

# GOODLUCK



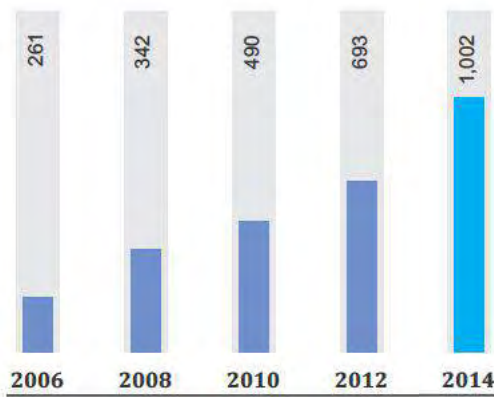
**Good Luck Steel Tubes Ltd.**  
(A Govt. of India Recognized Export House)

# 10 Years at GoodLuck

GOOD LUCK STEEL TUBES LTD

TOTAL INCOME

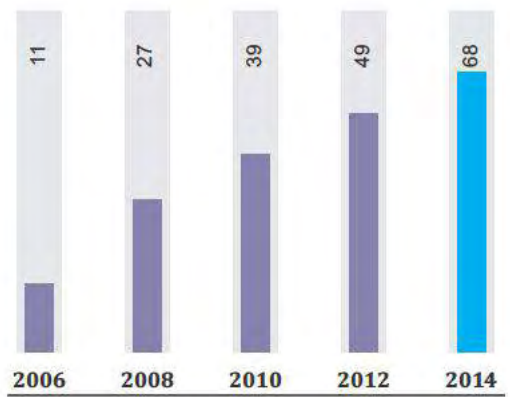
Rs. in Cr.



Financial Year

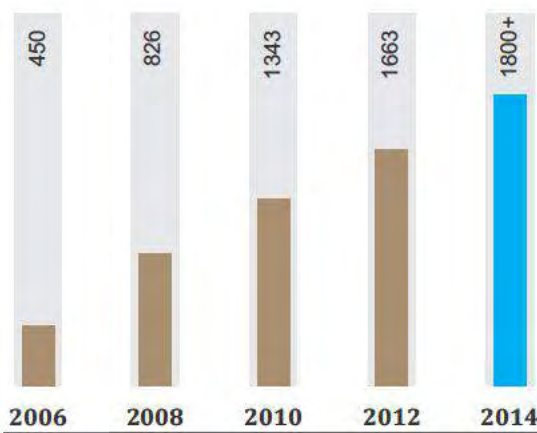
EBITDA

Rs. in Cr.



Financial Year

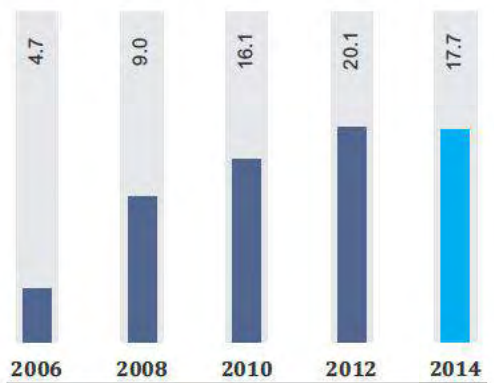
MAN POWER



Financial Year

PAT

Rs. in Cr.



Financial Year

TOTAL ASSETS

Rs. in Cr.



Financial Year





Building the Nations  
**Infrastructure**



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# Corporate information

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## BOARD OF DIRECTORS

**SH. M.C. GARG**  
Chairman

**SH. R. C. GARG**  
Whole Time Director

**SH. ANURAG AGARWAL**  
Independent,  
Non Executive Director

**SH. NITIN GARG**  
Whole Time Director

**SH. VIJENDER KR. TYAGI**  
Independent,  
Non Executive Director

**SH. RAHUL GOEL**  
Independent,  
Non Executive Director

### STATUTORY AUDITOR

M/S SANJEEV ANAND & ASSOCIATES

### COMPANY SECRETARY

CS. ABHISHEK AGRAWAL

### BANKERS



ING BANK



यूनियन बैंक  
of India

Union Bank  
of India







### FACTORY

A 42 & 45, Industrial Area, Sikandrabad,  
Distt. - Bulandshahar (U.P.)

### UNITS

Good Luck Industries  
A 51, Industrial Area, Sikandrabad,  
Distt. - Bulandshahar (U.P.)

Good Luck Engineering Co.  
Khasara No. 2839,  
Dhoom Manikpur, Dadri,  
Distt. - Gautam Budh Nagar (U.P.)

### REGISTERED OFFICE

5/102, Sikka Complex, Community Centre,  
Preet Vihar, Vikas Marg,  
Delhi - 110 092

### CORPORATE OFFICE

Good Luck House, II - F, 166 - 167,  
Nehru Nagar, Ambedkar Raod,  
Ghaziabad, (U.P.)

### REGISTRAR & SHARE TRANSFER AGENT

Mas Service Limited  
T-34, 2nd Floor, Okhla Industrial Area,  
Phase - II, New Delhi - 20,  
Ph. - 011-26387281-83

[www.goodlucksteel.com](http://www.goodlucksteel.com)  
[goodluck@goodlucksteel.com](mailto:goodluck@goodlucksteel.com)

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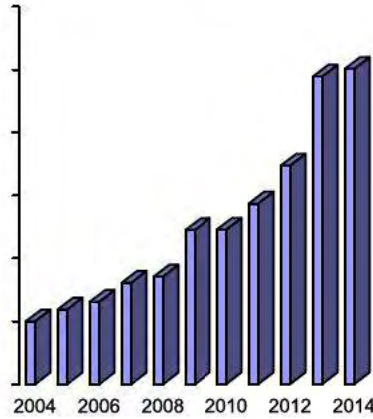
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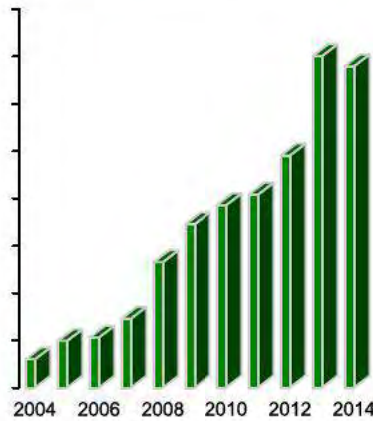


## 10 Year CAGR of Key Value Parameters

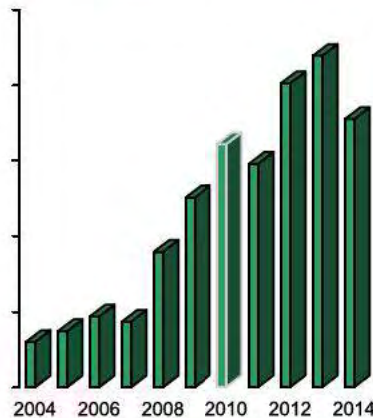
TOTAL INCOME 10 YEAR CAGR 15.46%



EBIDTA 10 YEAR CAGR 21.27%

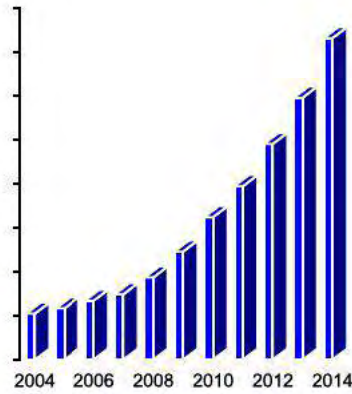


PAT 10 YEAR CAGR 16.92%

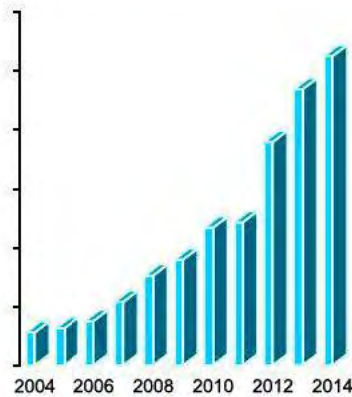


## 10 Year CAGR of Key Value Parameters

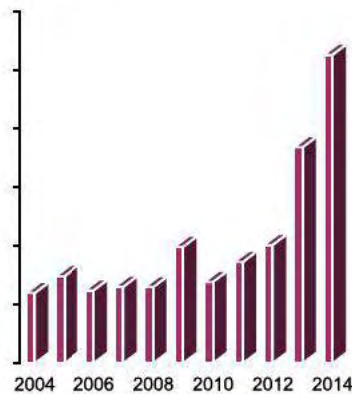
■ NETWORTH ■ 10 YEAR CAGR 20.10%



■ TOTAL ASSETS ■ 10 YEAR CAGR 23.61%



■ EXPORT ■ 10 YEAR CAGR 9.64%





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GOODLUCK STEEL TUBES LTD



With our people working dedicatedly and committedly in pursuance of our vision and goals, we once again delivered on our promise, and in fact went beyond to give our best to each of our stakeholders

Dear Friends,

Welcome to this congregation of the Goodluck Family. As the head of the family of several thousand stakeholders it gives me great pleasure to apprise you with what has been a very eventful year gone by.

Post my passing out from IIT Rourkee , when I started this company after two decades of work experience across several nations 27 years ago we had 70 employees small office in Ghaziabad we were eager to grow our turnover of Rs.2.87 Cr. today, after 27 year turnover has grown 500 times and employee strength roughly 1800 . The eagerness remains as we feel that journey has just started and our capabilities tell us we have a long successful road ahead . We are often told that the challenges are plenty but we say the possibilities are infinite. We are also told that the name Goodluck Steel Tubes Ltd does not truly reflect our nine product lines which find buyers across several industries including power, automobiles, oil and gas and telecom.

Globally the economy saw many headwinds and India mirrored it to say but the least . In fact we felt the heat more confronted with our domestic challenges . The "I" factor – Inflation, Interest Rates ,Indecision on policy and Instability on governance hurt the producer and consumer like never before . Everything fell – demand , growth , sentiment and thus outlook. Supply side inflation pushed up input costs and poor demand disallowed passing this increment to the consumer . We had two choices to sacrifice profits or sacrifice sales. We strategically chose the latter to widen our customer base and overall growth and took a marginal hit on our bottomline . We are confident this move will pay handsome dividends once growth picks up and our loyal customers will appreciate how we supported them in trying times . Value addition and cost reduction is our focus.

On the external front the rupee depreciated to regular new lows hitting imports and pushing inflation. Its volatility made pricing for exporters, like ourselves a nightmare . Hedging and forex management became even more critical than R&D. It took away some of our profits but left behind lots of lessons. I say with great pride that despite all odds we managed to stay afloat and are well equipped to handle any such volatility in the future.

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A surge in the capital markets and steadying inflation and the rupee is a reflection of the hope. High government investments are awaited in infrastructure, nuclear and green energy. India is all set to become an international automobile hub. I am pleased to say that we at Goodluck are well prepared to ride the expected boom.

CORPORATE  
OVERVIEW

With engineering at the core, our biggest strength lies in quality control, our creativity and R&D which has enabled us to diversify from traditional agricultural irrigation pipe to supportive structure for green energy to precision materials for automobile industry to structure for power & telecommunication and infrastructure to forging materials for oil & gas industry and nuclear power. This has been well appreciated by our ever expanding list of satisfied customers present across all continents and seventy countries, not to forget all the renowned names in the domestic industry. Stringent quality control has enabled customer loyalty for two decades. I am told with such a vast product line with nine verticals is not aptly reflected in our name Goodluck steel tube Ltd. We plan to rectify this anomaly as we go along.

STRATEGIC  
OVERVIEW

Host of new products and markets await our future plans. Innovation will be the key to their demand. Our strategy is simple, we enter the markets early and then ensure that our consistency keeps us there for the long term. On the supply side, capacity to cater to them has already been created and investments made in the requisite infrastructure. Our new automobile tube manufacturing plant to be commissioned by December 2014 will contribute fully to the coming year. A Rs 50 cr investment to expand our structure division by December 2015, will enhance top line and bottom line considerably. Second phase of expansion will start and end in 2016 with an investment of Rs. 100 Cr. in the forging division. The cumulative effect of this entire exercise will multiply both capacity and efficiency and substantial increase in turnover and profits.

