

SRINARAYAN RAJKUMAR MERCHANTS LIMITED.

Statement of Profit and Loss for the year ended 31st March, 2013

PARTICULARS	NOTES	As at 31.03.2013	As at 31.03.2012
INCOME			
Revenue from operations	15	6,07,37,789.17	2,27,23,816.00
Other income	16	1,54,73,304.61	18,00,379.00
Total Revenue (+)		7,62,11,093.78	2,45,24,195.00
Expenses:			
Purchase of Stock-in-Trade	17	9,04,00,000.00	1,89,00,000.00
Changes in inventories of finished goods and Stock-in-Trade	18	(1,33,86,238.00)	4,12,194.00
Employee Benefits Expenses	19	4,54,095.00	4,00,172.00
Finance Cost	20	16,06,433.00	22,95,406.00
Depreciation and amortization expense	8	21,139.00	12,802.73
Other expenses	21	4,30,302.96	10,58,050.67
Total Expenses		7,95,25,731.96	2,30,78,625.40
Profit before exceptional and extraordinary items and tax		(33,14,638.18)	14,45,569.60
Exceptional & Extraordinary items		0.00	-
Profit before tax (-)		(33,14,638.18)	14,45,569.60
Tax expense:			
(1) Current tax		-	(2,51,048.00)
(2) Deferred tax		16,33,995.00	(2,51,048.00)
Profit/(Loss) for the period (+)		(16,80,643.18)	9,43,473.60
Earning per equity share (Basic & Diluted):		-0.34	0.19
Significant Accounting Policies and Other Notes	22		

As per our report of even date

For SALARPURIA & PARTNERS

FIRM REGN.NO.302113E

CHARTERED ACCOUNTANTS

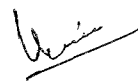

(KAMAL KUMAR GUPTA)

PARTNER

M.NO.89190

Place : New Delhi

DATE : 30.05.2013



(V. K. SUREKA)

MANAGING DIRECTOR



(YOGESH MATHUR)

DIRECTOR

NOTES 15 : REVENUE FROM OPERATIONS	Year ended 31.03.2013	Year ended 31.03.2012
Sales of Quoted Shares	5,85,014.17	2,70,816.00
Sale of Unquoted Shares	6,01,52,775.00	2,24,53,000.00
	<u>6,07,37,789.17</u>	<u>2,27,23,816.00</u>

NOTES 16 : OTHER INCOME	Year ended 31.03.2013	Year ended 31.03.2012
Interest (Tax deducted at source Rs.3,39,662/- (Rs.1,63,790/-)	33,96,615.00	17,08,899.00
Dividend	3,96,689.61	91,480.00
Surrender Value of Keyman Insurance Policy	1,16,80,000.00	-
	<u>1,54,73,304.61</u>	<u>18,00,379.00</u>

NOTES 17 : PURCHASE OF STOCK IN TRADE	Year ended 31.03.2013	Year ended 31.03.2012
Unquoted Shares	9,04,00,000.00	1,89,00,000.00
	<u>9,04,00,000.00</u>	<u>1,89,00,000.00</u>

NOTES 18 : CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE	Year ended 31.03.2013	Year ended 31.03.2012
STOCKS AT COMMENCEMENT OF THE		
Shares & Securities	5,94,38,848.00	5,98,51,042.00
STOCKS AT CLOSE OF THE YEAR		
Shares & Securities	7,28,25,086.00	5,94,38,848.00
INCREASE / (DECREASE) IN STOCKS	<u>1,33,86,238.00</u>	<u>- 4,12,194.00</u>

NOTES 19 : EMPLOYEE BENEFIT EXPENSES	Year ended 31.03.2013	Year ended 31.03.2012
Salary Wages Bonus & Allowances	3,93,923.00	3,40,000.00
Staff and Labour Welfare	60,172.00	60,172.00
	<u>4,54,095.00</u>	<u>4,00,172.00</u>

NOTES 20 : FINANCE COST	Year ended 31.03.2013	Year ended 31.03.2012
Interest Paid		
To Financial Institutions	8,64,434.00	6,28,084.00
To Others	7,41,999.00	16,67,322.00
	<u>16,06,433.00</u>	<u>22,95,406.00</u>

NOTES 21 : OTHER EXPENSES	Year ended 31.03.2013	Year ended 31.03.2012
Rates & Taxes	21,756.00	21,922.50
Traveling, Conveyance & Vehicles Expenses	48,135.00	56,236.00
Miscellaneous Expenses	1,18,411.96	90,842.17
Legal & Professional charges	2,15,000.00	7,95,000.00
Auditors' Remuneration:		
As Audit Fee	20,000.00	20,000.00
Director's Meeting Fee	7,000.00	8,000.00
Repairs and Maintenance	-	66,000.00
Bad Debts Written Off	-	50.00
	<u>4,30,302.96</u>	<u>10,58,050.67</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
Kamagiri Synthetics Limited	17,13,574
	<u>17,51,574</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 company has 2,80,00,00,000 280,00,00,000 been Equitable mortgage :
- b. In Favour of Indian Overseas Bank , for Corporate Guarantee: 15,00,00,000 15,00,00,000
- 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 Loan and Investment made by the company has exceeded the exposure norms prescribed by the Reserve Bank of India, which has been a clerical oversight and brought to notice after the close of the financial year, the same has been corrected in due course till the signing of the balance sheet.
- 5 The Contingent Provision against Standard Assets @ 0.25% as per Cirlcular No-DNBS.PD.CC.No.207 / 03.02.002 / 2010-11 issued by RBI, made in earlier year is sufficient to meet the requirement as per the notification, hence no more provision is made during the year.
- 6 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.
- 7 Estimated amount of capital contracts remaining to be executed Rs.4,90,50,000.(Previous Year Rs. 4,90,50,000/-) against which advances paid Rs. 3,47,25,000 (previous year Rs.3,47,25,000).
- 8 Deferred Tax Assets And Liabilities are adjusted on following:

Particulars	As on 31.03.2012	For the year 2012-13	As on 31.03.2013
Depreciation	(30,168)	15,419	(14,749)
Provision for Doubtful Debts	1,28,858	-	1,28,858
Unabsorbed Capital Losses	3,12,726	6,77,518	9,90,244
Unabsorbed Business Losses	-	9,41,058	9,41,058
	<u>4,11,416</u>	<u>16,33,995</u>	<u>20,45,411</u>