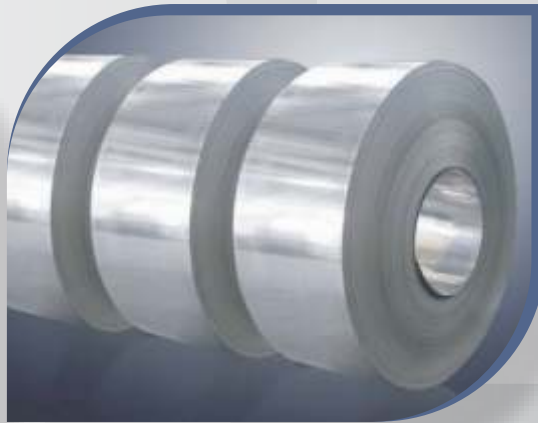


ANNUAL REPORT 2011-12



GOODLUCK STEEL TUBES LIMITED

A grayscale photograph of an industrial facility, likely a power plant or refinery, with a worker in the foreground wearing a hard hat and safety vest, looking towards the camera. The background shows a complex network of pipes and structural beams.

Contents

Notice	.....	1
Director's Report	.....	6
Management Discussion & Analysis	.....	9
Report on Corporate Governance	.....	11
Auditor's Report	.....	17
Balance Sheet	.....	20
Profit & Loss Accounts	.....	21
Cash Flow Statements	.....	22
Note Nos.	.....	23

BOARD OF DIRECTORS

Mr. M. C. Garg, Chairman
Mr. R. C. Garg, Director
Mr. Nitin Garg, 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
Bank of Baroda
ING Vysya Bank
State Bank of India
Standard Chartered Bank
Union Bank of India

FACTORY

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

UNITS

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

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

REGISTERED OFFICE

5/102, Sikka Complex, Community Centre,
Preet Vihar, Vikas Marg, Delhi - 110092 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

Notice

Notice is hereby given that 26th Annual General Meeting of the members of Good Luck Steel Tubes Ltd. will be held at Regd. Office: 5/102, Sikka Complex, Community Centre, Preet Vihar, Vikas Marg, Delhi – 110 092 on Thursday, 20th September 2012 at 9.30 a.m. to transact the following business:-

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2012 and Profit and Loss account for the year ended on that date and the report of Board of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Sh. Vijender Kumar Tyagi who retires by rotation and being eligible offer himself for re-appointment.
4. To appoint Sh. Nitin Garg, a Director appointed in casual vacancy in terms on section 262 of the Companies Act, 1956, as a Director liable to rotation and also as a whole time director.

To consider and, if thought fit, to pass with or without modification(s), the following as an ordinary resolution:

Resolved that in accordance with the provision of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr Nitin Garg, who retires and who was appointed as Director in order to fill the casual vacancy caused by the death of Sh Anil Garg pursuant to section 262 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation.

Resolved further that pursuant to the provisions of sections 198, 269, 309 & 310 read with Schedule XIII of the Companies Act, 1956, the Articles of Association of the Company and other applicable provisions, if any, or any statutory modification(s) or re-enactments thereof, and subject to all such approvals, permissions and sanctions, as may be required, the approval of the Members of the Company be and is hereby accorded for appointment of Mr Nitin Garg, as a Whole Time Director of the Company, with effect from 21st September, 2012 at a remuneration not exceeding Rs. 5,00,000 (Rupees Five lac) per month, whether paid as salary, commission, allowances, perquisites or a combination thereof.

Provided that the aforesaid remuneration will not exceed 3.33% of the net profits of the Company during any financial year calculated as per sections 349 & 350 of the Companies Act, 1956.

Provided further that payment towards the following statutory perquisites will not be included in the aforesaid remuneration:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of tenure.

Provided further that payment/re-imbusement of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred in the course of official duties, will not be included in the aforesaid remuneration.

Resolved further that the Board of Directors of the Company be and is hereby authorised to fix such remuneration as may be mutually agreed from time to time between the Company and the aforesaid Appointee within the abovementioned limits.

Resolved further that the Board of Directors of the Company be and is hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the aforesaid Appointee as it may deem fit and proper, change the designation and terms and conditions of the employment as may deem fit and proper.

Resolved further that the Board of Directors of the Company be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution."

5. To appoint auditors of the company and to fix their remuneration and to consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution.

"RESOLVED THAT M/s Sanjeev Anand & Associates Chartered Accountant, Ghaziabad, be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by Mr. M. C. Garg, Chairman of the Company."

Special Business

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 & 310 read with Schedule XIII of the Companies Act, 1956, the Articles of Association of the Company and other applicable provisions, if any, and subject to all such approvals, permissions and sanctions, as may be required, the consent of the Members of the Company be and is hereby accorded to revise the remuneration of Mr. Mahesh Chandra Garg, Chairman and Whole Time Director of the Company, upto a limit of ` 5,00,000 (Rupees Five lac) per month, whether paid as salary, commission, allowances, perquisites or a combination thereof with effect from 1st October, 2012 and upon such terms & conditions as set out below:

Provided that the aforesaid remuneration will not exceed 3.33% of the net profits of the Company during any financial year calculated as per sections 349 & 350 of the Companies Act, 1956.

Provided further that payment towards the following statutory perquisites will not be included in the aforesaid remuneration:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of tenure.

Provided further that payment/re-imbusement of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred in the course of official duties, will not be included in the aforesaid remuneration.

Resolved further that the Board of Directors of the Company be and is hereby authorised to fix such remuneration as may be mutually agreed from time to time between the Company and the aforesaid Appointee within the abovementioned limits.

Resolved further that the Board of Directors of the Company be and is hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the aforesaid Appointee as it may deem fit and proper, change the designation and terms and conditions of the employment as may deem fit and proper.

Resolved further that the Board of Directors of the Company be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 & 310 read with Schedule XIII of the Companies Act, 1956, the Articles of Association of the Company and other applicable provisions, if any, and subject to all such approvals, permissions and sanctions, as may be required, the consent of the Members of the Company be and is hereby accorded to revise the remuneration of Mr. Ramesh Chandra Garg, Whole Time Director of the Company, upto a limit of ₹ 5,00,000 (Rupees Five lac) per month, whether paid as salary, commission, allowances, perquisites or a combination thereof with effect from 1st October, 2012 and upon such terms & conditions as set out below:

Provided that the aforesaid remuneration will not exceed 3.33% of the net profits of the Company during any financial year calculated as per sections 349 & 350 of the Companies Act, 1956.

Provided further that payment towards the following statutory perquisites will not be included in the aforesaid remuneration:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of tenure.

Provided further that payment/re-imbusement of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred in the course of official duties, will not be included in the aforesaid remuneration.

Resolved further that the Board of Directors of the Company be and is hereby authorised to fix such remuneration as may be mutually agreed from time to time between the Company and the aforesaid Appointee within the abovementioned limits.

Resolved further that the Board of Directors of the Company be and is hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the aforesaid Appointee as it may deem fit and proper, change the designation and terms and conditions of the employment as may deem fit and proper.

Resolved further that the Board of Directors of the Company be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution."

8. To consider and, if thought fit, to pass the following resolutions as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act 1956 and article 101 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "the Board" and which term shall be deemed to include any Committee, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) for raising borrowings through loans, credit or issue of Securities to Bank(s), Financial or other Institution(s), Mutual Fund(s), Non-Resident Indians (NRIs), Foreign Institutional Investors (FIIs) or any other person(s), body(ies) corporate, etc., whether shareholder of the Company or not, upto a limit of ₹ 400 crores (Rupees Four Hundred Crores) (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) for both domestic and foreign currency borrowings from banks, financial institutions and other sources from time to time, as it may think fit, for the purpose of financing working capital requirement as also for acquisitions of capital assets and/or for the purpose of any other requirements of the company both for capital and revenue in nature, on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business), exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this resolution."

By order of the Board
For GOOD LUCK STEEL TUBES LTD.