MANAGEMENT  
DISCUSSION & ANALYSIS

We are a company that cares not just for its products, clients and employees but for the shareholders & society at large. A host of social activities have been started and supported by us in the field of health and education. Ambitious plans will be unveiled here as well.

I wish all our stakeholders, all employees, investors, lenders and vendors a very Goodluck in more ways than one.

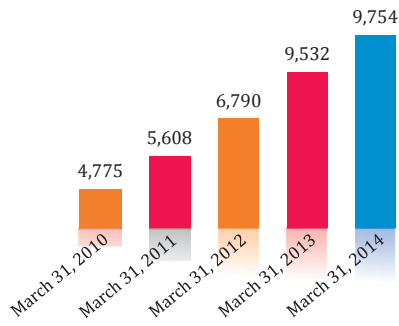
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MAHESH CHANDRA GARG  
CHAIRMAN

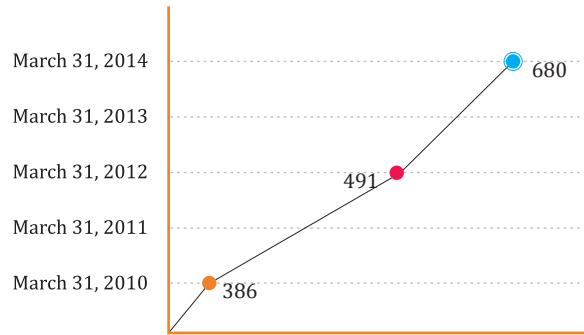
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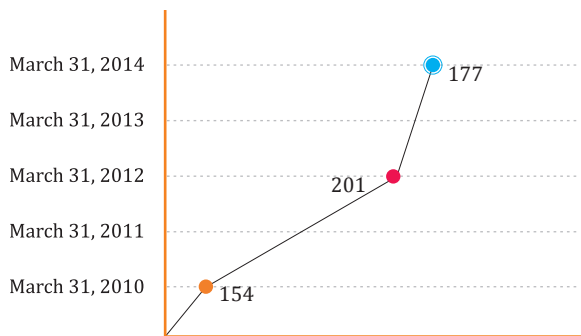
## REVENUE FROM OPERATIONS



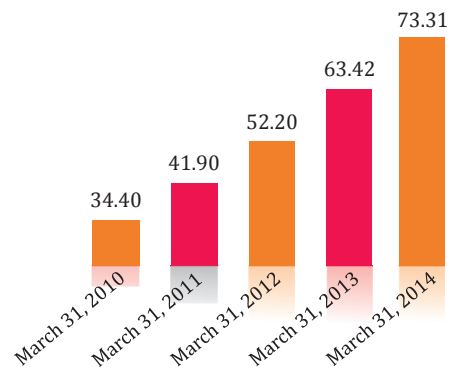
## EBIDTA



## PAT



## BOOK VALUE





GROWTH IS INFINITE



GROWTH IS POSSIBILITIES

### GOOD LUCK STEEL TUBES

#### FIVE – YEAR – PERFORMANCE

FINANCIALS	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Mar-2011	31-Mar-2010
	₹ in Crs				
Total Income	1,002.05	977.36	693.48	573.02	490.32
EBIDTA	67.96	70.12	49.68	40.82	38.56
Less: Finance Cost	35.38	34.41	19.21	12.67	13.76
Less: Depreciation	7.56	7.05	5.21	4.07	3.52
PBT	28.04	32.80	28.68	24.08	22.90
PAT	17.71	21.79	20.70	16.49	16.05
EPS	9.46	11.72	10.74	7.88	8.25
Book Value	73.31	63.42	52.20	41.90	34.40
Net Worth	146.05	118.80	97.81	78.65	64.64
Assets	525.60	469.34	379.78	243.30	233.97
Equity	3.98	3.74	3.74	3.74	3.74



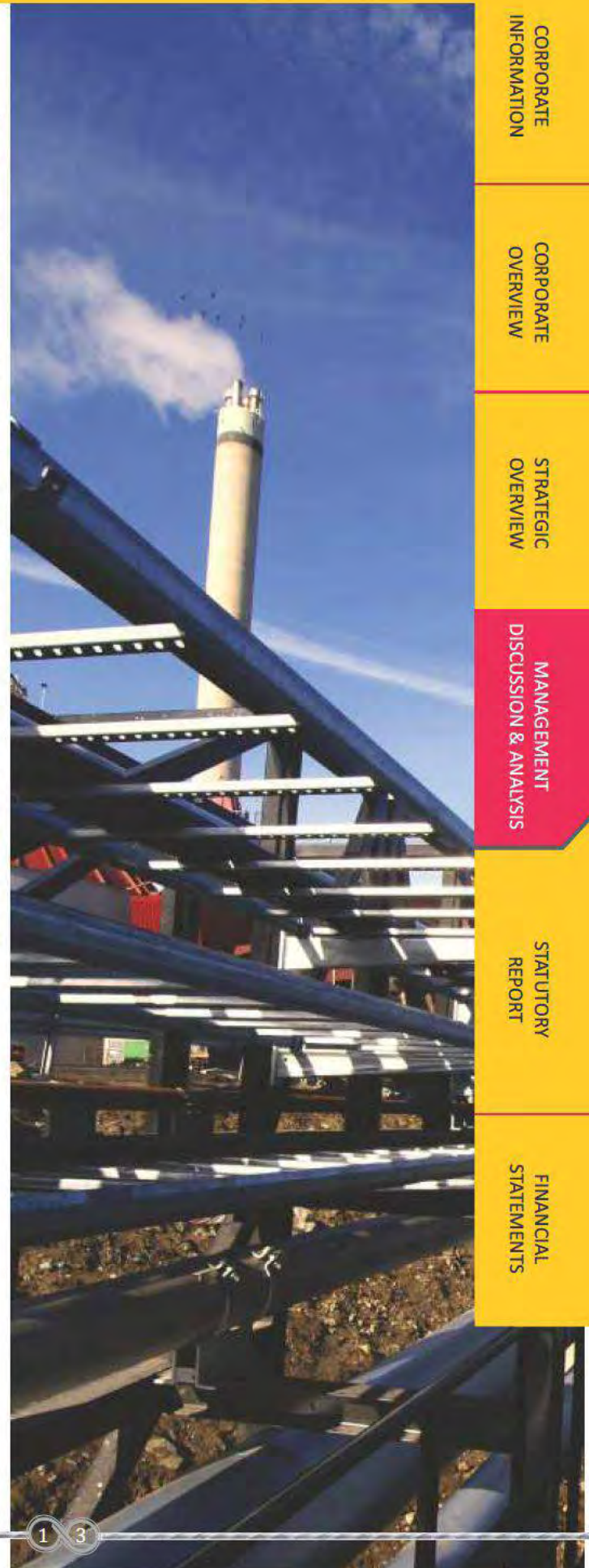
# Management Discussion & Analysis

GOODLUCK

## INDUSTRY

The latter half of the decade gone by saw the Indian steel industry enter a new era of development . An unparalleled CAGR of 7% resulted in India becoming the 4<sup>th</sup> largest producer of crude steel and the largest producer of sponge iron in the world .The entire decade saw industry revenues multiply four times and profits five times. Despite a weak macro environment a CAGR of 8-9% is expected in the coming five years. Simultaneously, there is expected to be a relentless growth in domestic competition leading to minimum aggregate capacity of 122 MTPA by 2017. This will result in better prices and sustainability for secondary producers who use steel as an input. Even as global prices of iron ore are expected to remain soft one will have to await domestic policy announcements from the government to assess how much Indian steel players can benefit . Even as the new government prepares for a new thrust to infrastructure and construction to hike demand the impact is not likely to be felt before 2016. Mining bans threaten to constrain supplies as well. So far regulatory challenges in land acquisition and allocation of iron ore blocks have affected expansion and modernization of projects have led to Indian companies tap the global asset base. One awaits policy changes from the new government to thwart this trend.

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### GLOBAL

The world over , steel as an industry has been facing torrid time . Rising input costs and limited pricing power have led to an erosion in profits. This comes after a decade of exponential growth in revenue and profits . Low capacity utilization in the OECD countries h a v e squeezed margins. Over capacity in China , the world's largest steel producer has seen prices weaken .

### ECONOMIC

Figures across the world look depressing and India is no different . Even as money pumping tries to revive the US economy and China tries to cool its much over heated economy , India has been witnessing muted growth quarter on quarter. Oscillating around 5% it is half of what was promised by the India shining story. On the other hand the devil of a double digit inflation continues to squeeze the Indian purchasing power. A volatile and weakening currency has added fuel to the economic fire. A high deficit both on the fiscal and current front means poor investment rankings for India. All this takes place on the back of what has thankfully been a very tempered crude oil price regime. The big concern however comes from the monsoon, where El Nino threatens to create a drought like situation which can be disastrous for a country , whose two out of every three citizens depend upon agriculture. However, dismal as the state of affairs may sound , it would need a few proactive policies from the new government to invoke a turnaround. For a start encouraging foreign investment in infrastructure and tapering of interest rates would certainly help.





### FINANCIAL

Though the previous year 2013-14 had seen a sluggish market and shifting of the incremental cost to the consumer was difficult, the company has succeeded in maintaining its top line to the level of Rs. 1000 Cr. and profit before tax was Rs. 28 Cr, a little bit lower in comparison of the FY.2013.

The Company expects that FY.2014-15 would be a good year for the Company and the Company will achieve a target of approx. Rs. 1200 Cr. and 20% upward revision in the bottom line too

### PROFITABILITY

Having accommodated its fixed costs all additions to its topline will significantly drive the bottomline. This will be accentuated by a stress on lower value-high margin products. Then in keeping with its USP of always exploring new markets and being an early entrant for its existing and new products a boost to its bottom line efficiency is expected. For a start the Company is in advance stage of getting itself registered with some major prospective customers as their vendor.





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The company has a product basket which is diversified from traditional agricultural irrigation pipe to supportive structure for green energy to precision materials for automobile industry to structure for power & telecommunication and infrastructure to forging materials for oil & gas industry and nuclear power.



CORPORATE  
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The Company's strong presence across all major international markets enables the company to hedge its risks and remain afloat during a crisis. Besides the company indulges in;

- 1) Continuous research and development in its products;
- 2) Exploring and early entrant in different emerging markets;
- 3) Consistency in quality and delivery;
- 4) Re-shuffling of product basket by adding high value added products at early stage.



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## QUALITY AND RESEARCH

With engineering at its fulcrum, the strength of the company has been research, development and quality control. Our in house management team have qualified from premier institutions of the country. Where we find ourselves limited we resort to foreign consultants to adopt state of the art technology. Our constant client demands across the world keeps us on our toes and satisfying them means resorting to most efficient and updated methods.

Quality is one of our core strength. Our Company is associated with very quality conscious sectors/ customers, which keeps us driving 24X7. A consistent quality has ensured us long business partnership with our customers (domestic as well as overseas) for more than 20 years. Every products process is being followed as per standard SMQP, which goes on updating as per international/ national standards. Any failure/ feedback from market is taken care by a special QAT dedicated for this task. Apart from in-house quality check, as per the requirements of our products and its applications we get quality approval from renowned and well-established outside agencies.



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**Strength:**

- 1) Diversified and right mix of products;
- 2) Widespread presence in domestic and overseas market;
- 3) Continuous emphasis to development and modification of products;
- 4) High qualified team of professionals
- 5) A visionary and committed management board.

