

*Annual Report 2013*

**SHANMUGA STEEL INDUSTRIES LIMITED**

## **SHANMUGA STEEL INDUSTRIES LIMITED**

**Directors**

Mr.J.Sridhar  
Mrs. Visalam R .S.  
Mr.T.G.Thamizhanban

**Auditors**

Mr. Sunil Bathija  
Chartered Accountant  
Coimbatore

**Bankers**

Andhra Bank

**Registered Office**

CPM Towers, 109, Race Course  
Coimbatore 641 018

**SHANMUGA STEEL INDUSTRIES LIMITED**

**NOTICE OF ANNUAL GENERAL MEETING**

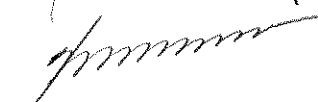
NOTICE is hereby given that the Forty-First Annual General Meeting of the Shareholders of the Company will be held on Wednesday, 3<sup>rd</sup> July 2013 at 9.00 a.m. at CPM Towers, 109, Race Course, Coimbatore 641 018, to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and the Profit and Loss Account for the year ended 31<sup>st</sup> March 2013 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr.T.G.Thamizhanban, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

Coimbatore  
21<sup>st</sup> May 2013

By Order of the Board



T.G.Thamizhanban  
Director

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
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**SHANMUGA STEEL INDUSTRIES LIMITED**  
**DIRECTORS REPORT**

Your Directors have pleasure in presenting the Forty-First Annual Report together with audited accounts of the Company for the year ended 31st March, 2013.

**Financial Results**

		Year ended	
		31.3.2012	31.3.2011
		(Rs.in Lakhs)	
Total Income	(A)	0.28	53.35
(-) Total Expenditure	(B)	0.88	1.81
Profit / (Loss) before tax	(A-B)	<u>(0.58)</u>	<u>51.54</u>
Profit / (Loss) after tax		(2.32)	42.54

**Dividend**

No dividend has been recommended for the financial year ended 31<sup>st</sup> March, 2013.

**Directors**

Mr.T.G.Thamizhanban, Director, retire by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

**Auditors**

The Auditor of the Company, Mr. Sunil Bathija, Chartered Accountant, Coimbatore, retires at the ensuing Annual General Meeting and is eligible for reappointment.

**Fixed Deposits**

The Company has not accepted any fixed deposits from public during the year under review.

**Statutory Statements**

Your Company has no employees drawing remuneration as prescribed under Section 217(2A) of the Companies Act, 1956, during the year under review.

The Company has no activities relating to conservation of energy or technology absorption. The Company did not have foreign exchange earnings or outgo during the period under review.

**Directors' Responsibility Statement**

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- a) In the preparation of annual accounts for the financial year ended 31<sup>st</sup> March 2013, the applicable accounting standards have been followed.
- b) They had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for the year under review;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities and
- d) They had prepared the annual accounts for the financial year ended 31<sup>st</sup> March 2013, on a going concern basis.

### Acknowledgements

Your Directors wish to thank the holding company for their support and co-operation extended to the Company.

By Order of the Board



J.Sridhar



T.G.Thamizhanban

Directors

Coimbatore , 21<sup>st</sup> May 2013



## INDEPENDENT AUDITOR'S REPORT

To the Members of

Shanmuga Steel Industries Limited.

I have audited the accompanying financial statements of "Shanmuga Steel Industries Limited" ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year then ended and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

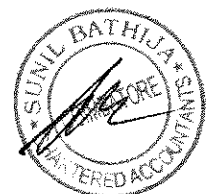
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

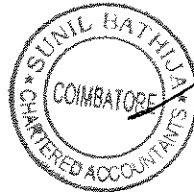
In my opinion and to the best of my information and according to the explanations given to me, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



2. As required by section 227(3) of the Act, I report that:
- I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
  - in my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books
  - the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - in my opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Sunil Bathija  
Chartered Accountant  
ICAI Regn No.25848



