



GOODLUCK STEEL TUBES LIMITED



ANNUAL REPORT 2010-11



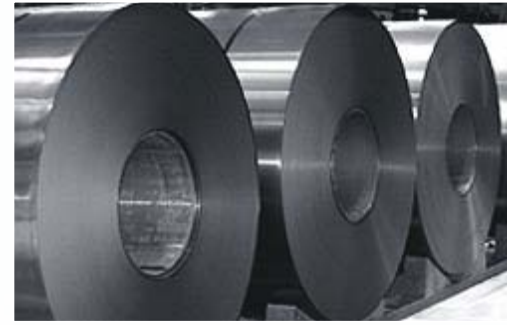
GOODLUCK STEEL TUBES LIMITED

REGISTERED OFFICE

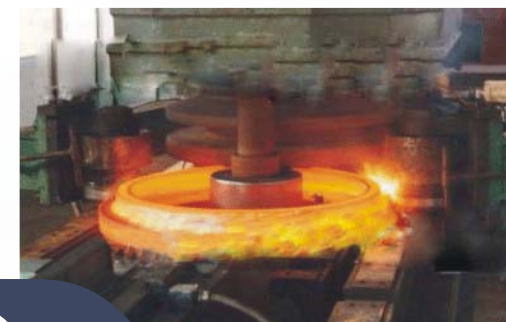
5/102, Sikka Complex, Community Centre,
Preet Vihar, Vikas Marg, Delhi - 110 092 www.goodlucksteel.com

CORPORATE OFFICE

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



The
STEEL
you
NEED



BOARD OF DIRECTORS

Mr. M. C. Garg, Chairman
Mr. R. C. Garg, Whole Time Director
Mr. Anil Kr. Garg, Whole Time Director
Mr. Vijender Kr. Tyagi, Independent Director
Mr. Rahul Goel, Independent Director
Mr. Anurag Agarwal, Independent Director

STATUTORY AUDITOR

M/s Sanjeev Anand & Associates

COMPANY SECRETARY

Mr. Abhishek Agrawal

BANKERS

Axis Bank
Barclays Bank
Bank of Baroda
ING Vysya Bank
State Bank 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

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Preet Vihar, Vikas Marg, Delhi - 110 092 www.goodlucksteel.com

CORPORATE OFFICE

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

REGISTRAR & TRANSFER AGENT

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

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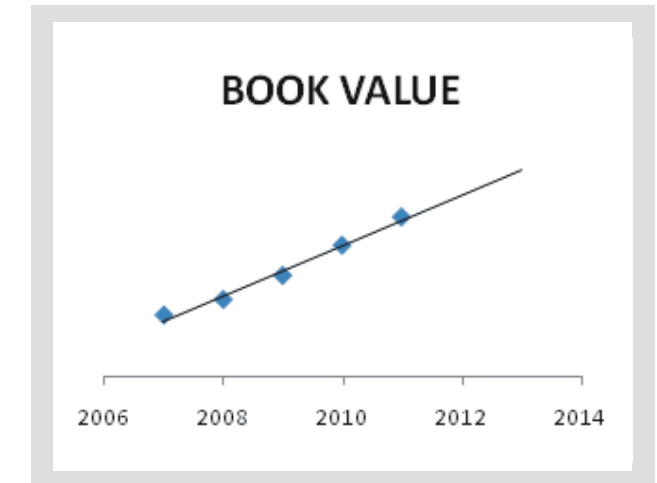
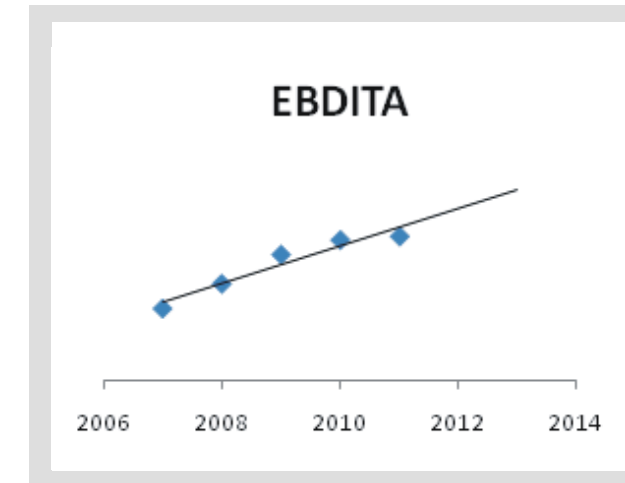
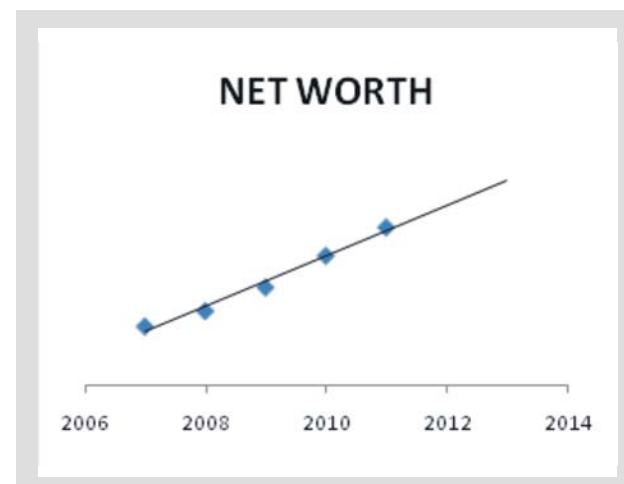
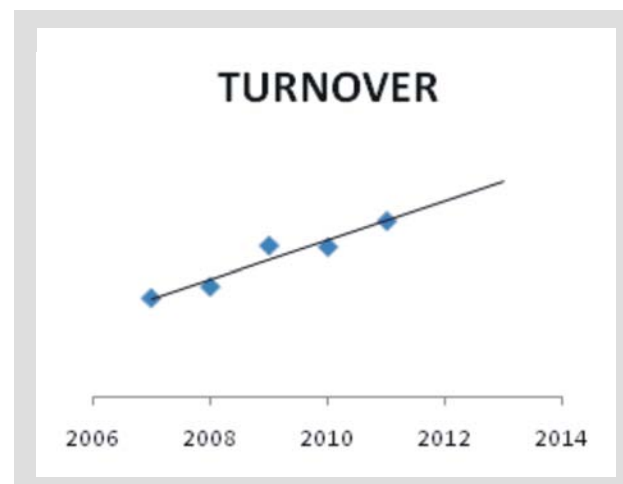
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Chairman's Message

Dear Shareholders,

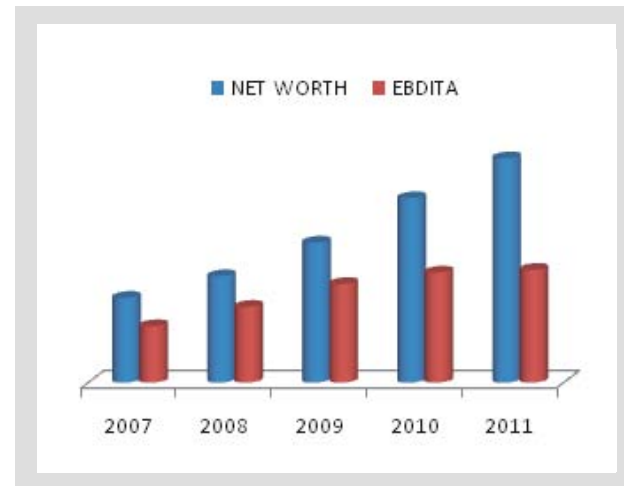
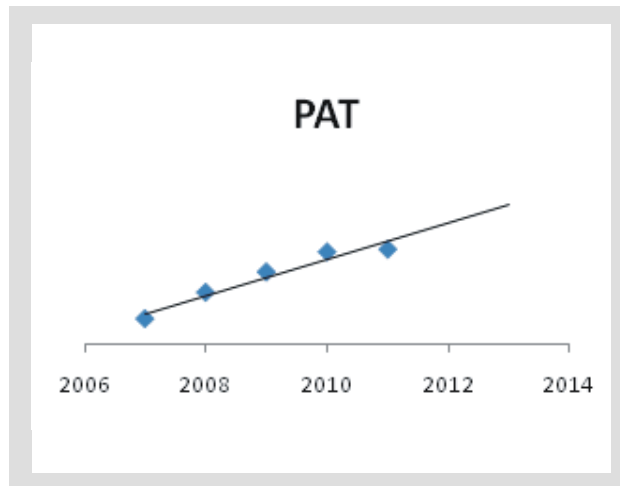
I have great pleasure in welcoming you all to the 25th Annual General Meeting of the Company and present to you the Annual Report of your Company for the financial year 2010-11. The Directors' Report and the Audited Balance sheet of your Company for the period ended 31st March, 2011 have already been provided to all the shareholders of the Company. With your permission, I take them as read.

With the faith you shown in the management of company and support of the customers, Bankers, efforts of our meticulous executives and staff; during the year, the company have achieved the sales of Rs. 611.00 cr., an increase by 18.77 % in comparison of the last year's Rs. 514.42 cr. The profit before tax has also been increased and reached to Rs. 24.08 cr. Consequently, there is a rise in the book value of shares also & has reached to Rs. 42/- , an increase by 21.66%.



Even though the company is able to sustain the growth trend but the conditions prevailing in the market has compelled the company to not shifting the burden of higher cost to the consumer, resulting to comparatively lower profit margin. The stronger position of Indian rupee in the for-ex market has also pull down the export margin of the company. In the year 2011, Indian steel industries have been struggling with the higher raw material cost and stiff global competition with weaker demand.