**Weakness:**

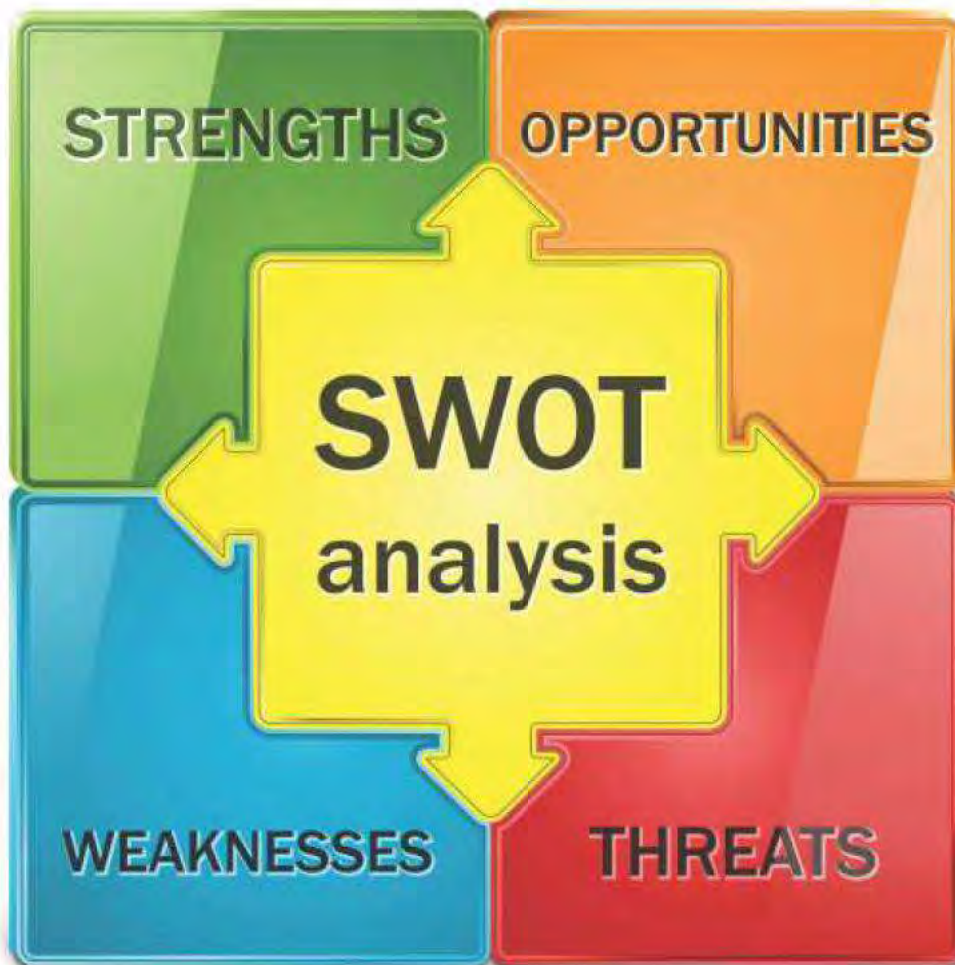
- 1) Lesser turnover of each product;
- 2) Heavy cost of fund;
- 3) Distance from major ports.

**Opportunity:**

- 1) Big government investments in infrastructure, nuclear and green energy;
- 2) India, to become a automobile hub for international player;
- 3) India's per capita consumption of steel is steel far lower in comparison to other developing countries.

**Threat:**

- 1) Instability in foreign exchange;
- 2) Availability and fluctuation in raw material;
- 3) Change in government policies.





**EXPORT**

The Company is conscious of balancing its domestic and international business so that any slowdown in the international market is well compensated by penetrating the high potential domestic market. Further, the Company's customer list is very exhaustive and wide spread among more than 70 countries which helps the Company in mitigating the risk of slow down in a particular geography or season. Given that close to 40% of turnover comes from exports, the volatile nature of the foreign exchange needs serious addressal. Our in house team of highly experienced and qualified professionals is regularly complemented by external hedging consultants. Zero tolerance in quality has ensured minimum rejections in goods supplied.

**EXPANSION OUTLOOK**

A new auto tube plant is expected to be commissioned by December 2014 which would give its full contribution to the Company in the year 2015. After that the Company is planning to expand its structured division with an investment of approximately Rs. 50 Cr. which is expected to be completed by end of December 2015. It will enhance top line and bottomline considerably.

A second expansion is expected with the investment of Rs. 100 Cr. in forging division, which would start from January 2016 and completed by the end of the calendar year. All these investment and expansion plans will systematically improve the production capacity and efficiency in multiple manner. It is expected that after the completion of all the expansion plan. The Company's turnover and PAT will increase substantially.

**INTERNAL CONTROL SYSTEM & RISK MANAGEMENT**

The Company's internal risk and audit management, supported by competent personnel and adequate internal control mechanisms, safeguard assets from possible losses and unauthorized use and ensure transactions are being authorized, recorded and reported properly. Besides, the Company has also availed services of external firms to help the Company's internal audit and risk management department.

**HUMAN RESOURCE**

The Company recognizes the Human Resources as most important assets of the company. The Company is constantly engaged in enriching the value and developing competencies of the Human Resources. The Human Resource function provides in-house and on-the-job training to fresher and functional personnel. Regular workshops are conducted. The comprehensive Performance Management System helps map employees' competency gaps and strategic development plans are formulated to bridge the gaps. The HR activities cover a lot of initiatives in the areas of skill development. The organization continues to regularly review people policies and implement need based revision.

**CAUTIONARY STATEMENT**

Statements made in this report describing the Company's objectives, projections, estimates, expectations, may be "forward looking statements". Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.



# Director's Report

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Dear Shareholders,

The Board of Directors of your Company takes pleasure in presenting 28<sup>th</sup> Annual Report and audited accounts of your Company for the financial year ended 31<sup>st</sup> March, 2014.

## PERFORMANCE / RESULT

Particulars	(Rs. In Cr.)	
	2013 - 14	2012 - 13
Gross Turnover	1077.92	1049.61
Earnings before interest, tax & depreciation	67.99	69.97
Interest	32.38	30.12
Depreciation	7.56	7.05
Profit before tax	28.02	32.94
Profit after tax	17.71	21.94
Amount available for appropriation	108.19	95.35
<b>Appropriation:</b>		
General Reserve	3.00	4.00
Dividend	0.60	0.75
Dividend Tax	0.10	0.12
Balance carried forward to next year	104.49	90.48

### TRANSFER TO GENERAL RESERVES

Out of the total profit for the financial year 2013-14, an amount of Rs. 3(three) Crores is proposed to be transferred to the General Reserve.

### DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 0.30 (15%) per equity share of Rs. 2/- each for the financial year 2013-14. The dividend, if approved at the ensuing Annual General Meeting, will be paid to those shareholders whose names appear on the register of members of the Company as on the Book Closure date. The financial dividend on the Equity Shares, if declared as above would involve an outflow of Rs. 0.60 cr. towards dividend and Rs. 0.10 towards dividend tax resulting in a total outflow of Rs. 0.70 cr.

### Depository system and listing of shares

Details of the depository system and listing of shares are given in the section "General Shareholder Information", which forms a part of the Corporate Governance Report and is attached with the Annual Accounts.

### Registrar and Share Transfer Agent

M/s. Mas Services Limited, Delhi, is the Registrar and Share Transfer Agent of the Company. Details of the depository system and listing of shares are given in the section "General Shareholder Information", which forms a part of the Corporate Governance Report and is attached with the Annual Accounts.

GOODLUCK STEEL TUBES LTD

**Directors**

Mr. Nitin Garg, Director of the company retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

**Auditors**

The statutory auditors of the Company, M/s. Sanjeev Anand & Associates, Chartered Accountants, retire at the ensuing Annual General Meeting. M/s. Sanjeev Anand & Associates, Chartered Accountants has confirmed its eligibility and willingness to accept office of Auditor.

The Audit Committee and the Board of Directors therefore recommend M/s. Sanjeev Anand & Associates, Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 31<sup>st</sup> Annual General Meeting of the Company, subject to the ratification of the appointment by the members at every Annual General Meeting held after the ensuing Annual General Meeting.

**Corporate governance and additional information to shareholders**

The Company is committed to maintain high standards of corporate governance. A separate report on Corporate Governance, pursuant to Clause 49 of the Listing Agreement with the stock exchange(s), Auditors' Certificate on its compliance, including the Management Discussion and Analysis, and shareholders' information forms a part of this report.

**Public Deposit**

The Company has not accepted any public deposits and, as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

**Particulars of Employees**

Information as required under Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are not applicable to the company as there was no person in the employment of the company who is in receipt of an aggregate remunerations of Rs. 60,00,000/- or more per annum where employed through out the year or Rs. 5,00,000/- or more per month, where employed for part of the year.

**Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings Outgo**

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure 'A' to the Directors' Report.

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## **Directors' Responsibility Statement**

As required by Section 217 (2AA) of the Companies Act, 1956 the Directors' Responsibility Statement is given hereunder:

**i)** that in the preparation of the annual accounts, the applicable accounting standards have been followed long with proper explanation relating to material departures;

**ii)** that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates, that are 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 March 31, 2014 and of the Profit of the Company for that period.

**iii)** that the Directors have 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;

**iv)** that the Directors have prepared the annual accounts on a going concern basis.

## **Appreciation**

Your Directors would like to express their appreciation for assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

On behalf of the Board of Directors

**M C GARG**

Chairman

Ghaziabad, 30th May, 2014

## ANNEXURE A

INFORMATION AS PER SECTION 217(1)(E) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED ON 31.03.2014

**CONSERVATION OF ENERGY:**

Your company has always been conscious of the need to conserve energy and has always attempted various measures for the same wherever possible to achieve reduction in the cost of production. The Company has taken various measures on suggestions of experts in the areas where reduction of fuel and oil conservation is possible.

The details regarding present energy consumption including captive generation are furnished below as per Form A of the Annexure to the Rules:

FORM A		
A. Power and Fuel Consumption	2013-14	2012 - 2013
<b>1. Electricity</b>		
<b>(a) Purchased</b>		
Unit (in thousand) KWH	24455.57	22474.24
Total Amount (Rs. In Lakh)	1705.73	1350.88
Rate/unit (Rs.)	6.97	6.01
<b>(b) Own Generation</b>		
<i>Through Diesel Generator</i>		
Unit (in thousand)	1000.896	1594.63
Units per ltr. of diesel oil	3.20	3.00
Cost/units	17.13	13.56
<b>2. Furnace Oil</b>		
Total Amount (Rs. in Lakh)	893.70	1207.73
Total Quantity (M.T.)	2031.15	2836.99
Average Rate (Rs./M.T.)	43999.67	42570.82
<b>Consumption per unit of Production</b>		
Production (MT)	170430.591	161229.675
Electricity	149.37	149.28
Furnace Oil	11.92	17.595

**RESEARCH AND DEVELOPMENT (R & D):**

There was a concerted effort in moving towards a more application orientated approach to both manufacturing as well as sales. The plants also managed to achieve substantial process improvements that resulted in lower rejections, rework and therefore in higher yields.

**TECHNOLOGY ABSORPTION:**

We believe in continual improvement in our designs and products for ensuring full customer satisfaction. Innovation in process control, product development, cost reduction and quality improvement are being made on continuous basis as per the requirements of the market. The technology being used for the manufacture of steel products is developed by in-house efforts and is at par with industry norms.

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year under review, the total foreign exchange earning and outgo of the company are as follows:

Particulars	(Rs. In Lakhs)	
	Current Year	Previous Year
Outgo (CIF value of Imports)	62.49	165.16
Outgo (Expenditure)	539.16	403.96
Earnings (F.O.B. value of Exports)	36205.65	35250.19



## *Report on Corporate Governance*

### **MANAGEMENT'S PERSPECTIVE ON CORPORATE GOVERNANCE**

Your Company is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Our Governance practices stems from an inherent desire to improve, innovate and reflects the culture of trusteeship that is deeply ingrained in our value system and forms part of the strategic thought process.

