


## PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011


Schedules	Year Ended 31st Mar.2011 Rs.	Year Ended 31st Mar.2010 Rs.
<b>INCOME</b>		
Sales	-	1,550,199,256
Other Income	I 2,888,413	5,869,694
Increase / (Decrease) in Stocks	J 18,728,816	(79,384,500)
	<u>21,617,229</u>	<u>1,476,684,450</u>
Purchases	18,800,000	1,472,997,670
Payments to and provision for employees	K 369,674	375,232
Administration & Other Expenses	L 2,242,488	1,967,963
Depreciation written off	1,165	1,226
	<u>21,413,327</u>	<u>1,475,342,091</u>
<b>PROFIT FOR THE YEAR BEFORE TAX</b>	<b>203,902</b>	<b>1,342,359</b>
<b>Less : Provision for Income Tax:</b>		
Current Tax	(175,123)	(196,869)
Less ; MAT Credit Entitlement	-	191,135
Deferred Tax	147,147	166,267
MAT Credit Entitlement for earlier years	-	3,546,844
Income Tax for earlier year	-	(217,264)
<b>NET PROFIT FOR THE YEAR</b>	<b>175,926</b>	<b>4,832,472</b>
<b>Balance Brought Forward from Previous Year</b>	<b>62,399,787</b>	<b>58,533,315</b>
<b>Amount Available for Appropriation</b>	<b><u>62,575,713</u></b>	<b><u>63,365,787</u></b>
<b>Appropriation</b>		
Transferred to RBI Reserve Fund for NBFC	35,000	966,000
Contingent Provisions against Standard Assets (Ref Note No.4,Sched M)	171,000	-
Balance carried to Balance Sheet	62,369,713	62,399,787
	<u>62,575,713</u>	<u>63,365,787</u>
Earning per Share - Basic & Diluted (Rs. Per Equity Share refer Note No.8 of Schedule-M)	0.04	0.97

## ACCOUNTING POLICIES AND NOTES ON ACCOUNTS M

Schedules referred herein above form an integral part of Profit and Loss Account

As per our report of even date  
**For SALARPURIA & PARTNERS**  
 FIRM REGN.NO.302113E  
**CHARTERED ACCOUNTANTS**  
  
 ( KAMAL KUMAR GUPTA )  
 PARTNER  
 M.NO.89190

Place : New Delhi  
 Date : 30th May, 2011

  
 (V. K. SUREKA)  
 MANAGING DIRECTOR

  
 (YOGESH MATHUR)  
 DIRECTOR

**Schedule - I : OTHER INCOME**

	For the year ended 31.3.2011 Rs.	For the year ended 31.3.2010 Rs.
Interest (Tax deducted at source Rs.2,12,685/- (Rs.3,98,770)	1,660,000	3,987,707
Dividend	77,687	68,128
Commission Income	1,038,303	764,280
Profit on Sales of Investments Long Term	112,423	1,049,579
	<u>2,888,413</u>	<u>5,869,694</u>

**Schedule - J : INCREASE / (DECREASE) IN STOCKS**

<b>STOCKS AT COMMENCEMENT OF THE YEAR</b>		
Shares & Securities	41,122,226	120,506,726
<b>STOCKS AT CLOSE OF THE YEAR</b>		
Shares & Securities	59,851,042	41,122,226
<b>INCREASE / (DECREASE) IN STOCKS</b>	<u>18,728,816</u>	<u>(79,384,500)</u>

**Schedule - K : EMPLOYEE'S REMUNERATION AND BENEFITS**

Salary Wages Bonus & Allowances	278,242	283,800
Staff and Labour Welfare	91,432	91,432
	<u>369,674</u>	<u>375,232</u>

**Schedule - L : ADMINISTRATION AND OTHER EXPENSES**

Rates & Taxes	22,423	35,523
Traveling, Conveyance & Vehicles Expenses	31,785	40,598
Miscellaneous Expenses	97,924	116,400
Legal & Professional charges	773,090	705,000
Interest Paid	1,289,016	1,018,612
<b>Auditors' Remuneration:</b>		
As Audit Fee	20,000	20,000
Director's Meeting Fee	8,250	7,750
Bad Debts Written Off	-	13,580
Public/Preferential Share Issue Expenses written off	-	10,500
	<u>2,242,488</u>	<u>1,967,963</u>




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## SCHEDULE 'M' OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

## 1. ACCOUNTING POLICIES

(a) **Basis of Accounting**

The Company follows mercantile system of accounting i.e. all expenses and income are accounted for on accrual basis.