Date : 13.08.2012
Place: Ghaziabad

(ABHISHEK AGRAWAL)
Company Secretary

NOTES :-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY, TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received by the company not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A blank proxy form is attached herewith.
2. Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of Resolutions set out under item nos. 6 to 8 above, is annexed.
3. A copy of the Balance Sheet as at March 31st 2012 and the Profit and Loss Account for the year ended on that date together with the Auditors' and Directors Report thereon are enclosed. Members are requested to bring their copies of Annual Report to the meeting.
4. The register of member and the share transfer books of the company will remain closed from 15th September 2012 to 20th September 2012 (both days inclusive).
5. Shareholders are requested to address all communication regarding transfer/transmission of share, change of address etc. to company's Registrar and Share Transfer Agent M/s MAS SERVICES LTD, T- 34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi – 110 020.
6. Members desiring any information on the accounts are required to write to the Company at its administrative office, Good Luck House, II-F, 166-167, Nehru Nagar, Ambedker Road, Ghaziabad – 201001, giving atleast 10 days notice prior to the date of AGM to enable the Management to collect and keep the information ready.
7. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
8. At the ensuing Annual General Meeting, Mr. Vijender Kumar Tyagi, retire by rotation and being eligible offer himself for re-appointment. The information or details pertaining to director to be provided in terms of Clause 49 of the listing agreement with the Stock Exchange are annexed herewith.
9. Additional Information:

The Board of Directors of the Company ("The Board"), at its meeting held on May 1st 2012, appointed Mr. Nitin Garg as Director, in order to fill the casual vacancy caused by the death of Sh. Anil Kr. Garg, a Director of the Company, pursuant to section 262 of the Companies Act, 1956.

In terms of the provisions of section 262 of the Act, Mr. Nitin will hold office only upto the date of ensuing AGM as Late Sh. Anil Garg, in whose place Mr. Nitin has been appointed as casual Director, would have held office only upto the ensuing AGM if it had not vacated.

The Company has received a notice in writing from Mr. Nitin Garg along with a deposit of Rs. 500/- for proposing his candidature for the office of Director of the Company under the provisions of Section 257 of the Act.

Mr. Nitin Garg, is a young and dynamic qualified engineer (B.Tech.- Mechanical). After completing his post Graduation in Management from Narsee Monjee Institute of Management Studies, he joined the company as a production engineer. During his study, he got the chance to work with Yamha motors and Honda Motors. He has more than 6 years of experience in production of steel pipes & tubes.

Recognising his caliber and capability and in order to infuse new blood in the management, the Board appointed him as a casual director on the sudden demise of Mr. Anil Kr. Garg. Now, being the rotational director the term of Mr. Nitin Garg ends on the ensuing Annual General Meeting. Mr. Nitin has offered himself to be appointed as a director and Your Board also recommends to appoint him as a Whole Time Director liable to be retiring by rotation w.e.f. 21.09.2012.

The Remuneration to Mr. Nitin Garg, whole time directors of the company, is to be fixed by the board of directors from time to time, such that the salary and the aggregate value of all perquisites and allowance along with the commission on net profit computed as per section 349 & 350 of the Act, shall not exceed the overall ceiling on remuneration approved by the members in General Meeting. The remuneration being offered to Mr. Nitin is in line with the remuneration drawn by their counterparts in the country.

In view of the same, the remuneration committee and the Board of Directors have approved an uniform increase in the ceiling limit on remuneration payable to all the wholetime directors.

The board may, in its absolute discretion pay to all Whole-time Directors, lower remuneration than the maximum remuneration herein above stipulated and revise the same from time to time within the maximum limit stipulated by these resolutions.

The proposed increase in ceiling on remuneration is within the limits prescribed under Part II of Section XIII of the Companies Act, 1956.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item no 6 & 7

The Remuneration to Mr. M. C. Garg and Mr. R. C. Garg, whole time directors of the company, is to be fixed by the board of directors from time to time, such that the salary and the aggregate value of all perquisites and allowance along with the commission on net profit computed as per section 349 & 350 of the Act, shall not exceed the overall ceiling on remuneration approved by the members in General Meeting.

To retain the services of the Company's key management personnel and in view of the highly competitive employment market which currently prevails, your Directors felt desirable that the compensation paid to the aforesaid whole-time Directors of the Company be revised w.e.f. 01.10.2012, more or less in line with the remuneration drawn by their counterparts in the country.

In view of the same, the remuneration committee and the Board of Directors have approved an uniform increase in the ceiling limit on remuneration payable to all the aforesaid directors.

The board may, in its absolute discretion pay to the above mentioned Whole-time Directors, lower remuneration than the maximum remuneration herein above stipulated and revise the same from time to time within the maximum limit stipulated by these resolutions.

The proposed increase in ceiling on remuneration is within the limits prescribed under Part II of Section XIII of the Companies Act, 1956.

The Above details may also be treated as an abstract of the modification in the terms of appointment of the aforesaid Whole Time Directors, under Section 302 of the Companies Act, 1956.

None of the Directors other than Mr. M.C. Garg and R. C. Garg is concerned or interested in the proposed resolutions.

Your directors recommend the resolutions as at item nos. 6 & 7 for your approval.

Item no 8

As the members are aware, your Company is exploring various opportunities for all round growth of the Company through expansion, diversification, etc. With a view to meet the growing need of capital expenditure and working capital funds, the Company would be required to borrow funds from time to time by way of loans and/or issue of Bonds, Debentures or other securities. As per section 293(1) (d) of the Companies Act 1956, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Board beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company. With the growth of Company the fund requirements of the Company are growing up and the existing limit of ` 200 Cr. is likely to be exhausted in near future, and hence the proposal for obtaining the consent of the members by way of Ordinary Resolution for increasing this limit of Rs. 200 Crores to Rs. 400 Crores is made.

Accordingly the resolution u/s 293(1)(d) is being proposed to seek your consent. Your Directors recommend the resolution as set out above for your approval.

None of the Directors is concerned or interested in the proposed resolutions.

By order of the Board
For GOOD LUCK STEEL TUBES LTD.

(ABHISHEK AGRAWAL)
Company Secretary

Date : 13.08.2012
Place: Ghaziabad

ANNEXURE

Information required under clause 49 of the Listing Agreement in regard to the Directors seeking re-appointment/ appointment

Name	Mr. Vijender Kr. Tyagi
Date of birth	05.10.1957
Date of Appointment	19.12.2006
Education qualifications	L.L.B.
Expertise in specific functional area	He is an independent and a non executive director of the company. He is a legal luminary and well known practicing lawyer and has a rich experience of his field.
Directorship/Chairmanship/Membership of Committees of the board of other companies	None
No. of Shares held in the Company	NIL

Name	Mr. Nitin Garg
Date of birth	31.05.1980
Date of Appointment	21.09.2012
Education qualifications	1. B. Tech. (Mechanical) 2. M.B. A. from Narsee Monjee Institute of Management Studies
Expertise in specific functional area	During the study he worked with Yamha Motors and Honda Motors. After completing his higher studies he joined steel industry as a production engineer. He has depth knowledge and understanding of production process. At present he is looking after the whole production of Steel Tubes/pipes and CR division.
Directorship/Chairmanship/Membership of Committees of the board of other companies	None
No. of Shares held in the Company	5,59,500

Director's Report

Dear Shareholders,

The Board of Directors of your Company takes pleasure in presenting 26th Annual Report and audited accounts of your Company for the financial year ended 31st March, 2012.

Performance/result

During the year 2011-12, the company has touched the gross revenue of ` 742.56 cr., an increase by 21.44 % in comparison of last year. The Bottom line has also been improved significantly & there is an increase of 36.34 %. The EBIDTA of the Company for the year 2011-12 was ` 49.68Cr. against ` 39.55 cr. in the last year. The Company's has improved its performance in international business also & posted the export of ` 201.28 cr. during the year 2011-12 which was ` 172.32 in the year 2010-11.

Particulars	2012 - 11	2010 - 11
Gross Turnover	742.56	611.09
Earning before interest, tax & depreciation	49.68	39.55
Interest	15.79	11.40
Depreciation	5.21	4.07
Profit before tax	28.68	24.08
Profit for the year	20.11	14.75
Amount available for appropriation	78.27	61.82
Appropriation:		
General Reserve	4.00	3.00
Dividend	0.74	0.56
Dividend Tax	0.12	0.09
Balance carried forward to next year	73.40	58.17

Transfer to general reserves

Out of the total profit for the financial year 2011-12, an amount of ` 4.00 Crore is proposed to be transferred to the General Reserve.