Dear friends; Indian economy, the barometer for steel sector growth, is passing through a tough time now. Several interest rate hikes in the most recent past has indicated that the Reserve Bank of India (RBI) is anticipating demand of corporate loans to slump in coming months. Although, the banking regulator has hinted for no more rate hikes, it is hard to believe that the Indian economy will see a boost in coming months. This necessarily means that the economy is heading for a slowdown. Asia's third-largest economy faces a period of reduced growth and stubbornly high inflation. There's a possibility that India could lose out to China and smaller Asian economies in the battle to attract big foreign investment. The fear of global economic slowdown is likely to percolate to Indian economy as well.



The Indian government has also become more cautious about infrastructure spending by inviting investments either through 100 per cent privately or through public - private partnership (PPP). The PPP model, however has not worked well for infrastructure projects and has attracted negligible investment in the last 4-5 years especially on rail and road projects. Lowering the spending in infrastructure, the price rise of crucial raw materials in an uncontrolled manner but likely downward correction in commodity prices may negatively influence steel scenario during 2011-12.

The Government should come up with some prudent measures to provide a shield to one of the world's fastest growing economy so that industrialists do not be compelled to take extreme decisions, like slowing down the expansion plans and Indian economy can maintain its tempo and move further on the path of emerging as world's biggest economy.

At the end, I conclude with the belief that we will continuously receive your unshaken faith and support in the future also, and want to thanks for your best wishes without which we could not reach upto this level, and is continuously required in the time to come.

Chairman

Director's Report

Dear Shareholders,

The Board of Directors of your Company takes pleasure in presenting 25th Annual Report and audited accounts of your Company for the financial year ended 31st March, 2011.

Performance /result

In the year 2010-11 also, the company was on the track of growth. The company has registered a growth of 18.77% in terms of sales & 5.15% in terms of profit before tax. The net worth of the company has increased by 21% in the year 2011. The Company's net profit rose to the tune of Rs, 16.49 cr. higher by 0.44 cr. in comparison to the last year's performance. During the year the company's net debt liability (secured as well as unsecured) has been reduced by 5.27 cr. whereas in the previous year the company was net borrower to the tune of Rs. 38.18cr. The financial highlight of your company is given as follows:

(Rs in Cr.)

Particulars	2010 - 11	2009 - 10
Gross Turnover	611.09	514.42
Earning before interest, tax & depreciation	39.55	38.56
Interest	11.40	12.14
Depreciation	4.07	3.52
Profit before tax	24.08	22.90
Profit after tax	16.49	16.05
Amount available for appropriation	61.82	50.72
Appropriation:		
General Reserve	3.00	3.00
Dividend	0.56	0.56
Dividend Tax	0.09	0.09
Balance carried forward to next year	58.17	47.07

Expansion Plan 2011-12

It is always endeavor of the management of the company to maximize its returns. With this view, higher value added products have been continuously included in the product portfolio, which has significantly improved the bottom line of the company.

Working on the same line the management has decided to add new capacity in the form of HROP line in CR section of company. Keeping this in consideration, the company is investing approx. 4.41 cr. in this expansion cum modernization program. This will add over Rs. 5 cr. per annum to the bottom line of the company. The company has also planned to invest approx. Rs. 8.20 cr. in its auto tube division. The demand of the auto tube is continuously increasing and to match the gap between demand and production, the company is increasing the capacity of auto tube division by adding a new auto tube mill and balancing equipments to the existing machinery. This new mill may add roughly Rs. 40 cr. to the top line and around Rs 6.00 cr in EBITA margin of the company.

After the completion of ongoing expansion the company is planning to add new value added products of bright bar in its Engineering division. Considering the vast demand and huge export potential of bright bar products, the management has decided to set up a new Bright Bar plant with the annual capacity of 12,000 mt. This expansion will be done in existing factory premises. The company is already involved in the trading of rolled bars, which acts as a raw material for the proposed plant of Bright Bar. The basic stainless steel bright bar applications and uses are found in machined components, Pump Shafts, Valves, Fasteners, Machine Tools, Dairy Equipments, surgical & medical parts. The expansion program in engineering division will involve a capital outlay of approx. Rs. 14 cr. and is expected to add over Rs. 100 cr. to the revenue and over Rs. 7.00 cr. to the profit of the company annually.

Management further intends to increase capacity of these highly value added products gradually and also intend to include more value added products to the product line in small-2 expansion plans from the internal accrual to improve the bottom line and EBITA margin of the company. This shows the vision and thrust of the management to improve the bottom line of the company with low investment and minimum risk.

Transfer to general reserves

Out of the total profit for the financial year 2010-11, an amount of Rs. 3.00 Crore 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 2010-11. 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. 0.56 cr. towards dividend and Rs. 0.09 cr. towards dividend tax resulting in a total outflow of Rs. 0.65 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.

Directors

Mr. Rahul Goel, and Mr. Anurag Agarwal, Directors of the company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves 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 statutory auditor of the Company for 2011-12 for the approval of shareholders.

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.

Fixed 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 And 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.

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, 2011 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, 2011

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 31.03.2011

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		2011 - 2010	2009 - 2010
1.	Electricity		
(a)	Purchased		
	Unit (in thousand) KWH	13501.47	11451.82
	Total Amount (Rs. In Lakh)	746.20	560.41
	Rate/unit (Rs.)	5.52	4.89
(b)	Own Generation		
	Through Diesel Generator		
	Unit (in thousand)	3024.0	3020.9
	Units per ltr. of diesel oil	2.80	2.81
	Cost/units	12.18	10.76
B. Consumption per unit of Production			
	Production (MT)	116715.31	109145.84
	Electricity	141.58	132.59

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.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

(Rs. In Lakh)

Particulars	Current Year	Previous Year
Out go (CIF value of Imports)	827.66	1413.21
Out go (Expenditure)	165.4	196.05
Earnings (F.O.B. value of Exports)	15907.75	13336.32

Management discussion and analysis

Overview

The global recovery that started in the second half of 2009-10 continued in most markets in 2010-11. However, the recovery was not uniform as the emerging markets grew faster than the developed markets, which still face headwinds due to fiscal imbalances in some geographies. The sustainability of the global recovery depends on how the developed markets manage their public debt, boost private economic activity and generate employment.

The emerging economies face the risk of very high inflationary conditions due to high commodity prices and food inflation. This is prompting the central banks to tighten monetary policies which in turn may affect growth significantly. The emerging market countries including India need to continue their economic reforms to attract capital investments, which in turn would facilitate growth and employment. Although India registered 9% GDP growth in FY 11, it is now faced with high-core inflation due to rising commodity prices and food inflation. This is forcing the Reserve Bank of India to tighten its monetary policy even at the cost of slower growth. The growth data in the EU zone reveals significant differences at the country level. Recovery in Germany and most of the Northern European countries remains well on track, whereas growth in the peripheral countries has been hampered by several factors such as export competition and weak domestic demand, exacerbated by cuts in government spending. Euro-area growth is sustained by strong investment and is largely export led, which will remain its key driver, helped by exchange rates and specialised products. The UK, in contrast, remains a fragile market and lags behind some of its European peers. The construction activity remains below pre-crisis levels in Europe. While the forward indicators point to modest growth in the coming quarters, the outlook for this sector remains sober due to weak recovery in private construction and cuts in public expenditure.

Real steel will still be below the pre-crisis levels. Steel inventories in Europe remain relatively low both in tonnage as well as months of consumption and the level of imports is currently below historic levels, as stock replenishments are done in small quantities while avoiding longer lead times. The risk of sustaining the recovery is high and it really depends on the national governments to prudently steer the fiscal management and take policy decisions to facilitate growth and employment.

Economy

The hangover of meltdown particularly in USA and Europe continued in 2010-11. The earthquake and tsunami in Japan have added further uncertainties in recovery process. So far immune to the global economic scenario, India's economy is directly linked with the rest of the world as much of the growth depends upon export and import. Hence, the fear of global

economic slowdown is likely to percolate to Indian economy as well. The deepening debt troubles in the West are too big to dodge or ignore for Asia, and difficult to pinpoint precisely where the worst damage will be done. Indeed government machineries are more worried about risks emanating from Europe, where debt fears have spread beyond Greece, Ireland and Portugal, to a much larger economy, Italy.

Steel Industry

The growth in Indian economy is considered to be driven primarily by domestic demand. However, during FY2011, eight core industries—coal, crude oil, natural gas, petroleum & refinery products, fertilisers, steel, cement and electricity, registered a growth of 5.72% against 6.64% a year ago, mainly due to sluggish demand.

A major factor for this performance is the sluggish demand which has affected industries like steel, cement and power. As far as coal is concerned, the demand exists, but supply constraints have hit the industry. In FY2011, coal production registered a decline of -0.30% compared to an increase of 8.12% in FY2010.

Steel production has declined as well. The sector registered a growth of 4.8% in April 2011 compared to 12.9% in April 2010. From March-April 2011, steel production has dropped by 12% compared to a drop of 7% during the same period last year. The demand for steel depends on the infrastructural development within the country and additional infrastructural projects taken up by the government. The realty sector is experiencing a severe crunch. NCR (National Capital Region) and Mumbai have been worst hit. On one hand, the RBI (Reserve Bank of India) has gone for successive hikes in repo rates which have made home loans dearer, and on the other, increased restrictions on borrowing have made it difficult for builders to get funds for their projects. Last year saw a steep rise in housing prices, and now neither investors nor customers are willing to buy homes at sky-high rates.