Proprietor  
Membership No. : 25848

**SUNIL BATHIJA**  
Chartered Accountants  
Membership No.025848  
8, Mahaveer Complex  
24/21, Oppanakkara Street  
Coimbatore - 641 001

Place: Coimbatore

Date: 21<sup>st</sup> May 2013

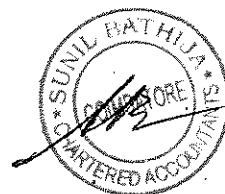


## ANNEXURE TO AUDITORS' REPORT

The Annexure referred to in paragraph 1 of the My Report of even date to the members of Shanmuga Steel Industries Limited on the accounts of the company for the year ended 31<sup>st</sup> March, 2013.

On the basis of such checks as I considered appropriate and according to the information and explanation given to me during the course of my audit, I report that:

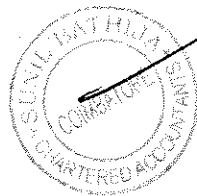
1. (a) According to the information and explanations given to me and on the basis of my examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.  
  
(b) According to the information and explanations given to me and on the basis of my examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
2. According to the information and explanations provided by the management, there are no transactions made in pursuance of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
3. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
4. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
5. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to me there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2013 for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to me, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
6. There are accumulated losses of the Company as at 31<sup>st</sup> March 2013. The Company has incurred cash loss during the financial year covered by my audit and not incurred cash loss in the immediately preceding financial year.
7. Based on my audit procedures and on the information and explanations given by the management, I am of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.



8. According to the information and explanations given to me, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
9. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
10. According to information and explanations given to me, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
11. According to the information and explanations given to me, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
12. Based on my audit procedures and on the information given by the management, I report that the company has not raised any term loans during the year.
13. Based on the information and explanations given to me and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2013, I report that no funds raised on short-term basis have been used for long-term investment by the Company.
14. Based on the audit procedures performed and the information and explanations given to me by the management, I report that the Company has not made any preferential allotment of shares during the year.
15. The Company has no outstanding debentures during the period under audit.
16. The Company has not raised any money by public issue during the year.
17. Based on the audit procedures performed and the information and explanations given to me, I report that no fraud on or by the Company has been noticed or reported during the year, nor have I been informed of such case by the management.

The other provisions of the Companies (Auditor's Report) Order, 2003, do not apply to the company.

**Sunil Bathija**  
Chartered Accountant  
ICAI Regn No.25848



**Proprietor**  
Membership No. : 25848

Place: Coimbatore

Date: 21<sup>st</sup> May 2013

## Shanmuga Steel Industries Limited

Balance Sheet as at 31st March 2013

I. EQUITY AND LIABILITIES	NOTES	Year Ended	
		31.3.2013 ₹	31.3.2012 ₹
<b>1. Shareholders' funds</b>			
a. Share Capital	I	651,000	651,000
b. Reserves & Surplus	II	(494,133)	(261,779)
c. Money received against share warrants		-	-
		<b>156,867</b>	<b>389,221</b>
<b>2. Share application money pending allotment</b>			-
<b>3. Non-current Liabilities</b>			
a. Long term borrowings	III	-	-
		-	-
<b>4. Current Liabilities</b>			
a. Other current Liabilities	IV	10,000	5,000
b. Short term Provisions	V	1,073,569	900,000
		<b>1,083,569</b>	<b>905,000</b>
<b>TOTAL</b>		<b>1,240,436</b>	<b>1,294,221</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1. A. Fixed Assets</b>			
i. Tangible assets		-	-
<b>Net block</b>		-	-
<b>2. Current Assets</b>			
A. Current Investments	VI	44,900	688,972
B. Cash and cash equivalents	VII	7,275	5,249
C. Short-term loans and advances	VIII	1,188,261	600,000
D. Other Current Assets		-	-
		<b>1,240,436</b>	<b>1,294,221</b>
<b>TOTAL</b>		<b>1,240,436</b>	<b>1,294,221</b>