Dividend

Your Directors are pleased to recommend a dividend of ` 0.40 (20%) per equity share of ` 2/- each for the financial year 2011-12. 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 ` 0.74 cr. towards dividend and ` 0.12 cr. towards dividend tax resulting in a total outflow of ` 0.86 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. Anil Kr. Garg, ceased to be director of the company due to untimely and sad demise. The Board of directors express its deep sense of appreciation and gratitude towards the valuable services rendered by Sh. Anil Kr. Garg during his tenure as Director of the Company and convey the company's condolences to the family of Sh. Anil Kr. Garg.

The term of Sh. Nitin Garg, appointed as Director of the Company, in order to fill the casual vacancy caused by the death of Sh. Anil Kr. Garg, is expiring on the ensuing Annual General Meeting. The Board of Director proposes to appoint him as whole time director, who shall be liable to retire by rotation.

Further Mr. Vijender Kumar Tyagi, 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 2012-13 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 annual 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 ` 60,00,000/- or more per annum where employed through out the year or ` 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, 2012 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, 2012

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 31.03.2012

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		2012 - 2011	2011 - 2010
1.	Electricity		
(a)	Purchased		
	Unit (in thousand) KWH	17074.46	13501.47
	Total Amount (Rs. In Lakh)	928.73	746.20
	Rate/unit (Rs.)	5.44	5.52
(b)	Own Generation		
	Through Diesel Generator		
	Unit (in thousand)	3701.32	3024.0
	Units per ltr. of diesel oil	2.80	2.80
	Cost/units	13.69	12.18
2.	Furnace Oil		
	Total Amount (Rs. in Lakh)	952.85	706.54
	Total Quantity (K.L.)	2430.65	2498.79
	Average Rate (₹ /K.L.)	39201	28276
Consumption per unit of Production			
	Production (MT)	123823.42	116715.31
	Electricity	167.79	141.58
	Furnace Oil	19.63	21.40

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:

Particulars	(` In Lakh)	
	Current Year	Previous Year
Out go (CIF value of Imports)	59.84	827.66
Out go (Expenditure)	298.35	165.4
Earnings (F.O.B. value of Exports)	18342.65	15907.75

Management discussion and analysis

Industry Overview

Overall the global steel industry witnessed stagnant growth during 2012. The global steel demand was driven by demand from key steel end-user industries including infrastructure, construction and automotive, especially in the emerging markets; in spite of financial turbulence in the Eurozone, weak private demand in the United States and events in Japan and the Middle East.

The Indian steel industry has also missed its 2011/2012 production target by a whopping 40%, thanks to land acquisition troubles which have left multiple projects just words on paper. India had targeted 124 Million Tonnes of steel production for 2011/2012 but could only achieve 72 Million Tonnes overall, a more than 41% deviation from the set standard. The Indian government has now moved the 124 MT target to 2016-2017.

India's steel consumption growth has also been weakening. As per initial estimates, Indian steel consumption grew by a mere 5.5% in 2011/2012 and may moderate to 4-5% in the current fiscal. Due to policy paralysis in Indian and bad health of world economy, all the major projects has been stopped or slowed down having adverse impact on the growth of the steel industry along with other industries. The auto mobile sector, one of major consumer of steel forged item, was growing with a mopping growth rate in first half of the year 2011-12 has also shy away in the second half of the year 2012.

For 2012 as a whole, global steel demand is forecast to grow by a further 4% to reach 1,422 million tonnes. China, India and other emerging markets will continue to drive demand but recent market developments suggest likely slackening of demand.

Economy

There is a dark mood in the advanced economies, especially in Europe, between 2008-2011, the US and the Eurozone economies have virtually stagnated- even in nominal terms. The US economy is certainly picking up, but the recovery is weaker than had been expected. European countries are facing financial turmoil because they could not reach a consensus on restructuring their economies, debt and budgetary outlays in the face of public protests. Public unrest swelled in some oil-producing countries resulting in uncertainties in oil production/ price. Rising international prices of crude oil have affected the global economies badly. Japan was struck by the devastating earthquake and tsunami affecting, in particular, developing economies.

The IMF continues to emphasize the downside risks that can emerge, primarily from the Eurozone. The Eurozone problems are likely to continue to be a problem for some years to come and further from time to time, bad news out of the Eurozone can have- even if temporary- disproportionately large negative effects on the global financial world and ultimately on investor and business confidence.

Conditions in the EU have impacted, and will continue to negatively impacted Eurozone bank financing, which has been significant for Indian private sector infrastructure projects. This is likely to influence badly the demand of steel tubes and pipe and other steel products.

Asia will be under pressure for the most part because of pressure on its final export markets in the west, and also from domestic factors including demand for higher wages and the rising of energy costs. China has slowed somewhat and there may be continued difficulties in its path, as adjustments have to be made for rising wage costs and higher expectations. However, economic growth in China projected at 8.0 and 8.5 percent in 2012 and 2013 respectively, and that for the rest of developing East and South East Asia, as well as that in Africa, suggest that developing economy demand will remain reasonably buoyant. This may be seen from the IMF growth projections for the developing Asia, excluding China and India, for 2012 and 2013 which are 5.0 and 5.7 per cent respectively, while that for sub-Saharan Africa are around 5.4 per cent.

Keeping in view of the present world Economy scenario and Indian economic and political scenario, it is very difficult to have a concrete opinion over the growth of Indian economy, but still the Indian government is eying for a growth at 6.7 per cent in 2012/13. Manufacturing sector is also projected to grow at 4.5 per cent. Electricity, automotive, steel and cement sector have shown improvement in the period of April-June. Because of the benefits of the low base, manufacturing sector will show improved performance in the second half of this year.

Opportunity

India has been a net importer of steel especially at the high value-added end product portfolio and is likely to continue to do so. The steel demand in India will continue to grow given the significant need for infrastructure growth and the increasing urbanization of the population. The industrial machines, railways, oil & gas, power plants, chemical plants, and automotive industry are the major end user of our products. The government is also working on clearing of infrastructure projects on fast track mode. The available data on output for the first quarter month in the automotive sector shows that production of passenger vehicles was higher by 9.4 % while two wheeler increased by 9.7 %. Output of steel and cement in the April to June also were higher of 3.6 and 9.9 % respectively, which is not suggestive of extended stagnation. The impact of positive policy developments in the course of the year is expected to benefit the economy, in particular the investment environment, and result in significantly improved output levels in the manufacturing sector.

Threat

Raw material prices are one of the determinants of global steel price but not the only one. Various factors combine to determine steel price; such as underlying demand and the competitive advantage of local steel manufacturers. Global raw material dynamics should be read in conjunction with changes taking place within the Indian steel scene. Curtailment of iron ore production due to reduced exports, increase in price of ore due to e-auction, reduced coal availability due to its diversion for power generation coupled with increased power and freight costs has led to declining profitability of the Indian steel makers.

Performance

The Company continued to lay more emphasis on value added products

which are able to add bottom line more significantly and having comparatively lesser contribution for top line. The result of the policy is shown in the year 2012. During the year, the Company's total production (quantity wise) increased by merely 6 % while the total revenue grown by 21 % in comparison of last year and the profit for the year 2012 jumped by 36%.

The company has also shown a commendable performance in its export market. Where, while all the world economy is shrinking, the company has registered a growth of 17% in its international business. The Book value of the shares of the company has reached to Rs. 52 per share in the year 2012, while it was Rs. 42 per share in last year.

This year, according to the nature of products and services, the management has recognized three segments and has reported segment wise performance also. The Engineering goods segment has registered tremendous growth and during the year, the profit before interest and tax from this segment has galloped to ` 13.92 Cr. which was only ` 7.43 Cr., in the last year. It means there is a growth of 87%. Further, an Auto tube segment has also performed impressively and has shown a growth of 57 % over the last year.

Outlook

Demand for finished steel products is expected to remain robust during the country's 12th plan period running from 2012- 2016. Firm demand will be from the infrastructure, on the backdrop of government's target of investing \$1.5 trillion for developing the country's infrastructure sector up from \$500 billion during the previous 11th plan period (2007-2012). According to the Planning Commission of India, infrastructure and real estate construction has been the sectors in the economy fuelling the demand of finished steel products during recent plan periods

Rolled coil manufacturer of India are likely to keep their domestic base prices for the HR coil same as was in 2011. As domestic demand is slow, the sustained depreciation of the rupee against the dollar delivers import of coils unviable, helping local mills keep their prices firm.