The Union ministry of housing has reported that by 2012, India will need 26.30 million houses—but 92,000 units remain unsold in Mumbai. Since offtake has been nil and returns have been poor, many financiers have pulled out, and others are reluctant to enter the sector. Builders are blaming the delay in getting clearances and rise in stamp duty as the reason for price hike. Such excuses are losing credibility.

Auto Industry, another industry generating demand for steel, has also started feeling the pinch of dwindling car sales. The steel manufacturers are staring at a drop in demand from automakers. Car sales volumes have dropped and prices have bottomed out, too. The drop in demand and lower steel prices will reflect in the second quarter numbers, as the effect will be fully factored in by then. Though the auto-grade variety

forms just 7-8 per cent of the total steel demand in the country, there was indeed a fall in the demand for steel from automakers. Sales growth in the passenger vehicles segment came down to just 8.8 per cent to 601,547 units in the first three months of 2011-12, as compared to 29 per cent in the same period of last year. SIAM had forecast this segment would grow at 16-18 per cent, which was revised downwards to 10-12 per cent. The overall growth for the auto sector is also lowered to 11-13 per cent from an earlier indication of 12-15 per cent. The issues that plague the auto sales and hence, the steel sales, are similar.

Opportunity

The Government has planned a huge investment for the development of various infrastructure sectors during the 11 Five Year Plan period and has outlined the shares Private Sectors in the total investment during the period. The participation of the private sector in India's infrastructural development during the 10th plan period was not adequate. It is expected that Government's thrust on PPP model will see their better participation during the 11th plan.

Based on current trend the total investment is likely to generate a steel demand for about 125 Mt over a period of five years and any shortfall may reduce the demand generation. According to experts, for 1% growth in GDP, steel consumption grows by 1.11 percent and for 1 percent growth in Index of Industrial Production (IIP) steel consumption grows by 1.33 percent. Current investment in infrastructure as a percentage of GDP is likely to reach 9.0 per by 2011-12.

Threat

Steelmakers & allied industry have had a challenging couple of years in the wake of the global financial crisis. In 2010, recovery in steel demand was far from consistent. Steel Industry had to work hard at managing every aspect of their business in the face of fluctuating demand. This is compounded by increasing raw material costs. The fluctuations in demand, as well as raw material price volatility are the two biggest challenges facing steelmakers. With these market conditions likely to persist, steelmakers need to factor this volatility into their business models. During the recent financial crisis, the Indian steel sector remained resilient due to strong domestic demand from Indian end users. The construction and infrastructure sector which is India's largest steel consumer, accounting for 61% of total steel consumption in FY09; the future demand looks shaky. Hence, the expected growth in steel products is currently at stake. Domestic crude steel producers have started a production cut. The companies are facing huge raw material shortage due to Karnataka government's ban on iron ore exports.

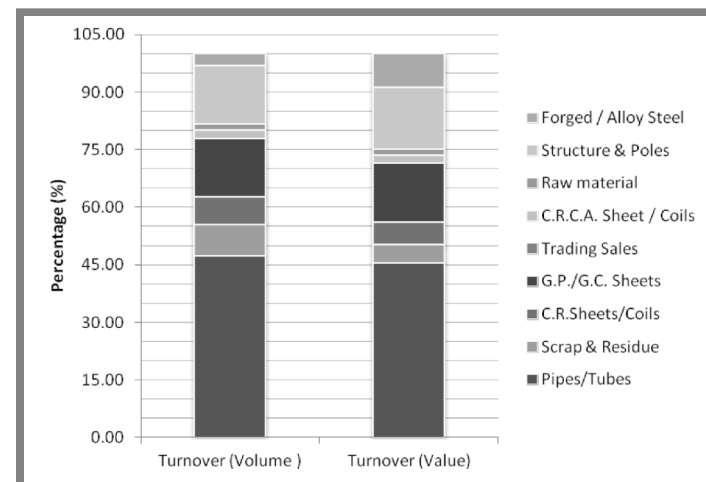
While Indian steel companies have chalked out mega expansion plans, land acquisition continues to be a major hurdle for setting up Greenfield projects and environmental problems have also added to this. There may be a shortage in steel supply in future if new capacities do not come up. Problems such as land acquisition and opening of mines

continue to block commissioning of new projects. The government will have to make efforts and bring about changes in regulations to ensure that land and mines available to the steel companies in time

Performance

The Company is following the policy to strike a balance between different products and have an appropriate product mix in order to optimize its return. The result of the policy has been started to come out. During the year, the Company's production in terms of quantity has increased by 6.93 % and has reached to 116.71 thousand tones. Quantity wise turnover has also risen to 119.72 thousand tones, where as in terms of value it has been increased by 16.25%. The Company is committed for maximize its returns and putting some more production facilities in its existing plants which will help in producing high return products and value added goods.

This year the company has started in dealing with CRCA sheets, which is mainly used in automobile industry and general engineering industry. Identifying as the high potential market for CRCA sheets, the company is also considering to enhance its production capacity. The forging division is also doing a great job for the company. There is an increase of 71.5% in contribution to total turnover in comparison of last year, at present this division is having a share of around 9% of the total turnover & the company has identified it as a one of the major thrust area. The following chart is showing the contribution of different products towards the total turnover of the company during the year 2011:



Outlook

To sustain a high GDP growth, the Government is giving major thrust on investment into infrastructure and is determined to beg the infrastructure growth at CAGR of 10 percent over the 11th Plan period. About four years of the 11th Plan period has already elapsed but not even 70 percent of the target compliance has been achieved in some major sectors like Power, Roads, Railways and Ports.

The Industry Outlook is very bright as steel consumption within the country is expected to grow by 20% in the coming years which implies good opportunities for your Company.

However, Weaker international demand would result in falling international raw material and steel prices and this would further undermine the current market situation. Debt problems in Europe and a hard landing in the Chinese economy are key concerns; both would push down prices to a lower-than-forecast trough.

International market outlook may not be as promising as compared to Domestic Market and your Company will concentrate more on expanding business activity within Domestic Markets. At the same time your Company will maintain its share in International Market catering to niche size/product and maintaining its presence.

Risk & concern

Aftermath of debt crisis and signals of financial meltdown in the US and Europe is sending shivers down the Indian steel industry. Banning of iron ore mining at Bellary in Karnataka has also dampened the spirits of steel producers and is going to adversely affect the availability in the coming months.

In spite of the depressing scenario of depleting investment in infrastructure, particularly in fresh capacity creation, and subdued growth of manufacturing sector, the drop in steel supply may paradoxically result in price rise as inventory accumulation may be a reality.

Estimates reveal that finished steel consumption in the country has come down to 0.7% only in the April-July 2011 period. This only confirms that demand drivers, namely construction and automobile are slowing down.

Passenger car sales in July are already lower than last year. A reasonable growth of more than 7% in finished steel production has been sustained by 39% growth in exports, while imports have dropped by as high as 57% compared to last year.

This implies that even to achieve a growth of at least 8% in the current fiscal, steel consumption must grow by 11.6% in the

balance eight months. This may not be a tall order for the Indian steel industry but for the return of better market sentiments.

There is a potential of achieving a higher growth in steel exports by India in the coming months, which would enable the indigenous producers to sustain capacity utilisation in the face of decline in demand from major steel intensive sectors.

Internal control system and 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 Resources

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.

Report on Corporate Governance

MANAGEMENT'S PERSPECTIVE ON CORPORATE GOVERNANCE

The Company aims at achieving transparency, accountability and equity across all facets of operation and in all interactions with stakeholders, while fulfilling the role of a responsible corporate representative committed to sound corporate practices. The Company adheres to good corporate practices which constantly undergo changes and betterment, keeping its core goal in mind — maximizing stakeholder value. Adherence to the business ethics and commitment to Corporate Social Responsibility will help the Company achieve excellence. The Company believes that all its operations and actions must ultimately enhance overall benefits over a sustained period of time.

BOARD OF DIRECTORS

The Company has an Executive Chairman and the number of Independent Directors is 50% of the total number of Directors. As on 31st March, 2011, 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 Public Ltd. Cos.* Limited Cos.	No. of Chairmanship / Member -ships of Committees in other public ltd. Cos.*	
					Chairmanship	Membership
Sh. M.C. Garg	Promoter, Executive Chairman	9	Yes	-	-	-
Sh. R. C. Garg	Promoter, Executive Director	9	Yes	-	-	-
Sh. A. K. Garg	Promoter, Executive Director	8	Yes	-	-	-
Sh. Vijender Kr. Tyagi	Independent, Non Executive Director	5	No	-	-	-
Sh. Rahul Goel	Independent, Non Executive Director	6	No	-	-	-
Sh. Anurag Agrawal	Independent, Non Executive Director	5	Yes	-	-	-

Notes:-

- During the Financial Year 2010-11, ten Board Meetings were held and the gap between two meetings did not exceed four months. The Board Meetings were held on 17th April 2010, 27th May 2010, 30th July 2010, 13th August 2010, 16th October 2010, 29th October 2010, 27th November 2010, 28th December 2010, 31st January 2011 and 25th March 2011.
- * 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, 2011. A declaration of compliance of this Code signed by Chairman is annexed to this report.

COMMITTEES OF THE BOARD

Currently there are three committees of the Board: Audit Committee, Remuneration cum Selection Committee & Investor 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 & Shareholder's Investor Grievance Committee. Composition, terms of reference, number of meetings and related attendance etc., of these committees are detailed.