(b) **Fixed Assets**

Fixed Assets are stated at cost less depreciation.

(c) **Depreciation**

Depreciation is provided on Straight Line Method in accordance with the rates and basis prescribed in Schedule XIV of the Companies Act, 1956.

(d) **Investments**

Investments are stated at purchase price.

(e) **Dividend**

Dividend declared with in the close of the accounting year only are accounted for.

(f) **Valuation of inventories**

Stock of Shares and Securities are valued at lower of cost or estimated realisable value.

(g) **Sales**

Sales are inclusive of Sales Tax Collection, wherever is applicable.

(h) **Retirement Benefits**

Accrued liability of gratuity payable has been accounted for as per valuation made by the management.

(i) **Amortisation of Preferential Share Issue Expenses**

Preferential Share Issue Expenses are amortised over a period of ten years.

(j) **Contingent Liabilities**

Disputed liabilities and claims against the Company including claims by Taxation Authorities pending in appeals are treated as contingent liabilities and are not provided for and are shown by ways of notes.

(k) **Taxes on Income**

Tax expenses for the relevant period comprises of current tax and deferred tax. Deferred Tax Assets is recognized, subject to consideration of prudence, on all timing difference between taxable income and accounting income that originate in one period and are capable of being reversed in one or more subsequent periods. The accumulated deferred tax liability is adjusted by applying the tax rates and tax laws applicable at the year end.

2. The market value of following quoted investments have been declined substantially. However, in the opinion of the management no provision for diminution in value is required since these investments are of strategic importance to the company. The decline in market value of investments is considered to be temporary:

Name of the Company	Decrease in the market value
Him Ispat Limited	38,000
Kamadgiri Synthetics Limited	56,049
	<u>94,049</u>

3. Contingent Liabilities not provided for Corporate Guarantees issued against borrowings by sister concern: - 280,00,00,000 (Nil)
4. The Company has made a Contingent Provision against Standard Assets @ 0.25% as per Circular No-DNBS.PD.CC.No.207 / 03.02.002 / 2010-11 issued by RBI, for the amount of Rs.171000
5. There has been no employee who have completed five years of continuous service, hence there has been no accrued liability in respect of gratuity as on the balance sheet date.
6. Estimated amount of capital contracts remaining to be executed Rs 4,84,25,000/- (4,43,25,000) against which advances paid Rs.3,46,25,000 (3,41,00,000).
7. **Deferred Tax Assets And Liabilities are adjusted on following:**

Particulars	As on	For the year	As on
	31.03.2010	2010-11	31.03.2011
Depreciation	(8,310)	346	(7,964)
Provision for Doubtful Debts	128,858	-	128,858
Unabsorbed Losses	165,925	146,801	312,726
	<u>286,473</u>	<u>147,147</u>	<u>433,620</u>

8 **Earning Per Share:**

Particulars	Current year	Previous year
Profit after tax as per Profit and Loss Account	175,926	4,832,472
Average number of Equity Shares (Face value) of Rs.10/- each.	4,978,900	4,978,900
Basic and Diluted EPS (in rupees)	0.04	0.97

## 9 SEGMENT REPORTING

There has been no separately reportable Segment

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

## i) LIST OF RELATED PARTY

## (a) Where control exists:-

(i) Jotindra Steel & Tubes Limited	(xiv) Vaishnodevi Properties Pvt. Ltd.
(ii) Quality Synthetic Industries Ltd	(xv) V.K. Flats Pvt. Ltd.
(iii) J.S.T. Engineering Services Ltd.	(xvi) Dwarkadish Construction Pvt. Ltd.
(iv) Aakshi Exports (P) Ltd.	(xvii) Srinarayan Raj Kumar Merchants Ltd.
(v) Bihariji Ispat Udyog Limited	(xviii) Bihariji Fancy Fibers & Fabrics Ltd.
(vi) Saroj Metal Works Private Ltd.	(ixx) Bhama Properties (P) Ltd.
(vii) Chakra Exports (P) Ltd.	(xx) P.D. Metal Industries (P) Ltd.
(viii) Ram Forgings Pvt. Ltd.	(xxi) Udayanchal Leasing Exports (P) Ltd.
(ix) Radha Estate (P) Ltd.	(xxii) Vee Kay Surgicals Pvt. Ltd.
(x) Subhlaxmi Properties (P) Ltd.	(xxiv) V L Estate (P) Ltd.
(xi) VL Estates Pvt. Ltd.	(xxv) VEE EM Infocenter (P) Ltd.
(xii) Mauria Udyog Limited	(xxvi) SKD Estates Pvt. Ltd.
(xiii) Sureka Tube Industries Pvt. Ltd.	(xxvii) Puranmal Foods India (P) Ltd.

