

Annual Report 2011-12

SHANMUGA STEEL INDUSTRIES LIMITED

SHANMUGA STEEL INDUSTRIES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fortieth Annual General Meeting of the Shareholders of the Company will be held on Wednesday the 11th July 2012 at 09.30 a.m. at CPM Towers, 109, Race Course, Coimbatore 641 018, to transact the following business:

ORDINARY BUSINESS

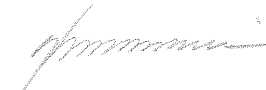
1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss for the year ended 31st March 2012 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in the place of Mrs.R.S.Visalam, who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr.J.Sridhar, who was appointed as an additional Director of the Company on 30th December 2011 pursuant to the provisions of Section 260 of the Companies Act, 1956 and holds office up to the date of the Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing proposing his candidature to the office of the Director be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

By Order of the Board


T.G.Thamizhanban
Director

Coimbatore
21st May 2012

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.
 2. Explanatory statement pursuant to section 173(2) is attached.
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EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No: 4

The Board of Directors at their meeting held on 30th December 2011 appointed Mr.J.Sridhar as additional Director to hold office upto the conclusion of the Fortieth Annual General Meeting. The Company has received notice pursuant to Section 257 of the Companies Act, 1956 proposing the candidature of Mr.J.Sridhar.

The resolution in Item No: 4 is therefore recommended for the approval of the Members.

None of the Directors other than Mr.J.Sridhar is concerned or interested in the resolution.

By Order of the Board



T.G.Thamizhanban
Director

Coimbatore
21st May 2012

SHANMUGA STEEL INDUSTRIES LIMITED
DIRECTORS REPORT

Your Directors have pleasure in presenting the Fortieth Annual Report together with audited accounts of the Company for the year ended 31st March, 2012.

Financial Results

		Year ended	
		31.3.2012	31.3.2011
		(Rs.in Lakhs)	
Total Income	(A)	107.16	---
(-) Total Expenditure	(B)	1.81	0.12
Profit / (Loss) before tax	(A-B)	105.35	(0.12)
Profit / (Loss) after tax		96.35	(0.12)

Dividend

No dividend has been recommended for the financial year ended 31st March, 2012.

Directors

Mrs.R.S.Visalam, Director, retire by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

The Board has appointed J.Sridhar as additional director of the company with effect from 30th December 2011 under Section 260 of the Companies Act, 1956. He vacates office on the date of the forthcoming Fortieth Annual General Meeting and is eligible for appointment.

Mr.K.Ramesh has resigned his directorship from the Board of the Company with effect from 30th December 2011. The directors would like to place on record a special appreciation to him who had associated himself with the Company.

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 a 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 31st March 2012, 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 profit 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 31st March 2012, on a going concern basis.

Acknowledgements

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

By Order of the Board



J.Sridhar



T.G.Thamizhanban

Directors

Coimbatore , 21st May 2012

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

I have audited the attached Balance Sheet of Shanmuga Steel Industries Limited, Coimbatore, as at 31st March 2012 and also the Statement of Profit and Loss for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Auditing Standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As required by the Companies' (Auditors Report) Order, 2003 and according to the information and explanations given to me during the course of the audit and on the basis of such checks as were considered appropriate, I enclose in the Annexure a statement on the matters specified in paragraph 4 of the said Order.

Further to my comments in the Annexure referred to above, I report that:

- 1) 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.
- 2) In my opinion, proper books of accounts as required by law have been kept by the Company so far as appears from my examination of those books.
- 3) The Balance Sheet and the Statement of Profit and Loss dealt with by this report are in agreement with the books of account.
- 4) In my opinion the Balance Sheet and Statement of Profit and Loss dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- 5) On the basis of the written representation received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors I report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- 6) In my opinion and to the best of my information and according to the explanations given to me, the said accounts together with the attached schedules and notes thereon give the information required by the Companies Act, 1956, 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 31st March 2012 and
 - b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date.



Sunil Bathija
Chartered Accountant
ICAI Registration No.

Sunil Bathija
Proprietor
Membership No : 25848

Coimbatore, 21st May 2012.