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 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, 2011, 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:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions submitted by the management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- 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 invitee 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 3rd April, 2010, 27th May, 2010; 13th Aug, 2010; 29th October, 2010 and 31st January, 2011 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 Anuarag Agarwal	Chairman	5
Mr Vijender Tyagi	Member	3
Mr M C Garg	Member	5

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 Committee has been reconstituted during the year; by appointing an expert from outside the Company. The Board members held a detailed discussion on the matter and inducted Mr. Ripu Sudan Mittal, a successful entrepreneur and an expert in the steel industry, as a member on the selection committee. The composition of the Committee as on 31.03.2011 was as under:

NAME OF THE MEMBER	CATEGORY
Mr Anuarag 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.

INVESTORS 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 MC Garg	Member	4
Mr RC 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 31st March 2011 are given as follows:

Detail of complaints received/resolved during the year

❖ No. of Complaints received during the year	:	Thirteen
❖ No. of Complaints not resolved to the satisfaction of Shareholders	:	Nil
❖ No. of Pending Complaints	:	One
❖ No. of Pending share transfer as on 31.03.2011	:	Nil

GENERAL BODY MEETING

(I) Annual General Meeting (AGM) Detail

The last three Annual General Meeting were held at 5/102, Sikka Complex, Community Centre, Preet Vihar, Delhi, the Registered Office of the company. The other detail is as follows:

YEARS	DAY	DATE	TIME	SPECIAL RESOLUTION PASSED
2008	Monday	29.09.2008	9.30 A.M.	Delisting of eq. Share of the company from delhi stock exchange, jaipur stock exchange and Ahmedabad stock exchange
2009	Wednesday	30.09.2009	9.30 A.M.	NIL
2010	Thursday	30.09.2010	9.30 A.M.	NIL

(I) Extra Ordinary General Meeting Detail

No Extra-Ordinary General Meeting of the shareholders was held during the year.

(II) Postal Ballot

There was one Postal Ballot conducted during the year as required under the provisions of Section 192A of the Companies Act, 1956. The Special Resolutions passed were as under:

Postal Ballot Notice dated 13th August, 2010 containing resolution regarding waiving the recovery of excess remuneration already paid to Mr. Manish Garg, Mr. Nitin Garg and Mr. Umesh Garg, relative of directors in terms of section 314 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 proforma 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.

(III) Website

The Company's website 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.

GENERAL SHAREHOLDER INFORMATION

(I) Annual General Meeting

Day, Date and Time	:	Friday, September 30, 2011 at 9.30 A. M.
Venue	:	5/102, Sikka Complex, Community Centre, Preet Vihar, Delhi - 110092
Date of Book Closure	:	From 24.09.2011 to 30.09.2011 (both days Inclusive)
Dividend Payout Date	:	Within 30 days from the date of declaration

(II) Financial Calendar 2011 – 12 (Tentative & subject to Change)

First Quarter Result	:	July, 2011
Second Quarter Result	:	October, 2011
Third Quarter Result	:	January, 2012
Annual Results for the year ending on 31.03.2012	:	May, 2012

(III) Listing on Stock Exchange

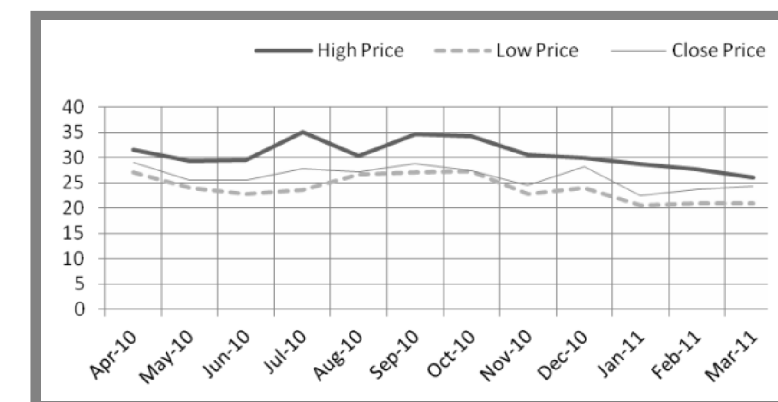
The company's shares are listed at the following stock exchanges.

Bombay Stock Exchange Limited	Delhi Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Stock Code : 530655	DSE House, 3/1, Asif Ali Road, New Delhi – 110002

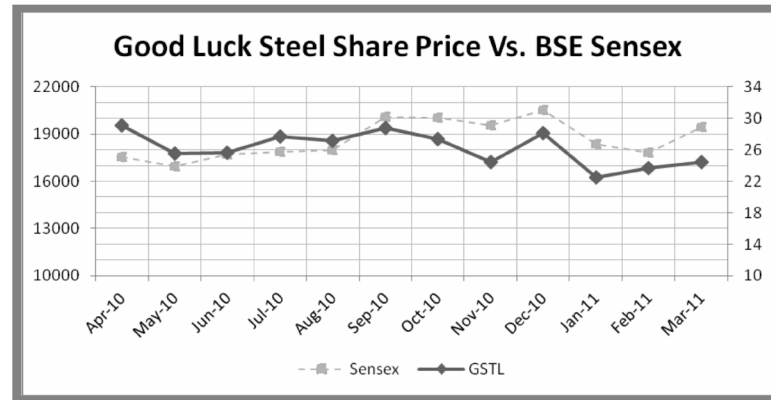
(IV) Market Price Data

The monthly high/low market prices of the shares during last financial year 2010-11 at the Bombay Stock Exchange (BSE) are as under:

Month	High Price	Low Price	Close Price
Apr-10	31.6	27	29.1
May-10	29.25	24	25.55
Jun-10	29.5	22.85	25.6
Jul-10	35	23.65	27.7
Aug-10	30.35	26.6	27.15
Sep-10	34.7	27	28.75
Oct-10	34.2	27.2	27.4
Nov-10	30.65	22.8	24.45
Dec-10	30	24	28.15
Jan-11	28.8	20.5	22.45
Feb-11	27.75	20.9	23.65
Mar-11	26	21	24.4



(V) Share Price in Comparison to BSE Sensex



(VI) Distribution of Shareholding

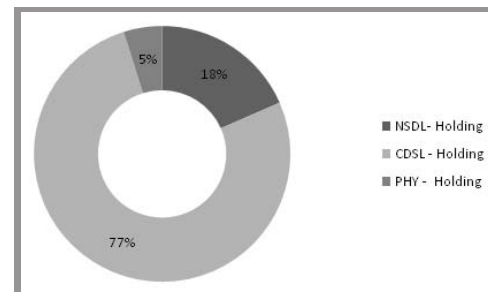
The Distribution of shareholding as on 31.03.2011 are as follows:

Category	No. of Shareholders	No. of Shares	% of Shareholding
Promoters	38	13150250	70.24%
Bodies corporate	109	2140994	11.44%
NRI/OCBs/Clearing Members	78	315262	1.68%
Other Indian Public	3984	3114744	16.64%

(VII) Dematerialization of Shares and Liquidity

The Company has arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility. As on 31.03.2011, around 95% of the total Equity Capital is held in demat form which is up by 2% in comparison to last year. 2456782 equity shares are held in NSDL & 14352468 Equity Shares in CDSL as on 31st March, 2011. Only 5% of the total share capita is in physical form.

Security Code No of the company with NSDL and CDSL (ISIN) – INE 127101024.



(VIII) 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 generally dispatched within 30 days from the date of receipt.

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).

(IX) 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, 2nd Floor, Okhla Industrial Area, Phase – II, New Delhi – 110 020
Email – info@masserv.com

(X) Plant Location

Good Luck Steel Tubes
A 42 & 45, Industrial Area,
Sikandrabad,
Distt. –Bulandshahar (U. P.)

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

Good Luck Engineering Co.
Khasra No. 2839, Dhoom Manik
Pur, Dadri,
Distt.- G. Budh Nagar (U.P.)

(XI) 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

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 31.03.2011.

For Good Luck Steel Tubes Ltd

Place : Ghaziabad
Date : 30th May 2011

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 31.03.2011, 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. AGRAWAL)
Partner
M.No. 72907

Place : GHAZIABAD
Date : 30th May 2011

Auditor's Report

The Members,
GOOD LUCK STEEL TUBES LTD.
DELHI.

- 1) We have audited the attached Balance Sheet of M/S GOODLUCK STEEL TUBES LIMITED as at 31st March 2011 and the Profit & Loss Account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) 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 matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - a) 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;
 - b) 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;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement, dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of the written representations received from the directors as on 31st March 2011 and taken on record by the Board of Directors, We report that none of the directors is disqualified as on March 31, 2011, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 - (i) in the case of Balance Sheet, of the State of the affairs of the Company as at 31st March, 2011;
 - (ii) in the case of Profit & Loss Account, 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.

For SANJEEV ANAND & ASSOCIATES
Chartered Accountants
(Firm Reg. No. 007171C)

(S. AGARWAL)
Partner
M.NO. 72907

Place : GHAZIABAD
Date : 30.05.2011

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011 OF M/S GOODLUCK STEEL TUBES LIMITED

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that :

- (I) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) All the assets have not been physically verified by the management during the year but there is regular program 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.
- (ii) (a) As per information & explanations given to us, the inventory of the company in its possession has been physically verified by the Management at reasonable intervals. Stocks in the possession and custody of the third parties and stocks in transit as on 31st March 2011 have been verified by the Management with regard to confirmation or statement of account or correspondence of the third parties or subsequent receipt of goods.
(b) The procedures of physical verification of inventories followed by management are reasonable and adequate in relation to the size of company and the nature of its business.
(c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the books records were not material.
- (iii) (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 Rs. 809.03 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 aren't, 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 haven't observed any continuing failure to correct major weaknesses in internal control.
- (v) (a) In our opinion and according to the information and explanations given to us, we are of the opinion that the particulars of contracts and arrangements referred to in u/s 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956, 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. No order has been passed by the Company Law Board or National Company law tribunal or RBI or any court or any other tribunal.
- (vii) To the best of our knowledge and explanations given to us, 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 haven't however made a detailed examination of the records with a view to determine where they are accurate or complete.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.

- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of Income-tax, Wealth tax, Service tax, Sales tax, Custom duty, Excise duty and cess were arrears as at 31st March 2011 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of Sales tax, Custom Duty, Wealth tax, Service Tax, Excise Duty and cess which haven't been deposited on account of any dispute, except the following in respect of income tax along with the forum where dispute is pending:

S. No.	Name of the statute	Nature of the due	Amount (Rs. In Lacs)	Period to which the amount relates	Forum where dispute is pending
1.	VAT	Entry Tax	Rs. 108.00 Rs. 291.40 Rs. 173.72	F.Y. 2008-09 F.Y. 2009-10 F.Y. 2010-11	Hon'ble Allahabad High Court
2.	Income Tax	Income Tax Demand	Rs. 1.43	A.Y. 2004-05	CIT (Appeal), New Delhi
3.	Income Tax	Income Tax Demand	Rs. 17.15	A.Y. 2003-04	CIT (Appeal), New Delhi

- (x) The company doesn't have any accumulated losses as at 31st March 2011. The company hasn't incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanation given to us, the company hasn't defaulted in repayment of dues to Financial Institutions and Banks.
- (xii) In our opinion according to the information and explanations given to us, the company hasn't granted any loans and Advances on the basis of security by way of pledge of shares, debentures and others securities. Hence the question of maintenance of adequate record for this purpose does not arise.
- (xiii) In our opinion, the company isn't chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 aren't applicable to the company.
- (xiv) In our opinion, the company isn't 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 aren't applicable to the Company.
- (xv) In our opinion and according to the information and explanation given to us, the company hasn't given the guarantees for loan taken by others from the Banks or financial Institutions.
- (xvi) To the best of our knowledge and according to the information and explanation given to us, the term loans have been applied for the purpose for which they are raised.
- (xvii) According to the Cash Flow Statement and other records examined by us and information and explanation given to us, on an overall basis, funds raised on short-term basis have, prima facie, not been used during the year for long-term investments.
- (xviii) According to the explanation and information given to us, the company hasn't 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.
- (xix) According to the explanation and information given to us, the company hasn't raised any money by issue of debentures during the year.
- (xx) According to the explanation and information given to us, the company hasn't raised any money by public issue during the year.
- (xxi) According to the explanation and information given to us, based upon the audit procedures performed and representations made by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For SANJEEV ANAND & ASSOCIATES
Chartered Accountants
(Firm Reg. No. 007171C)

(S. AGARWAL)
Partner
M.NO. 72907

Place : GHAZIABAD
Date : 30.05.2011

Balance Sheet as at 31st March 2011

DESCRIPTION	Sch	As on 31.03.2011	As on 31.03.2010
SOURCES OF FUNDS			
Shareholder's Fund			
Share Capital	1	37,442,500.00	37,442,500.00
Reserves & Surplus	2	749,104,078.69	608,950,935.91
Deferred Tax Liability		66,325,726.00	60,381,850.00
Loan Funds			
Secured Loans	3	1,484,850,190.64	1,498,525,888.29
Unsecured Loans	4	95,313,639.00	134,366,162.00
Total		2,433,036,134.33	2,339,667,336.20
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	875,934,053.80	733,022,842.14
Less: Depreciation		243,274,468.85	202,024,146.01
Net Block		632,659,584.95	530,998,696.13
Capital Work in Progress		5,083,363.00	5,397,542.56
		637,742,947.95	536,396,238.69
Investments	6	515,414.00	-
Net Current Assets			
Current Assets, Loans & Advances	7	2,035,382,618.62	2,016,673,912.78
Less: Current Liabilities & Provisions	8	240,604,846.24	213,782,854.28
		1,794,777,772.38	1,802,891,058.50
Miscellaneous Expenditure		-	380,039.00
Pre-Operative Expenses			
Total		2,433,036,134.33	2,339,667,336.20

As per our report of even date annexed hereto
For SANJEEV ANAND & ASSOCIATES
Chartered Accountants

(S. AGRAWAL)
Partner
M.No. 72907

Place : Ghaziabad
Date : 30.05.2011

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

(M.C.GARG)
Chairman

(R.C.GARG)
Director

(ABHISHEK AGRAWAL)
Company Secretary

(SANDEEP KUMAR)
C.F.O.

Profit & Loss Account for the Year Ending 31st March 2011

DESCRIPTION	Sch	As on 31.03.2011	As on 31.03.2010
INCOME			
Gross Sales and Operational Income	9	6,110,092,646.98	5,144,247,460.76
Less: Excise Duty		501,902,301.92	369,168,854.98
Net Sales and Operational Income		5,608,190,345.06	4,775,078,605.78
Other Income	10	121,983,959.01	127,372,805.84
		5,730,174,304.07	4,902,451,411.62
EXPENDITURE			
Materials	11	4,402,520,824.06	3,724,204,937.60
Manufacturing Expenses	12	388,877,925.84	331,444,386.19
Employee's Remuneration & other Benefits	13	180,582,457.00	139,596,587.05
Finance Expenses	14	126,675,745.79	137,607,371.81
Selling Expenses	15	304,771,032.87	266,924,402.27
Administrative & Other Expenses	16	45,205,454.89	38,456,047.64
Depreciation	5	40,733,362.89	35,201,144.88
		5,489,366,803.34	4,673,434,877.44
PROFIT BEFORE TAXATION			
		240,807,500.73	229,016,534.18
Less: Provision for Taxation			
Current Tax		69,863,737.00	63,415,535.00
Deferred Tax		5,943,876.00	5,066,770.00
PROFIT AFTER TAXATION			
		164,999,887.73	160,534,229.18
Add/(Less) Prior period adjustments		(17,492,076.00)	(6,416,978.00)
Add: Balance brought forward from previous year		470,692,956.21	353,124,890.03
		618,200,767.94	507,242,141.21
Surplus available for appropriations			
APPROPRIATIONS			
Proposed Dividend		5,616,375.00	5,616,375.00
Tax on Dividend		911,116.00	932,810.00
General Reserve		30,000,000.00	30,000,000.00
Balance carried over to Balance sheet		581,673,276.94	470,692,956.21
		618,200,767.94	507,242,141.21
EARNINGS PER SHARES			
-Basic (Note No. 8)		7.88	8.25
Notes forming part of accounts	17		

As per our report of even date annexed hereto
For SANJEEV ANAND & ASSOCIATES
Chartered Accountants

(S. AGRAWAL)
Partner
M.No. 72907

Place : Ghaziabad
Date : 30.05.2011

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

(M.C.GARG)
Chairman

(R.C.GARG)
Director

(ABHISHEK AGRAWAL)
Company Secretary

(SANDEEP KUMAR)
C.F.O.

Cash Flow Statement for the Year Ending 31st March 2011

DESCRIPTION	As on 31.03.2011	As on 31.03.2010
CASH FLOW STATEMENT		
A. Cash Flow from operation activities		
Profit before tax	240,807,500.73	229,016,534.17
Adjustment for:		
Depreciation	40,733,362.89	35,201,144.88
Pre-operative Expenses	380,039.00	(334,960.00)
Prior year adjustment	(377,610.00)	(328,730.00)
Loss on Sale of Fixed Assets	340,864.00	92,152.02
Interest	114,025,505.23	121,397,756.29
	395,909,661.85	385,043,897.36
Operating Profit before working capital change		
Adjustment for:		
Trade and other receivables	43,921,348.35	(152,046,568.53)
Loan & Advances	12,001,206.21	(98,183,597.56)
Inventories	(72,114,224.00)	(249,215,606.00)
Trade Payables	26,821,991.96	58,061,962.47
	406,539,984.37	(56,339,912.26)
Cash Generated from Operations		
Income-tax \F.B.T. \Wealth - Tax	(86,978,203.00)	(69,503,783.00)
Net Cash Flow From Operating Activities	319,561,781.37	(125,843,695.26)
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(143,633,114.10)	(107,215,998.68)
Sale of Fixed Assets	385,000.00	1,660,079.00
Investments	(515,414.00)	-
Net Cash used in Investing Activities	(143,763,528.10)	(105,555,919.68)
C. Cash flow from Financing Activities		
Proceeds from Issue of Share capital	-	9,117,500.00
Proceeds from Borrowing for working capital	47,574,473.35	445,763,001.01
Proceeds from Borrowing for Term Loan	(61,250,171.00)	(6,498,851.19)
Proceeds from Unsecured Loans	(39,052,523.00)	(57,387,237.00)
Interest Paid	(114,025,505.23)	(121,397,756.29)
Dividend Paid	(6,527,491.00)	(6,549,185.00)
Net Cash from Financing Activities	(173,281,216.88)	263,047,471.53
Net increase in cash and cash Equivalents	(A+B+C)	2,517,036.39
Cash and cash equivalents as at 01.04.2010	(Opening Balance)	86,178,880.37
Cash and cash equivalents as at 31.03.2011	(Closing Balance)	88,695,916.76

Note: Figure in brackets represents cash outflow

As per our report of even date attached
For SANJEEV ANAND & ASSOCIATES
Chartered Accountants

(S. AGRAWAL)
Partner
M.No. 72907

Place : Ghaziabad
Date : 30.05.2011

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

(M.C.GARG)
Chairman

(R.C.GARG)
Director

(ABHISHEK AGRAWAL)
Company Secretary

(SANDEEP KUMAR)
C.F.O.

