

SRINARAYAN RAJKUMAR MERCHANTS LIMITED.**Statement of Profit and Loss for the year ended 31st March, 2012**

PARTICULARS	NOTES	As at 31.03.2012	As at 31.03.2011
INCOME			
Revenue from operations	15	22,723,816.00	-
Other income	16	1,800,379.00	2,888,413
Total Revenue (+)		24,524,195.00	2,888,413
Expenses:			
Purchase of Stock-in-Trade	17	18,900,000.00	18,800,000
Changes in inventories of finished goods and Stock-in-Trade	18	412,194.00	(18,728,816)
Employee Benefits Expenses	19	400,172.00	369,674
Finance Cost	20	2,295,406.00	1,289,016
Deprecation and amortization expense		12,802.73	1,165
Other expenses	21	1,058,050.67	953,472
Total Expenses		23,078,625.40	2,684,511
Profit before exceptional and extraordinary items and tax		1,445,569.60	203,902
Exceptional & Extraordinary items		0.00	-
Profit before tax (-)		1,445,569.60	203,902
Tax expense:			
(1) Current tax		(251,048.00)	(175,123)
(2) Deferred tax		(22,204.00)	147,147
Profit/(Loss) for the period (+)		1,172,317.60	175,926
Earning per equity share (Basic & Diluted):		0.24	0.04
Significant Accounting Policies and Other Notes	22		

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 : 30.05.2012



(V. K. SUREKA)

MANAGING DIRECTOR




(YOGESH MATHUR)

DIRECTOR

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31.3.2012

	2011-12 Rs.	2010-11 Rs.
A. Cash Flow from operating activities:		
Net Profit / (Loss) before tax & Extra Ordinary Items	1,445,570	203,902
Adjustment for:		
Depreciation	12,803	1,165
Public/Preferential Share Issue Expenses Written off	-	0
Dividend Received	(91,480)	(77,687)
Interest Received	(1,708,899)	(1,660,000)
Operating Profit/(Loss) before Working Capital changes	(342,007)	(1,532,620)
Adjustment for:		
Trade & other Receivables	(324,070,000)	(10,307,898)
Inventories	412,194	(18,728,816)
Trade payables	324,224,890	(2,113,984)
Cash Generated from Operations	225,077	(32,683,318)
Direct Taxes Paid (Net)	1,111,384	(212,685)
Net Cash from Operating Activities	1,336,461	(32,896,003)
B. Cash Flow from Investing Activities:		
Purchases/Sales of Fixed Assets (Net)	(58,241)	0
Purchases/Sale of Investments (Net)	2,600,000	511,806
Loans given/Received back (Net)	(1,227,600)	3,510,784
Interest Received	1,708,899	1,660,000
Dividend Received	91,480	77,687
Net Cash generated in Investing Activities	3,114,538	5,760,277
C. Cash Flow from Financing Activities:		
Increase/(decrease) in secured/unsecured Borrowings	(13,171,326)	24,770,460
Net cash generated in Financing Activities	(13,171,326)	24,770,460
Net Change in Cash and Cash Equivalents (A+B+C)	(8,720,327)	(2,365,266)
Cash and Cash Equivalents as at 1st April(Opening Balance)	10,751,400	13,116,666
Cash and Cash Equivalents as at 31st March (Closing Balance)	2,031,073	10,751,400

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, 2012


(V. K. SUREKA)
MANAGING DIRECTOR


(YOGESH MATHUR)
DIRECTOR

NOTES 15 : REVENUE FROM OPERATIONS	Year ended 31.03.2012	Year ended 31.03.2011
Sales of Quoted Shares	270,816	-
Sale of Unquoted Shares	22,453,000	-
	<u>22,723,816</u>	<u>-</u>

NOTES 16 : OTHER INCOME	Year ended 31.03.2012	Year ended 31.03.2011
Interest (Tax deducted at source Rs.1,63,790/- (Rs.2,12,685/-)	1,708,899	1,660,000
Dividend	91,480	77,687
Commission Income	-	1,038,303
Profit on Sales of Investments Short Term	-	28,423
Profit on Sales of Investments Long Term	-	84,000
	<u>1,800,379</u>	<u>2,888,413</u>

NOTES 17 : PURCHASE OF STOCK IN TRADE	Year ended 31.03.2012	Year ended 31.03.2011
Unquoted Shares	18,900,000	18,800,000
	<u>18,900,000</u>	<u>18,800,000</u>