Risk & Concern

Although India's steel industry is growing at a rate higher than a lot of the other developing countries, the effect of the worldwide economic slowdown can be felt in the dampened rate of growth. With higher inflation and interest rates, the automotive and construction industry are likely to lower domestic demand in the short term. Slowdown in China might redirect some of its production in the form of cheap imports to India.

Indian steel companies are ramping up their capacity through both Greenfield and Brownfield projects. Small companies are developing niche sectors like the production of sponge iron. India is the fifth largest producer of crude steel with 72 mtpa capacity and the government has signed 222 Memorandums of Understanding for an additional 276 mtpa capacity. Although it is unrealistic to believe that all MOUs will be completed in this economic climate.

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, 2012, the Company has 6 Directors on its Board, of which 3 Directors are independent. The number of Non- Executive Directors (NEDs) is 50% of the total number of Directors. The Company is in compliance with the Clause 49 of the listing Agreement pertaining to compositions of directors.

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

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

Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM (Yes/No)	No. of Directorships in other public Ltd. Cos.	No. of Chairmanship/Memberships of Committees in other Public Ltd. Cos. *	
					Chairmanship	Membership
Sh. M.C. Garg	Promoter, Executive Chairman	8	Yes	-	-	-
Sh. R. C. Garg	Promoter, Executive Director	8	Yes	-	-	-
Sh. A. K. Garg**	Promoter, Executive Director	8	Yes	-	-	-
Sh. Vijender Kr. Tyagi	Independent, Non Executive Director	7	No	-	-	-
Sh. Rahul Goel	Independent, Non Executive Director	6	No	-	-	-
Sh. Anurag Agrawal	Independent, Non Executive Director	8	Yes	-	-	-

Notes:-

1. During the Financial Year 2011-12, Eight Board Meetings were held and the gap between two meetings did not exceed four months. The Board Meetings were held on 30th May 2011, 29th July, 2011, 16th August, 2011, 30th August, 2011, 31st October, 2011, 28th December, 2011, 31st January, 2012 and 15th March, 2012.
2. * Only two Committees, namely, Audit Committee and Shareholders'/Investors' Grievance Committee have been considered.
3. ** due to sudden and untimely death of Mr. Anil kr. Garg on 29th April, 2012, he is ceased to be on the board and Mr. Nitin Garg has been appointed as a director to fill the casual vacancy.
4. The information as required under Annexure IA to Clause 49 is being made available to the Board.
5. 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, 2012. 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, 2012, the Committee has three Directors. Out of that two Directors are Non-Executive and Independent Directors in accordance with the prescribed guidelines. Mr. Anurag Agarwal, is the Chairman of the Committee. The other members are Mr. Vijender Tyagi and Mr. M. C. Garg, Chairman of the Company. The members of the Committee have adequate knowledge in the field of finance, accounting, and law. The Scope of the functioning of the Audit Committee is to review, from time to time, the internal control procedures, the accounting policies of the Company and such other functions, as may be recommended from time to time by SEBI, Stock Exchanges and/or under the Companies Act, 1956, which inter-alia include review of:

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

The CFO of the Company is permanent 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 4th April, 2011, 30th May, 2011; 29th Aug, 2011; 31st October, 2011 and 31st January, 2012 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	4
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 composition of the Committee as on 31.03.2012 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 M C Garg	Member	4
Mr R C Garg	Member	4

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

The terms of reference of the Committee include the following:

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

Details pertaining to the numbers of complaints received and resolved and the status thereof during the financial year ended 31st March 2012 are given as follows:

Detail of complaints received/resolved during the year

❖ No. of Complaints received during the year	:	Nine
❖ No. of Complaints not resolved to the satisfaction of Shareholders	:	Nil
❖ No. of Pending Complaints	:	Nil
❖ No. of Pending share transfer as on 31.03.2012	:	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
2009	Wednesday	30.09.2009	9.30 A.M.	NIL
2010	Thursday	30.09.2010	9.30 A.M.	NIL
2011	Friday	30.09.2011	9.30 A.M.	Increase the remuneration of Mr. Manish Garg, Mr. Nitin Garg and Mr. Umesh Garg u/s 314

(I) Extra Ordinary General Meeting Detail

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

(II) Postal Ballot

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

DISCLOSURES

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

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

MEANS OF COMMUNICATION

(I) Quarterly/ Half Yearly/ Annual Results

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

(II) News Releases

The Quarterly, Half Yearly and Annual Results of the Company are published in the prescribed 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 : Thursday, September 20, 2012 at 9.30 A. M.
 Venue : 5/102, Sikka Complex, Community Centre, Preet Vihar, Delhi - 110092
 Date of Book Closure : From 15.09.2012 to 20.09.2012 (both days Inclusive)
 Dividend Payout Date : 05th October, 2012

- (II) Financial Calendar 2012 - 13 (Tentative & subject to Change)
 First Quarter Result : July, 2012
 Second Quarter Result : October, 2012
 Third Quarter Result : January, 2013
 Annual Results for the year ending on 31.03.2013 : May, 2013

- (III) Listing on Stock Exchange
 The company's shares are listed at the following stock exchanges.

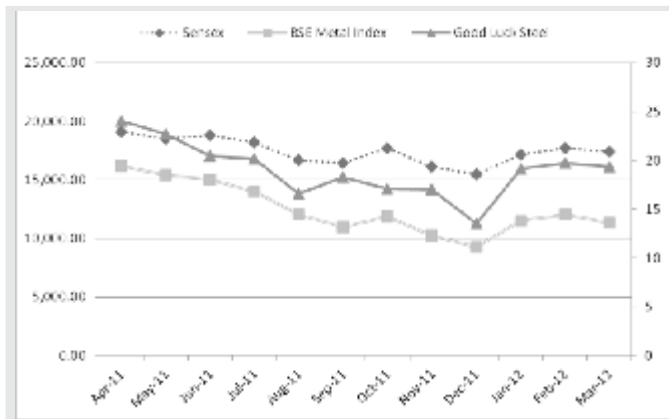
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Stock Code : 530655	Delhi Stock Exchange Limited DSE House, 3/1, Asif Ali Road, New Delhi - 110002
--	---

- (IV) Market Price Data
 The monthly high/low market prices of the shares during last financial year 2011-12 at the Bombay Stock Exchange (BSE) are as under:

Month	High Price	Low Price	Close Price
Apr-11	26.90	23.60	24.05
May-11	24.9	21.4	22.7
Jun-11	25.5	18.85	20.45
Jul-11	24	19.05	20.2
Aug-11	24	15	16.6
Sep-11	23	16.1	18.25
Oct-11	21.7	16.25	17.1
Nov-11	21.85	15.4	17
Dec-11	19.8	12.2	13.55
Jan-12	19.8	13.01	19.12
Feb-12	22.45	18.4	19.75
Mar-12	22.45	18.1	19.4



- (V) Share Price in Comparison to BSE Sensex and BSE Metal Index



(VI) Distribution of Shareholding and Shareholding Pattern

The Distribution of shareholding and shareholding pattern of the shares as on 31.03.2012 are as follows:

SHARE HOLDING OF NOMINAL VALUE OF RS	Shareholders		Shares held	
	Number	% to Total	Number	% to Total
1 TO 1000	2753	68.262	615989	3.29
1001 TO 2000	614	15.224	566994	3.029
2001 TO 4000	331	8.207	525644	2.808
4001 TO 6000	77	1.909	197251	1.054
6001 TO 8000	75	1.86	269618	1.44
8001 TO 10000	48	1.19	227951	1.218
10001 TO 20000	50	1.24	374260	1.999
20001 AND ABOVE	85	2.108	15943543	85.163
TOTAL	4033	100	18721250	100

(VII) Dematerialization of Shares and Liquidity

Description	No. of Shareholders	No. of Share	% to equity
NSDL	1885	3004276	16.05
CDSL	1549	14856474	79.36
Physical	620	860500	4.60
TOTAL SHARE HOLDERS	4054*	18721250	100.00

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

* 21 holders are common in demat & physical



(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

A 42 & 45, Industrial Area,

Sikandrabad,

Distt. -Bulandshahar (U. P.)

A-51, Industrial Area,

Sikandrabad,

Distt. -Bulandshahar (U. P.)

Khasra No. 2839, Dhoom Manik

Pur, Dadri,

Distt. - G. Budh Nagar (U.P.)