Annexed to and Forming Part of Balance Sheet as on 31st March 2011

DESCRIPTION	As on 31.03.2011	As on 31.03.2010
Schedule-1		
SHARE CAPITAL		
Authorised Capital		
50,000,000 Equity Shares of Rs. 2/- each (Previous year)		
50,000,000 Equity Shares of Rs. 2/- each)	100,000,000.00	100,000,000.00
Issued, Subscribed capital		
1,87,21,250 Equity Shares of Rs. 2/-each (Previous year)		
1,87,21,250 Equity Shares of Rs. 2/-each)	37,442,500.00	37,442,500.00
Paid -up Capital		
1,87,21,250 Equity Shares of Rs. 2/-each (Previous year)		
1,87,21,250 Equity Shares of Rs. 2/-each)	37,442,500.00	37,442,500.00
	37,442,500.00	37,442,500.00

Note :-

- Of the above 13,70,750 Equity Shares have been allotted as bonus shares by capitalisation from Capital Reserves and General reserves.
- Pursuant to the Shareholder's approval in their meeting held on 30.05.2009, the Equity Shares of the Company have been split from Rs. 10/- per share to Rs. 2/- per share.
- Company has issued 52100 Nos. of Equity Shares of Rs. 10/- at a premium of Rs. 165/- each on 30.05.2009 out of share forfeited.

Schedule-2

RESERVES & SURPLUS

CAPITAL RESERVES

Revaluation Reserves

As per Last Balance Sheet	3,081,308.75	3,908,486.70
Less: Adjustment for Depreciation	827,177.95	827,177.95

	2,254,130.80	3,081,308.75
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Share Premium Account

As per Last Balance Sheet	45,512,591.00	45,512,591.00
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General Reserve

As per Last Balance Sheet	89,664,079.95	59,664,079.95
Add : Addition during the year	30,000,000.00	30,000,000.00
	119,664,079.95	89,664,079.95

Surplus in Profit & Loss Account	581,673,276.94	470,692,956.21
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	749,104,078.69	608,950,935.91
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Annexed to and Forming Part of Balance Sheet as on 31st March 2011

DESCRIPTION	As on 31.03.2011	As on 31.03.2010
Schedule-3		
SECURED LOANS		
Cash Credit/Export Credit Limits:		
From State Bank of India	529,148,963.79	410,043,170.61
From ING Vysya Bank Ltd.	425,822,942.21	517,516,598.54
From Bank of Baroda	149,556,711.95	145,611,768.84
From Union Bank of India	120,714,459.69	103,539,652.90
From Barclays Bank PLC	158,840,440.00	159,797,853.40
Term Loans:		
From Punjab National Bank		
Repayable within one year Rs. 2,99,36,094/- (previous year Rs. 3,52,45,360/-)	45,758,553.00	86,883,360.00
From Bank Of Baroda	55,008,120.00	75,133,484.00
Repayable within one year Rs. 3,21,38,164/- (previous year Rs. 2,36,87,011/-)		
	1,484,850,190.64	1,498,525,888.29

Note :

- Working capital limits 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 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.
- Term loan are secured by way of first charge on fixed assets of the company located at A-45, A-42 & A-51 Industrial Area, Sikandrabad, Distt. Bulandshahr and Plot No. 2839 Dhoom Manikpur, 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.

Schedule-4

UNSECURED LOANS

From Directors & Shareholders	88,744,804.00	103,445,665.00
From Body Corporate	6,568,835.00	30,920,497.00

	95,313,639.00	134,366,162.00
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Annexed to and Forming Part of Balance Sheet as on 31st March 2011

SCHEDULE-5

FIXED ASSETS (CONSOLIDATED)

S. No	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.04.2010	Additions 2010-11	Adjustments 2010-11	Total as on 31.03.2011	Upto 01.04.2010	For the year 2010-11	Adjustments 2010-11	Total upto 31.03.2011	As on 31.03.2011	As on 31.03.2010
1	Land	17,649,783.50	-	-	17,649,783.50	-	-	-	-	17,649,783.50	17,649,783.50
2	Land (Freehold)	-	33,039,940.00	-	33,039,940.00	-	-	-	-	33,039,940.00	-
3	Factory Building	114,920,199.21	20,138,509.31	-	135,058,708.52	22,896,883.30	4,001,760.73	-	26,898,644.03	108,160,064.49	92,023,315.91
4	Office Building	4,696,353.05	-	-	4,696,353.05	342,292.24	76,550.55	-	418,842.79	4,277,510.26	4,354,060.81
5	Residential Flat	-	2,852,411.00	-	2,852,411.00	-	11,588.90	-	11,588.90	2,840,822.10	-
6	Furniture & Fixtures	8,075,454.58	309,775.00	-	8,385,229.58	2,287,496.09	520,582.39	-	2,808,078.48	5,577,151.10	5,787,958.49
7	Plant & Machinery	298,127,123.65	45,215,198.70	-	343,342,322.35	127,111,258.40	19,558,627.19	-	146,669,885.58	196,672,436.77	171,015,865.25
8	Plant & machinery (CR New)	235,823,088.10	32,835,074.00	-	268,658,162.10	30,189,027.26	11,710,524.94	-	41,899,552.20	226,758,609.90	205,634,060.84
9	Office Equipments	14,347,714.72	2,542,111.65	-	16,889,826.37	6,104,594.43	1,706,868.84	-	7,811,463.26	9,078,363.11	8,243,120.29
10	Electrical Installation	1,120,499.00	309,199.00	-	1,429,698.00	164,182.11	53,509.27	-	217,691.38	1,212,006.62	956,316.90
11	Vehicles	38,262,626.33	6,705,075.00	1,036,082.00	43,931,619.33	12,928,412.19	3,920,528.03	310,218.00	16,538,722.22	27,392,897.11	25,334,214.14
		733,022,842.14	143,947,293.66	1,036,082.00	875,934,053.80	202,024,146.01	41,560,540.84	310,218.00	243,274,468.85	632,659,584.95	530,998,696.13
12	Capital Work in Progress	5,397,542.56	36,953,012.75	37,267,192.31	5,083,363.00	-	-	-	-	5,083,363.00	5,397,542.56
	Total	738,420,384.70	180,900,306.41	38,303,274.31	881,017,416.80	202,024,146.01	41,560,540.84	310,218.00	243,274,468.85	637,742,947.95	536,396,238.69
	Previous Year	633,230,172.02	107,215,998.68	2,025,786.00	738,420,384.70	166,269,378.16	36,028,322.83	273,554.98	202,024,146.01	536,396,238.69	466,960,793.86

Annexed to and Forming Part of Balance Sheet as on 31st March 2011

DESCRIPTION	As on 31.03.2011	As on 31.03.2010
Schedule-6		
INVESTMENTS		
Mutual Fund (Liquid Fund)		
SBI Magnum Insta Cash Fund - Daily Dividend Option (Valued at lower of cost and fair value)	515,414.00	-
	515,414.00	-
Schedule-7		
CURRENT ASSETS, LOANS & ADVANCES		
(A) Current Assets		
Inventories (As taken, valued and certified by the management) (At lower of cost and net realisable value unless otherwise stated)		
(a) Raw Materials	313,279,968.01	270,997,129.00
(b) Finished Goods	316,939,260.00	297,066,648.00
(c) Stores & Spares	40,056,509.00	30,097,736.00
	670,275,737.00	598,161,513.00
Sundry Debtors (Unsecured,unconfirmed, Considered good)		
(a) Debts Exceeding Six Months	44,471,950.80	62,504,561.16
(b) Others Debts	907,171,699.25	933,060,437.24
	951,643,650.05	995,564,998.40
Cash and Bank Balances		
(a) Cash in hand	3,632,745.85	3,555,967.78
(b) Balance with Scheduled Banks		
(i) in current accounts	9,701,698.47	18,197,234.90
(ii) in fixed deposits	75,361,472.44	64,425,677.69
	88,695,916.76	86,178,880.37
A	1,710,615,303.81	1,679,905,391.77
(B) Loans & Advances (unsecured,unconfirmed,considered good)		
Advances recoverable in cash or in kind or for value to be received	163,028,247.70	199,326,851.68
Security Deposits	16,262,102.00	14,162,060.00
Export Incentives/Benefits receivable	71,802,153.00	59,524,589.00
Pre-paid Taxes	73,674,812.11	63,755,020.34
	324,767,314.81	336,768,521.02
B	324,767,314.81	336,768,521.02
Grand Total (A+B)	2,035,382,618.62	2,016,673,912.78
Schedule-8		
CURRENT LIABILITIES & PROVISIONS		
(A) Current Liabilities :		
Creditors for Goods / Services	37,988,099.67	34,769,465.71
Other Liabilities	92,433,971.42	78,483,831.18
Advance against Sales	29,776,554.76	27,361,526.02
Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due		
i) Unpaid Dividend	1,033,899.39	917,734.37
	161,232,525.24	141,532,557.28
A	161,232,525.24	141,532,557.28
(B) Provisions :		
Provision for Taxation	69,863,737.00	63,415,535.00
Corporate Tax on Dividend	911,116.00	932,810.00
Proposed Dividend	5,616,375.00	5,616,375.00
Provision for Employees Benefits	2,981,093.00	2,285,577.00
	79,372,321.00	72,250,297.00
B	79,372,321.00	72,250,297.00
Grand Total (A+B)	240,604,846.24	213,782,854.28