## (b) Key Management Personnel

V.K.Sureka (Managing Director)  
K.M. Pai (Director)

## (c) Relative of key Management personnel (with whom transaction have taken place during the year).

Navneet Kumar Sureka

## (d) Other related parties

Srinarayan Rajkumar Firm

## ii) TRANSACTION WITH RELATED PARTIES

TYPE OF RELATED PARTY	DESCRIPTION OF THE TRANSACTION	VOLUME OF THE TRANSACTIONS		AMOUNT OUTSTANDING			
				RECEIVABLE		PAYABLE	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Where Control Exists	Sales of Goods / Investments	-	--	--	--	--	--
	Purchases of Goods / Investments	14,300,000	11,803,800	--	--	--	--
	Interest Received	0	3,468,948	--	1,704,784	--	--
	Interest Paid	649,640	379,236	--	--	--	--
	Commission Received	466,849	196,780	--	177,102	--	--
	Loan Given	7,692,086	46,600,000	--	6,000,000.00	--	--
	Loan Given received back	11,521,870	86,246,302	--	--	--	--
	Loan Taken	42,569,223	24,842,729	--	--	24,131,084	--
	Loan Taken repaid	14,511,493	24,842,729	--	--	--	--
Key Management Personnel	Purchases of Goods / Investments	-	--	--	--	--	--
	Sale of Goods / Investments	-	684,480	--	--	--	--
Relative of Key Management Personnel	Purchases of Goods / Investments	-	22,756,800	--	--	--	--
	Sale of Goods / Investments	-	4,043,600	--	--	--	--
Other related parties	Loan Given	-	200,000	--	--	--	--
	Loan Given received back	-	200,000	--	--	--	--

## NOTE:

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

11 Figures for the previous year have been regrouped and recast wherever necessary and figures in brackets represent previous year figures.

**12 Additional Information:****(b) Quantitative Details:**

Name of Goods in Trade	UNITS	OPENING STOCKS		PURCHASES		SALES		CLOSING STOCKS	
		QUANTITY	AMOUNT Rs.	QUANTITY	AMOUNT Rs.	QUANTITY	AMOUNT Rs.	QUANTITY	AMOUNT Rs.
Shares & Securities	Nos.	1,039,692	41,122,226	402,510	18,800,000	-	-	1,442,202	59,851,042
		(1,528,718)	(120,506,726)	(392,280)	(35,756,800)	(881,306)	(112,761,880)	(1,039,692)	(41,122,226)

(c) C.I.F. Value of Import	Nil	(Nil)
(d) F.O.B. Value of Export	Nil	(Nil)
(e) Earnings, Expenditure and remittance on account of dividend in foreign currency	Nil	(Nil)

**13 BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE:****a) REGISTRATION DETAILS:**

Registration No.	:	27338	State Code	:	21
Balance	:	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):**

<b>Total Liabilities</b>	:	205,985	<b>Total Assets</b>	:	205,985
<b>Source of Funds:</b>					
Paid-up Capital	:	50,423	Reserves & surplus	:	123,538
Secured Loans	:	7,893	Unsecured Loans	:	24,131
<b>Application of Funds:</b>					
Net Fixed Assets	:	26	Investments	:	62,010
Net Current Assets	:	143,516	Misc. Expenditure	:	-
Accumulated Losses	:	Nil	Deferred Tax Assets	:	434

**d) PERFORMANCE OF THE COMPANY:**

Turnover/Receipts	:	2,888	Total Expenditure	:	2,685
Profit before Tax	:	204	Profit After Tax	:	176
Earning per Share in Rupees	:	0.04	Dividend Rate	:	Nil

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

ITEM CODE (ITC CODE)	PRODUCT DESCRIPTION
N.A.	Shares & Securities
N.A.	Interst
N.A.	Dividend


Signature to schedules A to M

As per our report attached

For **SALARPURIA & PARTNERS**

FIRM REGN.NO.302113E

CHARTERED ACCOUNTANTS

  
**( KAMAL KUMAR GUPTA )**  
 PARTNER

  
**( V.K. Sureka )**  
 MANAGING DIRECTOR

  
**( YOGESH MATHUR )**  
 DIRECTOR

Place : New Delhi

Date : 30th May, 2011

**Schedule to the balance sheet of a non-banking financial company as required in terms of paragraph 9bb of non banking financial companies prudential norms (reserve bank) directions, 1998**