(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 31.03.2012.

For Good Luck Steel Tubes Ltd

Place: Ghaziabad
Date: 30th May 2012

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 31.03.2012, 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 2012

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, 2012 and 31st March, 2011 and found the same in agreement therewith.

For SANJEEV ANAND & ASSOCIATES
Chartered Accountants

(S. AGRAWAL)
Partner

Place : Ghaziabad
Date : 30/05/2012

Mem. No. :72907

Auditor's Report

To The Members of
GOODLUCK STEEL TUBES LIMITED
DELHI.

- 1) We have audited the attached Balance Sheet of M/S GOODLUCK STEEL TUBES LIMITED as at 31st March 2012 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 2012 and taken on record by the Board of Directors, We report that none of the directors is disqualified as on March 31, 2012, 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, 2012;
 - (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. 072907

Place : GHAZIABAD
Date : 30th May 2012

ANNEXURE TO AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

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) In respect of fixed assets:
The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) All the assets have not been physically verified by the management during the year but there is regular system of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noted on such verification.
- (c) In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposal of fixed assets during the year and the going status of the Company is not affected.
- (ii) In respect of inventories:
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the books records.
- (iii) In respect of the loans secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - (a) The Company has not granted any loan, secured or unsecured, to Companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence sub clause (b) , (c) and (d) of clause (iii) of the said order are not applicable.
 - (b) The Company has taken loan from companies, firm and other parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ` 771.63 Lacs.
 - (c) In our opinion, the rate of interest and the other terms and conditions on which loans have been taken by the Company from companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956 are not, Prima facie, prejudicial to the interest of the Company.
 - (d) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of Interest.
- (iv) In our opinion, and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) In respect of contracts or arrangements referred to in section 301 of the Companies Act, 1956:
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained u/s 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contacts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 have been made at prices which are reasonable having regards to prevailing market prices at the relevant time.
- (vi) The Company has not invited any deposits from public. In the opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 58 A and 58 AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regards to the deposits accepted from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account relating to the materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records u/s 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of the records with a view to determine where they are accurate or complete.

(ix) In respect of statutory dues:

- (a) 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 2012 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 (` In Lacs)	Period to which the amount relates	Forum where dispute is pending
1.	Income Tax	Income Tax Demand	25.34	A.Y. 2004-05	CIT (Appeal), New Delhi

- (x) The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedure and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to Financial Institutions and Banks.
- (xii) In our opinion and according to the information and explanations given to us and based on the information available, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and others securities.
- (xiii) In our opinion, the Company is not chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given the guarantees for loan taken by others from the Banks or financial Institutions.
- (xvi) The Company has raised new term loans during the year. In our opinion and according to the information and explanations given to us, the term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they are raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties and Companies covered in the register maintained u/s 301 of the Companies Act, 1956.
- (xix) The Company has not raised any money by issue of debentures during the year.
- (xx) The Company has not raised any money by way of public issues during the year.
- (xxi) In our opinion and according to the information and explanations given to us no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

(S. AGARWAL)
Partner
M.NO. 072907

Place : GHAZIABAD
Date : 30th May 2012

Balance Sheet as at 31st March 2012

PARTICULARS	Note No.	` in Lacs As on 31.03.2012	` in Lacs As on 31.03.2011
EQUITY AND LIABILITIES			
Shareholder's Fund			
Share Capital	2	374.43	374.43
Reserves and Surplus	3	9,406.98	7,491.04
		9,781.41	7,865.47
Non-Current Liabilities			
Long-term borrowings	4	4,184.12	1,258.45
Deferred tax liabilities (Net)	5	828.06	663.26
Long term provisions	6	38.87	29.81
		5,051.05	1,951.52
Current Liabilities			
Short-term borrowings	7	18,568.40	13,840.84
Trade payables	8	2,024.66	468.05
Other current liabilities	9	1,593.92	1,846.63
Short-term provisions	10	958.56	763.91
		23,145.54	16,919.43
Total		37,978.00	26,736.42
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible assets	11	7,990.16	6,326.60
Capital work-in-progress	11	1,679.62	50.83
Long term loans and advances	12	874.31	347.50
		10,544.09	6,724.93
Current Assets			
Current investments	13	-	5.15
Inventories	14	10,245.16	6,702.76
Trade Receivables	15	13,157.57	9,516.44
Cash and cash equivalents	16	569.04	886.96
Short-term loans and advances	17	3,462.14	2,900.18
		27,433.91	20,011.49
Total		37,978.00	26,736.42
Significant accounting policies	1		
Notes on Financial Statements	2 to 36		

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

(S. AGRAWAL)
Partner
M.No. 072907

Place : Ghaziabad
Date : 30th May 2012

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

(M.C.GARG)
Chairman

(ABHISHEK AGRAWAL)
Company Secretary

(R.C.GARG)
Director

(SANDEEP KUMAR)
C.F.O.

Statement of Profit and Loss for the Year Ended on 31st March 2012

PARTICULARS	Note No.	` in Lacs As on 31.03.2012	` in Lacs As on 31.03.2011
Income			
Revenue from operations (Gross)	18	74,256.76	61,100.93
Less: Excise Duty		6,351.96	5,019.03
Revenue from operations (Net)		67,904.80	56,081.90
Other Income	19	1,443.61	1,219.84
Total (I)		69,348.41	57,301.74
Expenses			
Cost of raw materials consumed	20	53,988.26	44,164.54
Purchase of Stock-in-Trade	21	32.01	59.40
Changes in Inventories of Finished Goods, Stock-in- Process and Stock-in-Trade	22	(1,298.97)	(198.72)
Employee Benefit Expenses	23	2,329.94	1,805.82
Finance Cost	24	1,921.25	1,266.76
Depreciation & Amortization Expenses	25	521.43	407.33
Other Expenses	26	8,986.25	7,388.54
Total (II)		66,480.17	54,893.67
Profit before exceptional item & tax (I - II)		2,868.24	2,408.07
Exceptional Item		59.49	174.92
Profit before tax		2,808.75	2,233.15
Tax Expenses			
Current Tax		632.71	698.64
Deferred Tax		164.80	59.44
Profit for the year		2,011.24	1,475.07
EARNINGS PER EQUITY SHARE			
[Nominal value per share ` 2/- (Previous Year: ` 2/-)]		5,310.91	4,082.16
Basic and Diluted	30	7.82	7.28
Basic and Diluted	30	10.74	7.88
Significant accounting policies	1		
Notes on Financial Statements	2 to 36		

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

(S. AGRAWAL)
Partner
M.No. 072907

Place : Ghaziabad
Date : 30th May 2012

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

(M.C.GARG)
Chairman

(ABHISHEK AGRAWAL)
Company Secretary

(R.C.GARG)
Director

(SANDEEP KUMAR)
C.F.O.

Cash Flow Statement For The Year 2011-12

DESCRIPTION	in Lacs As on 31.03.2012	in Lacs As on 31.03.2011
A. Cash Flow from operation activities:		
Net Profit before tax as per Profit & Loss Account	2,808.75	2,233.15
Adjustment for:		
Depreciation	521.43	407.33
Pre-operative Expenses	-	3.80
Loss on Sale of Fixed Assets	0.04	3.41
Finance Cost	1,921.25	1,266.76
Operating Profit before working capital changes	5,251.47	3,914.45
Adjustment for:		
Trade and Other Receivables	(4,729.89)	559.23
Inventories	(3,542.40)	(721.14)
Trade and Other Payables	1,507.60	268.22
Cash Generated from Operations	(1,513.22)	4,020.76
Taxes Paid	(632.71)	(698.64)
Net Cash Flow From Operating Activities	(2,145.93)	3,322.12
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(3,822.72)	(1,436.33)
Sale of Fixed Assets	0.63	3.85
Purchase of Investments	-	(5.15)
Sale of Investments	5.15	-
Net Cash used in Investing Activities	(3,816.94)	(1,437.63)
C. Cash flow from Financing Activities		
Proceeds from Borrowing for working capital	4,727.56	475.74
Proceeds from Borrowing for Term Loan	2,299.12	(612.50)
Proceeds from Unsecured Loans	626.55	(390.52)
Interest Paid	(1,921.25)	(1,266.76)
Dividend Paid	(87.03)	(65.27)
Net Cash from Financing Activities	5,644.95	(1,859.31)
Net increase in cash and cash Equivalents	(317.92)	25.17
Opening Balance of Cash and cash equivalents	886.96	861.79
Closing Balance of Cash and cash equivalents	569.04	886.96

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

(S. AGRAWAL)
Partner
M.No. 72907

Place : Ghaziabad
Date : 30th May 2012

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.