NOTES 18 : CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE	Year ended 31.03.2012	Year ended 31.03.2011
STOCKS AT COMMENCEMENT OF THE YEAR		
Shares & Securities	59,851,042	41,122,226
STOCKS AT CLOSE OF THE YEAR		
Shares & Securities	59,438,848	59,851,042
INCREASE / (DECREASE) IN STOCKS	<u>(412,194)</u>	<u>18,728,816</u>

NOTES 19 : EMPLOYEE BENEFIT EXPENSES	Year ended 31.03.2012	Year ended 31.03.2011
Salary Wages Bonus & Allowances	340,000	278,242
Staff and Labour Welfare	60,172	91,432
	<u>400,172</u>	<u>369,674</u>

NOTES 20 : FINANCE COST	Year ended 31.03.2012	Year ended 31.03.2011
Interest Paid		
To Financial Institutions	628,084	639,376
To Others	1,667,322	649,640
	<u>2,295,406</u>	<u>1,289,016</u>

NOTES 21 : OTHER EXPENSES	Year ended 31.03.2012	Year ended 31.03.2011
Rates & Taxes	21,923	22,423
Traveling, Conveyance & Vehicles Expenses	56,236	31,785
Miscellaneous Expenses	90,842	97,924
Legal & Professional charges	795,000	773,090
Auditors' Remuneration:		
As Audit Fee	20,000	20,000
Director's Meeting Fee	8,000	8,250
Repairs and Maintenance	66,000	-
Bad Debts Written Off	50	-
	<u>1,058,051</u>	<u>953,472</u>

NOTE : 22: SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS**A SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of Accounting**

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

(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) Retirement Benefits

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

(h) Amortisation of Preferential Share Issue Expenses

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

(i) 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.

(j) 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.

B OTHER NOTES ON ACCOUNTS

- 1 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

Him Ispat Limited	38,000
Kamadgiri Synthetics Limited	55,674
	<u>93,674</u>

- 2 Contingent Liabilities not provided for Corporate Guarantees issued against borrowings by Group Company M/s Jotindra Steel and Tubes Limited as detailed here under:
- a. In Favour of State Bank of Patiala, where ,the Plot no. C-152 situated at Prakash Industrial estate G.T. Road Ghaziabad belongig to the compny has 2,800,000,000 280,00,00,000 been Equitable mortgage :
- b. In Favour of Indian Overseas Bank , for Corporate Guarantee: 150,000,000 NIL
- 3 In the opinion of the management, current assets, loans and advances will have a value on realisation 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 are however, subject to confirmations and adjustments, if any.
- 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, amounting to Rs.-138000
- 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.4,90,50,000.(Previous Year Rs. 4,84,25,000/-) against which advances paid Rs. 3,47,25,000 (previous year Rs.3,46,25,000).
- 7 **Deferred Tax Assets And Liabilities are adjusted on following:**

Particulars	As on	For the year	As on
	31.03.2011	2011-12	31.03.2012
Depreciation	(7,964)	(22,204)	(30,168)
Provision for Doubtful Debts	128,858	-	128,858
Unabsorbed Losses	312,726	-	312,726
	<u>433,620</u>	<u>(22,204)</u>	<u>411,416</u>

8 Earning Per Share:

Particulars	Current year	Previous
Profit after tax as per Profit and Loss Account	1,172,318	175,926
Average number of Equity Shares (Face value) of Rs.10/- each.	4,978,900	4,978,900
Basic and Diluted EPS (in rupees)	0.24	0.04

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) Mauria Udyog Limited	(xvi) Dwarkadish Construction Pvt. Ltd.
(iv) Bihariji Ispat Udyog Limited	(xvii) Bihariji Fancy Fibers & Fabrics Ltd.
(v) J.S.T. Engineering Services Ltd.	(xviii) Bhama Properties (P) Ltd.
(vi) Saroj Metal Works Private Ltd.	(ix) P.D. Metal Industries (P) Ltd.
(vii) Chakra Exports (P) Ltd.	(xx) Udayanchal Leasing Exports (P) Ltd.
(viii) Ram Forgings Pvt. Ltd.	(xxi) Puranmal Foods India (P) Ltd.
(ix) Subhlaxmi Properties (P) Ltd.	(xxii) VEE EM Infocenter (P) Ltd.
(x) VL Estates Pvt. Ltd.	(xxiii) Bihariji Cylinders Pvt. Ltd.
(xi) Aakshi Exports (P) Ltd.	(xxiv) SKD Estates Pvt. Ltd.
(xii) Sureka Tube Industries Pvt. Ltd.	(xxv) Deepak Hotels (P) Ltd.
(xiii) Sri Narayan Steel Industries Pvt. Ltd.	(xxvi) Achal Estates Pvt. Ltd.
	(xxvii) VBM Estates Pvt. Ltd V.K.Sureka (Managing Director)