### NOTES TO ACCOUNTS

Notes referred to above and notes attached there to form an integral part of Balance sheet

As per our report of date attached

SUNIL BATHIJA

Chartered Accountant

ICAI Regn.No.25848

Proprietor

Membership No.25848

Coimbatore, 21st May 2013



For and on behalf of the Board

*J. Sridhar*

J.Sridhar

Directors

*T.G.Thamizhanban*

T.G.Thamizhanban

## Shanmuga Steel Industries Limited

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

PARTICULARS	Year Ended	
	31.03.2013	31.03.2012
	₹	₹
I. Revenue from operations	-	-
II. Other Income		
Dividend Income	25,854	29,695.00
Profit on sale of investments	2,093	
Other non-operating income	-	5,305,346.00
<b>III.Total Revenue (I + II)</b>	<b>27,947</b>	<b>5,335,041.00</b>
<b>IV. Expenses</b>		
Other Expenses :		
Filing Fees & Accountancy Charges	2,500	2,400
Auditor's Remuneration	15,000	6,250
Bank charges & Establishment Expenses	209	4,489
Certification Fees	-	4,964
Sundry balances written off(Net)	-	163,255.00
Rates and Taxes	900	0
Professional Fees	8,728	0
Securities Transaction Tax	766	0
Interest on income tax	58,629	0
<b>Total Expenses</b>	<b>86,732</b>	<b>181,358</b>
V.Profit before exceptional and extraordinary items and tax (III-IV)	(58,785)	5,153,683
VI.Exceptional items	-	-
VII.Profit before extraordinary items and tax( V-VI)	(58,785)	5,153,683
VIII.Extraordinary Items	-	-
<b>IX.Profit before tax( VII-VIII)</b>	<b>(58,785)</b>	<b>5,153,683</b>
X.Tax Expense :		
Current Tax	173,569	900,000.00
XI.Profit(Loss) for the period from continuing operations (IX-X)	(232,354)	4,253,683
XII.Profit/(loss) from discontinuing operations	-	-
XIII.Tax expense of discontinuing operations	-	-
XIV.Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	-	-
<b>XV.Profit (Loss) for the period (XI + XIII)</b>	<b>(232,354)</b>	<b>4,253,683</b>

### NOTES TO ACCOUNTS

Notes referred to above and notes attached there to form an integral part of this Statement of Profit and Loss for the year ended 31st March 2013

Proprietor

SUNIL BATHIJA

Chartered Accountant

ICAI Regn.No.25848

Proprietor

Membership No.25848

Coimbatore, 21st May 2013

For and on behalf of the Board

*J. Sridhar*

J.Sridhar

*T.G.Thamizhanban*

T.G.Thamizhanban

Directors



# Shanmuga Steel Industries Limited

Notes to financial statements for the year ended 31st March 2013

Note I

## A. Authorized, issued, subscribed & paid up

Share Capital	As at 31 March 2013		As at 31 March 2012	
	Number	₹	Number	₹
<b>Authorised</b>				
7,500 Equity Shares of Rs.100/- each	7,500.00	750,000.00	7,500.00	750,000.00
<b>Issued</b>				
6,510 Equity Shares of Rs.100/- each	6,510.00	651,000.00	6,510.00	651,000.00
<b>Subscribed &amp; fully Paid up</b>				
6,510 Equity Shares of Rs.100/- each	6,510.00	651,000.00	6,510.00	651,000.00
<b>Total</b>	<b>6,510.00</b>	<b>651,000.00</b>	<b>6,510.00</b>	<b>651,000.00</b>

## B. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares			
	As at 31 March 2013		As at 31 March 2012	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	6,510.00	651,000.00	6,510.00	651,000.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)				
Shares outstanding at the end of the year	6,510.00	651,000.00	6,510.00	651,000.00

## C. Shares held by its holding company Out of Equity issued by the Company

Particulars	Nature of Relationship	As at 31 March 2013	As at 31 March 2012
Preference Shares		Nil	Nil
Equity Shares	Holding Company		6,510.00