1. Significant Accounting Policies

COMPANY OVERVIEW

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

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements are prepared under the historical cost convention, on accrual basis of accounting, in accordance with the generally accepted accounting principles, as applicable, accounting standards issued by The Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

B. USE OF ESTIMATES

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

C. FIXED ASSETS

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

D. DEPRECIATION AND AMORTISATION

Depreciation on fixed assets has been charged on straight line method at the rates prescribed in schedule XIV of the Companies Act, 1956. In case of addition/deletion to Fixed Assets during the year, depreciation has been charged pro-rata with respect to date of addition/deletion. The leasehold land has not been amortized. In respect of revalued assets, an amount of ` 8.27 Lacs being equivalent to the additional charge of depreciation arising due to revaluation is deducted from Capital Reserve and not charged to the Profit & Loss account.

E. INVENTORY

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

F. REVENUE RECOGNITION

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

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

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

G. EMPLOYEES' BENEFITS

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

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

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

H. BORROWING COSTS

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

I. FOREIGN CURRENCY TRANSACTIONS

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

J. CENVAT / VAT

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

K. PROVISION FOR TAXATION

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

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

L. PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

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

Notes on Financial Statement for the year ended 31st March, 2012

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

DESCRIPTION	` in Lacs As on 31.03.2012	` in Lacs As on 31.03.2011
2. SHARE CAPITAL		
Authorised Capital		
50,000,000 Equity Shares of ` 2/- each (Previous year		
50,000,000 Equity Shares of ` 2/- each)	1,000.00	1,000.00
Issued, Subscribed Capital		
1,87,21,250 Equity Shares of ` 2/-each (Previous year		
1,87,21,250 Equity Shares of ` 2/-each)	374.43	374.43
Paid -up Capital		
Balance as per the last financial statements		
1,87,21,250 Equity Shares of ` 2/-each (Previous year		
1,87,21,250 Equity Shares of ` 2/-each)	374.43	374.43
TOTAL:	374.43	374.43
The Company has only one class of shares referred to as equity shares having a par value of ` 2/-. Each holder of equity shares is entitled to one vote per share.		
The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
3. RESERVES AND SURPLUS		
Revaluation Reserve		
Balance as per the last financial statements	22.54	30.81
Less: Amount tfd. to the Statement of Profit & Loss as reduction from Depreciation	8.27	8.27
Closing Balance	14.27	22.54
Securities Premium Reserve		
Balance as per the last financial statements	455.13	455.13
General Reserve		
Balance as per the last financial statements	1,196.64	896.64
Add : Amount transferred from Surplus balance in the statement of Profit & Loss	400.00	300.00
Closing Balance	1,596.64	1,196.64
Surplus in the statement of Profit & Loss		
Balance as per the last financial statements	5,816.73	4,706.93
Add: Profit for the year	2,011.25	1,475.08
Amount available for appropriation	7,827.98	6,182.01
Less: Appropriations:		
Proposed Dividend	74.89	56.16
Dividend Tax	12.15	9.11
Amount transferred to General Reserve	400.00	300.00
Closing Balance	7,340.94	5,816.73
TOTAL:	9,406.98	7,491.04

Notes on Financial Statement for the year ended 31st March, 2012

DESCRIPTION	in Lacs As on 31.03.2012	in Lacs As on 31.03.2011
4. LONG-TERM BORROWINGS		
Secured Term Loans:		
From Punjab National Bank	-	158.22
From Bank of Baroda	-	228.70
From Axis Bank Ltd.	2,686.04	-
Unsecured Loans:		
From Shareholders	1,012.03	806.53
From Body Corporate	486.05	65.00
Net Amount	4,184.12	1,258.45

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.

Maturity Profile of secured term loans are as set out below:	in Lacs
1-2 Years	650.46
2-3 Years	796.50
3-4 Years	738.38
Beyond 4 years	500.70

5. DEFERRED TAX LIABILITY (Net)

Deferred Tax Liability		
Related to Fixed Assets	850.42	723.90
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	(22.36)	(60.64)
TOTAL:	828.06	663.26

6. LONG-TERM PROVISIONS

Provision for Employees Benefits		
Provision for Gratuity / Leave Benefits	38.87	29.81
TOTAL:	38.87	29.81

Notes on Financial Statement for the year ended 31st March, 2012

DESCRIPTION	` in Lacs As on 31.03.2012	` in Lacs As on 31.03.2011
7. SHORT TERM BORROWINGS		
Secured Loans:		
Cash Credit/Export Credit Limits		
From State Bank of India	7,132.56	5,291.49
From ING Vysya Bank Ltd	6,450.50	4,258.23
From Bank of Baroda	1,747.29	1,495.57
From Union Bank of India	1,130.25	1,207.15
From Barclays Bank	-	1,588.40
From Axis Bank Ltd.	520.55	-
From Standard Chartered Bank	1,587.25	-
TOTAL:	18,568.40	13,840.84
<p>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.</p>		
8. TRADE PAYABLES		
Trade creditors	2,024.66	468.05
TOTAL:	2,024.66	468.05
9. OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Refer Note No. 4)	738.05	702.35
Advance from customers	386.71	297.76
Unclaimed Dividends	9.21	7.84
Others:		
Liabilities for Expenses	374.59	207.11
Liabilities for Taxes	85.36	631.57
TOTAL:	1,593.92	1,846.63
10. SHORT-TERM PROVISIONS		
Mark-to-market loss on forward	238.81	-
Proposed Dividend	74.89	56.16
Provision for:		
Tax on Dividend	12.15	9.11
Current Taxes	632.71	698.64
TOTAL:	958.56	763.91

Notes on Financial Statement for the year ended 31st March, 2012

11. FIXED ASSETS

in Lacs

S. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.04.2011	Additions 2011-12	Adjustments 2011-12	Total as on 31.03.2012	Upto 01.04.2011	For the year 2011-12	Adjustments 2011-12	Total upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
1	Land (Leasehold)	176.50	-	-	176.50	-	-	-	-	176.50	176.50
2	Land (Freehold)	330.40	-	-	330.40	-	-	-	-	330.40	330.40
3	Factory Building	1,350.59	249.25	-	1,599.84	268.99	48.05	-	317.04	1,282.80	1,081.60
4	Office Building	46.96	-	-	46.96	4.19	0.77	-	4.95	42.01	42.78
5	Residential Flat	28.52	-	-	28.52	0.12	0.46	-	0.58	27.94	28.41
6	Furniture & Fixtures	83.85	1.48	-	85.33	28.08	5.34	-	33.42	51.91	55.77
7	Plant & Machinery	6,120.00	1,806.36	-	7,926.37	1,885.69	408.06	-	2,293.75	5,632.61	4,234.31
8	Office Equipments	168.90	27.02	-	195.92	78.11	19.88	-	98.00	97.92	90.78
9	Electrical Installation	14.30	4.95	-	19.24	2.18	0.90	-	3.07	16.17	12.12
10	Vehicles	439.32	104.87	8.07	536.11	165.39	46.24	7.40	204.23	331.88	273.93
		8,759.34	2,193.93	8.07	10,945.20	2,432.74	529.70	7.40	2,955.04	7,990.16	6,326.60
11	Capital Work in Progress	50.83	2,933.25	1,304.47	1,679.62	-	-	-	-	1,679.62	50.83
	Total	8,810.17	5,127.18	1,312.54	12,624.82	2,432.74	529.70	7.40	2,955.04	9,669.78	6,377.43
	Previous Year	7,384.20	1,809.00	383.03	8,810.17	2,020.24	415.61	3.10	2,432.74	6,377.43	5,363.96