ANNEXURE TO AUDITORS REPORT

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) The assets have been physically verified by the Management in accordance with a phased programme of verification, which in my opinion, is reasonable, considering the size and the nature of business. The frequency of verification is reasonable as no discrepancies have been noticed on such physical verification.
c) The Company disposed the entire Fixed Assets during the year.
2. There are no transactions made in pursuance of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the register required to be maintained under that section.
3. The company has not accepted any deposits from the public within the meaning of Section 58A and the provisions of Section 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
4. a) According to the information and explanation given to me and the records examined by us, the company is regular in depositing with appropriate authorities undisputed statutory dues. According to the information and explanation given to me, no undisputed arrears of statutory dues were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.
b) There are no disputed statutory dues.
5. There are accumulated losses of the Company as at 31st March 2012. The company has not incurred cash loss during the financial year covered by our audit and has incurred cash loss in the immediately preceding financial year.
6. According to the information and explanation given to me, the company has not given any guarantee during the year for loans taken by others from banks and financial institutions.
7. According to the information and explanation given to me, and the books and records examined by us, there are no frauds on or by the Company that has been noticed or reported during the year.
8. The other clauses of the Order are not applicable to the Company.



Sunil Bathija
Chartered Accountant
ICAI Registration No.

Sunil Bathija
Proprietor
Membership No : 25848

Coimbatore, 21st May 2012.

Shanmuga Steel Industries Limited

Balance Sheet as at 31st March 2012

I. EQUITY AND LIABILITIES	NOTES	Year Ended	
		31.3.2012 ₹	31.3.2011 ₹
1. Shareholders' funds			
a. Share Capital	I	651,000	651,000
b. Reserves & Surplus	II	(261,779)	(668,763)
c. Money received against share warrants		-	-
		389,221	(17,763)
2. Share application money pending allotment		-	-
3. Non-current Liabilities			
a. Long term borrowings	III	-	8,000,000
		-	8,000,000
4. Current Liabilities			
a. Other current Liabilities	IV	5,000	2,404,939
b. Short term Provisions	V	900,000	-
		905,000	2,404,939
TOTAL		1,294,221	10,387,176
II. ASSETS			
Non-current assets			
1. A. Fixed Assets			
i. Tangible assets	VI	-	10,179,457
Net block		-	10,179,457
2. Current Assets			
A. Current Investments	VII	688,972	-
B. Cash and cash equivalents	VIII	5,249	25,871
C. Short-term loans and advances	IX	600,000	181,848
D. Other Current Assets		-	-
		1,294,221	207,719
TOTAL		1,294,221	10,387,176

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 2012



For and on behalf of the Board

J. Sridhar

Directors

T.G.Thamizhanban

Shanmuga Steel Industries Limited

Statement of Profit and Loss for the year ended 31st March 2012

PARTICULARS	Year Ended	
	31.03.2012	31.03.2011
	₹	₹
I. Revenue from operations	-	-
II. Other Income		
Dividend Income	29,695	-
Other non-operating income	10,686,692	
III. Total Revenue (I + II)	10,716,387	-
IV. Expenses		
Other Expenses :		
Filing Fees	2,400	1,200
Auditor's Remuneration	6,250	5,000
Bank charges & Establishment Expenses	4,489	3,356
Certification Fees	4,964	2,500
Sundry balances written off(Net)	163,255	-
Total Expenses	181,358	12,056
V. Profit before exceptional and extraordinary items and tax (III-IV)	10,535,029	(12,056)
VI. Exceptional items	-	-
VII. Profit before extraordinary items and tax(V-VI)	10,535,029	(12,056)
VIII. Extraordinary Items	-	-
IX. Profit before tax(VII-VIII)	10,535,029	(12,056)
X. Tax Expense :		
Current Tax	900,000	-
XI. Profit(Loss) for the period from continuing operations (IX-X)	9,635,029	(12,056)
XII. Profit/(loss) from discontinuing operations	-	-
XIII. Tax expense of discontinuing operations	-	-
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	-	-
XV. Profit (Loss) for the period (XI + XIV)	9,635,029	(12,056)

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

Sunil Bathija
Proprietor
Membership No.25848
Coimbatore, 21st May 2012



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 2012

As notified by Ministry of Corporate Affairs, Revised Schedule VI under the Companies Act, 1956 is applicable to the Financial Statements for the financial year commencing on or after 1st April, 2011. Accordingly, the financial statements for the year ended March 31, 2012 are prepared in accordance with the Revised Schedule VI. The amounts and disclosures included in the financial statements of the previous year have been reclassified to conform to the requirements of Revised Schedule VI

