786	- (-)	- (-)	20,786	8,470,234	- (-)	- (-)
TOWEL SCRAP		- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	391,983 (432,018)	- (-)	- (-)
SCRAP		- (-)	22,973,713 (3,961,160)	- (-)	- (-)	- (-)	- (-)	123,689,783 (62,212,143)	- (-)	7,429,760 (22,973,713)
OTHER FABRIC (processed)	Kgs.	- (-)	- (-)	3,237	- (-)	- (-)	3,237	2,511,679	- (-)	- (-)
<b>TRADED :</b>										
CAMPING VALVES	Nos.	- (-)	- (-)	- (-)	2,000 (-)	228,000 (-)	1,952 (-)	253,370 (-)	48 (-)	5,472 (-)
F TYPE VALVES WITH PIPE	Nos.	- (-)	- (-)	- (-)	205 (-)	44,403 (-)	100 (-)	49,061 (-)	105 (-)	22,743 (-)
PRIME HR STEEL COILS	M.T.	- (-)	- (-)	- (-)	4,876,460 (-)	146,927,740 (-)	4,876,460 (-)	148,402,869 (-)	- (-)	- (-)
TMT BAR	M.T.	- (-)	- (-)	- (-)	17,944,429 (-)	624,541,869 (-)	17,944,429 (-)	659,823,425 (-)	- (-)	- (-)
MS SKULP/ANGLE/ROUND/CHENNAI	M.T.	- (-)	- (-)	- (-)	129,260 (-)	4,069,730 (-)	129,260 (-)	4,689,000 (-)	- (-)	- (-)
CR NON ALLOY STEEL	M.T.	- (-)	- (-)	- (-)	123,550 (-)	6,112,095 (-)	123,550 (-)	5,477,785 (-)	- (-)	- (-)
SOYABEEN MEAL/OILCAKE	M.T.	- (-)	- (-)	- (-)	290,358,573 (-)	5,023,339,130 (4,368,982,332)	290,358,573 (-)	5,043,415,166 (4,403,195,125)	- (-)	- (-)
CR ENDS COILS	M.T.	- (-)	- (-)	- (-)	(263,120)	(9,735,440)	(263,120)	(9,735,440)	- (-)	- (-)
OTHER TRADING SALES	See Note below	- (-)	(88,447)	- (-)	See Note below	129,907 (-)	See Note below	230,888 (67,600)	- (-)	- (-)
HR COIL/SHEETS STEEL	M.T.	- (-)	- (-)	- (-)	4,401,653 (3,526,065)	132,265,071 (109,163,876)	4,401,653 (3,526,065)	134,739,957 (109,165,143)	- (-)	- (-)
BURNER TOP/LPG FORGED SPINDLE/LOP BURNER	Nos.	7,337 (6,969)	353,584 (271,941)	- (-)	20,591 (3,868)	1,091,276 (250,315)	- (3,500)	- (259,726)	27,928 (7,337)	1,444,860 (353,584)
READYMADE GARMENTS	Nos.	42,447 (44,183)	20,954,817 (12,730,938)	- (-)	209,728 (86,784)	76,644,395 (37,148,243)	215,420 ** (88,520) **	107,698,877 (45,264,428)	36,755 (42,447)	14,996,040 (20,954,817)
TERRY TOWEL	Kgs.	- (-)	- (-)	- (-)	17,390 (-)	1,548,405 (-)	16,056 (-)	1,509,912 (-)	1,334 (-)	71,621 (-)
FEBRIC	Kgs.	7,074.25 (60.25)	948,435 (21,545)	- (-)	(7,014)	(972,958)	- (-)	- (-)	\$ (7,074)	(948,435)
SHARES & SECURITIES	Nos.	- (-)	- (-)	- (-)	6,750 (50,000)	6,750,000 (11,600,000)	6,750 (50,000)	6,750,000 (55,000,000)	- (-)	- (-)
ZINC INGOTS	M.T.	- (-)	- (-)	- (-)	(55,262)	(5,283,001)	(55,262)	(5,283,001)	- (-)	- (-)
CYLINDER THREAD PROTECTOR	Nos.	742 (-)	33,390 (-)	- (-)	(742)	(33,390)	- (-)	- (-)	742 (742)	33,390 (33,390)
LAND & REAL ESTATES	@+	-	59,743,013 (59,743,013)	- (-)	- (-)	4,665,505 (3,575,526)	- (-)	- (-)	- (-)	64,408,518 (59,743,013)
			151,060,205 (124,757,129)			6,028,357,526 (4,543,169,555)		7,902,012,999 (5,893,101,614)		143,969,294 (151,060,205)

Note Quantitative particulars of cylinder accessories & parts and others have not been given as it consists of various numerous assorted items.

@ Includes 8,46,849 Nos. (3,34,493 Nos.) Valves for Captive Consumption.

# Includes Nil (11,600 Nos.) Domestic Pressure regulators for Captive Consumption.

\* Includes 4,627 Nos. (Excludes 17,578 Nos.) LPG Cylinders in transit.

