

JOTINDRA STEEL AND TUBES LIMITED


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

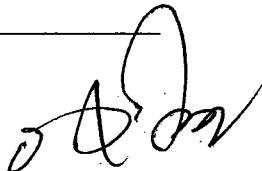
	Notes	Year ended 31.3.2013 (Rs.)	Year ended 31.3.2012 (Rs.)
INCOME			
Revenue From Operation	16	2,101,877,452	4,559,619,281
Other Income	17	212,121,935	243,518,537
Total Revenue		2,313,999,387	4,803,137,818
EXPENDITURE			
Cost of Materials Consumed	18	1,074,474,481	2,186,616,424
Purchase of Stock-in-Trade		766,843,051	2,132,760,538
Changes in inventories of finished goods, Work in Process and Stock-in-Trade	19	72,085,336	(73,865,669)
Employee Benefits Expenses	20	27,193,866	33,499,053
Finance Cost	21	77,526,065	102,797,513
Depreciation & Amortisation Expenses	9	16,798,007	15,222,554
Other Expenses	22	271,466,593	379,649,986
Total Expenses		2,306,387,398	4,776,680,399
Profit for the year before Taxation		7,611,989	26,457,419
Tax Expenses			
Current Tax			
Provision for current tax		(1,450,465)	(6,500,000)
Adjustment for MAT Credit		1,450,465	-
Deferred Tax		(3,226,005)	(4,772,168)
Profit for the year after Taxation		4,385,984	15,185,251
Earning per share Basic/diluted (Rs.)		1.46	5.06
Significant Accounting Policies and Other Notes on Accounts	23		

As per our report attached
For SALARPURIA & PARTNERS
 Firm Regn. No.302113E
CHARTERED ACCOUNTANTS


(KAMAL KUMAR GUPTA)

PARTNER
 M.No. 89190
 Place: New Delhi
 Date : 03/06/2013

 (A.K. SUREKA)
 MG. DIRECTOR

 (O.P. BHARDWAJ)
 DIRECTOR


 (RACHNA MITTAL)
 COMPANY SECRETARY



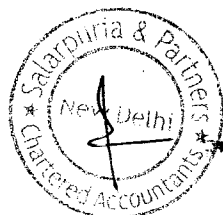
JOTINDRA STEEL AND TUBES LIMITED

16 REVENUE FROM OPERATIONS	2012-13	2011-12
	Rs.	Rs.
Sales	2,143,518,387	4,814,488,526
Income From Services	22,008,746	18,315,615
Less Excise Duty/Service Tax Recovered	(63,649,681)	(273,184,860)
	<u>2,101,877,452</u>	<u>4,559,619,281</u>

17 : OTHER INCOME	2012-13	2011-12
	Rs.	Rs.
Rent	8,629,032	6,971,900
Sub Lease Rent & Storage Charges	47,412,128	22,471,481
Interest (Gross)	34,964,122	39,208,208
Miscellaneous Income	5,995,319	16,823,876
Short Term Capital Gain	100,000	-
Other Claims	-	30,516,000
Export Incentives	9,059,828	23,104,492
Foreign Exchange Fluctuation (Net)	16,320,604	88,660,118
Sundry Balance written back (Net)	-	15,377,546
Profit on sale of fixed assests	-	206,603
Previous year Adjustments	89,640,902	178,313
	<u>212,121,935</u>	<u>243,518,537</u>

18 : COST OF MATERIALS CONSUMED	2012-13	2011-12
	Rs.	Rs.
RAW MATERIALS CONSUMED		
Opening Stocks	108,194,809	247,731,655
Add: Purchases	989,448,987	2,047,079,578
	<u>1,097,643,796</u>	<u>2,294,811,233</u>
Less: Closing Stocks	23,169,315	108,194,809
	<u>1,074,474,481</u>	<u>2,186,616,424</u>

19: CHANGES IN INVENTORIES OF FINISHED GOODS , WORK IN PROCEED AND STOCK IN TRADE	2012-13	2011-12
	Rs.	Rs.
Opening Stocks		
Finished goods	232,557,217	162,903,081
Work in Progress	7,931,945	8,456,400
Scrap	9,070,553	4,334,565
	<u>249,559,715</u>	<u>175,694,046</u>
Less: Closing Stocks		
Finished Goods	168,987,140	232,557,217
Work in Progress	7,792,787	7,931,945
Scrap	694,452	9,070,553
	<u>177,474,379</u>	<u>249,559,715</u>
INCREASE/(DECREASE) IN STOCKS	<u>(72,085,336)</u>	<u>73,865,669</u>