SL.	PARTICULARS	(RS. IN LACS)	
		AMOUNT	AMOUNT
	<b>LIABILITIES SIDE :</b>		
1	<b>Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>		
	(a) DEBENTURES : Secured	NIL	NIL
	: Unsecured	NIL	NIL
	(Other than failing within the meaning of public deposits)*		
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans	NIL	NIL
	(d) Inter-corporate Loans and Borrowing	241.31	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Public Deposites*	NIL	NIL
	(g) Other Loans (Specify Nature)-Loan against Keyman Insurance Policy	78.93	72.54
	* Please see Note 1 below		
2	<b>Break up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
	(a) In the form of Unsecured debentures	NIL	NIL
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security.	NIL	NIL
	(c) Other public deposits	NIL	NIL
	*Please see Note 1 below		
	<b>ASSETS SIDE :</b>		<b>AMOUNT OUTSTANDING</b>
3	<b>Break up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>		
	(a) Secured		NIL
	(b) Unsecured		119.14
4	<b>Break up of Leased Assets and stock on hire and hypothecation loan counting towards EL/HP activities:</b>		
	(i) Lease assets including lease rentals under		
	(a) Financial Lease		NIL
	(b) Operating Lease		NIL
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on Hire		NIL
	(b) Repossessed Assets		NIL
	(iii) Hypothecation loans counting towards EL/HP activities		
	(a) Loan where assets have been		NIL
	(b) Loan other than (a) above		NIL
5	<b>Break up of Investments :</b>		
	<b>Current Investments</b>		
	1. Quoted:		
	(i) Shares : (a) Equity		372.43
	(b) Preference		NIL
	(ii) Debentures and Bonds		NIL
	(iii) Units of Mutual Funds		10.00
	(iv) Government Securities		NIL
	(v) Others (please specify)		NIL

SL.	PARTICULARS	(RS. IN LACS)		
	<b>ASSETS SIDE :</b>	<b>AMOUNT</b>		
2.	Unquoted:			
	(i) Shares : (a) Equity			216.08
	(b) Preference			NIL
	(ii) Debentures and Bonds			NIL
	(iii) Units of Mutual Funds			NIL
	(iv) Government Securities			NIL
	(v) Others (please specify)			NIL
	<b>Long Term Investments</b>			
1.	Quoted:			
	(i) Shares : (a) Equity			54.40
	(b) Preference			NIL
	(ii) Debentures and Bonds			NIL
	(iii) Units of Mutual Funds			NIL
	(iv) Government Securities			NIL
	(v) Others (please specify)			NIL
2.	Unquoted:			
	(i) Shares : (a) Equity			565.70
	(b) Preference			NIL
	(ii) Debentures and Bonds			NIL
	(iii) Units of Mutual Funds			NIL
	(iv) Government Securities			NIL
	(v) Others (please specify)			NIL
6	<b>Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:</b>			
	Please see Note 2 below			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
1.	Related Parties **			
	(a) Subsidiaries	NIL	NIL	NIL
	(b) Companies in the same group	NIL	Nil	Nil
	(c) Other related parties	NIL	NIL	NIL
2	Other than related parties	NIL	119.14	119.14
	Total		119.14	119.14
7	<b>Investor group-wise classification of all investments (Current and long term) in shares and securities (both quoted and unquoted):Please see Note 3 below</b>			
	Category	Amount net of provisions		
1.	Related Parties **			
	(a) Subsidiaries			NIL
	(b) Companies in the same group			1,172.56
	(c) Other related parties			NIL
2	Other than related parties			46.05
	Total			1,218.61
**	As per Accounting Standard of ICAI( Please See)			
*	Cost or market value whichever is lower.			


SL.	PARTICULARS	(RS. IN LACS)
8	<b>Other Information</b>	<b>AMOUNT</b>
	i) Gross Non-Performing Assets	
	(a) Related Parties	NIL
	(b) Other than related parties	NIL
	ii) Net Non-performing Assets	
	(a) Related Parties	NIL
	(b) Other than related parties	NIL
	iii) Assets acquired in satisfaction of debt	NIL

**Notes:**

- As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and breakup/ fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

As per our report of even date  
**For SALARPURIA & PARTNERS**  
 FIRM REGN.NO.302113E  
 CHARTERED ACCOUNTANTS  
  
**( KAMAL KUMAR GUPTA )**  
 PARTNER  
**M.NO.89190**

  
**(V.K. SUREKA)**  
 MANAGING DIRECTOR

  
**( YOGESH MATHUR )**  
 DIRECTOR

Place : New Delhi  
 Date : 30th May, 2011