Our Company's philosophy on Corporate Governance envisages attainment of highest levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Our business culture and practices are founded upon a common set of values that govern our relationships with customers, employees, shareholders, suppliers and the communities in which we operate. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism and accountability..

### **BOARD OF DIRECTORS**

The Board provides leadership, strategic guidance and objective judgement on the affairs of the Company. The Board comprises persons of eminence with excellent professional achievements in their respective fields. The independent Directors provide their independent judgement, external perspective and objectivity on the issues which are placed before them. The Company's commitment to good governance practices allows the Board to effectively perform these functions.

The Company has an Executive Chairman and the number of Independent Directors is 50% of the total number of Directors. As on 31st March, 2014, the Company has 6 Directors on its Board, of which 3 Directors are independent. The number of Non- Executive Directors (NEDs) is 50% of the total number of Directors. The Company is in compliance with the Clause 49 of the listing Agreement pertaining to compositions of directors.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.



The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below:

NAME OF THE DIRECTOR	CATEGORY	NO. OF BOARD MEETINGS ATTENDED	ATTENDANCE AT LAST AGM (YES/NO)	NO. OF DIRECTORSHIPS IN OTHER PUBLIC LIMITED COS.	NO. OF CHAIRMANSHIP /MEMBERSHIPS OF COMMITTEES IN OTHER PUBLIC LTD. COS. *	
					CHAIRMANSHIP	MEMBERSHIP
Sh. M C Garg	Promoter, Executive Chairman	9	Yes	-	-	-
Sh. R C Garg	Executive Director	11	Yes	-	-	-
Sh. Nitin Garg	Executive Director	8	Yes	-	-	-
Sh. Vijender Kr. Tyagi	Independent, Non Executive Director	9	No	-	-	-
Sh. Rahul Goel	Independent, Non Executive Director	5	No	-	-	-
Sh. Anurag Agarwal	Independent, Non Executive Director	9	Yes	-	-	-

#### Notes:-

- During the Financial Year 2013-14, Twelve Board Meetings were held and the gap between two meetings did not exceed four months. The Board Meetings were held on 03<sup>rd</sup> April 2013, 30<sup>th</sup> May 2013, 22<sup>nd</sup> July 2013, 30<sup>th</sup> July 2013, 17<sup>th</sup> August 2013, 26<sup>th</sup> August 2013, 31<sup>st</sup> October 2013, 18<sup>th</sup> November 2013, 09<sup>th</sup> December 2013, 31<sup>st</sup> December 2013, 28<sup>th</sup> January 2014 and 28<sup>th</sup> March 2014
- \* Only two Committees, namely, Audit Committee and Shareholders'/Investors' Grievance Committee have been considered.
- The information as required under Annexure IA to Clause 49 is being made available to the Board.
- The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

#### CODE OF CONDUCT

The Company has framed Code of Conduct which is applicable to all Directors and members of Senior Management. Pursuant to this Code all the Directors & Senior Management have affirmed compliance with this Code for the year ended March 31, 2014. A declaration of compliance of this Code signed by Chairman is annexed to this report.

#### COMMITTEES OF THE BOARD

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted a set of Committees with specific terms of reference / scope: Audit Committee, remuneration cum selection committee & investor's grievance committee. The terms of reference of the Committee(s) detailing their scope of work are determined by the Board from time to time. The Board periodically reviews the minutes of the meetings of Audit Committee & Investor's Grievance Committee. Composition, terms of reference, number of meetings and related attendance etc., of these committees are detailed herein.

#### AUDIT COMMITTEE

The Audit Committee of the company has been dealing with matters prescribed by the Board of Directors on a case to case basis. In general, the primary role/objective of the Audit Committee is to review the financial statements of the Company, strengthen internal controls & look into all transactions having monetary implications on the functioning of the Company. The nomenclature, constitution and terms of reference of the Committee are as



Company. The nomenclature, constitution and terms of reference of the Committee are as per the provisions of the Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement of the Stock Exchange.

As on March 31, 2014, the Committee has three Directors. Out of that two Directors are Non-Executive and Independent Directors in accordance with the prescribed guidelines. Mr. Anurag Agarwal, is the Chairman of the Committee. The other members are Mr. Vijender Tyagi and Mr. M. C. Garg, Chairman of the Company. The members of the Committee have adequate knowledge in the field of finance, accounting, and law. The Scope of the functioning of the Audit Committee is to review, from time to time, the internal control procedures, the accounting policies of the Company and such other functions, as may be recommended from time to time by SEBI, Stock Exchanges and/or under the Companies Act, 1956, which inter-alia include review of:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by the management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal Audit Reports relating to internal control weaknesses; and the appointment, removal and terms of remuneration of the Chief Internal Auditor; and
5. Risk Framework.

The CFO of the Company is permanent invitees to the meetings of the Committee. The Company Secretary acts as Secretary to the Committee. During the year, 5 (five ) meetings of the Audit Committee were held on 5<sup>th</sup> April,2013, 30<sup>th</sup> May 2013, 30<sup>th</sup> July 2013, 28<sup>th</sup> October 2013 and 28<sup>th</sup> January 2014 in due compliance with the stipulated provisions. The attendance record of members of the Audit Committee is given as under:

NAME OF THE MEMBER	CATEGORY	NO. OF MEETINGS ATTENDED
Mr Anurag Agarwal	Chairman	5
Mr Vijender Tyagi	Member	5
Mr M C Garg	Member	4

#### REMUNERATION CUM SELECTION COMMITTEE

The Remuneration & Selection Committee shall be deemed to be "Remuneration Committee" within the meaning of Clause 49 of the Listing Agreement, Schedule XIII of the Companies Act, 1956 and for all other purposes as may be required under any / all Acts, Rules, Regulations, Circulars etc, for the time being or as amended from time to time. The composition of the Committee as on 31.03.2014 was as under:

NAME OF THE MEMBER	CATEGORY
Mr Anurag Agarwal	Chairman
Mr Vijender Tyagi	Member
Mr. Rahul Goel	Member
Mr. Ripu Sudan Mittal	Member

The Committee has been constituted to recommend/review the remuneration package of the Whole Time Directors apart from deciding other matters. The remuneration policy is directed towards rewarding performance based on review of achievements which are being



reviewed periodically which is in consonance with the existing industry practices. This committee meets as and when required. Mr. Abhishek Agrawal, Company Secretary of the Company acts as Secretary to the Committee.

#### INVESTOR'S GRIEVANCE COMMITTEE

The Board has constituted Investor Grievances Committee to specifically look into the redressal of shareholders' complaints. The Shareholders'/Investors' Grievance Committee consists of the following directors:

NAME OF THE MEMBER	CATEGORY	NO. OF MEETINGS ATTENDED
Mr. Vijender Tyagi	Chairman	4
Mr M C Garg	Member	4
Mr. R C Garg	Member	4

Sh. Abhishek Agrawal, Company Secretary acts as Secretary to the Committee.

The terms of reference of the Committee include the following:

- To specifically look into complaints received from the shareholders of the Company.
- To oversee the performance of the Registrar and Transfer Agent of the Company.
- To recommend measurements for over all improvement in the quality of services to the investors.

Details pertaining to the numbers of complaints received and resolved and the status thereof during the financial year ended 31<sup>st</sup> March 2014 are given as follows:

Detail of complaints received/resolved during the year

□ No. of Complaints received during the year	:	2
□ No. of Complaints not resolved to the satisfaction of Shareholders	:	Nil
□ No. of Pending Complaints	:	Nil
□ No. of Pending share transfer as on 31.03.2014	:	Nil

#### GENERAL BODY MEETING

##### (I) Annual General Meeting (AGM) Detail

The last three Annual General Meeting were held at the Registered Office of the Company. The other detail is as follows:

YEARS	DAY	DATE	TIME	SPECIAL RESOLUTION PASSED
2011	Friday	30.09.2011	9.30 A.M.	Increase the remuneration of Mr. Manish Garg, Mr. Nitin Garg and Mr. Umesh Garg u/s 314
2012	Thursday	20.09.2012	9.30 A.M.	NIL
2013	Monday	30.09.2013	9.30 A.M.	NIL

##### (II) Extra Ordinary General Meeting Detail

During the year one Extra Ordinary General Meeting was held on Monday, 23<sup>rd</sup> December, 2013 at 9.30 A.M. at A - 42 & 45, Industrial Area, Sikanderabad, Distt. Bulandsahar to obtain their consent to create, issue and allot upto 22,85,000 convertible warrants on preferential basis.



## Postal Ballot

There was no Postal Ballot conducted during the year as required under the provisions of Section 192A of the Companies Act, 1956.

## Disclosures

The Board of Directors receives the required disclosures, from time to time, relating to financial and commercial transactions from the key managerial personnel of the company. There have been no materially significant related party transactions which may have a potential conflict with the interests of the Company.

There have not been any occasion of non-compliance by the Company and therefore, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authority, on any matter related to capital markets, during the last three years.

## MEANS OF COMMUNICATION

### (I) Quarterly/ Half Yearly/ Annual Results

The Quarterly, Half Yearly and Annual Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.

### (II) News Releases

The Quarterly, Half Yearly and Annual Results of the Company are published in the prescribed format within 48 hours of the conclusion of the meeting of the Board in which they are considered, atleast in one English newspaper and in one Vernacular newspaper of the State where the Registered Office of the Company is situated. The Company generally publishes its financial results in Business Standard/Financial Express.

### (III) Website

The Company's website [www.goodlucksteel.com](http://www.goodlucksteel.com) contains a separate dedicated section to Investors, where the shareholders information and Financial Results are available. The Company's Information, financial results and shareholding pattern are also available on [www.bseindia.com](http://www.bseindia.com).

## GENERAL SHAREHOLDER INFORMATION

### (I) Annual General Meeting

Day, Date and Time	: Tuesday, September 30, 2014 at 9.30 A M
Venue	: Aura Grand, 439, Jagriti Enclave, Delhi-92
Date of Book Closure	: From 22.09.2014 to 30.09.2014 (both days Inclusive)
Dividend Payout Date	: 28 <sup>th</sup> October, 2014

### (II) Financial Calendar 2014-15 (Tentative & subject to Change)

First Quarter Result	July, 2014
Second Quarter Result	October, 2014
Third Quarter Result	January, 2015
Annual Results for the year ending on 31.03.2015	May, 2015

**(III) Listing on Stock Exchange**

The company's shares are listed at the following stock exchanges.