Notes on Financial Statement for the year ended 31st March, 2012

DESCRIPTION	` in Lacs As on 31.03.2012	` in Lacs As on 31.03.2011
12. LONG TERM LOANS & ADVANCES (Unsecured, Considered good unless stated otherwise)		
Capital Advances	714.90	231.41
Security Deposits	159.41	116.09
TOTAL:	874.31	347.50
13. CURRENT INVESTMENTS		
Mutual Fund (Liquid Fund)		
SBI Magnum Insta Cash Fund - Daily Dividend Option (Valued at lower of cost and fair value)	-	5.15
TOTAL:	-	5.15
14. INVENTORIES (As taken, valued and certified by the management) (At lower of cost and net realizable value unless stated otherwise)		
Raw Materials	5,286.09	3,132.80
Work-in-progress	501.06	479.03
Traded Goods	-	8.80
Finished Goods	3,967.30	2,681.56
Stores, Spares & Packing Materials	490.71	400.57
TOTAL:	10,245.16	6,702.76
15. TRADE RECEIVABLES (Unsecured, Considered good unless stated otherwise)		
Outstanding for a period exceeding six months from the date, they are due for payment	740.39	554.85
Others	12,417.18	8,961.59
TOTAL:	13,157.57	9,516.44
16. CASH AND BANK BALANCES		
Cash on hand	26.65	36.33
Balances with banks In current and deposit accounts	542.39	850.63
TOTAL:	569.04	886.96
Balances with banks in unclaimed dividend accounts	9.21	7.84
Balances with banks held as margin money deposits against bank guarantees	373.01	753.61

Cash and bank balances as on 31st March 2012 and 31st March 2011 include restricted cash and bank balances of ` 382.22 Lacs and ` 761.45 Lacs respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and unclaimed dividends.

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

Notes on Financial Statement for the year ended 31st March, 2012

DESCRIPTION	` in Lacs As on 31.03.2012	` in Lacs As on 31.03.2011
17. SHORT TERM LOANS & ADVANCES (Unsecured, considered good unless stated otherwise)		
Advances recoverable in cash or in kind or for value to be received	633.41	672.60
Security Deposits	10.80	46.53
Mark-to-market gain on forward	-	18.82
Other Loans and advances:		
Advance Income Tax	638.65	736.75
Prepaid Expenses	83.82	45.94
Balances with statutory / government authorities	2,095.46	1,379.54
TOTAL:	3,462.14	2,900.18
18. REVENUE FROM OPERATIONS		
Gross Sales	74,236.54	60,984.39
Less: Excise Duty	6,351.96	5,019.03
Net Sales	67,884.58	55,965.36
Job Work	20.22	116.54
TOTAL:	67,904.80	56,081.90
19. OTHER INCOME		
Export Benefits	1,170.90	926.61
Interest Income	108.81	59.87
Dividend Income	0.04	0.15
Exchange Fluctuation	-	233.21
Other Non-operative Income	163.86	-
TOTAL:	1,443.61	1,219.84
20. COST OF RAW MATERIAL CONSUMED		
Inventory at the beginning of the year	3,132.80	2,709.97
Add: Purchases	56,141.55	44,587.37
	59,274.35	47,297.34
Less: Inventory at the end of the year	5,286.09	3,132.80
Cost of raw material consumed	53,988.26	44,164.54
20.1 COST OF RAW MATERIAL CONSUMED		
Imported	41.47	955.67
Imported (% of consumption)	0.08%	2.16%
Indigenous	53,946.79	43,208.87
Indigenous (% of consumption)	99.92%	97.84%
TOTAL:	53,988.26	44,164.54

Notes on Financial Statement for the year ended 31st March, 2012

DESCRIPTION	` in Lacs As on 31.03.2012	` in Lacs As on 31.03.2011
20.2 DETAILS OF RAW MATERIAL CONSUMED		
H.R. Coils / Strips / Skelp	39,739.36	30,709.77
Steel Ingots & Blooms	6,294.74	3,822.52
Others	7,954.16	9,632.25
TOTAL:	53,988.26	44,164.54
21. PURCHASE OF STOCK-IN-TRADE		
Purchases of Stock-in-trade	32.01	59.40
TOTAL:	32.01	59.40
22. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE		
Inventories at the beginning of the year		
Work-in-progress	479.03	300.41
Finished goods / Stock-in-Trade	2,690.36	2,670.26
	3,169.39	2,970.67
Inventories at the end of the year		
Work-in-progress	501.06	479.03
Finished goods / Stock-in-Trade	3,967.30	2,690.36
	4,468.36	3,169.39
TOTAL:	(1,298.97)	(198.72)
23. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages & Bonus	2,165.74	1,670.65
Contribution to provident and other fund	102.18	86.71
Staff Welfare Expenses	62.02	48.46
TOTAL:	2,329.94	1,805.82
24. FINANCE COST		
Interest on borrowings	1,579.56	1,140.26
Bank Commission & Charges	211.21	126.50
Applicable loss on foreign currency transactions & translations	130.48	-
TOTAL:	1,921.25	1,266.76
25. DEPRECIATION & AMORTIZATION EXPENSES		
Depreciation	529.70	415.61
Less: Transferred from Revaluation Reserve	8.27	8.27
TOTAL:	521.43	407.33

Notes on Financial Statement for the year ended 31st March, 2012

DESCRIPTION	` in Lacs As on 31.03.2012	` in Lacs As on 31.03.2011
26. OTHER EXPENSES		
Consumption of stores and spares	2,759.32	2,024.20
Power & Fuel Expenses	1,761.83	1,399.06
Processing Charges	265.23	340.98
Repairs & Maintenance :		
Plant & Machinery	119.39	113.64
Others	35.89	36.73
Freight & Forwarding	2,140.24	2,280.92
Advertisement	38.50	28.42
Commission on sales	266.48	186.19
Selling & Sales Promotion	20.57	17.17
Rebate & Discount	230.81	304.47
Packing Materials	278.24	205.67
Exchange Fluctuation	585.13	-
Rent	3.28	4.17
Printing & Stationery	21.42	20.58
Postage, Telegram & Telephone	52.39	52.15
Travelling and Conveyance	255.76	206.94
Legal & Professional Expenses	30.73	30.52
Audit Fees	2.00	2.00
Insurance	47.14	39.43
Rates, Taxes & Fees	21.52	46.02
Donation	23.80	23.75
Miscellaneous Expenses	21.81	15.83
Loss on Sale of Fixed Assets	0.04	3.41
Festival Expenses	4.73	6.29
TOTAL:	8,986.25	7,388.54
26.1. VALUE OF STORES & SPARES CONSUMED		
Imported	0.83	3.85
Imported (% of consumption)	0.03%	0.19%
Indigenous	2,758.49	2,020.35
Indigenous (% of consumption)	99.97%	99.81%
TOTAL:	2,759.32	2,024.20
27. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF:		
Raw Materials	41.47	814.09
Stores & Spares	0.83	3.55
Capital goods	17.54	10.02
TOTAL:	59.84	827.66

Notes on Financial Statement for the year ended 31st March, 2012

DESCRIPTION	` in Lacs As on 31.03.2012	` in Lacs As on 31.03.2011
28. PAYMENT TO AUDITORS AS :		
Auditors		
Statutory Audit Fees	1.50	1.50
Tax Audit Fees	0.25	0.25
Certificate and Consultation Fees	0.25	0.25
TOTAL:	2.00	2.00
29. EXPENDITURE IN FOREIGN CURRENCY		
Foreign Bank Charges	25.17	24.10
Discount on Export Sale	-	0.68
Tours & Travelling	38.61	32.98
Commission on Export Sales	170.56	87.20
Advertisement	17.37	7.21
Export Clearing / Forwarding Charges	46.64	13.23
30. EARNING PER SHARE		
Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (` in Lacs)	2,011.24	1,475.07
Weighted average No. of Equity Shares issued during the year	18721250	18721250
Basic and Diluted Earning per share (`)	10.74	7.88
Face vale per equity share (`)	2.00	2.00
31. EARNING IN FOREIGN CURRENCY		
FOB Value of Exports	18,342.65	15,907.75
32. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND		
The Company has paid dividend in respect of shares held by Non-Residents. The exact amount of dividend remitted in foreign currency can not be ascertained. The total amount remittable in this respect is given herein below:		
No. of Non-Resident Shareholders	15	17
No. of Equity Shares held by them	171900	177000
Amount of Dividend Paid	0.52	0.53
Tax Deducted at Source	Nil	Nil
Year to which dividend relates	2010-11	2009-10