Annexed to and Forming Part of Balance Sheet as on 31st March 2011

DESCRIPTION	As on 31.03.2011	As on 31.03.2010
Schedule-9		
SALES AND OPERATIONAL INCOME		
Sales Less Transfers	6,098,438,780.98	5,106,157,470.76
Job Charges Received	11,653,866.00	38,089,990.00
	6,110,092,646.98	5,144,247,460.76
Schedule-10		
OTHER INCOME		
Export Incentives	92,661,172.00	83,568,410.86
Interest Recd.	5,986,668.50	7,299,999.29
Dividend	15,414.00	-
Exchange Fluctuation	23,320,704.51	36,504,395.69
	121,983,959.01	127,372,805.84
Schedule-11		
MATERIALS		
Raw Material Consumed		
Opening Stocks	270,997,129.00	118,303,155.00
Add : Purchases	4,458,736,592.66	3,840,729,435.76
	4,729,733,721.66	3,959,032,590.76
Less : Closing Stocks	313,279,968.01	270,997,129.00
A	4,416,453,753.65	3,688,035,461.76
Purchase for Resale		
	5,939,682.40	131,263,874.00
B	5,939,682.40	131,263,874.00
Increase / Decrease in Finished Goods		
Opening Stock of Finished Goods & Scrap	297,066,648.00	201,972,249.84
Less: Closing Stock of Finished Goods & Scrap	316,939,260.00	297,066,648.00
C	(19,872,612.00)	(95,094,398.16)
Grand Total (A+B+C)	4,402,520,824.06	3,724,204,937.60
Schedule-12		
MANUFACTURING EXPENSES		
Stores Consumed	200,162,651.54	166,316,619.41
Power & Fuel Expenses	139,905,538.81	106,884,963.98
Processing Charges	34,098,081.50	43,218,700.94
Testing Charges	780,522.70	857,991.51
Repairs & Maintenance to :		
a) Building	310,003.63	454,407.00
b) Plant & Machinery	7,634,141.29	8,482,262.64
c) Electric	5,986,986.37	5,229,440.71
	388,877,925.84	331,444,386.19

Annexed to and Forming Part of Balance Sheet as on 31st March 2011

DESCRIPTION	As on 31.03.2011	As on 31.03.2010
Schedule-13		
EMPLOYEES' REMUNERATION & OTHER BENEFITS		
Salaries, Wages & Allowances	154,886,873.00	119,994,868.00
Contribution to P.F. & E.S.I. etc.	8,671,463.00	6,739,306.00
Bonus	6,778,601.00	5,894,769.00
Labour & Staff Welfare	2,700,673.00	2,577,354.05
Other Benefits to Employees	2,144,847.00	790,290.00
Remuneration to Directors	5,400,000.00	3,600,000.00
	180,582,457.00	139,596,587.05
Schedule-14		
FINANCE EXPENSES		
Interest		
(a) to Banks	104,958,134.23	108,577,284.29
(b) on Unsecured Loans	9,067,371.00	12,820,472.00
	114,025,505.23	121,397,756.29
Bank Commission & Charges	12,650,240.56	16,209,615.52
	126,675,745.79	137,607,371.81
Schedule-15		
SELLING EXPENSES		
Freight & Forwarding	228,092,137.48	200,218,793.87
Advertisement	2,842,329.00	2,075,327.00
Commission on sales	18,618,883.00	21,391,894.50
Selling & Sales Promotion	1,717,053.39	1,508,286.57
Inspection Charges	495,269.52	70,211.98
Rates & Taxes	1,991,379.56	2,126,978.37
Rebate & Remission	30,447,031.22	21,969,247.58
Packing Materials	20,566,949.70	17,563,662.40
	304,771,032.87	266,924,402.27
Schedule-16		
ADMINISTRATIVE & OTHER EXPENSES		
Rent	417,415.00	1,235,525.00
Printing & Stationery	2,058,346.44	1,860,620.27
Postage, Telegram & Telephone	5,215,394.90	5,289,196.11
Vehicle Running & Maintenance	4,228,808.00	3,120,662.24
Repairs & Maintenance	3,363,019.45	2,965,342.15
Travelling & Conveyance	16,465,368.73	11,892,242.91
Legal & Professional Expenses	3,052,121.54	3,834,164.40
Audit Fees	200,000.00	200,000.00
Insurance	3,943,304.08	3,848,452.76
Fee & Subscription	1,318,966.25	1,189,164.14
Meeting & Conference Expenses	114,536.00	29,453.00
Donation	2,374,522.00	184,900.00
Miscellaneous Expenses	710,041.50	1,475,141.67
Loss on Sale of Fixed Assets	340,864.00	92,152.02
Electricity Expenses-office	773,579.00	692,726.47
Festival Expenses	629,168.00	546,304.50
	45,205,454.89	38,456,047.64

Annexed to and Forming Part of Balance Sheet as on 31st March 2011

SCHEDULE-17

NOTES TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT

1. SIGNIFICANT ACCOUNTING POLICIES:

i) 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, as applicable, accounting standards issued by The Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

ii) USE OF ESTIMATES

The preparation of financial statements requires use of 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.

iii) FIXED ASSETS

The fixed assets viz. Land, Building and Plant & Machinery of Sikandrabad unit were revalued at fair market value as at 31st March, 1994 as assessed by valuers appointed for the purpose. As a result, book value of such assets was increased by Rs. 2,42,29,586/- 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.

iv) DEPRECIATION

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. No depreciation is charged on leasehold land. In respect of revalued assets, an amount of Rs. 827,178/- 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.

v) INVENTORY VALUATION

Inventories are valued at lower of cost or net realizable value except scrap which is valued at net realizable value. The cost is determined by using first-in-first-out (FIFO) method. Finished goods include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

vi) BALANCE IN BANK IN TERM OF FIXED DEPOSITS

Deposit in Banks in terms of Fixed Deposits includes interest accrued Rs. 66.65 Lacs (Previous Year Rs. 36.08 Lacs) up to the date of Balance Sheet, net of TDS on interest.

vii) EMPLOYEES' BENEFITS

Retirement benefits, such as gratuity and earned leaves are accounted for on the basis of provisions as laid 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.

viii) 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 on the date of Balance Sheet. 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 where these relate to the acquisition of fixed assets, in those cases they are adjusted to the carrying cost of such assets.

ix) MODVAT/CENVAT/VAT

Modvat/Cenvat/Vat claimed on capital goods is credited to Assets/capital work in progress account. Modvat/Cenvat/Vat on purchase of raw materials and other materials are deducted from the cost of such materials.

x) PROPOSED DIVIDEND

Dividends proposed by the Directors have been provided for in the books of account which is pending for approval at the Annual General Meeting.

xi) TAXATION

Provision is made for income tax liability in accordance with 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.

xii) 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 in the financial statements since this may result in the recognition of income that may never be realized.

2. Contingent Liabilities not provided for in respect of:

(As Certified by the Management)

S.No.	Particulars	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
i)	Outstanding guarantees issued by the banks Counter guaranteed by the company	656.33	887.59
ii)	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advance)	NIL	NIL

3. The Company has given Bank Guarantee of Rs. 566.24 Lacs (P.Y. Rs. 357.39 Lacs) against Bank's Fixed Deposit Receipts towards Entry Tax Liability of Rs. 573.12 Lacs (P.Y. Rs. 399.40 Lacs) Under U.P.Vat Act as per the direction of Hon'ble Allahabad High Court. The Company has provided the liability towards Entry Tax of Rs. 573.12 Lacs (P.Y. Rs. 399.40 Lacs) in the books of accounts.

4. Some of the debit and credit balance in personal accounts are subject to confirmation of the respective parties.

5. In the opinion of the Board, all the Current Assets, Loans & Advances have a value on realization which in the ordinary course of business shall at least be equal to the amount at which it is stated in the Balance Sheet. The provision for all known liabilities is adequate and is not in excess/short of the amount considered reasonably necessary.

6. The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2011 as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is nil.

7. As per Accounting Standard (AS-18), the disclosures of transactions with related parties as defined in the Accounting Standard are given below:-

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

- i) Holding Company NIL
- ii) Subsidiary Company NIL
- iii) Fellow Subsidiary NIL
- iv) Key Management Personnel
 - Shri M. C. Garg (Chairman)
 - Shri R. C. Garg (Director)
 - Shri A. K. Garg (Director)
 - Shri Anurag Agarwal (Independent Director)
 - Shri Vijendra Kumar Tyagi (Independent Director)
 - Shri Rahul Goel (Independent Director)
- v) Relatives of Key Management Personnel
 - Shri Ram Agarwal (Nephew of Director)
 - Shri Shyam Agarwal (Nephew of Director)
 - Shri Manish Garg (Son of Director)
 - Shri Rajeev Garg (Nephew of Director)
 - Shri Nitin Garg (Son of Director)
 - Shri Ashish Garg (Nephew of Director)
 - Shri Umesh Garg (Son of Director)
 - Shri Saras Garg (Nephew of Director)

(2) Transactions carried out with related parties in (1) above, in ordinary course of business:

Rs. In Lacs

Particulars	Key Management Personnel (KMP)		Relatives of Key Management Personnel		Grand Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Remuneration	54.00	36.00	83.05	39.60	137.05	75.60
Loans Taken	---	---	60.02	94.50	60.02	94.50
Loans Repaid	---	---	204.70	100.58	204.70	100.58
Interest Paid	---	---	89.91	91.92	89.91	91.92
Rent Paid	0.30	1.71	0.90	5.13	1.20	6.84