**Bombay Stock Exchange Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400001  
Stock Code : 530655

**Delhi Stock Exchange Limited**

DSE House, 3/1,  
Asif Ali Road,  
New Delhi – 110002

**(IV) Market Price Data**

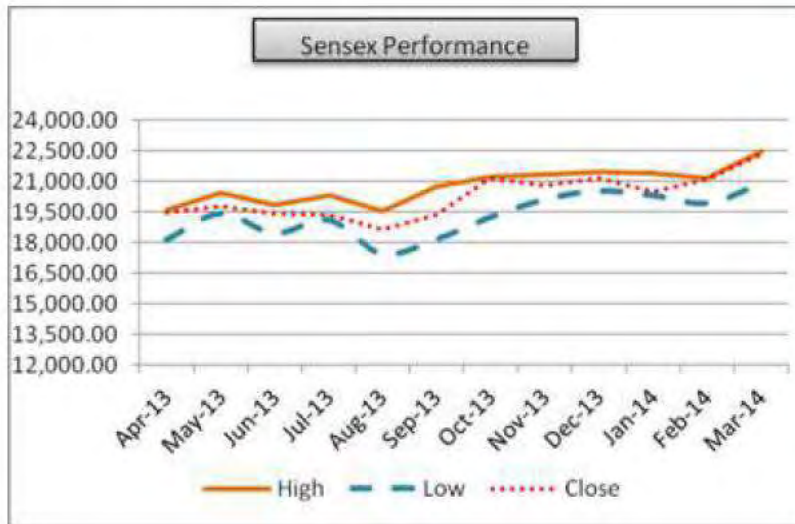
The monthly high/low market prices of the shares during last financial year 2013-14 at the Bombay Stock Exchange (BSE) are as under:

Month	High Price	Low Price	Close Price
Apr-13	20.45	17.75	18.60
May-13	22.00	17.80	18.05
Jun-13	19.15	16.15	16.80
Jul-13	18.50	14.05	15.80
Aug-13	17.70	14.10	15.10
Sep-13	18.50	15.10	15.25
Oct-13	19.45	15.20	17.00
Nov-13	19.40	15.35	18.30
Dec-13	22.70	16.75	22.00
Jan-14	21.90	16.75	18.10
Feb-14	20.25	14.70	17.50
Mar-14	25.45	16.30	19.55





**(V) BSE Sensex Movement during the period**



**(VI) Share Price in Comparison to BSE Sensex**



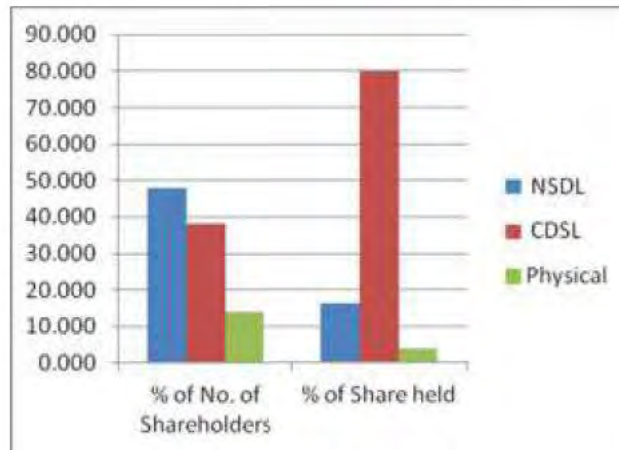
## (VII) Distribution of Shareholding and Shareholding Pattern

The Distribution of shareholding and shareholding pattern of the shares As on 31.03.2014 are as follows:

Share Holding Of Nominal Value of Rs	Shareholders		Shares held	
	Number	% to Total	Number	% to Total
1 TO 5000	3759	93.114	1840489	9.239
5001 TO 10000	140	3.468	528795	2.654
10001 TO 20000	60	1.486	449382	2.256
20001 TO 30000	17	0.421	209302	1.051
30001 TO 40000	6	0.149	105188	0.528
40001 TO 50000	5	0.124	113550	0.570
50001 TO 100000	6	0.149	221020	1.109
100001 AND ABOVE	44	1.090	16453524	82.593
<b>TOTAL</b>	<b>4037</b>	<b>100%</b>	<b>19921250</b>	<b>100.00%</b>

## (VIII) Dematerialization of Shares and Liquidity

	No. of Shareholders	% of No. of Shareholders	No. of Share	% of Share held
NSDL	1933	47.88	3252716	16.33
CDSL	1538	38.10	15896031	79.80
Physical	566	14.02	772503	3.87
<b>TOTAL SHARE HOLDERS</b>	<b>4037</b>	<b>100%</b>	<b>19921250</b>	<b>100%</b>





**(IX) Share Transfer System**

The Company's shares are traded compulsorily in Demat segment on the Stock Exchanges. Shares received for transfer in physical mode are processed and valid transfers are approved within prescribed time limit. Duly transferred share certificates are dispatched within statutory time limit.

Pursuant to Clause 47 (C) of the Listing Agreement with the Stock Exchanges, certificate on half yearly basis have been filed with the Stock Exchanges for due compliance of share transfer formalities by the Company. In terms of guidelines issued by SEBI, the Reconciliation of Share Capital Audit Report for all the quarters have been filed with the Stock Exchanges, which inter-alia gives details about the reconciliation of Share Capital (both physical and demat).

**(X) Registrar and Share Transfer Agent**

The company has appointed MAS Services Ltd. as the Registrar and Share Transfer Agent of the company. The Correspondence address of the agent is as follows:

MAS Services Ltd.  
T - 34, 2<sup>nd</sup> Floor,  
Okhla Industrial Area, Phase - II,  
New Delhi - 110 020  
Email - [info@masserv.com](mailto:info@masserv.com)

**(XI) Plant Location**

A 42 & 45, Industrial Area, Sikandrabad, Distt. -Bulandshahar (U. P.)	A-51, Industrial Area, Sikandrabad, Distt. - Bulandshahar (U. P.)	Khasra No. 2839, Dhoom Manik Pur, Dadri, Distt.- G. Budh Nagar (U.P.)
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**(XII) Correspondence Address**

The Investor's may send their correspondence to the Registrar and Share Transfer agent or directly to the company at the following Address:

Good Luck House  
II - F, 166-167, Nehru Nagar  
Ambedkar Road, Ghaziabad - (U.P.)  
Email: [investor@goodlucksteel.com](mailto:investor@goodlucksteel.com)

**DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for year ended 31.03. 2014.

For Good Luck Steel Tubes Ltd

Place: Ghaziabad  
Date: 30<sup>th</sup> May 2014

M C Garg  
Chairman

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

We have examined the compliance of the conditions of Corporate Governance by Good Luck Steel Tubes Limited for the year ended 31.03.2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SANJEEV ANAND & ASSOCIATES  
Chartered Accountants

(S. AGARWAL)  
Partner

Place : Ghaziabad  
Date : 30/05/2014

Mem. No. :072907

**AUDITOR'S CERTIFICATE**

We have verified the above cash flow statement of **GOOD LUCK STEEL TUBES LTD.**, derived from the audited Financial Statements and the books and records produced for the years ended 31<sup>st</sup> March 2014 and 31<sup>st</sup> March 2013 and found the same in agreement therewith.

For SANJEEV ANAND & ASSOCIATES  
Chartered Accountants

(S. AGARWAL)  
Partner

Place : Ghaziabad  
Date : 30/05/2014

Mem. No. :072907

CORPORATE  
INFORMATIONCORPORATE  
OVERVIEWSTRATEGIC  
OVERVIEWMANAGEMENT  
DISCUSSION & ANALYSISSTATUTORY  
REPORTFINANCIAL  
STATEMENTS



## INDEPENDENT AUDITORS' REPORT

To The Members of

### **GOOD LUCK STEEL TUBES LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **GOODLUCK STEEL TUBES LIMITED** which comprise the Balance Sheet as at 31<sup>st</sup> March 2014, the Statement of Profit & Loss and Cash Flow Statement for the year ended and a summary of significant accounting policies and explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including accounting standards referred to in Section 211(3C) of the Companies Act, 1956. 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we 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 amount and disclosures in the financial statements. The procedures selected depend on auditor's judgement, 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 the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion and to best of our information and according to explanations given to us, the aforesaid 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:

- (i) in the case of Balance Sheet, of the State of the affairs of the Company as at 31<sup>st</sup> March, 2014;
- (ii) in the case of Statement of Profit & Loss, of the profit for the year ended on that date; and
- (iii) in the case of Cash flow statement, of the cash flows for year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) order, 2004 issued by the Central



Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2) As required by Section 227(3) of the Companies Act, 1956, we report that :

- (2.1) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (2.2) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (2.3) The Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (2.4) In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement, comply with the Accounting Standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956.
- (2.5) On the basis of the written representations received from the directors As on 31<sup>st</sup> March 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956.

For SANJEEV ANAND & ASSOCIATES  
Chartered Accountants

(S. AGARWAL)  
Partner

Place : Ghaziabad  
Date : 30/05/2014

Mem. No. :072907

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT  
REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE**

- (i) In respect of fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - (b) All the assets have not been physically verified by the management during the year but there is regular system of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noted on such verification.
  - (c) In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposal of fixed assets during the year and the going status of the Company is not affected.



- (ii.) In respect of inventories:
- (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the books records.
- (iii.) In respect of the loans secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
- (a) The Company has not granted any loan, secured or unsecured, to Companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence sub clause (b) , (c) and (d) of clause (iii) of the said order are not applicable.
  - (b) The Company has taken loan from companies, firm and other parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹300.25 Lacs.
  - (c) In our opinion, the rate of interest and the other terms and conditions on which loans have been taken by the Company from companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956 are not, *Prima facie*, prejudicial to the interest of the Company.
  - (d) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of Interest.
- (iv.) In our opinion, and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard of purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v.) In respect of contracts or arrangements referred to in section 301 of the Companies Act, 1956:
- (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained u/s 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contacts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 have been made at prices which are reasonable having regards to prevailing market prices at the relevant time.



- (vi.) The Company has not invited any deposits from public. In the opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 58 A and 58 AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regards to the deposits accepted from the public.
- (vii.) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii.) We have broadly reviewed the books of account relating to the materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records u/s 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of the records with a view to determine where they are accurate or complete.
- (ix.) In respect of statutory dues:
- (a) According to the records of the company, undisputed statutory dues including provident fund, investor education and protection fund, Income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31.03.2014 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, the statutory dues that have not been deposited on account of matters pending before appropriate authorities are as under :

Name of the Statute	Nature of dues	Amount (Rs. In Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise Duty	108.36	F.Y. 2006-07	Central Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Duty	0.36	F.Y. 2010-11	Central Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Duty	10.91	F.Y. 2009-10	Central Excise and Service Tax Appellate Tribunal

- (x.) The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi.) Based on our audit procedure and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to Financial Institutions and Banks.
- (xii.) In our opinion and according to the information and explanations given to us and based on the information available, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and others securities.



# GOODLUCK

CORPORATE  
INFORMATION

(xiii.) In our opinion, the Company is not chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

CORPORATE  
OVERVIEW

(xiv.) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

STRATEGIC  
OVERVIEW

(xv.) In our opinion and according to the information and explanations given to us, the Company has not given the guarantees for loan taken by others from the Banks or financial Institutions.

(xvi.) The Company has raised new term loans during the year. In our opinion and according to the information and explanations given to us, the term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they are raised.

(xvii.) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.

(xviii.) The Company has not made any preferential allotment of shares during the year to parties and Companies covered in the register maintained u/s 301 of the Companies Act, 1956.

MANAGEMENT  
DISCUSSION & ANALYSIS

(xix.) The Company has not raised any money by issue of debentures during the year.

(xx.) The Company has not raised any money by way of public issues during the year.

(xxi.) In our opinion and according to the information and explanations given to us no material fraud on or by the Company has been noticed or reported during the course of our audit.