20 : EMPLOYEE BENEFIT EXPENSES	2012-13	2011-12
	Rs.	Rs.
Remuneration to Whole time Directors		
Remuneration & Allowances	1,980,000	1,836,000
Contribution to Provident & Other allied Funds	198,000	183,600
Remuneration to Others		
Salary, Wages, Bonus, Allowances & Gratuity	23,654,010	29,119,862
Contribution to Provident & Other allied Funds	479,761	498,883
Workmen and Staff Welfare Expenses	882,095	1,860,708
	<u>27,193,866</u>	<u>33,499,053</u>

21 : FINANCE COST	2012-13	2011-12
	Rs.	Rs.
Interest & Finance Charges:		
To Banks	76,426,433	102,640,071
" Others	1,099,632	157,442
	<u>77,526,065</u>	<u>102,797,513</u>



JOTINDRA STEEL AND TUBES LIMITED

Note 9 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION WRITTEN OFF				NET BLOCK	
	As at 31st March,2012	Additions during the year	Sales/ Disposals during the year	As at 31st March,2013	Upto 31st March,2012	During the year	Adjustment on sale/disposals	Upto 31st March,2013	As at 31st March,2013	As at 31st March,2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A. Tangible Assets (Owned)										
Land (Freehold & Leasehold)	8,506,537			8,506,537	-	-		-	8,506,537	8,506,537
Buildings	49,769,498		19,685,554	30,083,943	9,762,674	1,004,804	331,451	10,436,027	19,647,916	40,006,824
Residential Flats	535,791			535,791	241,157	8,733		249,890	285,901	294,634
Plant & Machinery	223,909,239	29,022,579	1,984,178	250,947,640	35,996,758	11,045,829	518,640	48,523,947	204,423,693	187,912,481
Electrical Installations	8,594,902			8,594,902	2,936,831	408,258		3,345,089	5,249,813	5,658,071
Furniture & Fixtures	1,253,257			1,253,257	468,053	79,331		547,384	705,873	785,204
Refrigeration & Air Conditioners	841,374	60,500		901,874	172,782	42,729		215,511	686,363	668,592
Office Equipments	5,006,603	41,000		5,047,603	1,526,340	238,309		1,764,649	3,282,954	3,480,263
Laboratory Equipments	2,164,233			2,164,233	329,546	102,801		432,347	1,731,886	1,834,687
Pollution Control Equipments	703,695			703,695	239,260	33,426		272,686	431,009	464,435
Dies & Jigs	8,871,488			8,871,488	2,828,423	421,396		3,249,819	5,621,669	6,043,065
Vehicles	24,089,492	605,000	3,129,000	21,565,492	4,587,187	2,240,715	670,249	6,157,653	15,407,839	19,502,305
Commercial Vehicle	38,407,871	6,166,790	5,930,680	38,643,981	5,313,929	1,171,676	3,348,946	8,136,659	35,507,322	33,093,942
Total "A"	372,653,979	35,895,869	30,729,412	377,820,436	64,402,940	16,798,007	4,869,286	76,331,661	301,488,774	308,251,039
B. Capital Work in Progress										
Lease Hold Land, Building, Plant & Machinery (See Note 23.5.a)									58,228,403	58,828,803
Plant & Machinery									10,594,342	10,594,342
Advance against Residential Flat									-	8,810,000
Building Under Construction									17,385,536	-
Total "B"									86,208,281	78,233,145
C De-Capitalised Assets										
Building									19,354,103	-
Total "C"									19,354,103	-
Total "A+B+C"	372,653,979	35,895,869	30,729,412	377,820,436	64,402,940	16,798,007	4,869,286	76,331,661	407,051,158	386,484,184
Previous Year	(234,142,137)	(139,680,819)	(1,168,977)	(372,653,979)	(49,598,949)	(15,222,554)	(418,564)	(64,402,939)	(386,484,185)	(285,893,178)



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JOTINDRA STEEL AND TUBES LIMITED