Notes on Financial Statement for the year ended 31st March, 2012

33. RELATED PARTY DISCLOSURES:

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

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

Name of Related Party	Relationship
Saini Guarders & Alloys Pvt. Ltd.	Associate
Shri M. C. Garg	Key Management Personnel
Shri R. C. Garg	
Shri A. K. Garg	
Shri Anurag Agarwal	
Shri Vijendra Kumar Tyagi	
Shri Rahul Goel	
Shri Ram Agarwal	
Shri Shyam Agarwal	Relatives of Key Management Personnel
Shri Manish Garg	
Shri Rajeev Garg	
Shri Nitin Garg	
Shri Ashish Garg	
Shri Umesh Garg	
Shri Saras Garg	
Shri Tushar Garg	

(ii) Transactions during the year with related parties:

Nature of Transactions	` in Lacs			
	Associates	Key Management Personnel	Relatives of Key Mgt. Personnel	Total
Remuneration Paid				
Current Year	-	68.40	118.95	187.35
Previous Year	-	54.00	83.05	137.05
Loans Taken				
Current Year	-	16.00	297.75	313.75
Previous Year	-	-	60.02	60.02
Loan Repaid				
Current Year	-	-	92.20	92.20
Previous Year	-	-	204.70	204.70
Interest Paid				
Current Year	-	-	-	-
Previous Year	-	-	89.91	89.91
Rent Paid				
Current Year	-	-	-	-
Previous Year	-	0.30	0.90	1.20
Goods sold				
Current Year	399.00	-	-	399.00
Previous Year	-	-	-	-

Notes on Financial Statement for the year ended 31st March, 2012

DESCRIPTION	` in Lacs As on 31.03.2012	` in Lacs As on 31.03.2011
34. CONTINGENT LIABILITIES AND COMMITMENTS		
Contingent Liabilities :		
Outstanding bank guarantees issued by the banks Counter guaranteed by the Company	1193.53	656.33
Commitments :		
i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for	360.41	-
<p>ii) The Income Tax assessments of the Company have been completed upto Assessment Year 2009-10. The disputed demand outstanding upto the said Assessment Year is ` 25.34 Lacs (Previous Year ` 18.58 Lacs). Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.</p>		
35. FINANCIAL AND DERIVATIVE INSTRUMENTS		
Derivatives outstanding as at the reporting date		
Forward Contract for hedge of highly probable foreign currency sales	7,623.23	4,216.82
Forward Contract for hedge of Foreign Currency Loans	1,724.48	1,309.48
Particulars of unhedged foreign currency exposures as at the reporting date		
Foreign currency exposures that are not hedged by derivative instruments	Nil	Nil

36. SEGMENT INFORMATION

A. Business Segments

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

The segments are further described below:

- i) The Pipe/Sheet/Structure segment includes Black & G.I.Pipe, C.R.Sheet/Coil, G.P.G.C.Sheet/Coil, C.R.C.A. Sheet/Coil, Structures, Poles and their scrap and by-products.
- ii) The Engineering Goods segment includes stainless/mild/alloy steel forgings, flanges and their scrap.
- iii) The Auto Tube segment includes ERW Tube, CDW Tube and their scrap.

Notes on Financial Statement for the year ended 31st March, 2012

DESCRIPTION	` in Lacs As on 31.03.2012	` in Lacs As on 31.03.2011
INFORMATION ABOUT BUSINESS SEGMENTS		
Segment Revenue, Results, Assets & Liabilities		
Segment Revenue		
a) Pipe/Sheet/Structure		
- External Sales	49,480.80	43,976.26
- Inter-segment Sales	1,878.09	533.44
- Total	51,358.88	44,509.69
b) Engineering goods		
- External Sales	10,010.70	5,934.64
- Inter-segment Sales	264.65	413.10
- Total	10,275.35	6,347.74
c) Auto Tubes		
- External Sales	9,584.20	7,330.83
- Inter-segment Sales	933.14	176.00
- Total	10,517.34	7,506.83
Total Segment Revenue	72,151.58	58,364.26
Less: Inter Segment Revenue	3,075.88	1,122.54
Net Sales / Income from Operations	69,075.70	57,241.72
Add: Unallocable Revenue	272.71	60.02
Total Revenue	69,348.41	57,301.74
	69,348.41	57,301.74
Segment Results		
Profit before interest and tax from each segment		
a) Pipe/Sheet/Structure	1,773.73	2,014.85
b) Engineering goods	1,392.37	743.15
c) Auto Tubes	1,350.69	856.81
Total Segment Results	4,516.80	3,614.81
Add: Unallocable Income	272.71	60.02
Less: Finance cost	1,921.25	1,266.76
Less: Other unallocable expenses	59.49	174.92
Profit before tax	2,808.77	2,233.15
Less: Provision for taxes	797.51	758.08
Profit after tax	2,011.25	1,475.08
OTHER INFORMATION		
Segment Assets		
a) Pipe/Sheet/Structure	22,004.83	15,768.73
b) Engineering goods	8,278.58	4,953.86
c) Auto Tubes	7,321.57	5,260.20
Total	37,604.98	25,982.80
Add: Unallocable Assets	373.01	753.61
Total Assets	37,977.99	26,736.41

Notes on Financial Statement for the year ended 31st March, 2012

DESCRIPTION	in Lacs As on 31.03.2012	in Lacs As on 31.03.2011
Segment Liabilities		
a) Pipe/Sheet/Structure	18,795.23	12,849.12
b) Engineering goods	3,273.46	2,662.14
c) Auto Tubes	482.99	739.33
Total	22,551.68	16,250.60
Add: Unallocable Liabilities	632.71	698.64
Total Liabilities	23,184.39	16,949.23
Capital Expenditure		
a) Pipe/Sheet/Structure	1,455.42	852.67
b) Engineering goods	1,102.83	346.59
c) Auto Tubes	1,256.40	226.71
Total	3,814.65	1,425.97
Depreciation		
a) Pipe/Sheet/Structure	320.26	246.25
b) Engineering goods	76.61	59.44
c) Auto Tubes	124.56	101.64
Total	521.43	407.33
Non Cash Expenses other than Depreciation		
a) Pipe/Sheet/Structure	-	-
b) Engineering goods	-	-
c) Auto Tubes	-	-
Total	-	-
B. Geographical Segments		
Revenue		
- Within India	49,220.34	40,069.32
- Outside India	20,128.07	17,232.42
Total Revenue	69,348.41	57,301.74

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

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

(S. AGRAWAL)
Partner
M.No. 072907

(M.C.GARG)
Chairman

(R.C.GARG)
Director

Place : Ghaziabad
Date : 30th May 2012

(ABHISHEK AGRAWAL)
Company Secretary

(SANDEEP KUMAR)
C.F.O.



GOOD LUCK STEEL TUBES LIMITED

Regd. Off: 5/102, Sikka Complex, Community Centre, Preet Vihar, Delhi – 92
Website: www.goodlucksteel.com

ATTENDANCE SLIP

(TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

I/We hereby record my/our presence at the Annual General Meeting of the above named Company held at 9.30 a.m. on Thursday, 20th September 2012, at 5/102, Sikka Complex, Community Centre, Preet Vihar, Delhi – 110092.

NAME(S) OF THE MEMBER(S)	Registered Folio No:
	Client ID No:
	DPID No.

Name of Proxy (in block letters)

(To be filled in, if the Proxy attends instead of the Member)

.....
Member's/Proxy's Signature



GOOD LUCK STEEL TUBES LIMITED

Regd. Off: 5/102, Sikka Complex, Community Centre, Preet Vihar, Delhi – 92
Website: www.goodlucksteel.com

PROXY FORM

I/We of being a Member(s) of Good Luck Steel Tubes Limited hereby appoint of or failing him of or failing him of as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 9.30 a.m. on Thursday, 20th September 2012, at 5/102, Sikka Complex, Community Centre, Preet Vihar, Delhi – 92.

AS WITNESSED: under my/our hand(s) this day of 2012
Signed by the said :
Regd. Folio No./Client ID No. :
DP ID No. :

Affix
1/-
Revenue
Stamp

NOTES:

- This proxy need not be a member.
- The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.



GOODLUCK STEEL TUBES LIMITED

REGISTERED OFFICE : 5/102, Sikka Complex, Community Centre, Preet Vihar, Vikas Marg, Delhi - 110 092
CORPORATE OFFICE : Good Luck House, II-F, 166-167, Nehru Nagar, Ambedkar Raod, Ghaziabad, (U.P.)
www.goodlucksteel.com