STATUTORY  
REPORT

For SANJEEV ANAND & ASSOCIATES  
Chartered Accountants

(S. AGARWAL)  
Partner

Place : Ghaziabad  
Date : 30/05/2014

Mem. No. :072907

FINANCIAL  
STATEMENTS

GOODLUCK STEEL TUBES LTD

**BALANCE SHEET  
AS AT 31ST MARCH 2014**

PARTICULARS	Note No.	₹ in Lacs	₹ in Lacs
		As on 31.03.2014	As on 31.03.2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Fund</b>			
Share Capital	2 (a)	398.43	374.43
Reserves and Surplus	3	14,016.84	11,505.32
Money received against Share Warrant	2 (b)	189.88	-
		<b>14,605.15</b>	<b>11,879.75</b>
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	3,892.19	4,335.72
Deferred tax liabilities (Net)	5	1,446.12	1,185.86
Long term provisions	6	98.08	60.46
		<b>5,436.39</b>	<b>5,582.04</b>
<b>Current Liabilities</b>			
Short-term borrowings	7	22,645.30	21,908.18
Trade payables	8	6,308.85	4,133.56
Other current liabilities	9	2,724.11	2,599.41
Short-term provisions	10	840.13	830.84
		<b>32,518.39</b>	<b>29,471.99</b>
<b>Total</b>		<b>52,559.93</b>	<b>46,933.78</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
<b>Fixed Assets</b>			
Tangible assets	11	12,433.17	11,658.97
Capital work-in-progress	11	1,236.78	22.72
Long term loans and advances	12	773.70	696.60
Investments	13	214.61	214.61
		<b>14,658.26</b>	<b>12,592.90</b>
<b>Current Assets</b>			
Inventories	14	13,739.69	11,550.44
Trade Receivables	15	18,794.49	18,317.68
Cash and cash equivalents	16	787.84	654.35
Short-term loans and advances	17	4,579.65	3,818.41
		<b>37,901.67</b>	<b>34,340.88</b>
<b>Total</b>		<b>52,559.93</b>	<b>46,933.78</b>
Significant accounting policies	1		
Notes on Financial Statements	2 to 36		

As per our report of even date annexed hereto  
For SANJEEV ANAND & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 007171C

(S AGARWAL)  
Partner  
M.No. 072907

Place : Ghaziabad  
Date : 30th May 2014

On behalf of the Board of Directors  
For Good Luck Steel Tubes Limited

(M C GARG)  
Chairman

(ABHISHEK AGRAWAL)  
Company Secretary

(R C GARG)  
Director

(SANJAY BANSAL)  
C F O



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2014

PARTICULARS	Note No.	₹ in Lacs	₹ in Lacs
		As on 31.03.2014	As on 31.03.2013
<b>Income</b>			
Revenue from operations (Gross)	18	107,792.72	104,961.41
Less: Excise Duty		10,250.07	9,637.06
Revenue from operations (Net)		97,542.65	95,324.35
Other Income	19	2,662.59	2,412.02
<b>Total (I)</b>		<b>100,205.24</b>	<b>97,736.37</b>
<b>Expenses</b>			
Cost of raw materials consumed	20	76,593.19	72,568.04
Purchase of Stock-in-Trade	21	128.61	2,955.80
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	22	-1,296.39	-1,381.62
Employee Benefit Expenses	23	3,434.55	2,959.11
Finance Cost	24	3,538.15	3,440.88
Depreciation & Amortization Expenses	25	756.13	705.52
Other Expenses	26	14,246.83	13,208.89
<b>Total (II)</b>		<b>97,401.07</b>	<b>94,456.62</b>
<b>Profit before exceptional item &amp; tax (I - II)</b>		<b>2,804.17</b>	<b>3,279.75</b>
Prior Period Items		2.27	-15.51
<b>Profit before tax</b>		<b>2,801.90</b>	<b>3,295.26</b>
<b>Tax Expenses</b>			
Current Tax		770.21	743.22
Deferred Tax		260.26	357.80
<b>Profit for the year</b>		<b>1,771.43</b>	<b>2,194.24</b>
<b>EARNINGS PER EQUITY SHARE</b>			
[Nominal value per share ₹ 2/- (Previous Year: ₹ 2/-)]			
Basic and Diluted	30	9.46	11.72
<b>Significant accounting policies</b>			
<b>Notes on Financial Statements</b>			
		1	2 to 36

As per our report of even date annexed hereto  
For SANJEEV ANAND & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 007171C

On behalf of the Board of Directors  
For Good Luck Steel Tubes Limited

(S AGARWAL)  
Partner  
M.No. 072907

(M C GARG)  
Chairman

(R C GARG)  
Director

Place : Ghaziabad  
Date : 30th May 2014

(ABHISHEK AGRAWAL)  
Company Secretary

(SANJAY BANSAL)  
CFO

## CASH FLOW STATEMENT FOR THE YEAR 2013-14

DESCRIPTION	₹ in Lacs	₹ in Lacs
	As on 31.03.2014	As on 31.03.2013
<b>A. Cash Flow from operation activities:</b>		
Net Profit before tax as per Profit & Loss Account	2,801.90	3,295.26
Adjustment for:		
Depreciation	756.13	705.52
Pre-operative Expenses	-	-
Loss on Sale of Fixed Assets	4.03	5.19
Finance Cost	3,538.15	3,440.88
<b>Operating Profit before working capital changes</b>	<b>7,100.21</b>	<b>7,446.85</b>
Adjustment for:		
Trade and Other Receivables	(1,315.16)	(5,338.69)
Inventories	(2,189.25)	(1,305.28)
Trade and Other Payables	2,117.75	2,160.85
<b>Cash Generated from Operations</b>	<b>5,713.55</b>	<b>2,963.73</b>
Taxes Paid	(770.21)	(743.22)
<b>Net Cash Flow From Operating Activities</b>	<b>4,943.34</b>	<b>2,220.51</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	(2,776.78)	(2,744.61)
Sale of Fixed Assets	22.36	13.73
Purchase of Investments	-	(214.61)
<b>Net Cash used in Investing Activities</b>	<b>(2,754.42)</b>	<b>(2,945.49)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from issue of Equity Shares & Warrants	1,029.88	-
Proceeds from Borrowing for working capital	737.12	3,339.78
Proceeds from Borrowing for Term Loan	(74.33)	1,394.95
Proceeds from Unsecured Loans	(140.03)	(395.95)
Interest Paid	(3,538.15)	(3,440.88)
Dividend Paid	(69.92)	(87.61)
<b>Net Cash from Financing Activities</b>	<b>(2,055.43)</b>	<b>810.29</b>
<b>Net increase in cash and cash Equivalents (A+B+C)</b>	<b>133.49</b>	<b>85.31</b>
Opening Balance of Cash and cash equivalents	654.35	569.04
Closing Balance of Cash and cash equivalents	787.84	654.35

As per our report of even date annexed hereto  
For SANJEEV ANAND & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 007171C

On behalf of the Board of Directors  
For Good Luck Steel Tubes Limited

(S AGARWAL)  
Partner  
M.No. 072907

(M C GARG)  
Chairman

(R C GARG)  
Director

Place : Ghaziabad  
Date : 30th May 2014

(ABHISHEK AGRAWAL)  
Company Secretary

(SANJAY BANSAL)  
C F O

CORPORATE  
INFORMATIONCORPORATE  
OVERVIEWSTRATEGIC  
OVERVIEWMANAGEMENT  
DISCUSSION & ANALYSISSTATUTORY  
REPORTFINANCIAL  
STATEMENTS



## 1. SIGNIFICANT ACCOUNTING POLICIES

### COMPANY OVERVIEW

Good Luck Steel Tubes Limited is engaged in the manufacturing of Black & G.I. Pipe, C.R. Sheet / Coil, G.P.G.C. Sheet / Coil, C.R.C.A. Sheet / Coil, Structures, Poles, Stainless / Mild / Alloy steel forgings & flanges, Bright Bars, ERW Tube & CDW Tubes, etc.

#### A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements are prepared under the historical cost convention, on accrual basis of accounting, in accordance with the generally accepted accounting principles, accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

#### B. USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets, liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### C. FIXED ASSETS

The fixed assets viz. Land, Building, Plant & Machinery of Sikandrabad unit were revalued at fair market value as at 31<sup>st</sup>. March, 1994 as assessed by the valuers appointed for the purpose. As a result, book value of such assets was increased by ₹242.29 Lacs which was credited to Capital Reserve. The remaining fixed Assets are stated at cost, net of modvat/cenvat/vat, less accumulated depreciation inclusive of freight, duties, taxes and incidental expenses. All cost, including financing cost till commencement of commercial production, net of charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

#### D. DEPRECIATION AND AMORTISATION

Depreciation on fixed assets has been charged on straight line method at the rates prescribed in schedule XIV of the Companies Act, 1956. In case of addition/deletion to Fixed Assets during the year, depreciation has been charged pro-rata with respect to date of addition/deletion. The leasehold land has not been amortized. In respect of revalued assets, an amount of ₹6.00 Lacs being equivalent to the additional charge of depreciation arising due to revaluation is deducted from Capital Reserve and not charged to the Profit & Loss account.

#### E. INVENTORY

Inventories are valued at lower of cost or net realizable value except by-products and scrap which is valued at net realizable value. The cost is determined by using first-in-first-out (FIFO) method. Finished goods and semi-finished goods include costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of raw materials, stores & spares, packing materials, trading and other products are valued at cost.

#### F. REVENUE RECOGNITION

Revenue is recognized to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from operations include sale of goods, services, excise duty and sales during trial run period, adjusted for discounts (net), Value Added Tax (VAT) and Service Tax.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other Income" in the statement of Profit and Loss account.



**G. EMPLOYEES' BENEFITS**

Retirement benefits, such as gratuity are accounted for on the basis of provisions as lay down under accounting standard (AS-15) "Provision for Retirement Benefits" for employees are as per the certificate provided by the management.

Contributions to Provident Fund, a defined contribution plan are made in accordance with the statute, and are recognized as an expense when employees have rendered service entitling them to the contribution.

Company's contribution to state defined contribution plan namely, Employee State Insurance are made in accordance with the statute, and are recognized as an expenses when employees have rendered services entitling them to the contribution.

**H. BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

**I. FOREIGN CURRENCY TRANSACTIONS**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies outstanding at the year end are translated at exchange rate applicable at year end rates. In respect of monetary items which are covered by forward exchange contracts, the difference between the realizable rates at the year end and the rate on the date of contract is recognized as exchange difference. Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Account except in cases of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

**J. INVESTMENTS**

Non-current Investments comprises unquoted equity shares of Masterji Metalloys Pvt. Ltd. which are stated at cost.

**K. CENVAT / VAT**

Cenvat / VAT claimed on capital goods are credited to fixed assets / capital work-in-progress account. Cenvat / Vat on purchase of raw materials and other materials are deducted from the cost of such materials.

**L. PROVISION FOR TAXATION**

Provision for current tax is made after taking into consideration benefits admissible under the provision of Income Tax Act, 1961.

In accordance with the Accounting Standard (AS) - 22 "Accounting for taxes on income", issued by The Institute of Chartered Accountants of India, the Deferred Tax Liability for timing differences between the book and tax profits is accounted for using the tax rates and tax laws that have been enacted or substantially enacted as of the Balance Sheet date.

**M. PROVISIONS, CONTINGENT LIABILITIES AND ASSETS**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent Assets are not recognized or disclosed in the financial statements.



## Notes on Financial Statement for the year ended 31st March 2014

The previous year figures have been regrouped / reclassified / rearranged, wherever necessary to confirm to the current year presentation.

### 2. SHARE CAPITAL AND SHARE WARRANT

DESCRIPTION	₹ in Lacs As on 31.03.2014	₹ in Lacs As on 31.03.2013
<b>(a) Share Capital</b>		
<b>Authorised Capital</b>		
50,000,000 Equity Shares of ₹ 2/- each (Previous year)		
50,000,000 Equity Shares of ₹ 2/- each)	1,000.00	1,000.00
<b>Issued, Subscribed Capital</b>		
1,99,21,250 Equity Shares of ₹ 2/-each (Previous year)		
1,87,21,250 Equity Shares of ₹ 2/-each)	398.43	374.43
<b>Paid -up Capital</b>		
Balance as per the last financial statements		
1,87,21,250 Equity Shares of ₹ 2/- each (Previous year)	374.43	374.43
1,87,21,250 Equity Shares of ₹ 2/- each )		
Add: Addition during the year (12,00,000 Shares of ₹2/- each (Previous Year - NIL)	24.00	-
1,99,21,250 Equity Shares of ₹ 2/- each (Previous year)		
1,87,21,250 Equity Shares of ₹ 2/- each )	398.43	374.43
<b>(b) Share Warrant</b>		
10,85,000 Share Warrants convertible within 18 months	189.88	-
<b>TOTAL:</b>	<b>588.31</b>	<b>374.43</b>

The Company has only one class of shares referred to as equity shares having a par value of ₹2/-. Each holder of equity shares is entitled to one vote per share.