A. Authorized, issued, subscribed & paid up

Share Capital	As at 31 March 2012		As at 31 March 2011	
	Number	₹	Number	₹
Authorised				
7,500 Equity Shares of Rs.100/- each	7,500.00	750,000.00	7,500.00	750,000.00
Issued				
6,510 Equity Shares of Rs.100/- each	6,510.00	651,000.00	6,510.00	651,000.00
Subscribed & fully Paid up				
6,510 Equity Shares of Rs.100/- each	6,510.00	651,000.00	6,510.00	651,000.00
Total	6,510.00	651,000.00	6,510.00	651,000.00

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 2012		As at 31 March 2011	
	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 2012	As at 31 March 2011
Preference Shares		Nil	Nil
Equity Shares	Holding Company	6,510.00	3,190.00

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

Name of Shareholder	Equity Shares			
	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Integral Investments Limited	6,510.00	100%	3,190.00	49%

Note II Reserves & Surplus:	As at 31 March 2012	As at 31 March 2011
	₹	₹
A.Revaluation Reserve	-	-
Opening Balance	9,228,045	9,228,045
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	9,228,045	-
Closing Balance	-	9,228,045

Shanmuga Steel Industries Limited

Notes to financial statements for the year ended 31st March 2012

	As at 31 March 2012	As at 31 March 2011
	₹	₹
B. Other Reserves:		
1. General Reserve		
As per Balance sheet	20,000	20,000
Less: Shown as deduction from debit balance of P	20,000	20,000
Closing Balance	-	-
2. Investment Allowance Reserve		
Opening Balance	47,411	47,411
(-) Written Back in Current Year	47,411	-
Closing Balance	-	47,411
Total Other Reserves	-	47,411
Total Reserves(A+B)	-	9,275,456
Surplus:		
Opening balance	(9,964,219)	(9,952,163)
(+) Write back of Loan due to Pricol Ltd	5,381,346	
(+) Net Profit/(Net Loss) For the current year	4,253,683	(12,056)
(+) Transfer from Reserves	47,411	
(-) Balance in General Reserve	20,000	20,000
Closing Balance	(261,779)	(9,944,219)
Total-Reserves & Surplus	(261,779)	(668,763)
Note III		
Long Term Borrowings		
A. Secured Loans:		
Loans & Advances from related parties	-	8,000,000
- Pricol Limited, Coimbatore		
Total	-	8,000,000
Note IV		
A. Other current Liabilities		
Other Payables	5,000	2,404,939
Note V		
B. Short Term Provisions		
Others :		
Provision for taxation	900,000	-
Note VII		
Current Investments		
Investments in Mutual funds	688,972	-
Note VIII		
Cash & Cash Equivalents		
Balances with banks	5,249	25,871
Note IX		
Short-term loans and advances		
Income Tax Advances	600,000	-
Deposits	-	181,848
Total	600,000	181,848

Shanmuga Steel Industries Limited

Notes to financial statements for the year ended 31st March 2012

NoteVI

Fixed Assets Tangible Assets (Not under lease)	Gross Block		Accumulated Depreciation			Net Block		
	Balance as at 01.04.2011	Additions/(Disposals) 31.03.2012	Balance as at 01.04.2011	Depreciation charge for the year	On Disposal 31.03.2012	Balance as on 31.03.2012	Balance as at 31.03.2011	Balance as at 31.03.2012
Land	3,132,765	(3,132,765)	-	-	-	-	3,132,765	-
Buildings	7,222,494	(7,222,494)	445,694	-	445,694	-	6,776,800	-
Plant and Equipment	1,218,749	(1,218,749)	956,371	-	956,371	-	262,378	-
Furniture and Fixtures	21,547	(21,547)	14,033	-	14,033	-	7,514	-
TOTAL	11,595,555	(11,595,555)	1,416,098	-	1,416,098	-	10,179,457	-

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Shanmuga Steel Industries Limited

Notes to financial statements for the year ended 31st March 2012

Note X: General Reserve:

Balance in General Reserve Account – Rs.20,000/- has been shown as deduction from the debit balance of Profit and Loss Account.

Note XI: Secured Loan –Nil

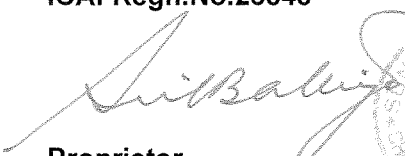
1. As the Company has not carried out manufacturing operations, the additional information pursuant to Part III of Schedule VI of the Companies Act, 1961, are not provided.
2. The previous year figures have been regrouped / rearranged wherever necessary.
3. Figures have been rounded off to the nearest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

For and on behalf of the Board


Proprietor
Membership No.25848
Coimbatore, 21st May 2012





J.Sridhar



T.G.Thamizhanban

Directors