(b) Key Management Personnel

(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			
		Current Year	Previous Year	RECEIVABLE		PAYABLE	
				Current Year	Previous Year	Current Year	Previous Year
Where Control Exists	Sales of Goods / Investments	13,703,000	-	--	--	--	--
	Purchases of Goods / Investments	17,500,000	14,300,000	--	--	--	--
	Interest Received	-	-	--	--	--	--
	Interest Paid	1,667,322	649,640	--	--	--	--
	Commission Received	-	466,849	--	--	--	--
	Loan Given	1,524,493	7,692,086	--	--	--	--
	Loan Given received back	1,524,493	11,521,870	--	--	--	--
	Loan Taken	18,900,000	42,569,223	--	--	5,331,674	24,131,084
	Loan Taken repaid	40,000,000	14,511,493	--	--	--	--
Key Management Personnel		-	-	--	--	--	--
Relative of Key Management Personnel		-	-	--	--	--	--
Other related parties	Loan Given	5,190	-	--	--	--	--
	Loan Given received back	5,190	-	--	--	--	--

NOTE:

- In respect of above parties, there is no provision for doubtful debts as on 31st March, 2012 and no amount as 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 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:

(a) 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.	1,442,202	59,851,042	347,896	18,900,000	403,112	22,723,816	1,386,986	59,438,848
		(1,039,692)	(41,122,226)	(402,510)	(18,800,000)	-	-	(1,442,202)	(59,851,042)

(b) C.I.F. Value of Import

Nil (Nil)

(c) F.O.B. Value of Export

Nil (Nil)

(d) Earnings, Expenditure and remittance on account of dividend in foreign currency

Nil (Nil)

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 : 30th May, 2012

(V.K. Sureka)
MANAGING DIRECTOR

(YOGESH MATHUR)
DIRECTOR

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
	LIABILITIES SIDE :		
1	Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
	(a) DEBENTURES : Secured	NIL	NIL
	: Unsecured	NIL	NIL
	(Other than falling within the meaning of public deposits)*		
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans	NIL	NIL
	(d) Inter-corporate Loans and Borrowing	103.32	103.32
	(e) Commercial Paper	NIL	NIL
	(f) Public Deposites*	NIL	NIL
	(g) Other Loans (Specify Nature)-Loan against Keyman Insurance Policy	65.92	65.92
	* Please see Note 1 below		
2	Break up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):		
	(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		
	ASSETS SIDE :		AMOUNT OUTSTANDING
3	Break up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured		NIL
	(b) Unsecured		131.41
4	Break up of Leased Assets and stock on hire and hypothecation loan counting towards EL/HP activities:		
	(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	Break up of Investments :		
	Current Investments		
	1. Quoted:		
	(i) Shares : (a) Equity		371.31
	(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)		
	ASSETS SIDE :	AMOUNT		
2.	Unquoted:			
	(i) Shares : (a) Equity			213.08
	(b) Preference			NIL
	(ii) Debentures and Bonds			NIL
	(iii) Units of Mutual Funds			NIL
	(iv) Government Securities			NIL
	(v) Others (please specify)			NIL
	Long Term Investments			
1.	Quoted:			
	(i) Shares : (a) Equity			85.40
	(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			383.70
	(b) Preference			125.00
	(ii) Debentures and Bonds			NIL
	(iii) Units of Mutual Funds			NIL
	(iv) Government Securities			NIL
	(v) Others (please specify)			NIL
6	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:			
	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	131.41	131.41
	Total		131.41	131.41
7	Investor group-wise classification of all investments (Current and long term) in shares and securities both quoted and unquoted):Please see Note 3 below			
	Category	Amount net of provisions		
1.	Related Parties **			
	(a) Subsidiaries			NIL
	(b) Companies in the same group			1,127.07
	(c) Other related parties			NIL
2	Other than related parties			61.42
	Total			1,188.49
	** As per Accounting Standard of ICAI(Please See)			
	* Cost or market value whichever is lower.			

SL.	PARTICULARS	(RS. IN LACS)
8	Other Information	AMOUNT
	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

Place : New Delhi

Date : 30th May, 2012


(V.K. SUREKA)
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