The company has issued 22,85,000 share warrants at the price of ₹70/- each on 31st December 2013. Out of which the company has converted 12,00,000 share warrants into 12,00,000 equity shares of ₹2/- each at a premium of ₹68/- per share

The details of shareholders holding more than 5% shares:

Name of Shareholder	No. of Shares		
Venus Insec Pvt Ltd.	1,200,000	-	
	% held	6.02	
Mr. Nitin Garg	1486750	1486750	
	% held	7.46	7.94

### 3. RESERVES AND SURPLUS

<b>Revaluation Reserve</b>		
Balance as per the last financial statements	6.00	14.27
Less: Amount tfd. to the Statement of Profit & Loss as reduction from Depreciation	6.00	8.27
<b>Closing Balance</b>	<b>-</b>	<b>6.00</b>
<b>Securities Premium Reserve</b>		
Balance as per the last financial statements	455.13	455.13
Add: Addition during the year	816.00	-
<b>Closing Balance</b>	<b>1,271.13</b>	<b>455.13</b>
<b>General Reserve</b>		
Balance as per the last financial statements	1,996.64	1,596.64
Add : Amount transferred from Surplus balance in the statement of Profit & Loss	300.00	400.00
<b>Closing Balance</b>	<b>2,296.64</b>	<b>1,996.64</b>

DESCRIPTION	₹ in Lacs As on 31.03.2014	₹ in Lacs As on 31.03.2013
<b>Surplus in the statement of Profit &amp; Loss</b>		
Balance as per the last financial statements	9,047.56	7,340.94
Add: Profit for the year	1,771.43	2,194.24
Amount available for appropriation	10,818.99	9,535.18
<b>Less: Appropriations:</b>		
Proposed Dividend	59.76	74.89
Dividend Tax	10.16	12.73
Amount transferred to General Reserve	300.00	400.00
<b>Closing Balance</b>	<b>10,449.07</b>	<b>9,047.56</b>
<b>TOTAL:</b>	<b>14,016.84</b>	<b>11,505.32</b>

#### 4. LONG-TERM BORROWINGS

<b>Secured Term Loans:</b>		
From State Bank of India	191.00	995.00
From Axis Bank Ltd.	2,739.09	2,238.59
<b>Unsecured Loans:</b>		
From Related Parties	548.53	923.13
From Others	413.57	179.00
<b>Net Amount</b>	<b>3,892.19</b>	<b>4,335.72</b>

Term loan are secured by way of first charge on fixed assets of the Company located at A-45, A-42, A-51 & A-59 Industrial Area, Sikandrabad, Distt. Bulandshahr and Plot No. 2839 DhoomManikpur, Dadri. Term loan are further secured by way of second charge on entire current assets of the Company, both present & future and personal guarantee of the directors of the Company and their relatives.

Maturity Profile of secured term loans are as set out below:	₹ in Lacs
1-2 Years	1,695.38
2-3 Years	1,059.71
3-4 Years	175.00
Beyond 4 years	-

#### 5. DEFERRED TAX LIABILITY (Net)

<b>Deferred Tax Liability</b>		
Related to Fixed Assets	1,483.23	1,216.35
<b>Deferred Tax Assets</b>		
Disallowances under the Income Tax Act, 1961	(37.11)	(30.49)
<b>TOTAL:</b>	<b>1,446.12</b>	<b>1,185.86</b>

#### 6. LONG-TERM PROVISIONS

<b>Provision for Employees Benefits</b>		
Provision for Gratuity / Leave Benefits	98.08	60.46
<b>TOTAL:</b>	<b>98.08</b>	<b>60.46</b>

#### 7. SHORT TERM BORROWINGS

<b>Secured Loans:</b>		
From Banks (Working Capital Loan)	22,498.91	21,908.18
From Other	146.39	-
<b>TOTAL:</b>	<b>22,645.30</b>	<b>21,908.18</b>

Working capital limits from Banks comprising of Cash credit Limits / Export credit Limits / Bills discounted are secured by first charge on entire current assets of the Company including stocks of raw-materials, work-in-progress, stock lying in godown and ports, finished goods and book debts both present & future. Working capital limits from Banks are further secured by way of second charge on entire fixed assets of the Company, equitable mortgage of two immovable properties belonging to the directors of the Company and their relatives, situated at Plot No. II - F - 166 & II - F-167, Nehru Nagar, Ambedkar Road, Ghaziabad and personal guarantee of the directors of the Company and their relatives. Loan from Others are secured by way of pledge of Key Men Life insurance policies of the company



DESCRIPTION	₹ in Lacs As on 31.03.2014	₹ in Lacs As on 31.03.2013
<b>8. TRADE PAYABLES</b>		
Trade creditors	6,308.85	4,133.56
<b>TOTAL:</b>	<b>6,308.85</b>	<b>4,133.56</b>
<b>9. OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt (Refer Note No. 4)	1,814.62	1,585.46
Unclaimed Dividends	12.86	11.05
Creditors for Capital Expenditure	66.08	100.11
Other Payables (Includes statutory dues, Provisions and advance recd.)	830.55	902.79
<b>TOTAL:</b>	<b>2,724.11</b>	<b>2,599.41</b>
<b>10. SHORT-TERM PROVISIONS</b>		
Proposed Dividend*	59.76	74.89
Provision for:		
Tax on Dividend	10.16	12.73
Current Taxes	770.21	743.22
<b>TOTAL:</b>	<b>840.13</b>	<b>830.84</b>

\* The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

## 11. FIXED ASSETS

S.No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on	Additions	Adjustment	Total As on	Upto	For the year	Adjustment	Total upto	As on	As on
		01.04.2013	2013-14	2013-14	31.03.2014	01.04.2013	2013-14	2013-14	31.03.2014	31.03.2014	31.03.2013
1	Land (Leasehold)	176.50	545.99	-	722.49	-	-	-	-	722.49	176.50
2	Land (Freehold)	330.40	-	-	330.40	-	-	-	-	330.40	330.40
3	Factory Building	2,570.65	165.11	-	2,735.76	385.86	87.76	-	473.62	2,262.14	2,184.79
4	Office Building	46.96	-	-	46.96	5.72	0.77	-	6.48	40.48	41.24
5	Residential Flat	28.52	-	-	28.52	1.05	0.46	-	1.51	27.01	27.48
6	Furniture & Fixtures	88.19	23.22	-	111.42	39.00	5.99	-	44.99	66.42	49.19
7	Plant & Machinery	11,227.28	678.75	10.95	11,895.08	2,857.08	587.69	2.14	3,442.62	8,452.46	8,370.21
8	Office Equipments	219.11	29.86	-	248.97	120.73	12.57	-	133.30	115.67	97.90
9	Vehicles	615.71	119.79	23.33	712.17	234.93	66.89	5.75	296.07	416.11	380.78
		15,303.33	1,562.71	34.28	16,831.77	3,644.37	762.12	7.90	4,398.60	12,433.17	11,658.49
10	Capital Work in Progress	22.72	1,236.78	22.72	1,236.78	-	-	-	-	1,236.78	22.72
	<b>Total</b>	15,326.05	2,799.50	57.00	18,068.55	3,644.37	762.12	7.90	4,398.60	13,669.96	11,681.21
	<b>Previous Year</b>	12,624.82	5,458.45	2,757.21	15,326.05	2,955.04	713.79	24.46	3,644.37	11,681.69	9,669.78



DESCRIPTION	₹ in Lacs	₹ in Lacs
	As on 31.03.2014	As on 31.03.2013

## 12. LONG TERM LOANS & ADVANCES

(Unsecured, Considered good unless stated otherwise)

Capital Advances	543.37	517.99
Security Deposits	230.33	178.61
<b>TOTAL:</b>	<b>773.70</b>	<b>696.60</b>

## 13. INVESTMENTS

**In Equity Shares - Unquoted, fully paid up**

Shares of Associate Company		
10,73,025 shares of Rs. 10/- each of Masterji Metalloys Pvt. Ltd.	214.61	214.61
(Previous Year 10,73,025 shares of Rs. 10/- each of Masterji Metalloys Pvt. Ltd.)		
<b>TOTAL:</b>	<b>214.61</b>	<b>214.61</b>

## 14. INVENTORIES

(As taken, valued and certified by the management)

(At lower of cost and net realizable value unless stated otherwise)

Raw Materials	6,012.45	5,170.54
Work-in-progress	819.76	557.63
Finished Goods	6,326.61	5,292.35
Stores, Spares & Packing Materials	580.87	529.92
<b>TOTAL:</b>	<b>13,739.69</b>	<b>11,550.44</b>

## 15. TRADE RECEIVABLES

(Unsecured, Considered good unless stated otherwise)

Outstanding for a period exceeding six months from the date, they are due for payment

Others	1,301.65	840.96
	17,492.84	17,476.71
<b>TOTAL:</b>	<b>18,794.49</b>	<b>18,317.68</b>

## 16. CASH AND BANK BALANCES

Cash on hand	47.16	45.45
Balances with banks		
In current and deposit accounts	740.68	608.90
<b>TOTAL:</b>	<b>787.84</b>	<b>654.35</b>

Balances with banks in unclaimed dividend accounts	12.86	11.04
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Balances with banks held as margin money deposits against bank guarantees / LC	425.76	432.55
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Cash and bank balances As on 31st March 2014 and 31st March 2013 include restricted cash and bank balances of ₹438.62 Lacs and ₹443.60 Lacs respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and unclaimed dividends.

The deposits maintained by the Company with banks comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

DESCRIPTION	₹ in Lacs As on 31.03.2014	₹ in Lacs As on 31.03.2013
<b>17. SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured, considered good unless stated otherwise)		
Advances recoverable in cash or in kind or for value to be received	772.30	417.52
Security Deposits	13.82	4.27
Mark-to-market gain on forward	251.55	86.00
<u>Other Loans and advances:</u>		
Prepaid Income Tax	712.05	744.51
Prepaid Expenses	149.95	78.20
Balances with statutory / government authorities	2,679.98	2,487.91
<b>TOTAL:</b>	<b>4,579.65</b>	<b>3,818.41</b>
<b>18. REVENUE FROM OPERATIONS</b>		
Gross Sales	107,789.46	104,956.63
Less: Excise Duty	10,250.07	9,637.06
Net Sales	97,539.39	95,319.57
Job Work	3.26	4.78
<b>TOTAL:</b>	<b>97,542.65</b>	<b>95,324.35</b>
<b>19. OTHER INCOME</b>		
Export Benefits	2,062.75	1,980.99
Interest Income	107.26	132.36
Exchange Fluctuation	492.58	211.42
Other Non-operative Income	-	87.25
<b>TOTAL:</b>	<b>2,662.59</b>	<b>2,412.02</b>
<b>20. COST OF RAW MATERIAL CONSUMED</b>		
Inventory at the beginning of the year	5,170.54	5,286.09
Add: Purchases	77,435.10	72,452.49
	82,605.64	77,738.58
Less: Inventory at the end of the year	6,012.45	5,170.54
<b>Cost of raw material consumed</b>	<b>76,593.19</b>	<b>72,568.04</b>
<b>20.1 COST OF RAW MATERIAL CONSUMED</b>		
Imported	-	-
Imported (% of consumption)	0.00	0.00
Indigenous	76,593.19	72,568.04
Indigenous (% of consumption)	100.00	100.00
<b>TOTAL:</b>	<b>76,593.19</b>	<b>72,568.04</b>
<b>20.2 DETAILS OF RAW MATERIAL CONSUMED</b>		
H.R. Coils / Strips / Skelp	53,405.42	52,975.59
Steel Ingots & Blooms	13,517.38	10,459.53
Others	9,670.39	9,132.92
<b>TOTAL:</b>	<b>76,593.19</b>	<b>72,568.04</b>
<b>21. PURCHASE OF STOCK-IN-TRADE</b>		
Purchases of Stock-in-trade	128.61	2,955.80
<b>TOTAL:</b>	<b>128.61</b>	<b>2,955.80</b>