## D. Shares held by each shareholder holding more than 5%

Name of Shareholder	Equity Shares			
	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Integral Investments Limited	6,510.00	100%	6,510.00	100%

Note II	As at 31 March 2013	As at 31 March 2012
	₹	₹
<b>Reserves &amp; Surplus:</b>		
<b>A.Revaluation Reserve</b>		
Opening Balance	-	9,228,045
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	9,228,045
Closing Balance	-	-

## Shanmuga Steel Industries Limited

Notes to financial statements for the year ended 31st March 2013

	As at 31 March 2013	As at 31 March 2012
	₹	₹
<b>B. Other Reserves:</b>		
<b>1. General Reserve</b>		
As per Balance sheet	-	20,000
Add: Write back of loan due to Pricol Ltd	-	5,381,346
Less: Shown as deduction from debit balance of P&L	-	5,401,346
Closing Balance	-	-
<b>2. Investment Allowance Reserve</b>		
Opening Balance	-	47,411
(-) Written Back in Current Year	-	47,411
Closing Balance	-	-
Total Other Reserves	-	-
Total Reserves(A+B)	-	-
<b>Surplus:</b>		
Opening balance	(261,779)	(9,964,219)
(+) Net Profit/(Net Loss) For the current year	(232,354)	4,253,683
(+) Transfer from Reserves	-	47,411
(-) Balance in General Reserve Account shown as deduction per contra	-	5,401,346
Closing Balance	(494,133)	(261,779)
Total-Reserves & Surplus	(494,133)	(261,779)
<b>Note III</b>		
<b>Long Term Borrowings</b>		
<b>A. Secured Loans:</b>		
Loans & Advances from related parties	-	-
- Pricol Limited, Coimbatore		
Total	-	-
<b>Note IV</b>		
<b>A. Other current Liabilities</b>		
Other Payables	10,000	5,000
<b>Note V</b>		
<b>B. Short Term Provisions</b>		
Others:		
Provision for taxation	1,073,569	900,000
<b>Note VI</b>		
<b>Current Investments</b>		
Investments in Mutual funds	44,900	688,972
<b>Note VII</b>		
<b>Cash &amp; Cash Equivalents</b>		
Balances with banks	7,275	5,249
<b>Note VIII</b>		
<b>Short-term loans and advances</b>		
Income Tax Advances	1,188,261	600,000
Deposits	-	-
<b>Total</b>	<b>1,188,261</b>	<b>600,000</b>

**Shanmuga Steel Industries Limited**

**Notes to financial statements for the year ended 31st March 2013**

**Note IX: General Reserve:**

Nil

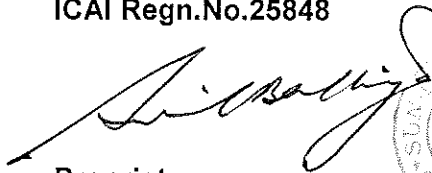
**Note X: Secured Loan –Nil**

1. As the Company has not carried out manufacturing operations, the additional information pursuant to Part III of Schedule VI of the Companies Act, 1961, are not provided.
2. The previous year figures have been regrouped / rearranged wherever necessary.
3. Figures have been rounded off to the nearest rupee.

**A. ACCOUNTING POLICIES:**

1. Expenses are accounted on accrual basis.
2. There is no foreign currency transaction during the year.

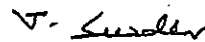
**SUNIL BATHIJA**  
Chartered Accountant  
ICAI Regn.No.25848



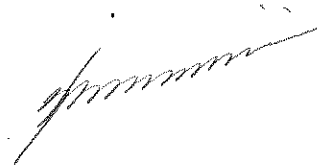
Proprietor  
Membership No.25848  
Coimbatore, 21st May 2013



For and on behalf of the Board



J.Sridhar



T.G.Thamizhanban

Directors