\*\* Includes Nil (3,686 Nos.) Readymade Garments have been issued as free samples

@+ 17 Kanal 50 Marla Land at Delhi Jaipur Higway, District Bhawal, Haryana. Amount during the year represents depreciation charges

\$ stocks of fabric consumed in Manufacturing of garments

## iii) RAW MATERIALS AND COMPONENTS CONSUMED:

NAME OF THE ITEMS	UNITS	Current Year		Previous Year	
		QUANTITY	AMOUNT (Rs.)	QUANTITY	AMOUNT (Rs.)
C.R.C./IRON/STAINLESS	M.T.	24,189.055	822,323,757	19,589.000	618,143,469
MINI/JUMBO LPG VALVES	Nos.	342,013	54,598,019	604,967	107,082,311
ALUMINUM ALLOY INGOTS	Kgs.	24,060.389	3,235,091	7,323.000	1,155,394
BRASS RODS AND SCRAP	Kgs.	446,974.810	124,873,287	199,084.000	45,264,026
ZINC ALLOY INGOTS	Kgs.	197,017.000	25,158,043	203,257.000	23,976,011
FABRIC FOR READYMADE GARMENTS	Kgs.	8,691.460	2,433,968	-	-
FABRIC FOR READYMADE GARMENTS	Mtrs.	30,951.000	2,104,423	-	-
COTTON YARN / FABRIC	Kgs.	266,954.830	43,477,917	389,315.690	44,238,509
OTHERS		See Note below	74,414,039	See Note below	61,326,536
<b>TOTAL</b>			<b>1,152,618,543</b>		<b>901,186,236</b>

**Note:**

It is not practicable on the part of the management to give quantitative information in respect of other component consumed since it consists of numerous items and each such item is less than 10% of total value.

## iv) Value of imported/indigenous raw materials and components/stores spares parts, tools and packing materials consumed and percentage thereof:

	RAW MATERIALS AND COMPONENTS		SPARES, SPARE PARTS, TOOLS AND PACKING MATERIALS	
	Value	Percentage	Value	Percentage
IMPORTED	55,047,012	4.78	398,603	0.17
	(107,385,694)	(11.92)	(-)	(-)
INDIGENOUS	1,097,571,531	95.22	237,230,192	99.83
	(793,800,542)	(88.08)	(153,590,538)	(100)
TOTAL	1,152,618,543	100.00	237,628,796	100.00
	(901,186,236)	(100)	(153,590,538)	(100)

			Current Year	Previous Year
v)	C. I. F. Value of Imports:	Raw Materials /Traded Goods	63,831,379	110,397,826
		Spare Parts	398,603	-
		Capital Goods/Repairs	54,606,334	944,203
vi)	Earning in Foreign Currency: F.O.B. Value of Exports		779,382,343	912,649,026
vii)	Expenditure in Foreign Currency:- (Other than overseas branch)	For Traveling	899,766	386,369
		For Commission	74,335,723	84,954,454
		For Testing /Fees	418,203	108,495
		Others	10,129,425	4,380,438
viii)	Remittance on account of Dividend in Foreign Currency		Nil	Nil

20 Comparative figures for the previous year have been re-grouped re-cast and re-arranged wherever necessary and figures in brackets represent previous year figures.

## BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE

## a) REGISTRATION DETAILS

Registration No. : 33010 State Code : 21  
Balance Sheet Date : 31.03.2011

## b) CAPITAL RAISED DURING THE YEAR

Public Issue : Nil Right Issue : Nil  
Bonus Issue : Nil Private Placement : Nil

## c) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(RUPEES IN THOUSANDS)

Total Liabilities : 1,604,479 Total Assets : 1,604,479

## Source of Funds:

Paid-up Capital : 44,400 Reserves & surplus : 659,923  
Secured Loans : 814,650 Unsecured Loans : 66,123

## Application of Funds:

Net Fixed Assets : 573,497 Investments : 26,926  
Net Current Assets : 1,004,056 Misc. Expenditure : -  
Accumulated Losses : Nil

## d) PERFORMANCE OF THE COMPANY

Turnover/Receipts : 8,026,601 Total Expenditure : 7,907,894  
Profit before Tax : 118,707 Profit After Tax : 74,839  
Earning per Share in Rupees : 17 Dividend Rate : 12.5%

## e) GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

ITEM CODE (ITC CODE)	PRODUCT DESCRIPTION
230400	SOYABEEN MEAL/OILCAKE
731100	LPG CYLINDER
720490	TMT BAR

Signature to Schedules 1 to 17

As per our report of even date

For SALARPURIA &amp; PARTNERS

FIRM REG. NO. 302113E

CHARTERED ACCOUNTANTS

  
( KAMAL KUMAR GUPTA )

PARTNER

M.No.89190

Place : New Delhi

Date : 30th May, 2011

  
( V. K. SUREKA )

MANAGING DIRECTOR

  
( N. K. SUREKA )

EXECUTIVE DIRECTOR