DESCRIPTION	₹ in Lacs	₹ in Lacs
	As on 31.03.2014	As on 31.03.2013
<b>22. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK -IN-PROCESS AND STOCK-IN-TRADE</b>		
Inventories at the beginning of the year		
Work-in-progress	557.63	501.06
Finished goods / Stock-in-Trade	5,292.35	3,967.30
	<b>5,849.98</b>	<b>4,468.36</b>
Inventories at the end of the year		
Work-in-progress	819.76	557.63
Finished goods / Stock-in-Trade	6,326.61	5,292.35
	<b>7,146.37</b>	<b>5,849.98</b>
<b>TOTAL:</b>	<b>(1,296.39)</b>	<b>(1,381.62)</b>
<b>23. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages & Bonus	3,198.62	2,753.92
Contribution to provident and other fund	157.88	134.26
Staff Welfare Expenses	78.05	70.93
<b>TOTAL:</b>	<b>3,434.55</b>	<b>2,959.11</b>
<b>24. FINANCE COST</b>		
Interest on borrowings	3,238.30	3,011.51
Bank Commission & Charges	299.85	320.89
Applicable loss on foreign currency transactions & translations	-	108.48
<b>TOTAL:</b>	<b>3,538.15</b>	<b>3,440.88</b>
<b>25. DEPRECIATION &amp; AMORTIZATION EXPENSES</b>		
Depreciation	762.13	713.79
Less: Transferred from Revaluation Reserve	6.00	8.27
<b>TOTAL:</b>	<b>756.13</b>	<b>705.52</b>
<b>26. OTHER EXPENSES</b>		
Consumption of stores and spares	3,954.56	3,695.76
Power & Fuel Expenses	2,526.56	2,540.28
Processing Charges	666.40	557.71
<b>Repairs &amp; Maintenance:</b>		
Plant & Machinery	392.07	202.39
Others	98.09	55.08
Freight & Forwarding	4,463.68	4,280.46
Advertisement	34.85	22.72
Commission on sales	99.83	228.63
Selling & Sales Promotion	26.77	35.24
Rebate & Discount	394.14	395.63
Packing Materials	624.92	543.18
Printing & Stationery	27.85	24.86
Postage, Telegram & Telephone	72.91	65.85
Travelling and Conveyance	452.07	343.20
Legal & Professional Expenses	71.46	40.82
Audit Fees	2.50	2.50
Insurance	48.78	42.41
Rates, Taxes & Fees	147.20	49.93
Donation	62.78	35.12
Miscellaneous Expenses	75.38	41.93
Loss on Sale of Fixed Assets	4.03	5.19
<b>TOTAL:</b>	<b>14,246.83</b>	<b>13,208.89</b>

DESCRIPTION	₹ in Lacs As on 31.03.2014	₹ in Lacs As on 31.03.2013
<b>26.1. VALUE OF STORES &amp; SPARES CONSUMED</b>		
Imported	1.70	3.87
Imported (% of consumption)	0.04	0.10
Indigenous	3,952.86	3,691.89
Indigenous (% of consumption)	99.96	99.90
<b>TOTAL:</b>	<b>3,954.56</b>	<b>3,695.76</b>
<b>27. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF:</b>		
Stores & Spares	0.17	3.87
Capital goods	62.32	161.29
<b>TOTAL:</b>	<b>62.49</b>	<b>165.16</b>
<b>28. PAYMENT TO AUDITORS AS:</b>		
Auditors		
Statutory Audit Fees	2.00	2.00
Tax Audit Fees	0.25	0.25
Certificate and Consultation Fees	0.25	0.25
<b>TOTAL:</b>	<b>2.50</b>	<b>2.50</b>
<b>29. EXPENDITURE IN FOREIGN CURRENCY</b>		
Foreign Bank Charges	42.77	32.87
Tours & Travelling	59.09	49.28
Advertisement & Subscription	21.26	7.60
Commission & Export Expenses	416.04	314.20
<b>30. EARNING PER SHARE</b>		
Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders ( ₹ in Lacs)	1,771.43	2,194.24
Weighted average No. of Equity Shares	18734401	18721250
<b>Basic and Diluted Earning per share (₹)</b>	<b>9.46</b>	<b>11.72</b>
Face value per equity share (₹)	2.00	2.00
<b>31. EARNING IN FOREIGN CURRENCY</b>		
FOB Value of Exports	36,205.65	35,250.19
<b>32. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND</b>		
The Company has paid dividend in respect of shares held by Non-Residents. The exact amount of dividend remitted in foreign currency can not be ascertained. The total amount remittable in this respect is given herein below:		
No. of Non-Resident Shareholders	12	13
No. of Equity Shares held by them	152500	167500
Amount of Dividend Paid	0.61	0.67
Tax Deducted at Source	Nil	Nil
Year to which dividend relates	2012-13	2011-12



### 33. RELATED PARTY DISCLOSURES:

As per Accounting Standard -18, the disclosure of transactions with the related parties are given below:

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Name of Related Party	Relationship
Masterji Metalloys Pvt. Ltd.	Associate
Shri M. C. Garg	Key Management Personnel
Shri R. C. Garg	
Shri Nitin Garg	
Shri Manish Garg	Relatives of Key Management Personnel
Shri Umesh Garg	
R.A. Garments LLP	Enterprises Over which Key Management Personnel are able to exercise significant influence
Shri Jee Housing Pvt Ltd.	

(ii) Transactions during the year with related parties:

Nature of Transactions	₹ in Lacs				
	Associates	Key Management Personnel	Relatives of Key Mgt. Personnel	Others	Total
<b>Remuneration Paid:</b>					
Current Year	-	88.80	55.20	-	144.00
Previous Year	-	78.00	159.00	-	237.00
<b>Loans Taken:</b>					
Current Year	-	9.50	271.15	-	280.65
Previous Year	-	1.50	113.00	125.00	239.50
<b>Loans Repaid:</b>					
Current Year	-	3.00	277.40	22.00	302.40
Previous Year	-	16.00	252.45	221.00	489.45
<b>Processing Charges</b>					
Current Year	121.22	-	-	-	121.22
Previous Year	-	-	-	-	-
<b>Goods Purchased:</b>					
Current Year	-	-	-	-	-
Previous Year	8.66	-	-	-	8.66
<b>Goods sold:</b>					
Current Year	2,142.50	-	-	-	2,142.50
Previous Year	1,481.62	-	-	-	1,481.62

### 34. CONTINGENT LIABILITIES AND COMMITMENTS

DESCRIPTION	₹ in Lacs	₹ in Lacs
	As on 31.03.2014	As on 31.03.2013
<b>Contingent Liabilities</b>		
1. Outstanding bank guarantees issued by the banks Counter guaranteed by the Company	668.19	1,404.03
2. Disputed demand under Central Excise	119.63	-
<b>Commitments</b>		
i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for	6,274.00	98.75

DESCRIPTION	₹ in Lacs	₹ in Lacs
	As on 31.03.2014	As on 31.03.2013

### 35. FINANCIAL AND DERIVATIVE INSTRUMENTS

Derivatives outstanding as at the reporting date

Forward Contract for hedge of highly probable foreign currency sales	6,590.00	4,505.39
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Forward Contract for hedge of Foreign Currency Loans	-	-
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#### Particulars of unhedged foreign currency exposures as at the reporting date

Foreign currency exposures that are not hedged by derivative instruments	Nil	Nil
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### 36. SEGMENT INFORMATION

#### A. Business Segments

The Company has identified two segments viz. Pipe/Sheets/Structure/Auto Tubes & Engineering goods. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting system. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company.

The segments are further described below:

i) The Pipe/Auto Tubes/Sheet/Structure segment includes Black & G.I.Pipe, C.R.Sheet/Coil, G.P.G.C.Sheet/Coil, C.R.C.A. Sheet/Coil, Structures, Poles and their scrap and by-products.

ii) The Engineering Goods segment includes stainless/mild/alloy steel forgings, bright bars, flanges and their scrap.

#### INFORMATION ABOUT BUSINESS SEGMENTS Segment Revenue, Results, Assets & Liabilities

##### Segment Revenue

a) Pipe/Auto Tubes/Sheet/Structure		
- External	81,021.73	81,772.06
- Inter-segment	0.60	-
- Total	<b>81,022.33</b>	<b>81,772.06</b>

b) Engineering goods		
- External	19,076.24	15,744.69
- Inter-segment	192.08	323.26
- Total	<b>19,268.32</b>	<b>16,067.95</b>

<b>Total Segment Revenue</b>	<b>100,290.65</b>	<b>97,840.02</b>
Less: Inter Segment Revenue	192.68	323.26
Net Sales /Income from Operations	100,097.97	97,516.75
Add: Unallocable Revenue	107.26	219.62
<b>Total Revenue</b>	<b>100,205.23</b>	<b>97,736.37</b>

##### Segment Results

Profit before interest and tax from each segment		
a) Pipe/Auto Tubes/Sheet/Structure	5,140.31	4,781.82
b) Engineering goods	1,094.75	1,719.20

<b>Total Segment Results</b>	<b>6,235.06</b>	<b>6,501.02</b>
Add: Unallocable Income	107.26	219.61
Less: Finance cost	3,538.15	3,440.88
Less: Other Unallocable expenses	2.27	(15.51)
<b>Profit before tax</b>	<b>2,801.90</b>	<b>3,295.26</b>
Less: Provision for taxes	1,030.47	1,101.02
<b>Profit after tax</b>	<b>1,771.43</b>	<b>2,194.24</b>



DESCRIPTION	₹ in Lacs As on 31.03.2014	₹ in Lacs As on 31.03.2013
<b>OTHER INFORMATION</b>		
<b>Segment Assets</b>		
a) Pipe/ Auto Tubes/Sheet/Structure	39,023.74	35,557.98
b) Engineering goods	13,110.40	10,943.25
<b>Total</b>	<b>52,134.14</b>	<b>46,501.23</b>
Add: Unallocable Assets	425.76	432.55
<b>Total Assets</b>	<b>52,559.90</b>	<b>46,933.78</b>
<b>Segment Liabilities</b>		
a) Pipe/ Auto Tubes/Sheet/Structure	3,417.06	3,992.80
b) Engineering goods	3,969.28	1,302.77
<b>Total</b>	<b>7,386.34</b>	<b>5,295.57</b>
Add: Unallocable Liabilities	770.21	743.22
<b>Total Liabilities</b>	<b>8,156.55</b>	<b>6,038.79</b>
<b>Capital Expenditure</b>		
a) Pipe/ Auto Tubes/Sheet/Structure	2,582.86	1,327.18
b) Engineering goods	159.64	1,374.05
<b>Total</b>	<b>2,742.50</b>	<b>2,701.23</b>
<b>Depreciation</b>		
a) Pipe/ Auto Tubes/Sheet/Structure	567.98	557.06
b) Engineering goods	188.14	148.46
<b>Total</b>	<b>756.12</b>	<b>705.52</b>
<b>Non Cash Expenses other than Depreciation</b>		
a) Pipe/ Auto Tubes/Sheet/Structure	-	-
b) Engineering goods	-	-
<b>Total</b>	-	-
<b>B. Geographical Segments</b>		
Revenue		
- Within India	62,902.37	61,006.10
- Outside India	37,302.87	36,730.27
<b>Total Revenue</b>	<b>100,205.24</b>	<b>97,736.37</b>

As per our report of even date annexed hereto  
For SANJEEV ANAND & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 007171C

On behalf of the Board of Directors  
For Good Luck Steel Tubes Limited

(S AGARWAL)  
Partner  
M.No. 072907

(M C GARG)  
Chairman

(R C GARG)  
Director

Place : Ghaziabad  
Date : 30th May 2014

(ABHISHEK AGRAWAL)  
Company Secretary

(SANJAY BANSAL)  
C F O





# GOODLUCK

“The Highest  
Focus on Engineering  
Excellence”

Water Supply & Sewerage

Power Plant

Wind Mills

Chemical and Petroleum

Cement Industry

Sugar Industry

Oil & Gas Industry

Pole Manufacturing

Green House

Solar Power Plant

Automobiles &

Bus Body Building

Furniture Industry

Boiler Heat Exchange

Paper

Fertilizer

Food

Engineering

Telecom

Transmission Towers

Office Equipment





## **Good Luck Steel Tubes Ltd.**

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