8. Earning per Share (EPS) Computed in accordance with Accounting Standard-20 "Earning Per Share":

PARTICULARS	Current Year 31.03.2011	Previous Year 31.03.2010
Profit attributable to equity shareholders	14,75,07,812	15,41,17,251
No. of Equity Shares at the Beginning of the year	18721250	18460750
Weighted average No. of Equity Shares issued during the year On 30.05.2009 (260500*306/365)	---	218392
Weighted average No. of Equity Shares (Face Value of Rs. 2/- per share)	18721250	18679142
Basic/diluted EPS (Rs.)	7.88	8.25

9. Auditor's Remuneration

Particulars	Current Year 31.03.2011	Previous Year 31.03.2010
Audit Fee	1.50	1.50
Tax Audit Fee	0.25	0.25
Taxation & Certification Matters	0.25	0.25

10. The following are the outstanding Forward Exchange Contracts entered as on 31st March 2011:

Currency	Buy/Sell	Cross Currency	As on 31.03.2011 (Amount in Lacs)	As on 31.03.2010 (Amount in Lacs)
US Dollar	Sell	Rupees	\$ 94.70	\$ 61.82
EUR Euro	Sell	Rupees	€ 16.00	€ 19.57
EUR Euro	Sell	USD	€ 8.50	€ 5.00
GBP	Sell	Rupees	£1.50	---
US Dollar	Buy	Rupees	---	\$ 35.30

11. Additional information pursuant to Schedule - VI to the Companies Act, 1956.

(As certified by the management & Accepted by the Auditors):-

A) Details of Capacity and Production

Particulars	Current Year 31.03.2011		Previous Year 31.03.2010	
	Qty.(MT)	Rs. (In Lacs)	Qty.(MT)	Rs. (In Lacs)
a) Installed Capacity				
Pipes/Tubes	66000.000	---	66000.000	---
C.R./ G.P./G.C./C.R.C.A. Sheets/Coils	54000.000	---	54000.000	---
Structure & Poles	16000.000	---	16000.000	---
Forged /Alloy Steel	10000.000	---	10000.000	---
b) Production				
Pipes/Tubes	55532.480	---	54010.352	---
Scrap & Residue	10014.343	---	8361.753	---
C.R.Sheets/Coils	8971.805	---	6114.032	---
G.P./G.C. Sheets	18196.181	---	17441.288	---
C.R.C.A. Sheet / Coils	2680.6389	---	---	---
Structure & Poles	17791.742	---	20133.423	---
Forged /Alloy Steel	3528.116	---	3081.616	---
Scaffolding Parts	---	---	3.376	---
c) Turnover				
Pipes/Tubes	56458.657	27775.70	53527.138	22980.14
Scrap & Residue	9954.060	2877.80	8343.540	1802.30
C.R.Sheets/Coils	8670.255	3565.80	6014.105	2265.07
G.P./G.C. Sheets	18149.026	9361.32	16882.308	8259.20
Trading Sales	---	59.68	---	1745.03
C.R.C.A. Sheet / Coils	2563.141	1165.60	---	---
Raw material	2011.765	988.39	1630.305	968.80
Structure & Poles	18255.513	9862.77	19729.053	9927.88
Forged / Alloy Steel	3663.699	5327.32	3210.189	3106.20
Scaffolding Parts	---	---	30.590	6.95
d) Self Consumption				
Pipes/Tubes	7.240	---	7.555	---
C.R. Sheet/Coils	---	---	0.350	---
G.P./G.C. Sheets	1.240	---	5.385	---
Structure & Pole	---	---	14.910	---
Forged / Alloy Steel	9.090	---	4.350	---
e) Opening Stock				
Pipes/Tubes	3524.467	1392.19	3364.402	1066.06
Scrap & Residue	123.134	37.81	104.921	21.39
C.R. Sheet/Coils	310.300	113.79	210.373	57.14
G.P./G.C. Sheets	1157.037	502.16	603.792	200.16
Structure & Pole	808.848	330.07	406.638	182.40
Scaffolding Parts	---	---	27.214	4.89
Forged / Alloy Steel	805.455	594.64	963.988	487.69
f) Closing Stock				
Pipes / Tubes	2518.771	1192.49	3524.467	1392.19
Scrap & Residue	183.417	48.78	123.134	37.81
C.R. Sheet/Coils	427.820	153.62	310.300	113.79
G.P./G.C. Sheets	1202.952	624.47	1157.037	502.16
C.R.C.A. Sheet / Coils	117.498	52.35	---	---
Structure & Pole	345.077	140.06	808.848	330.07
Forged / Alloy Steel	652.792	948.82	805.455	594.64
Trading Goods	---	8.80	---	---

B) Details of Consumption of Raw Materials, Stores & Spare Parts

Rs. In Lacs

	Particulars	Current Year 31.03.2011		Previous Year 31.03.2010	
		Qty.(MT)	Value	Qty.(MT)	Value
a)	Raw Material				
	H.R. Coils/Strips/ Skelp	92208.674	30709.77	82231.092	25301.72
	Zinc	3109.629	3470.22	3181.884	3190.24
	Semi-Finished Pipes	3159.652	1149.05	4493.480	1481.73
	Angle shape	14028.756	4936.13	15255.139	4634.80
	Ingots \Blooms	6397.400	3822.52	5246.252	2170.87
	Sockets	96.787	76.85	173.481	100.99
b)	Stores & Spare Parts	---	2001.63	---	1663.17

C) Value of imported and indigenous raw materials consumed and Percentage of each to the total consumption

Particulars	Current Year 31.03.2011		Previous Year 31.03.2010	
	% age	Value	% age	Value
Imported Raw Materials	2.16	955.67	3.75	1382.23
Indigenous Raw Materials	97.84	43208.87	96.25	35498.12
Total:	100.00	44164.54	100.00	36880.35

D) CIF Value of Imports

Rs. in Lacs

Particulars	Current Year	Previous Year
	31.03.2011	31.03.2010
	Value	Value
Raw Material	814.09	1164.14
Material for resale	---	234.80
Stores & Spares	3.55	0.58
Capital Goods	10.02	13.69

E) Earnings in foreign exchange on export

Rs. in Lacs

Particulars	Current Year	Previous Year
	31.03.2011	31.03.2010
	Value	Value
FOB Value	15907.75	13336.32

F) Expenditure in foreign Currency

Rs. in Lacs

Particulars	Current Year	Previous Year
	31.03.2011	31.03.2010
	Value	Value
Foreign Bank Charges	24.10	16.03
Discount on Export Sale	0.68	1.70
Tours & Traveling	32.98	19.14
Commission on Export Sales	87.20	140.52
Advertisement	7.21	18.66
Export Clearing / Forwarding Charges	13.23	---

G) Other additional information required to be furnished under Sub Clause of paragraph 3, 4, 4A, 4C and 4D of part II of Schedule VI to the Companies Act, 1956 is either Nil or Not Applicable.

12. Previous year's figure have been re-grouped, re-classified and rearranged, whenever considered necessary to conform to current year's groupings and classifications.

Signature to Schedule 1 to 17.

AS PER REPORT OF EVEN DATE ATTACHED.

FOR SANJEEV ANAND & ASSOCIATES
Chartered Accountants

ON BEHALF OF THE BOARD OF DIRECTORS

(S. AGARWAL)
Partner
M.NO. 72907

(M.C.GARG)
Chairman

(R.C.GARG)
Director

Place : GHAZIABAD
Dated : 30.05.2011

(ABHISHEK AGRAWAL)
Company Secretary

(SANDEEP KUMAR)
C.F.O.

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 31st March, 2011 and 31st March, 2010 and found the same in agreement therewith.

For SANJEEV ANAND & ASSOCIATES
Chartered Accountants

(S. AGRAWAL)
Partner
Mem. No. :72907

Place : Ghaziabad
Date : 30/05/2011

Balance Sheet Abstract And Company's General Business Profile

I. REGISTRATION DETAILS

Registration No.	5091	State Code	55
Balance Sheet	31.03.2011		

II. CAPITAL RAISED DURING THE YEAR (Rs. In Lacs)

Public Issue	Nil	Bonus Issue	Nil
Rights Issue	Nil	Private placement	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUND (Rs. In Lacs)

Total liabilities	24330.36	Total Assets	24330.36
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SOURCES OF FUND

Paid up Capital	374.43	Reserves & Surplus	7491.04
Secured Loans	14848.50	Unsecured Loans	953.14
Deferred Tax Liability (Net)	663.26		

APPLICATION OF FUNDS

Net fixed assets (Including Capital Work-in-progress)	6,377.43	Investment	5.15
Net Current assets	17947.78	Misc. Expenditure	Nil
Accumulated Losses	Nil		

IV. PERFORMANCE OF COMPANY (Rs. In Lacs)

Turnover & Other Income	57301.74	Total expenditure	54893.67
Profit Before Tax	2408.08	Profit After Tax	1475.08
Earning Per Share (In Rs.)	7.88	Dividend Rate (%)	15%

V. GENERIC NAMES OF PRINCIPAL PRODUCTS

Description	
ERW Pipes & Tubes	7306
C.R. Coils/Strips	7209

On behalf of the Board of Directors
For Good Luck Steel Tubes Ltd.

(M.C. GARG)
Chairman

(R.C. GARG)
Director

(ABHISHEK AGRAWAL)
Company Secretary

(SANDEEP KUMAR)
C.F.O.

Place : GHAZIABAD
Dated : 30.05.2011