22 : OTHER EXPENSES	2012-13	2011-12
	Rs.	Rs.
Manufacturing Expenses		
Stores, Spares and Packing Materials Consumed	17,086,591	37,344,924
Power & Fuel	17,590,580	18,861,767
Labour, Erection & Fabrication Charges	34,699,755	29,942,677
	69,376,927	86,149,368
Selling & Distribution Expenses		
Freight & Forwarding (Net)	70,774,164	157,701,974
Brokerage, Commission & Incentives (Net)	1,304,602	4,489,537
Advertisement & Publicity	1,797,958	1,830,203
	73,876,723	164,021,714
Establishment Expenses		
Rent, Rates & Taxes	17,060,111	13,186,842
Insurance	1,429,679	1,599,243
Postage, Telegram, Telephone & Telex	1,434,179	1,371,561
Travelling & Conveyance	4,581,877	4,565,115
Vehicles' Expenses	1,564,040	1,938,483
Bank Charges	87,109,796	88,308,306
Directors' Meeting Fee	12,000	13,500
Previous year adjustments	-	30,000
Loss on sale of Fixed Assets	1,450,023	-
Sundry Balances Written off (Net)	732,463	-
Cost Audit Fee	30,000	
Auditors' Remuneration:		
As Audit Fee	65,000	65,000
As Tax Audit Fee	15,000	15,000
For Other Matters	-	7,500
	80,000	
Repairs & Maintenance:		
Plant & Machinery	2,714,707	3,678,286
Building	1,072,131	1,111,529
Others	68,210	579,848
Miscellaneous Expenses	8,873,726	13,008,691
	128,212,943	129,478,904



1 SIGNIFICANT 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.

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 statement 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. 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. In respect of fabrication and erection activities, bills raised for extra work, over run charges and other miscellaneous claims are accounted for on the basis of certainty of realisation. Bills/final bills of Job Work done by the company are accounted for on the basis of certification by the principals and correspondingly the liability for job work done by the sub contractors are accounted for at the same time.
- 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.
- d. Overdue interest and other claims are accounted for on the basis of certainty of realisation.

D. Recognition of Profit on Long Term Contracts

In respect of fabrication and erection activities, the work certified by the principals is included in Sales at contractual rates.

E. Fixed Assets

Fixed Assets are stated at cost less depreciation.

De- Capitalised Assets are stated at lower of written down value as on the date of decapitalisation or estimated net realisable value.

F. Depreciation

Depreciation has been calculated on assets acquired up to 30th June, 1987 on straight line method as per provisions of Section 205 (2)(b) of the Companies Act, 1956 to fall in line with the views expressed by the department of Company Affairs vide its Circular No.1/86 dated 21st May, 1986. Depreciation on assets acquired thereafter has been provided on straight line method in accordance with the rates and basis prescribed in Schedule XIV of the Companies Act, 1956.

G. Expenditure during construction period

Direct cost of procurement/ installation of Fixed Assets have been capitalised.

H. Investments

Investments are stated at cost less provision for diminution in value of investments.

I. Valuation of Inventories

- Loose Tools - At Cost
- Stores, Spares and Packing Materials & Raw Materials.
- Work in process & Finished goods - At lower of cost or net realisable value.
- Scrap - At estimated realisable value

Note: Cost of raw material, components and stores & spares is determined on first in first out/weighted average basis. Cost of finished goods & work in process comprises of materials, labour and other related overheads including depreciation.

J. Excise Duty/Customs 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.



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K. 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.

L. Contingent Liabilities

Disputed liabilities and claims against the Company including claims by Taxation Authorities pending in appeals, are treated as contingent liabilities. Claims against the company are reduced by counter claims of the company in order to determine the contingent liabilities.

M. 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

Contributions are made to recognised Provident Fund, Employees State Insurance Scheme and are charged to revenue accounts. Gratuity and Benefit for encashment of leave salary is fully provided for on accrual basis as per valuation made by the management.

N. Taxes on Income

- Provision for current income tax is made on the basis of assessable income under the Income Tax Act, 1961.
- Deferred income tax is recognised on timing differences between taxable income and accounting income which originated in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws enacted as on the balance sheet date.

O. Impairment of assets

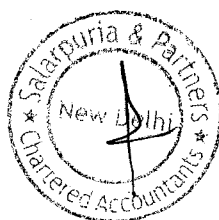
At each Balance Sheet date an assessment is made whether there is any indication of impairment of the carrying amount of the Company's assets. The recoverable amount of such assets are estimated, if any indication exists, impairment loss is recognized wherever the carrying amount of the assets exceeds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

II OTHER NOTES ON ACCOUNTS**1 CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR**

	2012-13	2011-12
	Rs.	Rs.
(i) Letters of Guarantee issued by Banks	26,304,632	36,816,992
(ii) Letters of Credit issued by Banks	485,000,000	681,700,000
(iv) Sales Tax Demand Pending appeals	3,629,623	5,607,987
(v) Proportionate value of duty saved in terms of Letter of Undertaking given to Jt. Director General of Foreign Trade under EPCG Scheme, where export obligation can be completed in future years	NIL	NIL
(vi) Corporate Guarantee given for Body Corporate	NIL	3,496,000,000
(vii) Claims against the Company not acknowledged as debts.	Amount unascertained	Amount unascertained

2 Provision have not been made in accounts in respect of Arrears of

Dividend on 9.5% redeemable cumulative preference shares already redeemed in past 33,867 (Rs.33,867)



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